

**Supporting Statement Part A**  
**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.

States will submit semi-annual progress reports to help CMS monitor the progress of program implementation at the grantee level.

In this 2018 reinstatement the MFP National Evaluation and corresponding data collection activities have concluded and are reflected accordingly (minus 11,460 hours). We have also adjusted our burden based on the withdrawal of one grantee from the MFP Program (plus 408 hours). Overall, our time estimate has decreased by -11,052 hours to 3,168 hours (total).

## **A. 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.

### **2. Information Users**

State Operational Protocols should provide enough information such 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 semi-annual progress reports will be used by CMS to monitor program implementation at the grantee level.

### **3. Improved Information Technology**

The Operational Protocol template is available in electronic format and has been posted on a Technical Assistance website for grantees. States may submit the Operational Protocol and financial forms via email.

The semi-annual progress reports will be submitted to CMS via a fillable pdf.

### **4. Duplication/Similar Information**

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

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.

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 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 that would require an information collection to be conducted in a manner that requires respondents to:

- Report information to the agency more often than quarterly;
- Prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Submit more than an original and two copies of any document;
- Retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- Collect data in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study,
- Use a statistical data classification that has not been reviewed and approved by OMB;
- Include a pledge of confidentiality that is not supported by authority established in statute or regulation that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- Submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

8. Federal Register Notice

The 60-day notice published in the Federal Register on March 26, 2018 (83 FR 12951). 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. 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

There are no sensitive questions associated with this collection. Specifically, the collection does not solicit questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

12. Burden Estimates (Hours)

*Wage Estimates*

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2017 National Occupational Employment and Wage Estimates for all salary estimates (<https://www.bls.gov/oes/current/oes436011.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 Benefits and Overhead (\$/hr)	Adjusted Hourly Wage (\$/hr)
Executive Secretaries and Executive Administrative Assistants	43-6011	28.56	28.56	57.12

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. We believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

*Information Collection Requirements and Burden*

As of March 2018, CMS had awarded 44 MFP demonstration grants consisting of 43 states and the District of Columbia.

Financial Forms for Existing Grantees

**Maintenance of Effort Form** We estimate it would take 32 hours at \$57.12/hr for an executive administrative assistant to complete the Maintenance of Effort form. In aggregate, we estimate an annual burden of 1,408 hours (44 states x 32 hr) at a cost of \$78,397 (1,408 hr x \$57.12/hr).

Form(s) include:

Financial\_Forms\_for\_Existing\_Grantees\_12-08-14 (2018\_1)

**Quarterly Financial Forms** We estimate it would take 24 hours at \$57.12/hr for an executive administrative assistant to collect the quarterly financial information and have this information readily available to complete the MFP Financial Reporting Forms ABCD. In aggregate, we estimate an annual burden of 1,056 hours (44 states x 6 hr x 4 quarters) at a cost of \$58,798 (1,056 hr x \$57.12/hr).

Please note Appendix F forms (namely, CMS-64.9i, CMS-64.9pi, CMS-64.10i, and CMS-64.10pi) are required under this CMS-10249 information collection request but, to avoid duplication, we are not setting out such burden since it is a subset of the lines required under CMS-64 (as approved under CMS-10529 and OMB control number 0938-1265).

Form(s) include:

MFP\_Financial\_Reporting\_FormsABCD 09-06-2018

Appendix F 508 comp 12.08.14 (2018\_1)

**Semi-Annual Progress Report** Grantees will submit progress reports on a semi-annual basis. We expect that it will take each grantee, 8 hours at \$57.12/hr for an executive administrative assistant to complete the first report, and then 4 hours to complete each subsequent report.

For the first report, we estimate an annual burden of 352 hours (44 states x 8 hr) at a cost of \$20,106 (352 hr x \$57.12/hr).

For subsequent reports, we estimate an annual burden of 352 hours (44 states x 4 hr/report x 2 reports/year) at a cost of \$20,106 (352 hr x \$57.12/hr).

In aggregate, we estimate an annual burden of 704 hours at a cost of \$40,212.

Form(s) include:

MFP\_Final\_06SEP17 (2018\_1)

MFP\_Semi-Annual\_Progress\_RPT\_Help\_File (2018\_1)

Additional\_Benchmark\_Addendum\_Final (2018\_1)

*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 (\$)
Maintenance of Effort Forms (annual)	44	1	44	32	1,408	57.12	78,397
Appendix F - Quarterly Financial Forms	44	4	176	6	1,056	57.12	58,798
Semi-Annual Progress Report (1 <sup>st</sup> )	44	1	44	8	352	57.12	20,106
Semi-Annual Progress Report (subsequent)		2	88	4	352		20,106
<b>TOTAL</b>	<b>44</b>	<b>8</b>	<b>352</b>	<b>varies</b>	<b>3,168</b>	<b>--</b>	<b>177,407</b>

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

### 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 2018 General Schedule (Base) Pay ([https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2018/GS\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2018/GS_h.pdf)) to review the data submitted by the respondents. While the 2018 base rate for GS-13 Step 4 is \$39.86/hr, we are doubling that figure to \$79.72/hr to account for fringe benefits.

For review of the MFP Operational Protocol, we estimate \$56,123 for the Federal cost (44 respondents x 16 hours review per OP x hourly rate of a GS-13 Step 4 @ \$79.72/hr). Annually, CMS staff financial reports, we estimate \$21,046 for the Federal Cost (44 respondents x 6 financial reports per year x 1 hour, hourly rate of a GS-13 Step 4 @ \$79.72/hr)

15. Program/Burden Changes

Program Change The MFP National Evaluation and corresponding data collection activities have concluded and are reflected accordingly.

Reporting (2015 Package Iteration)	Respondents	Responses (per Respondent)	Total Responses	Burden per Response (hours)	Total Annual Burden (hours)
Finder File (1 <sup>st</sup> )	45	1	45	32	288 (1,440/5 yr)
Finder File (Subsequent)		4	180	2	72 (360/5 yr)
Program Participation Data File (1 <sup>st</sup> )	45	1	45	40	360 (1,800/5 yr)
Program Participation Data File (Subsequent)		4	180	4	144 (720/5 yr)
Services File (1 <sup>st</sup> )	45	1	45	48	432 (2,160/5 yr)
Services File (Subsequent)		4	180	24	864 (4,320/5 yr)
Quality of Life File (Interviews)	45	608	27,360	20 min	9,120
Quality of Life File (Administration)		4	180	1	180
<b>TOTAL</b>	<b>45</b>	<b>--</b>	<b>(28,215)</b>	<b>--</b>	<b>(11,460)</b>

Burden Adjustment As of March 2018, CMS had awarded 44 MFP grants. In 2016, one grantee withdrew from the MFP Program. Thus, burden estimates are for 43 states and the District of Columbia instead of 45 states used in the last submission.

Reporting	2015 Iteration	2018 Iteration	Difference
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	Respondents	Total Responses	Burden per Response (hours)	Total Annual Burden (hours)	Respondents	Total Annual Burden (hours)	Total Annual Burden (hours)
Financial Forms – Annual	45	45	32	1,440	44	1,408	(32)
Appendix F - Quarterly Financial Forms	45	180	6	1,080	44	1,056	(24)
<i>Semi-Annual Progress Report (1<sup>st</sup>)</i>	45	45	8	120 (360/3 yr)	44	352	232
<i>Semi-Annual Progress Report (Subsequent)</i>		90	4	120 (360/3 yr)		352	232
<b>TOTAL</b>	<b>45</b>	<b>28,575</b>	<b>Varies</b>	<b>2,760</b>	<b>44</b>	<b>3,168</b>	<b>408</b>

Burden Reconciliation

14,220 hours            2015 Package Iteration  
(11,460) hours        2018 Package Iteration (Program Change)  
408 hours            2018 Package Iteration (Burden Adjustment)  
3,168 hours            2018 Package Iteration

16. Publication and Tabulation Dates

N/A

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**



This question is no longer applicable as the survey is no longer needed.