

Application to Use Burden/Hours from Generic PRA Clearance:  
Medicaid and CHIP State Plan, Waiver, and Program Submissions  
(CMS-10398, OMB 0938-1148)

**Generic Information Collection (GenIC) #43**  
**Section 223 Demonstration Programs to Improve Community Mental Health Services**

Center for Medicaid and CHIP Services (CMCS)  
Centers for Medicare & Medicaid Services (CMS)

CMS requests expedited review and approval (see Timeline for details) by December 14, 2015.

## A. Background

On April 1, 2014, the Protecting Access to Medicare Act of 2014 (Public Law 113-93) was enacted. The law included “Demonstration Programs to Improve Community Mental Health Services” at Section 223 of the Act. The program requires:

- (1) the establishment and publication of criteria for clinics to be certified by a state as a certified community behavioral health clinic (CCBHC) to participate in a demonstration program;
- (2) the issuance of guidance on the development of a Prospective Payment System (PPS) for testing during the demonstration program; and
- (3) the awarding of planning grants for the purpose of developing proposals to participate in a time-limited demonstration program.

The overall goal is to evaluate demonstration programs in up to eight states that will establish CCBHCs according to specified criteria that will make them eligible for enhanced Medicaid payment through the PPS.

Populations to be served are adults with serious mental illness, children with serious emotional disturbance, those with long term and serious substance use disorders, as well as others with comorbid mental illness and substance use disorders.

CMS is working collaboratively with the Substance Abuse and Mental Health Services Administration (SAMHSA) and the Assistant Secretary for Planning and Evaluation (ASPE) to implement the Section 223 Demonstration Programs to Improve Community Mental Health Services.

**\*CMS prepared guidance to states to establish a prospective payment system, that is found in the Request for Applications (RFA) under Appendix III - Section 223 Demonstration Programs to Improve Community Mental Health Services Prospective Payment System (PPS) Guidance. The RFA pertains to demonstration planning grants.**

\*SAMHSA developed the certification criteria found in the RFA under Appendix II - Criteria for the Demonstration Program to Improve Community Mental Health Centers and to Establish Certified Community Behavioral Health Clinics.

\*ASPE will direct the national evaluation of the demonstration program.

The awarding of Planning Grants to states is the first phase of a two-phase process. Phase I provides funds for one year to states to certify community behavioral health clinics, establish a PPS for Medicaid reimbursable behavioral health services provided by the certified clinics, and prepare an application to participate in a two-year demonstration program. Phase II consists of the two-year demonstration that is slated to begin early 2017.

## **B. Description of Information Collection**

### CCBHC Cost Report

The cost report provides the format the state or CCBHCs may use to calculate PPS rates in the Demonstration Program. The proposed PPS rates would be effective beginning January 1, 2017.

Data from the cost report will be used to develop the PPS rate for each individual clinic in each state participating in the demonstration. The PPS rates will be specific to each clinic. CMS offers states the option of using one of two methodologies: either the Certified Clinic Prospective Payment System (CC PPS-1), which is a daily rate, or the CC PPS Alternative (CC PPS-2), which is a monthly rate. CCBHCs in states that choose CC PPS-2 rate methodology will require additional time to gather data for certain populations and account for outlier thresholds.

Because use of this cost report involves participation in the two- year Demonstration Program, the information is expected to be collected once, assuming rates are trended forward for the second year of the demonstration using the Medicare Economic Index (MEI). However, if the state requires CCBHCs to rebase the cost report for year two of the demonstration, the CCBHC would complete the cost report twice.

Up to eight states may be selected to participate in the Demonstration Program. There must be at least two CCBHCs per state, but there is no express limit on the number within a state.

### Section 223 State Planning Grant Application

On October 19, 2015, SAMHSA awarded 24 Planning grants to states to provide funding through the one year planning phase of the demonstration. Federal grant funding will be used by states to certify community behavioral health clinics, establish a PPS for Medicaid reimbursable behavioral health services, and prepare an application to participate in a two-year demonstration program. At the end of the planning phase of the demonstration, states are required to submit an application to show that they can meet all demonstration requirements set by SAMHSA and CMS.

States should complete the one time application template that includes the PPS methodology and criteria for a clinic to become certified prior to being selected for the demonstration program. The template will serve as the application for consideration to participate in the demonstration.

## **C. Deviations from Generic Request**

Collections approved under this package are reviewed/approved under OMB's generic process. As such, they are usually not subject to formal public review and comment. In this instance, however, CMS was interested in receiving public input with regard to the cost report. Consequently, CMS published a 30-day Federal Register notice on September 14, 2015 (80 FR 55118). The cost report, cost report instructions, and Supporting Statement were posted on CMS' website for public review/comment. Comments were received and have been added to this

package along with our response. We have also added a Crosswalk which sets out the specific changes that were made subsequent to the publication of the 30-day notice. The planning grant application was not set out for public comment.

## **D. Burden Hour Deduction**

The total approved burden ceiling of the generic ICR is 154,104 hours, and CMS previously requested to use 65,447 hours, leaving our burden ceiling at 88,627 hours.

### **D.1. CCBHC Cost Report**

#### *D.1.1 CCBHC Burden*

The burden for CCBHCs to complete the cost report is estimated to average 56.33 hours per response for CC PPS-1 and 112.66 hours per response for CC PPS-2. This includes time for reviewing instructions, searching existing data sources, analyzing that data, and completing and reviewing the collection of information. Since CC PPS-2 rate methodology requires additional time to gather data for certain populations, we anticipate that it would take twice as long to complete and review each cost report. We anticipate that the complexity of the cost report and the certification requirements will require varying levels of employee to gather, input, and review the data. Regardless of the methodology used, we expect that a Staff Accountant (13-2011) at a rate of \$70.84/hr would complete the report and that a Chief Executive (11-1011) at a rate of \$173.76/hr would review and certify the report.

Projecting a total of 48 CCBHC respondents (at 2 clinics per state), we anticipate 24 CCBHC respondents for each of the two PPS methodologies (24 for CC PPS-1 and 24 for CC PPS-2).

For one CC PPS-1 cost report, we estimate 56.33 hours (Staff Accountant 54.33 hours; Chief Executive 2 hours) and \$4,196.25. For 24 cost reports, we estimate 1,351.92 hours and \$100,710.

Given the complexity of CC PPS-2 (i.e., additional data requirements, special population calculations, etc.), we anticipate that about 56 additional hours will be required to complete the cost report. For one CC PPS-2 cost report, we estimate 112.66 hours (Staff Accountant 108.66 hours; Chief Executive 4 hours) and \$8,392.51. For 24 cost reports we estimate 2,703.84 hours and \$201,420.24.

In aggregate for both PPS methodologies, we estimate 4,055.76 hours and \$302,130.24.

#### *D.1.2 State Burden*

States will be required to review the cost reports through a desk-review or an audit. We estimate the average time for a Finance Manager (11-3031) at a rate of \$125.22/hr to complete a desk review is 22 hours for CC PPS-1 and 44 hours for CC PPS-2. We project that 24 states will review responses from 2 CCBHCs per state, evenly distributed by PPS methodology (i.e., 24 CC PPS-1 and 24 CC PPS-2 responses).

For one CC PPS-1 cost report, we estimate 22 hours at a cost of \$2,754.84. For 24 cost reports, we estimate 528 hours at a cost of \$66,116.16.

For one CC PPS-2 cost report, we estimate 44 hours at a cost of \$5,509.68. For 24 cost reports, we estimate 1,056 hours at a cost of \$32,232.32.

In aggregate for both PPS methodologies, we estimate 1,584 hours at a cost of \$198,348.48.

*D.1.3 Cost Report Subtotal*

To derive average costs, we used data from the U.S. Bureau of Labor Statistics’ May 2014 National Occupational Employment and Wage Estimates for all salary estimates ([http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm)). In this regard, the following table presents the mean hourly wage, the cost of fringe benefits (calculated at 100 percent of salary), and the adjusted hourly wage.

*Table 1*

Occupation Title	Occupation Code	Mean Hourly Wage	Fringe Benefit	Adjusted Hourly Wage	Hours per request	
					CC PPS-1	CC PPS-2
Staff Accountant (clinic)	13-2011	35.42	35.42	70.84	54.33	108.66
Finance Manager (state)	11-3031	62.61	62.61	125.22	22	44
Chief Executive (clinic)	11-1011	86.88	86.88	173.76	2	4
				Total Hours per request	78.33	156.66

As indicated, we are adjusting our employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and overhead costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. Nonetheless, there is no practical alternative and we believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

The total burden for CC PPS-1 is 1,879.25 hours (1,351.92 hours + 558 hours) at a cost of \$166,826.16 (\$100,710 + \$66,116.16).

The total burden for CC PPS-2 is 3,759.84 hours (2,703.84 + 1,056 hours hours) at a cost of \$333,652.56 (\$201,420.24+ \$132,232.32 ).

The total aggregate burden for both PPS methodologies is 5,639.09 hours at a cost of \$500,478.72.

#### *D.1.4 Cost Report Attachments*

- CCBHC Cost Report
- CCBHC Cost Report Instructions
- Crosswalk (changes subsequent to the publication of the 30-day Federal Register notice.
- Combined Public Comment and CMS Response to Public Comments

#### D.2. Section 223 State Planning Grant Application

##### *D.2.1 Planning Grant Application Subtotal*

Planning grants can be awarded to up to 25 states and a state must be awarded a planning grant to qualify to apply to participate in the demonstration. Therefore, up to 25 states may utilize the demonstration application.

Respondents will each submit one proposal. There is a minimum of two clinics per state that will be certified. It is impossible at this point to determine the maximum number of clinics per state. The cost burden estimate below provides an estimate for a single state with two clinics. Most components of the proposal will be a single amount per state, with only a few components requiring more time and resources if more than two clinics are certified.

CMS has reviewed the wages from the Bureau of Labor Statistics and estimates that a State Government Financial Specialist (13-2099) would be needed to provide data underlying the proposal (8.5 hours) (see <http://www.bls.gov/oes/current/oes132099.htm>). A State Government Financial Manager (11-3031) would be needed to complete part of the PPS Methodology Description (6.5 hours) (see <http://www.bls.gov/oes/current/oes113031.htm>). A State Government General and Operations Manager (11-1021) would be necessary to oversee collection of information and prepare most of the proposal (59 hours) (see <http://www.bls.gov/oes/current/oes111021.htm>). (see Table 2)

The mean hourly wage for a State Government Financial Specialist is \$28.91 with a fringe benefit of 100% giving us an hourly wage of \$57.82. A State Government Financial Manager has a mean hourly wage of \$45.47 with a fringe benefit of 100% giving us an hourly wage of \$90.94. The mean hourly wage for a State Government General and Operations Manager is \$45.64 giving us an hourly wage of \$91.28. (see Table 2)

Consequently, the burden for states to complete the cost report is estimated to average 74 hours per response. There is a potential universe of 1 response per State for 2 clinics. Each response will be submitted by the state from 2 clinics per state. We have a potential universe of 25 respondents. In aggregate, we estimate 1,850 hours (25 responses x 74 hours). There is a total of 25 responses giving us a total cost of \$161,703.

As indicated, we are adjusting our employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and overhead costs vary significantly from employer to employer, and because methods of estimating these costs vary

widely from study to study. Nonetheless, there is no practical alternative and we believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

At these rates it will cost approximately \$6,468.10 to complete one response if the state certifies two clinics.

Table 2

Occupation Title	Occupation Code	Mean Hourly Wage	Fringe Benefit	Adjusted Hourly Wage	Hours per request
State Government Financial Specialist	13-2099	28.91	28.91	57.82	8.5
State Government Financial Manager	11-1021	45.47	45.47	90.94	6.5
State Government General and Operations Manager	11-1021	45.64	45.64	91.28	59
<b>Total</b>		<b>120.02</b>	<b>120.02</b>	<b>240.04</b>	<b>74</b>

*D.2.2 Attachments for the Planning Grant Application*

- (Form and Instruction) Guidance to Planning Grant States to Apply to Participate in the Section 223 Demonstration.

**D.3. TOTAL BURDEN**

Information Collection	Respondents	Total Responses	Burden per Response (hours)	Total Annual Burden (hours)	Labor Cost of Reporting (\$/hr)	Total Cost (\$)
Cost Report (Clinic) PPS-1	48	24	56.33	1,351.92	Varies (see Table 1)	100,710.00
Cost Report (Clinic) PPS-2		24	112.66	2,703.84	Varies (see Table 1)	201,420.24
Cost Report (State) PPS-1	24	24	22	528	125.22	66,116.16
Cost Report (State) PPS-2		24	44	1,056	125.22	132,232.32
<i>Subtotal</i>	72	96	--	5,639.76	<i>Varies</i>	<i>500,478.72</i>
Application	25	25	74	1,850	Varies (see Table 2)	6,468.10
<b>Total</b>	<b>97</b>	<b>121</b>	<b>--</b>	<b>7,489.76</b>	<b>--</b>	<b>506,946.82</b>

Information Collection	Respondents	Total Responses	Burden per Response (hours)	Total Annual Burden (hours)	Labor Cost of Reporting (\$/hr)	Total Cost (\$)

### E. Timeline

As explained below, we request approval on/by December 14, 2015. Completion of the **cost report** by clinics entails reporting new types of data not previously made available to states; therefore, clinics will need as much time as possible to gather and report cost and visit data.

States will also require sufficient time to review each cost report for the purpose of setting clinic specific rates that will be paid under this 2-year demonstration. The cost report from must be made available to states as soon as possible during the planning phase to provide them with sufficient time to determine the rates that will be in effect during the demonstration.

The type of information to be collected is extensive and will require a considerable amount of time to complete.

Similarly, CMS requires expedited review and approval of the 2-year **demonstration application** because of its length and complexity. The application helps states document that they are capable of meeting the extensive statutory requirements of this demonstration. States will need as much time as possible to familiarize themselves with all of the requirements set out in this document.

#### Key Activities and Estimated Due Dates

Sept 14, 2015	Publish 30-day FR Notice (cost report only)
Dec 14, 2015	Formal OMB approval
Jan (early) 2016	CMS holds two technical assistance webinars for states on the CMS CCBHC cost report
Jan 2016	States begin using cost report to plan PPS
Dec 2016	Announcement of states selected for demonstration
Jan 2017	Demonstration begins