

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

**Information Collection #52 Delivery System and Provider Payment Initiatives Under
Medicaid Managed Care Products**

December 2, 2016

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

A. Background

The Centers for Medicare & Medicaid Services (CMS) work in partnership with States to implement Medicaid and the Children's Health Insurance Program (CHIP). Together these programs provide health coverage to millions of Americans. Medicaid and CHIP are based in Federal statute, associated regulations and policy guidance, and the approved State plan documents that serve as a contract between CMS and States about how Medicaid and CHIP will be operated in that State. CMS works collaboratively with States in the ongoing management of programs and policies, and CMS continues to develop implementing guidance and templates for States to use to elect new options available as a result of the Affordable Care Act or to comply with new statutory provisions. CMS also continues to work with States through other methods to further the goals of health reform, including program waivers and demonstrations, and other technical assistance initiatives.

B. Description of Information Collection

We will require states to submit a section 438.6(c) preprint for state-directed expenditures under an MCO, PIHP, or PAHP contract for delivery system and provider payment initiatives in Medicaid managed care. This preprint will be used to meet the prior approval requirement under §438.6(c)(2)(i). The preprint specifies our requirements for prior approval, including the requirements under §438.6(c)(2)(i)(A) through (F), and the requirements under §438.6(c)(2)(ii) (A) through (D). These requirements specify that states must obtain written approval prior to implementation of the state-directed payment arrangement.

This collection is required per our regulations at §438.6(c)(2)(i), which requires that states obtain written approval prior to implementation of the state-directed payment arrangement.

C. Deviations from Generic Request

No deviations are requested.

D. Burden Hour Deduction

The total approved burden ceiling of the generic ICR is 154,104 hours, and CMS previously requested to use 116,020 hours, leaving our burden ceiling at 38,084 hours.

Wage Estimate

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2015 National Occupational Employment and Wage Estimates for all salary estimates (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.

Occupation Title	Occupation Code	Mean Hourly Wage	Fringe Benefit	Adjusted Hourly Wage
Community and Social Service Occupations	21-0000	\$22.19/hr	\$22.19/hr	\$44.38/hr

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.

Burden Estimate

CMS estimates that each State will complete the collection of data and submission to CMS within 1 hour. There is a potential universe of 44 respondents that will submit 3-6 responses each. We also estimate to receive a total of 264 responses. So the total burden deducted from the total for this request is 264 hours (264 responses x 1 hour/response).

CMS expects that a Community and Social Service employee (21-0000) would need 1 hour to complete one pre-print at an adjusted wage of \$44.38/hr. Thus the cost for a respondent to complete one response is estimated at \$44.38. In aggregate, we estimate a cost of \$11,716.

Information Collection Instruments and Instruction/Guidance Documents

- Section 438.6(c) pre-print

E. Timeline

We need an expedited approval. State managed care programs are working to finalize their managed care contracts and rate development for 2017. This preprint must be submitted and approved by CMS before states can implement these state-directed payment arrangements. We think it is critical to publish this preprint to assist states in meeting the requirements in §438.6(c), which are effective July 1, 2017.