

circumstances may a financial institution use its own address or another financial institution's address in place of the customer's address, notwithstanding any prior guidance that appeared to allow the use of a financial institution's address under limited circumstances.⁵ To avoid any confusion on the issue of addresses in transmittal orders, FinCEN, by this notice, hereby revokes Q&A no. 18 contained in FinCEN Advisory Issue 3 (June 1996) and Q&A no. 16 contained in FinCEN Advisory Issue 7 (January 1997). FinCEN anticipates issuing a new set of frequently asked questions and answers regarding the application of the funds transfer rules very shortly. Nothing in this notice affects the obligation of a financial institution to comply with any other requirement imposed under the Bank Secrecy Act, including a customer identification program requirement imposed under Section 326 of the USA Patriot Act.

Finally, to give financial institutions the opportunity to take those steps necessary to comply fully with the Travel Rule, this Notice extends the conditional exception through July 1, 2004.

IV. FinCEN Issuance

By virtue of the authority contained in 31 CFR 103.55(a) and (b), which has been delegated to the Director of FinCEN, the effective period of the CIF Exception, as such Exception is set forth (as part of FinCEN Issuance 98-1, 63 FR 3640 (January 6, 1998)) under the heading "Grant of Exceptions" (63 FR 3641) is extended so that CIF Exception will expire on July 1, 2004, for transmittals of funds initiated after that date.

address of next of kin or another contact individual for individuals who do not have a residential or business address. For a person other than an individual (such as a corporation, partnership, or trust), "address" is a principal place of business, local office, or other physical location. See 68 FR 25090 (May 9, 2003) (Final Rules for Customer Identification Programs) issued jointly with the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, Office of Thrift Supervision, Federal Deposit Insurance Corporation, National Credit Union Administration, Commodity Futures Trading Commission, and Securities and Exchange Commission. Note, however, that while the Section 326 rules apply only to new customers opening accounts on or after October 1, 2003, and exempt wire transfers from the definition of "account" for banks, the Travel Rule applies to all transmittals of funds of \$3,000 or more, whether or not the transmitter is a customer for purposes of the Section 326 rules.

⁵ See FinCEN Advisory Issue 7, Funds "Travel" Regulations: Questions & Answers, January 1997 (Q&A no. 16) (stating that a financial institution must not use its own address "except where it is the actual address of record of the person").

Dated: November 21, 2003.

William F. Baity,

Acting Director, Financial Crimes Enforcement Network.

[FR Doc. 03-29617 Filed 11-26-03; 8:45 am]

BILLING CODE 4810-02-P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare and Medicaid Services

42 CFR Parts 403, 489 and 498

[CMS-1909-F]

RIN 0938-AI93

Medicare and Medicaid Programs; Religious Nonmedical Health Care Institutions and Advance Directives

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

ACTION: Final rule.

SUMMARY: This final rule implements requirements under the Balanced Budget Act of 1997, which set forth requirements for the new Religious Nonmedical Health Care Institution program and advance directives. This rule finalizes the Medicare requirements for coverage and payment of services furnished by religious nonmedical health care institutions, the conditions of participation that these institutions must meet before they can participate in Medicare, and the methodology we will use to pay these institutions and monitor expenditures for services they furnish. This rule also finalizes the rules governing States' optional coverage of religious nonmedical health care institution services under the Medicaid program. Additionally, this final rule addresses comments we received on the November 30, 1999, interim final rule and also makes minor changes to clarify our policy. Lastly, this rule incorporates a minor change to the requirements for advance directives.

DATES: *Effective date:* These regulations are effective December 29, 2003.

FOR FURTHER INFORMATION CONTACT:

Jean-Marie Moore, (410) 786-3508 (for general information, Medicare coverage, and payment issues); Nancy Archer, (410) 786-0596 (for Medicare conditions of participation issues); and Linda Tavener, (410) 786-3838 (for Medicaid issues).

SUPPLEMENTARY INFORMATION:

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Printing Office. The Web site address is <http://www.access.gpo.gov/nara/index.html>.

I. Background

Section 4454 of the Balanced Budget Act of 1997 (BBA '97), (Pub. L. 105-33, enacted August 5, 1997) provides for removal of all statutory and regulatory references to Christian Science sanatoria, and for coverage and payment of inpatient hospital services and post-hospital extended care services furnished in qualified religious nonmedical health care institutions (RNHCIs) under Medicare and as a State Plan option under Medicaid. (We will refer to these services as "RNHCI services.") The new amendments make it possible for institutions other than Christian Science facilities to qualify as RNHCIs and to participate in Medicare and Medicaid.

On November 30, 1999, we published an interim final rule in the **Federal Register** (67 FR 67028) to implement the BBA '97 amendments that set forth the requirements for coverage and payment for services furnished by RNHCIs, and modified the rules regarding advance directives.

Specifically, the interim final rule presented the methodologies under which we will pay RNHCIs, monitor the Medicare expenditure level for RNHCI secular services for any given federal fiscal year (FFY), and implement a statutory "sunset" of the RNHCI benefit. In addition, the rule set forth the conditions of participation that an RNHCI must fully meet to participate in the Medicare program and revised Medicaid regulations to reflect statutory changes and made necessary nomenclature and conforming changes. Finally, the rule revised the regulations pertaining to advance directives for all providers.

II. Provisions of the Interim Final Rule

Below we provide a brief summary of the provisions we implemented in the November 30, 1999, interim final rule to comply with requirements set forth by section 4454 of BBA '97.

A. RNHCI Medicare Benefits, Conditions of Participation, and Payment

1. Basis and Purpose (§ 403.700)

This subpart implemented sections 1821; 1861(e), (y) and (ss); 1869; and 1878 of the Social Security Act (the Act) regarding Medicare payment for inpatient hospital or post-hospital extended care services furnished to eligible beneficiaries in RNHCIs.