

SUPPORTING STATEMENT, PART A

Transformed – Medicaid Statistical Information System (T-MSIS)

**OMB Control No. 0938-0345
CMS-R-284**

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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).

Current Data Collection Environment

States submit claims and eligibility data contained in the States' Medicaid Management Information System (MMIS) and ancillary systems. 50 states, the District of Columbia (DC), 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 in 2024. CMS applies data ingestion processes and data quality review checks, prior to making T-MSIS data available for review by stakeholders. As part of T-MSIS File Layout v4.0, each reporting entity will submit nine data files monthly. Since 2019, over 12,780 files annually, amassing to 91 Terabytes of uncompressed data, into T-MSIS a year.

T-MSIS has identified data elements and file structures for inclusion in nine T-MSIS files: provider (PRV), managed care plans (MCR), third party liability (TPL), eligibility (ELG), inpatient (Claims-IP), other (Claims-OT), prescription (Claims-RX), long-term care (Claims-LT), and financial transactions (FTX). The FTX file is under development and expected to begin receiving State data in February 2025.

Current Data Dissemination Environment

T-MSIS is hosted in the cloud and data is reviewed through two data quality methods. The first is the T-MSIS system business rules review, which displays the results of basic edit checks and identifies obvious errors as the data are processed. 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 and CHIP 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, improves program efficiency, and reduces the number of duplicative data requests from states.

Summary of Changes:

In this 2024 iteration, we increased our per response time estimate by 1.25 hours as a result of T-MSIS file layout changes which require the addition of a new file (FTX) for financial transactions. The change increases our total time estimate by 810 hours. See section 15 of this Supporting Statement for details.

We have also updated the following T-MSIS Data Dictionary documents: File Segment Layouts, Data Dictionary, Valid Value List (VVL), and Data Dictionary Appendices.

The active Record Layouts file is removed as it has been fully integrated into the core “Data Dictionary” artifact.

A. JUSTIFICATION

(1) Need/Legal Basis

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.

The Medicaid program is of critical importance to American society. Medicaid is a joint federal and state program that, together with the Children’s Health Insurance Program (CHIP), provides health coverage to over 72.5 million Americans, including children, pregnant women, senior’s individuals with disabilities. Medicaid is the single largest source of health coverage in the United States.¹

Medicaid and CHIP are jointly funded and administered by the federal government and states. 2022 total certified expenditures based on state and territory reporting was \$846,505,121,323². Timely data submissions from states increase reliability and usage, which in turn improve the

¹ <https://www.medicaid.gov/medicaid/eligibility/index.html>. April 11, 2024

² <https://www.medicaid.gov/state-overviews/scorecard/>

consistency and quality of T-MSIS data. Having consistent and high-quality data will improve informed decision-making by Medicaid state and federal officials.

Basis for collecting T-MSIS data include:

- The T-MSIS Systems of Records Notice, permitting T-MSIS data collection and use to i) reduce the number of reports CMS requires of the states ii) provide data needed to improve beneficiary quality of care iii) improve program integrity iv) support the states, private market, and stakeholders with key information.
- Section 1115, Social Security Act, permitting use to calculate quality measures and other metrics, including those reported through the new Medicaid and CHIP (MAC) Scorecard, released on June 4, 2018.
- Section 4735, Balanced Budget Act 1997, P.S. 105-33, amended section 1903(r) of the Act to permit data collection for claims, enrollee encounter data, and supporting information.
- Section 6504, Patient Protection and Affordable Care Act, P.L. 111-148, as amended by the Health Care and Education Reconciliation Act, P.L. 111-152 (collectively the Affordable Care Act), strengthened to include data elements the Secretary determines necessary for program integrity, oversight, and administration.
- Medicaid Managed Care Regulation published in May 2016, 42 CFR 438.242, 438.604, 438.818, to collect encounter data.

(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 reporting entity 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 information collection does not duplicate any other effort and the data set cannot be obtained from any other source.

(5) Small Business

Outside of standard federal processes in partnership with the Office of Acquisition and Grant Management, T-MSIS reporting is initiated by States and Territories. Small businesses or other small organizations are not expected to be impacted.

(6) Less Frequent Collection

T-MSIS data, as ingested and processed in a cloud-based system, enables efficient processing to satisfy data collection needs, thus eliminating additional similar duplicate current reporting processes.

Monthly data collection 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 with greatly reduced latency from time of data collection to review. In addition, partners who use Medicaid and CHIP data, receive more current data to inform program administration, eligibility status, and timely identification of fraud, waste, and abuse.

Less frequent collection of this data or failure to collect this data would impair 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. CMS 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 July 10, 2024 (89 FR 56754). Comments were due September 9. While four comments were received, all of them were out of scope. However, we believe that one is suited to CMS-10261 (OMB 0928-1054) and forwarded that to the cognizant program for consideration.

Our 30-day notice published on September 19, 2024 (89 FR 76843). Comments must be received by October 21.

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 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 2023 National Occupational Employment and Wage Estimates for all salary estimates (https://www.bls.gov/oes/2023/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)
Medical and Health Services Manager	11-9111	64.64	64.64	129.28

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 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 Annual Burden Estimates

T-MSIS (Electronic submission)

50 states, DC, 2 territories and 1 program entities will prepare and submit nine T-MSIS electronic data files each month. We estimate it takes 11.25 hours at 123.06 for a Medical and Health Services Manager to prepare and submit nine T-MSIS electronic data files each month. In aggregate, we estimate an annual burden of 7,290 hours (11.25 hr/month x 12 responses/year x 54 respondents) at a cost of \$942,451 (7,290 hr x \$129.28/hr).

Burden Summary

Annual Record Keeping and Reporting Requirements

Information Collection	Respondents	Responses (per respondent)	Total Responses	Time per Response (hr)	Total Annual Burden (hr)	Labor Rate (\$/hr)	Total Capital/Maintenance Costs (\$)	Total Cost (\$)
T-MSIS	54	12	648	11.25	7,290	123.06	0	942,451

Information Collection Instruments and Instruction/Guidance Documents

The following T-MSIS Data Dictionary documents (word and excel files) have been updated. The active Record Layouts file is removed (see section 15 for details).

- File Segment Layouts: Definitions and diagrams that depict T-MSIS Record Segment Relationships and a list of Data Elements that comprise those files and record segments for each file type including ELG, PRV, MCR, CIP, CLT, COT, CRX, TPL, & FTX (the new 9th file type containing financial transactions, data previously embedded in the four claims related files).
- Data Dictionary: Specifications for all the data elements including definition, necessity, coding requirements, and valid value list name for each applicable data element.
- Valid Value List (VVL): For each VVL name associated with applicable data elements, a list of value codes and associated descriptions.
- Data Dictionary Appendices: Technical instructions providing additional context and guidance for submission data related to key complex areas such as eligibility, capitation, claims adjustments, financial transactions, and more.

(13) Estimated Annual Operation and Maintenance Costs

Operating and maintenance costs vary by state. A state's 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 \$15,048,494. This amount is based on T-MSIS contract cost for one-year period of performance.

(15) Program/Burden Changes

In this 2024 iteration, we increased our per response time estimate by 1.25 hours (from 10 hr/response to 11.25 hr/response). The increase is a result of T-MSIS file layout changes which require the addition of a new file (FTX) for financial transactions. The change increases our total time estimate by 810 hours (from 6,480 hr to 7,290 hr).

Our active 6,480 hour estimate was based on the respondent preparation and submission of 8 files (ELG, PRV, MCR, CIP, CLT, COT, CRX, & TPL). The addition of FTX increases the total monthly file submission from 8 to 9 files.

The following T-MSIS Data Dictionary documents have been updated: File Segment Layouts, Data Dictionary, Valid Value List (VVL), and Data Dictionary Appendices.

The active Record Layouts file is removed as it has been fully integrated into the core “Data Dictionary” artifact.

Burden Reconciliation

	# of Respondents	Responses per Respondent	Total Responses	Time per Response (hours)	Total Time (hours)	Labor Rate (\$/hr)	Total Annual Cost (\$)
Active	54 States	12	648	10	6,480	114.24	740,275
2024 (Proposed)	54 States	12	648	11.25	7,290	123.06	942,451
Change	No change	No change	No change	+1.25	+810	+8.28	+202,176

(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.

(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 this package and the package title includes the term “statistical,” the information collection requirements do not employ statistical sampling methods.