

# **Generic Supporting Statement (December 2017)**

Generic Clearance for Medicaid and CHIP State Plan, Waiver, and Program Submissions  
(CMS-10398, OMB 0938-1148)

**Information Collection # 53**

**Section 1115 Substance Use Disorder (SUD) Demonstration:  
Guide for Developing Implementation Plan Protocols**

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.

In accordance, the attached template is meant to assist states that are developing an implementation plan for applications for new section 1115 substance use disorder (SUD) demonstration projects pursuant to the State Medicaid Directors' letter #17-003 issued on November 1, 2017, "Strategies to Address the Opioid Epidemic".

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

We anticipate 49 state or U.S. territory Medicaid agency respondents. The attached template is meant to assist states that are developing an implementation plan for applications for a new section 1115 substance use disorder (SUD) demonstrations.

States have the option of submitting their implementation plan as part of their application or as a post-approval protocol. If a state chooses to use a post-approval protocol, the timeframe for submitting the protocol will be specified in the Special Terms and Conditions (STCs) agreement between CMS and the state.

Respondents (State Medicaid Agencies) will manually populate the necessary data fields and submit to CMS project officer electronically via email. There are no other documents provided to respondents. The collected information will help states ensure demonstration implementation plans meet CMS goals and milestones; and facilitate an efficient review process.

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

No deviations are requested.

## **D. Burden Hour Deduction**

### *Wage Estimates*

To derive average costs, we are using 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](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 and overhead (calculated at 100 percent of salary), and the adjusted hourly wage.

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefits and Overhead (\$/hr)	Adjusted Hourly Wage (\$/hr)
Database Administrator	15-1141	41.89	41.89	83.78
Health Services Manager	11-9111	52.58	52.58	105.16
Management Analyst	13-1111	44.19	44.19	88.38

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 (Time and Cost) Estimates*

Each state/territory must have an implementation plan that meet the section 1115 SUD demonstration goals and milestones established by CMS aimed at improving quality, accessibility, and outcomes of SUD treatment services in the most cost-effective manner; and details plans for improving the state’s SUD Health Information Technology (IT) infrastructure to enhance the state’s prescription drug monitoring program (PDMP). The burden is associated with completing the template provided to states/territories by CMS to assist in this effort.

We estimate potentially 49 states/territories and 8 hours at \$88.38/hr for a management analyst to fill in the necessary information in the implementation plan template. We also estimate it will take 4 hours at \$83.78/hr for a database administrator to provide relevant details of the respective state/territory’s plan to improve Health IT infrastructure. Last, we estimate it will take 4 hours at \$105.16/hr for a health services manager to review, provide feedback, approve and submit the implementation plan document to CMS.

In aggregate, we estimate a one-time state/territory burden of 784 hr (49 states x 16 hr/response) at a cost of \$71,677.20 [49 states x ((8 hr x \$88.38/hr) + (4 hr x \$83.78/hr) + (4 hr x \$105.16/hr))] or \$1,462.80 per state (\$71,677.20/49 states).

#### *Information Collection Instruments and Instruction/Guidance Documents*

- (1) Section 1115 Substance Use Disorder (SUD) Demonstration: Guide for Developing Implementation Plan Protocols - A template and guidelines for developing SUD section 1115 demonstration implementation plans for states.
- (2) CMS SMD Letter (November 1, 2017) - details goals, milestones and requirements for implementing new SUD section 1115 demonstrations.

### *Forthcoming Information Collection Instruments and Instruction/Guidance Documents*

In addition to the implementation plan requirements, the November 1, 2017, SMD letter triggers the following SUD-related requirements whose burden will be furnished to OMB for approval (user this 0938-1148 control number) when ready.

- (1) Section 1115 SUD Demonstration Monitoring Protocol
- (2) Section 1115 SUD Demonstration Financial Reporting/Budget Neutrality Template
- (3) Section 1115 SUD Demonstration Metrics
- (4) Section 1115 SUD Demonstration Evaluation Design Template

### **E. Timeline**

The plan will be posted on the state's website and our website.