

writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center Web site at [www.ffiec.gov/nic/](http://www.ffiec.gov/nic/).

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than November 23, 2001.

**A. Federal Reserve Bank of Minneapolis** (JoAnne F. Lewellen, Assistant Vice President) 90 Hennepin Avenue, Minneapolis, Minnesota 55480-0291:

1. *H2H Bancshares, Inc.*, Hosmer, South Dakota; to become a bank holding company by acquiring 100 percent of the voting shares of Farmers State Bank, Hosmer, South Dakota.

2. *Mesaba Bancshares, Inc.*, Grand Rapids, Minnesota; to merge with Bovey Financial Corporation, Bovey, Minnesota, and thereby indirectly acquire The First National Bank of Bovey, Bovey, Minnesota.

Board of Governors of the Federal Reserve System, October 23, 2001.

**Jennifer J. Johnson,**

*Secretary of the Board.*

[FR Doc. 01-27028 Filed 10-25-01; 8:45 am]

**BILLING CODE 6210-01-S**

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### National Committee on Vital and Health Statistics: Meeting

Pursuant to the Federal Advisory Committee Act, the Department of Health and Human Services (HHS) announces the following advisory committee meeting.

*Name:* National Committee on Vital and Health Statistics (NCVHS).

*Time and Date:* November 15, 2001-9 a.m.-6 p.m.; November 16, 2001-10:10 a.m.-1 p.m.

*Place:* Hubert H. Humphrey Building, Room 705A, 200 Independence Avenue SW., Washington, DC 20201.

*Status:* Open.

*Purpose:* At this meeting the Committee will hear presentations and hold discussions on several health data policy topics. On the first day the full Committee will be briefed by HHS staff on a number of topics including

an update on activities of the HHS Data Council; Departmental responses to recent reports and recommendations from the Committee; and the status of implementation of the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 including the status of privacy and data standards regulations. The Committee will be briefed by the HHS Chief Information Officer on HHS Information Technology activities. The Committee will then review the status of its draft report on the National Health Information Infrastructure (NHII). In the afternoon of the first day the Committee will review its privacy recommendations and be briefed on a Department of Defense E-Health Initiative. The Subcommittees on Privacy and Confidentiality and on Populations will hold working sessions late in the afternoon as will the NHII Workgroup.

The Subcommittee on Standards and Security and the Workgroup on Quality will hold working sessions from 8 to 10 in the morning of the second day before the full Committee convenes. Day two of the full Committee meeting will feature an update on statistical activities of the National Center for Health Statistics from the Center's director. The Subcommittees and Working Groups will then report out from their working sessions and the remainder of the agenda will be devoted to planning future agendas.

*Notice:* In the interest of security, HHS has instituted stringent procedures for entrance to the Hubert H. Humphrey building by non-government employees. Persons without a government identification card may need to have the guard call for an escort to the meeting.

*Contact Person for More Information:* Substantive program information as well as summaries of meetings and a roster of committee members may be obtained from Marjorie S. Greenberg, Executive Secretary, NCVHS, National Center for Health Statistics, Centers for Disease Control and Prevention, Room 1100, Presidential Building, 6525 Belcrest Road, Hyattsville, Maryland 20782, telephone (301) 458-4245. Information also is available on the NCVHS home page of the HHS Web site: <http://www.ncvhs.hhs.gov/>, where further information including an agenda will be posted when available.

Dated: October 23, 2001.

**James Scanlon,**

*Director, Division of Data Policy, Office of the Assistant Secretary for Planning and Evaluation.*

[FR Doc. 01-27035 Filed 10-25-01; 8:45 am]

**BILLING CODE 4151-05-M**

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Centers for Medicare & Medicaid Services

[CMS-2133-N]

RIN 0938-ZA17

### State Children's Health Insurance Program; Final Allotments to States, the District of Columbia, and U.S. Territories and Commonwealths for Fiscal Year 2002

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

**ACTION:** Notice.

**SUMMARY:** Title XXI of the Social Security Act (the Act) authorizes payment of Federal matching funds to States, the District of Columbia, and U.S. Territories and Commonwealths to initiate and expand health insurance coverage to uninsured, low-income children under the State Children's Health Insurance Program (SCHIP). This notice sets forth the final allotments of Federal funding available to each State, the District of Columbia, and each U.S. Territory and Commonwealth for fiscal year 2002. States may implement SCHIP through a separate State program under title XXI of the Act, an expansion of a State Medicaid program under title XIX of the Act, or a combination of both.

**EFFECTIVE DATE:** This notice is effective on November 26, 2001. Final allotments are available for expenditures after October 1, 2001.

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

#### SUPPLEMENTARY INFORMATION:

#### I. Purpose of This Notice

This notice sets forth the allotments available to each State, the District of Columbia, and each U.S. Territory and Commonwealth for fiscal year (FY) 2002 under title XXI of the Social Security Act (the Act). Final allotments for a fiscal year are available to match expenditures under an approved State child health plan for 3 fiscal years, including the year for which the final allotment was provided. That is, the FY 2002 allotments will be available to States for FY 2002, and unexpended amounts may be carried over to FYs 2003 and 2004. Federal funds appropriated for title XXI are limited, and the law specifies a formula to divide the total annual appropriation into individual allotments available for each State, the District of Columbia, and each U.S. Territory and Commonwealth with an approved child health plan.

Section 2104(b) of the Act requires States, the District of Columbia, and U.S. Territories and Commonwealths to have an approved child health plan for the fiscal year in order for the Secretary to provide an allotment for that fiscal year. All States, the District of Columbia, and U.S. Territories and Commonwealths have approved plans for FY 2002. Therefore, the FY 2002 allotments contained in this notice pertain to all States, the District of Columbia, and U.S. Territories and Commonwealths.

## II. Methodology for Determining Final Allotments for States, the District of Columbia, and U.S. Territories and Commonwealths

This notice specifies, in the Table under section III, the final FY 2002 allotments available to individual States, the District of Columbia, and U.S. Territories and Commonwealths for either child health assistance expenditures under approved State child health plans or for claiming an enhanced Federal medical assistance percentage rate for certain SCHIP-related Medicaid expenditures. As discussed below, the FY 2002 final allotments have been calculated to reflect the methodology for determining an allotment amount for each State, the District of Columbia, and each U.S. Territory and Commonwealth as prescribed by the Balanced Budget Refinement Act of 1999 (BBRA) (Public Law 106-113), enacted on November 29, 1999.

Section 2104(a) of the Act provides that, for purposes of providing allotments to the 50 States and the District of Columbia, the following amounts are appropriated: \$4,295,000,000 for FY 1998; \$4,275,000,000 for each FY 1999 through FY 2001; \$3,150,000,000 for each FY 2002 through FY 2004; \$4,050,000,000 for each FY 2005 through FY 2006; and \$5,000,000,000 for FY 2007. However, under section 2104(c) of the Act, 0.25 percent of the total amount appropriated each year is available for allotment to the U.S. Territories and Commonwealths of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands. The total amounts are allotted to the U.S. Territories and Commonwealths according to the following percentages: Puerto Rico, 91.6 percent; Guam, 3.5 percent; the Virgin Islands, 2.6 percent; American Samoa, 1.2 percent; and the Northern Mariana Islands, 1.1 percent.

Section 2104(c)(4)(B) of the Act, as amended by the BBRA, provides for additional amounts for allotment to the

Territories and Commonwealths: \$34,200,000 for each FY 2000 through FY 2001; \$25,200,000 for each FY 2002 through FY 2004; \$32,400,000 for each FY 2005 through FY 2006; and \$40,000,000 for FY 2007. Therefore, for FY 2002, title XXI of the Act provides an additional \$25,200,000 for allotment to the U.S. Territories and Commonwealths. Therefore, the total amount available for allotment to the U.S. Territories and Commonwealths in FY 2002 is \$33,075,000 (that is, \$25,200,000 plus \$7,875,000 (0.25 percent of the FY 2002 appropriation of \$3,150,000,000)).

Furthermore, under sections 4921 and 4922 of the Balanced Budget Act of 1997 (BBA) (Public Law 105-33), enacted on August 5, 1997, the total amount available for allotment to the 50 States and the District of Columbia is reduced by an additional total of \$60,000,000; \$30,000,000 is allocated to the Public Health Service for a special diabetes research program for children with Type I diabetes, and \$30,000,000 for special diabetes programs for Indians. The diabetes programs are funded from FYs 1998 through 2002 only.

Therefore, the total amount available nationally for allotment for the 50 States and the District of Columbia for FY 2002 was determined in accordance with the following formula:

$$A_T = S_{2104(a)} - T_{2104(c)} - D_{4921} - D_{4922}$$

$A_T$  = Total amount available for allotment to the 50 States and the District of Columbia for the fiscal year.

$S_{2104(a)}$  = Total appropriation for the fiscal year indicated in section 2104(a) of the Act. For FY 2002, this is \$3,150,000,000.

$T_{2104(c)}$  = Total amount available for allotment for the U.S. Territories and Commonwealths; determined under section 2104(c) of the Act as 0.25 percent of the total appropriation for the 50 States and the District of Columbia. For FY 2002, this is:  $0.025 \times \$3,150,000,000 = \$7,875,000$ .

$D_{4921}$  = Amount of grant for research regarding Type I Diabetes under section 4921 of the BBA. This is \$30,000,000 for each of the fiscal years 1998 through 2002.

$D_{4922}$  = Amount of grant for diabetes programs for Indians under section 4922 of the BBA. This is \$30,000,000 for each of the fiscal years 1998 through 2002. Therefore, for FY 2002, the total amount available for allotment to the 50 States and the District of Columbia is \$3,082,125,000. This was determined as follows:

$$A_T (\$3,082,125,000 = S_{2104(a)} (\$3,150,000,000) -$$

$$T_{2104(c)} (\$7,875,000) - D_{4921} (\$30,000,000) - D_{4922} (\$30,000,000)$$

For purposes of the following discussion, the term "State," as defined in section 2104(b)(1)(D)(ii) of the Act, "means one of the 50 States or the District of Columbia."

Under section 2104(b) of the Act, as amended by BBRA, the determination of the Number of Children applied in determining the SCHIP allotment for a particular fiscal year is based on the three most recent March supplements to the Current Population Survey (CPS) of the Bureau of the Census officially available before the beginning of the calendar year in which the fiscal year begins. The determination of the State Cost Factor is based on the Annual Average Wages Per Employee in the health services industry, which is determined using the most recent 3 years of such wage data as reported and determined as final by the Bureau of Labor Statistics (BLS) of the Department of Labor to be officially available prior to the beginning of the calendar year in which the fiscal year begins. Because FY 2002 begins on October 1, 2001, (that is, in calendar year 2001,) in determining the FY 2002 SCHIP allotments, we are using the most recent official data from the Bureau of the Census and the BLS, respectively, available before January 1 of calendar year 2001.

### Number of Children

For FY 2002, as specified by section 2104(b)(2)(A)(iii) of the Act, the Number of Children is calculated as the sum of 50 percent of the number of low-income, uninsured children in the State, and 50 percent of the number of low-income children in the State. The Number of Children factor for each State is developed from data provided by the Bureau of the Census based on the standard methodology used to determine official poverty status and uninsured status in the annual CPS on these topics. As part of a continuing formal process between the Centers for Medicare & Medicaid Services (CMS, formerly known as HCFA) and the Bureau of the Census, each fiscal year we obtain the Number of Children data officially from the Bureau of the Census.

Under section 2104(b)(2)(B) of the Act, the Number of Children for each State (provided in thousands) was determined and provided by the Bureau of the Census based on the arithmetic average of the number of low-income children and low-income children with no health insurance as calculated from the three most recent March supplements to the CPS officially available from the Bureau of the Census

before the beginning of the 2001 calendar year. In particular, through December 31, 2000, the most recent official data available from the Bureau of the Census on the numbers of children were data from the three March CPSs conducted in March 1998, 1999, and 2000 (representing data for years 1997 through 1999).

#### *State Cost Factor*

The State Cost Factor is based on annual average wages in the health services industry in the State. The State Cost Factor for a State is equal to the sum of: 0.15, and 0.85 multiplied by the ratio of the annual average wages in the health industry per employee for the State to the annual wages per employee in the health industry for the 50 States and the District of Columbia.

Under section 2104(b)(3)(B) of the Act, as amended by the BBRA, the State Cost Factor for each State for a fiscal year is calculated based on the average of the annual wages for employees in the health industry for each State using data for each of the most recent 3 years as reported and determined as final by the BLS in the Department of Labor and available before the beginning of the calendar year in which the fiscal year begins. Therefore, the State cost factor for FY 2002 is based on the most recent 3 years of BLS data officially available as final before January 1, 2001 (the beginning of the calendar year in which FY 2002 begins); that is, it is based on the BLS data available as final through December 31, 2000. In accordance with these requirements, we used the final State Cost Factor data available from BLS for 1996, 1997, and 1998 in calculating the FY 2002 final allotments.

The State Cost Factor is determined based on the calculation of the ratio of each State's average annual wages in the health industry to the national average annual wages in the health care industry. Because BLS is required to suppress certain State-specific data in providing us with the State-specific average wages per health services industry employee due to the Privacy Act, we calculated the national average wages directly from the State-specific data provided by BLS. As part of a continuing formal process between CMS and the BLS, each fiscal year CMS obtains these wage data officially from the BLS.

Under section 2104(b)(4) of the Act, as amended by the BBRA, each State and the District of Columbia is allotted a "proportion" of the total amount available nationally for allotment to the States. The term "proportion" is defined in section 2104(b)(4)(D)(i) of the Act and refers to a State's share of the total

amount available for allotment for any given fiscal year. In order for the entire total amount available to be allotted to the States, the sum of the proportions for all States must exactly equal one. Under the statutory definition, a State's proportion for a fiscal year is equal to the State's allotment for the fiscal year divided by the total amount available nationally for allotment for the fiscal year. In general, a State's allotment for a fiscal year is calculated by multiplying the State's proportion for the fiscal year by the national total amount available for allotment for that fiscal year in accordance with the following formula:

$$SA_i = P_i \times A_T$$

$SA_i$  = Allotment for a State or District of Columbia for a fiscal year.

$P_i$  = Proportion for a State or District of Columbia for a fiscal year.

$A_T$  = Total amount available for allotment to the 50 States and the District of Columbia for the fiscal year. For FY 2002, this is \$3,082,125,000.

In accordance with the amended statutory formula for determining allotments, the State proportions are determined under two steps, which are described below in further detail.

Under the first step, each State's proportion is calculated by multiplying the State's Number of Children and the State Cost Factor to determine a "product" for each State. The products for all States are then summed. Finally, the product for a State is divided by the sum of the products for all States, thereby yielding the State's preadjusted proportion.

#### *Application of Floors and Ceiling*

Under the second step, the preadjusted proportions are subject to the application of proportion floors, ceilings, and a reconciliation process, as appropriate. The amended SCHIP statute specifies three proportion floors, or minimum proportions, that apply in determining States' allotments. The first proportion floor is equal to \$2,000,000 divided by the total of the amount available nationally for the fiscal year. This proportion ensures that a State's minimum allotment would be \$2,000,000. For FY 2002, no State's preadjusted proportion is below this floor. The second proportion floor is equal to 90 percent of the allotment proportion for the State for the previous fiscal year; that is, a State's proportion for a fiscal year must not be lower than 10 percent below the previous fiscal year's proportion. The third proportion floor is equal to 70 percent of the allotment proportion for the State for FY 1999; that is, the proportion for a fiscal

year must not be lower than 30 percent below the FY 1999 proportion.

Each State's allotment proportion for a fiscal year is limited by a maximum ceiling amount, equal to 145 percent of the State's proportion for FY 1999; that is, a State's proportion for a fiscal year must be no higher than 45 percent above the State's proportion for FY 1999. The floors and ceilings are intended to minimize the fluctuation of State allotments from year to year and over the life of the program as compared to FY 1999. The floors and ceilings on proportions are not applicable in determining the allotments of the U.S. Territories and Commonwealths; they receive a fixed percentage specified in the statute of the total allotment available to the U.S. Territories and Commonwealths.

As determined under the first step for determining the States' preadjusted proportions, which is applied before the application of any floors or ceilings, the sum of the proportions for all the States and the District of Columbia will be equal to exactly one. However, the application of the floors and ceilings under the second step may change the proportions for certain States; that is, some States' proportions may need to be raised to the floors, while other States' proportions may need to be lowered to the maximum ceiling. If this occurs, the sum of the proportions for all States and the District of Columbia may not exactly equal one. In that case, the statute requires that the proportions will need to be adjusted, under a method that is determined by whether the sum of the proportions is greater or less than one.

The sum of the proportions would be greater than one if the application of the floors and ceilings resulted in raising the proportions of some States (due to the floors) to a greater degree than the proportions of other States were lowered (due to the ceiling). If, after application of the floors and ceiling, the sum of the proportions is greater than one, the amended statute requires the Secretary to determine a maximum percentage increase limit, which, when applied to the State proportions, would result in the sum of the proportions being exactly one.

If, after the application of the floors and ceiling, the sum of the proportions is less than one, the statute requires the States' proportions to be increased in a "pro rata" manner so that the sum of the proportions again equals one. It is also possible, although unlikely, that the sum of the proportions (after the application of the floors and ceiling) will be exactly one, and therefore, the proportions would require no further adjustment.

### Determination of Preadjusted Proportion

The following is an explanation of how we applied the two State-related factors specified in the statute to determine the States' preadjusted proportions for FY 2002. The term "preadjusted," as used here, refers to the States' proportions prior to the application of the floors and ceiling and adjustments, as specified in the amended SCHIP statute. The determination of each State and the District of Columbia's preadjusted proportion for FY 2002 is in accordance with the following formula:

$$PP_i = (C_i \times SCF_i) \div \sum (C_i \times SCF_i)$$

PP<sub>i</sub> = Preadjusted proportion for a State or District of Columbia for a fiscal year.

C<sub>i</sub> = Number of children in a State (section 2104(b)(1)(A)(i) of the Act) for a fiscal year. This number is based on the number of low-income children for a State for a fiscal year and the number of low-income uninsured children for a State for a fiscal year determined on the basis of the arithmetic average of the number of such children as reported and defined in the three most recent March supplements to the CPS of the Bureau of the Census, officially available before the beginning of the calendar year in which the fiscal year begins. (See section 2104(b)(2)(B) of the Act.)

For fiscal year 2002, the number of children is equal to the sum of 50 percent of the number of low-income uninsured children in the State for the fiscal year and 50 percent of the number of low-income children in the State for the fiscal year. (See section 2104(b)(2)(A)(iii) of the Act.)

SCF<sub>i</sub> = State cost factor for a State (section 2104(b)(1)(A)(ii) of the Act).

For a fiscal year, this is equal to:  
0.15 + 0.85 × (W<sub>i</sub>/W<sub>N</sub>)

W<sub>i</sub> = The annual average wages per employee for a State for such year (section 2104(b)(3)(A)(ii)(I) of the Act).

W<sub>N</sub> = The annual average wages per employee for the 50 States and the District of Columbia (section 2104(b)(3)(A)(ii)(II) of the Act).

The annual average wages per employee for a State or for all States and the District of Columbia for a fiscal year is equal to the average of such wages for employees in the health services industry (SIC 80), as reported and determined as final by the BLS of the Department of Labor for each of the most recent three years officially available before the beginning of the calendar year in which the fiscal year

begins. (See section 2104(b)(3)(B) of the Act).

(C<sub>i</sub> × SCF<sub>i</sub>) = The sum of the products of (C<sub>i</sub> × SCF<sub>i</sub>) for each State (section 2104(b)(1)(B) of the Act).

The resulting proportions would then be subject to the application of the floors and ceilings specified in the amended SCHIP statute and reconciled, as necessary, to eliminate any deficit or surplus of the allotments because the sum of the proportions was either greater than or less than one.

Section 2104(e) of the Act requires that the amount of a State's allotment for a fiscal year be available to the State for a total of 3 years; the fiscal year for which the State child health plan is approved and the 2 following fiscal years. Section 2104(f) of the Act requires the Secretary to establish a process for redistribution of the amounts of States' allotments that are not expended during the 3-year period to States that have fully expended their allotments.

### III. Table of State Children's Health Insurance Program Final Allotments for FY 2002

#### Key to Table

#### Column/Description

Column A = Name of State, District of Columbia, U.S. Commonwealth or Territory.

Column B = Number of Children. The Number of Children for each State (provided in thousands) was determined and provided by the Bureau of the Census based on the arithmetic average of the number of low-income children and low-income uninsured children, and is based on the three most recent March supplements to the CPS of the Bureau of the Census officially available before the beginning of the calendar year in which the fiscal year begins. The FY 2002 allotments were based on the 1998, 1999, and 2000 March supplements to the CPS. These data represent the number of people in each State under 19 years of age whose family income is at or below 200 percent of the poverty threshold appropriate for that family, and who are reported to be without health insurance coverage. The Number of Children for each State was developed by the Bureau of the Census based on the standard methodology used to determine official poverty status and uninsured status in its annual March CPS on these topics.

For FY 2002, the Number of Children is equal to the sum of 50 percent of the number of low-income uninsured children in the State and 50 percent of the number of low-income children in the State.

Column C = State Cost Factor. The State Cost Factor for a State is equal to the sum of: 0.15, and 0.85 multiplied by the ratio of the annual average wages in the health industry per employee for the State to the annual wages per employee in the health industry for the 50 States and the District of Columbia. The State Cost Factor for each State was calculated based on such wage data for each State as reported and determined as final by the BLS in the Department of Labor for each of the most recent 3 years and available before the beginning of the calendar year in which the fiscal year begins. The FY 2002 allotments were based on final BLS wage data for 1996, 1997, and 1998.

Column D = Product. The Product for each State was calculated by multiplying the Number of Children in Column B by the State Cost Factor in Column C. The sum of the Products for all 50 States and the District of Columbia is below the Products for each State in Column D. The Product for each State and the sum of the Products for all States provides the basis for allotment to States and the District of Columbia.

Column E = Proportion of Total. This is the calculated percentage share for each State of the total allotment available to the 50 States and the District of Columbia. The Percent Share of Total is calculated as the ratio of the Product for each State in Column D to the sum of the products for all 50 States and the District of Columbia below the Products for each State in Column D.

Column F = Adjusted Proportion of Total. This is the calculated percentage share for each State of the total allotment available after the application of the floors and ceilings and after any further reconciliation needed to ensure that the sum of the State proportions is equal to one. The three floors specified in the amended statute are: (1) A floor of \$2,000,000 divided by the total of the amount available for all allotments for the fiscal year; (2) an annual floor of 90 percent of (that is, 10 percent below) the preceding fiscal year's allotment proportion; and (3) a cumulative floor of 70 percent of (that is, 30 percent below) the FY 1999 allotment proportion. There is also a cumulative ceiling of 145 percent of (that is, 45 percent above) the FY 1999 allotment proportion.

Column G = Allotment. This is the SCHIP allotment for each State, Commonwealth, or Territory for the fiscal year. For each of the 50 States and the District of Columbia, this is determined as the Adjusted Proportion of Total in Column F for the State multiplied by the total amount available for allotment for the 50 States and the District of Columbia for the fiscal year.

For each of the U.S. Territory and Commonwealths, the allotment is determined as the Proportion of Total in Column E multiplied by the total amount available for allotment to the U.S. Territories and Commonwealths. For the U.S. Territories and Commonwealths, the Proportion of

Total in Column E is specified in section 2104(c) of the Act. The total amount is then allotted to the U.S. Territories and Commonwealths according to the percentages specified in section 2104 of the Act. There is no adjustment made to the allotments of the U.S. Territories and

Commonwealths as they are not subject to the application of the floors and ceiling. As a result, Column F in the table, the Adjusted Proportion of Total, is empty for the U.S. Territories and Commonwealths.

STATE CHILDREN'S HEALTH INSURANCE PROGRAM ALLOTMENTS FOR FEDERAL FISCAL YEAR

A	B	C	D	E	F	G
State	Number of children (000)	State cost factor	Product	Proportion of total <sup>3</sup> (percent)	Adjusted proportion of total <sup>3</sup> (percent)	Allotment <sup>1</sup>
ALABAMA	303	0.9688	293.0755	1.5729	1.5764	\$48,585,422
ALASKA	41	1.0379	42.0330	0.2256	0.2261	6,968,138
ARIZONA	501	1.0495	525.8013	2.8220	2.8281	87,166,211
ARKANSAS	244	0.8972	218.9183	1.1749	1.1775	36,291,812
CALIFORNIA	2,885	1.1051	3,187.6789	17.1082	17.1455	528,466,560
COLORADO	205	1.0083	206.7040	1.1094	1.1118	34,266,951
CONNECTICUT	141	1.1072	156.1201	0.8379	0.8434	25,993,944
DELAWARE	49	1.1164	54.1443	0.2906	0.2764	8,520,205
DISTRICT OF COLUMBIA	38	1.2626	47.3485	0.2541	0.2547	7,849,329
FLORIDA	964	1.0272	990.2267	5.3145	5.3261	164,157,649
GEORGIA	635	0.9981	633.2945	3.3989	3.4063	104,986,194
HAWAII	71	1.1617	81.8966	0.4395	0.3071	9,463,732
IDAHO	117	0.8931	104.4926	0.5608	0.5451	16,800,022
ILLINOIS	767	1.0005	767.4131	4.1187	4.1277	127,220,093
INDIANA	306	0.9286	283.6953	1.5226	1.5259	47,030,390
IOWA	158	0.8556	135.1884	0.7256	0.7271	22,411,236
KANSAS	152	0.8751	132.5787	0.7115	0.7131	21,978,619
KENTUCKY	250	0.9293	231.8518	1.2443	1.2471	38,435,891
LOUISIANA	393	0.8866	348.0072	1.8677	1.8718	57,691,885
MAINE	66	0.9134	60.2861	0.3236	0.3243	9,994,099
MARYLAND	195	1.0422	202.6996	1.0879	1.1008	33,927,307
MASSACHUSETTS	294	1.0530	309.0552	1.6587	1.4704	45,318,822
MICHIGAN	580	1.0078	584.5496	3.1373	3.1437	96,893,382
MINNESOTA	236	0.9919	233.5856	1.2537	0.9747	30,041,680
MISSISSIPPI	256	0.8934	288.7227	1.2276	1.2302	37,917,154
MISSOURI	300	0.9248	276.9879	1.4866	1.4898	45,918,455
MONTANA	78	0.8509	65.9479	0.3539	0.3547	10,932,695
NEBRASKA	99	0.8673	85.4243	0.4585	0.4595	14,161,451
NEVADA	141	1.1856	166.5704	0.8940	0.8959	27,613,689
NEW HAMPSHIRE	56	0.9881	54.8419	0.2943	0.2950	9,091,578
NEW JERSEY	374	1.1206	419.1061	2.2493	2.2542	69,478,513
NEW MEXICO	213	0.9300	197.6156	1.0606	1.0867	33,494,942
NEW YORK	1,312	1.0758	1,411.4867	7.5754	7.5919	233,993,235
NORTH CAROLINA	495	0.9897	489.3856	2.6265	2.6323	81,129,294
NORTH DAKOTA	49	0.8723	42.7421	0.2294	0.1730	5,332,879
OHIO	675	0.9663	652.2300	3.5005	3.5081	108,125,285
OKLAHOMA	224	0.8519	190.3994	1.0219	1.4789	45,583,004
OREGON	225	1.0102	226.7945	1.2172	1.2199	37,597,497
PENNSYLVANIA	616	0.9950	612.8914	3.2894	3.2966	101,603,820
RHODE ISLAND	46	0.9908	45.0812	0.2420	0.2425	7,473,463
SOUTH CAROLINA	283	1.0101	285.3444	1.5314	1.5348	47,303,777
SOUTH DAKOTA	41	0.8742	35.8415	0.1924	0.1928	5,941,727
TENNESSEE	373	1.0021	373.7781	2.0061	2.0104	61,964,136
TEXAS	1,957	0.9306	1,820.7473	9.7719	9.7932	301,839,575
UTAH	152	0.9135	138.8483	0.7452	0.7468	23,017,975
VERMONT	29	0.8730	25.3169	0.1359	0.1214	3,740,343
VIRGINIA	335	0.9858	329.7350	1.7697	1.7735	54,662,752
WASHINGTON	269	0.9518	256.0424	1.3742	1.3772	42,446,166
WEST VIRGINIA	112	0.9008	100.4372	0.5390	0.5402	16,650,270
WISCONSIN	249	0.9539	237.5144	1.2747	1.2775	39,374,631
WYOMING	36	0.8876	31.9531	0.1715	0.1719	5,297,121
TOTAL STATES ONLY			18,632.4311	100.0000	100.0000	3,082,125,000

ALLOTMENTS FOR COMMONWEALTHS AND TERRITORIES<sup>2</sup>

PUERTO RICO				91.6		30,296,700
GUAM				3.5		1,157,625

## STATE CHILDREN'S HEALTH INSURANCE PROGRAM ALLOTMENTS FOR FEDERAL FISCAL YEAR—Continued

A	B	C	D	E	F	G
State	Number of children (000)	State cost factor	Product	Proportion of total <sup>3</sup> (percent)	Adjusted proportion of total <sup>3</sup> (percent)	Allotment <sup>1</sup>
VIRGIN ISLANDS .....	.....	.....	.....	2.6	.....	859,950
AMERICAN SAMOA .....	.....	.....	.....	1.2	.....	396,900
N. MARIANA ISLANDS .....	.....	.....	.....	1.1	.....	363,825
TOTAL COMMONWEALTHS AND TERRITORIES ONLY .....	.....	.....	.....	100.0	.....	33,075,000
TOTAL STATES AND COMMONWEALTHS AND TERRITORIES .....	.....	.....	.....	.....	.....	3,115,200,000

## FOOTNOTES

The numbers in Columns B–F are rounded for presentation purposes, the actual numbers used in the allotment calculations are not rounded.

<sup>1</sup> Total amount available for allotment to the 50 States and the District of Columbia is \$3,082,125,000; determined as the fiscal year appropriation (\$3,150,000,000) reduced by the total amount available for allotment to the Commonwealths and Territories under section 2104(c) of the Act (\$7,875,000) and amounts for Special Diabetes Grants under sections 4921 (\$30,000,000) and 4922 (\$30,000,000) of BBA.

<sup>2</sup> Total amount available for allotment to the Commonwealths and Territories is \$7,875,000 (determined as 25 percent of \$3,150,000,000, the fiscal year appropriation) plus \$25,200,000, as specified in section 2104(c)(4)(B) of the Act.

<sup>3</sup> Percent share of total amount available for allotment to the Commonwealths and Territories is as specified in section 2104(c) of the Act.

## IV. Impact Statement

We have examined the impact of this notice as required by Executive Order 12866. Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, when rules are necessary, to select regulatory approaches that maximize net benefits (including potential economic environments, public health and safety, other advantages, distributive impacts, and equity). We believe that this notice is consistent with the regulatory philosophy and principles identified in the Executive Order. The formula for the allotments is specified in the statute. Since the formula is specified in the statute, we have no discretion in determining the allotments. This notice merely announces the results of our application of this formula, and therefore does not reach the economic significance threshold of \$100 million in any one year.

The Unfunded Mandates Reform Act of 1995 requires that agencies prepare an assessment of anticipated costs and benefits before publishing any notice that may result in an annual expenditure by State, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more (adjusted each year for inflation) in any one year. Because participation in the SCHIP program on the part of States is voluntary, any payments and expenditures States make or incur on behalf of the program that are not reimbursed by the Federal government are made voluntarily. This notice will not create an unfunded mandate on

States, tribal, or local governments because it merely notifies states of their SCHIP allotment for FY 2002. Therefore, we are not required to perform an assessment of the costs and benefits of this notice.

Low-income children will benefit from payments under SCHIP through increased opportunities for health insurance coverage. We believe this notice will have an overall positive impact by informing States, the District of Columbia, and U.S. Territories and Commonwealths of the extent to which they are permitted to expend funds under their child health plans using their FY 2002 allotments.

Under Executive Order 13132, we are required to adhere to certain criteria regarding Federalism. We have reviewed this notice and determined that it does not significantly affect States' rights, roles, and responsibilities because it does not set forth any new policies.

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

(Section 1102 of the Social Security Act (42 U.S.C. 1302))  
(Catalog of Federal Domestic Assistance Program No. 93.767, State Children's Health Insurance Program)

Dated: August 2, 2001.

**Thomas A. Scully,**

*Administrator, Centers for Medicare & Medicaid Services.*

Dated: August 31, 2001.

**Tommy G. Thompson,**

*Secretary.*

[FR Doc. 01-26037 Filed 10-25-01; 8:45 am]

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## DEPARTMENT OF HEALTH AND HUMAN SERVICES

## Centers for Medicare &amp; Medicaid Services

[CMS-8011-N]

RIN 0938-ZA19

## Medicare Program; Inpatient Hospital Deductible and Hospital and Extended Care Services Coinsurance Amounts for 2002

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

**ACTION:** Notice.

**SUMMARY:** This notice announces the inpatient hospital deductible and the hospital and extended care services coinsurance amounts for services furnished in calendar year 2002 under Medicare's hospital insurance program (Medicare Part A). The Medicare statute specifies the formulae used to determine these amounts.

The inpatient hospital deductible will be \$812. The daily coinsurance amounts will be: (a) \$203 for the 61st through 90th day of hospitalization in a benefit period; (b) \$406 for lifetime reserve days; and (c) \$101.50 for the 21st through 100th day of extended care services in a skilled nursing facility in a benefit period.

**EFFECTIVE DATE:** This notice is effective on January 1, 2002.

**FOR FURTHER INFORMATION CONTACT:** Clare McFarland, (410) 786-6390.

For case-mix analysis only: Gregory J. Savord, (410) 786-1521.

**SUPPLEMENTARY INFORMATION:**