Supporting Statement Part A
Income and Eligibility Verification System
CMS-R-74, OMB 0938-0467

BACKGROUND

The information collected is used to verify the income and eligibility of Medicaid applicants and recipients, as required by Section 1137 of the Social Security Act. Final regulations to implement Section 1137 of the Act were published February 28, 1986. Subsequent final amendments to the regulations were published on February 27, 1987; March 2, 1989; October 7, 1992; January 31, 1994; January 11, 2001, March 23, 2012 and November 30, 2016. These regulations provide the standards States use with respect to the verification of applicant and beneficiary eligibility, the requirements related to use of an individual's social security number, as well as release of information,

The Qualifying Individual (QI) Program Supplemental Funding Act of 2008 amended Section 1903(r) of the Social Security Act to incorporate the requirement that States include data matching through the Public Assistance Reporting Information System (PARIS) in their Income and Eligibility Verification Systems (IEVS). PARIS is a system for matching data from certain public assistance programs, including State Medicaid programs, with selected Federal and State data for purposes of facilitating appropriate enrollment and retention in public programs. Effective October 1, 2009, based on the provisions of the Qualifying Individual Funding Act, all States are required to sign an agreement to participate in PARIS as a condition of receiving Medicaid funding for automated data systems (including the Medicaid Management Information System). States must submit a State Plan Amendment (SPA) to CMS to document their established income and eligibility verification system and their participation in PARIS.

Section 1413 of the Affordable Care Act (Pub. L. 111-148 as amended by Pub. L. 111-152) established new requirements for streamlining eligibility and enrollment procedures, including more modern and efficient verification processes. The Affordable Care Act maximized reliance on electronic data sources, allowed for the establishment of a federal data services hub through which states verify certain eligibility criteria, and provided states with flexibility in how and when they verify information needed to determine Medicaid eligibility. Many of the original provisions implementing section 1137 of the Act were replaced with new requirements to implement these new streamlined processes.

No changes are being made to the information collection at this time.

A. JUSTIFICATION

1. Need and Legal Basis

Section 1137 of the Act requires that States verify the income and eligibility information contained on the applicant's application and in the applicant's case file through data matches with the agencies and entities identified in this section. For purposes of

calculating burden, we are once again using 54 States and U.S. Territories which have Medicaid applicants/recipients for whom IEVS and PARIS data will be requested in order to determine and/or redetermine Medicaid eligibility. Following passage of the Affordable Care Act, and expansion of Medicaid eligibility in more than half of states, we estimate that verifications will be completed annually for the approximately 73 million recipients currently enrolled in Medicaid and CHIP. These numbers are based on the most recent information available in the monthly Medicaid and CHIP application, Eligibility Determination and Enrollment Reports available on Medicaid.gov.

2. Information Users

The State Medicaid/CHIP agency will report the existence of a system to collect all information needed to determine and redetermine eligibility for Medicaid and CHIP. The State Medicaid/CHIP agency will attest to using the PARIS system in determining beneficiary eligibility in Medicaid or CHIP benefit programs.

3. Improved Information Technology

While State agencies continue to have varying levels of computer capabilities, the streamlined enrollment processes established by the Affordable Care Act, and the subsequent regulations implementing those requirements, resulted in the development of automated electronic verification processes in every state.

4. Duplication of Similar Information

Our regulations provide for avoidance of duplication through exemption for the Medicaid agency from the statutory requirement where the information has already been verified by another program which automatically makes Medicaid eligible those individuals who are eligible for a program such as Supplemental Security Income.

5. Small Businesses

The statute's requirements do not affect small businesses. The requirement is imposed only on States administering Medicaid and CHIP programs.

6. Less Frequent Collection

Section 1137 of the Social Security Act requires states to verify the income and eligibility of applicants and recipients. Information needed for such verification must be obtained, matched, and maintained in an individual's record at initial application and upon renewal of eligibility. For individuals whose Medicaid eligibility is based on modified adjusted gross income (MAGI), eligibility must be renewed once every 12 months, and for individuals eligible on a non-MAGI basis, eligibility must be renewed at least every 12 months.

As described at 42 CFR 435.945, states must furnish income and eligibility information to other state agencies upon request.

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 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 INSERT, 2018 (83 FR INSERT).

9. Payment/Gift to Respondent

No gifts, payments, or other financial incentives will be made to respondents.

10. Confidentiality

States are prohibited from using any information obtained about applicants for any purpose not directly connected with administration of the Medicaid plan; in this case determining and verifying the income and/or eligibility of an applicant. *See* 42 CFR 431.306.

Because no personal identifying information is being collected, there is no issue of confidentiality.

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 Estimate (Hours and Wages)

Wage Estimates

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2017 National Occupational Employment and Wage Estimates for all salary estimates (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 the adjusted hourly wage.

Occupation Title	Occupation Code	Mean Hourly Wage ($/hr)	Fringe Benefits and Overhead ($/hr)	Adjusted Hourly Wage ($/hr)
Information and Records Clerk	43-4000	16.79	16.79	33.58
Management Analyst	13-1111	44.92	44.92	89.84

Except where noted, 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. 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

(a) Income and Eligibility Verification System: The Medicaid Agency has established a system for income and eligibility verification, which includes data matching through the Public Assistance Reporting Information System (PARIS) in accordance with the requirements of 42 CFR 431.17 and 435.940-435.960.

Burden: The Secretary established an electronic service, the Federal Data Services Hub (Hub), through which state Medicaid/CHIP agencies may verify certain information with, or obtain such information from, Federal agencies and other data sources, including the Social Security Administration, the Department of Treasury, and the Department of Homeland Security. To the

extent that information related to eligibility for Medicaid and CHIP is available through the electronic service established by the Secretary, agencies must obtain the information through such service unless the state agency obtains a waiver to forego using the Hub to obtain electronic data pursuant to 42 CFR 435.945(k). *See* 42 CFR 435.949.

Outside the Hub, states will continue to receive requests for information from other states, from other state programs such as the supplemental nutrition assistance program and the child support program, and from federal agencies such as the Department of Veterans Affairs. We estimate that each state will receive an average of 5 file requests per month for a total of 60 requests per year. We estimate that it would take an information and records clerk 20 minutes (0.33 hours) at $33.58/hr to match each request file against the Medicaid file of recipients, extract information, and prepare a file to furnish to the requester. Thus the cost for each state to complete 60 requests at 0.33 hours per request is (60 requests X 0.33 hours X $33.58) $664.88. The total cost estimate for 54 states is $35,904 ($664.88 X 54 states). States were required to establish automated processes to transfer information electronically among insurance affordability programs, so we do not estimate an additional burden from such file transfers.

(b) Information exchanged electronically

Burden: Information exchanged electronically between the State Medicaid agency and any other agency or program must be sent and received via secure electronic interfaces as defined in 42 CFR 435.4. All states have established electronic applications and case records as required under section 1943 of the Social Security Act; therefore, this requirement does not impose any additional burden on states.

(c) Executing written agreements.

Burden: The agency must execute written agreements with other agencies before releasing data to, or requesting data from, those agencies. Such agreements must provide for appropriate safeguards limiting the use and disclosure of information as required by Federal or State law or regulations. *See* 42 CFR 431.306(g).

State Plan Amendment Template

There will be a total of 54 States and territories which have Medicaid and/or CHIP applicants/beneficiaries for whom IEVS and PARIS data will be requested. All States have already documented in their state plans that they have a system for income and eligibility verification and that they provide for data matching through PARIS. Once approved, states do not need to resubmit. However, a state may choose to submit a state plan amendment to describe any updates or changes to their PARIS processes. The burden for states to complete such a state plan amendment is estimated to average 2 hours per amendment. This includes time for reviewing existing state connectivity, entering data into the 1-page form, completing the internal review and approval process and answering any questions posed by CMS after submission. We estimate it would take a management analyst 2 hours at $89.84/hr to complete the state plan amendment. In aggregate we estimate an annual burden of 2 hours (1 state x 2 hr/amendment) at a cost of $179.68 (2 hr x $89.84/hr).

TOTAL BURDEN

Summary of Annual Recordkeeping and Reporting Requirements

Regulation Section(s)	Respondents	Responses (per respondent)	Total Responses	Burden per Response	Total Annual Burden (hours)	Labor Cost of Reporting ($/hr)	Total Cost ($)
IEVS	54	60	3,240	0.33 hrs	1,069	$33.58	$35,904
State Plan Template	1	1	1	2 hrs	2	$89.84	$180
Total	55	61	3,241	varies	1,071	varies	$36,084

Collection of Information Instruments and Instruction/Guidance Documents

- Income and Eligibility Verification State Plan Amendment Preprint

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

These costs would be considered administrative requirements and would be subject to federal reimbursement at the administrative match rate.

15. Program or Burden Changes

This package does not propose any program changes. This package decreases the burden on states for submitting state plan amendments because all states have IEVS approved in their state plan. Any burden associated with the state plan would be related to a proposed change.

16. Publication and Tabulation Dates

No publication or tabulation of data expected.

17. Expiration Date

The expiration date is displayed.

18. Certification Statement

There are no exceptions to the certification statement to be explained.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods are not used because the law and regulations require that IEVS be applied to every Medicaid applicant/beneficiary.