

amendments to the Social Security Act made by the ACA, and the implementing regulations. The AEs, which are state entities administering Insurance Affordability Programs, will use the data, accessed through the CMS Data Services Hub (Hub), to make Eligibility Determinations for Insurance Affordability Programs and certificates of exemption.

The AEs shall report suspected or confirmed incidents affecting loss or suspected loss of PII within one hour of discovery to their designated Center for Consumer Information and Insurance Oversight State Officer who will then notify the affected Federal agency data sources, i.e., Internal Revenue Service, Department of Defense, Department of Homeland Security, Social Security Administration, Peace Corps, Office of Personnel Management and Veterans Health Administration. Additionally, AEs shall contact the office of the appropriate Special Agent-in-Charge, Treasury Inspector General for Tax Administration (TIGTA), and the IRS Office of Safeguards within 24 hours of discovery of any potential breach, loss, or misuse of Return Information. *Form Number:* CMS-10496 (OCN: 0938-1216); *Frequency:* Occasionally; *Affected Public:* State, Local or Tribal governments; *Number of Respondents:* 18; *Total Annual Responses:* 936; *Total Annual Hours:* 234. (For policy questions regarding this collection contact Theodora Wills at 410-786-1504.)

Dated: February 24, 2014.

**Martique Jones,**

*Deputy Director, Regulations Development Group, Office of Strategic Operations and Regulatory Affairs.*

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**BILLING CODE 4120-01-P**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Centers for Medicare & Medicaid Services**

[CMS-2389-N]

**Medicaid Program; Preliminary Disproportionate Share Hospital Allotments (DSH) for Fiscal Year (FY) 2014 and the Preliminary Institutions for Mental Diseases Disproportionate Share Hospital Limits for FY 2014**

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

**ACTION:** Notice.

**SUMMARY:** This notice announces the preliminary federal share DSH allotments for FY 2014 and the

preliminary federal share FY 2014 limits on aggregate DSH payments that states may make to institutions for mental diseases (IMDs) and other mental health facilities. This notice also includes additional information regarding the calculation of the FY 2014 DSH allotments and FY 2014 IMD DSH limits.

**DATES:** *Effective Date:* This notice is effective on March 31, 2014. The final allotments and limitations set forth in this notice are effective for the fiscal years specified.

**FOR FURTHER INFORMATION CONTACT:** Rory Howe, (410) 786-4878; or Richard Strauss, (410) 786-2019.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

*A. Fiscal Year DSH Allotments*

A state's federal fiscal year (FY) disproportionate share hospital (DSH) allotment represents the aggregate limit on the federal share amount of the state's payments to DSH hospitals in the state for the FY. The amount of such allotment is determined in accordance with the provisions of section 1923(f)(3) of the Social Security Act (the Act). Under such provisions, in general a state's FY DSH allotment is calculated by increasing the amount of its DSH allotment for the preceding FY by the percentage change in the Consumer Price Index for all Urban Consumers (CPI-U) for the previous FY.

The Affordable Care Act amended Medicaid DSH provisions, adding section 1923(f)(7) of the Act which would have required reductions to states' FY DSH allotments beginning with FY 2014, the calculation of which was described in the Disproportionate Share Hospital Payment Reduction final rule published in the September 18, 2013 **Federal Register** (78 FR 57293). Under the DSH reduction methodology, first, each state's unreduced FY DSH allotment would have been calculated in accordance with the provisions of section 1923(f) of the Act, excluding section 1923(f)(7) of the Act; then, the reduction amount for each state would have been determined under the provisions of section 1923(f)(7) of the Act and implementing regulations at 42 CFR 447.294; and, finally, the net FY DSH allotment for each state would have been determined by subtracting the DSH reduction amount for the state from its unreduced FY 2014 DSH allotment.

The reductions under section 1923(f)(7) of the Act were delayed and modified by section 1204 of Division B (Medicare and Other Health Provisions)

of the "Pathway for SGR Reform Act of 2013" (Pub. L. 113-67), which was enacted on December 26, 2013. The reductions of states' fiscal year DSH allotments under section 1923(f)(7) of the Act that were applicable to FY 2014 and 2015 were repealed, and the FY 2016 was increased substantially.

Because there is no reduction to DSH allotments for FY 2014 under section 1923(f)(7) of the Act, this notice contains only the state-specific FY 2014 DSH allotments, as calculated under the statute without application of the reductions that would have been imposed under the Affordable Care Act provisions beginning with FY 2014. This notice also provides information on the calculation of such FY DSH allotments, the calculation of the states' IMD DSH limits, and the amounts of states' preliminary FY 2014 IMD DSH limits.

*B. Determination of Fiscal Year DSH Allotments*

Generally, in accordance with the methodology specified under section 1923(f)(3) of the Act, a state's FY DSH allotment is calculated by increasing the amount of its DSH allotment for the preceding FY by the percentage change in the CPI-U for the previous FY. Also in accordance with section 1923(f)(3) of the Act, a state's DSH allotment for a FY is subject to the limitation that an increase to a state's DSH allotment for a FY cannot result in the DSH allotment exceeding the greater of the state's DSH allotment for the previous FY or 12 percent of the state's total medical assistance expenditures for the allotment year (this is referred to as the 12 percent limit).

Furthermore, under section 1923(h) of the Act, federal financial participation (FFP) for DSH payments to institutions for mental diseases (IMDs) and other mental health facilities is limited to state-specific aggregate amounts. Under this provision, the aggregate limit for DSH payments to IMDs and other mental health facilities is the lesser of a state's FY 1995 total computable (state and federal share) IMD and other mental health facility DSH expenditures applicable to the state's FY 1995 DSH allotment (as reported on the Form CMS-64 as of January 1, 1997), or the amount equal to the product of the state's current year total computable DSH allotment and the applicable percentage specified in section 1902(h) of the Act (the applicable percentage is the IMD share of DSH total computable expenditures as of FY 1995).

In general, we determine states' DSH allotments for a FY and the IMD DSH limits for the same FY using the most

recent available estimates of or actual medical assistance expenditures, including DSH expenditures in their Medicaid programs and the most recent available change in the CPI-U used for the FY in accordance with the methodology prescribed in the statute. The indicated estimated or actual expenditures are obtained from states for each relevant FY from the most recent available quarterly Medicaid budget reports (Form CMS-37) or quarterly Medicaid expenditure reports (Form CMS-64), respectively, submitted by the states. For example, as part of the initial determination of a state's FY DSH allotment (referred to as the preliminary DSH allotments) that is determined before the beginning of the FY for which the DSH allotments and IMD DSH limits are being determined, we use estimated expenditures for the FY obtained from the August submission of the CMS-37 submitted by states prior to the beginning of the FY; such estimated expenditures are subject to update and revision during the FY before such actual expenditure data become available. We also use the most recent available estimated CPI-U percentage change that is available before the beginning of the FY for determining the states' preliminary FY DSH allotments; such estimated CPI-U percentage change is subject to update and revision during the FY before the actual CPI-U percentage change becomes available. In determining the final DSH allotments and IMD DSH limits for a FY we use the actual expenditures for the FY and actual CPI-U percentage change for the previous FY.

## II. Provisions of the Notice

### A. Calculation of the Preliminary FY 2014 Federal Share State DSH Allotments and the Preliminary FY 2014 IMD DSH Limits

#### 1. Calculation of the Preliminary FY 2014 Federal Share State DSH Allotments

Addendum 1 to this notice provides the preliminary FY 2014 DSH allotments determined in accordance with section 1923(f)(3) of the Act. The preliminary FY 2014 DSH allotments contained in this notice were determined based on the most recent available estimates from states of their FY 2014 total computable Medicaid expenditures. Also, the preliminary FY 2014 allotments contained in this notice were determined by increasing the preliminary FY 2013 DSH allotments as contained in the notice published in the **Federal Register** on July 26, 2013 (78 FR 45217) by 1.5 percent, representing the most recent available estimate of the

percentage increase in the CPI-U for FY 2013 (the previous FY to FY 2014).

We will publish states' final FY 2014 DSH allotments in future notices based on the states' four quarterly Medicaid expenditure reports (Form CMS-64) for FY 2014 available following the end of FY 2014 and the actual change in the CPI-U for FY 2013.

### B. Calculation of the Preliminary FY 2014 IMD DSH Limits

Section 1923(h) of the Act specifies the methodology to be used to establish the limits on the amount of DSH payments that a state can make to IMDs and other mental health facilities. FFP is not available for IMD or DSH payments that exceed the IMD limits. In this notice, we are publishing the preliminary FY 2014 IMD DSH Limits determined in accordance with the provisions discussed above.

Addendum 2 to this notice details each state's preliminary FY 2014 IMD DSH Limit, determined in accordance with section 1923(h) of the Act.

## III. Collection of Information Requirements

This notice does not impose any new or revised information collection, recordkeeping, or third-party disclosure requirements. The currently approved requirements and burden estimates associated with Form CMS-37 (OCN 0938-0101) and Form CMS-64 (OCN 0938-0067) are unaffected by this notice. Consequently, this notice, Form CMS-37, and Form CMS-64 are not subject to Office of Management and Budget review under the authority of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501 *et seq.*).

## IV. Regulatory Impact Analysis

We have examined the impact of this notice as required by Executive Order 12866 on Regulatory Planning and Review (September 1993), the Regulatory Flexibility Act (RFA) (September 19, 1980, Pub. L. 96-354), section 1102(b) of the Act, section 202 of the Unfunded Mandates Reform Act of 1995 (March 22, 1995; Pub. L. 104-4), Executive Order 13132 on Federalism (August 4, 1999) and the Congressional Review Act (5 U.S.C. 804(2)).

Executive Order 12866 directs agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). A regulatory impact analysis (RIA) must be prepared for

major rules with economically significant effects (\$100 million or more in any 1 year). This notice reaches the \$100 million economic threshold and thus is considered a major rule under the Congressional Review Act.

The preliminary FY 2014 DSH allotments being published in this notice are about \$108 million more than the preliminary FY 2013 DSH allotments previously published in the July 26, 2013 **Federal Register** (78 FR 45217). The increase in the FY DSH allotments is due to the application of the statutory formula for calculating DSH allotments under which the prior fiscal year allotments are increased by the percentage increase in the CPI-U for the prior fiscal year.

The preliminary FY 2014 IMD DSH limits being published in this notice are about \$9 million more than the preliminary FY 2013 IMD DSH limits previously published in the FR on July 26, 2013 (78 FR 45217). The increase in the IMD DSH limits is because the DSH allotment for a FY is a factor in the determination of the IMD DSH limit for the FY. Since the preliminary FY 2014 DSH allotments were increased as compared to the preliminary FY 2013 DSH allotments previously published in the **Federal Register**, the associated FY 2014 IMD DSH limits for some states were also increased.

The RFA requires agencies to analyze options for regulatory relief of small businesses, if a rule has a significant impact on a substantial number of small entities. For purposes of the RFA, small entities include small businesses, nonprofit organizations, and small governmental jurisdictions. Most hospitals and most other providers and suppliers are small entities, either by nonprofit status or by having revenues of less than \$7.0 million to less than \$35.5 million in any one year. Individuals and states are not included in the definition of a small entity. We are not preparing an analysis for the RFA because the Secretary has determined that this notice will not have significant economic impact on a substantial number of small entities. Specifically, any impact on providers is due to the effect of the various controlling statutes; providers are not impacted as a result of the independent regulatory action in publishing this notice. The purpose of the notice is to announce the latest state distributions as required by the statute.

In addition, section 1102(b) of the Act requires us to prepare a regulatory impact analysis if a rule may have a significant impact on the operations of a substantial number of small rural hospitals. This analysis must conform to

the provisions of section 604 of the RFA. For purposes of section 1102(b) of the Act, we define a small rural hospital as a hospital that is located outside of a Core-Based Statistical Area for Medicaid payment regulations and has fewer than 100 beds. We are not preparing analysis for section 1102(b) of the Act because the Secretary has determined that this notice will not have a significant impact on the operations of a substantial number of small rural hospitals.

The Medicaid statute specifies the methodology for determining the amounts of states' DSH allotments and IMD DSH limits; and as described previously, the application of the methodology specified in statute results in the changes in states' DSH allotments and IMD DSH limits for the applicable FYs. The statute applicable to these allotments and limits does not apply to the determination of the amounts of DSH payments made to specific DSH hospitals; rather, these allotments and limits represent an overall limit on the total of such DSH payments a state can

make. In this regard, we do not believe that this notice will have a significant economic impact on a substantial number of small entities.

Section 202 of the Unfunded Mandates Reform Act of 1995 also requires that agencies assess anticipated costs and benefits before issuing any rule whose mandates require spending in any 1 year of \$100 million in 1995 dollars, updated annually for inflation. Currently the threshold is approximately \$141 million. This notice will have no consequential effect on state, local, or tribal governments, in the aggregate, or on the private sector.

Executive Order 13132 establishes certain requirements that an agency must meet when it promulgates a proposed rule (and subsequent final rule) that imposes substantial direct requirement costs on state and local governments, preempts state law, or otherwise has Federalism implications. Since this notice does not impose any costs on state or local governments, the requirements of E.O. 13132 are not applicable.

*A. Alternatives Considered*

We calculated the state-specific FY 2014 DSH allotments and the associated state-specific IMD DSH limits in accordance with the methodologies specified in statute and regulation. This notice does not put forward any further discretionary administrative policies for determining such allotments.

*B. Accounting Statement*

As required by OMB Circular A-4 (available at <http://www.whitehouse.gov/omb/circulars/a004/a-4.pdf>), in the Table 1, we have prepared an accounting statement showing the classification of the estimated expenditures associated with the provisions of this notice. Table 1 provides our best estimate of the change (decrease) in the federal share of states' Medicaid DSH payments resulting from the application of the provisions of the Medicaid statute relating to the calculation of states' FY DSH allotments and the increase in the FY DSH allotments from FY 2013 to FY 2014.

TABLE 1—ACCOUNTING STATEMENT: CLASSIFICATION OF ESTIMATED EXPENDITURES, FROM THE FY 2013 TO FY 2014  
[In millions]

Category	Transfers
Annualized Monetized Transfers .....	\$108.
From Whom To Whom? .....	Federal Government to States.

*C. Congressional Review Act*

This proposed regulation is subject to the Congressional Review Act provisions of the Small Business Regulatory Enforcement Fairness Act of 1996 (5 U.S.C. 801 et seq.) and has been transmitted to the Congress and the Comptroller General for review.

In accordance with the provisions of Executive Order 12866, this notice was reviewed by the Office of Management and Budget.

(Catalog of Federal Domestic Assistance Program No. 93.778, Medical Assistance Program)

Dated: January 24, 2014.

**Marilyn Tavenner,**  
*Administrator, Centers for Medicare & Medicaid Services.*

Dated: February 11, 2014.

**Kathleen Sebelius,**  
*Secretary,*  
*Department of Health and Human Services.*

KEY TO ADDENDUM 1—PRELIMINARY DSH ALLOTMENTS FOR FY 2014.

Column	Description
<b>The Preliminary FY 2014 DSH Allotments for the NON-Low DSH States are presented in the top section of this addendum, and the Preliminary FY 2014 DSH Allotments for the Low-DSH States are presented in the bottom section of this addendum.</b>	
Column A .....	State.
Column B .....	FY 2014 FMAPs.
Column C .....	This column contains the States' FY 2014 Federal Medical Assistance Percentages.
Column D .....	Prior FY (2013) DSH Allotments.
Column E .....	This column contains the States' prior FY 2013 DSH Allotments.
Column F .....	Prior FY (2013) DSH Allotments (Col C) x (100 percent + Percentage Increase in CPIU): 101.5 percent.
Column G .....	This column contains the amount in Column C increased by 1 plus the estimated percentage increase in the CPI-U for the prior FY (101.5 percent).
Column H .....	FY 2014 TC MAP Exp. Including DSH.
Column I .....	This column contains the amount of the States' projected FY 2014 total computable (TC) medical assistance expenditures including DSH expenditures.
Column J .....	FY 2014 TC DSH Expenditures.
Column K .....	This column contains the amount of the States' projected FY 2014 total computable DSH expenditures.
Column L .....	FY 2014 TC MAP Exp. Net of DSH.

## KEY TO ADDENDUM 1—PRELIMINARY DSH ALLOTMENTS FOR FY 2014.—Continued

Column	Description
Column H .....	This column contains the amount of the States' projected FY 2014 total computable medical assistance expenditures net of DSH expenditures, calculated as the amount in Column E minus the amount in Column F. 12 percent Amount.
Column I .....	This column contains the amount of the "12 percent limit" in Federal share, determined in accordance with the provisions of section 1923(f)(3) of the Act. Greater of FY 2013 Allotment or 12 percent limit.
Column J .....	This column contains the greater of the State's prior FY (FY 2013) DSH allotment or the amount of the 12 percent limit, determined as the maximum of the amount in Column C or Column H FY 2014 DSH Allotment.
	This column contains the States' preliminary FY 2014 DSH allotments, determined as the minimum of the amount in Column I or Column D. For states with "na" in Columns I or D, refer to the footnotes in the addendum.

ADDENDUM 1—PRELIMINARY DSH ALLOTMENTS FOR FISCAL YEAR 2014

STATE	FY 2014 FMAPs (percent)	Prior FY (2013) DSH allotments	Prior FY (2013) DSH allotment (Col C) × 100% + pct increase in CPU:	E		FY 2014 TC DSH Expenditures <sup>4</sup>	FY 2014 TC MAPEXP. net of DSH Col E – F	"12% Amount" = Col G × .12(1 – .12/Col B) (in FS)	Greater of Col H or Col C (12% Limit, FY 2013 allotment)	FY 2014 DSH allotment MIN Col I, Col D
				D	101.5%					
A	B	C	D	E	F	G	H	I	J	
ALABAMA	68.12	\$323,093,267	\$327,939,666	\$5,837,507,000	\$517,367,000	\$5,320,140,000	\$774,927,876	\$774,927,876	\$327,939,666	
ARIZONA	67.23	106,384,369	107,980,135	8,763,763,000	156,367,000	8,607,399,000	1,257,306,757	1,257,306,757	107,980,135	
CALIFORNIA	50.00	1,151,840,630	1,169,118,239	72,253,198,000	935,479,000	71,317,719,000	11,260,692,474	11,260,692,474	1,169,118,239	
COLORADO	50.00	97,190,657	98,648,517	5,510,334,000	195,772,000	5,314,562,000	839,141,368	839,141,368	98,648,517	
CONNECTICUT	50.00	210,141,962	213,294,091	6,585,550,000	228,325,000	6,357,225,000	1,003,772,368	1,003,772,368	213,294,091	
DISTRICT OF COLUMBIA	70.00	64,355,975	65,321,315	2,345,594,000	44,744,000	2,300,850,000	333,226,552	333,226,552	65,321,315	
FLORIDA	58.79	210,141,962	213,294,091	21,065,753,000	361,462,000	20,704,291,000	3,121,706,180	3,121,706,180	213,294,091	
GEORGIA	65.93	282,378,262	286,613,936	8,929,625,000	435,776,000	8,493,849,000	1,246,058,516	1,246,058,516	286,613,936	
ILLINOIS	50.00	225,902,609	229,291,148	16,174,732,000	428,796,000	15,745,936,000	2,486,198,842	2,486,198,842	229,291,148	
INDIANA	66.92	224,589,223	227,958,061	8,960,665,000	0	8,960,665,000	1,310,228,045	1,310,228,045	227,958,061	
KANSAS	56.91	43,341,780	43,991,907	2,825,757,000	74,228,000	2,751,529,000	418,408,859	418,408,859	43,991,907	
KENTUCKY	69.83	152,352,923	154,638,217	6,276,300,000	152,353,000	6,123,947,000	887,363,415	887,363,415	154,638,217	
LOUISIANA <sup>1</sup>	na	na	na	na	na	na	na	na	731,960,000	
MAINE	61.55	110,324,530	111,979,398	2,491,965,000	37,000,000	2,454,965,000	365,940,898	365,940,898	111,979,398	
MARYLAND	50.00	80,116,623	81,318,372	8,676,095,000	85,128,000	8,590,967,000	1,356,468,474	1,356,468,474	81,318,372	
MASSACHUSETTS	50.00	320,466,492	325,273,489	14,210,660,000	0	14,210,660,000	2,243,788,421	2,243,788,421	325,273,489	
MICHIGAN	66.32	278,438,100	282,614,672	13,523,842,000	364,144,000	13,159,698,000	1,928,021,733	1,928,021,733	282,614,672	
MISSISSIPPI	73.05	160,233,246	162,636,745	5,094,327,000	321,190,000	4,773,137,000	685,361,490	685,361,490	162,636,745	
MISSOURI	62.03	497,773,773	505,240,380	9,279,932,000	684,657,000	8,595,275,000	1,278,828,483	1,278,828,483	505,240,380	
NEVADA	63.10	48,595,328	49,324,258	2,092,603,000	77,014,000	2,015,589,000	298,670,057	298,670,057	49,324,258	
NEW HAMPSHIRE	50.00	168,217,088	170,740,344	1,340,075,000	124,810,000	1,215,265,000	191,883,947	191,883,947	170,740,344	
NEW JERSEY	50.00	676,394,441	686,540,358	13,682,358,000	1,207,107,000	12,475,251,000	1,969,776,474	1,969,776,474	686,540,358	
NORTH CAROLINA	65.78	309,959,394	314,608,785	67,240,475,000	3,373,800,000	63,866,675,000	10,084,211,842	10,084,211,842	314,608,785	
OHIO	63.02	426,850,861	433,253,624	13,134,561,000	478,361,000	12,656,200,000	1,857,623,286	1,857,623,286	433,253,624	
PENNSYLVANIA	53.52	589,710,881	598,556,544	21,451,173,000	732,037,000	20,719,136,000	2,895,527,493	2,895,527,493	598,556,544	
RHODE ISLAND	50.11	68,296,138	69,320,580	2,302,742,000	137,098,000	2,165,644,000	341,706,914	341,706,914	69,320,580	
SOUTH CAROLINA	70.57	344,107,463	349,269,075	5,582,305,000	474,540,000	5,107,765,000	738,511,134	738,511,134	349,269,075	
TENNESSEE <sup>2</sup>	65.29	na	na	na	na	na	na	na	0	
TEXAS	58.69	1,004,741,257	1,019,812,376	37,675,429,000	2,991,551,000	34,683,878,000	5,231,775,883	5,231,775,883	1,019,812,376	
VERMONT <sup>5</sup>	56.76	23,640,971	23,995,586	1,536,190,000	37,449,000	1,498,741,000	228,065,789	228,065,789	23,995,586	
VIRGINIA	50.00	92,050,138	93,430,890	8,287,311,000	243,321,000	8,043,990,000	1,270,103,684	1,270,103,684	93,430,890	
WASHINGTON	50.00	194,381,315	197,297,035	7,949,059,000	456,511,000	7,492,548,000	1,183,033,895	1,183,033,895	197,297,035	
WEST VIRGINIA	71.09	70,922,912	71,986,756	3,534,234,000	70,185,000	3,464,049,000	500,103,388	500,103,388	71,986,756	
TOTAL	.....	10,244,637,203	10,398,306,761	424,148,883,000	15,426,569,000	408,722,314,000	62,783,822,812	62,783,822,812	11,130,266,762	

LOW DSH STATES

ALASKA	50.00	21,402,636	21,723,676	1,583,467,000	20,638,000	1,562,829,000	246,762,473.68	246,762,474	21,723,676
ARKANSAS	70.10	45,325,292	46,005,171	4,549,145,000	43,820,000	4,505,325,000	652,302,821	652,302,821	46,005,171
DELAWARE	55.31	9,512,282	9,654,966	1,620,151,000	16,804,000	1,603,347,000	245,710,799	245,710,799	9,654,966
HAWAII <sup>3</sup>	51.85	10,240,000	10,393,600	1,940,694,000	0	1,940,694,000	303,011,243.86	303,011,244	10,393,600
IDAHO	71.64	17,271,044	17,530,110	1,867,605,000	23,451,000	1,844,154,000	265,825,337.14	265,825,337	17,530,110
IOWA	57.93	41,378,149	41,998,821	3,852,612,000	53,536,000	3,799,076,000	574,997,969	574,997,969	41,998,821
MINNESOTA	50.00	78,476,334	79,653,479	10,571,446,000	154,792,000	10,416,654,000	1,644,734,842	1,644,734,842	79,653,479
MONTANA	66.33	11,926,371	12,105,267	1,078,653,000	18,023,000	1,060,630,000	155,387,273	155,387,273	12,105,267
NEBRASKA	54.74	29,733,219	30,179,217	2,060,181,000	41,391,000	2,018,790,000	310,272,058	310,272,058	30,179,217
NEW MEXICO	69.20	21,402,636	21,723,676	3,598,324,000	1,380,000	3,576,944,000	519,282,220	519,282,220	21,723,676
NORTH DAKOTA	50.00	10,036,360	10,186,905	844,103,000	1,600,000	842,503,000	133,026,789	133,026,789	10,186,905
OKLAHOMA	64.02	38,049,129	38,619,866	5,219,568,000	58,140,000	5,161,428,000	762,248,260	762,248,260	38,619,866
OREGON	63.14	47,561,414	48,274,835	6,163,918,000	71,176,000	6,092,742,000	902,688,455	902,688,455	48,274,835
SOUTH DAKOTA	53.54	11,604,719	11,778,790	843,570,000	1,476,000	842,094,000	130,242,791	130,242,791	11,778,790
UTAH	70.34	20,612,808	20,922,000	2,089,446,000	29,583,000	2,059,863,000	298,026,939	298,026,939	20,922,000
WISCONSIN	59.06	99,326,563	100,816,461	7,532,985,000	159,936,000	7,373,049,000	1,110,375,539	1,110,375,539	100,816,461

WYOMING .....	50.00	237,807	241,374	568,307,000	463,000	567,844,000	89,659,579	89,659,579	241,374
TOTAL LOW DSH STATES .....	.....	514,096,763	521,808,214	55,984,175,000	716,209,000	55,267,966,000	8,344,555,389	8,344,555,389	521,808,214
TOTAL .....	.....	10,758,733,966	10,920,114,975	480,133,058,000	16,142,778,000	463,990,280,000	71,128,378,201	71,128,378,201	11,662,074,976

<sup>1</sup>Louisiana's FY 2014 DSH allotment is determined under the provisions of section 1923(f)(3)(C) and (D) of the Act.

<sup>2</sup>Tennessee's DSH allotment for FY 2014, determined under section 1923(f)(6)(A) of the Act, is 0.

<sup>3</sup>Beginning FY 2013, under section 1923(f)(6)(B)(II) of the Act, Hawaii's DSH allotment for a fiscal year is determined as for low-DSH states. This means Hawaii's DSH allotment for a fiscal year is determined as for all States, by increasing the previous fiscal year allotment by the percentage increase in the CPIU for the previous fiscal year.

<sup>4</sup>Expenditures based on the amounts reported by States on the Form CMS-37.

<sup>5</sup>FMAP for Vermont for FY 2014 determined in accordance with section 1905(z)(1)(A) of the Act.

## KEY TO ADDENDUM 2—PRELIMINARY IMD DSH LIMITS FOR FY 2014

Column	Description
<b>The preliminary FY 2014 IMD DSH Limits for the Non-Low DSH States are presented in the top section of this addendum and the preliminary FY 2014 IMD DSH Limits for the Low-DSH States are presented in the bottom section of the addendum.</b>	
Column A .....	State.
Column B .....	Inpatient Hospital Services FY 95 DSH Total Computable.
Column C .....	This column contains the States' total computable FY 1995 inpatient hospital DSH expenditures as reported on the Form CMS-64.
Column D .....	IMD and Mental Health Services FY 95 DSH Total.
Column E .....	Computable. This column contains the total computable FY 1995 mental health facility DSH expenditures as reported on the Form CMS-64 as of January 1, 1997.
Column F .....	Total Inpatient Hospital & IMD & Mental Health FY 95 DSH Total.
Column G .....	Computable, Col. B + C. This column contains the total computation of all inpatient hospital DSH expenditures and mental health facility DSH expenditures for FY 1995 as reported on the Form CMS-64 as of January 1, 1997 (representing the sum of Column B and Column C).
Column H .....	Applicable Percentage, Col. C/D.
Column I .....	This column contains the "applicable percentage" representing the total Computable FY 1995 mental health facility DSH expenditures divided by total computable all inpatient hospital and mental health facility DSH expenditures for FY 1995 (the amount in Column C divided by the amount in Column D) Per section 1923(h)(2)(A)(ii)(III) of the Act, for FYs after FY 2002, the applicable percentage can be no greater than 33 percent.
Column J .....	FY 2014 Federal Share DSH Allotment.
Column K .....	This column contains the states' preliminary FY 2014 DSH allotments from Column J Addendum 1.
Column L .....	FY 2014 FMAP.
Column M .....	FY 2014 DSH Allotments in Total Computable, Col. F/G.
Column N .....	This column contains states' FY 2014 total computable DSH allotment (determined as Column F/Column G).
Column O .....	Applicable Percentage Applied to FY 2014 Allotments in TC, Col E x Col H.
Column P .....	This column contains the applicable percentage of FY 2013 total computable DSH allotment (calculated as the percentage in Column E multiplied by the amount in Column H).
Column Q .....	FY 2014 TC IMD DSH Limit. Lesser of Col.
Column R .....	I or C. This column contains the total computable FY 2014 TC IMD DSH Limit equal to the lesser of the amount in Column I or Column C.
Column S .....	FY 2014 IMD DSH Limit in Federal Share, Col. G x J.
Column T .....	This column contains the FY 2014 Federal Share IMD DSH limit determined by converting the total computable FY 2014 IMD DSH Limit from Column J into a federal share amount by multiplying it by the FY 2014 FMAP in Column G.

ADDENDUM 2—PRELIMINARY IMD DSH LIMIT FOR FISCAL YEAR 2014

State	A	B	C	D	E	F	G	H	I	J	K
	Inpatient hospital services FY 95 DSH total computable	IMD and mental health services FY 95 DSH total computable	Total inpatient & health FY 95 DSH total computable col B + C	Applicable percent col C/D	FY 2014 allotment in FS	FY 2014 FMAR's (percent)	FY 2014 allotments in col F/G	Applicable percentage applied to FY 2014 allotments in col E x Col H	FY 2014 TC IMD limit (lesser of col I or Col C)	FY 2014 IMD limit in FS col G x J	
ALABAMA	\$413,006,229	\$4,451,770	\$417,457,999	1.07	\$327,939,666	68.12	\$481,414,659	\$5,133,804	\$4,451,770	\$3,032,546	
ARIZONA	93,916,100	28,474,900	122,391,000	23.27	107,980,135	67.23	160,613,022	37,367,451	28,474,900	19,143,675	
CALIFORNIA	2,189,879,543	1,555,919	2,191,435,462	0.07	1,169,118,239	50.00	2,338,236,478	1,660,148	1,555,919	777,960	
COLORADO	173,900,441	594,776	174,495,217	0.34	98,648,517	50.00	197,297,034	672,497	594,776	297,388	
CONNECTICUT	303,359,275	105,573,725	408,933,000	25.82	213,294,091	50.00	426,588,182	110,131,741	105,573,725	52,786,863	
DISTRICT OF COLUMBIA	39,532,234	6,545,136	46,077,370	14.20	65,321,315	70.00	93,316,164	13,255,248	6,545,136	4,581,595	
FLORIDA	184,468,014	149,714,986	334,183,000	33.00	213,294,091	58.79	362,806,755	119,726,229	119,726,229	70,387,050	
GEORGIA	407,343,557	0	407,343,557	0.00	286,613,936	65.93	434,724,611	0	0	0	
ILLINOIS	315,868,508	89,408,276	405,276,784	22.06	229,291,148	50.00	458,582,296	101,168,027	89,408,276	44,704,138	
INDIANA	79,960,783	153,566,302	233,527,085	33.00	227,958,061	66.92	340,642,649	112,412,074	112,412,074	75,226,160	
KANSAS	11,587,208	76,663,508	88,250,716	33.00	43,991,907	56.91	77,300,838	25,509,277	14,517,329	14,517,329	
KENTUCKY	158,804,908	37,443,073	196,247,981	19.08	154,638,217	69.83	221,449,545	42,251,398	37,443,073	26,146,498	
LOUISIANA	1,078,512,169	132,917,149	1,211,429,318	10.97	731,960,000	60.98	1,200,327,976	131,689,118	131,689,118	80,310,122	
MAINE	99,957,958	60,958,342	160,916,300	33.00	111,979,398	61.55	181,932,409	60,037,695	60,037,695	36,953,201	
MARYLAND	22,226,467	120,873,531	143,099,998	33.00	81,318,372	50.00	162,636,744	53,670,126	53,670,126	26,835,063	
MASSACHUSETTS	469,653,946	105,635,054	575,289,000	18.36	325,273,489	50.00	650,546,978	119,453,988	105,635,054	52,817,527	
MICHIGAN	133,258,800	304,765,552	438,024,352	33.00	282,614,672	66.32	426,137,925	140,625,515	140,625,515	93,262,842	
MISSISSIPPI	182,608,033	0	182,608,033	0.00	162,636,745	73.05	222,637,570	0	0	0	
MISSOURI	521,946,524	207,234,618	729,181,142	28.42	505,240,380	62.03	814,509,721	231,485,157	207,234,618	128,547,634	
NEVADA	73,560,000	0	73,560,000	0.00	49,324,258	63.10	78,168,396	0	0	0	
NEW HAMPSHIRE	92,675,916	94,753,948	187,429,864	33.00	170,740,344	50.00	341,480,688	112,688,627	94,753,948	47,376,974	
NEW JERSEY	736,742,539	357,370,461	1,094,113,000	32.66	686,540,358	50.00	1,373,080,716	448,489,771	357,370,461	178,685,231	
NEW YORK	2,418,869,368	605,000,000	3,023,869,368	20.01	1,713,018,172	50.00	3,426,036,344	685,463,469	605,000,000	302,500,000	
NORTH CAROLINA	193,201,966	236,072,627	429,274,593	33.00	314,608,785	65.78	478,274,225	157,830,494	103,820,899	103,820,899	
OHIO	535,731,956	93,432,758	629,164,714	14.85	433,253,624	63.02	687,485,916	102,093,623	93,432,758	58,881,324	
PENNSYLVANIA	388,207,319	579,199,682	967,407,001	33.00	598,556,544	53.52	1,118,379,193	369,065,134	369,065,134	197,523,660	
RHODE ISLAND	108,503,167	2,397,833	110,901,000	2.16	197,297,035	50.11	138,336,819	2,397,833	2,397,833	1,201,554	
SOUTH CAROLINA	366,681,364	72,076,341	438,757,705	16.43	349,269,075	70.57	494,925,712	81,303,266	72,076,341	50,864,274	
TENNESSEE*	0	0	0	0.00	0	65.29	0	0	0	0	
TEXAS	1,220,515,401	292,513,592	1,513,028,993	19.33	1,019,812,376	58.69	1,737,625,449	335,934,760	292,513,592	171,676,227	
VERMONT**	19,979,252	9,071,297	29,050,549	31.23	23,995,586	56.76	42,275,521	13,200,914	9,071,297	5,148,868	
VIRGINIA	129,313,480	7,770,268	137,083,748	5.67	93,430,890	50.00	186,861,780	10,591,818	7,770,268	3,885,134	
WASHINGTON	171,725,815	163,836,435	335,562,250	33.00	197,297,035	50.00	394,594,070	130,216,043	130,216,043	65,108,022	
WEST VIRGINIA	66,962,606	18,887,045	85,849,651	22.00	71,986,756	71.09	101,261,438	22,277,660	18,887,045	13,426,800	
TOTAL	13,402,460,846	4,118,758,904	17,521,219,750	.....	11,130,266,762	.....	19,837,936,852	3,778,134,755	3,440,982,495	1,930,546,450	

LOW DSH STATES

ALASKA	2,506,827	17,611,765	20,118,592	33.00	21,723,676	50.00	43,447,352	14,337,626	14,337,626	7,168,813
ARKANSAS	2,422,649	819,351	3,242,000	25.27	46,005,171	70.10	65,627,919	16,586,151	819,351	574,365
DELAWARE	0	7,069,000	7,069,000	33.00	9,654,966	55.31	17,456,095	5,760,511	5,760,511	3,186,139
HAWAII	0	0	0	0.00	10,393,600	51.85	20,045,516	0	0	0
IDAHO	2,081,429	0	2,081,429	0.00	24,469,724	71.64	24,469,724	0	0	0
IOWA	12,011,250	0	12,011,250	0.00	41,998,821	57.93	72,499,259	0	0	0
MINNESOTA	24,240,000	5,257,214	29,497,214	17.82	79,653,479	50.00	159,306,958	28,392,877	5,257,214	2,628,607
MONTANA	237,048	0	237,048	0.00	12,105,267	66.33	18,250,063	0	0	0
NEBRASKA	6,449,102	1,811,337	8,260,439	21.93	30,179,217	54.74	55,131,927	12,089,248	1,811,337	991,526
NEW MEXICO	6,490,015	254,786	6,744,801	3.78	21,723,676	69.20	31,392,595	1,185,861	254,786	176,312
NORTH DAKOTA	214,523	968,478	1,203,001	33.00	10,186,905	50.00	20,373,810	6,723,357	968,478	494,239
OKLAHOMA	20,019,969	3,273,248	23,293,217	14.05	38,619,866	64.02	60,324,689	8,477,046	3,273,248	2,095,533
OREGON	11,437,908	19,975,092	31,413,000	33.00	48,274,835	63.14	76,456,818	25,230,750	19,975,092	12,612,273
SOUTH DAKOTA	321,120	751,299	1,072,419	33.00	11,778,790	53.54	21,999,981	7,259,994	751,299	402,245
UTAH	3,621,116	934,586	4,555,702	20.51	20,922,000	70.34	29,744,100	6,101,896	934,586	657,388
WISCONSIN	6,609,524	4,492,011	11,101,535	33.00	100,816,461	59.06	170,701,763	56,331,582	4,492,011	2,652,982



ADDENDUM 2—PRELIMINARY IMD DSH LIMIT FOR FISCAL YEAR 2014—Continued

State	Inpatient hospital services FY 95 DSH total computable	IMD and mental health services FY 95 DSH total computable	Total inpatient & IMD & mental health FY 95 DSH total computable col B + C	Applicable percent col C/D	FY 2014 allotment in FS	FY 2014 FMAP's (percent)	FY 2014 allotments in TC col F/G	Applicable percentage applied to FY 2014 allotments in TC col E x Col H	FY 2014 TC IMD limit (lesser of col I or Col C)	FY 2014 IMD limit in FS col G x J
A	B	C	D	E	F	G	H	I	J	K
WYOMING .....	0	0	0	0.00	241,374	50.00	482,748	0	0	0
TOTAL LOW DSH STATES .....	98,662,480	63,238,167	161,900,647	.....	521,808,214	.....	887,711,318	188,476,899	58,655,539	33,640,422
TOTAL .....	13,501,123,326	4,181,997,071	17,683,120,397	.....	11,652,074,976	.....	20,724,648,170	3,966,611,654	3,499,638,034	1,964,186,872

FOOTNOTES:

\*Tennessee's DSH allotment for FY 2014, determined under section 1923(f)(6)(A) of the Act, is \$0.

\*\* Vermont's FMAP for FY 2014 determined in accordance with section 1905(z)(1)(A) of the Act.

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**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Administration for Children and Families**

**Proposed Information Collection Activity; Comment Request**

*Title:* Head Start Family and Child Experiences Survey (FACES).

*OMB No.:* 0970-0151.

*Description:* The Office of Planning, Research and Evaluation (OPRE), Administration for Children and Families (ACF), U.S. Department of Health and Human Services (HHS), is proposing to collect data for the Head Start Family and Child Experiences Survey (FACES). Featuring a new “Core Plus” study design, FACES will provide data on a set of key indicators, including information for performance measures. This design also allows for more rapid and frequent data reporting (Core study) and serves as a vehicle for studying more complex issues and topics in greater detail and with increased efficiency (Plus studies).

The FACES Core study will assess the school readiness skills of Head Start children, survey their parents, and ask their Head Start teachers to rate children’s social and emotional skills. In addition, FACES will include observations in Head Start classrooms, and program director, center director, and teacher surveys. FACES Plus studies include additional survey content of policy or programmatic interest, and may include additional programs or respondents beyond those participating in the Core FACES study.

Previous notices provided the opportunity for public comment on the proposed Head Start program recruitment and center selection process

(FR V.78, pg. 75569 12/12/2013; FR V.79, pg. 8461 02/12/2014). This notice describes the planned data collection activities for the FACES Core study and Plus studies. Direct child assessments, parent surveys, and teacher child reports for the Core study are included in this clearance package. Additionally, we describe instruments to support the Core study at the program and classroom levels and the Plus studies anticipated for future submission. Since these instruments will be informed by initial findings of FACES and emerging policy needs, they cannot be fully specified at this time. However, we describe the respondents and data collection methods, estimated respondent burden, and how the information will be used to the extent possible at this time. Subsequently, when fully developed in a manner consistent with the description provided in this 60-day notice and prior to use, we will submit these materials for a 30-day public comment period under the Paperwork Reduction Act.

Methods for Core data collection start with site visits in fall 2014 to 60 Head Start programs to directly assess the school readiness skills of 2,400 children sampled to participate in FACES. Parents of sampled children will complete surveys on the Web or by telephone about their children and family background. Head Start teachers will rate each sampled child (approximately 10 children per classroom) using the Web or paper-and-pencil forms. These activities will occur a second time in spring 2015. Additionally, the program sample size will increase to 180 programs in the spring to collect program- and classroom-level data. The methods of data collection for this phase will feature site visitors conducting observations of the types and quality of classroom activities. Head Start program

directors, center directors, and teachers will complete surveys about themselves and the services and instruction at Head Start. The program- and classroom-level data collection will occur a second time in spring 2017.

Plus study data collection will parallel the Core design in many ways, including recruitment and data collection procedures, to add new respondents, include new populations, or expand on the information gathered in the Core study. Additional early care and education administrators or providers (such as Education Coordinators or Family Service Staff) may be sampled. Plus studies may involve data collection in additional programs, such as programs serving different populations or programs implementing specific interventions. Data collection for these Plus studies may include child assessments, parent surveys, teacher child reports, and staff surveys. Plus studies may also feature topical modules to gather information in greater depth on particular topics (for example, parent engagement or program functioning). The methods of data collection will involve new methodologies such as qualitative interviews and supplemental surveys with expanded content.

The purpose of the Core data collection is to support the 2007 reauthorization of the Head Start program (P.L. 110-134), which calls for periodic assessments of Head Start’s quality and effectiveness. Plus data collection will further support understanding Head Start functioning for a broader set of programs or in more depth for particular topics.

**Annual Burden Estimates**

*Respondents:* Head Start children, parents of Head Start children, and Head Start teachers, directors, and other early care and education program staff.

Instrument	Total number of respondents	Annual number of respondents	Number of responses per respondent	Average burden hour per response	Estimated annual burden hours
<b>Core Study</b>					
Head Start core child assessment .....	2,400	800	2	0.75	1,200
Head Start core parent survey .....	2,400	800	2	0.25	400
Head Start fall parent supplemental survey .....	2,400	800	1	0.08	64
Head Start spring parent supplemental survey .....	2,400	800	1	0.08	64
Head Start core teacher child report .....	240	80	20	0.17	272
Head Start core teacher survey .....	720	240	2	0.50	240
Head Start core program director survey .....	180	60	2	0.25	30
Head Start core center director survey .....	360	120	2	0.25	60
<b>Plus Studies</b>					
Head Start parent qualitative interview .....	400	133	2	1.00	267
Head Start staff qualitative interview .....	300	100	2	1.00	200
Head Start child assessment for plus study .....	1,350	450	2	0.75	675