

Supporting Statement for Paperwork Burden Reduction Act  
State Medicaid Health Information Technology Plan, Planning-Advance Planning Document and Update, Implementation Advance Planning Document and Update, and Annual Implementation Advance Planning Document to Implement Section 4201 of the American Reinvestment and Recovery Act of 2009 (Recovery Act)

A. Background

The American Reinvestment and Recovery Act of 2009 amends the Medicaid statute to provide for a 100 percent Federal financial participation (FFP) match for State expenditures for provider incentive payments to encourage Medicaid health care providers to purchase, implement, and operate certified electronic health record (EHR) technology. These payments can cover up to 85 percent of the federally-determined “net average allowable costs” of certified EHR technology, including support and training for staff. The legislation also establishes a 90 percent FFP match for State expenses for administration of the incentive payments authorized by section 4201.

CMS is requiring States to submit documentation for prior approval before drawing down the 90% match including a State Medicaid Health Information Technology (HIT) Plan, a Planning Advance Planning Document (PAPD) and finally an Implementation Advance Planning Document (IAPD). The PAPD and IAPD additionally require updates as necessary and the IAPD includes an annual component. States can submit these documents to effectuate these changes to their Medicaid programs. CMS will provide State Medicaid Directors letters providing guidance on these provisions and the implementation of Recovery Act and these associated documents for use by States to modify their Medicaid State plans if they choose to implement these flexibilities. Under this process, the end result is the State burden will be reduced significantly.

In an effort to implement Section 4201 of Recovery Act, CMS is requesting OMB approval for this information collection via the Paperwork Burden Reduction Act.

B. Justification

1. Need and Legal Basis

Section 4201 of Recovery Act establishes 100 % FFP as reimbursement to States for making incentive payment to providers for meaningful use of certified EHR technology and 90% FFP for administering these payments. Additionally States are required to conduct oversight of this program and ensure no duplicate payments; thus, CMS is requiring States submit information to CMS for prior approval before drawing down funding. These documents, if states choose to implement these flexibilities, will require a collection of information to effectuate these changes.

2. Information Users

The State Medicaid agencies will complete the templates. CMS will review the information to determine if the State has met all of the requirements of the Recovery Act provisions the States choose to implement. If the requirements are met, CMS will approve the amendments giving the state the authority to implement their HIT strategy and implementation plans. For a state to receive Medicaid Title XIX funding, there must be an approved State Medicaid HIT Plan (SMHP), PAPD and IPAD.

3. Improved Information Technology

The forms will be available in electronic format. We expect every submission 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 effort on information associated with this collection.

5. Small Businesses

This collection does not impact small businesses.

6. Less Frequent Collection

With the exception of the annual update, once any documents are approved, there is no need to resubmit additional documents, unless the State initiates a change. This process is a longstanding process to implement State's Medicaid programs and has been used for years.

In completing these documents, States are actually reducing the time to implement Medicaid program changes.

7. Special Circumstances

There are no special circumstances or impediments. The model templates are available in electronic format and will be posted on the CMS Internet website.

8. Federal Register Notice/Outside Consultation

A 60-day Federal Register notice was published on September 11, 2009.

9. Payment/Gift To Respondent

There are no payments of gifts associated with this collection.

10. Confidentiality

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

11. Sensitive Questions

There are no questions of a sensitive nature associated with these forms.

12. Burden Estimate (Total Hours and Wages)

We estimate that it will take no more than 5 hours for a state to actually complete and submit all of the templates to CMS, assuming the State chooses to submit all the documents and/or all the documents at once. It is our recommendation that States submit the PAPD and then the SMHP and then following with the IAPD. Updates to the PAPD and IAPD are only necessary if status updates occur. An annual update is requested but should take States little to no time to complete. The potential number of respondents is 56 (50 States, D.C., and 5 territories); we estimate that most States, if not all, will submit annually. Once approved, the State will not need to resubmit unless there is a need for revisions. If all States complete and submit the templates the total annual burden would be 280 hours.

At this rate, it will cost no more than \$28,000 (or \$100 hr. x 280 hrs); the national total for the first year could be potentially \$1,568,000 (56 x \$28,000).

13. Capital Costs (Maintenance of Capital Costs)

There are no capital costs.

14. Cost to the Federal Government

CMS estimates that the review of these documents will be approximately 3 hours assuming all of the documents are submitted simultaneously. CMS further estimates that one GS-13 (hourly rate of \$41.00) will be responsible for review and approval of these documents. As such, the cost to the Federal Government could be \$6,888 (\$41 x 3 hours x 56 states potentially submitting materials).

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.