SUPPORTING STATEMENT A

State Data for the Medicare Modernization Act (MMA)
CMS-10143 (OMB 0938-0958)

Inquiries regarding this request to:
Medicare-Medicaid Coordination Office
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Background

Since 2005, states have submitted "MMA" files[1] to CMS to identify all dual eligible beneficiaries. This includes full benefit dual eligible beneficiaries and partial benefit dual eligible beneficiaries (i.e., those who get Medicaid help with Medicare premiums, and often for cost-sharing). The file is called the "MMA file" (after the Medicare Prescription Drug Improvement and Modernization Act of 2003), but occasionally referred to as the "state phasedown file."

The monthly files support the following program needs for CMS:

- auto-enroll full benefit dual eligible beneficiaries into Medicare drug plans;
- deem full and partial benefit dual eligible beneficiaries automatically eligible for the Medicare Part D Low Income Subsidy (LIS);
- determine monthly phase-down payment amounts due from states;
- risk-adjust capitation payments to Medicare Advantage plans; and
- in Original Medicare, identifying Qualified Medicare Beneficiary (QMB) status to alert those individuals and the providers who serve them that they are not liable for Medicare cost-sharing for Medicare Parts A and B services.

States must submit at least one file each month. However, states have the option to submit multiple MMA files throughout the month (up to one per day). Most states submit at least weekly, and CMS encourages states to submit as frequently as possible. States that submit multiple times per month submit a large initial file including the bulk of enrollments for the reporting month, then smaller incremental files providing updates for changes in dual eligibility status (additions, deletions, or changes.) As each State submits a file to CMS it goes through an automated process with internal controls in place related to file submittals or issues. The submission of the file triggers the beginning of the automated process.

Section 103(a)(2)[2] of the MMA addresses the phased-down state contribution (PDSC) process for the Medicare program. The PDSC is a partial recoupment from the states of ongoing Medicaid drug costs for dual eligible beneficiaries assumed by Medicare under the MMA, which absent the MMA would have been paid for by the states.

OMB approval would enable states to fulfill the reporting of the dual eligible beneficiaries on a monthly basis necessary to satisfy the provisions; to support Part D subsidy determinations and auto-assignment of individuals to Part D plans; to support accurate payment in Part C; and to support beneficiary protections in Parts A and B.

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[1] Named for the Medicare Modernization Act of 2003, which created the Part D benefit and necessitated CMS have timely notification of dual status to auto-enroll beneficiaries into drug plans, deem them for the Part D low income subsidy, and calculate the state phasedown payment. The timeliness and quality of the data are such that Medicare data is used for Medicare Advantage risk adjustment, and most recently, to notify providers and beneficiaries of Qualified Medicare Beneficiary status in fee for service to prevent inappropriate billing of Medicare A/B cost-sharing.

[2] https://www.gpo.gov/fdsys/pkg/PLAW-108publ173/pdf/PLAW-108publ173.pdf

This 2018 iteration proposes a burden adjustment (or decrease) due to automated processes with internal controls in place reports are generated related to file submittals or issues. Manual intervention is minimal.

The data dictionary has been revised. The changes are non-substantive and have no impact on our currently approved burden estimates. The crosswalk represents the updates/changes between the 2015 and the 2018 versions for Sections 4 thru 7 pertaining to the MMA file.

Changes were made to applicable fields to conform to the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015 to replace the current SSN-based Health Insurance Claim Number (HCIN) with the new Medicare Beneficiary Identifier (MBI). The social security number justification is no longer required.

A. Justification

1. Need and Legal Basis

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) requires CMS to calculate the payment rates for the Phased-Down State Contribution (PDSC) to Part D each year using the latest available National Health Expenditure (NHE) estimates of per capita drug expenditure growth for the period 2003 to 2006, combined with the annual percentage increase (API) in average per capita aggregate Part D expenditures for 2007 and later years, as defined in section 1860D-2(b)(6) of the Social Security Act [3].

The MMA intends to relieve the cost states pay for prescription drugs for dual eligible beneficiaries. While reducing states cost for prescription drugs for dual eligible beneficiaries the Act specifically requires states to contribute to the total prescription drug cost covered by Medicare.

If CMS did not collect the information on this file from states on at least a monthly basis, there would be negative impacts on CMS, dually eligible beneficiaries, Medicare Advantage plans, and providers. While states send other data files to CMS with dual status, no other data exchange has dual status that is as timely or complete, i.e., that could fulfill the needs met by the MMA file. The most immediate impact would be a funding shortfall for the Medicare Part D program, as CMS relies on states contributing to the cost of the program for this population. In addition, CMS would not be able to fulfill its statutory obligations to automatically enroll these individuals in Medicare drug plans, nor deem them automatically eligible for the low income subsidy for Part D premiums, deductibles, and copayments In Medicare Part C, CMS would not be able to fulfill requirements to pay Medicare Advantage plans accurately, i.e., to risk adjust monthly capitation rates for their dual eligible enrollees. Finally, in Original Medicare (Medicare Parts A and B), CMS would not be able to implement systems changes that will be in place July, 2018, to inform both providers and the 7.5 million individuals who are in the Qualified Medicare Beneficiary program (a subset of the 11.7 dually eligible population) of these individuals lack of Medicare cost-sharing liability, to support complying with the statutory prohibition on providers billing these individuals for those costs.

2. Information Users

3 **https://www.ssa.gov/OP_Home/ssact/title18/1860D-02.htm**

The monthly data file is provided to CMS by states on dual eligible beneficiaries. The phase-down process requires a monthly count of all full benefit dual eligible beneficiaries with an active Part D plan enrollment in the month. CMS will make this selection of records using dual eligibility status codes contained in the person-month record to identify all full-benefit dual eligible beneficiaries (codes 02, 04 and 08). In the case where in a given month, multiple records were submitted for the same beneficiary in multiple file submittals, the last record submitted for that beneficiary shall be used to determine the final effect on the phase-down count.

3. Use of Information Technology

The data files will be created electronically from each state eligibility system and transferred electronically using: Managed File Transfer (MFT) Internet Server MFT Platform, Connect:Direct, Gentran or Cyberfusion infrastructure.

4. Duplication of Effort

There is no duplication of effort or information associated with this request. The Medicaid eligibility data are submitted to CMS through the Transformed Medicaid Statistical Information System (T-MSIS) on a monthly basis within three weeks after the ends of the month; those files are not timely enough for the purposes for which we require the MMA file submission. States do submit files at least monthly to pay for the Medicare Part B premium for many – but not all -- dually eligible beneficiaries; those files' data are not complete enough for the purposes for which we require MMA file submission.

5. Small Business

This information collection affects state staff only and does not impact any small businesses or other small entities.

6. Less Frequent Collection

In order to comply with the MMA and regulatory requirements, these data must be reported at least monthly. States have the option to submit multiple MMA files throughout the month (up to one per day). Most states submit at least weekly, and CMS encourages states to submit as frequently as possible.

7. Special Circumstances

This information collection must be conducted more often than quarterly; i.e., monthly, to conform to the requirements outlined in the MMA legislation. Otherwise, there are no special circumstances that would require an information collection to be conducted in a manner that requires respondents to:

- 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/Outside Consultation

Federal Register

The 60-day notice published in the Federal Register on April 20, 2018 (83 FR 17554). We did not receive any comments.

Outside Consultation

After the passage of the MMA, CMS staff developed the methodology of the state phase-down computation with the help of retained actuarial consultants. In addition, CMS consulted a workgroup of state representatives and worked with experts in Medicaid and Medicaid Statistical Information System (MSIS) data to address stakeholder concerns. The CMS Office of the Actuary continues to validate the methodology and resulting rate calculations. These rates are made available by CMS in advance of changes, in accordance to federal regulation.

9. Payments/Gifts to Respondents

CMS provides no payments or gifts to states responding to this data collection. The primary benefit of participation is an accurate assessment of all dually eligible beneficiaries.

10. Confidentiality

The data collected on this file are added to the existing Medicare Beneficiary Database (MBD). Provisions of the Privacy Act apply and are strictly enforced. No personally identifiable information (PII) is shared without appropriate system of records protections and data use agreements.

11. Sensitive Questions

This request contains only information on dual eligible enrollment. The data reported are already stored in states' eligibility systems.

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. Estimate of Burden (Hours and Wages)

Wage Estimate

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. 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)
Computer Support Specialist (production support)	15-1151	26.03	26.03	52.06
Medical and Health Services Manager	11-9111	53.69	53.69	107.38

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

Burden (Maintenance Only)

The following shows a detailed summary of the reporting burden associated with this request.
The process is an automated process with internal controls in place related to file submittals or issues. Therefore, the burden hours were reduced from the ten to eight.

Number of respondents	Frequency of response	Burden hours	Total hours
51	Monthly	8	4,896

*Total hours = #respondents*burden hours*12 months*

Estimated cost for a state to manage the submission of the monthly files:

Estimated average cost = $**1,276** per response
(total adjusted hourly wage $$159.44/hr * 8 hours)

Estimated cumulative estimate = **$780,618.**
(total adjusted hourly wage $159.44/hr * 4,896 hours)

Information Collection Instruments, Instructions and Guidance Documents

The MAPD State User Guide, includes information about the MARx UI system and data files that are exchanged between the States and CMS to submit the monthly dual-eligible enrollment, and to request eligibility, entitlement, and enrollment information.

https://www.cms.gov/Research-Statistics-Data-and-Systems/CMS-Information-Technology/mapdhelpdesk/Downloads/MAPD-State-User-Guide-Version-60.pdf

13. Capital Costs

There are no capital costs associated with this information collection.

14. Cost to Federal Government

Previous iterations indicated no burden to the federal government. However, there is a CMS contract in place to support this file and it supports internal CMS users as well as states.

The annual cost to the federal government for this information collection is estimated as $648,480. These estimates are based upon costs for administrative expenses performed by a CMS contractor.

15. Changes to Burden

This 2018 iteration proposes a burden adjustment (per response from 10 to 8 hours) due to automated processes with internal controls in place reports are generated related to file submittals or issues. As a result the total burden is reduced from 6,120 to 4,896 hours. Manual intervention is minimal.

The data dictionary has been revised. The changes are non-substantive and have no impact on our currently approved burden estimates. The crosswalk represents the updates/changes between the 2015 and the 2018 versions for Sections 4 thru 7 pertaining to the MMA file.

Changes were made to applicable fields to conform to the Medicare Access and CHIP Reauthorization Act (MACRA) of 2015 to replace the current SSN-based Health Insurance Claim Number (HCIN) with the new Medicare Beneficiary Identifier (MBI). The social security number justification is no longer required.

16. Publication/Tabulation Dates

The monthly data for individuals who are dual eligible beneficiaries will be used solely for determining the phased-down state contribution amount, to support subsidy determinations and auto-assignment, to support risk adjustment for payment to Medicare Advantage plans, and to support prohibition on providers billing Qualified Medicare Beneficiaries for Medicare Parts A/B cost-sharing. Statistical reports will be published from the data. The data from this information collection will be published in the MMCO factsheet.

17. Expiration Date

This collection displays the expiration date in the attached State User Guide.

18. Certification Statement

There are no exceptions to the certification statement identified in Item 19 of the OMB Form 83-I, "Certification for Paperwork Reduction Act Submissions."

B. Collections of Information Employing Statistical Methods

The information collection requirements do not employ statistical sampling methods. Any sampling would compromise the quality of the data collected.