

SUPPORTING STATEMENT A

**State Data for the Medicare Modernization Act (MMA)
CMS-10143 (OMB 0938-0958)**

Inquiries regarding this request to:
Medicare-Medicaid Coordination Office
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Background

Since 2005, states have been submitting files at least monthly to the Centers for Medicare & Medicaid Services (CMS) to identify all dually eligible beneficiaries. This includes full-benefit dually eligible beneficiaries and partial-benefit dually eligible beneficiaries (i.e., those who get Medicaid help with Medicare premiums, and often for cost-sharing but are not otherwise eligible for Medicaid-covered services). The file is called the “MMA file” (after the Medicare Prescription Drug, Improvement and Modernization Act of 2003) and is occasionally referred to as the “state phase-down file.” Effective April 1, 2022, federal regulations at 42 CFR 423.910 now require states to submit files daily.

Regulations governing MMA file data collection require Medicaid agencies in each of the fifty states and the District of Columbia (hereafter referred to as states) to submit at least one monthly file, including all known dually eligible beneficiaries, and subsequent daily files that provide updates for changes in dual eligibility status (accretions, deletions, and changes).

Daily submission means every business day, but if a state has no new transactions to transmit, the state would not need to submit data on a given business day. Daily submission allows the states to provide current information on updated dual eligibility status and helps promote administrative efficiencies while also benefiting dually eligible beneficiaries and providers.

This 2023 iteration revises the User Guide. Attached is a clean version of the Guide as well as a Track Change version of the revised document and a Crosswalk of the changes. We are not revising any of our active burden estimates.

A. Justification

1. Need and Legal Basis

The MMA file supports the following program needs for CMS:

- auto-enrolling full-benefit dually eligible beneficiaries into Medicare Part D drug plans
- deeming full- and partial-benefit dually eligible beneficiaries automatically eligible for the Medicare Part D Low Income Subsidy (LIS)
- risk-adjusting capitation payments to Medicare Advantage plans;
- identifying Qualified Medicare Beneficiary (QMB) status to alert those individuals and the providers who serve them that they are not liable for Medicare cost-sharing for Medicare Parts A and B services; and
- determining monthly state phased-down payment amounts due from states.
- determining eligibility for enrollment in Medicare Advantage dual eligible special needs plans (D-SNPs), including deemed status

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) requires CMS to calculate the payment rates for the Phased-Down State Contribution (PDSC) for Part D each year using the latest available National Health Expenditure (NHE) estimates of per capita drug expenditure growth for the period 2003 to 2006, combined with the annual percentage

increase (API) in average per capita aggregate Part D expenditures for 2007 and later years, as defined in section 1860D-2(b)(6) of the Social Security Act.

Section 103(a)(2) of the MMA addresses the PDSC process for the Medicare program. The PDSC is a partial recoupment from the states of ongoing Medicaid drug costs for dually eligible beneficiaries assumed by Medicare under the MMA, which (absent the MMA) would have been paid for by the states.

As CMS now leverages MMA data on dual eligibility status into systems supporting all four parts of the Medicare program, it is becoming even more essential that dual eligibility status is accurate and up to date. Dual eligibility status can change at any time in a month. Daily status updates mitigate the risk of a lack of access to the correct level of benefit at the correct level of payment. Daily data exchange is critical to timely access to affordable benefits; without daily exchanges, CMS would experience a lag in its ability to automatically enroll these individuals in Medicare drug plans or deem them automatically eligible for the low-income subsidy for Part D premiums, deductibles, and copayments.

Finally, in Original Medicare (Medicare Parts A and B), without daily submission of the MMA file, CMS would not be able to make available to providers accurate and timely information to identify the individuals who are in the QMB eligibility group and are protected from of Medicare cost-sharing liability by federal statute.

2. Information Users

The Medicare Advantage Prescription Drug (MAPD) State User Guide contains technical guidance for the state and file layouts of the MMA Request (state sends to CMS) and Response (CMS returns to state) files. Please see the attached Crosswalk and Track Change version of the guide for details.

The MMA request file identifies all dually eligible beneficiaries in the state for the current month. As noted above in section A1, the phase-down process requires a monthly count of all full-benefit dually eligible beneficiaries with a dual status code of 02, 04, and 08 and an active Part D plan enrollment in the month.

3. Use of Information Technology

The data files will be created electronically from each state eligibility system and transferred electronically using: Managed File Transfer (MFT) Internet Server MFT Platform, Connect:Direct, Gentran, or Cyberfusion infrastructure.

4. Duplication of Effort

There is no duplication of effort or information associated with this request.

5. Small Business

This information collection affects states only and does not impact any small businesses or other small entities.

6. Less Frequent Collection

To comply with the proposed MMA and regulatory requirements, these data must be reported daily. States have long had the option to submit multiple MMA files throughout the month (up to one per day). Most states submit at least weekly. To ensure information on dual eligibility status is accurate and up to date, starting April 1, 2022, all states are required to submit the required MMA file data to CMS daily.

7. Special Circumstances

This information collection must be conducted daily to conform with Federal regulations. 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 secrets, 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 August 25, 2023 (88 FR 58281). We did not receive any comments.

The 30-day notice published in the Federal Register on October 27, 2023 (88 FR 73855). Comments must be received by November 27, 2023.

9. Payments/Gifts to Respondents

CMS provides no payments or gifts to states responding to this data collection. The primary benefit of participation is an accurate assessment of all dually eligible beneficiaries.

10. Confidentiality

The MMA Request file from the state to CMS includes the beneficiary's SSN, MBI, and eligibility/enrollment information. The data collected on the MMA file is processed through the Medicare Beneficiary Database (MBD). The database is the record of Medicare beneficiary enrollment information. It is the authoritative source for Medicare beneficiary information, entitlement, etc. The beneficiary information is stored in the MBD but also downloaded to the Eligibility Enrollment Medicare Online (ELMO) and Medicare Advantage Prescription Drug User Interface (MARx) systems. CMS accesses the beneficiary information using the SSN/MBI in these two eligibility and enrollment systems to research beneficiary-related inquiries identified internally and from state agencies. Provisions of the Privacy Act apply and are strictly enforced. No personally identifiable information (PII) is shared without an appropriate system of records protection and data use agreements. [System of Record Notice 09-70-0536, Medicare Beneficiary Database HHS/CMS/CBC, 83 FR 6591](#).

11. Sensitive Questions

This request contains only information on dually eligible enrollment. The data reported are already stored in states' eligibility systems.

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. Collection of Information Requirements and Associated Burden Estimates

Wage Estimates

To derive average costs to make the systems updates necessary to submit MMA data daily, we used data from the U.S. Bureau of Labor Statistics May 2022 National Occupational Employment and Wage Estimates for all salary estimates (http://www.bls.gov/oes/2022/may/oes_nat.htm). In this regard, the following table presents BLS' mean hourly wage, our estimated cost of fringe benefits and other indirect costs (calculated at 100 percent of salary), and our adjusted hourly wage.

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefits and Other Indirect Costs (\$/hr)	Adjusted Hourly Wage (\$/hr)
Computer Systems Analyst	15-1121	51.70	51.70	103.40

As indicated, we are adjusting the employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and other indirect 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 Burden Estimates

Burden (One-time Systems Update Only)

Current data indicates that 50 States are in compliance with the system update requirements, leaving 1 state needing system updates.

The burden for the one-time updates is included in our annual 960 hr/state burden estimate. The estimate of 960 hr/state burden was derived by calculating the estimated number of hours one computer systems analyst would work on system changes in the remaining state (full-time for six months) to implement updates to send daily files in addition to monthly files.

For the remaining state, we estimate a burden of 960 hours (1 State x 960 hr/state) at a cost of \$99,264 (960 hr x \$103.40/hr) for a state to complete the systems changes and submit their daily files.

Burden (Maintenance Only)

Once the necessary one-time systems updates are complete, the process of daily submission is an automated process with internal controls in place related to file submittals or issues. As noted above, the phase-down process requires a monthly count of all full-benefit dually eligible beneficiaries with an active Part D plan enrollment in the month, with daily updates for additions, subtractions, or changes. We estimate that each of the 51 states would incur a burden of 8 hours per month for ongoing reporting and internal controls or updates related to daily submission of the MMA file, for a total of 96 hours per year for each state.

We estimate an ongoing burden of 4,896 hours (51 States x 96 hr/state) at a cost of \$506,246 (4,896 hr x \$103.40/hr) for 50 states and the District of Columbia.

Burden Summary

Response	No. Respondents	Total # of Responses	Time Per Response (hr)	Total Time (hr)	Labor Rate (\$/hr)	Total Cost (\$)
Systems Update	1	1	960	960	103.40	99,264
Maintenance	51	51	96	4,896	103.40	506,246
Total	51	52	1,056	5,856	103.40	605,510

Information Collection Instruments, Instructions, and Guidance Documents

The User Guide has been revised. Attached is a clean version of the Guide as well as a Track Change version of the revised document and a Crosswalk of the changes.

[MAPD State User Guide 11.0 \(Revised\)](#)

13. Capital Costs

There are no capital costs associated with this information collection.

14. Cost to the Federal Government

We estimate an annual cost of \$34,252 which is based on administrative expenses performed by a CMS contractor.

15. Changes to Requirements, Burden, and Reporting Instruments

Using current BLS wage data, we are adjusting our cost estimates by plus 605,510 (from \$3,551,829 (May 2018 @ \$90.02/hr, adjusted) to 4,079,750 (May 2022 @ 103.40/hr, adjusted).

We also revised our MAPD State User Guide. Please see the attached Crosswalk and Track Change version of the guide for details.

16. Publication/Tabulation Dates

The daily data for individuals who are dually eligible beneficiaries will be used solely for determining the phased-down state contribution amount, to support subsidy determinations and auto-assignment, to support risk adjustment for payment to Medicare Advantage plans, and to support prohibition on providers billing Qualified Medicare Beneficiaries for Medicare Parts A/B cost-sharing. Statistical reports may be published from the data. The data from this information collection will be published in the [MMCO factsheet](#).

17. Expiration Date

The expiration date is displayed in the upper right-hand corner of the MAPD State User Guide.

18. Certification Statement

There are no exceptions to the certification statement identified in Item 19 of the OMB Form 83-I, "Certification for Paperwork Reduction Act Submissions."

B. Collections of Information Employing Statistical Methods

The information collection requirements do not employ statistical sampling methods. Any sampling would compromise the quality of the data collected.