

Supporting Statement
CMS - MMIS APD Template for Use by States When Implementing the Mandatory
National Correct Coding Initiative in Medicaid
CMS-10358 (OMB 0938-NEW)

A. BACKGROUND

CMS has developed an MMIS APD template specific to support the October 1, 2010 mandate of the National Correct Coding Initiative in Medicaid. The template follows section 1903(r) of the Social Security Act (the Act). The template has been designed for the collection of two facets of information:

1. To collect key information required for States to request 90-percent FFP for the design, development, and installation, and 75 percent FFP for maintenance and operations of MMIS systems in accordance with section 1903(a)(3) of the Act.
2. To collect key information per section 1903(r)(4)(B) of the Act, as added by section 6507 of the Affordable Care Act, to submit to Congress no later than March 1, 2011, a report that includes analysis supporting the identification of the methodologies for Medicaid. States will be required to report through the APD to CMS;
 - a. How many edits were deactivated;
 - b. What types of edits were deactivated;
 - c. The rationale for deactivating certain edits;
 - d. The process and the workload for State staff that deactivating edits created;
 - e. How many claims would have been denied if it were not for the deactivations;
 - f. How many claims would have gone to appeal if it were not for the deactivations;
 - g. The total amount of dollars that were paid as a result of the deactivations;
 - h. The total number of providers that would have had denied claims if it were not for the deactivations; and
 - i. Any additional information that is necessary in order to determine the impact that deactivation of edits has had on providers and States alike.

B. JUSTIFICATION

1. *Need and Legal Basis*

Section 6507 of the Patient Protection and Affordable Care Act amends section 1903(r) of the Social Security Act (the Act). As amended, it requires CMS to take three specific actions by September 1, 2010. First CMS must notify States of NCCI methodologies that are “compatible” with claims filed with Medicaid to promote correct coding and control improper coding leading to inappropriate payment of claims under Medicaid. Second, CMS must notify States of the NCCI methodologies (or any successor initiative to promote correct coding and to control improper coding leading to inappropriate payment) that should be incorporated for claims filed with Medicaid for which no national correct coding methodology has been established for Medicare. Third, CMS must inform States as to how they must incorporate these methodologies for claims filed under Medicaid. By March 1, 2011, CMS must submit a report to Congress that

includes the September 1, 2010, notice to States and an analysis supporting these methodologies. Section 1903(r)(1)(B)(iv), as amended, requires that States incorporate compatible methodologies of the NCCI administered by the Secretary and such other methodologies as the Secretary identifies, effective for Medicaid claims filed on or after October 1, 2010.

2. Purpose and users of the information

The MMIS APD template supporting implementation of the National Correct Coding Initiative in Medicaid will be submitted by States to the Regional Offices for review and to CMS Central Office for review and approval. The information requested on the MMIS APD template for NCCI will be used to determine and approve FFP to States. Additional details from States on the deactivation of certain edits based on their payment policies, laws, regulations, and administrative rules will be collected and approved using the MMIS APD template for NCCI which will be part of the report to Congress due no later than March 1, 2011.

3. Improved Information Techniques

This collection is mandatory under the Patient Protection and Affordable Care Act (Affordable Care Act). The result of collecting and studying this data will provide cost and savings results by States and in the aggregate will provide important information on the effectiveness of the National Correct Coding Initiative edits in the Medicaid program.

4. Duplication and Similar Information

There is no duplicative information collection instrument or process.

5. Small Business

There is no impact on small businesses.

6. Less Frequent Collections

Collections will be on an as needed basis; i.e., States will forward APDs for approval only when they are in need of FFP in order to make changes to their MMIS to incorporate NCCI methodologies.

7. Special Circumstances

There are no special circumstances associated with this collection.

8. Federal Register Notice/Outside Consultation

The 60-day FR notice published on October 22, 2010 (75 FR 65350). One comment letter was received.

9. Payment/Gift to Respondents

There will be no payments/gifts to respondents.

10. *Confidentiality*

CMS will comply with all Privacy Act, Freedom of Information laws and regulations that apply to this collection. Privileged or confidential commercial or financial information is protected from public disclosure by Federal law 5 U.S.C. 522(b)(4) and Executive Order 12600.

11. *Sensitive Questions*

There are no sensitive questions associated with this collection.

12. *Burden Estimate*

CMS estimates that there are 56 State Medicaid programs (including the District of Columbia and 5 territories) and that it will take approximately 3 hours (one hour allocated to each of the three parts of the APD template) for each State program to complete template. In aggregate, it will take 168 total hours (56 programs x 3 hr) to complete.

CMS reviewed the 2009 National Labor Statistics and speculates that a Management Analyst (13-1111) with a mean hourly wage estimate rate of \$40.70 would be completing the data for the template. Based on these estimates, the total cost to complete the APD template would be \$6,838 (3 hr x \$40.70 x 56 programs).

13. *Cost to Respondents (Capital)*

There are no capital costs associated with this collection.

14. *Cost to Federal Government*

The cost to the Federal government will depend upon how many states request 90 percent FFP. Since we do not know how many States will actually request funding to make changes to the MMIS to incorporate the NCCI methodologies, we have not estimated the cost to the Federal government at this time.

15. *Changes in Burden/Program Changes*

This is a new information collection.

16. *Publication/Tabulation*

N/A

17. *Expiration Date*

This collection does not lend itself to the displaying of an expiration date.

18. *Certification Statement*

There are no exceptions to the certification statement.

C. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This collection of information does not employ statistical methods.