

SUPPORTING STATEMENT, PART A

Transformed – Medicaid Statistical Information System (T-MSIS)

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T-MSIS

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BACKGROUND

From 1972 until December 1998, CMS required the annual submission of Medicaid program data in hard-copy format from all States and territories that operate Medicaid programs under Title XIX of the Social Security Act. In 1984 CMS offered states the option to submit enrollment and claims data electronically through the Medicaid and CHIP Statistical Information System (MSIS).

Since January 1999, the Balanced Budget Act of 1997 (BBA) has required states to submit their Medicaid data through MSIS. The statutory requirement for a national database provided an impetus for CMS to make a number of significant changes to improve the quality of the data reported starting with fiscal year 1999. Section 6504 of the Affordable Care Act strengthened the provision by requiring states to include data elements the secretary determines necessary for program integrity, program oversight and administration.

With the on-going changes to the national health care environment, the Centers for Medicare & Medicaid Services (CMS) has made significant investments to meet the organizational and information technology (IT) infrastructure to adequately represent CMS' role in the healthcare marketplace. T-MSIS is a critical data and systems component of the CMS Medicaid and CHIP Business Information Solution (MACBIS).

CMS has been working with states to transform the now decommissioned MSIS system, which was used to collect utilization and claims data as well as other key Medicaid and CHIP program information., As of January 2019, 51 states (includes DC), 2 entities (Iowa CHIP and Pennsylvania CHIP) and 2 territories (Puerto Rico and Virgin Islands) are in production and submitting monthly (100%) data through T-MSIS; 2 entities (Montana Third Party Administrator and Wyoming CHIP) are working towards their first production submission

Current Data Collection Environment

Medicaid Statistical Information is reported via the T-MSIS. States submit all claims and eligibility data contained in the States' Medicaid Management Information System (MMIS) and ancillary systems. After an automated data edit process and a data quality review performed by CMS contractors, CMS inputs the granular data into a national database. Eight data files are submitted each month, over 1,000 files flow into CMS a year.

T-MSIS has identified data elements and file structures for eight T-MSIS files: provider, managed care plans, third party liability, eligibility, inpatient, outpatient, prescription, and long term care.

Current Data Dissemination Environment

The Medicaid and CHIP Business Solution (MACBIS) which include T-MSIS replaced the now decommissioned MSIS. T-MSIS modernizes and enhances the way states will submit operational data about beneficiaries, providers, claims, and encounters and will be the foundation

of a robust state and national analytic data infrastructure. T-MSIS is hosted in the cloud.

T-MSIS data are reviewed through two data quality methods. The first is the T-MSIS system business rules review, performed for each monthly data submission by the state, which displays the results of the basic edits and identifies the obvious errors as the data are processed. These errors are accessible to states through the T-MSIS operational dashboard. States are expected to proactively and continuously address errors identified by the system business rules review. The second method reviews each state's data through inferential validation. Inferential validation looks at patterns in each state's data and identifies "warnings" where data elements fall outside of a normal range. CMS is sharing these data quality results with states during meetings as part of its ongoing data quality monitoring efforts and expects states to make corrections to address identified issues.

Improvements Needed in Medicaid Statistical Reporting

As the Medicaid program has become more complex and Medicaid expenditures consume a greater proportion of State and Federal budgets, improvements in quality, detail, and timeliness of Medicaid statistical reporting have been required. T-MSIS addresses these issues.

The enhanced data from T-MSIS supports improved program and financial management, provides for more robust evaluations of demonstration programs, enhances the ability to identify potential fraud, improve program efficiency, and reduces the number of duplicative data requests from states.

Quality: CMS has shifted its T-MSIS efforts to assessing and improving the quality of T-MSIS data. The August 10, 2018, [State Health Official \(SHO\)](#) letter informs states and other stakeholders about steps CMS plans to take to assess, improve, and maintain T-MSIS data quality, our priorities for data quality, and how we and other stakeholders will begin to make use of T-MSIS data.

The success of the T-MSIS hinges on the reliability of the data for making informed decisions. Before states were approved to submit T-MSIS data in production, their files underwent operational readiness testing to determine if the files were sufficiently complete and reliable. States also have access to the T-MSIS operations dashboard, which allows states to monitor T-MSIS file processing. Once in production, states can use the T-MSIS operations dashboard to check for and address T-MSIS data submission errors.

Detail: T-MSIS' expanded data collection now includes: Provider Demographics, Managed Care plan data, and Third Party Liability information. Furthermore, additional elements were added to existing eligibility and claims files.

Timeliness: T-MSIS data is submitted monthly. Monthly submissions will enhance the early detection of problems and current trending of data.

A. JUSTIFICATION

(1) Need/Legal Basis

States have already increased their data submission frequency from quarterly to monthly under the authority determined by the Secretary of Health and Human Services and based on legislative authority given via The Medicaid Data Reporting Requirements found at the Social Security Act § 1903(r)(1)(F) as added by the Balanced Budget Act of 1997, P.L. 105-33 § 4753(a)(1), and amended by the ACA, P.L. 111-148 § 6504, to include data elements the Secretary determines are necessary for program integrity, oversight, and administration.

The transition of data submission frequency from quarterly to monthly greatly enhances the ability of CMS to perform its program integrity, oversight, and administration functions with greater accuracy, flexibility, and responsiveness, and also greatly improves the ability of CMS partners dependent on the collected data to perform their business functions.

Medicaid and CHIP Business Information Solutions (MACBIS) is a CMS enterprise-wide initiative to ensure the Agency's infrastructure and technology are commensurate to its role in the evolving health care marketplace. In response to the Health Care reform CMS has designed a "transformed" Medicaid and CHIP data enterprise (MACDE) that will ensure CMS and State obligations for high performing Medicaid and CHIP programs.

The Medicaid program is of critical importance to American society. It is the largest health program as measured by enrollment and represents one-sixth of the national health economy. Medicaid expenditures are estimated to have increased 4.3 percent to \$575.9 billion in 2016 with Federal expenditures having grown an estimated 4.5 percent to \$363.4 billion.

Over the next 10 years, expenditures are projected to increase at an average annual rate of 5.7 percent and to reach \$957.5 billion by 2025. Like other projections of future health care costs and coverage, these projections are subject to uncertainty. However, having timely data (monthly submissions) from states increase consistency and quality of T-MSIS data. Having consistent and high quality data will improve informed decision-making by Medicaid state and federal officials.

(2) Information Users

The data reported in T-MSIS are used by Federal, State, and local officials, as well as by private researchers and corporations to monitor past and projected future trends in the Medicaid program. These data provide the only national level information available on enrollees, beneficiaries, and expenditures. They also provide the only national level information available on Medicaid utilization. This information is the basis for analyses and for cost savings estimates for the Department's cost sharing legislative initiatives to Congress.

(3) Information Technology

T-MSIS will build more flexible file formats that can be used, leveraging state of the art information technology infrastructure to offer CMS and State partners robust, up to date, and current information to be able to:

- Continue electronic transmission of state data and increase processing speed.
- View how each State and the district implements their programs.
- Compare the delivery of programs across authorities/States.
- Assess the impact of service options on beneficiary outcomes and expenditures.
- Examine the enrollment, service provision, and expenditure experience of providers who participate in our programs (as well as in Medicare).
- Examine beneficiary activity such as application and enrollment history, services received, appropriateness of services received based on enrollment status and applicable statutory authority.
- Use informatics to improve program oversight and inform future policy and operational decisions.
- Answer key Medicaid and CHIP program questions.
- Allow states to receive immediate responses on quality issues upon process completion.

(4) Duplication of Effort/ Similar Information

T-MSIS replaced MSIS and focuses on integration of legacy system that required duplicate asks from state where data can be extracted from the T-MSIS data collection.

(5) Small Business

Small businesses or other small organizations are not involved and, therefore, will not be affected.

(6) Less Frequent Collection

Although T-MSIS reports more frequently than the now decommissioned MSIS, the amount of data collected through the expanded dataset will enable efficient processing to more efficiently satisfy data collection needs, thus eliminating additional similar duplicate current reporting processes.

The transition to collection of this information on a monthly basis significantly improves the ability of CMS to support program integrity, oversight, and administration functions since Medicaid and CHIP program performance and any associated changes and developments affecting these can be monitored with greater timeliness and changes in program trends can be observed and detected much earlier, allowing CMS significantly improved responsiveness to changes in program performance and to more accurately adjust and revise key projections and performance indicators affecting the Medicaid and CHIP programs as a result of greater currency of data.

Monthly data collection also significantly enhances the ability of CMS and the States to implement improvements to the quality and accuracy of submitted information by enabling CMS to provide more rapid feedback on data quality and data collection issues to state entities

performing data collection activities with greatly reduced latency from time of data collection to review.

In addition, partners making use of Medicaid and CHIP data are provided with improved ability to implement and operate activities dependent on currency of Medicaid and CHIP data, such as administration of other benefit programs tied to current Medicaid and CHIP program eligibility status and oversight activities associated monitoring and timely identification of fraud, waste, and abuse tied to the Medicaid and CHIP programs.

Less frequent collection of this data or failure to collect this data would result in significant impairment in performance of these functions, including, but not limited to, material increase in program operation, management, and oversight issues linked to stale, deprecated, incomplete, missing, or inaccurate data.

(7) Special Circumstances

T-MSIS data is submitted monthly under the authority determined by the Secretary of Health and Human Services and based on legislative authority given via The Medicaid Data Reporting Requirements found at the Social Security Act § 1903(r)(1)(F) as added by the Balanced Budget Act of 1997, P.L. 105-33 § 4753(a)(1), and amended by the ACA, P.L. 111-148 § 6504, to include data elements the Secretary determines are necessary for program integrity, oversight, and administration.

The circumstances of monthly data collection are required to provide CMS and its partners with the most current available Medicaid and CHIP program data. Currency of data is directly correlated to the effectiveness of CMS in providing timely, accurate, and appropriate management and implementation of its program integrity, oversight, and administration functions. Monthly data collection substantially and materially improves CMS performance of these activities.

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 Notice/Outside Consultations

Federal Register

The 60-day notice published in the Federal Register on February 14, 2019 (84 FR 4075). No comments were received.

Consultations

CMS communicates regularly with other Federal agencies, health care oriented groups and associations, State Medicaid agencies, independent researchers and others in the health care community. These users and providers of Medicaid statistical data often convey their judgments on the availability of data, frequency of data collection, and other characteristics of the reporting system.

Information on the T-MSIS effort has been communicated via, state interaction and participation in the T-MSIS pilot project, face-to-face and external state meetings, state Operations Dashboard for state specific information on file submission results, state support site for information on CMS guidance, webinars and presentations at various Medicaid conferences at a national level.

(9) Inducements to Respondents

CMS provides no payments or gifts to States responding to this data collection. The primary benefit of participation is the availability of national data on the Medicaid Program.

(10) Confidentiality

The data collected through T-MSIS were added to the existing System of Records, "Medicaid Statistical Information System (MSIS)" (Nov. 8, 2006; 71 FR 65527). Provisions of the Privacy Act apply and are strictly enforced.

(11) Sensitive Questions

There are no sensitive questions associated with this survey. 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 Estimates

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 then adjusted hourly wage.

| Occupation Title | Occupation Code | Mean Hourly Wage (\$/hr) | Fringe Benefits (\$/hr) | Adjusted Hourly Wage (\$/hr) |
|-------------------------------------|-----------------|--------------------------|-------------------------|------------------------------|
| Medical and 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.

Annual Burden Estimates

T-MSIS (Electronic submission)

51 States, 2 territories and 2 program entities produce T-MSIS electronic data files:
 10 hours per response x 12 responses per year x 55 State/Territory/Entity = **6,600 total hours**
 6,600 hours x \$109.36/hr = **\$721,776 (total)**

Burden Summary

Annual Record Keeping and Reporting Requirements

| Information Collection | Respondents | Responses (per respondent) | Total Responses | Time per Response | Total Annual Burden (hr) | Labor Rate (\$/hr) | Total Capital/Maintenance Costs (\$) | Total Cost (\$) |
|------------------------|-------------|----------------------------|-----------------|-------------------|--------------------------|--------------------|--------------------------------------|-----------------|
| T-MSIS | 55 | 12 | 660 | 10 hr | 6,600 | 109.36 | 0 | 721,776 |

Information Collection Instruments and Instruction/Guidance Documents

- T-MSIS Data Dictionary (no changes)
- T-MSIS Data Dictionary Appendices (no changes)
- T-MSIS Record Layouts (no changes)
- T-MSIS Validation Rules (no changes)
- T-MSIS Record Segment Definitions (new)

(13) Estimated Annual Operation and Maintenance Costs

Operating and maintenance costs vary by state. A states operating expense usually consists of costs associated with internal and external resourcing, funding for MMIS system updates and or enhancements.

(14) Federal Cost

The annual cost to the Federal Government of collecting the requested data is estimated to be approximately \$15,620,540. The estimates are based upon costs for administrative expenses.

(15) Program/Burden Changes

In this 2019 iteration, we are removing 1,760 hours of burden due to the decommissioning of MSIS and fully transitioning to T-MSIS:

- 44 States produce MSIS tapes/data files:
10 hours per response x 4 quarterly responses x 44 States = **1,760 total hours**

We have also adjusted our number of respondents from 51 to 55. This change accounts for the addition of two territories (Puerto Rico and Virgin Islands) and two program entities (Iowa CHIP and Pennsylvania CHIP). The number of responses per respondent and the number of hours per response remain unchanged. The adjustment adds 480 hours (10 hr/response x 12 responses/year x 2 respondents) to our currently approved burden estimate

We are also adding Record Segment Definitions document and adding the PRA Disclosure Statements to the Data Dictionary, Record Layouts, Validation Rules, and the Record Segment Definitions.

Burden Reconciliation

7,880 hr (currently approved by OMB)
-1,760 hr (MSIS removal)
+480 hr adjustment
6, 600 hr balance (see section 12, above)

(16) Publication and Tabulation Dates

States are required to submit T-MSIS data on a monthly basis. This data is edited and compiled. We anticipate making the T-MSIS data available to states, researchers and policy makers with the appropriate data use agreements, to provide a more complete, timely picture of the Medicaid and CHIP programs. To facilitate optimal use of the data and consistent with open data principles, CMS is developing research-friendly files and aggregated data mart files will enhance the usability and accessibility of the data once we have determined that the data meets quality thresholds necessary for broader sharing.

(17) Expiration Dates

The expiration date is displayed along with the PRA Disclosure Statement in the Data Dictionary, Record Layouts, Validation Rules, and the Record Segment Definitions.

(18) Exceptions to the Certification Statement

This proposal complies with all conditions included in Certification Statement 19.

B. STATISTICAL METHODS

While Supporting Statement B has been attached to the package, the information collection requirements do not employ statistical sampling methods.