

**Supporting Statement for Paperwork Reduction Act**  
**Administrative Requirements for Section 6071 of the Deficit Reduction Act**

**A. BACKGROUND**

The Centers for Medicare & Medicaid Services (CMS) awarded 31 grants to States to participate in the Money Follows the Person Rebalancing Demonstration (MFP) from January 1, 2007 through September 30, 2011. This demonstration, created by section 6071 of the Deficit Reduction Act of 2005 (P.L. 109-171), supports State efforts to “rebalance” their long-term support systems by offering \$1.75 billion over 5 years in competitive grants to States. Specifically, the demonstration will support State efforts to: a) Rebalance their long-term support system so that individuals have a choice of where they live and receive services; b) Transition individuals from institutions who want to live in the community; and c) Promote a strategic approach to implement a system that provides person centered, appropriate, needs based, quality of care and quality of life services and a quality management strategy that ensures the provision of, and improvement of such services in both home and community-based settings and institutions. The demonstration provides enhanced federal medical assistance percentage (FMAP) for 12 months for qualified home and community-based services for each person transitioned from an institution to the community during the demonstration period.

CMS will issue an Operational Protocol Instruction Guide and template for the development of Operational Protocols for the States selected to participate in the MFP Rebalancing Demonstration. The guide will provide instruction on the required elements of the State’s Operational Protocol which must be submitted and approved before a State may enroll individuals in the State’s demonstration program or begin to claim for service dollars.

The Deficit Reduction Act of 2005 Section 6071(c) (9) requires the States to provide information and assurances that total expenditures under the State Medicaid program for home and community-based long-term care services will not be less for any fiscal year during the MFP demonstration project than for the greater of such expenditures for fiscal year 2005 or any succeeding fiscal year before the first of the year of the MFP demonstration project. Accordingly, States are required to submit Maintenance of Effort (MOE) form and MFP Budget Forms on an annual basis. Additionally, in order to receive enhanced FMAP, States are required to submit the MFP Demonstration Financial Forms on a quarterly basis.

Section 6071(g) of the Deficit Reduction Act requires a national evaluation of the MFP demonstration project and a final report to the President and Congress. For the national evaluation, States will be required to submit on a quarterly basis a MFP Finders File, which will include eligibility records for all MFP participants, and a MFP Services File, which will include records for each service funded with MFP grant funds.

**B. JUSTIFICATION**

1. Need and Legal Basis

Under section 6071 of the Deficit Reduction Act of 2005 (P.L. 109-171) subsection (c), the Secretary may require States to meet requirements and provide additional information, provisions, and assurances. Through the Operational Protocol, States provide the requirements, information, provisions and assurances which, following CMS approval, States may enroll individuals in the State's demonstration program or begin to claim for service dollars.

2. Information Users

State Operational Protocols should provide enough information that: the CMS Project Officer and other federal officials may use it to understand the operation of the demonstration and/or prepare for potential site visits without needing additional information; the State Project Director can use it as the manual for program implementation; and external stakeholders may use it to understand the operation of the demonstration.

The financial information collection will be used in CMS financial statements and shared with the auditors who validate CMS' financial position. The MOE forms as well as the MFP Budget Form are required each year. Submissions of MFP Demonstration Financial Forms are 90 days after the end of each Federal fiscal quarter.

The MFP Finders File and MFP Services File will be used by the national evaluation contractor to assess program outcomes.

3. Improved Information Technology

States may submit the Operational Protocol and financial forms via email. The MFP Finders file and MFP Services file will be submitted to CMS via email to a CMS Resource Box. These files will be encrypted by the MFP Grantees before being sent. The MFP Grantee will send a password to open encrypted files in a separate email. MPR will be granted a password in order to access the files. For Security purposes, only designated MPR staff will access the files, no one else will have access to this information, and CMS will change the password quarterly.

4. Duplication/Similar Information

This information collection does not duplicate any other effort and the information cannot be obtained from any other source.

5. Small Business

This request does not affect small businesses.

6. Less Frequent Collection

The OP will be submitted to CMS no later than 60 days prior to the planned program implementation date or 12 months after the award date, whichever is earlier. Once the OP is approved, there is no need to resubmit (unless changes are made to the program). At the end of each demonstration grant year, States are required to produce the MOE and MFP Budget Forms on an annual basis. Additionally, in order to receive enhanced FMAP, States are required to submit the MFP Demonstration Financial Forms on a quarterly basis. The MFP Finders file and MFP Services file will also be submitted on a quarterly basis so that results of the program can be assessed on an ongoing basis.

7. Special Circumstances

There are no special circumstances or impediments. The OP template is available in electronic format and will be posted.

8. Federal Register Notice

A 60-day Federal Register notice was published on 8/31/2007.

9. Payment/Gift to Respondent

This collection of information does not provide for any additional payment or any gifts. States are reimbursed for a portion of MFP administrative expenses and required to submit financial reports.

10. Confidentiality

States must sign a statement that has the following assurances. States shall insure that all Federal and State laws that protect the confidentiality of medical information will be enforced. All insurances will be made to protect all project-related information that identifies individuals. States acknowledge that such information is confidential, that it shall not be disclosed directly or indirectly except for purposes directly connected with the conduct of the project; and that informed written consent of the individual shall be obtained for any disclosure.

11. Sensitive Questions

The documentation to be provided by the applying entity is not sensitive in nature and does not require additional justification.

12. Burden Estimates (Hours)

For the purpose of completing Form 83 Part II, the burden estimate was calculated as follows. There are a total of 49 reports over a five year period for each grantee/respondent (1 Operational Protocol, 16 sets of financial forms, 6 semi-annual reports, 13 MFP Finder Files, and 13 MFP Services Files).

Each grantee/respondent will submit 9.8 reports on average each year (49 reports over the 5 year period). Additionally, the annual 9.8 reports multiplied by 31 grantees/respondents equals 303.8 responses per year. Therefore, the total annual hour burden is 10,393.76 based on 34.19 hours per response. The actual breakdown per instrument is provided below.

### **Operational Protocol**

The burden calculation for the Operational Protocol is approximately 40 hours.

BURDEN                      31 States x 40 hours = 1240 hours

The cost to the States is estimated at \$18,600 (approximately 1240 hours times \$15 an hour).

Costs incurred by the State during the pre-implementation phase, including the costs of a full-time Project Director and other staff, will be reimbursed under the grant at the regular Medicaid administrative match.

### **Maintenance of Effort Form**

The burden calculation for the Maintenance of Effort form is approximately 5 hours annually.

BURDEN                      31 States x 5 hours = 155 hours

The cost to the States is estimated at \$2,325 (approximately 155 hours times \$15 an hour).

### **Financial Reporting**

The burden calculation for collection of the financial information is approximately 6 hours. States have this information readily available.

BURDEN                      31 States x 6 hours x 4 quarters = 744 hours

The cost to the States is estimated at \$11,160 annually (approximately 744 hours times \$15 an hour).

### **MFP Finder file**

The burden calculation for the MFP Finders file is approximately 32 hours for the first file, which includes the initial development of the software to create the file, and approximately 2 hours for each subsequent file.

BURDEN 31 States x 32 hours = 992 hours for the first file  
 BURDEN 31 States x 2 hours x 4 quarters = 248 hours for the subsequent files.

The total burden calculation for collection is approximately \$18,600 (approximately 1,240 hours times \$15 an hour) or \$600 per state.

**MFP Services File**

The burden calculation for the MFP Services file is approximately 48 hours for the first file, which includes the initial development of the software to create the file, and approximately 24 hours for each subsequent file.

BURDEN 31 States x 48 hours = 1,488 hours for the first file  
 BURDEN 31 States x 24 hours x 4 quarters = 2,976 hours for the subsequent files

The total burden calculation for collection is approximately \$66,960 (approximately 4,464 hours times \$15 an hour) or \$4,464 per state.

<b>Reporting</b>	<b>Burden Estimate to States</b>
Operational Protocol	1240 hours x \$15/hour = \$18,600
Maintenance of Effort Form	155 hours x \$15/hour = \$2,325
Financial Information	744 hours x \$15/hour = \$11,160
MFP Finder File	992 hours for the first file + 248 hours for subsequent files annually x \$15 = \$18,600
MFP Services File	1,488 hours for the first file + 2,976 hours for the subsequent files annually x \$15 = \$66,960

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

A total Federal cost for review of all reports is estimated to be \$160,376.64 and since this is a five year project, then the annual cost for the Federal government is estimated to be \$32,075.33.

The Federal cost is based on the efforts expended by CMS staff to review the data submitted by the respondents. For review of the MFP Operational Protocol we estimate \$33,018.72 for the Federal cost (31 respondents x 16 hours review per OP x hourly rate of a GS-13 @ \$38.04 plus 31 respondents x 6 financial reports per year x 1 hour, hourly rate of a GS-13 @ \$38.04).

CMS has contracted for the national evaluation of the MFP program. The national evaluation will cost approximately \$3,992,323.

15. Program/Burden Changes

This is a new collection.

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. Collections of Information Employing Statistical Methods

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