Issued in Washington, DC, on October 2, 2006.

Alexander A. Karsner,

Assistant Secretary, Energy Efficiency and Renewable Energy.

[FR Doc. E6–16998 Filed 10–13–06; 8:45 am]

BILLING CODE 6450–01–P

DEPARTMENT OF TRANSPORTATION

Federal Aviation Administration

14 CFR Part 39

[Docket No. FAA–2006–25896; Directorate Identifier 2006–NE–33–AD; Amendment 39–14775; AD 2006–20–06]

RIN 2120–AA64

Airworthiness Directives; General Electric Company CF34–10E Series Turbofan Engines; Correction

AGENCY: Federal Aviation Administration, DOT.

ACTION: Final rule; correction.

SUMMARY: This document makes a correction to Airworthiness Directive (AD) 2006–20–06. That AD applies to General Electric Company (GE) CF34–10E series turbofan engines. We published AD 2006–20–06 in the **Federal Register** on September 29, 2006 (71 FR 57403). The issue date of the AD was inadvertently omitted. This document adds the AD issue date. In all other respects, the original document remains the same.

DATES: *Effective Date:* Effective October 16, 2006.

FOR FURTHER INFORMATION CONTACT: Tara Fitzgerald, Aerospace Engineer, Engine Certification Office, FAA, Engine and Propeller Directorate, 12 New England Executive Park, Burlington, MA 01803; telephone (781) 238–7130; fax (781) 238–7199.

SUPPLEMENTARY INFORMATION: A final rule AD, FR Doc. 06–8284, that applies to GE CF34–10E series turbofan engines was published in the **Federal Register** on September 29, 2006 (71 FR 57403). The following correction is needed:

§ 39.13 [Corrected]

■ On page 57405, in the first column, after compliance paragraph (q), add ''Issued in Burlington, Massachusetts, on September 21, 2006.''

Issued in Burlington, MA, on October 6, 2006.

Peter A. White,

Acting Manager, Engine and Propeller Directorate, Aircraft Certification Service.

[FR Doc. E6–17007 Filed 10–13–06; 8:45 am]

BILLING CODE 4910–13–P

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

42 CFR Part 433

[CMS–2231–F]

RIN 0938–A031

Medicaid Program; State Allotments for Payment of Medicare Part B Premiums for Qualifying Individuals: Federal Fiscal Year 2006 and Fiscal Year 2007

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

ACTION: Final rule.

SUMMARY: This final rule sets forth the methodology and process used to compute and issue each State's allotments for fiscal years (FY) 2006 and FY 2007 that are available to pay Medicare Part B premiums for qualifying individuals. It also provides the final FY 2006 allotments and the preliminary FY 2007 allotments determined under this methodology.

We are also confirming the April 28, 2006 interim final rule as final.

DATES: Effective November 15, 2006, the interim rule amending 42 CFR part 433, which was published on April 28, 2006 (71 FR 25085), is adopted as final.

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

SUPPLEMENTARY INFORMATION:

I. Background

A. Allotments Prior to FY 2005

Section 1902 of the Social Security Act (the Act) sets forth the requirements for State plans for medical assistance. Before August 5, 1997, section 1902(a)(10)(E) of the Act specified that the State Medicaid plan must provide for some or all types of Medicare cost sharing for three eligibility groups of low-income Medicare beneficiaries. These three groups included qualified Medicare beneficiaries (QMBs), specified low-income Medicare beneficiaries (SLMBs), and qualified disabled and working individuals (QDWIs).

A QMB is an individual entitled to Medicare Part A with income at or below the Federal poverty line (FPL) and resources below $4,000 for an individual and $6,000 for a couple. A SLMB is an individual who meets the QMB criteria, except that his or her income is above 100 percent of the FPL and does not exceed 120 percent of the FPL. A QDWI is a disabled individual who is entitled to enroll in Medicare Part A under section 1818A of the Act, whose income does not exceed 200 percent of the FPL for a family of the size involved, whose resources do not exceed twice the amount allowed under the Supplementary Security Income (SSI) program, and who is not otherwise eligible for Medicaid. The definition of Medicare cost-sharing at section 1905(p)(3) of the Act includes payment for premiums for Medicare Part B.

Section 4732 of the Balanced Budget Act of 1997 (BBA), enacted on August 5, 1997, amended section 1902(a)(10)(E) of the Act to require States to provide for Medicaid payment of the Medicare Part B premiums for two additional eligibility groups of low-income Medicare beneficiaries, referred to as qualifying individuals (QIs).

Specifically, a new section 1902(a)(10)(E)(iv)(I) of the Act was added, under which States must pay the full amount of the Medicare Part B premium for qualifying individuals who are eligible QMBs but for the fact that their income level is at least 120 percent of the FPL but less than 135 percent of the FPL for a family of the size involved. These individuals cannot otherwise be eligible for medical assistance under the approved State Medicaid plan. The second group of QIs added under section 1902(a)(10)(E)(iv)(II) of the Act includes Medicare beneficiaries who would be QMBs except that their income is at least 135 percent but less than 175 percent of the FPL for a family of the size involved, who are not otherwise eligible for Medicaid under the approved State plan. These QIs were eligible for only a portion of Medicare cost sharing consisting of a percentage of the increase in the Medicare Part B premium attributable to the shift of Medicare home health coverage from Part A to Part B (as provided in section 4611 of the BBA).

Coverage of the second group of QIs ended on December 31, 2002, and in 2003, section 401 of the Welfare Reform Bill (Pub. L. 108–89), enacted on October 1, 2003, eliminated reference to the QI–2 benefit. In each of the years 2002 and 2003, continuing resolutions extended the coverage of the first group of QIs (whose income is at least 120 percent but less than 135 percent of the Federal poverty line) through the following fiscal year, but maintained the annual funding at the FY 2002 level.

In 2004, Public Law 108–448 was enacted, which continued coverage of this group through September 30, 2005, again with no change in funding.

The BBA also added a new section 1933 to the Act to provide for Medicaid payment of Medicare Part B premiums for QIs. (The previous section 1933 was re-designated as section 1934.)

Section 1933(a) of the Act specifies that a State plan must provide, through a State plan amendment, for medical assistance to pay for the cost of Medicare cost-sharing on behalf of QIs who are selected to receive assistance. Section 1933(b) of the Act sets forth the rules that States must follow in selecting QIs and providing payment for Medicare Part B premiums. Specifically, the State must permit all qualifying individuals to apply for assistance and must select individuals on a first-come, first-served basis (that is, the State must select QIs in the order in which they apply). Under section 1933(b)(2)(B) of the Act, in selecting persons who will receive assistance in years after 1998, States must give preference to those individuals who received assistance as QIs, QMBs, SLMBs, or QDWIs in the last month of the previous year and who continue to be (or become) QIs.

Under section 1933(b)(4) of the Act, persons selected to receive assistance in a calendar year are entitled to receive assistance for the remainder of the year, but not beyond, as long as they continue to qualify. The fact that an individual is selected to receive assistance at any time during the year does not entitle the individual to continued assistance for any succeeding year. Because the State's allotment is limited by law, section 1933(b)(3) of the Act provides that the State must limit the number of QIs so that the amount of assistance provided during the year is approximately equal to the allotment for that year.

Section 1933(c) of the Act limits the total amount of Federal funds available for payment of Part B premiums for QIs each fiscal year and specifies the formula that is to be used to determine an allotment for each State from this total amount. For States that executed a State plan amendment in accordance with section 1933(a) of the Act, a total of $1.5 billion was allocated over 5 years as follows: $200 million in FY 1998; $250 million in FY 1999; $300 million in FY 2000; $350 million in FY 2001; and $400 million in FY 2002. In 1999, the Department published a notice (64 FR 14931, March 29, 1999) to advise States of the methodology used to calculate allotments and each State's specific allotment for that year. Following that notice, there was no change in methodology and States have been notified annually of their allotments. We did not include the methodology for computing the allocation in our regulations. Although the BBA originally provided coverage of QIs through FY 2002, through several continuing resolutions, coverage has been continued through the current fiscal year, but without any increase in total allocation over the FY 2002 level.

The Federal medical assistance percentage for Medicaid payment of Medicare Part B premiums for qualifying individuals is 100 percent for expenditures up to the amount of the State's allotment. No Federal funds are available for expenditures in excess of the State allotment amount. The Federal matching rate for administrative expenses associated with the payment of Medicare Part B premiums for QIs remains at the 50 percent matching level. Federal financial participation in the administrative expenses is not counted against the State's allotment.

The amount available for each fiscal year is to be allocated among States according to the formula set forth in section 1933(c)(2) of the Act. The formula provides for an amount to each State that is to be based on each State's share of the Secretary's estimate of the ratio of: (a) An amount equal to the total number of individuals in the State who meet all but the income requirements for QMBs, whose incomes are at least 120 percent but less than 135 percent of the Federal poverty line, and who are not otherwise eligible for Medicaid, to (b) the sum of all those individuals for all eligible States.

B. Allotments for FY 2005

In FY 2005, some States exhausted their FY 2005 allotments before the end of the fiscal year, which caused them to deny benefits to eligible persons under section 1933(b)(3) of the Act, while other States projected a surplus in their allotments. We asked those States that exhausted or expected to exhaust their FY 2005 allotments before the end of the fiscal year to project the amount of funds that would be required to grant eligibility to all eligible persons in their State, that is, their need. We also asked those States that did not expect to use their full allotments in FY 2005 to project the difference between the amount they expected to spend and their allotment, that is, their surplus. After all States reported these figures, it was evident that the total surplus exceeded the total need. In spite of there being adequate overall funding for the QI benefit, some eligible individuals would have been denied benefits due to the allocation methodology initially used to determine the FY 2005 allotments.

We believed that it was the clear intent of the statute to provide benefits to eligible persons up to the full amount of funds made available for the program. We attributed the difference between the surplus in available QI allotments for some States and the need in other States in FY 2005 as due to the imprecision in the data that we used to provide States with their initial allocations under section 1933 of the Act. Therefore, on August 26, 2005 we published an interim final rule in the **Federal Register** (70 FR 50214) under which we compensated for this imprecision in order to enable States to enroll those QIs whom they would have been able to enroll had the data been more precise.

The interim final rule amended 42 CFR 433.10(c) to specify the formula and the data to be used to determine States' allotments and to revise, under certain circumstances, individual State allotments for a Federal fiscal year for the Medicaid payment of Medicare Part B premiums for qualifying individuals identified under section 1902(a)(10)(E)(iv) of the Act.

The FY 2005 allotments were determined by applying the U.S. Census Bureau data to the formula set forth in section 1933(c)(2) of the Act. However, the statute requires that the allocation of the fiscal year allotment be based upon a ratio of the amount of ''total number of individuals described in section 1902(a)(10)(E)(iv) in the State'' to the sum of these amounts for all States. Because this formula requires an estimate of an unknown number, that is, the number of individuals who could be QIs (rather than the number of individuals who were QIs in a previous period), our use of the Census Bureau data in the formula represented a rough proxy to attain the statutory number. Actual expenditure data, however, revealed that the Census Bureau data yielded an inappropriate distribution of the total appropriated fund as evidenced by the fact that several States projected significant shortfalls in their allotments, while many other States projected a significant surplus by the end of the fiscal year 2005. Census Bureau data were not accurate for the purpose of projecting States' needs because the data could not take into consideration all variables that contribute to QI eligibility and enrollment, such as resource levels and the application process itself.

While section 1933 of the Act requires the Secretary to estimate the allocation of the allotments among the States, it did not preclude a subsequent readjustment of that allocation, when it became clear that the data used for that estimate did not effectuate the statutory objective. The interim final rule published in the **Federal Register** on August 26, 2005 permitted in this specific circumstance a redistribution of surplus funds, as it was demonstrated that the States' projections and estimates resulted in an inequitable initial allocation for FY 2005, such that some States were granted an allocation in excess of their total projected need, while the allocation granted to other States proved insufficient to meet their projected QI expenditures.

In the August 26, 2005 interim final rule, we codified the methodology we have been using to approximate the statutory formula for determining State allotments. However, since certain States projected a deficit in their allotment before the end of fiscal year 2005, the rule permitted fiscal year 2005 funds to be reallocated from the surplus States to the need States. The regulation specified the methodology for computing the annual allotments, and for reallocating funds in this circumstance. The formula used to reallocate funds was intended to minimize the impact on surplus States, to equitably distribute the total needed amount among those surplus States, and to meet the immediate needs for those States projecting deficits. At the time of the publication of the interim final rule on August 26, 2005, the authorization for the QI benefit expired at the end of calendar year 2005, and no additional funds were appropriated for the QI benefit beyond September 30, 2005; therefore, the regulation specified a sunset at the end of calendar year 2005.

C. Allotments for FY 2006 and FY 2007

On October 20, 2005 the ''QI, TMA, and Abstinence Programs Extension and Hurricane Katrina Unemployment Relief Act of 2005'' was enacted by the Congress (Pub. L. 109–91). In particular, section 101 of Public Law 109–91 extended the QI program through September 30, 2007 with no change in funding; that is, under this legislation $400 million per fiscal year is appropriated for each of FY 2006 and FY 2007. Under section 101(c), the provisions of section 101 of Public Law 109–91 were effective as of September 30, 2005.

On April 28, 2006 we published an interim final rule with comment period in the **Federal Register** (71 FR 25085) which implemented the provisions of section 101 of Public Law 109–91 relating the QI program and QI allotments for FY 2006 and FY 2007. As indicated in that interim final rule, we believe that the clear intent of the statute is to provide benefits to eligible persons up to the full amount of funds made available for the program in each fiscal year. We recognized that because of the imprecision in data for computing the States' QI allotments for a fiscal year, some States may experience either surpluses or shortages in their FY 2006 and FY 2007 allotments. These FY 2006 and FY 2007 QI allotments attempt to compensate for the imprecision in data to permit shortage States to enroll more QIs than otherwise would have been possible.

II. Provisions of the Final Rule

We received no public comments on the April 28, 2006 interim final rule (71 FR 25085–25092).

This final rule amends § 433.10(c) to specify the formula, data, and process to be used for determining and issuing States' QI allotments. This methodology and process provides for an adjustment in the amounts of the QI allotments preliminarily determined for the Medicaid payment of Medicare Part B premiums for qualifying individuals identified under section 1902(a)(10)(E)(iv) of the Act.

Under the methodology and process described in this final rule for determining States' FY 2006 and FY 2007 QI allotments, ''initial'' FY 2006 and FY 2007 allotments are determined by applying U.S. Census Bureau data to the formula set forth in section 1933(c)(2) of the Act. The statute requires that the allocation of the fiscal year allotment be based upon a ratio of the amount of ''total number of individuals described in section 1902(a)(10)(E)(iv) in the State'' to the sum of these amounts for all States. Because this formula requires an estimate of an unknown number, that is, the number of individuals who could be QIs (rather than the number of individuals who were QIs in a previous period), our use of the Census Bureau data in the formula represents a proxy to attain the statutory number. Use of the Census Bureau data may yield an inappropriate distribution of the total appropriated funds resulting in significant shortfalls in the projected allotments for some States and significant surpluses by the end of the fiscal year for other States. Census Bureau data may not be sufficiently accurate for the purpose of projecting States' needs because the data cannot take into consideration all variables that contribute to QI eligibility and enrollment, such as resource levels and the application process itself. While section 1933 of the Act requires the Secretary to estimate the allocation of the allotments among the States, it does not preclude a subsequent readjustment of that allocation, when it becomes clear that the data used for that estimate did not effectuate the statutory objective.

This final rule sets out the methodology and process we use for determining States' QI allotments for FY 2006 and FY 2007 that permits a redistribution of surplus funds to States whose allotments, determined based only on the formula in section 1933 of the Act, would be insufficient to meet their projected QI expenditures for the fiscal year. In this final rule, we are codifying the methodology and process we will use to approximate the statutory formula for determining State allotments and making adjustments in such allotment, as appropriate.

In this final rule, we set forth a two step/two phase methodology/process for determining States' QI allotments for FY 2006 and FY 2007. Under the first step of phase one, an ''initial'' allocation is determined for each State under the formula specified in section 1933 of the Act and based only on the data obtained from the Census Bureau (the 3-year average of the number of Medicare beneficiaries in the State who are not enrolled in the Medicaid program but whose incomes are at least 120 percent of the FPL and less than 135 percent of the FPL). However, we further obtain States' projected QI expenditures for the fiscal year. We then compare the initial allocations for the fiscal year to the States' projected QI expenditures for the fiscal year to determine those States with a projected need (that is, those States whose initial allocation is less than their projected expenditures) or a projected surplus (that is, those States whose initial allocation is greater than the projected expenditures) for the fiscal year.

Under the second step of the process, we adjust the States' initial allocations by considering the States' projected QI expenditures for the fiscal year. This would be done by proportionately reducing the QI allotments of States with surpluses for the fiscal year by the amount of the total need for States that do not have sufficient QI allotments for the fiscal year.

In this final rule, we apply this methodology/process in two phases in each fiscal year. At the beginning of each fiscal year, we would determine the initial allocations based on the Census Bureau data, obtain States' projections of QI expenditures for the fiscal year, and make any adjustments based on the projected surpluses/needs for the fiscal year. The amount of the States' QI allotments determined under this first phase at the beginning of the fiscal year are considered the States' ''preliminary'' QI allotments for the fiscal year. Then, under phase two of the process during the fourth quarter of the fiscal year we obtain States' updated projected QI expenditures for the fiscal year. We then establish the ''final'' QI allotments for the fiscal year based on these updated projections.

As indicated in this final rule, the States' final QI allotments for a fiscal year are determined by comparing the initial QI allotments for the fiscal year (again which are calculated based on the Census Bureau data) to the States' updated projections of QI expenditures for the fiscal year; this establishes those States with a ''final'' projected need (the initial allocation is less than the updated projected expenditures) or a surplus (initial allocation is greater than the updated projected expenditures) for the fiscal year. Using the updated projected QI expenditures, we adjust the States' initial allocations by reducing the surplus States' initial allotments proportionately to meet the need States' deficits. This is the same methodology we used for determining the FY 2005 allotments as published in the interim final rule published on August 26, 2005 in the **Federal Register**; the only change was that in computing the FY 2006 and FY 2007 allotments, we are determining the preliminary allotments at the beginning of the fiscal year using States' preliminary projected QI expenditures, and then determining the final QI allotments later in the fiscal year using States' updated projected QI expenditures.

The formula used to reallocate the available funds to need States is intended to minimize the impact on surplus States, to equitably distribute the total needed amount among those surplus States, and to meet the needs for those States projecting deficits. Since under Public Law 109–91, the authorization for the QI benefit expires at the end of calendar year 2007, and currently no funds have been appropriated for the QI benefit beyond September 30, 2007, this regulation will sunset at the end of calendar year 2007. Should the Congress authorize an extension of the QI benefit and appropriate additional funds for allocation among the States, we will amend the sunset date in this regulation to take into account any extension.

The resulting initial allotments for FY 2006 are shown by State in the table below. In this table each column contains data defined as follows:

Chart—Final FY 2006 Qualified Individuals Allotments

Column A—State. Column A shows the name of each State.

Columns B through D show the determination of the States' Initial FY 2006 QI Allotments, based only on Census Bureau data.

Column B—Number of Individuals. Column B contains the estimated average number of Medicare beneficiaries for the years 2003 through 2005 who are not covered by Medicaid whose family income is between 120 and 135 percent of the poverty level for each State, in thousands, as obtained from the Census Bureau's Annual Social and Economic Supplement to the Current Population Survey through March of 2005.

Column C—Percentage of Total. Column C provides the percentage of total number of individuals for each State, determined as the Number of Individuals for the State in Column B divided by the sum of the Number of Individuals for all States in Column B.

Column D—Initial QI Allotment. Column D contains each State's Initial FY 2006 QI allotment, calculated as the State's Percentage of Total in Column C multiplied by $400,000,000, the total amount available for FY 2006 for all States.

Columns E through J show the determination of the States' Final FY 2006 QI Allotments.

Column E—FY 2006 Estimated QI Expenditures. Column E contains the States' most recent estimates of their total QI expenditures for FY 2006 requested from States in August 2006.

Column F—Need (Difference). Column F contains the additional amount of QI allotment needed for those States whose estimated expenditures in Column E exceed their Initial FY 2006 QI allotments in Column D; for those States, Column E shows the amount in Column E minus the amount in Column D. For other States, Column F shows ''NA.''

Column G—Reduction Pool for Non-Need States. Column G contains the amount of the pool of surplus FY 2006 QI allotments for those States that project they will not need all of their FY 2006 QI allotments (referred to as non-need States). For States whose estimates of QI expenditures for FY 2006 in Column E are equal to or less than their Initial FY 2006 QI allotments in Column D, Column G shows the amount in Column D minus the amount in Column E. For the States with a need, Column G shows ''Need.'' The pool of excess QI allotments is equal to the sum of the amounts in Column G.

Column H—Percent of Total Non-Need States. Column H shows the percentage of the total excess FY 2006 allotments for each Non-Need State, determined as the amount for each Non-Need State in Column G divided by the sum of the amounts for all States in Column G.

Column I—Reduction for Non-Need States. Column I shows the amount of reduction to Non-Need States' Initial FY 2006 QI allotments in Column D in order to provide for the total need shown in Column F. The amount in Column I is determined as the percentage in Column H for Non-Need States multiplied by the sum of the need for all States from Column F.

Column J—Final FY 2006 QI Allotment. Column J contains the Preliminary FY 2006 QI allotment for each State. For States that need additional amounts based on their FY 2006 Estimated QI Expenditures in Column E, Column J is equal to the Initial FY 2006 QI Allotment in Column D plus the amount of Need in Column F. For Non-Need States, Column J is equal to the Initial FY 2006 QI Allotment in Column D minus the amount in Column I.

BILLING CODE 4120–01–P

FINAL FY 2006 QUALIFIED INDIVIDUALS ALLOTMENTS

STATE	Initial QI Allotments for FY 2006 Number of Individuals /3 (000s)	Percentage of Total Col B/Tot. Col B	Initital QI Allotment Col C x $400,000,000	FY 2006 Estimated QI Expenditures /1	Need (Difference) If E>D, E-D	Reduction Pool for Non-Need States If D > E, D - E	Percent of Total Non-Need States G/(Total of G)	Reduction for Non-Need States (Col H x Tot. Col F) $25,340,824	Final FY 2006 QI Allotment /2
A	B	C	D	E	F	G	H	I	J
Alabama	30.3	2.00%	$7,991,218	$14,000,000	$6,008,782	Need	Need	Need	$14,000,000
Alaska	1.3	0.09%	$351,262	$175,000	NA	$176,262	0.1412%	$35,780	$315,483
Arizona	42	2.74%	$10,976,948	$10,327,200	NA	$649,748	0.5205%	$131,894	$10,845,055
Arkansas	21	1.41%	$5,620,198	$4,646,905	NA	$973,293	0.7797%	$197,571	$5,422,627
California	134	8.80%	$35,214,050	$11,288,400	NA	$23,925,650	19.1656%	$4,856,714	$30,357,337
Colorado	12	0.79%	$3,161,361	$2,058,179	NA	$1,103,182	0.8837%	$223,937	$2,937,424
Connecticut	13	0.88%	$3,512,623	$6,758,294	$3,245,671	Need	Need	Need	$6,758,294
Delaware	4	0.24%	$965,971	$261,654	NA	$704,317	0.5642%	$142,971	$823,001
District of Columbia	2	0.15%	$614,709	$26,550	NA	$588,159	0.4711%	$119,392	$495,318
Florida	109	7.18%	$28,715,697	$26,951,676	NA	$1,764,021	1.4131%	$358,082	$28,357,615
Georgia	47	3.07%	$12,294,182	$15,161,026	$2,866,844	Need	Need	Need	$15,161,026
Hawaii	5	0.33%	$1,317,234	$394,628	NA	$922,606	0.7391%	$187,282	$1,129,952
Idaho	5	0.31%	$1,229,418	$1,222,000	NA	$7,418	0.0059%	$1,506	$1,227,912
Illinois	79	5.23%	$20,900,110	$12,900,000	NA	$8,000,110	6.4085%	$1,623,958	$19,276,152
Indiana	51	3.36%	$13,435,785	$4,414,785	NA	$9,021,000	7.2262%	$1,831,190	$11,604,595
Iowa	16	1.05%	$4,215,148	$2,020,000	NA	$2,195,148	1.7584%	$445,597	$3,769,551
Kansas	13	0.83%	$3,336,992	$1,400,000	NA	$1,936,992	1.5516%	$393,194	$2,943,799
Kentucky	31	2.04%	$8,166,850	$6,961,880	NA	$1,204,970	0.9652%	$244,599	$7,922,251
Louisiana	38	2.48%	$9,923,161	$10,002,363	$79,202	Need	Need	Need	$10,002,363
Maine	9	0.57%	$2,283,205	$3,694,617	$1,411,412	Need	Need	Need	$3,694,617
Maryland	19	1.25%	$5,005,488	$2,800,000	NA	$2,205,488	1.7667%	$447,696	$4,557,792
Massachusetts	41	2.68%	$10,713,502	$4,293,878	NA	$6,419,623	5.1424%	$1,303,132	$9,410,370
Michigan	48	3.14%	$12,557,629	$6,997,968	NA	$5,559,661	4.4536%	$1,128,566	$11,429,063
Minnesota	17	1.14%	$4,566,411	$3,023,000	NA	$1,543,411	1.2363%	$313,300	$4,253,111
Mississippi	18	1.19%	$4,742,042	$500,000	NA	$4,242,042	3.3981%	$861,100	$3,880,941
Missouri	37	2.41%	$9,659,715	$2,000,000	NA	$7,659,715	6.1358%	$1,554,860	$8,104,854
Montana	8	0.53%	$2,107,574	$566,000	NA	$1,541,574	1.2349%	$312,927	$1,794,647
Nebraska	10	0.68%	$2,722,283	$1,800,000	NA	$922,283	0.7388%	$187,216	$2,535,067
Nevada	7	0.44%	$1,756,312	$1,793,212	$36,900	Need	Need	Need	$1,793,212
New Hampshire	8	0.50%	$2,019,759	$871,316	NA	$1,148,443	0.9200%	$233,125	$1,786,634
New Jersey	49	3.21%	$12,821,076	$8,899,284		$3,921,792	3.1415%	$796,092	$12,024,984
New Mexico	12	0.79%	$3,161,361	$1,892,435	NA	$1,268,926	1.0165%	$257,582	$2,903,779
New York	92	6.04%	$24,149,286	$32,539,158	$8,389,872	Need	Need	Need	$32,539,158
North Carolina	72	4.76%	$19,055,982	$14,000,455	NA	$5,055,527	4.0497%	$1,026,231	$18,029,751
North Dakota	4	0.24%	$965,971	$296,058	NA	$669,913	0.5366%	$135,987	$829,984
Ohio	61	4.04%	$16,158,068	$12,802,103	NA	$3,355,965	2.6883%	$681,234	$15,476,834
Oklahoma	19	1.27%	$5,093,304	$5,364,336	$271,032	Need	Need	Need	$5,364,336
Oregon	16	1.05%	$4,215,148	$5,339,318	$1,124,170	Need	Need	Need	$5,339,318
Pennsylvania	60	3.93%	$15,718,990	$16,310,573	$591,583	Need	Need	Need	$16,310,573
Rhode Island	7	0.44%	$1,756,312	$1,710,008	NA	$46,304	0.0371%	$9,399	$1,746,912
South Carolina	27	1.80%	$7,200,878	$5,586,000	NA	$1,614,878	1.2936%	$327,807	$6,873,071
South Dakota	5	0.35%	$1,405,049	$727,260	NA	$677,789	0.5429%	$137,586	$1,267,464
Tennessee	32	2.09%	$8,342,481	$500,000	NA	$7,842,481	6.2822%	$1,591,960	$6,750,520
Texas	89	5.88%	$23,534,577	$18,221,663	NA	$5,312,914	4.2559%	$1,078,479	$22,456,099
Utah	6	0.42%	$1,668,496	$872,642	NA	$795,854	0.6375%	$161,552	$1,506,944
Vermont	4	0.26%	$1,053,787	$2,369,145	$1,315,358	Need	Need	Need	$2,369,145
Virginia	31	2.02%	$8,079,034	$5,322,919	NA	$2,756,115	2.2078%	$559,469	$7,519,565
Washington	19	1.23%	$4,917,673	$3,568,458	NA	$1,349,215	1.0808%	$273,880	$4,643,793
West Virginia	19	1.27%	$5,093,304	$3,214,041	NA	$1,879,263	1.5054%	$381,475	$4,711,829
Wisconsin	19	1.27%	$5,093,304	$1,225,829	NA	$3,867,475	3.0980%	$785,066	$4,308,238
Wyoming	2	0.11%	$439,078	$432,000	NA	$7,078	0.0057%	$1,437	$437,641
Total	1518	100.00%	$400,000,000	$300,504,217	$25,340,824	$124,836,607	100.0000%	$25,340,824	$400,000,000

Footnotes:
/1 FY 2006 Estimates from August 2006 CMS Survey of States
/2 For Need States Final FY 2006 QI Allotment is equal to Initial QI Allotment in Column D increased by amount in Column F
For Non-Need States Preliminary FY 2006 QI Allotment is equal to Initial QI Allotment in Column D reduced by amount in Column I
/3 Three-year average (2003-2005) of number (000) of Medicare beneficiaries in State who are not enrolled in Medicaid but whose incomes are at least 120% but less than 135% of FPL.
Source: Census Bureau Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS) for past 3 years through March of 2005

Chart—Preliminary FY 2007 Qualified Individuals Allotments

Column A—State. Column A shows the name of each State.

Columns B through D show the determination of the States' Initial FY 2007 QI Allotments, based only on Census Bureau data.

Column B—Number of Individuals. Column B contains the estimated average number of Medicare beneficiaries for the years 2004 through 2006 who are not covered by Medicaid whose family income is between 120 and 135 percent of the poverty level for each State, in thousands, as obtained from the Census Bureau's Annual Social and Economic Supplement to the

Current Population Survey through March of 2006.

Column C—Percentage of Total. Column C provides the percentage of total number of individuals for each State, determined as the Number of Individuals for the State in Column B divided by the sum of the Number of Individuals for all States in Column B.

Column D—Initial QI Allotment. Column D contains each State's Initial FY 2007 QI allotment, calculated as the State's Percentage of Total in Column C multiplied by $400,000,000, the total amount available for FY 2007 for all States.

Columns E through J show the determination of the States' Preliminary FY 2007 QI Allotments.

Column E—FY 2007 Estimated QI Expenditures. Column E contains the States' most recent estimates of their total QI expenditures for FY 2007 requested from States in August 2006.

Column F—Need (Difference). Column F contains the additional amount of QI allotment needed for those States whose estimated expenditures in Column E exceed their Initial FY 2007 QI allotments in Column D; for such States, Column E shows the amount in Column E minus the amount in Column D. For other States, Column F shows ''NA.''

Column G—Reduction Pool for Non-Need States. Column G contains the amount of the pool of surplus FY 2007 QI allotments for those States that project they will not need all of their FY 2007 QI allotments (referred to as non-need States). For States whose estimates of QI expenditures for FY 2007 in Column E are equal to or less than their Initial FY 2007 QI allotments in Column D, Column G shows the amount in Column D minus the amount in Column E. For the States with a need, Column G shows ''Need.'' The pool of excess QI allotments is equal to the sum of the amounts in Column G.

Column H—Percent of Total Non-Need States. Column H shows the percentage of the total excess FY 2007 allotments for each Non-Need State, determined as the amount for each Non-Need State in Column G divided by the sum of the amounts for all States in Column G.

Column I—Reduction for Non-Need States. Column I shows the amount of reduction to Non-Need States' Initial FY 2007 QI allotments in Column D in order to provide for the total need shown in Column F. The amount in Column I is determined as the percentage in Column H for Non-Need States multiplied by the sum of the need for all States from Column F.

Column J—Preliminary FY 2007 QI Allotment. Column J contains the Preliminary FY 2007 QI allotment for each State. For States that need additional amounts based on their FY 2007 Estimated QI Expenditures in Column E, Column J is equal to the Initial FY 2007 QI Allotment in Column D plus the amount of Need Column F. For Non-Need States, Column J is equal to the Initial FY 2007 QI Allotment in Column D minus the amount in Column I.

BILLING CODE 4120–01–P

PRELIMINARY FY 2007 QUALIFIED INDIVIDUALS ALLOTMENTS

STATE	Initial QI Allotments for FY 2007: Number of Individuals /3 (000s)	Percentage of Total Col B/Tot. Col B	Initital QI Allotment Col C x $400,000,000	FY 2007 Estimated QI Expenditures /1	Need (Difference) If E>D, E-D	Reduction Pool for Non-Need States If D > E, D - E	Percent of Total Non-Need States G/(Total of G)	Reduction for Non-Need States (Col H x Tot. Col F) $78,924,640	Preliminary FY 2007 QI Allotment /2
A	B	C	D	E	F	G	H	I	J
Alabama	27.0	1.78%	$7,114,625	$20,160,000	$13,045,375	Need	Need	Need	$20,160,000
Alaska	1.7	0.11%	$439,174	$175,000	NA	$264,174	0.3066%	$242,003	$197,171
Arizona	35.0	2.31%	$9,222,661	$13,773,900	$4,551,239	Need	Need	Need	$13,773,900
Arkansas	21.0	1.38%	$5,533,597	$6,545,655	$1,012,058	Need	Need	Need	$6,545,655
California	118.3	7.80%	$31,181,379	$17,496,200	NA	$13,685,179	15.8843%	$12,536,646	$18,644,733
Colorado	13.3	0.88%	$3,513,395	$3,008,726	NA	$504,669	0.5858%	$462,314	$3,051,080
Connecticut	16.0	1.05%	$4,216,074	$9,289,472	$5,073,398	Need	Need	Need	$9,289,472
Delaware	4.0	0.26%	$1,054,018	$295,000	NA	$759,018	0.8810%	$695,318	$358,701
District of Columbia	2.7	0.18%	$702,679	$29,205	NA	$673,474	0.7817%	$616,952	$85,726
Florida	104.3	6.87%	$27,492,314	$35,053,548	$7,561,234	Need	Need	Need	$35,053,548
Georgia	45.0	2.96%	$11,857,708	$16,198,727	$4,341,019	Need	Need	Need	$16,198,727
Hawaii	4.7	0.31%	$1,229,688	$488,738	NA	$740,950	0.8600%	$678,766	$550,922
Idaho	6.0	0.40%	$1,581,028	$1,344,000	NA	$237,028	0.2751%	$217,135	$1,363,893
Illinois	80.3	5.29%	$21,168,204	$15,800,000	NA	$5,368,204	6.2308%	$4,917,676	$16,250,528
Indiana	57.7	3.80%	$15,195,433	$7,100,000	NA	$8,095,433	9.3963%	$7,416,021	$7,779,411
Iowa	14.7	0.97%	$3,864,734	$2,400,000	NA	$1,464,734	1.7001%	$1,341,806	$2,522,928
Kansas	12.0	0.79%	$3,162,055	$1,650,000	NA	$1,512,055	1.7550%	$1,385,156	$1,776,900
Kentucky	30.3	2.00%	$7,992,973	$10,415,214	$2,422,241	Need	Need	Need	$10,415,214
Louisiana	32.0	2.11%	$8,432,148	$12,555,153	$4,123,005	Need	Need	Need	$12,555,153
Maine	8.3	0.55%	$2,195,872	$5,495,370	$3,299,499	Need	Need	Need	$5,495,370
Maryland	20.0	1.32%	$5,270,092	$4,000,000	NA	$1,270,092	1.4742%	$1,163,499	$4,106,593
Massachusetts	44.3	2.92%	$11,682,038	$6,547,774	NA	$5,134,263	5.9593%	$4,703,369	$6,978,669
Michigan	51.7	3.40%	$13,614,405	$10,168,066	NA	$3,446,339	4.0001%	$3,157,104	$10,457,301
Minnesota	14.3	0.94%	$3,776,899	$4,081,000	$304,101	Need	Need	Need	$4,081,000
Mississippi	17.7	1.16%	$4,655,248	$500,000	NA	$4,155,248	4.8230%	$3,806,518	$848,730
Missouri	45.7	3.01%	$12,033,377	$2,060,000	NA	$9,973,377	11.5761%	$9,136,359	$2,897,019
Montana	7.0	0.46%	$1,844,532	$740,000	NA	$1,104,532	1.2820%	$1,011,834	$832,698
Nebraska	10.0	0.66%	$2,635,046	$2,700,000	$64,954	Need	Need	Need	$2,700,000
Nevada	10.3	0.68%	$2,722,881	$2,790,330	$67,449	Need	Need	Need	$2,790,330
New Hampshire	8.0	0.53%	$2,108,037	$916,294	NA	$1,191,743	1.3833%	$1,091,726	$1,016,311
New Jersey	41.0	2.70%	$10,803,689	$9,990,271	NA	$813,418	0.9441%	$745,152	$10,058,537
New Mexico	11.0	0.72%	$2,898,551	$2,299,667	NA	$598,884	0.6951%	$548,622	$2,349,928
New York	89.0	5.86%	$23,451,910	$44,640,558	$21,188,648	Need	Need	Need	$44,640,558
North Carolina	64.3	4.24%	$16,952,130	$18,018,000	$1,065,870	Need	Need	Need	$18,018,000
North Dakota	5.0	0.33%	$1,317,523	$431,954	NA	$885,569	1.0279%	$811,247	$506,276
Ohio	60.3	3.97%	$15,898,112	$14,721,412	NA	$1,176,700	1.3658%	$1,077,945	$14,820,167
Oklahoma	18.3	1.21%	$4,830,918	$7,695,104	$2,864,186	Need	Need	Need	$7,695,104
Oregon	21.0	1.38%	$5,533,597	$7,045,898	$1,512,301	Need	Need	Need	$7,045,898
Pennsylvania	69.0	4.55%	$18,181,818	$20,771,061	$2,589,243	Need	Need	Need	$20,771,061
Rhode Island	6.7	0.44%	$1,756,697	$2,214,797	$458,099	Need	Need	Need	$2,214,797
South Carolina	26.7	1.76%	$7,026,790	$4,946,000	NA	$2,080,790	2.4152%	$1,906,159	$5,120,631
South Dakota	4.3	0.29%	$1,141,853	$963,234	NA	$178,619	0.2073%	$163,629	$978,225
Tennessee	31.7	2.09%	$8,344,313	$500,000	NA	$7,844,313	9.1049%	$7,185,977	$1,158,336
Texas	95.7	6.30%	$25,208,608	$21,661,096	NA	$3,547,512	4.1176%	$3,249,786	$21,958,822
Utah	5.0	0.33%	$1,317,523	$1,066,005	NA	$251,518	0.2919%	$230,409	$1,087,114
Vermont	3.3	0.22%	$878,349	$4,259,070	$3,380,721	Need	Need	Need	$4,259,070
Virginia	33.0	2.17%	$8,695,652	$6,920,000	NA	$1,775,652	2.0610%	$1,626,630	$7,069,022
Washington	26.3	1.73%	$6,938,955	$5,283,000	NA	$1,655,955	1.9221%	$1,516,978	$5,421,976
West Virginia	18.3	1.21%	$4,830,918	$3,291,138	NA	$1,539,780	1.7872%	$1,410,553	$3,420,364
Wisconsin	22.7	1.49%	$5,972,771	$1,841,760	NA	$4,131,011	4.7948%	$3,784,315	$2,188,456
Wyoming	2.0	0.13%	$527,009	$432,000	NA	$95,009	0.1103%	$87,036	$439,974
Total	1518	100.00%	$400,000,000	$392,769,397	$78,924,640	$86,155,243	100.0000%	$78,924,640	$400,000,000

Footnotes:
/1 FY 2007 Estimates from August 2006 CMS Survey of States
/2 For Need States Preliminary FY 2007 QI Allotment is equal to Initial QI Allotment in Column D increased by amount in Column F
For Non-Need States Preliminary FY 2007 QI Allotment is equal to Initial QI Allotment in Column D reduced by amount in Column I
/3 Three-year average (2004-2006) of number (000) of Medicare beneficiaries in State who are not enrolled in Medicaid but whose incomes are at least 120% but less than 135% of FPL.
Source: Census Bureau Annual Social and Economic Supplement (ASEC) to the Current Population Survey (CPS) for past 3 years through March of 2006

BILLING CODE 4120–01–C

III. Collection of Information Requirements

This document does not impose information collection and recordkeeping requirements. Consequently, it need not be reviewed by the Office of Management and Budget under the authority of the Paperwork Reduction Act of 1995 (44 U.S.C. 35).

IV. Regulatory Impact Statement

We have examined the impact of this rule as required by Executive Order 12866 (September 1993, Regulatory Planning and Review), the Regulatory Flexibility Act (RFA) (September 19, 1980, Pub. L. 96–354), section 1102(b) of the Social Security Act, the Unfunded Mandates Reform Act of 1995 (Pub. L. 104–4), and Executive Order 13132.

Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). A regulatory impact analysis (RIA) must be prepared for major rules with economically significant effects ($100 million or more in any 1 year). This rule does not reach the economic threshold and thus is not considered a major rule.

The RFA requires agencies to analyze options for regulatory relief for small businesses. For purposes of the RFA, small entities include small businesses, nonprofit organizations, and small governmental jurisdictions. Most hospitals and most other providers and suppliers are small entities, either by nonprofit status or by having revenues of $6 million to $29 million in any 1 year. Individuals and States are not included in the definition of a small entity.

This final rule codifies our procedures for implementing provisions of the Balanced Budget Act of 1997 to allocate, among the States, Federal funds to provide Medicaid payment for Medicare Part B premiums for low-income Medicare beneficiaries. The total amount of Federal funds available during a Federal fiscal year and the formula for determining individual State allotments are specified in the law. We have applied the statutory formula for the State allotments. Because the data specified in the law were not initially available, we used comparable data from the U.S. Census Bureau on the number of possible qualifying individuals in the States. This rule also permits, in a specific circumstance, reallocation of funds to enable enrollment of all eligible individuals to the extent of the available funding.

We believe that the statutory provisions implemented in this final rule will have a positive effect on States and individuals. Federal funding at the 100 percent matching rate is available for Medicare cost-sharing for Medicare Part B premium payments for qualifying individuals and, with the reallocation of the State allotments, a greater number of low-income Medicare beneficiaries will be eligible to have their Medicare Part B premiums paid under Medicaid. The changes in allotments will not result in fewer individuals receiving the QI benefit in any State. The FY 2006 and FY 2007 costs for this provision have been included in the FY 2007 President's Budget.

Section 1102(b) of the Social Security Act requires us to prepare a regulatory impact analysis for any rule that may have a significant impact on the operations of a substantial number of small rural hospitals. The analysis must conform to the provisions of section 604 of the RFA. For purposes of section 1102(b) of the Act, we define a small rural hospital as a hospital that is located outside a Core-Based Statistical Area and has fewer than 100 beds.

We are not preparing analyses for either the RFA or section 1102(b) of the Act because we have determined and certify that this final rule will not have a significant economic impact on a substantial number of small entities or a significant impact on the operations of a substantial number of small rural hospitals.

Section 202 of the Unfunded Mandates Reform Act of 1995 also requires that agencies assess anticipated costs and benefits before issuing any rule that may result in expenditure in any 1 year by State, local, or tribal governments, in the aggregate, or by the private sector, of $110 million. This rule will have no consequential effect on the governments mentioned or on the private sector.

Executive Order 13132 establishes certain requirements that an agency must meet when it promulgates a rule that imposes substantial direct requirement costs on State and local governments, preempts State law, or otherwise has federalism implications. Since this regulation does not impose any costs on State or local governments, the requirements of E.O. 13132 are not applicable.

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

List of Subjects in 42 CFR Part 433

Administrative practice and procedure, Child support, Claims, Grant programs—health, Medicaid, Reporting and recordkeeping requirements.

PART 433—STATE FISCAL ADMINISTRATION

■ Accordingly, the interim final rule amending 42 CFR part 433, which was published at 71 FR 25085 on April 28, 2006, is adopted as final.

Authority: Sections 1902(a)(10), 1933 of the Social Security Act (42 U.S.C. 1396a), and Public Law 105–33.

(Catalog of Federal Domestic Assistance Program No. 93.778, Medical Assistance Program)

Dated: September 19, 2006.

Mark B. McClellan,

Administrator, Centers for Medicare & Medicaid Services.

Approved: September 28, 2006.

Michael O. Leavitt,

Secretary.

[FR Doc. E6–17033 Filed 10–13–06; 8:45 am]

BILLING CODE 4120–01–P

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

50 CFR Part 679

[Docket No. 060216044–6044–01; I.D. 101106A]

Fisheries of the Exclusive Economic Zone Off Alaska; Pacific Cod by Non-American Fisheries Act Crab Vessels Catching Pacific Cod for Processing by the Offshore Component in the Western Regulatory Area of the Gulf of Alaska

AGENCY: National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Temporary rule; closure.

SUMMARY: NMFS is prohibiting directed fishing for Pacific cod by non-American Fisheries Act (AFA) crab vessels catching Pacific cod for processing by the offshore component in the Western Regulatory Area of the Gulf of Alaska (GOA). This action is necessary to prevent exceeding the 2006 Pacific cod sideboard limits apportioned to non-AFA crab vessels catching Pacific cod for processing by the offshore component of the Western Regulatory Area of the GOA.