

FEDERAL RESERVE SYSTEM**Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities**

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act. Additional information on all bank holding companies may be obtained from the National Information Center website at www.ffiec.gov/nic/.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than March 8, 2007.

A. Federal Reserve Bank of San Francisco (Tracy Basinger, Director, Regional and Community Bank Group) 101 Market Street, San Francisco, California 94105-1579:

1. *NHB Holdings, Inc., and Proficio Mortgage Ventures LLC*, both of Jacksonville, Florida; to engage *de novo* through a joint venture with American International Relocation Solutions, in conducting mortgage banking activities through Iris Mortgage Solutions, Pittsburgh, Pennsylvania, pursuant to section 225.28(b)(1) of Regulation Y.

Board of Governors of the Federal Reserve System, February 16, 2007.

Robert deV. Frierson,

Deputy Secretary of the Board.

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DEPARTMENT OF HEALTH AND HUMAN SERVICES**Centers for Medicare & Medicaid Services****Privacy Act of 1974; Report of a Modified or Altered System of Records**

AGENCY: Department of Health and Human Services (HHS), Centers for Medicare & Medicaid Services (CMS).

ACTION: Notice of a Modified or Altered System of Records.

SUMMARY: The Privacy Act of 1974 and section 1106 of the Social Security Act (the Act) explain when and how CMS may release the personal data of people with Medicare. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) (Public Law 108-173) added requirements for releasing and using personal data. The primary purpose of this system is to collect, maintain, and process information on all Medicare covered, and as many non-covered drug events as possible, for people with Medicare who have a Medicare Part D plan. The system will help CMS determine appropriate payment of covered drugs. It will also provide for processing, storing, and maintaining drug transaction data in a large-scale database, while putting data into data marts to support payment analysis. CMS would allow the release of information in this system to: (1) Support regulatory, analysis, oversight, reimbursement, and policy functions performed within the agency or by a contractor, consultant, or a CMS grantee; (2) help another Federal and/or state agency, agency of a state government, an agency established by state law, or its fiscal agent; (3) help Medicare Part D plans; (4) support an individual or organization for a research, an evaluation, or an epidemiological or other project related to protecting the public's health, the prevention of disease or disability, the restoration or maintenance of health, or for payment related purposes; (5) help Quality Improvement Organizations; (6) support lawsuits involving the agency; and (7) combat fraud, waste, and abuse in certain health benefits programs.

To meet these additional requirements, CMS proposes to modify the existing system of records (SOR) titled "Medicare Drug Data Processing System (DDPS)," System No. 09-70-0553, established at 70 **Federal Register** (FR) 58436 (October 6, 2005). Under this modification we are clarifying the statutory authorities for which these data are collected and disclosed. The original SOR notice cited the statutory

section governing CMS's payment of Part D plan sponsors (Social Security Act (the Act) § 1860D-15) that limits the uses of the data collected to plan payment and oversight of plan payment. However, the broad authority of § 1860D-12(b)(3)(D) authorizes CMS to collect, use and disclose these same claims data for broader purposes related to CMS's responsibilities for program administration and research. Furthermore the authority under § 1106 of the Act allows the Secretary to release data pursuant to a regulation, which in this case would be 42 CFR 423.322 and 423.505. CMS has published a Notice of Proposed Rulemaking (NPRM) in order to clarify our statutory authority and explain how we propose to implement the broad authority of § 1860D-12(b)(3)(D). This SOR is being revised to reflect our intended use of this broader statutory authority.

CMS proposes to make the following modifications to the DDPS system:

- Revise routine use number 1 to include CMS grantees that perform a task for the agency.
- Add a new routine use number 2 to allow the release of information to other Federal and state agencies for accurate payment of Medicare benefits; to administer a Federal health benefits program, or to fulfill a requirement or allowance of a Federal statute or regulation that implements a health benefits program funded in whole or in part with Federal funds; and help Federal/state Medicaid programs that may need information from this system.
- Broaden the scope of routine use number 4 to allow the release of data to an individual or organization for a research, evaluation, or epidemiological or other project related to protecting the public's health, the prevention of disease or disability, the restoration or maintenance of health, or payment-related projects.
- Delete routine use number 5 which authorizes disclosure to support constituent requests made to a congressional representative.
- Broaden the scope of routine use number 7 and 8, to include combating "waste," fraud, and abuse that results in unnecessary cost to all Federally-funded health benefit programs.
- Revise language regarding routine uses disclosures to explain the purpose of the routine use and make clear CMS's intention to release personal information contained in this system.
- Reorder and prioritize the routine uses.
- Update any sections of the system affected by the reorganization or revision of routine uses because of MMA provisions.