

Supporting Statement for the State Medicaid Eligibility Quality Control (MEQC) Sample Selection Lists and Supporting Regulations at 42 CFR 431.800 - 431.865

CMS-319

A. Background

Medicaid Eligibility Quality Control (MEQC) is operated by the State Title XIX agency to monitor and improve the administration of its Medicaid system. The MEQC system is based on monthly State reviews of Medicaid and Medicaid expansion under Title XXI cases by States performing the traditional sampling process identified through statistically reliable statewide samples of cases selected from the eligibility files. These reviews are conducted to determine whether or not the sampled cases meet applicable State Title XIX or XXI eligibility requirements when applicable. The reviews are also used to assess beneficiary liability, if any, and to determine the amounts paid to provide Medicaid services for these cases.

In the MEQC system, sampling is the only practical method of validating eligibility of the total caseload and determining the dollar value of eligibility liability errors. Any attempt to make such validations and determinations by reviewing every case would be an enormous and unwieldy undertaking.

At the beginning of each month, State agencies still performing the traditional sample are required to submit sample selection lists which identify all of the cases selected for review in the States' samples. The sample selection lists contain identifying information on Medicaid beneficiaries such as: State agency review number, beneficiary's name and address, the name of the county where the beneficiary resides, Medicaid case number, etc.

The submittal of the sample selection lists is necessary for Regional Office validation of State reviews. Without these lists, the integrity of the sampling results would be suspect and the Regional Offices would have no data on the adequacy of the States' monthly sample draw or review completion status.

In 1993, CMS implemented MEQC pilots in which States could focus on special studies, targeted populations, geographic areas or other forms of oversight with CMS approval. States must submit

a sampling plan, or pilot proposal to be approved by CMS before implementing their pilot program.

The Children's Health Insurance Program Reauthorization Act (CHIPRA) was enacted February 4, 2009. Sections 203 and 601 of the CHIPRA relate to MEQC.

Section 203 of the CHIPRA establishes an error rate measurement with respect to the enrollment of children under the express lane eligibility option. The law directs States not to include children enrolled using the express lane eligibility option in data or samples used for purposes of complying with the MEQC requirements.

Section 601 of the CHIPRA, among other things, requires a new PERM final rule for the Payment Error Rate Measurement (PERM) program and aims to harmonize the PERM and MEQC programs and provides States with the option to apply PERM data resulting from its eligibility reviews for meeting MEQC requirements and vice versa, with certain conditions.

B. Justification

1. Need and Legal Basis

The authority for collecting this information is Section 1903(u) of the Social Security Act. The specific requirement for submitting sample selection lists is described in regulations at 42 CFR 431.814(h). Regional Office staff review the sample selection lists to determine that States are sampling a sufficient number of cases for review.

The collection of information is also necessary to implement provisions from the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) (Pub. L. 111-3) with regard to the Medicaid Eligibility Quality Control (MEQC) and Payment Error Rate Measurement (PERM) programs.

2. Information Users

State Title XIX agencies are required to submit sample selection lists at the beginning of each month. The Regional Office staff review the lists to ensure States are sampling an adequate number of cases.

3. Use of Information Technology

Most States' sample selection lists are computer generated. Therefore, there is a significant reduction in State effort.

4. Duplication of Efforts

To mitigate any duplication of effort for those States performing "traditional" Medicaid Eligibility Quality Control (MEQC) reviews and to reduce cost and burden for all States conducting pilots under the MEQC, at State option and upon CMS approval, the PERM eligibility reviews for Medicaid and Title XXI Medicaid expansion can be considered as meeting the MEQC requirements.

The CHIPRA also requires CMS to review PERM and MEQC requirements and coordinate both sets of requirements in an effort to reduce redundancies. Based on feedback received prior to the August 2007 PERM final rule at 42 CFR 431.950, States in their PERM year can elect to use their PERM negative case reviews to meet their MEQC negative case action review requirement.

5. Small Businesses

This collection of information does not involve small businesses or other small entities.

6. Less Frequent Collection

Failure to acquire monthly sample selection lists from the States still performing the traditional sample will prevent the Regional Office from effectively validating State review activities. This requirement is the only protection against biased selection of sampled cases.

7. Special Circumstances

This collection is conducted in a manner consistent with the regulations at 5 CFR 1320.6. Please note that the sample selection lists are collected monthly since new samples are selected each month. Failure to acquire sample selection lists from the States on a monthly basis will prevent the Regional Office from effectively monitoring State review activity. This requirement is the only protection against biased selection of

sample cases. This list is also essential to the Regional Office to monitor adequate State sample selection.

8. Federal Register Notice/Outside Consultation

The 60-day Federal Register notice published on April 8, 2016 (81 FR 20643).

9. Payments of Gifts

There is no provision for any payment or gift to respondents associated with this reporting requirement.

10. Confidentiality

Confidentiality has been assured in accordance with Section 1902(a)(7) of the Social Security Act.

11. Sensitive Questions

No questions of a sensitive nature are asked.

12. Burden Estimates (Hours and Wages)

The public burden involves reporting requirements only. The respondents are the State Title XIX agencies. The reporting burden for the sample selection list is estimated at 8 hours per response (8 hours x 12 months = 96 hours per State on an annual basis). The range of this burden was estimated to be from 4 to 16 hours per State response. The reduction in burden is due to increased use of automation to streamline this effort. There are a maximum of 51 jurisdictions reporting on a monthly basis. The total annual reporting burden is 4,896 hours for all States (96 annual hours X 51 States). The estimated annual cost for a State performing the traditional sample is \$5713.92 (assumes the average hourly State pay is comparable to a 2016 Federal GS-12/1 fully loaded rate with fringe and overhead costs calculated at 100% of the hourly wage and totaling \$59.52 per hour). However, for practical purposes, most States conduct MEQC pilot programs. Approximately 5-10 States conduct traditional MEQC programs. Therefore, we estimate the annual burden to be 960 hours (96 hours x 10 States).

| Type of Respondent | Number of Respondents | Number of Responses per Respondent | Estimated Time per Response (hours) | Estimated Annual Burden (hours) |
|--------------------|-----------------------|------------------------------------|-------------------------------------|---------------------------------|
| States | 10 | 12 | 8 | 96 |
| Total | | | | 960 |

There is no record keeping burden associated with this data collection.

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

As of 2016 2.5 FTEs (assumes that 2,080 hours equals one FTE) are devoted nationwide (i.e. .25 FTEs per CMS Regional Office) to MEQC activities. Assuming that one-quarter of FTE efforts is spent on MEQC activities and assuming the 2016 GS 12/1 hourly rate is comparable to a 2016 Federal GS-12/1 fully loaded rate with fringe and overhead costs calculated at 100% of the hourly wage and totaling \$59.52 per hour, the Federal cost is \$77,376 ((520 hours x \$59.52)x 2.5 FTEs).

15. Changes to Burden

There are no changes to the burden.

16. Publication and Tabulation Dates

There are no plans to publish this information collection.

17. Display of Expiration Date

The information collection requirement does not lend itself to an expiration date.

18. Exception to Certification Statement

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

1. Describe potential respondent universe.

The respondents are, at a maximum, the 51 States. The range of States conducting traditional MEQC programs at any given time (States fluctuate from conducting traditional MEQC to conducting pilots) is 5-10 States.

2. Describe procedures for collecting information.

States submit the information to their respective Regional Office via secure email or U.S. postal mail.

3. Describe methods to maximize response rates.

The CMS Regional Office reminds a State conducting traditional MEQC reviews that it has not submitted the sample selection list. Regional Offices have also been advised that they could send a letter notifying States of any non-compliance.

4. Describe any tests of procedures or methods.

There are no tests of procedures or methods. The sample selection lists identify those cases randomly selected by the States for review.

5. Provide the names and telephone numbers of individuals consulted on the statistical aspects.

CMS established requirements developed by statisticians Roger Buchanan and Stanley Nachimson in consultation with MESTAT, Inc., when implementing the statute in the 1980s. These requirements have been longstanding program policy.