

premium surcharge agreement. Only one certification is necessary for the entire group of covered enrollees.

(e) A State or local government agency must establish an automated data exchange with CMS using the Third Party Premium Collection System, in order to transmit electronically an input file that will be used to add or remove enrollees from the billing system.

#### **§ 408.205 Application procedures.**

(a) A State or local government agency must contact its CMS regional office (RO) to request application materials.

(b) If interested in entering into an agreement, the State or local government agency must return to the RO two copies of the completed application materials.

(c) CMS reviews the application materials, and, when they are approved, notifies the State or local government agency, and the RO.

#### **§ 408.207 Billing and payment procedures.**

(a) *Adding and removing enrollees.* The State or local government agency must transmit an input file containing addition and removal records electronically to CMS as follows:

(1) Input files must be transmitted at least once each calendar month, but may be transmitted as often as once a day.

(2) CMS will not add or remove enrollees retroactively, except for removals upon the death of an enrollee.

(3) The State or local government agency must pay the SMI premium surcharge for each eligible enrollee who is included in the agreement for the time period beginning with the month the enrollee is added and continuing through the month the State or local government agency informs CMS that the enrollee is to be removed, the month the enrollee's Part B coverage terminates, or the month of the enrollee's death, whichever comes first.

(b) *Payment and grace period.* Payment must be made to CMS as follows:

(1) Payment to CMS must be received by CMS by the first day of each month.

(2) There is a 10-day grace period for receipt of payment.

(3) Payment must be made to CMS via electronic funds transfer.

(c) *Late payment penalties.* CMS may assess interest for any payment it does not receive by the first day of the month as follows:

(1) Interest will be assessed at the SMI trust fund rate as computed for new investments in accordance with section 1841(c) of the Act.

(2) Interest will be waived if the full payment is received by the 10th day of the month in which it is due.

(3) Interest will be calculated and assessed in 30-day increments.

(4) Interest will be assessed on the balance of the amount billed that remains unpaid at the expiration of the grace period and unpaid balances from prior periods.

(5) Interest will continue to accrue on unpaid amounts until the balance is paid in full.

(d) *Disagreement over billing amounts or interest.* If the State or local government agency disagrees with the amount assessed in a billing statement or interest charge, it must notify CMS as follows:

(1) The State or local government agency must provide evidence suitable to CMS to substantiate its claim.

(2) The State or local government agency must continue to make full payment while CMS evaluates the evidence provided.

(3) Credit for payment amounts or interest that CMS determines to be due to the State or local government agency will be reflected as an adjustment in subsequent bills, effective on the date the corrected amount would have been due.

#### **§ 408.210 Termination of SMI premium surcharge agreement.**

(a) *Termination by the State or local government agency.* The State or local government agency may voluntarily terminate its agreement with CMS as follows:

(1) The State or local government agency must notify CMS, in writing, at least 30 days before the effective date of the termination.

(2) The State or local government agency must pay any unpaid premium surcharge amounts and interest due within 30 days after the effective date of the termination.

(3) Interest will continue to accrue until all amounts due are paid in full.

(b) *Termination by CMS.* CMS may terminate the agreement with a State or local government agency as follows:

(1) If a State or local government agency's payments are delinquent 30 days or more, CMS may terminate the agreement with 30 days advance notice.

(2) If the State or local government agency fails to comply with the terms of the agreement or procedures promulgated by CMS, CMS may terminate the agreement with 30 days advance notice.

(3) If CMS finds that the State or local government agency is not acting in the best interest of the enrollees, or CMS, or for any reason other than those in paragraphs (b)(1) and (b)(2) of this section, CMS may terminate the agreement at any time.

(4) The State or local government agency must pay all outstanding premium surcharge and any interest amounts due within 30 days after the effective date of the termination.

(5) Interest will continue to accrue until all amounts due are paid in full.

(6) After the agreement is terminated, CMS will resume collection of the premium surcharge from the enrollees covered under the terminated agreement.

(7) If an agreement is terminated by CMS, the State or local government agency must wait 3 years from the effective date of the termination before it can request to enter into another SMI premium surcharge agreement.

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

Dated: April 18, 2002.

**Thomas A. Scully,**  
Administrator, Centers for Medicare & Medicaid Services.

Dated: June 13, 2002.

**Tommy G. Thompson,**  
Secretary.

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## **CORPORATION FOR NATIONAL AND COMMUNITY SERVICE**

### **45 CFR Part 2551**

**RIN 3045-AA29**

### **Senior Companion Program; Amendments**

**AGENCY:** Corporation for National and Community Service.

**ACTION:** Final rule.

**SUMMARY:** These amendments to the Final Regulation governing the Senior Companion Program include: improving access of persons with limited English speaking proficiency; clarifying what income should be counted for purposes of determining income eligibility of an applicant to become a stipended Senior Companion; providing increased flexibility to sponsors to determine the hours of service of Senior Companions; reducing restrictions on sponsors serving as volunteer stations; and providing for Senior Companions to serve as volunteer leaders.

**DATES:** These amendments are effective October 28, 2002.

**FOR FURTHER INFORMATION CONTACT:**  
Peter L. Boynton, 202-606-5000, ext. 499.

**SUPPLEMENTARY INFORMATION:** The Corporation published a notice of proposed rulemaking (NPRM) for the Senior Companion Program, 45 CFR part 2551, in the **Federal Register** at 67 FR 18846, dated April 17, 2002.

### Summary of Main Comments

In response to the Corporation's invitation in the NPRM, the Corporation received 19 letter and/or email responses addressing the proposed amendments to the Senior Companion rules. Ten were in full support of all of the proposed rules. One expressed support for the amendment concerning volunteer stations, without commenting on other provisions. One expressed support for the amendment concerning service hours, without commenting on other provisions. Six expressed a preference for lowering the service hour requirement to 10 hours and four sought clarifications. None opposed any of the proposed amendments.

Following are the Corporation's responses to comments received:

*Comment:* With reference to § 2551.51, supported the lowering of the service requirement to a minimum of 10 rather than 15 hours per week.

*Response:* The Corporation understands the interest of some respondents to lower further the minimum service requirement. However, considering overall experience and the other comments received, the Corporation believes the proposed minimum of 15 hours provides sponsors and volunteers with sufficient flexibility.

*Comment:* Sought to clarify the relationship between the stipend paid to Senior Companions and the monetary incentive that can be paid to volunteer leaders.

*Response:* The monetary incentive that can be paid to Senior Companion volunteer leaders is in addition to the stipend.

*Comment:* Asked for clarification whether volunteer leaders can perform staff duties.

*Response:* § 2551.121(b), *Non-displacement of employed workers*, addresses this issue. A Senior Companion may not perform duties that would otherwise be performed by paid staff or which would supplant the hiring of or result in the displacement of paid staff, or impair existing contracts for service.

*Comment:* Asked whether Senior Companion volunteer leaders must meet income eligibility requirements.

*Response:* Yes, if they receive a stipend. All stipended Senior Companions must meet income eligibility requirements.

*Comment:* With reference to § 2551.23(c)(2)(iv), asked if the Corporation would allow costs for translating basic information into different languages and for the use of interpreters.

*Response:* Such costs are allowable if they meet the requirements of § 2551.93.

### Impact of Various Acts and Executive Orders

After carefully reviewing the changes implemented by this amendment, it was determined that:

(1) This was a significant regulatory action under section 3(f)(4) of Executive Order 12866 "Regulatory Planning and Review", and required a review by the Office of Management and Budget;

(2) The Corporation hereby certifies that the Regulatory Flexibility Act does not apply because there is no "significant economic impact on a substantial number of small entities";

(3) That the Unfunded Mandates Reform Act of 1995 (2 U.S.C. chapter 25, subchapter II) does not apply because the amendment does not result in any annual expenditures of \$100 million by State, local, Indian Tribal governments or the private sector;

(4) That the Paperwork Reduction Act does not apply because the amendments do not impose any additional reporting or record-keeping requirements;

(5) That the Small Business Regulatory Enforcement Fairness Act of 1996 does not apply because it is not a major rule as defined by section 251 of the Small Business Regulatory Enforcement Fairness Act of 1996, and would not result in an annual effect on the economy of \$100 million or more; result in an increase in cost or prices; or have significant adverse effects on competition, employment, investment, productivity, innovation, or on the ability of United States-based companies to compete with foreign-based companies in domestic and export markets; and

(6) That Executive Order 13132, "Federalism" does not apply because it would not have substantial direct effects on the States or the relationship between the national government and the States.

### List of Subjects in 45 CFR Part 2551

Aged, Grant programs—social programs, Volunteers.

For the reasons set forth in the preamble, the Corporation for National and Community Service amends 45 CFR part 2551 as follows:

### PART 2551—SENIOR COMPANION PROGRAM

1. The authority citation for part 2551 continues to read as follows:

**Authority:** 42 U.S.C. 4950 *et seq.*

2. Revise § 2551.23(c)(2)(iv) to read as follows:

#### § 2551.23 What are a sponsor's program responsibilities?

\* \* \* \* \*

(c) \* \* \*

(2) \* \* \*

(iv) That states the station assures it will not discriminate against volunteers or in the operation of its program on the basis of race; color; national origin, including individuals with limited English proficiency; sex; age; political affiliation; religion; or on the basis of disability, if the participant or member is a qualified individual with a disability; and

\* \* \* \* \*

3. In § 2551.42, revise paragraph (b) to read as follows:

#### § 2551.42 What income guidelines govern eligibility to serve as a stipended Senior Companion?

\* \* \* \* \*

(b) For applicants to become stipended Senior Companions, annual income is projected for the following 12 months, based on income at the time of application. For serving stipended Senior Companions, annual income is counted for the past 12 months. Annual income includes the applicant or enrollee's income and that of his/her spouse, if the spouse lives in the same residence. Sponsors shall count the value of shelter, food, and clothing, if provided at no cost by persons related to the applicant, enrollee, or spouse.

\* \* \* \* \*

4. Amend § 2551.45 by republishing the introductory text and adding paragraph (f) to read as follows:

#### § 2551.45 What cost reimbursements are provided to Senior Companions?

Cost reimbursements include:

\* \* \* \* \*

(f) Leadership incentive. Senior Companions who serve as volunteer leaders, assisting new Senior Companions or coordinating other Senior Companions in accordance with the Act, may be paid a monetary incentive.

5. Revise § 2551.51 to read as follows:

#### § 2551.51 What are the terms of service of a Senior Companion?

A Senior Companion shall serve a minimum of 15 hours per week and a

maximum of 40 hours per week. A Senior Companion shall not serve more than 2088 hours per year. Within these limitations, a sponsor may set service policies consistent with local needs.

6. Revise § 2551.61 to read as follows:

**§ 2551.61 May a sponsor serve as a volunteer station?**

Yes, a sponsor may serve as a volunteer station, provided this is part of the application workplan approved by the Corporation.

7. Revise § 2551.71 to read as follows:

**§ 2551.71 What requirements govern the assignment of Senior Companions?**

(a) Senior Companion assignments shall provide for Senior Companions to give direct services to one or more eligible adults that:

(1) Result in person-to-person supportive relationships with each client served.

(2) Support the achievement and maintenance of the highest level of independent living for their clients.

(3) Are meaningful to the Senior Companion.

(4) Are supported by appropriate orientation, training, and supervision.

(b) Senior Companions may serve as volunteer leaders, and in this capacity may provide indirect services. Senior Companions with special skills or demonstrated leadership ability may assist newer Senior Companion volunteers in performing their assignments and in coordinating activities of such volunteers.

(c) Senior Companions shall not provide services such as those performed by medical personnel, services to large numbers of clients, custodial services, administrative support services, or other services that would detract from their assignment.

8. Revise § 2551.72 to read as follows:

**§ 2551.72 Is a written volunteer assignment plan required for each volunteer?**

(a) All Senior Companions performing direct services to individual clients in home settings and individual clients in community-based settings, shall receive a written volunteer assignment plan developed by the volunteer station that:

(1) Is approved by the sponsor and accepted by the Senior Companion;

(2) Identifies the client(s) to be served;

(3) Identifies the role and activities of the Senior Companion and expected outcomes for the client(s);

(4) Addresses the period of time each client is expected to receive such services; and

(5) Is used to review the status of the Senior Companion's services in working

with the assigned client(s), as well as the impact of the assignment on the client(s).

(b) If there is an existing plan that incorporates paragraphs (a)(2), (3), and (4) of this section, that plan shall meet the requirement.

(c) All Senior Companions serving as volunteer leaders shall receive a written volunteer assignment plan developed by the volunteer station that:

(1) Is approved by the sponsor and accepted by the Senior Companion;

(2) Identifies the role and activities of the Senior Companion and expected outcomes;

(3) Addresses the period of time of service; and

(4) Is used to review the status of the Senior Companion's services identified in the assignment plan, as well as the impact of those services.

Dated: September 23, 2002.

**Tess Scannell,**

*Director, National Senior Service Corps.*

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**CORPORATION FOR NATIONAL AND COMMUNITY SERVICE**

**45 CFR Part 2552**

**RIN 3045-AA30**

**Foster Grandparent Program; Amendments**

**AGENCY:** Corporation for National and Community Service.

**ACTION:** Final rule.

**SUMMARY:** These amendments to the Final Regulation governing the Foster Grandparent Program include: providing increased flexibility to sponsors to determine the hours of service of Foster Grandparents; reducing restrictions on sponsors serving as volunteer stations; clarifying what income should be counted for purposes of determining income eligibility of an applicant to become a stipended Foster Grandparent; and improving access of persons with limited English speaking proficiency.

**DATES:** The amendments are effective October 28, 2002.

**FOR FURTHER INFORMATION CONTACT:** Peter L. Boynton, 202-606-5000, ext. 499.

**SUPPLEMENTARY INFORMATION:** The Corporation published a notice of proposed rulemaking (NPRM) for the Foster Grandparent Program, 45 CFR part 2552, in the **Federal Register** at 67 FR 18847, dated April 17, 2002.

**Summary of Main Comments**

In response to the Corporation's invitation in the NPRM, the Corporation received 20 letter and/or email responses addressing the proposed amendments to the Foster Grandparent rules. Ten were in full support of all of the proposed rules. One expressed support for the amendment concerning volunteer stations, without commenting on other provisions. Two expressed support for the amendment concerning service hours and/or projecting income, without commenting on the other provisions. Six supported lowering the service hour requirement to 10 hours and one sought a clarification. None opposed any of the proposed amendments. Following are the Corporation's responses to comments received:

*Comment:* With reference to § 2552.51, supported the lowering of the service requirement to a minimum of 10 rather than 15 hours per week.

*Response:* The Corporation understands the interest of some respondents to lower further the minimum service requirement. However, considering overall experience and the other comments received, the Corporation believes the proposed minimum of 15 hours provides sponsors and volunteers with sufficient flexibility.

*Comment:* With reference to § 2552.42(b), suggests that projected income should also be used in the case of Foster Grandparents who have experienced a change in circumstance.

*Response:* The provisions of § 2552.42 (b) provide for serving stipended Foster Grandparents that their annual income is counted for the past 12 months. If their income has decreased, they would remain eligible to receive a stipend. If it has increased, then the annual review of income eligibility specified in § 2552.23(h) would determine whether they continue to remain eligible for a stipend.

*Comment:* With reference to § 2552.51, asks how projects are expected to pay stipends of volunteers serving as much as 2088 hours per year.

*Response:* While the amended § 2552.51 provides that a single Foster Grandparent may serve up to 2088 hours per year, each sponsor's notice of grant award provides for delivery of an agreed upon number of volunteer service years (VSYs), defined as 1044 hours. Therefore, when the amendment goes into effect, the service of a single Foster Grandparent for 2088 hours will be equivalent to two VSYs.