

Application to Use Burden/Hours from Generic PRA Clearance:  
Medicaid and CHIP State Plan, Waiver, and Program Submissions  
(CMS-10398, OMB 0938-1148)

**Information Collection #10 Section 1115 Demonstration and Waiver Application**

**November 2017**

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.

## **B. Description of Information Collection**

Section 1115 of the Social Security Act gives the Secretary of Health and Human Services authority to approve experimental, pilot, or demonstration projects that promote the objectives of the Medicaid and CHIP programs. The purpose of these demonstrations, which give States additional flexibility to design and improve their programs, is to demonstrate and evaluate policy approaches such as: expanding eligibility to individuals who are not otherwise Medicaid or CHIP eligible; providing services not typically covered by Medicaid; using innovative service delivery systems that improve care, increase efficiency, and reduce costs. CMS has created a section 1115 application guide that states may use at their option to streamline the State application process and CMS review of pending actions. New federal regulations at 42 CFR 431.412 require States to submit required information before CMS will undertake review of a new application; the section 1115 application guide will facilitate states’ submission of complete applications and will help expedite the review process.

## **C. Deviations from Generic Request**

No deviations are requested.

## **D. Burden Hour Deduction**

The total approved burden ceiling of the generic ICR is 154,104 hours, and CMS previously requested to use 69,879 hours, leaving our burden ceiling at 84,225 hours.

### *Wage Estimate*

To derive average costs, we used data from the U.S. Bureau of Labor Statistics’ May 2016 National Occupational Employment and Wage Estimates for all salary estimates ([http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm)). In this regard, the following table presents the mean hourly wage, the cost of fringe benefits (calculated at 100 percent of salary), and the adjusted hourly wage.

<b>Occupation Title</b>	<b>Occupation Code</b>	<b>Mean Hourly Wage (\$/hr)</b>	<b>Fringe Benefit (\$/hr)</b>	<b>Adjusted Hourly Wage (\$/hr)</b>
Computer and	15-1120	\$44.36	\$44.36	\$88.72

<b>Occupation Title</b>	<b>Occupation Code</b>	<b>Mean Hourly Wage (\$/hr)</b>	<b>Fringe Benefit (\$/hr)</b>	<b>Adjusted Hourly Wage (\$/hr)</b>
Information Analyst				

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, there is no practical alternative and we believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

*Burden Estimates*

Section 1115 demonstrations are initially approved for a five year period, then extended at the state's request, and upon CMS approval, for three or five year periods. 42 CFR section 431.412(a) outlines the minimum information that a state application for a new 1115 demonstration program must contain to be considered "complete" for purposes of initiating federal review as described at 42 CFR section 431.416. The burden associated with a state developing a new 1115 application is estimated to be 320 hours per application. Thus, for one new section 1115 application, the burden equates to 320 burden hours x \$88.72 average hourly wage for 1 FTE, totaling \$28,390.40. CMS expects to receive an annual average of five new demonstration applications from states for a projected total annual burden of \$141,952 (i.e., 1600 (320x5) burden hours x \$88.72 average hourly wage for 1 FTE).

*Attachments*

The following attachments are provided for this information collection:

Attachment A – Application for Section 1115 Demonstrations and Waivers

**E. Timeline**

Not applicable. This is an extension (without change) of a currently approved GenIC.