

SUPPORTING STATEMENT, PART A

Transformed – Medicaid Statistical Information System (T-MSIS)

**OMB Control No. 0938-0345
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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. This 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 report data elements, which 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 organizational and information technology (IT) infrastructure needs, that 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 December 2021, 50 states, the District of Columbia (DC), 1 entity (PA CHIP), and 2 territories (Virgin Islands and Puerto Rico) are in production and submitting monthly (100%); 1 territory (Guam) is working towards production and scheduled for implementation on September 30, 2022.

Current Data Collection Environment

Medicaid statistical information is enabled via the T-MSIS. States submit claims and eligibility data contained in the States' Medicaid Management Information System (MMIS) and ancillary systems. CMS applies data ingestion processes and data quality review checks, prior to making T-MSIS data available for review by stakeholders. Each state/territory/entity submit eight data files monthly. Over 5,184 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.

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. CMS is actively assessing and improving 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.

Summary of Changes:

We adjusted our number of respondents from 55 to 54. This change accounts for the 51 States (includes DC), 2 territories (Puerto Rico and Virgin Islands) and 1 program entities (PA CHIP). Iowa CHIP, Wyoming CHIP and Montana TPA are no longer submitting separate CHIP data. The number of responses per respondent and the number of hours per response remain

unchanged. The adjustment subtracts 120 hours (10 hr./response x 12 responses/year x 1 respondents) from our currently approved burden estimate. The number of respondents may increase as we onboard more territories to TMSIS.

We added a T-MSIS Data Dictionary Valid Value List document. CMS collects valid values from various industry and government sources. This artifact will provide information about the list of valid values for several data elements in each file type.

The PRA Disclosure Statement was added to the T-MSIS Data Dictionary, T-MSIS Data Dictionary Valid Value List, T-MSIS Data Dictionary Appendices, T-MSIS Data Dictionary Record Segment Relationships, T-MSIS Data Dictionary Record Layouts documents.

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 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

T-MSIS data is used to monitor past and projected future trends in the Medicaid and CHIP programs. The data reported in T-MSIS is used by Federal, State, and local officials, as well as by private researchers and corporations. T-MSIS data provide the only national level information available on enrollees, beneficiaries, and expenditures. T-MSIS data is the only national level information available on Medicaid utilization. This information is the basis for analyses and 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. T-MSIS information collection does not duplicate any other effort and the information cannot be obtained from any other source.

(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;
- 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 March 24, 2022 (87 FR 16739). No comments were received. The 30-day notice published in the Federal Register on June 9, 2022 (87 FR 35218).

Consultations

CMS communicates regularly with other Federal agencies, healthcare 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, 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 is covered in the System of Records (SORN) titled, “Transformed-Medicaid Statistical Information System (T-MSIS), HHS/CMS/CMCS.” (Feb 06, 2019; 84 FR 2230) <https://www.federalregister.gov/documents/2019/02/06/2019-01157/privacy-act-of-1974-system-of-records>.

(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

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). In this regard, the following table presents BLS’ mean hourly wage, our estimated cost of fringe benefits (calculated at 100 percent of salary), and our adjusted hourly wage.

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr.)	Fringe Benefits and Overhead (\$/hr.)	Adjusted Hourly Wage (\$/hr.)
Medical and Health Services Manager	11-9111	57.12	57.12	114.24

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.

Collection of Information Requirements and Associated Annual Burden

Estimates T-MSIS (Electronic submission)

50 states, DC, 2 territories and 1 program entities prepare and submit eight T-MSIS electronic data files each month. We estimate it takes 10 hours at 114.24 for a Medical and Health Services Manager to prepare and submit 8 eight T-MSIS electronic data files each month. In aggregate, we estimate an annual burden of 6,480 hours (10 hr./month x 12 responses/year x 54 respondents) at a cost of \$740,275 (6,480 hr. x \$114.24/hr.)

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	54	12	648	10 hrs.	6,480	114.24	0	740,275

Information Collection Instruments and Instruction/Guidance Documents

T-MSIS Data Dictionary artifacts are located on the Data & Systems’ webpage on Medicaid.gov and contains current data elements (<https://www.medicaid.gov/medicaid/data-systems/macbis/transformed-medicaid-statistical-information-system-t-msis/index.html>).

- **T-MSIS Data Dictionary** (Revised) Provide information about the definitions of all data elements in each file type including ELG, PRV, MCR, CIP, CLT, COT, CRX, & TPL
- **T-MSIS Data Dictionary Valid Value List** (New) Provide information about the list of valid values for several data elements in each file type including ELG, PRV, MCR, CIP, CLT, COT, CRX, & TPL
- **T-MSIS Data Dictionary Appendices** (Revised) Technical instructions for submissions on financial transactions, adjustments, and more
- **T-MSIS Data Dictionary Record Segment Relationships** (No Changes) Provide information about the record segment relationships within each file type
- **T-MSIS Data Dictionary Record Layouts** (Revised) Provide the T-MSIS record layout of each file type.

(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 \$20,209,000. This amount is based on T-MSIS contract cost for one-year period of performance.

(15) Program/Burden Changes

In this 2022 iteration, we adjusted our number of respondents from 55 to 54.

Current Burden: 6,600 hours (10 hr. per response x 12 responses/year x 55 States

Proposed 2022 Burden: 6,480 hours (10 hr./month x 12 responses/year x 54 respondents)

Burden Reconciliation

6,600 hr. (currently approved by OMB)
-6,480 hr. (see section 12, above)
-12 hr. difference ()

(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 in the PRA Disclosure Statement.

(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.