DEPARTMENT OF HEALTH AND HUMAN SERVICES
Office of Inspector General
42 CFR Part 1001
Health Care Programs: Fraud and Abuse; Revised OIG Exclusion Authorities Resulting From Public Law 104–191; Correction
AGENCY: Office of Inspector General (OIG), HHS.
ACTION: Final Rule; correcting amendment.

SUMMARY: This document contains corrections to the final regulations which were published in the Federal Register of Wednesday, September 2, 1998 (63 FR 46676). The regulations addressed revisions to the OIG’s administrative sanction authorities resulting from the Health Insurance Portability and Accountability Act of 1996, along with technical and conforming changes to the OIG exclusion authorities. A number of inadvertent errors appeared in the text of the regulations relating to program integrity for the Medicare and State health care programs. As a result, we are making corrections to two sections addressing the length of exclusion and notice of intent to exclude in order to assure the technical correctness of these regulations.

FOR FURTHER INFORMATION CONTACT: Joel Schaer, (202) 619–0089, OIG Regulations Officer.

SUPPLEMENTARY INFORMATION: The HHS Office of Inspector General (OIG) issued final regulations on September 2, 1998 (63 FR 46676) that addressed revisions to the OIG’s administrative sanction authorities resulting from the Health Insurance Portability and Accountability Act of 1996, along with technical and conforming changes to the OIG exclusion authorities. In that final rule, two inadvertent errors appeared in 42 CFR part 1001 and are now being corrected.

In §1001.2001, addressing the elimination of in-person hearings prior to when an exclusion is proposed, the regulatory language was intended to be consistent with the preamble discussion on page 46682, and state that when an exclusion was proposed under §1001.701 or §1001.801, the individual or entity would be permitted to request, in conjunction with their written submission, an opportunity to present oral argument to an OIG official. In order to correctly emphasize that a request to present oral argument to an OIG official can only be made in cases involving exclusion under sections 1128(b)(6) (B) and (C) of the Social Security Act, we are correcting the regulatory text that was set forth in §1001.2001.

In addition, we are correcting a typographical error that appeared on page 46686, column 3 in §1001.102(b)(4). Specifically, in line 4 of paragraph (b)(4), the words “or behavior” are being corrected to read as “and behavior.”

List of Subjects in 42 CFR Part 1001
Administrative practice and procedure, Fraud, Grant programs—health, Health facilities, Health professions, Maternal and child health, Medicaid, Medicare, Social security.

PART 1001—PROGRAM INTEGRITY—MEDICARE AND STATE HEALTH CARE PROGRAMS
1. The authority citation for part 1001 continues to read as follows:

Authority: 42 U.S.C. 1302, 1320a–7, 1320a–7b, 1395u(j), 1395y(d), 1395y(e), 1395cc(b)(2) (D), (E) and (F), and 1395hh; and sec. 2455, Pub.L. 103–355, 108 Stat. 3327 (31 U.S.C. 6101 note).

2. Section 1001.102 is amended by republishing paragraph (b) introductory text and by revising paragraph (b)(4) to read as follows:

§1001.102 Length of exclusion.

(b) Any of the following factors may be considered to be aggravating and a basis for lengthening the period of exclusion—

(4) In convictions involving patient abuse or neglect, the action that resulted in the conviction was premeditated, was part of a continuing pattern of behavior, or consisted of non-consensual sexual acts:

3. Section 1001.2001 is amended by revising paragraph (a), by redesignating paragraphs (b) and (c) as paragraphs (c) and (d), respectively, and by adding a new paragraph (b) to read as follows:

§1001.2001 Notice of intent to exclude.

(a) Except as provided in paragraph (c) of this section, if the OIG proposes to exclude an individual or entity in accordance with subpart C of this part, or in accordance with subpart B of this part where the exclusion is for a period exceeding 5 years, it will send written notice of its intent, the basis for the
we receive approval from the Office of Management and Budget and publish the control numbers assigned to it under the Paperwork Reduction Act of 1995.

Comment period: You must submit comments by December 28, 1998. We will not consider comments received after this date.

ADDRESSES: You may mail or hand-deliver comments to the Administration for Children and Families, Office of Planning, Research and Evaluation, 7th Floor West, 370 L'Enfant Promenade, SW, Washington, DC 20447. Attention: Patrick Brannen. Comments that are less than 10 pages in length may be transmitted via facsimile at (202) 205-3598, provided that submission of written text follows. You may also transmit written comments electronically via the Internet. To transmit comments electronically, or download an electronic version of the interim final rule, you should access the ACF Welfare Reform Home Page at http://www.acf.dhhs.gov/news/welfare/ and follow any instructions provided. We will make all comments available for public inspection at the Office of Planning, Research and Evaluation, 7th Floor West, 901 D Street, SW, Washington, DC 20447, from Monday through Friday between the hours of 9 a.m. and 4 p.m. EST. (This is the street address, as opposed to the mailing address above.) We will not acknowledge the individual comments we receive. However, we will review and consider all that are germane and received during the comment period.

FOR FURTHER INFORMATION, CONTACT: Patrick Brannen, Division of Data Collection and Analysis, Office of Planning, Research and Evaluation, Room 7C38, 370 L'Enfant Promenade, SW, Washington, DC 20447, 202-418-5095. Deaf and hearing-impaired individuals may call the Federal Dual Party Relay Service at 1-800-877-8339 between 8 a.m. and 7 p.m. Eastern time.

SUPPLEMENTARY INFORMATION:

Table of Contents
I. The Interim Final Rule and the Paperwork Reduction Act
II. Legislative and Regulatory Background
   A. The Personal Responsibility and Work Opportunity Reconciliation Act
   B. Welfare-to-Work Grants
III. Welfare-to-Work Data Collection Requirements
   A. Joint DHHS/DOL Information Collection Strategy
   B. Section by Section Discussion of the Interim Final Rule
IV. Regulatory Impact Analyses
   A. Executive Order 12866
   B. Regulatory Flexibility Analysis
   C. Paperwork Reduction Act
D. Unfunded Mandates Reform Act of 1995
E. Congressional Review
F. Effective Date and Absence of Notice and Comment

I. The Interim Final Rule and the Paperwork Reduction Act

The Balanced Budget Act of 1997, Pub. L. 105–33, amended title IV–A of the Social Security Act (the Act) to authorize Welfare-to-Work (WtW) grants to States and Tribes. The Department of Labor (DOL) and the Department of Health and Human Services (DHHS) share responsibility for the implementation of this program. In general, DOL has overall responsibility for program administration, and DHHS has responsibility for participant data collection and evaluation of the program.

The Department of Labor issued an interim final rule to implement the WtW grants program on November 18, 1997 (62 FR 62124). This DHHS interim final rule implements section 411 of the Act and specifies the WtW participant data collection and reporting requirements that must be submitted by those States and Indian tribes administering WtW grants.

We have determined that publication of an interim final rule is necessary as WtW grants are authorized to be awarded only in FY 1998 and FY 1999. Information collection is required by statute to begin as soon as States and Tribes begin implementing the program. In addition, it is critical that information be available in order to conduct the evaluation and submit the reports to Congress required by statute. Section 413(j) of the Act requires DHHS to submit an interim report to Congress in January 1999 and a final report in January 2001. These reports must contain an evaluation of how the WtW grant funds have been used, including specific outcome information on participants.

The WtW participant and expenditure data elements in this interim final rule are designed to provide critical information for the WtW evaluation and the reports to Congress. These data elements will also help grantees manage and evaluate their programs. Although DHHS is funding a national study of the WtW program, little information from this study will be available for several years. States and Tribes represent the primary source of information on individual participants that will enable us to carry out our statutory responsibilities.

For these reasons, we believe an interim final rule is justified. However, we are sensitive to the issue of reporting