

**Supporting Statement for Information Collection Requirements  
Centers for Medicare & Medicaid Services (CMS)  
Medicaid Report on Payables and Receivables  
Form CMS-R-199**

**A. BACKGROUND**

The Chief Financial Officers (CFO) Act of 1990, as amended by the Government Management Reform Act (GMRA) of 1994, requires government agencies to produce auditable financial statements. Because the Centers for Medicare & Medicaid Services (CMS) fulfills its mission through its contractors and the States, these entities are the primary source of information for the financial statements. There are three basic categories of data: expenses, payables, and receivables. The CMS-64 is used to collect data on Medicaid expenses. The CMS-R199 collects Medicaid payable and receivable accounting data from the States.

**B. JUSTIFICATION**

1. Need and Legal Basis

Section 1903(b)(d)(1) of the Social Security Act requires the Secretary to estimate the amount each State should be paid at the beginning of each quarter. This amount is to be based on a report filed by the State. Section 1903(b)(d)(2)(A) of the Social Security Act authorizes the Secretary to pay the amount estimated, reduced or increased to the extent of any overpayment or underpayment for any prior quarter.

Section 3515 of CFO Act requires government agencies to produce auditable financial statements in accordance with Office of Management and Budget guidelines on Form and Content. The Government Management and Reform Act of 1994 requires that all offices, bureaus and associated activities of the 24 CFO Act agencies must be covered in an agency-wide, audited financial statement. Collection of Medicaid data and the calculation of the Medicaid Incurred But Not Reported (IBNR) estimate are pertinent to CMS' financial audit. The Medicaid Report on Payables and Receivables will provide the information needed to calculate the Medicaid IBNR. Failure to collect this information could result in non-compliance with the law.

2. Information Users

The information collection requirements contained in this form will be used in the CMS annual financial statements and shared with the auditors who validate CMS' financial position.

3. Improved Information Technology

Data collection is through the web based Incurred But Not Reported System.

4. Duplication/Similar Information

There is no other information collection that duplicates this effort.

5. Small Business

This request does not affect small businesses.

6. Less Frequent Collection

The information cannot be collected less frequently than once a year, since the law requires annual financial statements.

7. Special Circumstances

This collection of information does not require any special circumstances.

8. Federal Register Notice

The 60-day Federal Register notice published on July 17, 2009.

9. Payment/Gift To Respondent

This collection of information does not provide for any additional payment or any gifts. States are reimbursed for a portion of Medicaid administrative expenses and required to submit financial reports.

10. Confidentiality

There are no confidentiality requirements associated with this report.

11. Sensitive Questions

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

12. Burden Estimate (Hours)

The burden calculation for this information collection is approximately 7 hours. Most States have this information readily available.

TOTAL BURDEN            56 states x 7 hours = 392 hours

The cost to the states is estimated at \$5,880 annually. (Approximately 392 hours times \$15 an hour) .

13. Capital Costs

There are not capital costs.

14. Cost to Federal Government

The Federal cost is based on the efforts expended by CMS staff to review the data submitted by the respondents. We estimate about \$4,778 for the Federal cost (56 respondents x 2 hours review per form times the hourly rate of the reviewer, a GS-13 @ \$42.66)

15. Program Changes

There are no program changes at this time.

16. Publication and Tabulation Dates

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

17. Expiration Date

We plan to show the expiration date.

18. Certification Statement

We have not identified any exceptions.

19. Collections of Information Employing Statistical Methods

This section does not apply because statistical methods were not used for this collection.