

BACKGROUND AND JUSTIFICATION STATEMENT

for the

Medicaid Statistical Information System

April 1, 2010 through March 31, 2013

OMB Control No. 0938-0345

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A. BACKGROUND

The Centers for Medicare and Medicaid Services (CMS) requests the Executive Office of Management and Budget (OMB) clear the Medicaid Statistical Information System (MSIS, IBC Form R-284). This approval would enable States to continue to fulfill their Medicaid data reporting requirements from April 2010 through March 2013.

From 1972 until December 1998, CMS required the annual submission of Medicaid program data in hard-copy format from all States and territories that operate Medicaid programs under Title XIX of the Social Security Act. In 1984 CMS offered States the option to submit enrollment and claims data electronically through MSIS.

Since January 1999, the Balanced Budget Act of 1997 (BBA) has required States to submit their Medicaid data through MSIS. The statutory requirement for a national database provided an impetus for CMS to make a number of significant changes to improve the quality of the data reported starting with fiscal year 1999.

The Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA) required use of the 2003 MSIS data to develop baseline statistics for the phased-down State contribution process for States to pay back a portion of the prescription drug monies for dually eligible Medicaid/Medicare beneficiaries not expended due to the MMA. Changes necessary to update the procedures to the ICD – 10 format have already been made. No changes to MSIS are anticipated for 2010 through 2013.

CURRENT DATA COLLECTION ENVIRONMENT

Medicaid statistical information is reported via the Medicaid Statistical Information System (MSIS). States submit all claims and eligibility data contained in the States' Medicaid Management Information System and ancillary systems. After an automated data edit process and a data quality review performed by CMS contractors, CMS inputs the granular data into a national database. Five data files are submitted each quarter--45 days after the end of the quarter, over 1,000 files flow into CMS a year.

CURRENT DATA DISSEMINATION ENVIRONMENT

The Medicaid enrollment data for over 50 million individuals and their 2 billion claims each year are submitted by States and input into the national MSIS database. The national State Summary mart allows CMS and partners, through a web based application, to perform data analyses. In addition, a high-level summary drug mart is available for use on the web. CMS produces and sends 24 annual statistical tables to States for individual State use. A person summary data mart was developed for CMS, along with an inpatient hospital mart which provides data on inpatient procedures and diagnoses. These marts, although more powerful than the previous marts, are ONLY available to CMS due to privacy issues. However, CMS is able to respond to very specific data needs with these more powerful marts.

IMPROVEMENTS NEEDED IN MEDICAID STATISTICAL REPORTING

As the Medicaid program has become more complex and Medicaid expenditures consume a greater proportion of State and Federal budgets, improvements in quality, detail, and timeliness of Medicaid statistical reporting have been required. CMS believes that MSIS addresses this issue. The data marts answer actuarial, policy, forecasting, and research needs. In addition the marts respond to issues regarding managed care, welfare reform, the Child Health Insurance Program (CHIP), and MMA Dual Eligibles.

QUALITY: The current quality of national Medicaid data is greatly improved. The potential for high quality data has increased with the implementation and utilization of a national database. Individual State categorizations and programs complicate the ability for consistent definitions of data. However the standardization of information allows for national analyses. The collection of disaggregated data under MSIS has improved data quality as has the contractor resources CMS employs to validate data by reviewing and having States correct detected errors.

DETAIL: The national MSIS database contains details (e.g., diagnosis and procedure codes) to allow constructive or predictive analysis of today's Medicaid issues. Analysis of individual eligibility groups (elderly, infants, duals, etc.), utilization and payments are simplified with MSIS. MSIS allows for detailed person-level analysis of eligibility and claims information.

TIMELINESS: Quarterly reporting of MSIS data 45 days after the end of each quarter allows for early detection of problems and for trending of data for each quarterly time periods. The data quality reviews compare across quarters.

B. JUSTIFICATION

(1) Need/Legal Basis

The Balanced Budget Act of 1997 (Section 4753) mandated that States report their Medicaid data via MSIS. This Act required that all States implement MSIS by January 1, 1999. MSIS (and the preceding HCFA-2082) is used by States and other jurisdictions to report fundamental statistical data on the operation of their Medicaid program. Data provided on eligibles, beneficiaries, payments and services are vital to those studying and assessing Medicaid policies and costs. Medicaid statistical data are routinely requested by Central and Regional Office CMS staffs, Department agencies, the Congress and their research offices, State Medicaid agencies, research organizations, social service interest groups, universities and colleges, and the health care industry. The MMA utilized MSIS data to develop a per capita payment amount for full dual eligible individuals.

(2) Information Users

The data reported in MSIS are used by Federal, State, and local officials, as well as by private researchers and corporations to monitor past and projected future trends in the Medicaid program. These data provide the only national level information available on enrollees, beneficiaries, and expenditures. They also provide the only national level information available on Medicaid utilization. This information is the basis for analyses and for cost savings estimates for the Department's cost sharing legislative initiatives to Congress.

The data collected by MSIS are also crucial to CMS and HHS actuarial forecasts. The forecasting model used by CMS relies heavily on beneficiary and expenditure data acquired from MSIS.

(3) Information Technology

States' participation in MSIS by submitting eligibility and claims data has historically been by mailing data tapes to the CMS Data Center. The tapes are manually loaded and copied onto the mainframe. States have begun electronic transmission of MSIS files to CMS which has expedited the process significantly.

Currently there are 26 States using EFT (electronic file transfer). The other States will implement this process by the end of 2009. Although this process will not reduce the State burden, it will improve the efficiency of the system.

(4) Duplication of Effort/ Similar Information

There is no duplication of effort or information associated with this request. MSIS provides complete Medicaid program statistics on a national scale and there is no other similar information or report available.

(5) Small Business

Small businesses or other small organizations are not involved and, therefore, will not be affected.

(6) Less Frequent Collection

Medicaid policy makers, which include Congress, HHS, and State governments, rely heavily upon Medicaid statistical data captured by MSIS. The MSIS data provide necessary relevant information essential for effective decision making on the management and future directions of the Medicaid program. The quarterly processing cycles for MSIS are necessary to keep transmission volumes at a reasonable level, and to facilitate timely data quality review and reconciliation. This cycle also improves the availability of data for timely trend analysis.

(7) General Collection Guidelines

This collection effort complies with the guidelines in 5 CFR 1320.6.

(8) Federal Register Notice/Outside Consultations

CMS published a Federal Register notice with a 60-day comment period on August 14, 2009.

CMS is constantly in communication with other Federal agencies, health care oriented groups and associations, State Medicaid agencies, independent researchers and others in the health care community. These users and providers of Medicaid statistical data often convey their judgments on the availability of data, frequency of data collection, and other characteristics of the reporting system.

(9) Inducements to Respondents

CMS provides no payments or gifts to States responding to this data collection. The primary benefit of participation is the availability of national data on the Medicaid Program.

(10) Confidentiality

The data collected through MSIS are added to the existing MSIS "System of Records." Provisions of the Privacy Act apply and are strictly enforced. The web-based State Summary Mart does not contain individual identifying information.

(11) Sensitive Questions

This request does not contain information of a sensitive nature. The data reported are data already stored in States' Medicaid Management Information Systems.

(12) Estimate of Burden (Hours and Wages)

The following table shows the detailed summary of the reporting burdens associated with this request. The burden on the States includes the hours associated with producing MSIS tapes for all States.

Estimates of Hourly Burden

MSIS TAPE PRODUCTION

Annual burden

51 States Producing MSIS Tapes/Data Files:

10 hours per response x 4 quarterly responses x 51 States = 2,040 Hours

(The territories do not provide MSIS to CMS.)

Estimates of Cost Burden

2,040 hours x \$35/hour = \$ 71,400

The annual cost for the burden from April 2010 – March 2012 is \$71,400 for State staff time.

(13) Estimated Annual Operation and Maintenance Costs

There are no annual operating or maintenance costs.

(14) Federal Cost

The annual cost to the Federal Government of collecting the requested data is estimated to be approximately \$225,000. These estimates are based upon costs for administrative expenses.

(15) Program/Burden Changes

The slight total annual burden decrease is to eliminate the Virgin Islands and Puerto Rico from the burden hours. Since they do not have an MMIS (Medicaid Management Information System), they are not required to participate in MSIS.

(16) Publication and Tabulation Dates

States are required to submit MSIS data on a quarterly basis. These data are edited and compiled. Monthly, quarterly and annual tables are available the end of each fiscal year on the internet and used by a wide variety of federal components, State and local agencies, and private research organizations. A set of 24 annual tables are e-mailed to each State annually. National tables are published on the CMS website. Other major publications utilizing these data include the HCFA Data Compendium and the House Committee on Energy and Commerce "Medicaid Source Book."

(17) Expiration Dates

Display of an expiration date on the MSIS system is impossible. The disclosure statement is printed in the instructions in the State Medicaid Manual.

(18) Exceptions to the Certification Statement

This proposal complies with all conditions included in Certification Statement 19.

C. STATISTICAL METHODS

These information collection requirements do not employ statistical sampling methods.

D. TERMS OF CLEARANCE

None