

**Supporting Statement for the Collection of State Medicaid
Fraud Control Units' Reports as required by
42 CFR § 1007.15 and 42 CFR § 1007.17**

Background

The Office of Inspector General (OIG) is requesting Office of Management and Budget approval for an extension on the collection of information to comply with the requirements in Title XIX of the Social Security Act at 1903(q), 42 CFR§ 1007.15, and 42 CFR § 1007.17, in accordance with the Paperwork Reduction Act. The information collected consists of 50 separate annual reports and 50 separate application requests for Federal grant certification/re-certification. The collection is submitted yearly to the OIG by the 50 established State Medicaid Fraud Control Units (MFCUs). OIG uses the information collected to assess and determine the MFCUs' eligibility for continued participation in the Federal Medicaid fraud control grant program

A. Justification

1. Need and Legal Basis

OIG reviews information collected to ensure that Federal matching funds are expended only for allowable costs by the MFCUs. In addition, OIG analyzes each MFCU's submission to determine whether there is a need for OIG technical assistance, and to establish priorities for on-site reviews to further monitor program activities. Public Law (P.L.) 95-142, Section 17 was enacted to strengthen the capabilities of both Federal and State governments to combat and eliminate fraud and abuse in the Medicaid program, through the establishment of the MFCUs. This law provides Federal financial participation (FFP) to State governments for the cost of establishing a MFCU, training the necessary State personnel, and keeping the MFCU operational.

Because of the statutory limitations of P.L. 95-142, reimbursement can only be provided for activities which are directly related to the investigation and prosecution of health care providers suspected of committing Medicaid fraud. The MFCUs also review complaints of alleged abuse or neglect of patients, and the misuse of patients' personal funds, in health care facilities.

2. Information Users

The OIG uses the information as a means to measure the efficiency and effectiveness of the MFCUs. The collection is also used by OIG to evaluate funding and budget decisions made by each MFCU.

3. Improved Information Technology

There is no other ways available, from a technology standpoint, to assess the MFCUs' efforts to combat and eliminate fraud and abuse in the Medicaid program.

4. Duplication of Similar Information

This collection is not duplicative of other data information collection efforts.

5. Small Business

The yearly collection of the annual reports and certification/re-certification application requests from the State MFCUs have no relationship to small business.

6. Less Frequent Collection

Without this particular information collection, a decision to grant renewal of Federal funding to the MFCUs cannot be finalized. Implementing the regulatory requirements at 42 CFR § 1007.15 and 42 CFR § 1007.17 are specifically used for the purposes of the Secretary (as delegated to the OIG) to annually certify/re-certify each State MFCU for program participation.

7. Special Circumstances

There are no special circumstances involved for this collection of information. The OIG requirement that the MFCUs adhere to this collection is in full compliance with the regulations.

8. Federal Register Notice/Outside Consultation

The original 60 day notice was published in the Federal Register, Vol. 75, No. 167, pg. 52947, on Monday, August 30, 2010, with an opportunity for public commentary. There were no public comments received.

9. Payment/Gift to Respondent

No such payments or gifts are foreseen to the respondents and none have been given.

10. Confidentiality

The contents of the collection contains no personal identifying information regarding individuals, such as a social security number, home address, or other identifiable information. Regulations at 42 CFR § 1007.11(f) require that the MFCUs will safeguard the privacy of all individuals and will provide safeguards to prevent the misuse of information under MFCU control. In accordance with the principles of the Freedom of Information Act (FOIA), 5 U.S.C. 552, OIG will adhere to all applicable rules and

provisions contained in the FOIA for which the contents of the collection is subject.

11. Sensitive Questions

Statutory and regulatory reporting requirements pertaining to the program do not require the Secretary (as delegated to the OIG) to ask questions of a sensitive nature in order to make certification and funding decisions relating to the MFCUs.

12. Burden Estimate (Total Hours & Wages)

The collection must contain certain mandatory information as outlined at 42 CFR § 1007.15 and 42 CFR § 1007.17, but the format and extensiveness of each MFCU submissions to OIG are determined by the respective MFCU. In the preparing and developing of a MFCU’s annual report and required certification/re-certification application for submission to OIG, a MFCU supervising official expends approximately 64 hours of effort at an estimated hourly rate of \$30 per hour to formulate narrative statements and descriptions of MFCU procedures and accomplishments, promulgate and confirm agreements, address and resolve all budgetary issues, guide MFCU support staff, and confer with other State officials. A MFCU support staff member expends approximately 29 hours of effort at an estimated hourly rate of \$12 per hour to develop draft products, fulfill data processing activities, complete all required administrative functions, and confer with the MFCU supervising official; all of which are necessary in order to finalize the collection for submission to OIG. The total burden hours expended by each individual MFCU is estimated to be approximately 93 hours. The estimates shown in the below charts (12A and 12B) were derived from two primary sources: 1) available budget and other information that OIG readily maintains on each of the 50 MFCUs, and 2) relative information that the MFCUs routinely furnish to OIG. In the case of a State MFCU applying to the Medicaid fraud grant program for the first time, the burden hours and associated costs would in all likelihood double.

12A. Estimated Annualized Burden Hours

Respondent	Form	Number of Respondents	Number of Responses per Respondents	Average Burden per Response (in hours)	Total Burden Hours
State (MFCU) Units	Annual Report	50	1	88	4400
State (MFCU) Units	Certification/ Recertification Application	50	1	5	250
Total		50	2	93	4650

12B. Estimation of Annualized Cost to Respondents

Respondent	Total Burden Hours	Hourly Wage Rate	Total Respondent Cost
State (MFCU) Units ts ts	4400	\$42	\$184,800.00
State (MFCU) Units	250	\$42	\$10,500.00
Total	4650	\$84	\$195,300.00

13. Capital Costs (Maintenance of Capital Costs)

There are no maintenance of capitol costs associated with this collection.

14. Cost to Federal Government

The cost to the Federal government yearly to process the collection for each of the 50 MFCUs is based on the average time OIG staff expends to facilitate a thorough review and analyses of the information contained in each collection received, as well as consult with State MFCU officials and their staff, if appropriate. The number of participating OIG staff is 4. The time OIG staff expends for each review is 3 hours. The estimated hourly wage rate for OIG staff is \$32–\$40 per hour—an average of \$36 per hour. Based on this data, the average annual cost to the Federal government associated with the collection is approximately \$5,400. The hourly wage rate information was derived from available personnel-payroll information. The figure indicated for OIG staff processing time was attained from the participants.

15. Program or Burden Changes

This is an adjustment to the current burden and is not the result of a deliberate Federal government action. When OIG submitted its last supporting statement for the collection of State MFCU reports, there were 49 established MFCUs. Since that time, the State of Nebraska established a MFCU. As a result, there are currently 50 established State MFCUs who must submit annual reports and application requests for Federal grant certification/re-certification to OIG. This change resulted in one additional respondent and an additional 93 hours in total burden hours.

16. Publication and Tabulation Dates

OIG does not publicize information submitted in annual reports or certification/re-certification application requests. Since these collections could contain information concerning both State and Federal ongoing investigations and prosecutions. Such information must be requested through the available FOIA channels, disclosed only on a case-by-case basis, and only after a thorough FOIA review.

17. Expiration Date

This section is not applicable.

18. Certification Statement

There are no exceptions to the certification.

B. Collection of Information Employing Statistical Methods

There are no statistical methods employed in relation to the information collected.