

**ENVIRONMENTAL PROTECTION AGENCY****40 CFR Part 52 and Part 70****[EPA-R02-OAR-2012-0032, FRL-9675-1]****Approval and Promulgation of Implementation Plans and Operating Permits Program; Commonwealth of Puerto Rico; Administrative Changes****AGENCY:** Environmental Protection Agency (EPA).**ACTION:** Withdrawal of direct final rule.

**SUMMARY:** Due to an adverse comment, EPA is withdrawing the direct final rule, published on March 22, 2012, that approved revisions to the Puerto Rico Regulations for the Control of Atmospheric Pollution. Those revisions were submitted to EPA by the Puerto Rico Environmental Quality Board on July 13, 2011, and consist of amendments to Rules 102, 111, 115, 116 and Appendix A. Generally the revisions to the regulations involve administrative changes which improve the clarity of the rules contained in the Commonwealth's Implementation Plan and Operating Permits Program.

**DATES:** The direct final rule is withdrawn as of May 29, 2012.

**ADDRESSES:** EPA has established docket number EPA-R02-OAR-2012-0032 for this action. Copies of the state submittal(s) are available at the following address for inspection during normal business hours: Environmental Protection Agency, Region 2 Office, Air Programs Branch, 290 Broadway, 25th Floor, New York, New York 10007-1866.

**FOR FURTHER INFORMATION CONTACT:** Kirk J. Wieber, Air Programs Branch, Environmental Protection Agency, 290 Broadway, 25th Floor, New York, New York 10007-1866, (212) 637-3381.

**SUPPLEMENTARY INFORMATION:** In the direct final rule published at 77 FR 16676, EPA stated that if we received adverse comments by April 23, 2012, the rule would be withdrawn and not take effect. EPA subsequently received an adverse comment. EPA will address the comment received in a subsequent final action based upon the proposed action also published on March 22, 2012 (77 FR 16795). EPA will not institute a second comment period on this action.

**List of Subjects****40 CFR Part 52**

Environmental protection, Air pollution control, Incorporation by reference, Intergovernmental relations, Reporting and recordkeeping

requirements, Volatile organic compounds.

**40 CFR Part 70**

Administrative practice and procedure, Air pollution control, Intergovernmental relations, Reporting and recordkeeping requirements.

Dated: May 9, 2012.

**Judith A. Enck,**

*Regional Administrator, Region 2.*

[FR Doc. 2012-12783 Filed 5-25-12; 8:45 am]

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**DEPARTMENT OF HEALTH AND HUMAN SERVICES****Centers for Medicare & Medicaid Services****42 CFR Parts 430, 433, 447, and 457****[CMS-2292-F]****RIN 0938-AQ32****Medicaid and Children's Health Insurance Programs; Disallowance of Claims for FFP and Technical Corrections**

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

**ACTION:** Final rule.

**SUMMARY:** This final rule reflects the Centers for Medicare & Medicaid Services' commitment to the general principles of the President's Executive Order 13563 released January 18, 2011, entitled "Improving Regulation and Regulatory Review." This rule will: implement a new reconsideration process for administrative determinations to disallow claims for Federal financial participation (FFP) under title XIX of the Act (Medicaid); lengthen the time States have to credit the Federal government for identified but uncollected Medicaid provider overpayments and provide that interest will be due on amounts not credited within that time period; make conforming changes to the Medicaid and Children's Health Insurance Program (CHIP) disallowance process to allow States the option to retain disputed Federal funds through the new administrative reconsideration process; revise installment repayment standards and schedules for States that owe significant amounts; and provide that interest charges may accrue during the new administrative reconsideration process if a State chooses to retain the funds during that period. This final rule will also make a technical correction to reporting requirements for disproportionate share hospital

payments, revise internal delegations of authority to reflect the term "Administrator or current Designee," remove obsolete language, and correct other technical errors.

**DATES:** *Effective Date:* These regulations are effective on June 28, 2012.

**FOR FURTHER INFORMATION CONTACT:**

Robert Lane, (410) 786-2015, or Lisa Carroll, (410) 786-2696, for general information.

Edgar Davies, (410) 786-3280, for Overpayments.

Claudia Simonson, (312) 353-2115, for Overpayments resulting from Fraud.

Rory Howe, (410) 786-4878, for Upper Payment Limit and Disproportionate Share Hospital.

**SUPPLEMENTARY INFORMATION:****I. Background**

Title XIX of the Social Security Act (the Act) authorizes Federal grants to States to jointly fund programs that provide medical assistance to low-income families, the elderly, and persons with disabilities. This Federal-State partnership is administered by each State in accordance with an approved State plan. States have considerable flexibility in designing their programs, but must comply with Federal requirements specified in Medicaid statute, regulations, and interpretive agency guidance. Federal financial participation (FFP) is available for State medical assistance expenditures, and administrative expenditures related to operating the State Medicaid program, that are authorized under Federal law and the approved State plan.

For a detailed description of the background of this final rule, please refer to the proposed rule published on August 3, 2011 (76 FR 46685) in the **Federal Register**.

In addition to the background described in the proposed rule, it is significant that section 6506 of the Patient Protection and Affordable Care Act (Pub. L. 111-148, enacted on March 23, 2010) (the Affordable Care Act) amended section 1903(d)(2) of the Act to extend the period from 60 days to 1 year for which a State may collect an overpayment from providers before having to return the Federal share of the funds. This section of the Affordable Care Act also provides for additional time beyond the 1 year for States to recover debts due to fraud when a final judgment (including a final determination on an appeal) is pending.