

**Supporting Statement Part A**  
**Elimination of Cost-Sharing for Full Benefit Dual-Eligible Individuals Receiving Home and**  
**Community-Based Services**  
**(CMS-10344, OMB 0938-1127)**

**Background**

Section 1860 D-14 of the Social Security Act sets forth requirements for premium and cost-sharing subsidies for low-income beneficiaries enrolled in Medicare Part D. Based on this statute, 42 CFR 423.771, provides guidance concerning limitations for payments made by and on behalf of low-income Medicare beneficiaries who enroll in Part D plans. 42 CFR 423.771 (b) establishes requirements for determining a beneficiary's eligibility for full subsidy under the Part D program. Regulations set forth in 423.780 and 423.782 outline premium and cost sharing subsidies to which full subsidy eligible are entitled under the Part D program.

Each month CMS deems individuals automatically eligible for the full subsidy, based on data from State Medicaid Agencies and the Social Security Administration (SSA). The SSA sends a monthly file of Supplementary Security Income-eligible beneficiaries to CMS. Similarly, the State Medicaid agencies submit Medicare Modernization Act files to CMS that identify full subsidy beneficiaries. CMS deems the beneficiaries as having full subsidy and auto-assigns these beneficiaries to bench mark Part D plans. Part D plans receive premium amounts based on the monthly assessments.

CMS is requesting an extension approval from OMB due to not making any changes to this package's requirements

**A. Justification**

1. Need and Legal Basis

In order to meet requirements, set forth in the SSA and to ensure that 42 CFR 423.782 is complied with, CMS must set the Part D copayment level to zero for the affected beneficiaries. In order to ensure that subsidies are properly administered, the affected beneficiaries must be identified in the States' monthly Medicare Modernization Act Phase Down reports. States are the only source of data identifying full benefit dual-eligible beneficiaries who are receiving home and community-based services.

2. Information Users

Full benefit eligibility assessments are made on a monthly basis. This enables CMS to calculate low income subsidy premium payments on a monthly basis as required in 423.780. States submit an MMA Phase Down report to CMS at least monthly. The data identifying the affected individuals are included in the state reports.

### 3. Use of Information Technology

State MMA Phase Down (SPD) reports are submitted to CMS electronically. This information is submitted via the MBD (Medicare Beneficiary Database).

The SPD exchange enables CMS to implement the Medicare Prescription Drug, Improvement, and Modernization Act, also called the Medicare Modernization Act (MMA), which was enacted into law in 2003. This data exchange allows the State Medicaid Agency (SMA) to identify Medicare beneficiaries with coverage under the Medicaid program. The SMAs also identify other low- income Medicare beneficiaries who have applied for the Part D Low-Income Subsidy (LIS). As a result of the identification of these two groups of beneficiaries, CMS auto-assigns and/or facilitates enrollment of the appropriate beneficiaries into Part D plans.

CMS also uses the beneficiary records in a SMA's files to calculate the SMA's phase-down contribution payment to CMS.

The MBD processes a SMA's file through to the Deeming process, the Auto-Assignment and Auto-Enrollment process and then sends a Response file back to the SMA.

### 4. Duplication of Efforts

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

### 5. Small Businesses

This information collection does not impact small businesses or other small entities.

### 6. Less Frequent Collection

States are required to submit the MMA Phase Down reports to CMS at least monthly. States are required to submit at least once monthly so that beneficiaries eligible or awarded a low income subsidy are inserted into the database and receive benefits timely.

There is also the claw-back consideration. States are billed for claw-back monthly based on MMA statistics. Additionally, the federal government requests payments due as soon as the benefits are paid. Less frequent submission would result in untimely billing of claw-back.

## 7. Special Circumstances

To implement section 3309 of the ACA, CMS needs data from the States, identifying full benefit dual-eligible individuals who are receiving home and community-based services. The States will provide these data as a new data value on their monthly MMA Phase Down report. CMS will use these new data to set the affected beneficiaries' Medicare Part D copayment to zero.

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

The 60-day notice published in the Federal Register on 09/25/2019 (84 FR 50453). Collection has received zero comments during the 60-day comment period.

The 30-day notice published in the Federal Register on 12/10/2019 (84 FR 67464). Collection has received zero comments during the 30-day comment period.

## 9. Payments/Gifts to Respondents

No payments and/or gifts will be provided to respondents.

## 10. Confidentiality

We will maintain respondent privacy with respect to the information collected to the extent required by applicable law and HHS policies.

## 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 & Wages)

### *Wages*

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](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)
Computer Programmer	15-1131	43.07	43.07	86.14

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*

The information collection burden per State is estimated to be 1 hour per month or 612 hours (51 responses x 12 responses/yr x 1 hr/response) in each fiscal year for 51 State Medicaid agencies (50 States and the District of Columbia).

Assuming an hourly salary of \$86.14/hr for computer programmers, we estimate an ongoing cost of \$52,718 per fiscal year (612 hr x \$86.14/hr).

*Information Collection Instruments/Instruction/Guidance Documents*

None.

13. Capital Costs

There are no capital costs incurred by this collection.

14. Cost to Federal Government

There is no cost to the Federal Government as a result of this collection

15. Changes to Burden

We are not proposing any program changes or burden adjustments.

There is an increase in cost from 2017 (\$23,495) to 2019 (\$52,718). This increase reflects the increase in wages from 2017 to 2019.

16. Publication/Tabulation Dates

There are no plans to publish the information for statistical use.

17. Expiration Date

This collection does not lend itself to the displaying of an expiration date. Since the Expiration Date is not an MBD system related data element, it is not stored in the system. MBD functions and data are accessed through the ELMO graphical user interface. The states use different file transfer mechanisms (Connect Direct, CyberFusion, Tibco MFT etc) to send the SPD files to CMS and the MBD system within the ELMO system is used by CMS to review the reports only.

18. Certification Statement

There are no exceptions to the certification statement.

**B. Collections of Information Employing Statistical Methods**

Not applicable. Statistical methods are not associated with this collection.