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 #11 MAGI-Based Eligibility Verification Plan

March 30, 2020

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.

States may construct their verification policies and procedures from certain options in existing regulatory authority in 42 CFR 435.940 through 960 to verify factors of eligibility for enrollment in Medicaid and CHIP. To help the state efficiently and effectively complete verifications under an emergency, such as the current COVID-19 public health emergency, states may choose a different set of options under these existing authority. States must notify CMS of certain updates to its verification plan and processes. CMS has created a simplified verification plan template addendum for states to indicate these changes to CMS without requiring the state to update its verification plan used in periods of non-emergency.

B. Description of Information Collection

Regulations at 42 CFR 435.945(j) and 457.380(j), require states to develop, and update as modified, a verification plan describing the verification policies and procedures adopted by the agency in accordance with §§435.940-435.965, and 457.380. The attached verification plan template is for states to describe their verification policies and procedures for individuals whose eligibility is based on Modified Adjusted Gross Income (MAGI). States may use one template for both Medicaid and separate CHIP programs if the verification policies and procedures are the same. If they are different, the State should submit two separate verification plans.

In an effort to assist states with addressing the COVID-19 public health emergency, the Centers for Medicare & Medicaid Services (CMS) has developed the attached two-page addendum to the existing Medicaid and CHIP verification plan template. The addendum includes checkboxes and fill-in-the-blanks for the state to identify which verification options, under existing authority in 42 CFR 435.940-960, the state is using to help effectively and efficiently process eligibility verifications during the emergency. This addendum allows states to only identify changes that it is implementing only for the current, and, if the state chooses, future emergencies and will not require the state to amend its main verification plan template during and after the emergency ends. Use of the addendum will allow for a smooth transition to these existing policies once the emergency period has ended. If the state chooses to use the addendum for a future emergency,

the state will need to notify CMS of activation of the plan at the point in time of a future emergency.

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 77,802 hours, leaving our burden ceiling at 76,302 hours.

Wage Estimate

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2018 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	37.00	37.00	74.00
Health Services Manager	11-9111	54.68	54.68	109.36

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 Estimates

Current Burden

Currently, OMB has approved 2,240 hours (56 respondents x 40 hours/response). We estimate that it would take a Business Operations Specialist 40 hours to complete one response for a cost

of $2,960 (40 hours x $74.00) per response. There is a potential universe of 56 respondents. In aggregate, we estimate 2,240 hours (56 responses x 40 hours) at a cost of $165,760.00 (2,240 hrs x $74.00/hr).

New Burden

We estimate it would take a Business Operations Specialist 30 minutes ($37.00) and a Health Services Manager 15 minutes ($27.34) to update and submit their verification plan addendum to CMS for a cost of $64.34 (.5 hours x $74.00 + .25 hours x $109.36) per response. In aggregate, we estimate a one-time burden of 38.25 hours (50 states plus the District of Columbia x .75 hr/state) at a cost of $3,281.34 ([51 states x .5 hr/state x $74.00/hr = $1,887.00] + [51 x .25/state x $109.36/hr = $1,393.34]). Taking into account the federal contribution to Medicaid and CHIP program administration, the estimate state share would be $1,640.67 ($3,281.34 x 0.50).

E. Timeline

CMS hopes to deploy this collection in January 2013.

The following attachments are provided for this information collection:

Attachment A – Verification Plan Template

CMS hopes to deploy this addendum on March 30, 2020.

Attachment B – Verification Plan Template Addendum