Supporting Statement A for
MEDICARE/MEDICAID DEMONSTRATION/MODEL APPLICATION

A. Background

The Centers for Medicare & Medicaid Services (CMS) is requesting an extension of a currently approved collection (Medicare Waiver Demonstration/Model Application, OMB# 0938-0880) from the Office of Management and Budget under the Paperwork Reduction Act (PRA). The currently approved application is solicitations for proposals that are either congressionally mandated or Administration high priority demonstration initiatives which would be used to strengthen and modernize the Medicare and/or Medicaid programs. There were three solicitations made annually, 25 responses and a total of 75 proposal a year.

The standardized proposal format is not controversial and will reduce burden on applicants and reviewers. Responses are strictly voluntary. The standard format will enable CMS to select proposals that meet CMS objectives and show the best potential for success.

Demonstrations/models that will use the standard application format will test innovations that have proved to be successful in the private sector in improving quality and access and lowering health care costs. CMS will use Section 402 demonstration authority (authorized under P.L. 92-603) or alternative authority outlined in a statute by Congress to test these innovations.

Proposals are requested in identical format regardless of the focus of the demonstration. The solicitations will use the Medicare/Medicaid Demonstration/Model Application to request information about an applicant's organizational structure and management team; previous success in operating the model on which the demonstration is based; evidence that the model is likely to be successful in terms of health care quality, access and costs; and an implementation plan that covers all of the tasks required to operate the demonstration models. Proposals from all solicitations must be submitted in the user-friendly format outlined in the Medicare/Medicaid Demonstration Application.

Independent evaluators will use the submitted proposals to assess the success of these demonstration models in terms of health care quality, access and cost. Results will be used to guide the future of the Medicare and Medicaid programs and to inform reform initiatives.

The justifications provided below show that proposed collections for information pose minimal risk to the Agency, Administration and/or the Public.

B. Justification

1. Need and Legal Basis

A standard demonstration/model application is necessary for CMS to review, evaluate and screen for eligible participants in the demonstration. Selected participants would then implement the proposed demonstration to test new delivery systems and new payment models to assess the effectiveness of the models while improving healthcare quality, access and lower costs to Medicare and Medicaid beneficiaries. Some of the previously implemented demonstrations that have used the application include Nursing Home Value-Based Purchasing (NHVBP), and Multi-Payer Advanced Primary Care Practice (MAPCP).

The demonstrations/models will be undertaken under Section 402 demonstration authority or additional specific authority given to Secretary of HHS by the Congress.

2. Information Users

The collected information will be used by CMS' model team to assess proposals and select organizations that are qualified to participate in the demonstrations. All of the solicitations pertain to demonstrations that are new to the Medicare and/or Medicaid programs and therefore constitute collections of information that are new and distinct from each other.

This collection of information is strictly voluntary in nature. Only organizations (i.e. managed care organizations, providers, commercial health care vendors, etc.) that are interested in participating in the demonstrations will respond.

3. Improved Information Technology

The collection of information does not involve the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology. In light of the limited amount of information to be collected and the limited frequency of collection, the use of such techniques and technology are not warranted at this time.

4. Duplication of Similar Information

The collected information will be used by CMS to offer new models to the Medicare and/or Medicaid programs. CMS does not anticipate the occurrence of a duplication of effort or

information collected because all of the solicitations pertain to demonstrations that are new to the Medicare and/or Medicaid programs. As a precaution, CMS will implement an internal review process that will examine each solicitation to be disseminated and prevent internal duplication of effort.

5. Small Businesses

The collection of information will not affect small businesses or other small entities since these demonstrations are open to both large and small businesses who are established and are focused on improving the health and wellbeing of the Medicare and Medicaid beneficiaries. In some cases where large organizations are selected, they sometimes partner with small businesses to come on as subcontractors to perform certain tasks. The impact on small businesses are minimized by using small businesses as sub-contractors.

6. Less Frequent Collection

The information is to be collected on an as needed basis. If the information were collected less frequently, CMS would not be able to obtain the information necessary to implement the congressionally mandated or Administration Demonstration/Model Initiatives.

7. Special Circumstances

There are no special circumstances that fall under this section.

8. Federal Register Notice/Outside Consultation

The 60-day Federal Register notice published on November 7, 2016 (81 FR 81148). There were no public comments.

The 30-day Federal Register notice published on February 17, 2017 (82 FR 11037). There were no public comment.

9. Payments/Gifts to Respondents

There will be no payments or gifts to respondents for any of the collection of information.

10. Confidentiality

As a matter of policy to protect the proprietary information of applicants, CMS will prevent the disclosure of individually identifiable information contained in the applications to the fullest extent of the law. Any reports pertaining to the collected information by an independent evaluator will be in aggregate and anonymous form.

11. Sensitive Questions

Other than the proprietary information noted above in section 10, there are no sensitive questions included in the information request.

12. Burden Estimate (Total Hours and Wages)

The total annual estimated public cost is $556,920 for all demonstrations, assuming an estimated response time for each proposal of 80 hours, a total of 75 respondents to all demonstration solicitations, and salaries of the respondents (a Health Service Manager - $46.41/hr.) to be $92.82 per hour – including fringe benefits (https://www.bls.gov/ooh/management/medical-and-health-services-managers.htm. The annual burden hours are estimated to be a total of 6,000 hours.

13. Capital Costs (Maintenance of Capital Costs)

There are no capital costs required for the collection of information.

14. Cost to Federal Government

The total direct salary cost to the government per demonstration is $54,696 assuming an estimated 30 senior level CMS staff involved in the review for 40 hours for a total of 1,200 hours and an hourly rate of $45.58 (GS 13).

15. Changes to Burden

There is no increase in the annual burden hours. There is an increase in the cost due to the 100% increase in wage in order to include fringe benefits.

16. Publication and Tabulation Dates

There are no publication and tabulation dates.

17. Expiration Date

CMS will display the expiration date.

18. Certification Statement

There are no exceptions to the certification statement.

C. Collection of Information Employing Statistical Methods

No statistical methods will be employed.