

Supporting Statement for State Medicaid Eligibility Quality Control (MEQC) Pilot Planning Document and Supporting Regulations at 42 CFR 431.800 - 431.820

CMS-317/OMB control number: 0938-0146

A. Background

The Medicaid Eligibility Quality Control (MEQC) program provides states and the District of Columbia (hereinafter, "states") a unique opportunity to improve the quality and accuracy of their Medicaid and Children's Health Insurance Program (CHIP) eligibility determinations. The MEQC program is intended to complement the Payment Error Rate Measurement (PERM) program by ensuring state operations make accurate and timely eligibility determinations so that Medicaid and CHIP services are appropriately provided to eligible individuals. Current regulations require that states review equal numbers of active cases and negative case actions (i.e., denials and terminations) through random sampling. Active case reviews are conducted to determine whether or not the sampled cases meet all current criteria and requirements for Medicaid or CHIP eligibility. Negative case reviews are conducted to determine if Medicaid and CHIP denials and terminations were appropriate and undertaken in accordance with due process.

Section 601(e) of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) (Pub. L. 111-3) required harmonization of the MEQC and PERM programs' eligibility review requirements to improve coordination of the two programs, decrease duplicate efforts, and minimize state burden. In an effort to further harmonize the MEQC and PERM programs and orient states to the new eligibility determination regulations under the Affordable Care Act (ACA), CMS had states conduct a series of five (5) eligibility pilots over the period of FY 2015 to FY 2018. During this time, the eligibility component of the PERM program was suspended. As the eligibility pilots were drawing to a close, CMS issued a final rule revising the MEQC program by formalizing the MEQC pilot process. The rule was published in the July 5, 2017 edition of the Federal Register.¹

¹ See 82 FR 31158, <https://www.federalregister.gov/documents/2017/07/05/2017-13710/medicaidchip-program-medicare-program-and-childrens-health-insurance-program-chip-changes-to-the>.

It requires states to conduct an MEQC pilot during the two-year period that falls between each state's triennial PERM cycle.

B. Justification

1. Need and Legal Basis

The authority for collecting this information is section 1903(u) of the Social Security Act and 42 CFR 431.814(a). The specific requirements of the MEQC pilot planning document are described in regulations at 42 CFR 431.814(b). In the fall of 2018, CMS published additional sub-regulatory guidance to assist states in developing pilot planning documents and carrying out their pilots. CMS tracks the submission of state pilot planning documents that must be reviewed and approved by CMS before the pilots may be implemented. In this manner, CMS helps to ensure States are conducting MEQC pilots that comply with CMS guidance.

The collection of information is also necessary to implement provisions from the CHIPRA requirements to harmonize the MEQC and PERM programs.

2. Information Users

State Title XIX and XXI agencies are required to submit the MEQC pilot planning document that meets CMS requirements by November 1st following the end of the State's PERM year. As noted, the State's MEQC pilot planning document must be approved by CMS prior to MEQC pilot implementation.

3. Use of Information Technology

States are currently required to submit their MEQC pilot planning documents electronically to a specially designated MEQC mailbox. This does not represent a change in burden from previous submission procedures. If the submission procedures change in the future, states will be informed of them through electronic notifications and corresponding changes in CMS's sub-regulatory guidance.

4. Duplication of Efforts

CHIPRA requires CMS to review PERM and MEQC requirements and coordinate both sets of requirements in an effort to reduce redundancies. The revised MEQC pilots will streamline the PERM and MEQC requirements and eliminate redundancies in both programs.

5. Small Businesses

This collection of information does not involve small businesses or other small entities.

6. Less Frequent Collection

MEQC pilot planning documents must be submitted by November 1st following the end of the State's PERM year. Once the MEQC pilot planning document is approved by CMS, States will not need to resubmit their plans unless States wish to revise them.

7. Special Circumstances

This collection is conducted in a manner consistent with regulations at 5 CFR 1320.6.

8. Federal Register Notice/Outside Consultation

The 60-day Federal Register notice published on May 26, 2020 (85 FR 31511). No comments received. The 30-day FR Notice published October 21, 2020 (85 FR 66993).

No outside consultation was sought.

9. Payments/Gifts to Respondents

There is no provision for any payment or gift to respondents associated with this reporting requirement.

10. Confidentiality

Confidentiality has been assured in accordance with Section 1902(a)(7) of the Social Security Act.

11. Sensitive Questions

No questions of a sensitive nature are asked.

12. Burden Estimate (Hours & Wages)

The public burden involves reporting requirements only. The respondents are the State Title XIX and Title XXI agencies that are responsible for implementing the MEQC pilot. CMS or its contractors review the State's MEQC pilot planning document and work directly with States to revise the planning document or approve the planning document. The estimated maximum burden for a State is 52 hours during the 3-4 months preceding the document's due date. The estimated State cost for a State completing the pilot planning document is \$3,036.80. To derive average costs, we used data from the U.S. Bureau of Labor Statistics' (BLS) May 2019 National Industry-Specific Occupational Employment and Wage Estimates for State Government (NAICS 999200) (<https://www.bls.gov/oes>) for the occupation titled 'Claims Adjusters, Appraisers, Examiners, and Investigators' (Occupation Code 13-1031). This estimate includes the mean hourly wage (\$29.20) with fringe benefits calculated at 100% totaling \$58.40 per hour. We have based these numbers on estimates from those states on CMS's MEQC State Advisory Committee that have already prepared and submitted MEQC pilot planning documents and gone through the approval process.

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

CMS or its contractors review the State's MEQC pilot planning document and work directly with States to revise the planning document or approve the planning document if all of the requirements are met at the time of submission. CMS expects that federal staff will devote approximately 4000 hours to all MEQC activities annually. This takes into account the assumption that 2080 hours equal one full-time equivalent or FTE. The bulk of the MEQC workload is divided among 3 core MEQC staff, with

four other persons assisting during periods when key deliverables must be reviewed under tight time frames.

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' (BLS) May 2019 National Industry-Specific Occupational Employment and Wage Estimates for the Federal Executive Branch (NAICS 999100) (<https://www.bls.gov/oes>) for the occupation titled 'Claims Adjusters, Appraisers, Examiners, and Investigators' (Occupation Code 13-1031). This estimate includes the mean hourly wage (\$36.42) with fringe benefits calculated at 100% totaling \$72.84 per hour. Multiplying the estimated federal burden in hours times the mean hourly wage with fringe benefits (4000 x \$72.84) yields an estimated Federal cost of \$291,360.

15. Changes to Burden

The increase from an average of 48 to 52 hours per state is based on estimates from those states on CMS's MEQC State Advisory Committee that have already prepared and submitted MEQC pilot planning documents and gone through the approval process. States are currently required to submit their MEQC pilot planning documents electronically to a specially designated MEQC mailbox.

16. Publication and Tabulation Dates

There are no plans to publish this information collection.

17. Expiration Date

There are no instruments associated with this information collection.

