

Supporting Statement Part A
Supporting Statement for Paperwork Reduction Act
Administrative Requirements for Section 6071 of the Deficit Reduction Act
CMS-10249, OMB 0938-1053

A. BACKGROUND

Section 6071 of the Deficit Reduction Act of 2005 (P.L. 109-171) created the Money Follows the Person Rebalancing Demonstration (MFP) and provided \$1.75 billion in funding through September 30, 2011. In 2007, the Centers for Medicare & Medicaid Services (CMS) awarded 31 grants to States to participate in the MFP Demonstration from January 1, 2007 through September 30, 2011. This demonstration supports State efforts to “rebalance” their long-term support systems by offering competitive grants to States. Specifically, the demonstration is supporting State efforts to: a) Rebalance their long-term support system so that individuals have a choice of where they live and receive services; b) Transition individuals from institutions who want to live in the community; and c) Promote a strategic approach to implement a system that provides person centered, appropriate, needs based, quality of care and quality of life services and a quality management strategy that ensures the provision of, and improvement of such services in both home and community-based settings and institutions. The demonstration provides enhanced federal medical assistance percentage (FMAP) for 12 months for qualified home and community-based services for each person transitioned from an institution to the community during the demonstration period.

The Affordability Care Act of 2010 extended and expanded the MFP demonstration by providing an additional \$2.25 billion in funding. Section 2403 of the Affordable Care Act allows States that are presently participating in the MFP demonstration to continue doing so through September 30, 2016 and for additional States to participate. The Affordable Care Act established annual appropriations for the MFP demonstration and any annual appropriations that remain at the end of each fiscal year carry over to subsequent years and are available to make grant awards to current and new grantees until fiscal year 2016. As a result, CMS in 2011 awarded another round of MFP grants to 13 additional states.

In earlier work, CMS issued an Operational Protocol Instruction Guide and template for the development of Operational Protocols for the States selected to participate in the MFP Rebalancing Demonstration. The guide provides instruction on the required elements of the State’s Operational Protocol which must be submitted and approved before a State may enroll individuals in the State’s demonstration program or begin to claim for service dollars.

The Deficit Reduction Act of 2005 Section 6071(c) (9) requires the States to provide information and assurances that total expenditures under the State Medicaid program for home and community-based long-term care services will not be less for any fiscal year during the

MFP demonstration project than for the greater of such expenditures for fiscal year 2005 or any succeeding fiscal year before the first of the year of the MFP demonstration project. Accordingly, States are required to submit Maintenance of Effort (MOE) form and MFP Budget Forms on an annual basis. Additionally, in order to receive enhanced FMAP, States are required to submit the MFP Demonstration Financial Forms on a quarterly basis.

Section 6071(g) of the Deficit Reduction Act requires a national evaluation of the MFP demonstration project and a final report to the President and Congress. For the national evaluation, States will be required to submit on a quarterly basis a MFP Finders File, which will include eligibility records for all MFP participants, a MFP Program Participation Data file, that includes precise enrollment dates for each MFP participants and information about their qualifying institution and qualifying community residence, and a MFP Services File, which will include records for each service funded with MFP grant funds. In addition, States will be required administer an MFP Quality of Life Survey to all MFP participants. The survey will be administered immediately before a participant transitions to the community and twice after transitioning to the community (once about 11 months after transition and again about 23 months after transition). States will be required to submit to CMS the MFP Quality of Life data on a quarterly basis. States will also submit semi-annual progress reports to help CMS and the evaluation contractor monitor the progress of program implementation at the grantee level.

B. JUSTIFICATION

1. Need and Legal Basis

Under section 6071 of the Deficit Reduction Act of 2005 (P.L. 109-171) subsection (c), the Secretary may require States to meet requirements and provide additional information, provisions, and assurances. Through the Operational Protocol, States provide the requirements, information, provisions and assurances which, following CMS approval, States may enroll individuals in the State's demonstration program or begin to claim for service dollars. The DRA of 2005 also requires the MFP program be evaluated to determine program effectiveness. One aspect of the evaluation is determining participant quality of life and how the program affects quality of life. Medicaid enrollees who participate in the MFP program are expected to have need for long-term care services for the rest of their lives and are a particularly vulnerable population if the community setting cannot adequately meet their needs or does not provide them a suitable quality of life.

2. Information Users

State Operational Protocols should provide enough information that: the CMS Project Officer and other federal officials may use it to understand the operation of the demonstration and/or prepare for potential site visits without needing additional information; the State Project Director can use it as the manual for

program implementation; and external stakeholders may use it to understand the operation of the demonstration.

The financial information collection will be used in CMS financial statements and shared with the auditors who validate CMS' financial position. The MOE forms as well as the MFP Budget Form are required each year. Submissions of MFP Demonstration Financial Forms are 90 days after the end of each Federal fiscal quarter.

The MFP Finders File, MFP Program Participation Data file, and MFP Services File will be used by the national evaluation contractor to assess program outcomes.

The MFP Quality of Life data will be used by the national evaluation contractor to assess program outcomes. Specifically, the evaluation will determine how participants' quality of life changes after transitioning to the community.

The semi-annual progress reports will be used by the national evaluation contractor and CMS to monitor program implementation at the grantee level.

3. Improved Information Technology

States may submit the Operational Protocol and financial forms via email. The MFP Finders file, MFP Program Participation Data file, and MFP Services file, and MFP Quality of Life data will be submitted to CMS via the Gentran Integration Suite.

The Gentran Integration Suite (GIS) was introduced as part of the MMA Part D initiative. A large number of new organizations have begun to exchange data with CMS under the Part D provisions of MMA. Many of the new organizations are smaller than those who have traditionally conducted business with CMS. Therefore, CMS implemented a new file transfer process that is both flexible and robust enough to accommodate the data exchange requirements of all CMS business partners.

The system reduces time to deployment, eliminating the need for "private" circuits to the MDCN network, routing equipment and more expensive Sterling Commerce Connect: Direct software. Gentran, is a commercial off-the-shelf (COTS) product, meets the CMS Internet Architecture requirements.

The semi-annual progress reports will be web-based and a template for the report will be provided. When possible, the template will be prepopulated with information from their operational protocols or with information from a previous report. This promotes efficiency by reducing the time to complete each report as grantees have easy access, with the system, to existing information. Electronic

signatures will be not required; however, the name of the report preparer is required in web-based reporting.

4. Duplication/Similar Information

This information collection does not duplicate any other effort and the information cannot be obtained from any other source.

The MFP Quality of Life data are similar, although not identical to, the information states collect as part of their quality management systems they develop for their Medicaid home and community-based waiver programs. States develop their own enrollee surveys to monitor people's experience using waiver services. These surveys are highly variable across states, each state's approach to sampling is different, and response rates and survey administration is also highly variable across states. As a result, what information states are collecting now on participant quality of life is not uniform or comparable across states. The national evaluation requires uniform data. In addition, states have been given recommendations to exclude MFP participants from the surveys they conduct for their Medicaid waiver programs to reduce burden on these individuals. Most, if not all states, intend to implement this recommendation.

5. Small Business

This request does not affect small businesses.

6. Less Frequent Collection

The OP will be submitted to CMS no later than 60 days prior to the planned program implementation date or 12 months after the award date, whichever is earlier. Once the OP is approved, there is no need to resubmit (unless changes are made to the program). At the end of each demonstration grant year, States are required to produce the MOE and MFP Budget Forms on an annual basis. Additionally, in order to receive enhanced FMAP, States are required to submit the MFP Demonstration Financial Forms on a quarterly basis. The MFP Finders file, MFP Program Participation Data file, and MFP Services file will also be submitted on a quarterly basis so that results of the program can be assessed on an ongoing basis.

Because the national evaluation needs to measure the change in the quality of life of MFP participants, quality of life data must be collected at baseline and prior to the transition to the community. The data must also be collected at a later point in time, after the participant has returned to the community. The first follow-up interview will occur about 11 months after transition to the community to capture quality of life data immediately before the MFP participation period ends (MFP participants may receive MFP benefits for up to 365 days). The second follow-up interview will occur approximately 24 months after transition to capture quality of

life data after the MFP participant is no longer receiving the enhanced benefits offered by the MFP program.

Grantees will submit the MFP quality of life data on a quarterly basis so that results of the program can be assessed on an ongoing basis.

Grantees will submit progress reports on a semi-annual basis. If the collection of this information is not conducted or is conducted less frequently, the ability to effectively monitor the grant program may be compromised. CMS feels that this is the minimal amount of information that can be collected by grantees that enables Federal officials to effectively monitor and report to Congress, and other key stakeholders, on the status and impact of the programs. CMS feels that the semi-annual collection of reports from the MFP grantees represent the minimal collection effort required to achieve the basic monitoring elements of the programs.

7. Special Circumstances

There are no special circumstances or impediments. The OP template is available in electronic format and will be posted.

8. Federal Register Notice

The 60-day Federal Register notice published on October 21, 2011 (76 FR 65515). No comments were received.

9. Payment/Gift to Respondent

This collection of information does not provide for any additional payment or any gifts to the state or the respondents of the MFP Quality of Life survey. States are reimbursed for a portion of MFP administrative expenses and required to submit financial reports.

10. Confidentiality

States shall insure that all Federal and State laws that protect the confidentiality of medical information will be enforced.

11. Sensitive Questions

The documentation to be provided by the applying entity is not sensitive in nature and does not require additional justification.

The MFP Quality of Life instrument includes two questions about abuse by people who help them. These questions are optional at the state level and the state may decide whether they will or will not collect this information. If they decide to collect this information, the state's mandatory reporting requirements will apply. These questions are included in the instrument because MFP participants

are a vulnerable population who depend on others to help them conduct routine activities of life, including dressing, eating, and using the toilet. Some states would like to collect this information to help monitor the quality of their home- and community-based services.

12. Burden Estimates (Hours)

As of March 2011, CMS had awarded 44 MFP grants. Thus, the burden estimates are for 43 states and the District of Columbia who received an MFP demonstration grant.

Operational Protocol**

The burden calculation for the Operational Protocol is approximately 40 hours.

BURDEN States x 40 hours = 1,760 hours

The cost to the States is estimated at \$26400 (approximately 1760 hours times \$15 an hour).

Costs incurred by the State during the pre-implementation phase, including the costs of a full-time Project Director and other staff, will be reimbursed under the grant at the regular Medicaid administrative match.

*** Not applicable-already completed for new 2011 Grantees \$200,000 planning grant was provided*

Maintenance of Effort Form

The burden calculation for the Maintenance of Effort form is approximately 5 hours annually.

BURDEN 44 States x 5 hours = 220 hours

The cost to the States is estimated at \$3,300 (approximately 220 hours times \$15 an hour).

Financial Reporting

The burden calculation for collection of the financial information is approximately 24 hours annually. States have this information readily available.

BURDEN 44 States x 6 hours x 4 quarters = 1056 hours

The cost to the States is estimated at \$15,840 annually (approximately 1056 hours times \$15 an hour).

MFP Finder file

The burden calculation for the MFP Finders file is approximately 32 hours for the first file, which includes the initial development of the software to create the file, and approximately 2 hours for each subsequent file.

BURDEN 44 States x 32 hours = 1,408 hours for the first file
BURDEN 44 States x 2 hours x 4 quarters = 352 hours annually for the subsequent files.

The total burden calculation for collection is approximately \$21,120 for the development of the file (approximately 1,408 hours times \$15 an hour) and \$6,120 annually for the construction of subsequent files (approximately 352 hours times \$15 an hour).

$$(1,408 + 352)/44 = 72 \text{ hr/State}$$

MFP Program Participation Data file

The burden calculation for the MFP Program Participation file is approximately 40 hours for the first file, which includes the initial development of the software to create the file, and approximately 4 hours for each subsequent file.

BURDEN 44 States x 40 hours = 1,760 hours for the first file
BURDEN 44States x 4 hours x 4 quarters = 704 hours for the subsequent files.

The total burden calculation for collection is approximately \$26,400 for the development of the file (approximately 1,760 hours times \$15 an hour) and \$12,240 annually for the construction of subsequent files (approximately 704 hours times \$15 an hour).

$$(1,760 + 704)/44 = 56 \text{ hr/State}$$

MFP Services File

The burden calculation for the MFP Services file is approximately 48 hours for the first file, which includes the initial development of the software to create the file, and approximately 24 hours for each subsequent file.

BURDEN 44 States x 48 hours = 2,112 hours for the first file
BURDEN 44 States x 24 hours x 4 quarters = 4,224 hours for the subsequent files

The total burden calculation for collection is approximately \$63,360 for the development of the file (approximately 4,224 hours times \$15 an hour) and \$63,360 annually for the construction of subsequent files (approximately 4,896 hours times \$15 an hour).

$$(2,112 + 4,224)/44 = 144 \text{ hr/State}$$

MFP Quality of Life Survey

The MFP Quality of Life questionnaire takes approximately 20 minutes to complete. Because the questionnaire will be administered 3 times to each MFP participant over 24 months, the total burden to a respondent who completes all 3 interviews is 60 minutes. MFP participants will be Medicaid enrollees who have lived in institutions such as nursing homes, intermediate care facilities for the mentally retarded, and institutions for mental diseases (IMDs). Everyone will be living in an institutional facility at the baseline interview. We anticipate that most will be living in the community at the time of the other two surveys. Grantees are anticipated to complete 205,542 interviews.

$$\text{BURDEN} \quad 205,542 \text{ responses} \times 20 \text{ minutes} = 68,514 \text{ hours}$$

Respondents will not incur any monetary costs when completing the interviews. The introductory letter will include a toll-free telephone number that respondents can call if they have any questions about the survey or would like additional information. Respondents will be selected from administrative files maintained by CMS. Thus, the selection of respondents will not impose any costs on the individuals participating in the survey.

The states will have some burden administering the MFP Quality of Life Survey for locating contact information and preparing and submitting files. The burden calculation for the MFP Quality of Life survey is approximately 1 hour for each file submitted, which includes locating contact information for each MFP participant and preparing and submitting a file.

$$\text{BURDEN} \quad 44 \text{ States} \times 1 \text{ hour} \times 4 \text{ quarters} = 176 \text{ hours}$$

The total burden calculation for collection is approximately \$2,640 annually (176 hours times \$15 an hour).

Semi-Annual Progress Report

The grantees will submit progress reports on a semi-annual basis. We expect that it will take each grantee, 8 hours to complete the first report, and then 4 hours to complete each subsequent report.

BURDEN 44 States x 8 hours = 352 hours for the first report
 BURDEN 44 States x 4 hours x 2 each year = 352 hours for subsequent reports

The total burden calculation for collection is approximately \$5,280 for the development of the first report (approximately 352 hours times \$15 an hour) and \$6,120 annually for the development of subsequent reports (approximately 408 hours times \$15 an hour).

$$(352 + 352)/44 = 16 \text{ hr/State}$$

Summary of Annual Recordkeeping and Reporting Requirements

Reporting	Respondents	Responses (per Respondent)	Total Responses	Burden per Response (hours)	Total Annual Burden (hours)	Labor Cost of Reporting (\$/hr)	Total Labor Cost (\$)
Operational Protocol	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Maintenance of Effort Form	47	1	47	5	235	15	3,525
Financial Information	47	4	188	6	1,128	15	16,920
<i>Finder File (1st)</i>	47	1	47	32	1,504	15	22,560
<i>Finder File (Subsequent)</i>		4	188	2	376		5,640
Finder File (Subtotal)		5	235	7 (avg 34/5)	376 (avg 1880/5)		28,200
<i>Program Participation Data File (1st)</i>	47	1	47	40	1880	15	28,200
<i>Program Participation Data File (Subsequent)</i>		4	188	4	752		11,280
Program Participation Data File (Subtotal)		5	235	9 (avg 44/5)	526 (avg 2632/5)		39,480
<i>Services File (1st)</i>	47	1	47	48	2,256	15	33,840
<i>Services File (Subsequent)</i>		4	188	24	4,512		67,680
Services File (Subtotal)		5	235	14 (avg 72/5)	1,354 (avg 6,768/5)		101,520
<i>Quality of Life File (Interviews)</i>	47	2,234	105,000	0.3333	35,000	15	525,000

Reporting	Respondents	Responses (per Respondent)	Total Responses	Burden per Response (hours)	Total Annual Burden (hours)	Labor Cost of Reporting (\$/hr)	Total Labor Cost (\$)
<i>Quality of Life File (Administration)</i>	47	4	188	1	188	15	2,820
<i>Semi-Annual Progress Report (1st)</i>	47	1	47	8	376	15	5,640
<i>Semi-Annual Progress Report (Subsequent)</i>		2	94	4	376		5,640
<i>Semi-Annual Progress Report (Subtotal)</i>		3	141	4 (avg 12/3)	251 (avg 752/3)		11,280
TOTAL	47	--	106,269	--	39,058	--	--

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

A total Federal cost for review of all reports is estimated to be \$160,376.64 and since this is a five year project, then the annual cost for the Federal government is estimated to be \$32,075.33.

The Federal cost is based on the efforts expended by CMS staff to review the data submitted by the respondents. For review of the MFP Operational Protocol we estimate \$26,780.16 for the Federal cost (44 respondents x 16 hours review per OP x hourly rate of a GS-13 @ \$38.04 [plus 44 respondents x 6 financial reports per year x 1 hour, hourly rate of a GS-13 @ \$38.04 [\$10,042.56]).

CMS has contracted for the national evaluation of the MFP program. The national evaluation will cost approximately \$13,756,546, of which \$757,797 is allocated for the development of the MFP Quality of Life survey instrument, the development of training materials, the implementation of a “Train the Trainer” program, and the collection of the data. Data collection costs include data entry when a state elects to use a hardcopy version of the questionnaire.

Because grantees will conduct the MFP Quality of Life Survey, each state will receive \$100 for each completed questionnaire submitted to CMS. CMS anticipates receiving approximately 205,542 completed questionnaires for a total payment to the states of \$20,554,200.

15. Program/Burden Changes

As of March 2011, CMS had awarded 44 MFP grants. In 2012, CMS will award 3 MFP Grants, thus, the burden estimates are for 46 states and the District of Columbia (44 current Grantees and 3 being awarded in 2012 for a total of 47 MFP Demonstration Grantees). This package also adjusts our burden estimates by adding burden associated with the Quality of Life File questionnaire. Although the questionnaire was included in the 2008 PRA package, the burden estimates were inadvertently missing.

There have not been any program changes. All requirements, forms, instructions, respondent response times and response frequency, etc. are unchanged from the 2008 PRA package.

16. Publication and Tabulation Dates

The information included the MFP Finders File, MFP Services File, MFP Quality of Life survey, and semi-annual web-based reports will be summarized and analyzed by the national evaluation contractor. The contractor will report the results of their data analyses in three annual evaluation reports and a Report to Congress. The approximate due dates for the draft reports are as follows:

	Due Date for Draft Versions
First Annual Evaluation Report	June 2010
Second Annual Evaluation Report	June 2011
Third Annual Evaluation Report	June 2012
Fourth Annual Evaluation Report	June 2013
Fifth Annual Evaluation Report	June 2014
Sixth Annual Evaluation Report	June 2015
Materials for a Report to Congress	June 2016

These reports will be released to the public only after they have been cleared for release by CMS.

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. **COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

The MFP Quality of Life Survey will employ statistical methods.