

authority citation at the end of paragraph (i) to read as follows:

§ 3.275 Criteria for evaluating net worth.

* * * * *

(j) *Victims of Crime Act.* There shall be excluded from the corpus of estate or net worth of a claimant any amounts received as compensation under the Victims of Crime Act of 1984 unless the total amount of assistance received from all federally funded programs is sufficient to fully compensate the claimant for losses suffered as a result of the crime.

(Authority: 42 U.S.C. 10602(c))

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DEPARTMENT OF VETERANS AFFAIRS

38 CFR Part 17

RIN 2900-AL35

Co-payments for Inpatient Hospital Care Provided to Veterans Enrolled in Priority Category 7

AGENCY: Department of Veterans Affairs.

ACTION: Final rule.

SUMMARY: VA's medical regulations include a mechanism for determining co-payments for inpatient hospital care provided to veterans by VA. This document revises that mechanism for veterans in the new priority category 7 as required by the Department of Veterans Affairs Programs Enhancement Act of 2001. That Act reduced the co-payment for inpatient hospital care for veterans in the new priority category 7.

DATES: *Effective Date:* October 1, 2002.

FOR FURTHER INFORMATION CONTACT:

Nancy Howard, Director, Business Policy Development, Chief Business Office (161), at (202) 254-0320 (not a toll free number). This individual is in the Veterans Health Administration of the Department of Veterans Affairs, and is located at 810 Vermont Avenue, NW., Washington, DC 20420.

SUPPLEMENTARY INFORMATION: By law, certain veterans must agree to pay a co-payment for their inpatient hospital care and outpatient medical services provided by VA. Prior to October 1, 2002, the co-payment for inpatient hospital care was \$10 for every day the veteran received inpatient hospital care, and the lesser of: (A) The sum of the inpatient Medicare deductible for the first 90 days of care and one-half of the inpatient Medicare deductible for each subsequent 90 days of care (or fraction thereof) after the first 90 days of such

care during such 365-day period, or (B) VA's cost of providing the care. See 38 CFR 17.108(b).

Section 202(b) of the Department of Veterans Affairs Programs Enhancement Act of 2001, Public Law 107-135, created a new priority category 7 for enrollment of veterans in the VA health care system. Veterans generally must be enrolled in the VA health care system to receive VA inpatient hospital care or outpatient medical services. Veterans in the new category 7 are those who agree to pay the United States the applicable co-payment determined under 38 U.S.C. 1710(f) and 1710(g), and who are eligible for treatment as a low-income family under section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) for the area in which such veterans reside, regardless of whether such veterans are treated as single person families under paragraph (3)(A) of section 3(b) or as families under paragraph (3)(B) of section 3(b).

Section 202 of Public Law 107-135 also provided that veterans enrolled in the new priority category 7 are liable to the United States for a co-payment for inpatient hospital care of 20 percent of what they would otherwise be liable for. In this document, we revise the mechanism for determining co-payments for inpatient hospital care provided to veterans by VA as required by that law. We do this by adding an exception to the mechanism that provides: "The co-payment for inpatient hospital care for veterans enrolled in priority category 7 shall be 20 percent of the amount computed under paragraph (b)(2)."

As a result, the inpatient hospital care co-payment for veterans enrolled in the new priority category 7 is the sum of \$2 for every day the veteran receives inpatient hospital care (20 percent of \$10) plus the lesser of: (A) 20 percent of the sum of the inpatient Medicare deductible (\$168 for the 2003 calendar year, which is 20 percent of \$840) for the first 90 days of care and one-half of the inpatient Medicare deductible for each subsequent 90 days of care (or fraction thereof) after the first 90 days of such care during such 365-day period, or (B) 20 percent of VA's cost of providing the care.

Unfunded Mandates

The Unfunded Mandates Reform Act requires, at 2 U.S.C. 1532, that agencies prepare an assessment of anticipated costs and benefits before developing any rule that may result in an expenditure by State, local, or tribal governments, in the aggregate or by the private sector, of \$100 million or more in any given year. This rule would have no such effect on

State, local, or tribal governments, or the private sector.

Administrative Procedure Act

This final rule is published without regard to the notice and comment and delayed effective date provisions of 5 U.S.C. 553, since it merely reflects statutory changes, making those procedural requirements impracticable, unnecessary, and contrary to the public interest.

Paperwork Reduction Act

This document contains no provisions constituting a collection of information under the Paperwork Reduction Act (44 U.S.C. 3501-3521).

Executive Order 12866

This document has been reviewed by the Office of Management and Budget under Executive Order 12866.

Regulatory Flexibility Act

The Secretary hereby certifies that this regulatory amendment will not have a significant economic impact on a substantial number of small entities as they are defined in the Regulatory Flexibility Act, U.S.C. 601-612. This amendment would not directly affect any small entities; only individuals could be directly affected. Therefore, pursuant to 5 U.S.C. 605(b), this amendment is exempt from the initial and final regulatory flexibility analysis requirements of sections 603 and 604.

Catalog of Federal Domestic Assistance Number

The Catalog of Federal Domestic Assistance numbers for the programs affected by this document are 64.009 and 64.010.

List of Subjects in 38 CFR Part 17

Administrative practice and procedure, Alcohol abuse, Alcoholism, Claims, Day care, Dental health, Drug abuse, Foreign relations, Government contracts, Grant programs—health, Grant programs—veterans, Health care, Health facilities, Health professions, Health records, Homeless, Medical and dental schools, Medical devices, Medical research, Mental health programs, Nursing homes, Philippines, Reporting and recordkeeping requirements, Scholarships and fellowships, Travel and transportation expenses, Veterans.

Approved: August 7, 2003.

Anthony J. Principi,

Secretary of Veterans Affairs.

■ For the reasons set out in the preamble, 38 CFR part 17 is amended as follows: