

Supporting Statement Part A
Supporting Statement for Paperwork Reduction Act
Administrative Requirements for Section 6071 of the Deficit Reduction Act
CMS-10249, OMB 0938-1053

BACKGROUND

Section 6071 of the Deficit Reduction Act of 2005 (P.L. 109-171) created the Money Follows the Person Rebalancing Demonstration (MFP) and provided \$1.75 billion in funding through September 30, 2011. In 2007, the Centers for Medicare & Medicaid Services (CMS) awarded 31 grants to States to participate in the MFP Demonstration from January 1, 2007 through September 30, 2016. This demonstration supports State efforts to “rebalance” their long-term support systems by offering competitive grants to States. Specifically, the demonstration is supporting State efforts to: a) Rebalance their long-term support system so that individuals have a choice of where they live and receive services; b) Transition individuals from institutions who want to live in the community; and c) Promote a strategic approach to implement a system that provides person centered, appropriate, needs based, quality of care and quality of life services and a quality management strategy that ensures the provision of, and improvement of such services in both home and community-based settings and institutions. The demonstration provides enhanced federal medical assistance percentage (FMAP) for 12 months for qualified home and community-based services for each person transitioned from an institution to the community during the demonstration period.

The Affordability Care Act of 2010 extended and expanded the MFP demonstration by providing an additional \$2.25 billion in funding. Section 2403 of the Affordable Care Act allows States that are presently participating in the MFP demonstration to continue doing so through September 30, 2016 and for additional States to participate. The Affordable Care Act established annual appropriations for the MFP demonstration and any annual appropriations that remain at the end of each fiscal year carry over to subsequent years and are available to make grant awards to current and new grantees until fiscal year 2016. As a result, CMS in 2011 awarded another round of MFP grants to 13 additional states along with an additional 3 states being added in 2012 and one state withdrawal.

In earlier work, CMS issued an Operational Protocol Instruction Guide and template for the development of Operational Protocols for the States selected to participate in the MFP Rebalancing Demonstration. The guide provides instruction on the required elements of the State’s Operational Protocol which must be submitted and approved before a State may enroll individuals in the State’s demonstration program or begin to claim for service dollars.

The Deficit Reduction Act of 2005 Section 6071(c) (9) requires the States to provide information and assurances that total expenditures under the State Medicaid program for home and community-based long-term care services will not be less for any fiscal year during the MFP demonstration project than for the greater of such expenditures

for fiscal year 2005 or any succeeding fiscal year before the first of the year of the MFP demonstration project. Accordingly, States are required to submit Maintenance of Effort (MOE) form and MFP Budget Forms on an annual basis. Additionally, in order to receive enhanced FMAP, States are required to submit the MFP Demonstration Financial Forms on a quarterly basis.

Section 6071(g) of the Deficit Reduction Act requires a national evaluation of the MFP demonstration project and a final report to the President and Congress. For the national evaluation, States will be required to submit on a quarterly basis a MFP Finders File, which will include eligibility records for all MFP participants, a MFP Program Participation Data file, that includes precise enrollment dates for each MFP participants and information about their qualifying institution and qualifying community residence, and a MFP Services File, which will include records for each service funded with MFP grant funds. In addition, States will be required administer an MFP Quality of Life Survey to all MFP participants. The survey will be administered immediately before a participant transitions to the community and twice after transitioning to the community (once about 11 months after transition and again about 23 months after transition). States will be required to submit to CMS the MFP Quality of Life data on a quarterly basis. States will also submit semi-annual progress reports to help CMS and the evaluation contractor monitor the progress of program implementation at the grantee level.

JUSTIFICATION

1. Need and Legal Basis

Under section 6071 of the Deficit Reduction Act of 2005 (P.L. 109-171) subsection (c), the Secretary may require States to meet requirements and provide additional information, provisions, and assurances. Through the Operational Protocol, States provide the requirements, information, provisions and assurances which, following CMS approval, States may enroll individuals in the State's demonstration program or begin to claim for service dollars. The DRA of 2005 also requires the MFP program be evaluated to determine program effectiveness. One aspect of the evaluation is determining participant quality of life and how the program affects quality of life. Medicaid enrollees who participate in the MFP program are expected to have need for long-term care services for the rest of their lives and are a particularly vulnerable population if the community setting cannot adequately meet their needs or does not provide them a suitable quality of life.

2. Information Users

State Operational Protocols should provide enough information that: the CMS Project Officer and other federal officials may use it to understand the operation of the demonstration and/or prepare for potential site visits without needing additional information; the State Project Director can use it as the manual for program implementation; and external stakeholders may use it to understand the operation of the demonstration.

The financial information collection will be used in CMS financial statements and shared with the auditors who validate CMS' financial position. The MOE forms as well as the MFP Budget Form are required each year. Submissions of MFP Demonstration Financial Forms are 90 days after the end of each Federal fiscal quarter.

The MFP Finders File, MFP Program Participation Data file, and MFP Services File will be used by the national evaluation contractor to assess program outcomes and CMS will use the information to monitor program implementation.

The MFP Quality of Life data will be used by the national evaluation contractor to assess program outcomes. Specifically, the evaluation will determine how participants' quality of life changes after transitioning to the community.

The semi-annual progress reports will be used by the national evaluation contractor and CMS to monitor program implementation at the grantee level.

3. Improved Information Technology

States may submit the Operational Protocol and financial forms via email. The MFP Finders file, MFP Program Participation Data file, and MFP Services file, and MFP Quality of Life data will be submitted to CMS via the Gentran Integration Suite.

The Gentran Integration Suite (GIS) was introduced as part of the MMA Part D initiative. A large number of new organizations have begun to exchange data with CMS under the Part D provisions of MMA. Many of the new organizations are smaller than those who have traditionally conducted business with CMS. Therefore, CMS implemented a new file transfer process that is both flexible and robust enough to accommodate the data exchange requirements of all CMS business partners.

The system reduces time to deployment, eliminating the need for "private" circuits to the MDCN network, routing equipment and more expensive Sterling Commerce Connect: Direct software. Gentran, is a commercial off-the-shelf (COTS) product, meets the CMS Internet Architecture requirements.

The semi-annual progress reports will be web-based and a template for the report will be provided. When possible, the template will be prepopulated with information from their operational protocols or with information from a previous report. This promotes efficiency by reducing the time to complete each report as grantees have easy access, with the system, to existing information. Electronic signatures will be not required; however, the name of the report preparer is required in web-based reporting.

4. Duplication/Similar Information

This information collection does not duplicate any other effort and the information cannot be obtained from any other source.

The MFP Quality of Life data are similar; although not identical to, the information states collect as part of their quality management systems they develop for their Medicaid home and community-based waiver programs. States develop their own enrollee surveys to monitor people's experience using waiver services. These surveys are highly variable across states, each state's approach to sampling is different, and response rates and survey administration is also highly variable across states. As a result, what information states are collecting now on participant quality of life is not uniform or comparable across states. The national evaluation requires uniform data. In addition, states have been given recommendations to exclude MFP participants from the surveys they conduct for their Medicaid waiver programs to reduce burden on these individuals. Many states have implemented this recommendation.

5. Small Business

This request does not affect small businesses.

6. Less Frequent Collection

The OP will be submitted to CMS no later than 60 days prior to the planned program implementation date or 12 months after the award date, whichever is earlier. Once the OP is approved, there is no need to resubmit (unless changes are made to the program). At the end of each demonstration grant year, States are required to produce the MOE and MFP Budget Forms on an annual basis. Additionally, in order to receive enhanced FMAP, States are required to submit the MFP Demonstration Financial Forms on a quarterly basis. The MFP Finders file, MFP Program Participation Data file, and MFP Services file will also be submitted on a quarterly basis so that results of the program can be assessed on an ongoing basis.

Because the national evaluation needs to measure the change in the quality of life of MFP participants, quality of life data must be collected at baseline and prior to the transition to the community. The data must also be collected at a later point in time, after the participant has returned to the community. The first follow-up interview will occur about 11 months after transition to the community to capture quality of life data immediately before the MFP participation period ends (MFP participants may receive MFP benefits for up to 365 days). The second follow-up interview will occur approximately 24 months after transition to capture quality of life data after the MFP participant is no longer receiving the enhanced benefits offered by the MFP program.

Grantees will submit the MFP quality of life data on a quarterly basis so that results of the program can be assessed on an ongoing basis.

Grantees will submit progress reports on a semi-annual basis. If the collection of this information is not conducted or is conducted less frequently, the ability to effectively monitor the grant program may be compromised. CMS feels that this is the minimal amount of information that can be collected by grantees that enables Federal officials to effectively monitor and report to Congress, and other key stakeholders, on the status and impact of the programs. CMS feels that the semi-annual collection of reports from the MFP grantees represent the minimal collection effort required to achieve the basic monitoring elements of the programs.

7. Special Circumstances

There are no special circumstances or impediments. The OP template is available in electronic format and has been posted on a Technical Assistance website for grantees.

8. Federal Register Notice

The 60-day Federal Register notice published on January 9, 2015 (80 FR 1419). No comments were received.

9. Payment/Gift to Respondent

This collection of information does not provide for any additional payment or any gifts to the state or the respondents of the MFP Quality of Life survey. States are reimbursed for a portion of MFP administrative expenses and required to submit financial reports.

10. Confidentiality

States shall insure that all Federal and State laws that protect the confidentiality of medical information will be enforced.

11. Sensitive Questions

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

The MFP Quality of Life instrument includes two questions about abuse by people who help them. These questions are optional at the state level and the state may decide whether they will or will not collect this information. If they decide to collect this information, the state's mandatory reporting requirements will apply. These questions are included in the instrument because MFP participants are a vulnerable population who depend on others to help them conduct routine

activities of life, including dressing, eating, and using the toilet. Some states would like to collect this information to help monitor the quality of their home- and community-based services.

12. Burden Estimates (Hours)

Wage Estimates

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). In this regard, the following table presents the median 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 (\$/hr)	Fringe Benefit (\$/hr)	Adjusted Hourly Wage (\$/hr)
Executive Secretaries and Executive Administrative Assistants	43-6011	\$25.76	\$25.76	\$51.52
Survey Researchers	19-3022	\$26.31	\$26.31	\$52.61

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.

Information Collection Requirements and Burden

As of December 2014, CMS had awarded 45 MFP grants. Thus, the burden estimates are for 44 states and the District of Columbia who received an MFP demonstration grant. Moving forward in the burden calculations will reference 45 states to ensure the inclusion of the District of Columbia.

Operational Protocol

Completed. Requirements/burden removed in 2012 PRA package.

Financial Forms for Existing Grantees

The annual burden for the Maintenance of Effort form is approximately 32 hours for an Executive Administrative Assistant.

BURDEN 45 States x 32 hours = 1,440 hours

The cost to the States is estimated at \$74,189 annually (approximately 1,440 hours x \$51.52/hr).

Appendix F

The annual burden for collecting the quarterly financial information is approximately 24 hours for an Executive Administrative Assistant. States have this information readily available.

BURDEN 45 States x 6 hours x 4 quarters = 1,080 hours

The cost to the States is estimated at \$55,642 annually (approximately 1,080 hours x \$51.52/hr).

MFP Finder file

The burden for the MFP Finders file is approximately 32 hours (for an Executive Administrative Assistant) for the first file, which includes the initial development of the software to create the file, and approximately 2 hours (also for an Executive Administrative Assistant) for each subsequent file.

BURDEN 45 States x 32 hours = 1,440 hours for the first file

BURDEN 45 States x 2 hours x 4 quarters = 360 hours annually for the subsequent files.

$$(1,440 + 360)/45 = 40 \text{ hr/State}$$

The total burden calculation for collection is approximately \$74,189 for the development of the file (approximately 1,440 hours x \$51.52/hr) and \$18,547 annually for the construction of subsequent files (approximately 360 hours x \$51.52/hr).

MFP Program Participation Data file

The burden calculation for the MFP Program Participation file is approximately 40 hours (for an Executive Administrative Assistant) for the first file, which includes the initial development of the software to create the file, and approximately 4 hours (also for an Executive Administrative Assistant) for each subsequent file.

BURDEN 45 States x 40 hours = 1,800 hours for the first file

BURDEN 45States x 4 hours x 4 quarters = 720 hours for the subsequent files.

$$(1,800 + 720)/45 = 56 \text{ hr/State}$$

The total burden calculation for collection is approximately \$92,736 for the development of the file (approximately 1,800 hours x \$51.52/hr) and \$37,094 annually for the construction of subsequent files (approximately 720 hours x \$51.52/hr).

MFP Services File

The burden calculation for the MFP Services file is approximately 48 hours (for an Executive Administrative Assistant) for the first file, which includes the initial development of the software to create the file, and approximately 24 hours (also for an Executive Administrative Assistant) for each subsequent file.

BURDEN 45 States x 48 hours = 2,160 hours for the first file

BURDEN 45 States x 24 hours x 4 quarters = 4,320 hours for the subsequent files

$$(2,160 + 4,320)/45 = 144 \text{ hr/State}$$

The total burden calculation for collection is approximately \$111,283 for the development of the file (approximately 2,160 hours x \$51.52/hr) and \$222,566 annually for the construction of subsequent files (approximately 4,230 hours x \$51.52/hr).

MFP Quality of Life Survey

The MFP Quality of Life questionnaire takes approximately 20 minutes to complete. Because the questionnaire will be administered 3 times to each MFP participant over 24 months, the total burden to a respondent who completes all 3 interviews is 60 minutes. MFP participants will be Medicaid enrollees who have lived in institutions such as nursing homes, intermediate care facilities for the mentally retarded, and institutions for mental diseases (IMDs). Everyone will be living in an institutional facility at the baseline interview. We anticipate that most will be living in the community at the time of the other two surveys. Grantees are anticipated to complete 282,981 interviews.

BURDEN 27,375 responses x 20 minutes = 9,125 hours

Respondents will not incur any monetary costs when completing the interviews. The introductory letter will include a toll-free telephone number that respondents can call if they have any questions about the survey or would like additional information. Respondents will be selected from administrative files maintained

by CMS. Thus, the selection of respondents will not impose any costs on the individuals participating in the survey.

The states will have some burden administering the MFP Quality of Life Survey for locating contact information and preparing and submitting files. The burden calculation for the MFP Quality of Life survey is approximately 1 hour (for a Survey Researcher) for each file submitted, which includes locating contact information for each MFP participant and preparing and submitting a file.

BURDEN 45 States x 1 hour x 4 quarters = 180 hours

The total burden calculation for Quality of Life Interviewing is \$480,158 annually (9,125 hours x \$52.62/hr). The total burden calculation for preparing and submitting the files is approximately \$9,472 annually (180 hours x \$52.62/hr).

Semi-Annual Progress Report

The grantees will submit progress reports on a semi-annual basis. We expect that it will take each grantee, 8 hours (for an Executive Administrative Assistant) to complete the first report, and then 4 hours (also for an Executive Administrative Assistant) to complete each subsequent report.

BURDEN 45 States x 8 hours = 360 hours for the first report

BURDEN 45 States x 4 hours x 2 each year = 360 hours for subsequent reports

$(360 + 360)/45 = 16 \text{ hr/State}$

The total burden calculation for collection is approximately \$18,547 for the development of the first report (approximately 360 hours x \$51.52/hr) and \$18,547 annually for the development of subsequent reports (approximately 360 hours x \$51.52/hr).

Summary of Annual Recordkeeping and Reporting Requirements

Reporting	Respondents	Responses (per Respondent)	Total Responses	Burden per Response (hours)	Total Annual Burden (hours)	Labor Cost of Reporting (\$/hr)**	Total Labor Cost (\$)
Operational Protocol	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Financial Forms – Annual	45	1	45	32	1440	51.52	74,189

Appendix F - Quarterly Financial Forms	45	4	180	6	1,080	51.52	55,642
<i>Finder File (1st)</i>	45	1	45	32	1,440	51.52	74,189
<i>Finder File (Subsequent)</i>		4	180	2	360		18,547
<i>Finder File (Subtotal)</i>		5	225	7 (avg 34/5)	360 (avg 1,800/5)	51.52	18,548 (92,736/5)
<i>Program Participation Data File (1st)</i>	45	1	45	40	1800	51.52	92,736
<i>Program Participation Data File (Subsequent)</i>		4	180	4	720		37,094
<i>Program Participation Data File (Subtotal)</i>		5	225	9 (avg 44/5)	504 (avg 2520/5)	51.52	25,966 (129,830/5)
<i>Services File (1st)</i>	45	1	45	48	2,160	51.52	111,283
<i>Services File (Subsequent)</i>		4	180	24	4,320		222,566
<i>Services File (Subtotal)</i>		5	225	14 (avg 72/5)	1,296 (avg 6,480/5)	51.52	66,770 (333,849/5)
<i>Quality of Life File (Interviews)</i>	45	608	27,360	20 min	9,120	52.62	479,894
<i>Quality of Life File (Administration)</i>		4	180	1	180		9,472
<i>Semi-Annual Progress Report (1st)</i>	45	1	45	8	360	51.52	18,547

Semi-Annual Progress Report (Subsequent)		2	90	4	360		18,547
Semi-Annual Progress Report (Subtotal)		3	135	4 (avg 12/3)	240 (avg 720/3)		12,365 (37,094/3)
TOTAL	45	--	28,575	--	14,220	--	742,846

*Average number of responses will vary by state based on the number of transitions annually.

**All activities are calculated using occupation code 43-6011(Executive Administrative Assistants) with the exception of Quality of Life activities which were calculated using occupation code 19-3022 (Survey Researchers)

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

A total Federal cost for review of all reports is estimated to be \$1,068,340 and since this is a 14 year project the annual cost for the Federal government is estimated to be **\$76,310**.

The Federal cost is based on the efforts expended by CMS staff, using the 2015 General Schedule (Base) Pay (http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2015/GS_h.pdf) to review the data submitted by the respondents. While the 2015 base rate for GS-13 Step 4 is \$38.54/hr, we are doubling that figure to \$77.08/hr to account for fringe benefits.

For review of the MFP Operational Protocol, we estimate \$55,498 for the Federal cost (45 respondents x 16 hours review per OP x hourly rate of a GS-13 Step 4 @ \$77.08). Annually, CMS staff financial reports, we estimate \$20,812 for the Federal Cost(45 respondents x 6 financial reports per year x 1 hour, hourly rate of a GS-13 Step 4@ \$77.08)

CMS has contracted for the national evaluation of the MFP program. The national evaluation will cost approximately \$13,756,546, over 8 years of which \$757,797 is allocated for the development of the MFP Quality of Life survey instrument, the development of training materials, the implementation of a “Train the Trainer” program, and the collection of the data. Data collection costs include data entry when a state elects to use a hardcopy version of the questionnaire.

Because grantees will conduct the MFP Quality of Life Survey, each state will receive \$100 for each completed questionnaire submitted to CMS. CMS

anticipates receiving approximately 282,981 completed questionnaires for a total payment to the states of \$28,298,100 over an 8 year period.

15. Program/Burden Changes

As of December 2014, CMS had awarded 45 MFP grants. In 2012, CMS awarded 3 MFP Grants, however, one grantee withdrew in 2013, thus, burden estimates are for 45 states and the District of Columbia instead of 47 states used in the last submission.

Costs have been adjusted to account for the most recent BLS hourly wage figures.

Additional adjustments that represent increased burden were made from the previous package for annual financial reporting forms that were inadvertently left out of the previous calculations and a reduction of burden associated with reporting multi-year numbers for Quality of Life surveys instead of annual numbers. There was also a reduction in burden associated with the reporting of nation evaluation data when adjustments for one time documents were addressed.

There have not been any program changes. Other than minor adjustments to calculations financial reporting forms to address the formula changes, all requirements, forms, instructions, respondent response times and response frequency, etc. are unchanged from the 2012 PRA package.

16. Publication and Tabulation Dates

The information included the MFP Finders File, MFP Services File, MFP Quality of Life survey, and semi-annual web-based reports will be summarized and analyzed by the national evaluation contractor. The contractor will report the results of their data analyses in three annual evaluation reports and a Report to Congress. The approximate due dates for the draft reports are as follows:

	Due Date
First Annual Evaluation Report	June 2010
Second Annual Evaluation Report	June 2011
Third Annual Evaluation Report	June 2012
Fourth Annual Evaluation Report	June 2013
Fifth Annual Evaluation Report	June 2014
Sixth Annual Evaluation Report	June 2015
Seven Annual Evaluation Report	June 2016
Final Report to Congress	September 2016

These reports will be released to the public only after they have been cleared for release by CMS.

17. Expiration Date

CMS does not oppose the display of the expiration date.

18. Certification Statement

There are no exceptions to the certification statement.

B COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

The MFP Quality of Life Survey will employ statistical methods.