[FR Doc. 2012–17954 Filed 7–20–12; 11:15 am]

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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS–2385–N]

RIN 0938–AR47

Medicaid Program; State Allotments for Payment of Medicare Part B Premiums for Qualifying Individuals (QIs) for FY 2012

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice.

SUMMARY: This notice sets forth the States' final allotments available to pay the Medicare Part B premiums for Qualifying Individuals (QIs) for the Federal fiscal year (FY) 2011 and the preliminary QI allotments for FY 2012. The amounts of these QI allotments were determined in accordance with the methodology set forth in regulations and reflect funding for the QI program made available under recent legislation as described in this notice.

DATES: The final QI allotments for payment of Medicare Part B premiums for FY 2011 are effective October 1, 2010. The preliminary QI allotments for FY 2012 are effective October 1, 2011.

FOR FURTHER INFORMATION CONTACT: Richard Strauss, (410) 786–2019.

SUPPLEMENTARY INFORMATION:

I. Background

A. QI Allotments for FY 2011 and Thereafter

Section 5005 of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111–5, enacted on February 17, 2009) (Recovery Act) extended the authority and funding for the QI program by providing $150 million in additional funds for the first quarter of FY 2011 (that is, through December 31, 2010). Section 3 of the Emergency Aid to American Survivors of the Haiti Earthquake Act (Pub. L. 111–127, enacted on January 27, 2010) (Haiti Earthquake Act) provided an additional $15 million for States' FY 2011 QI allotments; that brought the total funds available for the QI program for FY 2011 through December 31, 2010 to $165 million. Section 110 of the Medicare and Medicaid Extenders Act of 2010 (Pub. L. 111–309, enacted on December 15, 2010) (MMEA) extended authority and funding for the QI program for FY 2011 by providing an additional $720 million for the QI program for the last 3 quarters of FY 2011 in addition to the previously available $165 million; which brought the total funding available for the QI program for FY 2011 to $885 million.

B. QI Allotments for FY 2012 and Thereafter

Section 110 of the MMEA also extended the authority and funding for the QI program for the first quarter of FY 2012 (that is, through December 31, 2011) by providing $280 million available for the first quarter of FY 2012. Section 310 of the Temporary Payroll Tax Cut Continuation Act of 2011 (Pub. L. 112–78, enacted on December 23, 2011) (TPTCA) provided temporary continued authority and an additional $150 million in funding for the QI program for the period January 1, 2012 through February 29, 2012. With the enactment of TPTCA, the QI program was authorized and funded at a total amount nationally of $430 million ($280 million plus $150 million) for FY 2012 through February 29, 2012. Most recently, section 3101 of the Middle Class Tax Relief and Job Creation Act of 2012 (Pub. L. 112–96, enacted on February 22, 2012) extended the authority and funding for the QI program for FY 2012 by increasing the amount of funding previously made available under TPTCA for FY 2012 from $150 million to $450 million, and extending the period in FY 2012 this funding is available to September 30, 2012 (that is, to the end of FY 2012). Therefore the total funding available for the QI program for FY 2012 is $730 million ($280 million plus $450 million).

Finally, section 3101 of Middle Class Tax Relief and Job Creation Act also extended the authority and funding for the QI program by providing $280 million to be available for the period October 1, 2012 through December 31, 2012, the first quarter of FY 2013.

C. Methodology for Calculating the Fiscal Year QI Allotments

The amounts of the final FY 2011 and preliminary FY 2012 QI allotments, contained in this notice, were determined in accordance with the methodology set forth in existing regulations at 42 CFR 433.10(c)(5) and reflect funding for the QI program made available under the legislation discussed above.

II. Charts

The final QI allotments for FY 2011 and the preliminary QI allotments for FY 2011 are shown by State in Chart 1 and Chart 2 below, respectively:

Chart 1—Final Qualifying Individuals Allotments for October 1, 2010 through September 30, 2011.

Chart 2—Preliminary Qualifying Individuals Allotments for October 1, 2011 through September 30, 2012.

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CHART 2 - PRELIMINARY QUALIFYING INDIVIDUALS ALLOTMENTS FOR OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2012

STATE	Initial QI Allotments for FY 2012			FY 2012 Estimated QI Expenditures /1	Need (Difference) If E>D, E-D	Pct of Tot. Need States F/(Tot. of F)	Reduction Pool for Non-Need States If D >= E, D - E	Pct of Tot. Non-Need States H/(Tot. of H)	Reduction Adj. For Non-Need States Col. I x $85,380,846	Increase Adj. For Need States Col. G x $85,380,846	Preliminary FY 2012 QI Allotment /2
	Number of Individuals /3 (000s)	Percentage of Total Col B/Tot. Col B	Initial QI Allotment Col C x $730,000,000								
A	B	C	D	E	F	G	H	I	J	K	L
Alabama	43	3.22%	$23,513,109	$22,391,905	NA	NA	$1,121,204	0.6386%	$545,274	NA	$22,967,835
Alaska	2	0.15%	$1,093,633	$292,520	NA	NA	$801,113	0.4563%	$389,605	NA	$704,028
Arizona	14	1.05%	$7,655,431	$16,913,743	$9,258,312	10.8435%	Need	Need	Need	$9,258,312	$16,913,743
Arkansas	21	1.57%	$11,483,146	$12,923,935	$1,440,789	1.6875%	Need	Need	Need	$1,440,789	$12,923,935
California	89	6.67%	$48,666,667	$27,372,524	NA	NA	$21,294,143	12.1291%	$10,355,963	NA	$38,310,703
Colorado	16	1.20%	$8,749,064	$5,328,003	NA	NA	$3,421,061	1.9486%	$1,663,762	NA	$7,085,302
Connecticut	15	1.12%	$8,202,247	$1,964,854	NA	NA	$6,237,394	3.5528%	$3,033,426	NA	$5,168,821
Delaware	4	0.30%	$2,187,266	$3,045,126	$857,860	1.0047%	Need	Need	Need	$857,860	$3,045,126
District of Columbia	2	0.15%	$1,093,633	$0	NA	NA	$1,093,633	0.6229%	$531,866	NA	$561,767
Florida	83	6.22%	$45,385,768	$67,607,679	$22,221,911	26.0268%	Need	Need	Need	$22,221,911	$67,607,679
Georgia	35	2.62%	$19,138,577	$33,575,562	$14,436,985	16.9089%	Need	Need	Need	$14,436,985	$33,575,562
Hawaii	5	0.37%	$2,734,082	$1,266,245	NA	NA	$1,467,838	0.8361%	$713,852	NA	$2,020,230
Idaho	6	0.45%	$3,280,899	$2,341,408	NA	NA	$939,491	0.5351%	$456,902	NA	$2,823,997
Illinois	64	4.79%	$34,996,255	$29,128,891	NA	NA	$5,867,364	3.3420%	$2,853,470	NA	$32,142,785
Indiana	39	2.92%	$21,325,843	$6,989,431	NA	NA	$14,336,411	8.1660%	$6,972,215	NA	$14,353,628
Iowa	16	1.20%	$8,749,064	$4,434,254	NA	NA	$4,314,810	2.4577%	$2,098,418	NA	$6,650,646
Kansas	19	1.42%	$10,389,513	$4,720,678	NA	NA	$5,668,835	3.2290%	$2,756,920	NA	$7,632,593
Kentucky	32	2.40%	$17,498,127	$15,140,999	NA	NA	$2,357,129	1.3426%	$1,146,340	NA	$16,351,787
Louisiana	28	2.10%	$15,310,861	$20,301,932	$4,991,071	5.8457%	Need	Need	Need	$4,991,071	$20,301,932
Maine	6	0.45%	$3,280,899	$5,502,494	$2,221,595	2.6020%	Need	Need	Need	$2,221,595	$5,502,494

CHART 2 - PRELIMINARY QUALIFYING INDIVIDUALS ALLOTMENTS FOR OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2012

STATE	Initial QI Allotments for FY 2012 Number of Individuals /3 (000s)	Percentage of Total Col B/Tot. Col B	Initial QI Allotment Col C x $730,000,000	FY 2012 Estimated QI Expenditures /1	Need (Difference) If E>D, E-D	Pct of Tot. Need States F/(Tot. of F)	Reduction Pool for Non-Need States If D >= E, D - E	Pct of Tot. Non-Need States H/(Tot. of H)	Reduction Adj. For Non-Need States Col. I x $85,380,846	Increase Adj. For Need States Col. G x $85,380,846	Preliminary FY 2012 QI Allotment /2
A	B	C	D	E	F	G	H	I	J	K	L
Maryland	19	1.42%	$10,389,513	$7,940,024	NA	NA	$2,449,489	1.3952%	$1,191,258	NA	$9,198,255
Massachusetts	34	2.55%	$18,591,760	$9,865,515	NA	NA	$8,726,245	4.9705%	$4,243,828	NA	$14,347,933
Michigan	39	2.92%	$21,325,843	$16,527,241	NA	NA	$4,798,602	2.7333%	$2,333,700	NA	$18,992,143
Minnesota	21	1.57%	$11,483,146	$6,331,442	NA	NA	$5,151,704	2.9344%	$2,505,424	NA	$8,977,722
Mississippi	19	1.42%	$10,389,513	$14,073,559	$3,684,045	4.3148%	Need	Need	Need	$3,684,045	$14,073,559
Missouri	35	2.62%	$19,138,577	$4,610,033	NA	NA	$14,528,544	8.2755%	$7,065,655	NA	$12,072,922
Montana	7	0.52%	$3,827,715	$1,634,468	NA	NA	$2,193,247	1.2493%	$1,066,640	NA	$2,761,075
Nebraska	7	0.52%	$3,827,715	$2,290,755	NA	NA	$1,536,961	0.8755%	$747,469	NA	$3,080,247
Nevada	9	0.67%	$4,921,348	$4,571,315	NA	NA	$350,034	0.1994%	$170,232	NA	$4,751,117
New Hampshire	5	0.37%	$2,734,082	$2,423,106	NA	NA	$310,976	0.1771%	$151,237	NA	$2,582,846
New Jersey	29	2.17%	$15,857,678	$10,951,168	NA	NA	$4,906,510	2.7947%	$2,386,179	NA	$13,471,499
New Mexico	10	0.75%	$5,468,165	$4,465,903	NA	NA	$1,002,262	0.5709%	$487,429	NA	$4,980,736
New York	78	5.84%	$42,651,685	$48,773,400	$6,121,715	7.1699%	Need	Need	Need	$6,121,715	$48,773,400
North Carolina	47	3.52%	$25,700,375	$27,251,247	$1,550,872	1.8164%	Need	Need	Need	$1,550,872	$27,251,247
North Dakota	3	0.22%	$1,640,449	$657,258	NA	NA	$983,191	0.5600%	$478,154	NA	$1,162,295
Ohio	58	4.34%	$31,715,356	$24,059,429	NA	NA	$7,655,927	4.3608%	$3,723,300	NA	$27,992,055
Oklahoma	17	1.27%	$9,295,880	$10,688,913	$1,393,033	1.6316%	Need	Need	Need	$1,393,033	$10,688,913
Oregon	17	1.27%	$9,295,880	$15,585,720	$6,289,840	7.3668%	Need	Need	Need	$6,289,840	$15,585,720
Pennsylvania	66	4.94%	$36,089,888	$31,174,879	NA	NA	$4,915,008	2.7996%	$2,390,312	NA	$33,699,576
Rhode Island	5	0.37%	$2,734,082	$2,190,922	NA	NA	$543,161	0.3094%	$264,155	NA	$2,469,928
South	26	1.95%	$14,217,228	$12,453,000	NA	NA	$1,764,228	1.0049%	$857,996	NA	$13,359,233

CHART 2 - PRELIMINARY QUALIFYING INDIVIDUALS ALLOTMENTS FOR OCTOBER 1, 2011 THROUGH SEPTEMBER 30, 2012

STATE	Initial QI Allotments for FY 2012 Number of Individuals /3 (000s)	Percentage of Total Col B/Tot. Col B	Initial QI Allotment Col C x $730,000,000	FY 2012 Estimated QI Expenditures /1	Need (Difference) If E>D, E-D	Pct of Tot. Need States F/(Tot. of F)	Reduction Pool for Non-Need States If D >= E, D - E	Pct of Tot. Non-Need States H/(Tot. of H)	Reduction Adj. For Non-Need States Col. I x $85,380,846	Increase Adj. For Need States Col. G x $85,380,846	Preliminary FY 2012 QI Allotment /2
A	B	C	D	E	F	G	H	I	J	K	L
Carolina											
South Dakota	4	0.30%	$2,187,266	$1,945,379	NA	NA	$241,887	0.1378%	$117,637	NA	$2,069,629
Tennessee	32	2.40%	$17,498,127	$25,846,389	$8,348,262	9.7777%	Need	Need	Need	$8,348,262	$25,846,389
Texas	105	7.87%	$57,415,730	$32,047,796	NA	NA	$25,367,935	14.4496%	$12,337,166	NA	$45,078,563
Utah	5	0.37%	$2,734,082	$2,410,794	NA	NA	$323,288	0.1841%	$157,224	NA	$2,576,858
Vermont	2	0.15%	$1,093,633	$3,658,188	$2,564,555	3.0037%	Need	Need	Need	$2,564,555	$3,658,188
Virginia	25	1.87%	$13,670,412	$11,425,182	NA	NA	$2,245,230	1.2789%	$1,091,921	NA	$12,578,491
Washington	26	1.95%	$14,217,228	$9,948,702	NA	NA	$4,268,527	2.4314%	$2,075,909	NA	$12,141,319
West Virginia	16	1.20%	$8,749,064	$6,525,062	NA	NA	$2,224,001	1.2668%	$1,081,597	NA	$7,667,467
Wisconsin	27	2.02%	$14,764,045	$5,362,178	NA	NA	$9,401,867	5.3553%	$4,572,402	NA	$10,191,643
Wyoming	3	0.22%	$1,640,449	$887,851	NA	NA	$752,599	0.4287%	$366,011	NA	$1,274,439
Total	1,335	100.00%	$730,000,000	$639,818,999	$85,380,846	100.0000%	$175,561,847	100.0000%	$85,380,846	$85,380,846	$730,000,000

Footnotes:

/1 FY 2012 Estimates from January 2012 CMS Survey of States; Estimates Are For Months October 2011 Through September 2012

/2 For Need States, Preliminary FY 2012 QI Allotment is equal to Initial QI Allotment in Column D increased by amount in Column K

For Non-Need States, Preliminary FY 2012 QI Allotment is equal to Initial QI Allotment in Column D reduced by amount in Column J

/3 Three-year average (2008-2010) of number (000) of Medicare beneficiaries in State who are not enrolled in Medicaid but whose incomes are at least 120% but less than 135% of Federal poverty level

Source: Census Bureau Annual Social and Economic Supplement (ASEC) to the 2011 Current Population Survey (CPS)

The following describes the information contained in the columns of Chart 1 and Chart 2:

Column A—*State.* Column A shows the name of each State. Columns B through D show the determination of an Initial QI Allotment for FY 2011 (Chart 1) or FY 2012 (Chart 2) for each State, based only on the indicated Census Bureau data.

Column B—*Number of Individuals.* Column B contains the estimated average number of Medicare beneficiaries for each State that are not covered by Medicaid whose family income is at least 120 but less than 135 percent of the federal poverty level. With respect to the *final FY 2011 QI allotment (Chart 1),* Column B contains the number of such individuals for the years 2007 through 2009, as obtained from the Census Bureau's Annual Social and Economic Supplement to the 2010 Current Population Survey. With respect to the *preliminary FY 2012 QI allotment (Chart 2),* Column B contains the number of such individuals for the years 2008 through 2010, as obtained from the Census Bureau's Annual Social and Economic Supplement to the 2011 Current Population Survey.

Column C—*Percentage of Total.* Column C provides the percentage of the total number of individuals for each State, that is, the Number of Individuals for the State in Column B divided by the sum total of the Number of Individuals for all States in Column B.

Column D—*Initial QI Allotment.* Column D contains each State's Initial QI Allotment for FY 2011 (Chart 1) or FY 2012 (Chart 2), calculated as the State's Percentage of Total in Column C multiplied by the total amount available nationally for QI allotments for the fiscal year. The total amount available nationally for QI allotments each fiscal year is $885,000,000 for FY 2011 (Chart 1) and $730,000,000 for FY 2012 (Chart 2).

Columns E through L show the determination of the States' Final QI Allotments for FY 2011 (Chart 1) or Preliminary QI Allotments for FY 2012 (Chart 2).

Column E—*FY 2011 Estimated QI Expenditures.* Column E contains the States' estimates of their total QI expenditures for FY 2011 (Chart 1) or FY 2012 (Chart 2) based on information obtained from States in the summer of 2011. The projected QI expenditures for FY 2012 were updated in January 2012 to reflect the extended funding and authority for the QI program for FY 2012.

Column F—*Need (Difference).* Column F contains the additional amount of QI allotment needed for those States whose estimated expenditures in Column E exceeded their Initial QI allotments in Column D for FY 2011 (Chart 1) or for FY 2012 (Chart 2) for such States, Column F shows the amount in Column E minus the amount in Column D. For other ''Non-Need'' States, Column F shows ''NA''.

Column G—*Percent of Total Need States.* For States whose projected QI expenditures in Column E are greater than their initial QI allotment in Column D for FY 2011 (Chart 1) or FY 2012 (Chart 2), respectively, Column G shows the percentage of total need, determined as the amount for each Need State in Column F divided by the sum of the amounts for all States in Column F. For Non-Need States, the entry in Column G is ''NA''.

Column H—*Reduction Pool for Non-Need States.* Column H shows the amount of the pool of surplus QI allotments for FY 2011 (Chart 1) or FY 2012 (Chart 2), respectively, for those States that project QI expenditures for the fiscal year that are less than the Initial QI allotment for the fiscal year (referred to as non-need States). For States whose estimates of QI expenditures for FY 2011 or FY 2012, respectively, in Column E are equal to or less than their Initial FY 2011 or FY 2012 QI allotments in Column D for FY 2011 or FY 2012, Column H shows the amount in Column D minus the amount in Column E. For the States with a need, Column H shows ''Need''. The reduction pool of excess QI allotments is equal to the sum of the amounts in Column H.

Column I—*Percent of Total Non-Need States.* For States whose projected QI expenditures in Column E are less than their Initial QI allotment in Column D for FY 2011 (Chart 1) or FY 2012 (Chart 2), Column I shows the percentage of the total reduction pool in Column H, determined as the amount for each Non-Need State in Column H divided by the sum of the amounts for all States in Column H. For Need States, the entry in Column I is ''Need''.

Column J—*Reduction Adjustment for Non-Need States.* Column J shows the amount of adjustment needed to reduce the Initial QI allotments in Column D for FY 2011 (Chart 1) or FY 2012 (Chart 2) for Non-Need States in order to address the total need shown in Column F. The amount in Column J is determined as the percentage in column I for Non-Need States multiplied by the lesser of the total need in Column F (equal to the sum of Needs in Column F) or the total Reduction Pool in Column H (equal to the sum of the Non-Need amounts in Column H). For Need States, the entry in Column J is ''Need''.

Column K—*Increase Adjustment for Need States.* Column K shows the amount of adjustment to increase the Initial QI Allotment in Column D for FY 2011 (Chart 1) or FY 2012 (Chart 2) for Need States in order to address the total need shown for the fiscal year in Column F. The amount in Column K is determined as the percentage in Column G for Need States multiplied by the lesser of the total need in Column F (equal to the sum of Needs in Column F) or the total Reduction Pool in Column H (equal to the sum of the Non-Need amounts in Column H). For Non-Need States, the entry in Column K is ''NA''.

Column L—*Final FY 2011 QI Allotment (Chart 1) or Preliminary FY 2012 QI Allotment (Chart 2).* Column L contains the Final QI Allotment for each State for FY 2011 (Chart 1) or the Preliminary QI Allotment for FY 2012 (Chart 2). For States that need additional QI allotment amounts for the fiscal year based on Estimated QI Expenditures in Column E as compared to their Initial QI allotments in Column D for the fiscal year (States with a projected need amount are shown in Column F), Column L is equal to the Initial QI allotment in Column D for FY 2011 (Chart 1) or FY 2012 (Chart 2) plus the amount determined in Column K for Need States. For Non-Need States (States with a projected surplus in Column H), Column L is equal to the QI Allotment in Column D reduced by the Reduction Adjustment amount in Column J.

III. Waiver of Notice With Comment and 30-Day Delay in Effective Date

We ordinarily publish a notice with comment in the **Federal Register** and invite public comment. The notice with comment includes a reference to the legal authority under which the notice is proposed, and the terms and substance of the notice with comment, or a description of the subjects and issues involved. This procedure can be waived, however, if an agency finds good cause that a notice-and-comment procedure is impracticable, unnecessary, or contrary to the public interest, and incorporates a statement of the finding and its reasons in the notice issued. In addition, we also normally provide a delay of 30 days in the effective date. However, if adherence to this procedure would be impractical, unnecessary, or contrary to public interest, we may waive the delay in the effective date in accordance with the Administrative Procedure Act (5 U.S.C. 551 et seq).

We are publishing this notice without a comment period or delay in effective date because of the need to notify individual States of the limitations on Federal funds for their Medicaid expenditures for payment of Medicare Part B premiums for qualifying individuals. Some States have experienced deficits in their current allotments that have caused them to consider denying benefits to eligible applicants, while other States project a surplus in their allotments. This notice adjusts the allocation of Federal funds, which will reduce the impact of States potentially denying coverage to eligible QIs when there is sufficient funding to cover all or some of these individuals. Because access to Medicare Part B coverage for QIs, who without this coverage would have difficulty paying for needed health care, is critically important, we believe that it is in the public interest to waive the usual notice and comment procedure which we undertake before making a notice final. Moreover, we are not making any changes to the process we use for allocating allotments. We are simply implementing a process already set forth in regulations. For these reasons, we also believe a notice and comment process would be unnecessary.

Therefore, for the reasons discussed above, we find that good cause exists to dispense with the normal requirement that a notice cannot become effective any earlier than 30 days after its publication. States that will have access to additional funds for QIs need to know that these funds are available as soon as possible. While we believe the surplus States that will have diminished amounts available for this FY will have sufficient funds for enrolling all potential QIs in their States, they also need to know as soon as possible that a certain amount of their unused allocation will no longer be available to them for this FY.

IV. Collection of Information Requirements

This notice does not impose any information collection or recordkeeping requirements. Consequently, it does not need Office of Management and Budget review under the authority of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

V. Regulatory Impact Statement

We have examined the impact of this notice as required by Executive Order 12866 (September 1993, Regulatory Planning and Review), the Regulatory Flexibility Act (RFA) (September 19, 1980, Pub. L. 96–354), section 1102(b) of the Social Security Act (the Act), the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4), and Executive Order 13132 on Federalism and the Congressional Review Act (5 U.S.C. 804(2)).

Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). A regulatory impact analysis (RIA) must be prepared for major rules with economically significant effects ($100 million or more in any one year). This notice does not reach the economic threshold and thus is not considered a major rule.

The RFA requires agencies to analyze options for regulatory relief for small businesses. For purposes of the RFA, small entities include small businesses, nonprofit organizations, and small governmental jurisdictions. Most hospitals and most other providers and suppliers are small entities, either by nonprofit status or by having revenues of $7 million to $34.5 million in any one year. Individuals and States are not included in the definition of a small entity.

This notice codifies our procedures for implementing provisions of the Balanced Budget Act of 1997 (Pub. L. 105–33, enacted on August 5, 1997) to allocate, among the States, Federal funds to provide Medicaid payment for Medicare Part B premiums for low-income Medicare beneficiaries. The total amount of Federal funds available during a Federal fiscal year and the formula for determining individual State allotments are specified in the law. We have applied the statutory formula for the State allotments. Because the data specified in the law were not initially available, we used comparable data from the U.S. Census Bureau on the number of possible qualifying individuals in the States. This notice also permits, in a specific circumstance, reallocation of funds to enable enrollment of all eligible individuals to the extent of the available funding.

We believe that the statutory provisions implemented in this notice will have a positive effect on States and individuals. Federal funding at the 100 percent matching rate is available for Medicare cost-sharing for Medicare Part B premium payments for qualifying individuals and, with the reallocation of the State allotments, a greater number of low-income Medicare beneficiaries will be eligible to have their Medicare Part B premiums paid under Medicaid. The changes in allotments will not result in fewer individuals receiving the QI benefit in any State.

Section 1102(b) of the Act requires us to prepare a regulatory impact analysis for any rule that may have a significant impact on the operations of a substantial number of small rural hospitals. The analysis must conform to the provisions of section 604 of the RFA. For purposes of section 1102(b) of the Act, we define a small rural hospital as a hospital that is located outside of a metropolitan statistical area and has fewer than 100 beds.

We are not preparing analyses for either the RFA or section 1102(b) of the Act because we have determined and certify that this notice will not have a significant economic impact on a substantial number of small entities or a significant impact on the operations of a substantial number of small rural hospitals.

Section 202 of the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–04, enacted on March 22, 1995), also requires that agencies assess anticipated costs and benefits before issuing any rule that may result in expenditure in any one year by State, local, or tribal governments, in the aggregate, or by the private sector, of $139 million. This notice will have no consequential effect on the governments mentioned or on the private sector.

Executive Order 13132 establishes certain requirements that an agency must meet when it promulgates a rule that imposes substantial direct requirement costs on State and local governments, preempts State law, or otherwise has federalism implications. Since this notice does not impose any costs on State or local governments, the requirements of E.O. 13132 are not applicable.

In accordance with the provisions of Executive Order 12866, this notice was reviewed by the Office of Management and Budget.

(Catalog of Federal Domestic Assistance Program No. 93.778, Medical Assistance Program)

Dated: May 14, 2012.

Marilyn Tavenner,

Acting Administrator, Centers for Medicare & Medicaid Services.

Dated: June 8, 2012.

Kathleen Sebelius,

Secretary.

[FR Doc. 2012–17952 Filed 7–20–12; 11:15 am]

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