

Oklahoma, and thereby indirectly acquire 1st Bank Oklahoma, Claremore, Oklahoma, and thereby engage in operating a savings association, pursuant to § 225.28(b)(4)(ii) of Regulation Y.

In addition, Applicant also has applied to engage *de novo* through First Trust Company of Onaga, Onaga, Oklahoma, in trust company functions, pursuant to § 225.28(b)(5) of Regulation Y.

Comments on this application must be received by September 6, 2002.

Board of Governors of the Federal Reserve System, August 19, 2002.

**Robert deV. Frierson,**

*Deputy Secretary of the Board.*

[FR Doc. 02-21551 Filed 8-22-02; 8:45 am]

BILLING CODE 6210-01-U

## FEDERAL RESERVE SYSTEM

### Formations of, Acquisitions by, and Mergers of Bank Holding Companies; Correction

This notice corrects a notice (FR Doc. 02-20398) published on pages 52722 and 52723 of the issue for Tuesday, August 13, 2002.

Under the Federal Reserve Bank of Kansas City heading, the entry for Morrill Bancshares, Inc., Sabetha, Kansas, is revised to read as follows:

**A. Federal Reserve Bank of Kansas City** (Susan Zubradt, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198-0001:

1. *Morrill Bancshares, Inc.*, Sabetha, Kansas; to acquire and merge with Morrill & Janes Bancshares, Inc., Hiawatha, Kansas, Onaga Bancshares Inc., Merriam, Kansas; and thereby acquire shares of Morrill & Janes Bank & Trust Co., Hiawatha, Kansas; The First National Bank of Onaga, Onaga, Oklahoma; Century Capital Financial, Inc., Kilgore, Texas; Century Capital Financial - Delaware, Inc., Wilmington, Delaware; and City National Bank, Kilgore, Texas.

In connection with this application, Applicant also has applied to acquire FBC Financial Corporation, Claremore, Oklahoma, and thereby indirectly acquire 1st Bank Oklahoma, Claremore, Oklahoma, and thereby engage in operating a savings association, pursuant to § 225.28(b)(4)(ii) of Regulation Y.

In addition, Applicant also has applied to engage *de novo* through First Trust Company of Onaga, Onaga, Oklahoma, in trust company functions, pursuant to § 225.28(b)(5) of Regulation Y.

Comments on this application must be received by September 6, 2002.

Board of Governors of the Federal Reserve System, August 19, 2002.

**Robert deV. Frierson,**

*Deputy Secretary of the Board.*

[FR Doc. 02-21552 Filed 8-22-02; 8:45 am]

BILLING CODE 6210-01-S

## DEPARTMENT OF HEALTH AND HUMAN SERVICES

### Centers for Medicare & Medicaid Services

[CMS-2140-FN]

RIN 0938-ZA13

### Medicare and Medicaid Programs; Approval of Deeming Authority for Critical Access Hospitals by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO)

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

**ACTION:** Final notice.

**SUMMARY:** This final notice announces our decision to approve the Joint Commission on Accreditation of Healthcare Organization's (JCAHO's) application as a national accrediting organization for critical access hospitals (CAHs) seeking to participate in the Medicare program. Following our evaluation of the organizational and programmatic capabilities of JCAHO, we have determined that JCAHO standards for CAHs meet or exceed the Medicare conditions of participation. Therefore, CAHs accredited by JCAHO will be granted deemed status under the Medicare program.

**EFFECTIVE DATE:** This final notice is effective November 21, 2002 through November 21, 2008.

**FOR FURTHER INFORMATION CONTACT:** Cindy Melanson, (410) 786-0310.

**SUPPLEMENTARY INFORMATION:**

#### I. Background

##### *Statutory Provisions and Regulations*

Under the Medicare program, eligible beneficiaries may receive covered services in a critical access hospital (CAH), provided that the hospital meets certain requirements. Sections 1820(c)(2)(B) and 1820(e) of the Social Security Act (the Act) establish distinct criteria for facilities seeking CAH designation. Under this authority, the Secretary has set forth in regulations minimum requirements that a CAH must meet to participate in Medicare. The regulations at 42 CFR part 485, subpart F (Conditions of Participation:

Critical Access Hospitals (CAHs)) determine the basis and scope of CAH-covered services. Conditions for Medicare payment for critical access services can be found at § 413.70. Applicable regulations concerning provider agreements are at 42 CFR part 489 (Provider Agreements and Supplier Approval) and those pertaining to facility survey and certification are at 42 CFR part 488, subparts A and B.

##### *Verifying Medicare Conditions of Participation*

In general, we approve a CAH for participation in the Medicare program, if it is participating as a hospital at the time it applies for CAH designation, and is in compliance with parts 482 (Conditions of Participation for Hospitals), and 485, subpart F (Conditions of Participation: Critical Access Hospitals (CAHs)). Section 403 of the Medicare, Medicaid and SCHIP Balanced Budget Refinement Act of 1999 expanded this criterion to allow a limited number of additional entities to become eligible for CAH designation under certain circumstances. Specifically, a rural health clinic previously downsized from an acute care hospital, or a closed hospital that requests to reopen as a CAH, need only meet the provisions of 42 CFR part 485, subpart F (at the time they apply for CAH designation) to be eligible to participate in Medicare.

For a CAH to enter into a provider agreement, a State survey agency must certify that the CAH is in compliance with the conditions or standards set forth in the statute and part 485 subpart F of our regulations. Then, the CAH is subject to ongoing review by a State survey agency to determine whether it continues meeting Medicare requirements. There is, however, an alternative to State compliance surveys. Certification by a nationally recognized accreditation program can substitute for ongoing State review.

Section 1865(b)(1) of the Act provides that, if a provider is accredited by a national accreditation body under standards that meet or exceed the Medicare conditions of participation, the Secretary can "deem" the provider as having met the Medicare requirements for those conditions. Accreditation is voluntary and not required for participation in Medicare; providers have the option to undergo State surveys or pursue accreditation. The American Osteopathic Association (AOA) is currently the only CMS-approved national accreditation organization for CAHs.