

42 C.F.R. § 457.204

Withholding of payment for failure to comply with Federal requirements.

(a) *Basis for withholding.* CMS withholds payments to the State, in whole or in part, only if, after giving the State notice, a reasonable opportunity for correction, and an opportunity for a hearing, the Administrator finds—

- (1) That the State plan is in substantial noncompliance with the requirements of Title XXI of the Act or the regulations in this part; or
- (2) That the State is conducting its program in substantial noncompliance with either the State plan or the requirements of Title XXI of the Act or the regulations in this part. (Hearings are generally not called until a reasonable effort has been made to resolve the issues through conferences and discussions. These efforts may be continued even if a date and place have been set for the hearing.)

This document is only available to subscribers. Please [log in](#) or [purchase access](#).

[Purchase Login](#)