

Bonds to be issued has not yet been determined, this amount will be based upon the cost of refunding outstanding bonds or the cost of the Facilities. The Tax-Exempt Bonds will mature not more than 30 years from the first day of the month in which they are initially issued.

In order to obtain the benefit of ratings for the Tax-Exempt Bonds equivalent to the rating of the First Mortgage Bonds outstanding under the Mortgage, which ratings IPC has been advised may be attained, IPC may determine to secure its obligations under the Note and the Agreement by delivering to the trustee a series of Tax-Exempt Collateral Bonds in principal amount either (1) equal to the principal amount of the Tax-Exempt Bonds or (2) equal to the sum of the principal amount of the Tax-Exempt Bonds plus interest payments thereon for a specified period. This series of the Tax-Exempt Collateral Bonds will be issued under an indenture supplemental to the Mortgage ("Supplemental Indenture"), will mature on the maturity date of the Tax-Exempt Bonds and will be non-transferable by the trustee. The Tax-Exempt Collateral Bonds, in the case of clause (1) above, will bear interest at a rate or rates equal to the interest rate or rates to be borne by the related Tax-Exempt Bonds and, in the case of clause (2) above, would be non-interest bearing.

The Supplemental Indenture will provide, however, that the obligation of IPC to make payments with respect to the Tax-Exempt Collateral Bonds will be satisfied to the extent that payments are made under the Note or the Agreement sufficient to meet payments when due in respect of the related Tax-Exempt Bonds. The Supplemental Indenture will provide that, upon acceleration by the trustee of the principal amount of all related outstanding Tax-Exempt Bonds under the trust indenture, the trustee may demand the mandatory redemption of the related Tax-Exempt Collateral Bonds then held by it as collateral at a redemption price equal to the principal amount thereof plus accrued interest, if any, to the date fixed for redemption. The Supplemental Indenture may also provide that, upon the optional redemption of the Tax-Exempt Bonds, in whole or in part, a related principal amount of the Tax-Exempt Collateral will be redeemed at the redemption price of the Tax-Exempt Bonds.

In the case of interest bearing Tax-Exempt Collateral Bonds, because interest accrues in respect of these Tax-Exempt Collateral Bonds until satisfied by payments under the Note or the Agreement, "annual interest charges" in

respect of these Tax-Exempt Collateral Bonds will be included in computing the "interest earnings requirement" of the Mortgage which restricts the amount of First Mortgage Bonds which may be issued and sold to the public in relation to IPC's net earnings. In the case of non-interest bearing Tax-Exempt Collateral Bonds, since no interest would accrue in respect of these Tax-Exempt Collateral Bonds, the "interest earnings requirement" would be unaffected.

As an alternative to on in conjunction with IPC's securing its obligation through the issuance of the Tax-Exempt Collateral Bonds, IPC may acquire an irrevocable letter of credit or other credit facility ("Letter of Credit") of a bank or other financial institution ("Bank") and enter into a reimbursement agreement ("Reimbursement Agreement") for any payments under the Letter of Credit. Any borrowing by IPC under the Reimbursement Agreement will have a term of up to ten years and bear interest at a rate not exceeding: (1) the London Interbank Offered Rate plus up to 2%, (2) the Bank's certificate of deposit rate plus up to 1-3/4%, or (3) a rate not to exceed the prime rate plus 1%.

As a further alternative to, or in conjunction with, securing its obligation under the Agreement and Note, IPC may acquire a policy of insurance guaranteeing the payment when due of the principal of and interest on the series of the Tax-Exempt Bonds. This insurance policy would extend for the term of the related Tax-Exempt Bonds and would be non-cancelable by the insurance company for any reason.

In the event that a Letter of Credit or an insurance policy is issued as an alternative to the issuance of the Tax-Exempt Collateral Bonds, IPC may convey a subordinated security interest in the Facilities or other property of IPC as further security for IPC's obligations under the Agreement and the Note. This subordinated security interest would be assigned to the trustee. IPC also proposes to guarantee the payment of the principal of, premium, if any, and interest on the Tax-Exempt Bonds.

Unless otherwise specifically stated in IPC's proposal, any Tax-Exempt Collateral Bonds, Letter of Credit or any related subordinated security interest, coverage under any insurance policy, or guarantee acquired by or issued by IPC as security or credit enhancement for the Tax-Exempt Bonds shall be in an aggregate amount no greater than the principal of the Tax-Exempt Bonds plus interest and will be designed to reflect the payment terms and conditions of the Tax-Exempt Bonds.

It is contemplated that the Tax-Exempt Bonds will be sold under arrangements with one or more purchasers, placement agents or underwriters. In accordance with applicable state laws, the interest rate to be borne by the Tax-Exempt Bonds will be approved by the issuer and will be either a fixed rate, which fixed rate may be convertible to a rate which will fluctuate in accordance with a specified prime or base rate or rates or may be determined by certain remarketing or auction procedures, or a fluctuating rate, which fluctuating rate may be convertible to a fixed rate.

IPC also proposes that it may enter into arrangements providing for the delayed or future delivery of Tax-Exempt Bonds to one or more purchasers or underwriters. The obligations of the purchasers or underwriters to purchase Tax-Exempt Bonds under any of these arrangements may be secured by U.S. Treasury securities, letters of credit, or other collateral. The effective cost to IPC of any series of the Tax-Exempt Bonds will not exceed the yield on U.S. Treasury securities having a maturity comparable to that of the series of Tax-Exempt Bonds. The effective cost will reflect the applicable interest rate or rates and any underwriters' discount or commission.

The premium (if any) payable upon the redemption of any Tax-Exempt Bonds at the option of IPC will not exceed the greater of (1) 5% of the principal amount of the Tax-Exempt Bonds so to be redeemed, or (2) a percentage of the principal amount equal to the rate of interest per annum borne by the Tax-Exempt Bonds.

The purchase price payable by or on behalf of IPC in respect of Tax-Exempt Bonds tendered for purchase at the option of the holders thereof will not exceed 100% of the principal amount thereof, plus accrued interest to the purchase date.

For the Commission, by the Division of Investment Management, under delegated authority.

**Margaret H. McFarland,**  
Deputy Secretary.

[FR Doc. 98-29200 Filed 10-30-98; 8:45 am]  
BILLING CODE 8010-01-M

## SECURITIES AND EXCHANGE COMMISSION

### Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [To Be Published].

STATUS: Closed Meeting.

PLACE: 450 Fifth Street, N.W., Washington, D.C.

**DATE PREVIOUSLY ANNOUNCED:** To Be Published.

**CHANGE IN THE MEETING:** Cancellation of Meeting.

The closed meeting scheduled for Thursday, November 5, 1998, at 11:00 a.m., has been cancelled.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact: The Office of the Secretary (202) 942-7070.

Dated: October 29, 1998.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 98-29453 Filed 10-29-98; 3:47 pm]

BILLING CODE 8010-01-M

## SOCIAL SECURITY ADMINISTRATION

### **Supplemental Security Income for the Aged, Blind and Disabled (SSI) Program Demonstration Project; Treatment of Cash Received and Conserved To Pay for Medical or Social Services**

**AGENCY:** Social Security Administration.

**ACTION:** Notice.

**SUMMARY:** The Commissioner of Social Security will conduct a demonstration project to test how certain altered resources counting rules might apply in the SSI program. The SSI program is authorized by title XVI of the Social Security Act (the Act). The rules which will be tested are those that apply to the treatment of cash received and conserved to pay for medical or social services.

Cash which is received for the purposes of payment for medical or social services is not counted as income to the beneficiary when received. If cash received for medical or social services which is not a reimbursement for these services already paid for by the beneficiary is conserved, it is not counted as a resource for the calendar month following the month of receipt, so long as it remains separately identifiable from other resources of the individual. Beginning with the second calendar month following the month of receipt, cash received for the payment of medical or social services becomes a countable resource used in the determination of SSI eligibility.

The Health Care Financing Administration of the Department of Health and Human Services (DHHS) is collaborating with the States of Arkansas, Florida, New Jersey and New York and with the National Program

Office at the University of Maryland's Center on Aging, the Robert Wood Johnson Foundation, the Office of the Assistant Secretary for Planning and Evaluation of the DHHS, the National Council on Aging and Mathematica Policy Research (the evaluator) on a demonstration project to provide greater autonomy to the consumers of personal assistance services. Personal assistance services are help with the basic activities of daily living, including bathing, dressing, transferring, toileting, and eating, and/or instrumental activities of daily living such as housekeeping, meal preparation, shopping, laundry, money management and medication management. Consumers of personal assistance services who participate in this demonstration will be empowered by purchasing the services they require (including medical and social services) to perform the activities of daily living. In order to accomplish the objective of the demonstration project, cash allowances and information services will be provided directly to persons with disabilities to enable them to choose and purchase services from providers which they feel would best meet their needs.

Medicaid is the predominant source of public financing for personal assistance services programs for the aged, blind and disabled. The demonstration which will permit the States of Arkansas, Florida, New Jersey and New York to waive certain requirements under title XIX of the Act to participate in this "Cash and Counseling" demonstration is within the authority granted to the Secretary of Health and Human Services (HHS) by section 1115 of the Act. Medicaid beneficiaries who participate in this demonstration will be given cash to purchase the services they need from traditional and nontraditional providers as they deem appropriate. Counseling will be available for these beneficiaries to assist them in effective use of funds allotted for personal assistance services.

Many of the Medicaid beneficiaries who participate in the Cash and Counseling demonstration will be SSI beneficiaries or belong to coverage groups using eligibility methodologies related to those of the SSI program under title XIX of the Act. The Commissioner of Social Security wishes to test the appropriateness of current SSI rules which require counting cash received for the purchase of medical or social services as resources if retained for more than one month after the month of receipt. The test will also be used to assist the Secretary of HHS in testing the possibility of providing

greater autonomy to the consumers of personal assistance services by empowering them to purchase the services they require (including medical and social services) to perform their activities of daily living. In order to do so, the Commissioner will exercise his authority under section 1110(b) of the Act and waive SSI resources counting of cash received and conserved for future purchases of medical and social services. The beneficiaries for whom this waiver of resources counting rules is to apply reside in the States of Arkansas, Florida, New Jersey and New York and are participants in the Cash and Counseling demonstration project. The waiver of resources counting rules will continue to apply for the duration of their participation in that demonstration, so long as the cash provided for purchase of medical or social services is conserved in a form that is separately identifiable from other resources that may be countable or excludable under title XVI of the Act. The cash received for medical or social services and conserved towards payment for those services by SSI beneficiaries who participate in this demonstration will not be included in SSI countable resources only for so long as the individual continues to participate in the Cash and Counseling demonstration.

Existing SSI resource-counting rules will be suspended only where application of such rules would adversely affect participation by SSI beneficiaries in the Cash and Counseling demonstration. That demonstration is anticipated to begin on or before January 1, 1999. This notice is published in accordance with the requirement in 20 CFR 416.250(e).

**EFFECTIVE DATES:** This project will be effective for the period authorized by the Secretary of HHS for the Cash and Counseling demonstration project. The date anticipated by the Secretary for the Cash and Counseling demonstration to begin is on or before January 1, 1999. According to the demonstration's plan, beneficiaries may participate throughout the period of the demonstration, up to five years. Thus, if the demonstration begins in all four States on January 1, 1999, the anticipated ending date for all participants will be no later than December 31, 2003.

Any cash for medical or social services received after an SSI beneficiary's participation in the demonstration has ended and which has been conserved for more than one month will be counted as resources. Any cash for medical or social services that is received during participation in