

Supporting Statement for Paperwork 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)
CMS 10292, OMB 0938-1088

Background

The American Recovery and Reinvestment Act of 2009 (the Recovery Act), Pub. L. 111-5 and regulations at 42 Code of Federal Regulations (CFR) Part 495, Subpart D. Division B, Title IV, Subtitles A and B of the Recovery Act established the Medicare and Medicaid Electronic Health Record (EHR) Incentive Programs, as one component of the Health Information Technology for Economic and Clinical Health (HITECH) Act. HITECH, as well as the CMS final regulation, governs incentive payments to eligible professionals (EPs) and eligible hospitals to promote the adoption and meaningful use of certified EHR technology.

The Recovery Act provides 100 percent Federal financial participation (FFP) to States for incentive payments to eligible Medicaid providers to adopt, implement, upgrade, and meaningfully use certified EHR technology through 2021, and 90 percent FFP for State administrative expenses related to the program. These administrative matching funds must be for activities that are proper and efficient (as defined by OMB Circular A-87) for the administration of the Medicaid EHR Incentive Program.

As defined in CMS's July 28, 2010 final regulations, Stage 1 of "meaningful use" includes several objectives related to the electronic exchange of health information (HIE). Anticipating that State Medicaid agencies would have a role in promoting EHR adoption and HIE, CMS identified ten Guiding Principles for the 90 percent FFP funds for those activities in the August 2010 State Medicaid Directors letter.

In May 2011, CMS is issued an additional State Medicaid Directors Letter to provide further detail on the criteria that health information exchange promotion activities that: 1) have costs that are divided equitably across other payers (e.g., private/commercial) based on the fair share principle (defined in OMB Circular A-87 as "in accordance with benefits received") and are appropriately allocated, 2) leverage efficiencies with other Federal HIE funding, and 3) are developmental and time-limited in nature.

In order to justify the request for Federal Financial Participation (FFP) to support HIE costs, States must provide sufficient information and documentation to CMS for review.

CMS is requesting OMB approval for this revision to our current information collection via the Paperwork Reduction Act.

A. Justification

1. Need and Legal Basis

In order to assess the appropriateness of States' requests for the administrative FFP for expenditures under their Medicaid EHR Incentive Program related to health information exchange, CMS must have sufficient information and documentation. The CMS Medicare and Medicaid EHR Incentive Programs final rule, §495.336 and §495.338 and the initial ICR for CMS-10292 include information required from States for Advanced Planning Documents (APDs) for both planning and implementation funding under HITECH.

In addition to the items previously covered in the final rule and the initial ICR for CMS-10292, the May 2011 State Medicaid Directors Letter details additional information and documentation needed, e.g., the nature of the HIE activities, the HIE business/sustainability model, data regarding the extent of other payer contribution to HIE infrastructure costs, HIE-specific performance metrics, documentation of legal agreements between the State and other payers regarding their contributions to HIE infrastructure, a strategy for handling early investor benefits, and a strategy for transitioning the HIE model from infrastructure build to operations and maintenance.

CMS is adding the IAPD template to reduce the burden on States by clearly indicating the information required for a successful submission.

2. Information Users

In order to assess the appropriateness of States' requests for the administrative FFP for expenditures under their Medicaid EHR Incentive Program related to health information exchange, CMS staff will review the submitted information and documentation in order to make an approval determination for the APD.

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. CMS is working with other components that use the APD process (such as for MMIS or Eligibility systems) to develop requirements for a portal solution for States to submit APDs and APD reports. This project just began in FY11 and the electronic portal solution is not expected to be completed before the end of FY12.

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

States are only required to provide this information if they are specifically seeking FFP for efforts related to health information exchange, under the auspices of their Medicaid EHR Incentive Program. States that are not seeking FFP for this purpose do not need to submit this additional APD documentation. 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 States Medicaid IT systems and has been used for years.

7. Special Circumstances

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

8. Federal Register Notice/Outside Consultation

The 60-day Federal Register notice published on May 18, 2011 (76 FR 28791). No comments were received.

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 16 hours for a State to complete and submit the completed IAPD template and supporting documentation to CMS,

assuming the State chooses to submit all the documents and/or all the documents at once. Updates to the PAPD and IAPD are only necessary if status updates occur. An annual update is requested but should take States less 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 896 hours.

The time estimate to complete the SMHP template has been taken into consideration for the burden estimate listed above.

CMS reviewed the GSA70 Labor Rates and estimates that a Senior Systems Analyst with a mean hourly wage estimate rate of \$100.00 would be completing the data for the template. At this rate, it will cost approximately \$89,600 (or \$100 hr. x 896 hr).

The cost estimate to complete the SMHP template has been taken into consideration for the cost estimate listed above.

13. Capital Costs (Maintenance of Capital Costs)

There are no capital costs.

14. Cost to the Federal Government

CMS estimates that the review of the IAPD and supporting documentation will be approximately 6 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 \$13,776 (\$41 x 6 hours x 56 States potentially submitting materials).

15. Program or Burden Changes

The annual hour burden has increased from 280 hr to 896 hr based on the addition of the IAPD template.

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.

B. Collection of Information Employing Statistical Methods

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