Medicaid and CHIP State Plan, Waiver, and Program Submissions
(CMS-10398, OMB 0938-1148)

Generic Information Collection #13 (Revision)
Medicaid Accountability – Nursing Facility, Outpatient Hospital and Inpatient Hospital Upper Payment Limits

January 2022

Center for Medicaid and CHIP Services (CMCS)
Centers for Medicare & Medicaid Services (CMS)

A. Background

The Centers for Medicare & Medicaid Services (CMS) work in partnership with States to implement Medicaid and the Children's Health Insurance Program (CHIP). Together these programs provide health coverage to millions of Americans. Medicaid and CHIP are based in Federal statute, associated regulations and policy guidance, and the approved State plan documents that serve as a contract between CMS and States about how Medicaid and CHIP will be operated in that State. CMS works collaboratively with States in the ongoing management of programs and policies, and CMS continues to develop implementing guidance and templates for States to use to elect new options available as a result of the Affordable Care Act or to comply with new statutory provisions. CMS also continues to work with States through other methods to further the goals of health reform, including program waivers and demonstrations, and other technical assistance initiatives. States and the Centers for Medicare & Medicaid Services (CMS) share responsibility for operating Medicaid programs consistent with title XIX of the Social Security Act and its implementing regulations. Together, the federal and State governments share accountability for the integrity of the total investment of dollars in the Medicaid program and the extent to which that investment produces value for beneficiaries and taxpayers.

CMS is now updating the UPL collection as part of the Medicaid and CHIP Financial (MACFin) system. MACFin's mission is to modernize and streamline the current system and processes used in providing oversight and monitoring for the Medicaid and Children's Health Insurance Program (CHIP) expenditures. While modernizing and improving the dependability of the older legacy system, CMS is also adding new reporting functionality, automation of current manual processes, documentation upload and depository capabilities, and a focus on improving the overall user experience. This new system will be a modern, integrated product suite to manage the Medicaid and CHIP financial reporting.

MACFin will increase accuracy, efficiency, transparency and decrease the administrative burden for state budget and expenditure reporting, CMS budget and expenditure review, and grant processes through improved features, workflows, and automation. MACFin will provide functionality to support Incurred But Not Reported Survey (IBNRS); Disproportionate Share Hospital (DSH) allotments and audit; and the Upper Payment Limit (UPL) annual reporting. In addition, CMS continues to improve the dependability of MBES, the legacy systems for budget and expenditures reporting, which will be integrated into the new MACFin system.

The Centers for Medicaid and CHIP Services (CMCS) manages billions of federal dollars granted to states for the Medicaid and the Children's Health Insurance Program (CHIP) which are changing and will continue to change moving forward. With the implementation of the Affordable Care Act, Medicaid and CHIP enrollment has grown to over 74 million beneficiaries (23% of total US population as of 2017). MACFin is our effort to modernize the Medicaid and CHIP Financial systems while continuing to sustain support for ongoing operations.

B. Description of Information Collection

Starting in 2013, CMS required states to submit annual upper payment limit (UPL) demonstrations on an annual basis. Previously this information was collected or updated only when a state was proposing an amendment to a reimbursement methodology in its Medicaid state

plan. Specifically, in 2013, we required that states submit UPL demonstrations for inpatient hospital services, outpatient hospital services, and nursing facilities. In 2014, states were then required to submit annual UPL demonstrations for the services listed above as well as clinics, physician services (for states that reimburse targeted physician supplemental payments), Intermediate care facilities for individuals with intellectual disabilities (ICF/IID), psychiatric residential treatment facilities (PRTFs) and institutes for mental disease (IMDs). These annual demonstrations included provider specific data reporting on all payments made to the providers, including supplemental payments.

Through this process, States were also asked as part of the submission to identify the source of the non-federal share of funding. for the payments described in the UPL. This is consistent with the overall requirements to identify sources of non-federal funding set forth in section 1903(d)(1) of the Social Security Act. Such information will allow CMS and the State to have a better understanding of the variables surrounding rate levels, supplemental payments, and total providers participating in the programs and the funding supporting each of the payments described in the UPL demonstration.

In early 2021 CMS developed and revised the templates in conjunction with the States and a CMS contractor for use with each of the 3 services of the UPL demonstration within this package- Nursing Facility, Outpatient Hospital, and Inpatient Hospital. These templates are helping to standardize the data collection and allow the States to quickly transfer data from their existing UPL demonstration reporting tools into the new UPL demonstration templates for reporting to CMS. These templates have allowed the States to report the UPL demonstrations more efficiently with embedded formulas to help complete required areas of the UPL demonstrations, saving States time and effort in their reporting. Standardizing the templates has helped CMS to review the annual UPL demonstrations, by being able to look at one template format, instead of up to 54 different templates in each UPL demonstration types.

In this January 2022 revision, CMS is moving its Guidance and Instruction documents into an online format within the MACFin system. The Guidance and Instruction documents for each of the service type have been revised and will be collected online, a change from the previous collection of information where States responded via a Word type document and sent those responses to a dedicated UPL email box. Now States will be able to fill in the Guidance and Instruction documents as needed online. These two documents are now combined in the online format and answered online as shown in the attached materials. Attached here are a walkthrough of the proposed changes for each service type (see the UPL Guidance Questions Logic_13) and separate files for each of the screen pictures of the proposed questions and logical flow of the questions, that will become the online format for each service type (see the UPL Guidance Questions_Master Files). After answering the new online Guidance and Instructions, State personnel will then upload their UPL templates directly into the MACFin system for processing.

CMS has revised the Guidance and Instruction and the UPL templates. These changes are minor but substantive. The Guidance and Instruction documents were revised as noted in the changes document to accommodate an online format and to clarify the questions and data sources States use in calculating the UPL. Some additional questions have been asked (3), some eliminated (10), and others have been clarified, but the overall burden for States of 40 hours for each UPL

package remains the same, though CMS anticipates the changes will save burden to States, as the online system will allow for a logical flow to the questions and only ask the relevant questions for each State's UPL submission.

The UPL templates have been revised to clarify definitions and instructions in filling out the UPL templates. The nursing facility template adds a tab to give States the option to use the Medicare created Patient Driven Payment Model (PDPM) as an option for the nursing facility UPL reporting. The new PDPM tab gives states the option of this new payment methodology, but does not require new data to be collected. None of the changes add burden to States, and CMS anticipates the new MACFin system will make it easier for States to upload and track their required UPL submissions.

C. Deviations from Generic Request

No deviations are requested.

D. Burden Hour Deduction

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 and overhead (calculated at 100 percent of salary), and our adjusted hourly wage.

Occupation Title	Occupation Code	Mean Hourly Wage	Fringe Benefits and Overhead	Adjusted Hourly Wage
Data Entry Keyers	43-9021	$17.24/hr	$17.24/hr	$34.48/hr
General and Operations Managers	11-1021	$60.45/hr	$60.45/hr	$120.90/hr
Social Science Research Assistants	19-4061	$25.75/hr	$25.75/hr	$51.50/hr

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.

Burden Estimates

CMS estimates that each State will complete the collection of data and submission to CMS within 40 hours. There is a potential universe of 54 respondents submitting one response. CMS

has determined that the Commonwealth of the Northern Marianas Islands and American Samoa are exempt from reporting due to their Medicaid J waivers.

CMS expects that there will be three separate steps for a state to complete one response. To complete the report we expect that a Data Entry Keyers would need 30 hours at $34.48/hr, a Social Science Research Assistant would need 9 hours at $51.50/hr, and a General and Operations Manager would need 1 hour at $120.90/hr.

In aggregate, we estimate a burden of 2,160 hours (1 response x 40 hours x 54 respondents) at a cost of $87,415 (54 x [(30 hr x $34.48/hr) + (9 hr x $51.50/hr) + (1 hr x $120.90/hr)]).

Although this January 2022 iteration proposes to maintain the current number of respondents (54), responses (54), and total time estimates (2,160 hr), we have adjusted our cost estimate by plus $2,801 (from $84,614 to $87,415) to account for more up to date BLS wage figures.

Given that this collection of information request proposes no changes to our active total time estimate (2,160 hr) and to avoid duplication, we are adding 5 hours of burden to account for the limitations of ROCIS which does not allow the submission of zero hours.

Information Collection Instruments, Instructions, and Guidance Documents

I. Crosswalk-Guidance-Instructions_PRA-13 (Crosswalk for Changes in guidance and instructions documents: inpatient hospital, outpatient hospital, and nursing facility)
II. PRA_NOV2021_Template Changes Crosswalk_#13 (Crosswalk for Templates: inpatient hospital, outpatient hospital, and nursing facility)
III. UPL Guidance Questions Logic_13 (New, Guidance and instructions documents screen shots and logic to answering questions)
IV. Generic Supporting Statement
V. MACFIN_inpatient-upl-template (Revised, See Template Crosswalk for Changes)
VI. MACFIN_outpatient-upl-template (Revised, See Template Crosswalk for Changes)
VII. MACFIN_nursing-facility-upl-template (Revised, See Template Crosswalk for Changes)
VIII. UPL Guidance Questions_Master File_Inpatient (Revised)
IX. UPL Guidance Questions_Master File_Nursing Facility (Revised)
X. UPL Guidance Questions_Master File_Outpatient (Revised)

E. Timeline

N/A