

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 the initial 365 days of qualified home and community-based services for each person transitioned from an institution to the community during the demonstration period.

Section 2403 of the Affordable Care Act of 2010 expanded the MFP demonstration by providing an additional funding and extended the program through September 30, 2016. Since then, Congress enacted several additional pieces of legislation that provided additional funds to extend MFP program implementation through September 30, 2023.

In earlier work, CMS issued an Operational Protocol Instruction Guide<sup>1</sup> 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 (MFP\_MOE\_Form) and MFP Budget Workbook (MFP\_Budget\_Workbook) on an annual basis. Additionally, States are required to submit the MFP Demonstration Financial Forms on a quarterly basis (CMS-64i Expenditure Forms and MFP\_Financial\_Reporting\_FormsABCD) and semiannually (SF-425).

---

<sup>1</sup> There is no longer a technical assistance website for grantees, as the contract has since ended. All MFP grantees were required to submit an Operational Protocol as a part of their grant application.

States also submit MFP Semi-Annual progress reports (MFP\_SemiAnnual\_Final) to help CMS monitor the progress of program implementation at the grantee level.

This package aims to reduce the reporting burden on States by presenting a substantially revised and shorted version of the MFP Semi-Annual progress report. The MFP Budget Workbook has also been revised to combine two earlier reporting forms: the MFP Worksheet for Proposed Budget (WFPB) and Budget Narrative.

## **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 MFP MOE Forms as well as the MFP Budget Workbook are required each year. Submissions of MFP Demonstration Financial Forms are 30 days after the end of each Federal fiscal quarter and semi-annually.

The MFP Semi-Annual progress reports will be used by CMS to monitor program implementation at the grantee level and are submitted by States twice a year. The first period report is submitted in July/August of each year for progress made from January to June of the reporting year. The second period report is submitted January/February of the following year for progress made from July to December of the reporting year.

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

The Operational Protocol template is available in electronic format and has been provided to grantees in the initial application process. States may submit the Operational Protocol and financial forms via email.

The MFP Semi-Annual progress reports will be submitted to CMS via a fillable pdf.

The SF-425 Forms will be submitted through the Payment Management System (PMS). The Quarterly ABCD Financial Forms will be submitted quarterly as a Grant Note through GrantSolutions. The MFP Budget Workbook is sent to CMS and CMS 64i Forms are submitted through Medicaid Budget and Expenditure System (MBES).

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 Operational Protocol (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 MFP MOE Form and MFP Budget Workbooks on an annual basis. Additionally, States are required to submit the SF-425 semi-annually, the quarterly MFP Financial Reporting Forms ABCD and the CMS 64i forms quarterly.

Grantees will submit MFP Semi-Annual 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/Outside Consultations

The 60-day notice published in the Federal Register on May 3, 2021 (86 FR 23384). While comments were due July 2, 2021, none were received.

The 30-day notice published in the Federal Register on July 9, 2021 (86 FR 36281). Comments must be received by the OMB desk officer by August 9, 2021.

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 2020 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 and overhead (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	43-6011	31.36	31.36	62.72

and Executive Administrative Assistants				
---	--	--	--	--

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 Associated Burden Estimates*

As of September 2020, CMS had awarded 44 MFP demonstration grants consisting of 43 states and the District of Columbia. Two States (Kansas and Michigan) have completed close-out activities, so we have budgeted for 42 MFP demonstration grants.

**Maintenance of Effort Form** We estimate it would take 8 hours at \$62.72/hr for an executive administrative assistant to complete the Maintenance of Effort form. In aggregate, we estimate an annual burden of 336 hours (42 states x 8 hr) at a cost of \$21,074 (336 hr x \$62.72/hr).

Form(s) include: MFP\_\_MOE\_Form

**Quarterly ABCD Financial Forms** We estimate it would take 6 hours at \$62.72/hr for an executive administrative assistant to collect the quarterly financial information and have this information readily available to complete the MFP Quarterly ABCD Financial Forms. In aggregate, we estimate an annual burden of 1,008 hours (42 states x 6 hr x 4 quarters) at a cost of \$63,222 (1,008 hr x \$62.72/hr).

Form(s) include: MFP\_Financial\_Reporting\_FormsABCD

**CMS 64i Forms** 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: CMS 64i Expenditure Forms

**Federal Financial Report (SF-425)** Please note SF-425 forms are required under this CMS-10249 information collection request but, to avoid duplication, we are not setting out such burden since has been approved under OMB control number 4040-0014.

Form(s) include: SF-425

**The MFP Budget Workbook** We estimate it would take 24 hours at \$62.72 for an executive administrative assistant to collect the information for the MFP Budget Workbook form and

complete the form. In aggregate, we estimate an annual burden of 1008 hours (42 states x 24 hr x 1 reports/year) at a cost of \$63,222 (1,008 hr x \$62.72/hr).

Form(s) include: MFP\_Budget\_Workbook

***MFP Semi-Annual Progress Report*** Grantees will submit progress reports on a semi-annual basis. We expect that it will take each grantee, 3 hours at \$62.72/hr for an executive administrative assistant to complete each period’s report.

We estimate an annual burden of 252 hours (42 states x 3 hr/report x 2 reports/year) at a cost of \$15,805 (252 hr x \$62.72/hr).

Form(s) include:

MFP\_SemiAnnual\_Final

MFP\_Semi-Annual\_Help\_File

Updated\_Additional\_Benchmarks\_Addendum

*Summary of Annual Recordkeeping and Reporting Requirements*

Reporting	Respondents	Responses (per Respondent)	Total Responses	Burden per Response (hours)	Total Annual Time (hours)	Labor Cost (\$/hr)	Total Labor Cost (\$)
MFP MOE Form (annual)	42	1	42	8	336	62.72	21,074
MFP Financial Reporting Forms ABCD (quarterly)	42	4	168	6	1,008	62.72	63,222
MFP Budget Workbook (annual)	42	1	42	24	1,008	62.72	63,222
MFP Semi-Annual Report	42	2	84	3	252	62.72	15,805
<b>TOTAL</b>	<b>42</b>	<b>8</b>	<b>336</b>	<b>varies</b>	<b>2,604</b>	<b>62.72</b>	<b>163,323</b>

*Information Collection Instruments and Instruction/Guidance Documents*

In no special order:

Annual Financial Forms for Existing Grantees (as indicated below in section 15: removed and replaced by MFP\_Budget\_Workbook and the MFP MOE Form)

MFP\_Budget\_Workbook (Revised, see Crosswalk and section 15 of this Supporting Statement for details)

MFP MOE Form (Revised, see Crosswalk and section 15 of this Supporting Statement for details)

MFP\_SemiAnnual Report (Revised, see Crosswalk and section 15 of this Supporting Statement for details)

MFP\_Semi-Annual\_Help\_File (Revised, see Crosswalk and section 15 of this Supporting Statement for details)

Additional Benchmarks – Addendum to the MFP Semi-Annual Progress Report (Revised, see Crosswalk and section 15 of this Supporting Statement for details)

MFP\_Financial\_Reporting\_FormsABCD (No Changes)

CMS 64i Expenditure Forms (CMS-64.9i, CMS-64.9pi, CMS-64.10i, and CMS-64.10pi are a subset of the lines required under CMS-64 as approved under OMB control number 0938-1265 [CMS-10529])

SF-425 (The standard form does not belong to CMS. Rather, it is a federal financial report that is owned by the USDA. See OMB control number: 4040-0014)

### 13. Capital Costs

There are no capital costs.

### 14. Cost to Federal Government

The Federal cost is based on the efforts expended by CMS staff, using the 2020 General Schedule (Base) Pay ([https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/GS\\_h.pdf](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/GS_h.pdf)) to review the data submitted by the respondents. While the 2018 base rate for GS-13 Step 4 is \$41.47/hr, we are doubling that figure to \$82.94/hr to account for fringe benefits.

For review of the MFP Operational Protocol, we estimate \$55,736 for the Federal cost (42 respondents x 16 hours review per OP x hourly rate of a GS-13 Step 4 @ 82.94/hr).

Annually, CMS staff financial reports, we estimate \$17,417 for the Federal Cost (42 respondents x 5 financial reports per year x 1-hour, hourly rate of a GS-13 Step 4 @ \$82.94/hr). The five

financial reports include four Quarterly ABCD Financial Forms, and one MFP Budget Workbook.

For review of the MFP Semi-Annual Progress report, we estimate \$13,933 for the Federal cost (42 respondents x 2 hours to review per report x 2 reports/year, hourly rate of a GS-13 Step 4 @ \$82.94/hr).

A total Federal cost for review of all reports is estimated to be \$87,086 (\$55,736 + \$17,417 + \$13,933) annually.

15. Program/Burden Changes

This package aims to reduce the reporting burden on States by presenting a substantially revised and shorted version of the MFP Semi-Annual progress report. The MFP Budget Workbook has also been revised to combine two earlier reporting forms: the MFP Worksheet for Proposed Budget (WFPB) and Budget Narrative.

2018 Instruments	2021 Instruments	Summary of Changes	Cross walk (Y/N)	File
Semi-Annual Progress Report	Semi-Annual Progress Report	Substantially revised and shortened version	Y	MFP_SemiAnnual_Final
Semi-Annual Progress Report User Guide and Help File	Semi-Annual Progress Report User Guide and Help File	Updated to correspond with revisions to the Semi-Annual Progress Report	Y	MFP_Semi-Annual_Help_File
Additional Benchmarks – Addendum to the MFP Semi-Annual Progress Report	Additional Benchmarks – Addendum to the MFP Semi-Annual Progress Report	Updated to correspond with revisions to the Semi-Annual Progress Report	Y	Updated_Additional_Benchmarks_Addendum
Financial_Forms_for_Existing_Grantees_12-8-14 (Protocol for Submitting Annual Financial Forms- Existing Grantees)	See 1, 2, and 3 (below)			
1-MFP Supplemental Budget Request	MFP_Budget_Workbook (Pp 16-37)	Combined with the Worksheet for Proposed budget into a single Excel workbook	Y	MFP_Budget_Workbook
2-Worksheet for Proposed Budget	MFP_Budget_Workbook (pp 1-15)	Separated into multiple tabs for ease of completion	Y	MFP_Budget_Workbook
3-Maintenance of Effort Form	MFP_MOE_Form	Updated dates for continued use	Y	MFP_MOE_Form
Financial Reporting Forms ABCD (Narrative)	Financial Reporting Forms ABCD (Narrative)	No changes	Y	MFP_Financial_Reporting_FormsABCD
Appendix F forms (namely, CMS-64.9i, CMS-64.9pi, CMS-64.10i, and CMS-	CMS 64i Expenditure Forms	No changes	N	CMS 64i Expenditure Forms

2018 Instruments	2021 Instruments	Summary of Changes	Cross walk (Y/N)	File
64.10pi)				

**Burden Adjustment** As of March 2018, CMS had awarded 44 MFP grants. As of September 2020, two grantees withdrew from the MFP Program. Thus, burden estimates are for 41 states and the District of Columbia instead of 44 states used in the last submission.

Reporting	2018 Iteration				2020 Iteration		Difference
	Respondents	Total Responses	Burden per Response (hours)	Total Annual Burden (hours)	Respondents	Total Annual Burden (hours)	Total Annual Burden (hours)
MFP MOE Form (annual)	44	44	32	1,408	42	336	-1,072
MFP Budget Workbook (annual)	44	44	*	*	42	1,008	+1,008
MFP Financial Reporting Forms ABCD (quarterly)	44	176	6	1,056	42	1,008	-48
MFP Semi-Annual Report	44	88	3	704	42	252	-452
<b>TOTAL</b>	<b>44</b>	<b>varies</b>	<b>41</b>	<b>3,168</b>	<b>42</b>	<b>2,604</b>	<b>-564</b>

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.