SUPPORTING STATEMENT
MEDICAID STATE PLAN BASE PLAN PAGES
CMS-179, OMB 0938-0193

BACKGROUND

The Centers for Medicare & Medicaid Services (CMS) works in partnership with States to implement Medicaid, which provides health coverage to millions of Americans. Medicaid is rooted in Federal statute (Title XIX of the Social Security Act), associated regulations and policy guidance, and the approved State plan documents that serve as a contract between CMS and States about how Medicaid will be operated in that State (or Territory.) CMS works collaboratively with States (including States and Territories) in the ongoing management of programs and policies.

A. JUSTIFICATION

1. Need and Legal Basis

Section 1901 of the Social Security Act (42 U.S.C. 1936) requires States to establish a State plan for medical assistance that is approved by the Secretary to carry out the purpose of Title XIX. The State plan is a comprehensive document (approximately 700 pages) comprised of semi-structured templates developed by CMS and completed by State Medicaid agencies. The State plan functions as a contract between the State and Federal government, describing how the State will implement its program in accordance with Federal laws and regulations in order to secure Federal funding.

When a State wants to change its Medicaid program, the State Medicaid agency is responsible for developing an amendment submission for CMS approval, also called a State plan amendment or SPA. The State completes the templates relevant to the program change it seeks and submits the SPA to CMS for approval. The SPA submission includes a CMS-179 transmittal form and the relevant SPA templates the State wishes to update or revise. A State may amend one or more of the plan pages at a time. The templates are semi-structured forms that correspond to the statutory and regulatory Medicaid requirements. The data structure CMS provides in the forms allows States to develop SPAs more efficiently by including only relevant information. The plan pages are organized by subject matters which include Medicaid eligibility, services, payment for services, and general and personnel administration.

When CMS receives the SPA, it has 90 calendar days to approve or disapprove the SPA, or formally request additional information. If CMS does not act within 90 calendar days, the SPA is deemed approved. If CMS formally requests additional information, the review clock stops until the State submits a formal response. When the State formally responds, a second 90-day review clock begins, and CMS must either approve or disapprove the SPA within 90 calendar days. For a State to receive Medicaid Title XIX funding, there must be an approved Title XIX State plan.

2. **Information Users**

State Medicaid agencies complete the plan pages. CMS reviews the information to determine if the State has met all of the requirements of the provisions the States choose to implement. If the requirements are met, CMS will approve the amendments to the State's Medicaid plan giving the State the authority to implement the flexibilities. For a State to receive Medicaid Title XIX funding, there must be an approved Title XIX State plan.

3. **Improved Information Technology**

The current collection is electronic in the sense that SPAs are normally submitted to CMS via e-mail, generally including either Microsoft Word templates or a scanned version of the paper amendment. CMS is currently developing a structured data system called MAC Pro that will become the electronic submission and processing system for this collection and related information.

4. **Duplication**

There is no duplication of similar information.

5. **Small Business**

There is no burden on small businesses.

6. **Less Frequent Collection**

Once any amendment is approved, there is no need to submit additional amendments unless the State initiates a change. This State plan amendment process is rooted in the statutory language found in Title XIX and has been used since the inception of Medicaid in 1965.

7. **Special Circumstances**

There are no special circumstances that will affect the collection of this information.

8. **Federal Register Notice/Prior Consultation**

The 60-day Federal Register notice published on December 16, 2011 (76 FR 78264). Comments were received and our response has been added to this PRA package. Attachment 4.19-B has been revised subsequent to the publication of the 60-day notice.

9. **Payment/Gift to Respondents**

There is no payment or gift to respondents.

10. **Confidentiality**

The Medicaid State plan is public information. No assurance of confidentiality has been provided to respondents.

11. **Sensitive Questions**

There are no questions of a sensitive nature associated with this form.

12. **Burden Estimate**

There will be a total of 56 States and territories as possible respondents for this request, all of whom made the required entry when the election of Medicaid in its State was made. There is no particular methodology or reason why any particular number of States and territories would choose to amend the aforementioned provisions of its Medicaid State plan. The collection is required only if a State determines that a change to its Medicaid program warrants a change in the original response.

If however, each of the 56 respondents would submit an average of 20 responses per year, for a total of 60 responses over the 3-year period, this would result in an estimated burden of 1,120 (56*20) total responses (annual). The estimate of time involved for completing a template is 20 hours or 22,400 total hr (annual).

To complete and return the templates, we estimate an average cost of $40 per hour, which is equivalent to the 2011 base salary of a GS-14 Step 1 Federal employee and a comparable position to State employees likely responsible for completing and returning the templates. Under the above scenario, the total annual cost to respondents is $40 per hour * 22,400 hours = $896,000 or $1,600 per respondent ($40/hr x 20 responses/yr x 20 hr/response).

13. **Capital Costs**

There are no capital costs associated with this information collection.

14. **Costs to Federal Government**

The cost is estimated to be $168,000. This amount is based on a Federal salary of a GS-13/3 analyst at $50.00 per hour, reviewing 1,120 possible yearly amendments for an average of 3 hours.

15. **Program/Burden Changes**

The Supporting Statement associated with the prior PRA approval indicated that States submit on average 84 SPAs per year (4,681 responses / 56 States). We are revising this estimate to indicate that each State submits on average 20 SPAs per year. The prior Supporting Statement also indicated that States required approximately 1 hour “per page”

to complete a SPA submission. We are revising this estimate to indicate that States require approximately 20 hours "per SPA submission" to complete the template, receive necessary State clearance, and submit the template to CMS.

This package includes updates to Section 4 of the State plan related to payment. The templates corresponding with the following sections have been updated (see Exhibit 1 for a comprehensive list):

- 4.19(c)
- 4.19-D
- 4.19.B

The following templates are new and were not included in the prior PRA submission (see Exhibit 1 for a comprehensive list):

- 4.19(e)
- 4.19(f)
- 4.19(g)
- 4.19(h)
- 4.19(i)
- 4.19(k)(1)

16. **Publication and Tabulation Dates**

Medicaid State plans are public documents generally available on the Internet. However, there are no plans to publish the information specifically for statistical use.

17. **Expiration Date**

CMS does not oppose the display of the expiration date.

18. **Certification Statement**

There are no exceptions.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

The use of statistical methods does not apply for purposes of this form.