

**Supporting Statement for State Supplementation Provisions:
Agreement; Payments
20 CFR 416.2095-416.2098, 20 CFR 416.2099
OMB No. 0960-0240**

A. Justification

1. **Introduction/Authoring Laws and Regulations** - *Section 1618 of the Social Security Act (the Act)* and regulations published by the Commissioner of Social Security (the Commissioner) in *20 CFR 416.2095-416.2098 of the Code of Federal Regulations* require each State that administers its own supplementary payment program(s) to demonstrate its compliance with the *Act* (to the satisfaction of the Commissioner) by passing Federal cost-of-living increases along to individuals who are eligible for State supplementary payments. Pass-along compliance reporting requirements are set forth in *20 CFR 416.2099*. The respondents are State agencies administering supplementation programs. This OMB clearance request is an extension without change to a currently approved collection.
2. **Description of Collection** - The purpose of this collection is for Regulatory/Compliance and Program Planning/Management of the State Supplement Program. The Social Security Administration (SSA) collects the information from each State agency, in the form of a letter submitted by email, that administers a State supplementary program(s) and that has agreed to comply with the provisions of the *Act*. The information requested is mandatory and permits the Commissioner to determine each State's compliance/noncompliance with the pass-along requirements of Section 1618 of the *Act*. Federal participation in the State's Medicaid program, under Title XIX of the *Act*, is dependent upon the Commissioner's determination of a State's compliance. States report supplementary payment information annually (for States complying by the maintenance-of-payment levels method). SSA may ask them to report up to four times in a year (for States complying by the total-expenditures method).
3. **Use of Information Technology** - SSA has not created an electronic option under the agency's Government Paperwork Elimination Act (GPEA) plan because only 29 States and the District of Columbia respond. This is less than the GPEA cut-off of 50,000. However, SSA encourages States to report the information via electronic mail.

4. **Why We Cannot Use Duplicate Information** - The nature of the information we are collecting and the manner in which we are collecting it preclude duplication. SSA does not use another collection instrument to obtain similar data.
5. **Minimizing Burden on Small Respondents** - This collection does not affect small businesses or other small entities.
6. **Consequence of Not Collecting Information or Collecting it Less Frequently** - The consequences of a State failing to report the required payment information is loss of Federal financial participation in the State's Medicaid program under Title XIX. Therefore, the information cannot be collected less frequently. There are no technical or legal obstacles to burden reduction.
7. **Special Circumstances** - There are no special circumstances that would cause SSA to conduct this information collection in a manner inconsistent with 5 CFR 1320.5.
8. **Solicitation of Public Comment and Other Consultations with the Public** - SSA published the 60-day advance Federal Register Notice on August 19, 2009, at 74 FR 41959, and we received no public comments. We published the second Notice on October 26, 2009, at 74 FR 55080. There have been no outside consultations with members of the public.
9. **Payment or Gifts to Respondents** - SSA does not provide payments or gifts to the respondents.
10. **Assurances of Confidentiality** - SSA protects and holds confidential the information it collects in accordance with 42 U.S.C. 1306, 20 CFR 401 and 402, 5 U.S.C. 552 (Freedom of Information Act), 5 U.S.C. 552a (Privacy Act of 1974) and OMB Circular No. A-130.
11. **Justification for Sensitive Questions** - The information collection does not contain any questions of a sensitive nature.
12. **Estimates of Public Reporting Burden** - SSA may ask the seven States that have elected to comply with the pass-along requirements using the total-expenditures method to report expenditures data quarterly. SSA requests the 23 States that have elected to comply by maintaining their payment levels, to furnish payment level amounts once each year. The estimated average response time is 60 minutes for a total of 51 burden hours as shown on the chart below:

Reportin	Number	Frequen	Number	Average	Estimate
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g Method	of Responde nts	cy of Respons e	of Respon ses	Burden Per Respons e	d Annual Burden
Total Expenditures	7	4	28	60 minutes	28 hours
Maintenance of Payment Levels	23	1	23	60 minutes	23 hours
Total	30		51		51 hours

The total burden reflects burden hours, and we did not calculate a separate cost burden.

13. **Annual Cost to the Respondents (Other)** - This collection does not impose a known cost burden to the respondents.
14. **Annual Cost to the Federal Government** - The annual cost to the Federal government is approximately \$7,000. This includes \$3,700 for preparing and sending letters to the affected States and \$3,300 for analyzing information received in incoming reports from the States to determine their compliance with Section 1618 of the *Act*.
15. **Program Changes or Adjustments to the Information Collection Request** - There are no changes to the public reporting burden.
16. **Plans for Publication Information Collection Results** - SSA will not publish the results of the information collection.
17. **Displaying the OMB Approval Expiration Date** - SSA is not requesting an exception to the requirement to display an expiration date.
18. **Exceptions to Certification Statement** - SSA is not requesting an exception to the certification requirements at 5 CFR 1320.9 and related provisions at 5 CFR 1320.8(b)(3).

B. Collections of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection .