

**Supporting Statement for the Collection of State Medicaid
Fraud Control Units' Reports as required by
42 CFR 1007.15 and 42 CFR 1007.17**

Background

We are requesting Office of Management and Budget approval for the collection of information to specifically comply with the requirements in Title 19 of the Social Security Act at 1903 (q) and 42 CFR1007.15 and 1007.17. (see attached), in accordance with the Paperwork Reduction Act. The information collected consists of forty-nine separate annual reports and forty-nine separate application requests for Federal grant certification/re-certification. The collection is submitted yearly to the Office of Inspector General (OIG) by the forty-nine established State Medicaid Fraud Control Units (Units). OIG uses the information received to assess and determine the Units' eligibility for continued participation in the Federal Medicaid fraud control grant program

A. Justification

1. Need and Legal Basis

The OIG needs to review the information collected to insure that Federal matching funds are expended only for allowable costs by the Units. In addition, OIG analyzes each Unit's submission to determine whether there is a need for OIG technical assistance, and to establish priorities for on-site reviews to further monitor program activities. Public Law 95-142, Section 17 was enacted to strengthen the capabilities of both Federal and State government to combat and eliminate fraud and abuse in the Medicaid program, through the establishment of the Medicaid fraud units. This law provides Federal financial participation (FFP) to State governments for the cost of establishing a Unit, training the necessary State personnel, and keeping the Units' operational.

Because of the statutory limitations of P. L. 95-142, reimbursement can only be provided for activities which are directly related to the investigation and prosecution of health care providers suspected of committing fraud and abuse on the Medicaid program. The Units also review complaints of alleged abuse or neglect of patients, and the misuse of patients' personal funds, in health care facilities.

2. Information Users

The OIG uses the information as a means to measure the efficiency and effectiveness of the Units. The collection is also used by OIG to evaluate funding and budget decisions made by each Unit.

3. Improved Information Technology

There is no other ways available from a technology standpoint to assess the Units' efforts to combat and eliminate fraud and abuse in the Medicaid program.

4. Duplication of Similar Information

This collection is not duplicated in another information collection.

5. Small Business

The yearly collection of the annual reports and certification/re-certification application requests from the State Units have no relationship to small business.

6. Less Frequent Collection

Without this particular information collection, a decision to grant renewal of Federal funding to the Units cannot be finalized. Implementing the regulatory requirements at 42 CFR 1007.15 and 1007.17 are specifically used for the purposes of the Secretary (as delegated to the OIG) to annually certify/re-certify each State Unit for program participation.

7. Special Circumstances

There are no special circumstances involved for this collection of information. The OIG requirement that the Units adhere to this collection is in full compliance with the regulations.

8. Federal Register Notice/Outside Consultation

The 60 day notice published in the Federal Register Wednesday, April 13, 2007, Vol. with an opportunity for public commentary. There were no public comments received

9. Payment/Gift to Respondent

No such payments or gifts are foreseen to the respondents, and none have been given.

10. Confidentiality

The contents of the collection contains no personal identifying information regarding individuals, such as a social security number, home address, or other identifiable information. Regulations at 42 CFR 1007.11 (f) require that the Units will safeguard the privacy of all individuals and will provide safeguards to prevent the misuse of information under the Units control. In accordance with the principles of the Freedom of Information Act (FOIA), 5 U.S.C. 552, as amended by Public Law 104-231, OIG will adhere to all applicable rules and provisions contained in the FOIA for which the

contents of the collection is subject.

11. Sensitive Questions

Statutory and regulatory reporting requirements pertaining to the program do not require the Secretary (as delegated to the OIG) to ask questions of a sensitive nature in order to make certification and funding decisions relating to the Units.

12. Burden Estimate (Total Hours & Wages)

The collection must contain certain mandatory information as outlined at 42 CFR 1007.15 and 42 CFR 1007.17, but the format and extensiveness of each Unit’s submissions to OIG are determined by the respective Unit. In the preparation and development of a Unit’s annual report and required certification/re-certification application for submission to OIG, the supervising official in a Unit expends approximately 32 - 80 hours of effort at an estimated hourly rate of \$30 per hour to formulate narrative statements and descriptions of Unit procedures and accomplishments, promulgate and confirm agreements, address and resolve all budgetary issues, guide Unit support staff, and confer with other State officials. A support staff member in a Unit expends approximately 24 - 40 hours of effort at an estimated hourly rate of \$12 per hour to develop draft products, fulfill data processing activities, complete all required administrative functions, and confer with supervising official; all of which are necessary in order to finalize the collection for submission to OIG. The total burden hours expended by each individual Unit is estimated to be approximately 93. The estimates shown in the below charts (12A and 12B) were derived from two primary sources: 1) available budget and other information that OIG readily maintains on each of the 49 Units, and 2) relative information which the Units routinely furnish to OIG. In the case of a new State Unit (applicant) applying to the Medicaid fraud grant program for the first time, the burden hours and associated costs would in all likelihood double.

12A. Estimated Annualized Burden Hours

Respondent	Form	Number of Respondents	Number of Responses per Respondents	Average Burden per Response (in hours)	Total Burden Hours
State (MFCU) Units	Annual Report	49	1	88	4312
State (MFCU) Units	Certification/ Recertification Application	49	1	5	245
Total			2	2790	4557

12B. Estimation of Annualized Cost to Respondents

Respondent	Total Burden Hours	Hourly Wage Rate	Total Respondent Cost
State (MFCU) Units ts ts	4312	\$42	\$181,104.00
State (MFCU) Units	245	\$42	\$10,290.00
Total	4557	\$84	\$191,394.00

13. Capital Costs (Maintenance of Capital Costs)

There are no capitol costs and maintenance capitol costs associated with this collection.

14. Cost to Federal Government

The cost to the Federal government yearly to process the collection for each of the 49 Units is premised on the average time staff expends to facilitate a thorough review and analyses of the information contained in each collection received, as well as consult further with State Unit officials' and their staffs if appropriate. The number of participating staff is 4. The time staff expends for each review is 3 hours. The estimated hourly wage rate for staff is \$32 - \$40 per hour___which averages out to be \$36.00 per hour. Based on this data, the average annual cost to the Federal government associated with the collection is approximately \$5,292. The hourly wage rate information was derived from available personnel-payroll information. The figure indicated for the staff's processing time was attained from the participants.

15. Program or Burden Changes

This a reinstatement with change.

16. Publication and Tabulation Dates

The OIG does not publicize information submitted in annual reports or certification/re-certification application requests. Since these collections could contain information concerning both State and Federal ongoing investigations and prosecutions. Such information must be requested through the available Freedom of Information (FOI) channels, and disclosed only on a case-by-case basis and only after a thorough FOI review.

17. Expiration Date

No requests have been made. This section is not applicable.

18. Certification Statement

There are no exceptions to the certification.

B. Collection of Information Employing Statistical Methods

There are no statistical methods employed in relation to the information collected.