

Supporting Statement Part A  
State Children's Health Insurance Program and Supporting Regulation  
CMS-R-308, OMB 0938-0841

## **Background**

Section 4901 of the Balanced Budget Act of 1997 (BBA) amended the Social Security Act by adding a new title XXI, State Children's Health Insurance Program.

This iteration proposes to: (1) remove certain reporting requirements, revise the information collection instrument, and revise the instructions document under the Statistical Report, (2) change the respondent's occupation and make adjustments to the wage and cost estimates for all the requirements, (3) adjust the number of respondents for all the requirements, and (4) adjust the number of enrollees under written notice using more recent data. Further descriptions of these changes are included below and in Section 12.

First, we propose changes to the Statistical Enrollment Reports required under 42 CFR 457.740. States are required to submit quarterly and annual enrollment reports for their Medicaid and Children's Health Insurance Program (CHIP) programs. These quarterly and annual enrollment reports are submitted by states through the CHIP Statistical Enrollment Data System (SEDS), a web-based reporting tool. Previously, states reported children's enrollment on forms CMS-21E (for Separate CHIP); CMS-64.21E (for Medicaid Expansion CHIP); CMS-64.EC (for Medicaid); and Gender, Race, Ethnicity (for all programs). If applicable, states also completed form CMS-21PW for pregnant women enrolled in CHIP through the state plan option and forms CMS-21 Waiver and Waiver Gender, Race, Ethnicity for adults served in CHIP through a Section 1115 waiver. Additionally, Informational forms 21E, 21PW, 64.21E, 64EC, and 21 Waiver collected information on children or eligible adults enrolled in employer sponsored insurance or dental wrap-around services for the applicable program. These data were subsets of the enrollment data already reported through forms CMS-21E, CMS-64.21E, and CMS-64.EC.

We propose to only continue to collect the quarterly and annual enrollment on forms CMS-21E (for Separate CHIP); CMS-64.21E (for Medicaid Expansion CHIP); CMS-64.EC (for Medicaid); CMS-21PW (for CHIP pregnant women), and Gender, Race, Ethnicity (for all programs). We propose to discontinue the use of forms CMS-21 Waiver; Waiver Gender, Race, Ethnicity, and all informational forms. Because these forms were applicable to few states, removing these forms from future SEDS reporting does not change our burden estimates. CMS plans to collect enrollment data for CHIP Section 1115 Waivers through another vehicle in the future.

In addition, we propose to revise the SEDS collection instrument by updating the design of the SEDS application to improve functionality and ease of reporting by states. In addition, the SEDS instructions for data entry have been updated to reflect the new design of the SEDS application and to remove references to specific enrollment report forms that will no longer be collected by CMS. Although the proposed revisions have no effect on our currently approved burden estimates, we are proposing to adjust the number of respondents from 56 to 51, to reflect that the territories are not required to complete the SEDS statistical enrollment reports. The adjustment would reduce our burden estimates by 200 hours and \$16,212.

For each requirement, we are also proposing to change the respondent's occupation from a Compliance Officer to a Project Management and Business Operations Specialist. This is to align with the respondent occupation title used in the CHIP Annual Report Template System (CARTS)

reporting (CMS-10398 #1). Consequently, we are adjusting our wage and cost estimates.

Under the Statistical Enrollment Report, we propose to adjust the number of respondents from 56 states and territories to 50 states and the District of Columbia. Under Eligibility Screening, Public Schedule and Written Notice, we propose to adjust the number of respondents from 43 states to 40 states and our cost estimates based on wage changes. Under Written Notice, in using more recent data, we propose to adjust the number of enrollees by 0.7 million (from 8.9 million to 9.6 million). Overall, we project an increase of 6,486,795 responses, 324,140 hours, and \$9,836,593.

## **A. Justification**

### **1. Need and Legal Basis**

The legal authority for this collection is title XXI of the Social Security Act. Title XXI provides funds to States to enable them to initiate and expand the provision of child health assistance to uninsured, low-income children in an effective and efficient manner. All 50 states, the District of Columbia and the territories have a CMS-approved CHIP state plan (CMS-10398 #34) that encompasses all of the child health assistance being provided using Title XXI funding. Most provisions of title XXI have been met through the approved state plan. The provisions related to eligibility screening, the statistical enrollment reports, public schedule, and written notice and its burden is discussed in Section 12 of this Supporting Statement.

### **2. Information Users**

Information collected by CMS will be used by advocacy groups, beneficiaries, applicants, other governmental agencies, providers groups, research organizations, health care corporations, and health care consultants. States will use the information collected to assess state plan performance and monitor program enrollment.

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

States and non-federal governmental plans can use their data processing and electronic systems to send CMS information regarding the number of children enrolled in their state programs, to generate written notices to participants and beneficiaries regarding eligibility determinations and enrollee rights to an explanation of that determination and to provide a public schedule.

### **4. Duplication of Similar Information**

There is no duplication of this information.

### **5. Small Businesses**

The States provides the collection of information. There is no impact on small businesses or other small entities.

### **6. Less Frequent Collection**

The reporting frequency as it applies to the requirements and burden under Section 12 is

quarterly as well as annually.

For the statistical enrollment reporting requirement, the consequence to federal program or policy activities if the collection is not conducted or is conducted less frequently will be an inability to monitor the success of the program. There is no method to reduce the frequency that does not result in non-compliance with the requirements.

For the written notice requirement, if notices are not generated as required, participants and beneficiaries will not be informed of decisions and events that affect their health benefits coverage. Disclosure of the information requested of states best serves the interests of participants and beneficiaries.

#### 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 the Office of Management and Budget (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 Consultation

The 60-day notice published in the Federal Register on June 14, 2021 (86 FR 31506). While comments were due by August 13, 2021, none were received.

The 30-day notice published in the Federal Register on September 13, 2021 (86 FR 50884). Comments must be received by October 13, 2021.

#### 9. Payments/Gifts to Respondents

There are no payments or gifts associated with this information collection requirements.

#### 10. Confidentiality

Section 2108(b)(1) of title XXI requires states to submit to the Secretary statistical reporting that provide basic information about enrolled populations and their participation in federally-funded

children’s health insurance programs – CHIP and Medicaid. Although states are required to report this information to CMS, on behalf of the Secretary, no personal identifying information will be sent from the state to CMS. Section 2108 of title XXI also requires that the Secretary submit to Congress and make available to the public a report based on the information submitted by the states.

#### 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

##### *Wages*

To derive average costs, we used data from the U.S. Bureau of Labor Statistics’ (BLS) 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)
Project Management Specialist and Business Operations Specialist, and all Other	13-1198	40.53	40.53	81.06

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

##### *Information Collection Requirements and Associated Burden Estimates*

##### Statistical Enrollment Report (Revised, see section 15 for details)

Section 457.740 requires a state to submit statistical enrollment reports, thirty days after the end of each federal fiscal quarter, of an unduplicated count of children who are enrolled in the title XIX Medicaid program, and the separate child health and Medicaid-expansion programs, as appropriate, by age; gender, race, and ethnicity; service delivery; and income categories described in §457.740(a) and (b).

As noted above, states report enrollment through the web-based Statistical Enrollment Data System (SEDS) using forms CMS-21E (for Separate CHIP); CMS-64.21E (for Medicaid

Expansion CHIP); CMS-64.EC (for Medicaid); CMS-21PW (for Pregnant Women enrolled in CHIP through the state plan option), and Gender, Race, Ethnicity (for all programs). Each quarterly form collects six data elements: 1) the unduplicated number of individuals ever enrolled in the program, 2) the number of new enrollees in the program, 3) the number of disenrollees in the program, 4) the number of member months of enrollment, 5) the average number of member months of enrollment, and 6) the number of individuals enrolled on the last day of the quarter. The fourth quarter report also includes three annual data elements: 1) the unduplicated number of individuals ever enrolled in the program in the year, 2) the number of new enrollees in the program in the year, and 3) the number of disenrollees in the program in the year. All states and the District of Columbia are required to provide these data to CMS, and CMS publishes the annual enrollment data from states on Medicaid.gov each year.

The attached SEDS instructions document provides the guidance for state data entry. (Note: CMS-21E, CMS-64.21E, and CMS-64.EC should not be confused with the CMS-21 and CMS-64 series of forms approved under OMB control number 0938-1265 (CMS-10529). Those forms are associated with the MBES reporting system while this package's CMS-21E, CMS-64.21E, and CMS-64.EC forms are associated with the SEDS system).

We estimate that, on average, it will take a state 40 hours at \$81.06/hr for a specialist to complete and submit the state's reports, for a total burden of 51 respondents, 2,040 hours (50 States and the District of Columbia x 40 hr) at a cost of \$165,362 (2,040 hr x \$81.06/hr) or \$49,609 when adjusting for the states' 30 percent share (\$165,362 x 0.30).

Please note that each state would only complete the SEDS forms that are applicable to the state. For example, states that do not operate a Separate CHIP would not be expected to complete form CMS-21E.

Eligibility Screening and Facilitation of Medicaid Enrollment (§ 457.350) (Adjusted Burden, see section 15 for details)

Section 457.350(e) requires that a state, which uses a screening procedure other than a full determination of Medicaid eligibility under all possible eligibility groups, and the screening process, reveals that the child does not appear to be eligible for Medicaid, the State must provide the child's family with the following in writing:

- (1) A statement that based on a limited review, the child does not appear eligible for Medicaid, but Medicaid eligibility can only be determined based on a full review of a Medicaid application under all Medicaid eligibility groups;
- (2) Information about Medicaid eligibility and benefits; and
- (3) Information about how and where to apply for Medicaid under all eligibility groups.

In §457.350(f), if the screening process reveals that the child is potentially eligible for Medicaid, the State must establish procedures in coordination with the Medicaid agency that facilitate enrollment in Medicaid and avoid duplicative requests for information and documentation and:

- (1) If a State uses a joint application for its Medicaid and separate child health programs, promptly transmit the application, or the information obtained through the application, and all relevant documentation to the Medicaid agency; or
- (2) If a State does not use a joint application for its Medicaid and separate child health programs:
  - (i) Promptly inform the child's parent or caretaker in writing and orally if appropriate that the child has been found likely to be eligible for Medicaid; provide

- the family with a Medicaid application and offer information about what, if any, further information, documentation, or other steps are needed to complete the Medicaid application process; and offer assistance in completing the application process;
- (ii) Promptly transmit the separate child health program application; or the information obtained through the application, and all other relevant information and documentation, including the results of the screening process, to the Medicaid agency for a final determination of Medicaid eligibility in accordance with the requirements of §§431.636 and 457.1110; or
- (3) Establish other effective and efficient procedures, in coordination with the Medicaid agency, as described and approved in the State plan that ensure that children who are screened as potentially eligible for Medicaid are able to apply for Medicaid without delay and, if eligible, are enrolled in Medicaid in a timely manner.

The burden associated with these requirements is the ongoing effort for a State to (1) transmit applications or the required information to the Medicaid agency; (2) inform the parent or caretaker in writing that the child has been found to be potentially eligible or ineligible for Medicaid; and (3) for applications that are not joint applications, if the child is found to be potentially eligible for Medicaid, provide the family with a Medicaid application and offer information about what, if any, further information, documentation, or other steps are needed to complete the Medicaid application process.

The State must provide the child's family with information, in writing, about the State's Medicaid program and eligibility rules that prohibit children who have been screened eligible for Medicaid from being enrolled in a separate child health program, other than provisional temporary enrollment while a final Medicaid eligibility determination is being made.

All States with separate child health insurance programs (40) use a screening process. We estimate that on average, there will be 176,300 new or renewing applicants in each of these 40 States during each year. We estimate that it will take no longer than 3 minutes (depending on the medium) at \$81.06/hr for a specialist to transmit applications or relevant information to the Medicaid agency or to give the family or caretaker the required information. This results in an annual burden of 352,600 hours (176,300 responses/state x 40 states x 3 min/60) at a cost of \$28,581,756 (352,600 hr x \$81.06/hr) or \$8,574,527 when adjusting for the states' 30 percent share (\$28,581,756 x 0.30).

#### Public Schedule (Adjusted Burden, see section 15 for details)

Section 457.525(b) requires a state to make the public schedule required under §457.525(a) available to the following groups:

- (1) enrollees, at the time of enrollment and reenrollment after a re-determination of eligibility, and when cost-sharing charges and cumulative cost-sharing maximums are revised;
- (2) applicants, at the time of application;
- (3) all participating providers; and
- (4) the general public.

The burden associated with this requirement includes the time for a state to prepare and make available its public schedule to the four groups. We estimate approximately 20 of the 40 States with a separate child health program will need to revise their public schedule, and that on

average, it will take each State 2 hours to prepare its revised schedule for a burden of 40 hours (20 States x 2 hr) at a cost of \$3,242 (40 hr x \$81.06/hr), or \$973 when adjusting for the states' 30 percent share (\$3,242 x 0.30).

It will also take each State an additional 3 minutes to disseminate no more than 176,300 copies of the revised schedule on an annual basis for a burden of 352,600 hours (176,300 copies x 40 states x 3 min/60) at a cost of \$28,581,756 (352,600 hr x \$81.06/hr) or \$8,574,527 when adjusting for the states' 30 percent share (\$28,581,756 x 0.30).

We estimate a total annual burden of 352,640 hours (40 hr + 352,600 hr) at a cost of \$8,575,500 (\$973 + \$8,574,527) when adjusting for the states' 30 percent share.

Written Notice (Revised, see section 15 for details)

Under §457.1180, a state must provide enrollees and applicants timely written notice of any determinations required to be subject to review under § 457.1130, a notice that includes the reasons for the determination; an explanation of applicable rights to review of that determination, the standard and expedited time frames for review, and the manner in which a review can be requested; and the circumstances under which enrollment may continue pending review. The burden associated with this requirement consists of the one-time effort for a state to produce a standardized form into which enrollee-specific information may be inserted. Since all states have met this requirement, the associated burden is not set out in this iteration's estimates.

For a State to prepare and give out the notice we estimate that it will take each State 3 minutes per enrollee to prepare and give out the notice. We estimate that approximately 20 percent of enrollees (9.6 million<sup>1</sup> x 0.20 = 1,920,000) will receive a notice under this provision, for a total burden of 96,000 hours (1,920,000 notices x 3 min/60) at a cost of \$7,781,760 (96,000 x \$81.06 /hr) or \$2,334,528 when adjusting for the states' 30 percent share (\$7,781,760 x 0.30).

With regard to our proposed changes, please see section 15 for details.

*Burden Summary*

CFR Section(s)	# Respondents	Total Annual Responses	Time (per response)	Total Annual Time	Wage (\$/hr)	Total Cost (\$)*
Reporting						
457.740 (Statistical Enrollment Report)	51	51	40 hr	2,040	81.06	49,609
Third-Party Disclosure						
457.350 (Eligibility Screening)	40	7,052,000 (40 States x 176,300 applicants)	3 min	352,600	81.06	8,574,527
457.525(b) (Public Schedule)	40	20	2 hr	40	81.06	973
	40	7,052,000 (40 States x 176,300)	3 min	352,600	81.06	8,574,527

1 Data Source: Statistical Enrollment Data System (SEDS) Combined CHIP Enrollment Total Report and Form CMS64.EC (As of 11/10/2020) <https://www.medicaid.gov/chip/downloads/fy-2019-childrens-enrollment-report.pdf>

		schedules)				
457.1180 (Written Notice)	40	1,920,000 notices	3 min	96,000	81.06	2,334,528
<i>Subtotal (Disclosure)</i>	40	16,024,020	<i>Varies</i>	801,240	81.06	19,484,555
<b>TOTAL</b>	<b>51</b>	<b>16,024,071</b>	<b>Varies</b>	<b>803,280</b>	<b>81.06</b>	<b>19,534,164</b>

\*Costs are adjusted for the states' 30 percent share.

### *Information Collection Instruments and Instruction/Guidance Documents*

SEDS Instructions for Data Entry (§457.740, Enrollment Report) (Revised)

Statistical Enrollment Reports Screenshots (Forms: CMS-21E; CMS-64.21E; CMS-64.EC; CMS-21PW; and Form Gender, Race, Ethnicity) (Revised)

#### 13. Capital Costs

There are no start-up costs associated with this information collection.

#### 14. Cost to the Federal Government

There is no cost to the Federal government.

#### 15. Program/Burden Changes

For each requirement, we are proposing to change the respondent's occupation from a Compliance Officer to a Project Management and Business Operations Specialist. Consequently, we are adjusting our wage estimates by \$13.52/hr (from \$67.54/hr to \$81.06/hr). This is to align the respondent occupation type to that used in the CARTS reporting. In most instances, the same respondent is responsible for the data entry of both the SEDS and CARTS reporting.

#### *§457.350 (Eligibility Screening)*

Accordingly, under Eligibility Screening and Facilitation of Medicaid Enrollment we propose to adjust the number of respondents from 43 states to 40 states based on current data in the number of states with a separate CHIP program and are adjusting our cost estimates as follows. We are not proposing any changes to the eligibility screening and facilitation requirements.

457.350 (Eligibility Screening)	# Respondents	Total Annual Responses	Time (per response)	Total Annual Time	Wage (\$/hr)	Total Cost (\$)
Currently Approved	43	7,580,900	3 min	379,045	67.54	7,680,210
2021 Proposed Changes	40	7,052,000	3 min	352,600	81.06	8,574,527
Difference	-3	-528,900	No Change	-26,445	+13.52	+894,317

#### *§457.740 (Enrollment Report)*

In addition to the wage change, under Annual Enrollment Report we also propose to adjust the



number of respondents from 56 states and territories to 50 states and the District of Columbia. The five territories do not submit a statistical enrollment reports and are being removed from the total number of respondents. The change would adjust our total time estimate time by minus 200 hours (from 2,240 hours [56 states and territories x 40 hr] to 2,040 (50 States and the District of Columbia x 40 hr).

All states and the District of Columbia are required to provide these data to CMS, and CMS publishes the annual enrollment data from states on Medicaid.gov each year. A Crosswalk of the updates to the SEDS template and an example of screenshots of a complete SEDS annual report are included in this package.

As previously discussed, we previously required states that serve adults in CHIP through a Section 1115 waiver also complete forms CMS-21 Waiver and Waiver Gender, Race, Ethnicity. Some states also completed informational forms 21E, 21PW, 64.21E, 64EC, and 21 Waiver, for children or eligible adults enrolled in employer sponsored insurance or dental wrap-around services for the applicable program. We are no longer requiring these forms and are removing them from the SEDS system.

We are also revising the SEDS Statistical Enrollment Report Template and the Instructions for Data Entry. Please see the attached Crosswalks for details.

457.740 (Enrollment Report)	# Respondents	Total Annual Responses	Time (per response)	Total Annual Time	Wage (\$/hr)	Total Cost (\$)
Currently Approved	56	56	40 hr	2,240	67.54	34,622
2021 Proposed Changes	51	51	40 hr	2,040	81.06	49,609
Difference	-5	-5	No Change	-200	+13.52	+14,987

*§457.525(b) (Public Schedule)*

Under Public Schedule, we propose to adjust the number of respondents from 43 states to 40 states based on current data in the number of states with a separate CHIP program and to adjust our cost estimates based on our wage changes. We are not proposing any changes to the public schedule requirements.

457.525(b) (Public Schedule)	# Respondents	Total Annual Responses	Time (per response)	Total Annual Time	Wage (\$/hr)	Total Cost (\$)
Currently Approved	43	20	2 hr	40	67.54	811
2021 Proposed Changes	40	20	2 hr	40	81.06	973
Difference	-3	No Change	No Change	No Change	+13.52	+162

457.525(b) (Public Schedule)	# Respondents	Total Annual Responses	Time (per response)	Total Annual Time	Wage (\$/hr)	Total Cost (\$)
Currently Approved*	43	176,300 (per state)	3 min	8,815	67.54	178,610
2021	40	7,052,000	3 min	352,600	81.06	8,574,527

Proposed Changes		(total)				
Difference	-3	+6,875,700	No Change	+343,785	+13.52	+8,395,917

\*The currently approved burden mistakenly set out the number of responses for one time per state instead of the total time among all 43 states. The figure should have been 7,580,900 responses = 43 States x 176,300 responses. We are correcting this oversight and the associated calculations in this September 2021 collection of information request.

#### §457.1180 (Written Notice)

Under Written Notice, we propose to adjust the number of respondents from 56 states (should have been 43 states) to 40 states based on current data in the number of states with a separate CHIP program and to adjust our cost estimates based on our wage changes. In addition, using more recent data, we propose to adjust the number of enrollees by 0.7 million (from 8.9 million to 9.6 million), the number of responses by 140,000 (from 1,780,000 notices to 1,920,000 notices), and the total time by 7,000 hours (from 89,000 hr [3 min/60 x 1,780,000 notices] to 96,000 hours [3 min/60 x 1,920,000 notices]). We are not proposing any changes to the written notice requirements.

457.1180 (Written Notice)	# Respondents	Total Annual Responses	Time (per response)	Total Annual Time	Wage (\$/hr)	Total Cost (\$)
Currently Approved	56	1,780,000	3 min	89,000	67.54	1,803,318
2021 Proposed Changes	40	1,920,000	3 min	96,000	81.06	2,334,528
Difference	-16	+140,000	No Change	+7,000	+13.52	+531,210

Overall, we project an increase of 6,486,795 responses, 324,140 hours, and \$9,836,593.

CFR Section(s)	# Respondents	Total Annual Responses	Time (per response)	Total Annual Time	Wage (\$/hr)	Total Cost (\$)
457.350 (Eligibility Screening)	-3	-528,900	No Change	-26,445	+13.52	+894,317
457.740 (Enrollment Report)	-5	-5	No Change	-200	+13.52	+14,987
457.525(b) (Public Schedule)	-3	+6,875,700	No Change	+343,785	+13.52	+8,396,079
457.1180 (Written Notice)	-16	+140,000	No Change	+7,000	+13.52	+531,210
TOTAL	-16	+6,486,795	Varies	+324,140	+13.52	+9,836,593

#### 16. Publication and Tabulation Data

The information gathered from the State annual enrollment reports will be released by CMS, on behalf of the Secretary and is available on the CMS website.

#### 17. Expiration Date

The expiration date will be displayed.

18. Certification Statement

There are no exceptions to the certification statement.

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

This collection does not employ statistical methods.