

Application to Use Burden/Hours from Generic PRA Clearance:
Medicaid and CHIP State Plan, Waiver, and Program Submissions
(CMS-10398, OMB 0938-1148)

Information Collection #20 Payment Error Rate Measurement (PERM) Pilot

September 17, 2013

Center for Medicaid and CHIP Services (CMCS)
Centers for Medicare & Medicaid Services (CMS)

A. Background

The Centers for Medicare & Medicaid Services (CMS) work in partnership with States to implement Medicaid and the Children's Health Insurance Program (CHIP). Together these programs provide health coverage to millions of Americans. Medicaid and CHIP are based in Federal statute, associated regulations and policy guidance, and the approved State plan documents that serve as a contract between CMS and States about how Medicaid and CHIP will be operated in that State. CMS works collaboratively with States in the ongoing management of programs and policies, and CMS continues to develop implementing guidance and templates for States to use to elect new options available as a result of the Affordable Care Act or to comply with new statutory provisions. CMS also continues to work with States through other methods to further the goals of health reform, including program waivers and demonstrations, and other technical assistance initiatives.

B. Description of Information Collection

On August 15, 2013, CMS issued State Health Official (SHO) letter "SHO # 13-005 Payment Error Rate Measurement (PERM) eligibility reviews, Medicaid Eligibility Quality Control (MEQC) Program, and development of an interim approach for assessing payment error for eligibility". The purpose of the letter was to provide guidance on implementation of the Patient Protection and Affordable Care Act of 2010 (Pub. L. No. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. No. 111-152) (collectively referred to as the Affordable Care Act) and to provide guidance to states on eligibility reviews under the Payment Error Rate Measurement (PERM) and the Medicaid Eligibility Quality Control (MEQC) programs. In light of changes to the way states adjudicate eligibility for applicants for Medicaid and the Children's Health Insurance Program (CHIP) starting in 2014, CMS will be implementing an annual 50-state pilot program strategy with rapid feedback for improvement, in place of the PERM and MEQC eligibility reviews, starting January 1, 2014, for fiscal years (FY) 2014 - 2016. These programs will help inform CMS's approach to rulemaking that it will undertake prior to the resumption of the PERM eligibility measurement component in FY 2017.

States will focus pilots on specific eligibility pathways and processes, to capture a broad set of data on eligibility determinations using the Affordable Care Act's rules, and provide states and CMS critical feedback during initial implementation. All states will participate in the pilots annually as a means to ensure that there are no gaps in oversight during this transition period. States will conduct four streamlined pilot measurements over the three year period. The states should focus their first two pilot projects (due June and December 2014) on MAGI-based determinations. The states will not have to select a sample size that will provide statistically projectable results to the universe of all their determinations; but the size of the sample should be sufficiently robust to be relied on for programmatic insight and action. Each measurement is required to contain a minimum of 200 cases. The pilot results will be reported to CMS by June 30, 2014, December 31, 2014, June 30, 2015, and June 30, 2016.

Each state and the District of Columbia are required to submit their pilot proposals and results to CMS for review. CMS has developed a template for states to use in this process to ease administrative burden and ensure standardization in reporting. There is one worksheet with five sections within the template: administrative; general information; pilot methodology; test cases; and results. The instructions to the

states are incorporated within the worksheet under the “Description of Field” column. States will submit their pilot proposals to: FY2014-2016EligibilityPilots@cms.hhs.gov or via the PERM PETT website, using the OMB-approved template. Upon receipt of the state’s pilot proposal CMS will send a reply by email.

C. Deviations from Generic Request

No deviations are requested.

D. Burden Hour Deduction

The total approved burden ceiling of the generic ICR is 86,240 hours, and CMS previously requested to use 32,596 hours, leaving our burden ceiling at 53,644 hours. CMS estimates that each State will complete the collection of data and submission to CMS within 40 hours. There is a potential universe of 52 respondents, so the total burden deducted from the total for this request is 2,080 hours.

E. Timeline

CMS hopes to deploy this collection in September 2013.

The following attachment is provided for this information collection:

- Medicaid and CHIP Eligibility Review Pilot Proposal Template