

/cms.hhs.gov/regulations/pract/default.asp, or e-mail your request, including your address, phone number, OMB number, and CMS document identifier, to Paperwork@hefa.gov, or call the Reports Clearance Office on (410) 786-1326. Written comments and recommendations for the proposed information collections must be mailed within 60 days of this notice directly to the CMS Paperwork Clearance Officer designated at the following address: CMS, Office of Strategic Operations and Regulatory Affairs, Division of Regulations Development and Issuances, Attention: Dawn Willingham, Room CS-14-03, 7500 Security Boulevard, Baltimore, Maryland 21244-1850.

Dated: August 21, 2003.

Dawn Willingham,

Acting, CMS Reports Clearance Officer, Office of Strategic Operations and Strategic Affairs, Division of Regulations Development and Issuances.

[FR Doc. 03-22077 Filed 8-28-03; 8:45 am]

BILLING CODE 4120-03-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

Notice of Hearing: Reconsideration of Disapproval of Oklahoma Medicaid State Plan Amendment (SPA) 02-14

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

ACTION: Notice of hearing.

SUMMARY: This notice announces an administrative hearing on October 7, 2003, 10 a.m.; Room 714, 1301 Young Street; CMS Dallas Regional Office; Dallas, Texas 75202 to reconsider our decision to disapprove Oklahoma State Plan Amendment 02-14.

Closing Date: Requests to participate in the hearing as a party must be received by the presiding officer by September 15, 2003.

FOR FURTHER INFORMATION CONTACT:

Kathleen Scully-Hayes, Presiding Officer, CMS, 2520 Lord Baltimore Drive, Suite L, Baltimore, Maryland 21244, Telephone: (410) 786-2055.

SUPPLEMENTARY INFORMATION: This notice announces an administrative hearing to reconsider the decision dated May 28, 2003, to disapprove Oklahoma Medicaid State Plan Amendment (SPA) 02-14.

Oklahoma submitted SPA 02-14 on October 22, 2002, and revised it on May 14, 2003. On May 28, 2003, CMS disapproved SPA 02-14, after

consultation with the Secretary as required under 42 CFR 430.15(c)(2). The State requested reconsideration by letter dated July 25, 2003.

At issue is whether the proposed supplemental payment methodology contained in the SPA complies with the requirement at section 1902(a)(30)(A) of the Social Security Act (the Act) that payment methodologies must assure that "payments are consistent with efficiency, economy and quality of care." The proposed payment methodology would provide supplemental payment for services rendered by doctors of medicine, osteopathy, and dentists who are State employees. The State asserted that increased payment was warranted because of the specialized services provided by these State employees. The State failed to demonstrate, however, that delivering Medicaid services through State employees generated significantly higher costs sufficient to justify the requested supplemental payment. Moreover, the supplemental payment methodology proposed by the State is not a customary method for paying physicians and other health professionals. The methodology would make it difficult to track payments for specific services and would complicate auditing processes. In sum, at issue is whether it is consistent with efficiency, economy, and quality of care to use a methodology that: (1) Is not justified by any increased costs to the State to ensure access to services for Medicaid beneficiaries; (2) is not a usual and customary payment methodology; and (3) would unduly complicate tracking and audit processes.

Section 1116 of the Act and 42 CFR part 430 establish Department procedures that provide an administrative hearing for reconsideration of a disapproval of a State plan or plan amendment. The CMS is required to publish a copy of the notice to a state Medicaid agency that informs the agency of the time and place of the hearing and the issues to be considered. If we subsequently notify the agency of additional issues that will be considered at the hearing, we will also publish that notice.

Any individual or group that wants to participate in the hearing as a party must petition the presiding officer within 15 days after publication of this notice, in accordance with the requirements contained at 42 CFR 430.76(b)(2). Any interested person or organization that wants to participate as *amicus curiae* must petition the presiding officer before the hearing begins in accordance with the requirements contained at 42 CFR

430.76(c). If the hearing is later rescheduled, the presiding officer will notify all participants.

The notice to Oklahoma announcing an administrative hearing to reconsider the disapproval of its SPA reads as follows:

Mr. Jim Hancock, Director
Health Policy Division
Oklahoma Health Authority
4545 North Lincoln Boulevard, Suite 124
Oklahoma City, OK 73105

Dear Mr. Hancock: I am responding to your request for reconsideration of the decision to disapprove Oklahoma State Plan Amendment (SPA) 02-14.

Oklahoma submitted SPA 02-14 on October 22, 2002, and revised it on May 14, 2003. On May 28, 2003, I disapproved SPA 02-14, after consultation with the Secretary as required under 42 CFR 430.15(c)(2). You requested reconsideration by letter dated July 25, 2003.

At issue is whether the proposed supplemental payment methodology contained in the SPA complies with the requirement at section 1902(a)(30)(A) of the Social Security Act that payment methodologies must assure that "payments are consistent with efficiency, economy and quality of care." The proposed payment methodology would provide supplemental payment for services rendered by doctors of medicine, osteopathy, and dentists who are State employees. The State asserted that increased payment was warranted because of the specialized services provided by these State employees. The State failed to demonstrate, however, that delivering Medicaid services through State employees generated significantly higher costs sufficient to justify the requested supplemental payment. Moreover, the supplemental payment methodology proposed by the State is not a customary method for paying physicians and other health professionals. The methodology would make it difficult to track payments for specific services and would complicate auditing processes. In sum, at issue is whether it is consistent with efficiency, economy, and quality of care to use a methodology that: (1) Is not justified by any increased costs to the State to ensure access to services for Medicaid beneficiaries; (2) is not a usual and customary payment methodology; and (3) would unduly complicate tracking and audit processes. For the above stated reasons, and after consulting with the Secretary as required by 42 CFR 430.15(c)(2), the Centers for Medicare & Medicaid Services (CMS) disapproved Oklahoma SPA 02-14.

I am scheduling a hearing on your request for reconsideration to be held on October 7, 2003, at 10 a.m., 1301 Young Street, Room 714, CMS Dallas Regional Office, Dallas, Texas 75202. If this date is not acceptable, we would be glad to set another date that is mutually agreeable to the parties. The hearing will be governed by the procedures prescribed at 42 CFR, part 430.

I am designating Ms. Kathleen Scully-Hayes as the presiding officer. If these arrangements present any problems, please contact the presiding officer. In order to