

Supporting Statement for Paperwork Reduction Act
Section 2105(c)(10) and Section 1906A State Plan Amendment Template
0938-NEW / CMS-10300

A. Background

This is a supporting statement for the Paperwork Reduction Act for two State Plan Amendment templates for section 2105(c)(10) and 1906A of the Social Security Act (the Act).

This new option to create a premium assistance program was provided by section 301 of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), Public Law 111-3, which added section 2105(c)(10) and 1906A to the Act effective April 1, 2009. The templates will ensure compliance with the statutory provisions of section 2105(c)(10) and 1906A.

XXI State Plan

The XXI template outlines the information a State must include in its Children's Health Insurance State plan in order to select the new option to provide premium assistance subsidies to children under age 19 (and their parents), who are eligible for CHIP and have access to qualified employer-sponsored coverage. In some circumstances, family members who are not eligible for CHIP may also receive premium assistance when enrolled in qualified employer sponsored coverage.

Section 2105(c)(10) of the Act offers State CHIP programs the option to provide a subsidy of the premium required to enroll targeted low-income children under age 19 (and their parents) in qualified employer-sponsored coverage. This coverage must qualify as creditable coverage as a group health plan under section 2701(c)(1) of the Public Health Service Act and the employer must contribute at least 40 percent of the cost of the premium. States may establish an employer-family premium assistance purchasing pool.

This template may be used by States to easily modify their CHIP State plans if they choose to implement the new option at section 2105(c)(10) of the Act for providing premium assistance subsidies to enroll targeted low-income children in qualified employer-sponsored coverage.

XIX State Plan

The XIX template outlines the information a State must include in its Medicaid State plan in order to select the new option to provide premium assistance subsidies to enroll Medicaid-eligible individuals under age 19 (and their parents) in qualified employer-sponsored coverage.

Section 1906A of the Act offers State Medicaid programs the option to provide a subsidy of the premium required to enroll Medicaid-eligible individuals under age 19 (and their parents) in qualified employer-sponsored coverage. This coverage must qualify as creditable coverage as a group health plan under section 2701(c)(1) of the Public Health Service Act and the employer must contribute at least 40 percent of the cost of the premium. The qualified employer-sponsored coverage will be treated as a third party resource to reduce Medicaid expenditures.

This template may be used by States to easily modify their State plans if they choose to implement the new option at section 1906A of the Act for providing premium assistance subsidies to enroll Medicaid-eligible individuals under age 19 (and their parents) in qualified employer-sponsored coverage.

B. Justification

1. Need and Legal Basis

Section 301 of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), Public Law 111-3, added section 2105(c)(10) and 1906A to the Act effective April 1, 2009, to offer States a new option for providing premium assistance subsidies to targeted low-income children under age 19 (and their parents) in qualified employer-sponsored coverage.

2. Information Users

The State CHIP and Medicaid Agencies will complete the template. CMS will review the information to determine if the State has met all the requirements of section 2105(c)(10) or 1906A of the Act. If the requirements are met, CMS will approve the amendment to the State's title XXI or XIX plan, giving the State the authority to provide premium assistance subsidies to enroll targeted low-income children under age 19 (and their parents) in qualified employer-sponsored coverage. For a State to receive CHIP (title XXI) or Medicaid (XIX) funding, there must be an approved title XXI or XIX state plan.

3. Improved Information Technology

This form is available in electronic format. We expect every submittal to be forwarded to our agency using the electronic format. The document is completed in a user friendly format.

4. Duplication of Similar Information

There is no duplication of similar information.

5. Small Businesses

This collection does not impact small businesses.

6. Less Frequent Collection

Once the amendment is approved, there is no need to resubmit unless changes are made to the program. Without this information, CMS cannot grant a State the authority to provide premium assistance subsidies to enroll targeted low-income children under age 19 (and their parents) in qualified employer-sponsored coverage. Since the model template outlines the information CMS needs for its review, there should be little need for requests for additional information.

7. Special Circumstances

There are no special circumstances or impediments. The model template is available in electronic format and will be posted on the CMS Internet web site.

8. Federal Register Notice/Outside Consultation

A 60-day Federal Register notice was published on October 9, 2009, attached.

9. Payment/Gift To Respondent

There is no payment/gift to respondent.

10. Confidentiality

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

11. Sensitive Questions

There are no questions of a sensitive nature.

12. Burden Estimate (Total Hours & Wages)

The XXI template has 4 pages. We estimate that it will take no longer than 4 hours for a State to complete and submit the template to CMS. The potential number of respondents is 51 (50 states and D.C.); however, we estimate 40 states will submit a one-

time amendment. Once approved, the State will only need to resubmit to amend the prior submission. We estimate it would take 4 hours per State to make an amendment. If all 51 States choose to complete the template the total annual burden would be 204 hours.

To complete and submit the template, it would cost a State no more than \$30 (\$30/hr. x 4 hrs). To make an amendment, it would cost \$120 (\$30/hr x 4 hrs).

The XIX template has 1 page. We estimate that it will take no longer than 1 hour for a State to complete and submit the template to CMS. The potential number of respondents is 51 (50 states and D.C.); however, we estimate 40 states will submit a one-time amendment. Once approved, the State will only need to resubmit to amend the prior submission. We estimate it would take 1 hour per State to make an amendment. If all 51 States choose to complete the template the total annual burden would be 51 hours.

To complete and submit the template, it would cost a State no more than \$30 (\$30/hr. x 1 hr). To make an amendment, it would cost \$30 (\$30/hr x 1 hr).

13. Capital Costs (Maintenance of Capital Costs)

There are no capital costs.

14. Cost to Federal Government

There is no cost to the Federal Government.

15. Program or 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. Collection of Information Employing Statistical Methods

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