

**Supporting Statement for the Information Collection Requirements (ICRs)
For the Children’s Health Insurance Program
Under Title XXI of the Social Security Act
Model State Plan Amendment Template**
CMS-R-211, OMB 0938-0707

A. Background

The Balanced Budget Act of 1997 created the Children’s Health Insurance Program (CHIP) under Title XXI of the Social Security Act. Title XXI enables States to initiate and expand health insurance coverage for uninsured children. In order to be eligible for payment under this legislation, each State submitted an initial Title XXI plan for approval by the Secretary that details how the State intends to use the funds. States may also amend their plans at any time by submitting an amendment for approval by the Secretary. All 56 States and Territories have submitted and received approval for State plans and numerous amendments to their plans. States will continue to amend their plans as necessary to reflect changes to their programs.

Under the law, a State plan or an amendment is considered approved in 90 days unless the Secretary notifies the State in writing that the plan is disapproved or that specified additional information is needed. The plan encompasses all of the child health assistance being provided using Title XXI funding. It is important to note that once a Title XXI plan is approved, the State is obligated to continue operating their program in the same manner as described in that plan until the plan is amended in accordance with the rules governing the program.

CMS is taking this opportunity to combine the instructions within the body of the template in order to facilitate a State employee’s ability to complete accurately the template. We are also incorporating in this template the subject specific templates that have been sent to States via a State Health Official (SHO) letter. The template includes supplements to the changed sections to accommodate the new language. Each supplement is noted with a letter that correlates to each subject specific template. A key for the newly incorporated templates is included at the end of the revised template. Any changes to numbering or to prior issuance have been noted within the body of the template and references to the SHO letter that transmitted the template are included also.

CMS is not using this opportunity to include new policy or guidance. This template will be revised and reissued upon the publication of the final regulations guiding the Patient Protection and Affordable Care Act of 2010 and the Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA).

As is currently done, States are asked to submit only the applicable parts of the template for their amendment request. They do not have to resubmit their State plan in its entirety using this new template.

B. Justification

1. Need and Legal Basis

The legal authority for this collection is Title XXI of the Social Security Act.

2. Information Users

States must submit Title XXI plans and amendments for approval by the Secretary. The plan or amendment must be submitted to CMS. The plan and its subsequent amendments are used by CMS to determine if the State has met the requirements of Title XXI.

Information provided in the State plan, State plan amendments and from the other information CMS is collecting will be used by: advocacy groups, beneficiaries, applicants, other Governmental agencies, providers groups, research organizations, health care corporations, health care consultants and States. These groups will use the information collected to assess State plan performance, health outcomes and an evaluation of the amount of substitution of private coverage that occurs as a result of the subsidies and the effect of the subsidies on access to coverage.

3. Improved Information Technology

States and non-Federal governmental entities can use their data processing and electronic systems to generate notices to participants and beneficiaries regarding eligibility determinations, public notices and enrollee rights to file grievances and appeals.

States can use their electronic systems to send CMS information regarding their: State plan, State plan amendments, actuarial reports for benchmark-equivalent coverage, State expenditure and statistical reports, annual reports, State evaluations, the amount of substitution that occurs as a result of subsidies and the effect of subsidies on access to coverage, documentation (to be found in each applicants file -- facts that support the State's determination of the applicants eligibility for CHIP), and the annual amount the State spends on family coverage and the number of children it has covered (this information is captured in the annual report).

4. Duplicate Information

Title XXI is a program created by the Balance Budget Act. There is no duplication of this information.

5. Small Business

This collection of information does not involve small businesses or other small entities.

6. Less Frequent Collection

Title XXI of the Social Security Act requires each State to submit a child health plan and receive approval by the Secretary in order to be eligible for Federal funds. Once the plan is approved, it remains in effect until the State requests changes by submitting a plan amendment to CMS for approval. All States and Territories have approved State plans; however, States will submit amendments for approval when they want to make changes to their plans.

7. Special Circumstances

There are no special circumstances.

8. Federal Register/Outside Consultation

The 60-day Federal Register notice published on March 9, 2011 (76 FR 12965). No comments were received.

CMS has consulted with the National Governor's Association, States and other private and public parties in the development of this plan, the model template and instructions, and in the estimate of the reporting and record keeping burden.

9. Payments or Gifts

There is no provision for any payment or gift to respondents associated with this reporting requirement.

10. Confidentiality

Because no personal identifying information is collected in the report, there is no issue of confidentiality with respect to the information submitted by the State. The information submitted by the State is available for public review.

11. Sensitive Questions

There are no questions of a sensitive nature in the information collection.

12. Estimate of Hour Burden and Cost to Respondents

Although States may submit the information in any manner to demonstrate that they have met the requirements set forth in Title XXI of the Social Security Act, CMS, in cooperation with the States, has developed the attached model amendment template and instructions to reduce the burden associated with these ICRs to a minimal level. The estimate of burden includes time for reviewing instructions, gathering information, and completing the model template. Because all States already have approved plans, States currently submit amendments when

needed to make changes to their programs. They alter only those portions of the model application template that are affected by the change.

Section 457.60 -- Amendments

In summary, §457.60 requires a State to submit to CMS for approval an amendment to its approved State plan, whenever necessary, to reflect any changes in: 1) Federal law, regulations, policy interpretations, or court decisions, 2) State law, organization, policy or operation of the program, or 3) the source of the State share of funding.

The burden associated with this requirement is the time and effort for a State, using the State Plan Amendment template to prepare and submit to CMS for approval, any necessary amendments to its State plan.

Hours

Based upon CMS's previous experiences with State plan amendments we estimate that on average, it will take a State 80 hours to complete and submit an amendment. We estimate that 40 amendments will be submitted on an annual basis for a total annual burden of 3,200 hours (40 amendments x 80 hours).

Cost

The estimate of annualized costs to the State governments is \$41,280 (30 percent of the total costs of \$137,600). The State employee hourly wage figure is computed as equivalent to the 2011 GS-12, step 1, annual salary \$74,872 plus 20 percent retirement/insurance benefits for a total of \$89,846 with a resulting hourly wage of salary plus benefits of \$43. The average State cost is computed as follows:

$\$43 \text{ per hour} \times 3,200 \text{ hours per year} = \$137,600$

$\$137,600 \times 30 \text{ percent (average State share)} = \$41,280.$

13. Capital Costs

There are no start-up costs associated with this information collection.

14. Federal Costs

The estimated average annualized cost to the Federal government per State is 70 percent X \$137,600 = \$96,320.

The cost estimate is computed as follows:

Title XXI provides an enhanced Federal match that is 30 percent of the difference between 100 and the current Federal match. The average Federal match for Federal Fiscal Year 2011 is 70 percent of total costs. Therefore, the average enhanced match under Title XXI is 70 percent.

Federal costs = 70 percent X \$137,600 = \$96,320

15. Program/Burden Changes

As noted in the Background above, CMS is incorporating in this model template previously issued subject specific templates. The burden hours and costs of the subject specific templates are incorporated into the unified estimates for the revised model template as reflected in this Supporting Statement. There is no change to the burden hours or cost estimates. This Supporting Statement includes the following three OMB Control Numbers (OCN) of previously approved subject specific templates:

- OCN 0938-1075: State Option for Supplemental Dental-only Coverage
- OCN 0938-1076: Implementation of Required Dental Benefit Coverage in Separate CHIP Programs
- OCN 0938-1068: State Option Pre-print to Include Pregnant Women

CMS intends to discontinue the individual OCNs of these subject specific templates, as they are included in this state plan model template.

In addition, upon review of the model template as previously submitted to OMB, we noticed it contained many clerical and typographical errors. CMS is taking this opportunity to make technical corrections to the template as non-substantial changes. These changes are listed in a separate crosswalk document.

16. Publication and Tabulation Data

There are no plans to publish the information for statistical use.

17. Display of Expiration Data

CMS is not seeking approval not to display the expiration date for OMB approval of the information collection.

18. Exception to Certification Statement

There are no exceptions to the certification statement.

C. **Collection of Information Employing Statistical Methods**

CMS does not intend to collect information employing statistical methods.

