

BACKGROUND AND JUSTIFICATION STATEMENT

For the

Monthly File of Medicaid/Medicare Dual Eligible Enrollees

**CMS-10143
OMB 0938-0958**

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Background

The Centers for Medicare and Medicaid Services (CMS) request that the Executive Office of Management and Budget (OMB) clear the below form. This approval would continue to enable States to fulfill the State reporting requirements to implement the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (MMA). Section 103(a)(2) of the MMA addresses the phased-down state contribution (PDSC) process for the Medicare program. The reporting of the Medicare/Medicaid dual eligibles on a monthly basis is necessary to satisfy those provisions, and to support Part D subsidy determinations and auto-assignment of individuals to Part D plans. The PDSC is a partial recoupment from the states of ongoing Medicaid drug costs for dual eligibles assumed by Medicare under the MMA, which absent the MMA would have been paid for by the states.

A. Justification

1. Need and Legal Basis

The MMA (Section 103) outlines how the phased-down State contribution amounts are computed. This payment compensates the Federal government for Medicare prescription drug coverage for dually eligible Medicaid/Medicare beneficiaries which previously was partially paid by the States for the Medicaid program.

Federal regulations, 423.900 through 423.910 detail the implementation of the phase-down State contribution process, the Subpart S regulations implementing title I of the MMA. The MMA PDSC process requires a monthly count of full-benefit dual eligibles for each state. In order to meet this requirement, and to address the operational need to establish subsidy levels and auto-assignment, CMS must have person-specific monthly data from states. These requirements preclude capturing data from aggregated reports.

2. Information Users

The monthly data file is provided to CMS by States on dually eligible Medicaid and Medicare beneficiaries, listing the individuals on the Medicaid eligibility file, their Medicare status and other information needed to establish subsidy level, such as income and institutional status. The file will be used to count the exact number of individuals who should be included in the phased-down State contribution calculation that month. CMS will be able to merge the data with other data files and establish Part D enrollment for those individuals on the file. The file may be used by CMS partners to obtain accurate counts of duals on a current basis.

3. Use of Information Technology

The data files will be created electronically from each State eligibility system, and will be transferred electronically using existing Connect:Direct, Gentrans, or Cyberfusion infrastructure.

4. Duplication of Effort

There is no duplication of effort or information associated with this request. The data files are developed and submitted to CMS on a current-month basis. The Medicaid eligibility data due to CMS through MSIS are submitted on a quarterly basis 45 days after the end of the quarter. This disconnect in monthly versus quarterly reporting needs, coupled with MSIS reporting delays associated with the intricacies of the MSIS data validation, can result in extended reporting delays, which are unacceptable per the requirements in the MMA.

5. Small Business

This information collection affects State staff only and does not impact any small businesses or other small entities.

6. Less Frequent Collection

In order to comply with the MMA and regulatory requirements, these data must be reported monthly. As of July 2008, States may submit the files more often, if they choose.

7. Special Circumstances

This information collection must be conducted more often than quarterly; i.e., monthly, to conform to the requirements outlined in the MMA legislation.

8. Federal Register/Outside Consultation

The 60-day Federal Register notice published on September 17, 2012. No comments were received.

The proposed rule published in the Federal Register on August 3, 2004, with a 60-day comment period. The final rule published on January 28, 2005.

CMS has retained the actuarial firm, Actuarial Research Corporation, to develop the methodology of the State phase-down computation along with CMS staff in the Center for Medicaid and State Operations, the Office of the Actuary and the Office of Research, Development and Information. A workgroup of State representatives were consulted on a monthly basis or more often if necessary. Consultants who were experts in Medicaid and MSIS provided input as well as other partners working with the Medicaid data. The CMS Office of the Actuary continues to validate the methodology and resulting data.

9. Payments/Gifts to Respondents

CMS provides no payments or gifts to States responding to this data collection. The primary benefit of participation is an accurate assessment of the number of individuals on the Medicaid rolls who have full Medicaid benefits and Medicare benefits also.

10. Confidentiality

The data collected on this file are added to the existing Medicare Beneficiary Database (MBD) (09-70-0536; December 4, 2006, 71 FR 70396). Provisions of the Privacy Act apply and are strictly enforced. No individually identifiable data are shared without appropriate system of records protections and data use agreements.

11. Sensitive Questions

This request contains only information on Medicaid/Medicare enrollment. The data reported are already stored in States' eligibility systems.

12. Estimate of Burden (Hours and Wages)

The following shows a detailed summary of the reporting burden associated with this request.

Number of Respondents	51
Frequency of Response	monthly (12 per year)
Burden Hours	10 hours per response

(The burden for States that choose to submit more than 1 monthly file is not expected to change because it is only a production process. The additional effort is negligible.)

Estimate of Total Burden Hours

$51 \times 10 \times 12 = 6,120$ hours Maintenance Level

$51 \times 12 \times 12 = 7,344$ hours (Start up of reporting new value of "H" first 6 months CY2012)

Estimate of Costs (Wages)

States salaries = 80 percent of Average Federal salaries
 $\$60,000 = .80 \times \$75,000$ OR $\$29.50$ an hour

$\$29.50 \times 6,120 = \$180,540$ Maintenance Level

$\$29.50 \times 7,344 = \$216,648$ (Start up reporting first 6 months CY 2012)

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

The annual cost to the Federal Government for this information collection is estimated to be approximately \$225,000. These estimates are based upon costs for administrative expenses. These costs are estimated based on the costs for the MSIS information collection.

15. Changes to Burden

The monthly Medicaid/Medicare dual eligible file burden hours represent the routine monthly burden hours after the initial start-up burden reflected in the OMB approval of August 2005. The burden estimates of 10,710 were based on start-up efforts. The revised estimates of 6,120 indicate a maintenance level of effort, without change. The reporting of an additional value, in one of the data fields, increased the burden hours for the first 6 months of calendar year 2012 to no more than 7,344 hours. The burden will revert to the maintenance level of 6,120 thereafter.

16. Publication/Tabulation Dates

The monthly data for individuals who are dually eligible for the Medicaid and Medicare programs will be used solely for determining the phased-down state contribution amount and to support subsidy determinations and auto-assignment. Statistical reports will be not published from the data. Therefore, the data from this information collection will not be published.

17. Expiration Date

This collection does not lend itself to the displaying of an expiration date.

18. Certification Statement

There are no exceptions to the certification statement identified in Item 19 of the OMB Form 83-I, "Certification for Paperwork Reduction Act Submissions."

A. Collections of Information Employing Statistical Methods

The information collection requirements do not employ statistical sampling methods. Any sampling would compromise the quality of the data collected.