

Supporting Statement for Paperwork Burden Reduction Act  
State Plan Preprints to Implement Sections 6083; 6036; 6041, 6042, and 6043; and 6044  
of the Deficit Reduction Act (DRA) of 2005

A. Background

The DRA provides states with numerous flexibilities in operating their State Medicaid programs. For example, Section 6083 of the DRA (Non-emergency Medical Transportation Brokerage Program) provides that States can submit a State Plan amendment (SPA) to establish a non-emergency medical transportation brokerage program. Section 6036 (Documentation of Citizenship) provides that states must require applicants to submit proof of citizenship and provide documentation, Section 6041, 6042 and 6043 (Alternative Premiums/Cost Sharing Including Premiums and Cost Sharing for Emergency Services and Prescriptions Drugs) provides states with the flexibility to impose alternative premiums and cost sharing and Section 6044 (Alternative Benefit Packages) provides states with the flexibility to provide for alternative benefit packages for Medicaid beneficiaries. The intent of these flexibilities provides states with program alternatives to providing the most appropriate health care coverage to Medicaid beneficiaries to meet their needs and to help curtail Medicaid State and Federal spending.

Under the DRA, States can submit SPAs to CMS to effectuate these changes to their Medicaid programs. CMS will provide State Medicaid Directors letters providing guidance on these provisions and the implementation of the DRA and associated SPA templates for use by states to modify their Medicaid State plans if they choose to implement these flexibilities. Previously, Medicaid program alternatives could only be implemented through the Section 1115 waiver process. Under this process, the end result is the State burden will be reduced significantly.

The DRA outlines deadlines that must be met. These deadlines are retroactive back to October 1, 2005 and going forward through 2007. See attached chart for implementation dates. In an effort to meet these deadlines, CMS is requesting a clearance of the Paperwork Burden Reduction Act.

B. Justification

1. Need and Legal Basis

Section 1901 of the Act (42 U.S.C. 1396) requires that states must establish a state plan for medical assistance that are approved by the Secretary to carry out the purposes of title XIX. These SPAs, if states choose to implement

these flexibilities, will require a collection of information to effectuate these changes.

2. Information Users

The State Medicaid agencies will complete the templates. CMS will review the information to determine if the state has met all of the requirements of the DRA provisions the states choose to implement. If the requirements are met, CMS will approve the amendments to the state's Title XIX plan giving the state the authority to implement the flexibilities. For a state to receive Medicaid Title XIX funding, there must be an approved Title XIX state plan.

With respect to section 6043, if a state adopts the provision for cost-sharing for the non-emergency use of an emergency room, a hospital will be required to inform a beneficiary of the cost of the copayment, of the availability of the service at a lesser or nearly no copay facility and the hospital will coordinate the referral. Therefore, the hospitals in addition to the state will be subject to the PRA burden.

3. Improved Information Technology

The forms will be available in electronic format. We expect every submission to be forwarded to our agency using the electronic format. The document is completed in a user friendly format.

With respect to section 6043, each state will address the information requirement with its own hospitals.

4. Duplication of Similar Information

There is no duplication of effort on information associated with this collection.

5. Small Businesses

This collection does not impact small businesses.

6. Less Frequent Collection

Once any amendments are approved, there is no need to resubmit additional amendments, unless the State initiates a change. This State Plan process is a longstanding process to implement State's Medicaid programs and has been used for years.

In completing these State Plan amendments, states are actually reducing the time to implement Medicaid program changes.

7. Special Circumstances

There are no special circumstances or impediments. The model templates are available in electronic format and will be posted on the CMS Internet website.

8. Federal Register Notice/Outside Consultation

A 60-day Federal Register notice was published on March 31, 2006. CMS also shared draft versions of all of the templates with the American Public Health Services Association and with all who may be interested in pursuing these State plan flexibilities.

9. Payment/Gift To Respondent

There are no payments of gifts associated with this collection.

10. Confidentiality

There is no personal identifying information collected in the documents. All the information is available to the public.

11. Sensitive Questions

There are no questions of a sensitive nature associated with these forms.

12. Burden Estimate (Total Hours and Wages)

All of the templates in total are no more than 9 pages each. Most of the templates are 1 page or less. There are 5 templates and we estimate that it will take no more than 1 hour for a state to actually complete and submit all of the templates to CMS. The potential number of respondents is 56 (50 States, D.C., and 5 territories); however, we do not expect the territories and/or all 50 states to respond. We estimate that only 25 states will submit annually. Once approved, the state will not need to resubmit.

At this rate, it will cost no more than \$1,250 (or \$50 hr. x 25 hrs); the national total for the first year could be potentially \$70,000 (56 x \$1,250).

The template implementing Section 6043 of the DRA – premiums and cost sharing for emergency services includes a 3<sup>rd</sup> party disclosure requirement in which hospitals are required to inform beneficiaries after a determination has been made that the individual does not have an emergency medical condition before providing the emergency services that: 1) the hospital may require payment of the State-specified cost sharing before the service can be provided; 2) the hospital will provide the name and location of an alternate

non-emergency services provider that is actually available and accessible; 3) an alternate provider can provide the services without the imposition of the State-specified higher cost sharing for the inappropriate use of the emergency room; and 4) the hospital will provide a referral to coordinate the scheduling of this treatment.

This 3<sup>rd</sup> party disclosure is only available to states that choose to implement a State plan amendment under Section 6043 of the DRA. We expect less than 5 States to request to implement this provision. Within that estimate, we estimate that 40 hospitals will be providing the 3<sup>rd</sup> party disclosure to approximately 4,000 beneficiaries. This 3<sup>rd</sup> party disclosure process will take less than 10 minutes. Total estimated annual burden hours associated with this requirement is 667 hours. Estimated cost burden is \$33,350 annually. (667 hours x \$50 per hour = \$33,350).

13. Capital Costs (Maintenance of Capital Costs)

There are no capital costs.

14. Cost to the Federal Government

CMS estimates that the review of SPA submittals will be approximately 3 hours assuming all of the preprints are submitted for each DRA provision simultaneously. CMS further estimates that one GS-13 (hourly rate of \$37.06) will be responsible for review and approval of SPAs. As such, the cost to the Federal Government could be \$2,779.50 (\$37.06 x 3 hours x 25 states potentially submitting SPAs).

15. Program or Burden Changes

There are no program changes. Burden increase is due to the third-party disclosure requirement.

16. Publication and Tabulation Dates

There are no plans to publish the information for statistical use.

17. Expiration Date

CMS does not oppose the display of the expiration date.

18. Certification Statement

There are no exceptions to the certification statement.

C. Collection of Information Employing Statistical Methods

The use of statistical methods does not apply to this form.