

care institution, by or through the provider and are required to:

\* \* \* \* \*

**PART 498—APPEALS PROCEDURES FOR DETERMINATIONS THAT AFFECT PARTICIPATION IN THE MEDICARE PROGRAM AND FOR DETERMINATIONS THAT AFFECT THE PARTICIPATION OF ICFs/MR AND CERTAIN NFs IN THE MEDICAID PROGRAM**

■ 1. The authority citation for part 498 continues to read as follows:

**Authority:** Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395hh).

■ 2. In § 498.2 the definition of “provider” is revised to read as follows:

**§ 498.2 Definitions.**

\* \* \* \* \*

*Provider* means a hospital, critical access hospital (CAH), skilled nursing facility (SNF), comprehensive outpatient rehabilitation facility (CORF), home health agency (HHA), hospice, or religious nonmedical health care institution (RNHCI) that has in effect an agreement to participate in Medicare, that has in effect an agreement to participate in Medicaid, or a clinic, rehabilitation agency, or public health agency that has a similar agreement but only to furnish outpatient physical therapy or outpatient speech pathology services, and prospective provider means any of the listed entities that seeks to participate in Medicare as a provider or to have any facility or organization determined to be a department of the provider or provider-based entity under § 413.65 of this chapter.

\* \* \* \* \*

(Catalog of Federal Domestic Assistance Program No. 93.773, Medicare—Hospital Insurance; Program No. 93.774, Medicare—Supplementary Medical Insurance Program; and Program No. 93.778, Medical Assistance Program)

Dated: May 19, 2003.

**Thomas A. Scully,**

*Administrator, Centers for Medicare and Medicaid Services.*

Dated: August 6, 2003.

**Tommy G. Thompson,**

*Secretary.*

[FR Doc. 03–29139 Filed 11–26–03; 8:45 am]

**BILLING CODE 4120–01–P**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Centers for Medicare & Medicaid Services**

**42 CFR Part 408**

**RIN 0938–AL49**

**[CMS–6016–F]**

**Medicare Program; Reduction in Medicare Part B Premiums as Additional Benefits Under Medicare+Choice Plans**

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

**ACTION:** Final rule.

**SUMMARY:** This final rule revises the regulations to provide for a Medicare+Choice organization to offer a reduction in the standard Medicare Part B premium as an additional benefit under one or more Medicare+Choice (M+C) plans. The legislation specifies that the reduction to the Medicare Part B premium cannot exceed the standard Medicare Part B premium amount and cannot be applied to surcharges. Surcharges are increased premiums for late enrollment and for reenrollment. The Medicare Part B premium may be collected by a variety of methods: Paid directly to the Centers of Medicare & Medicaid Services by the beneficiary; collected as an adjustment to any Social Security, Railroad Retirement, or Civil Service Retirement benefits; paid by an employer as part of an annuity package; or, paid by the State for individuals enrolled in a qualifying State Medicaid program. This legislation applies to benefits under Medicare M+C plans offered by an M+C organization electing this option, beginning January 1, 2003. This final rule revises the regulations to set out the basic rules under section 606 of the Medicare, Medicaid, and SCHIP Benefits Improvement Protection Act of 2000 (BIPA) for adjustment and payment of the Medicare Part B premium.

**EFFECTIVE DATE:** The provisions of this final rule are effective December 29, 2003.

**FOR FURTHER INFORMATION CONTACT:** Michele Sanders, (410) 786–0808.

**SUPPLEMENTARY INFORMATION:** To order copies of the **Federal Register** containing this document, send your request to: New Orders, Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250–7954. Specify the date of the issue requested and enclose a check or money order payable to the Superintendent of Documents, or

enclose your Visa or Master Card number and expiration date. Credit card orders can also be placed by calling the order desk at (202) 512–1800 or by faxing to (202) 512–2250. The cost for each copy is \$10. As an alternative, you can view and photocopy the **Federal Register** document at most libraries designated as Federal Depository Libraries and at many other public and academic libraries throughout the country that receive the **Federal Register**. This **Federal Register** document is also available from the Federal Register online database through GPO access, a service of the U.S. Government Printing Office. The Web site address is: <http://www.access.gpo.gov/nara/index.html>.

**I. Background**

Section 606 of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act of 2000 (BIPA) amended section 1854 (f) (1) of the Social Security Act (the Act) by allowing Medicare+Choice (M+C) organizations to elect to receive a reduction in its payment under § 422.250(a)(1), 80 percent of which would be applied to reduce (or eliminate) the standard Medicare Part B premium otherwise paid by, or on behalf of, its Medicare enrollees. This was intended to make the M+C plan more attractive to Medicare beneficiaries and increase enrollment in M+C plans.

Beneficiaries must pay a premium in order to receive Supplementary Medical Insurance benefits commonly referred to as Medicare Part B. The Part B premiums are collected monthly, most commonly as deductions from the beneficiary's Social Security or other retirement benefits. They also may be paid by a third party, such as an employer or the State Medicaid program, or are paid directly by the beneficiary.

The provisions of this final rule revising part 408 to reflect the provisions of section 606 of BIPA are described in detail in section II, Provisions of the Final Rule.

**II. Provisions of the Final Rule**

We are making the following revisions to 42 CFR part 408 to reflect changes in the statute made in section 606 of BIPA:

We are adding a new § 408.21 entitled “Reduction in Medicare Part B Premium as an Additional Benefit Under Medicare+Choice Plans.” This new provision includes paragraphs treating, respectively, the basis for a reduction of Medicare Part B premiums, the administrative requirements for a Medicare Part B premium reduction,