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 #9 Application for Section 1915(b)(4) Waiver - Fee For Service Selective Contracting Program

October 2017

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

Section 1915(b)(4) permits State Medicaid agencies, under certain circumstances, to contract with a limited number of providers to deliver services covered under the State Plan in order to improve the efficiency of the State's purchasing. This section offers States an opportunity to request that CMS waive the "freedom of choice of provider" requirement of Medicaid law, departing from the usual obligation in fee-for-service delivery systems to enroll "any willing provider" of a given State Plan service. Interest in selective contracting waivers has increased in recent years as States seek ways to control their health care expenditures, while improving the quality and value of services delivered to Medicaid beneficiaries. The draft §1915(b) waiver preprint application in use since 2005 has been viewed by States as administratively burdensome and cited as a significant barrier to States' utilization of value-based selective contracting strategies.

CMS has begun to modularize and streamline the §1915(b) waiver application, eventually making it possible for a State to request, in an economical and simplified fashion, the precise type of §1915(b) waiver it seeks. This modularization will result in shorter, separate applications, custom-tailored for each of the §1915(b) sub-authorities. The new modular §1915(b) preprints will remove unnecessary or duplicative questions, and allow the State to focus its waiver application, assurances and data submission on the specific Federal questions pertinent to the type of waiver sought. This will include revised cost-effectiveness tests geared towards the specific sub-authorities. First in this new set of streamlined, modular §1915(b) waiver applications is the attached (b)(4) preprint, for use when a State wishes to contract with a limited number of Medicaid providers to deliver particular State Plan services on a fee-for-service basis.

CMS is requesting to collect information regarding the cost-effectiveness and efficiency of a State's proposed fee-for-service selective contracting waivers requested under Section 1915(b)(4) of the Social Security Act. This information is necessary to determine whether the proposed program meets the requirements in Section 1915(b) of the Social Security Act in order to secure the Secretary's approval.

C. Deviations from Generic Request

No deviations are requested.

D. Burden Hour Deduction
The total approved burden ceiling of the generic ICR is 86,240 hours, and CMS previously requested to use 11,220 hours, leaving our burden ceiling at 75,020 hours. CMS estimates that each State will complete the collection of data and submission to CMS within 40 hours. There is a potential universe of 56 respondents, so the total burden deducted from the total for this request is 2,240 hours.

Wage Estimate

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2016 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 ($/hr)**	**Fringe Benefit ($/hr)**	**Adjusted Hourly Wage ($/hr)**
Business Operations Specialist	13-1199	35.33	35.33	70.66

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.

In aggregate, we estimate 2,240 hours (56 responses x 40 hours) at a cost of $158,278.40 (2,240 hrs x $70.66/hr).

Attachments

The following attachment is provided for this information collection:

Attachment A – Application for Section 1915(b)(4) Waiver - Fee For Service Selective Contracting Program

E. Timeline
Not applicable. This is an extension (without change) of a currently approved GenIC.