

Supporting Statement Part A
Administrative Requirements for Section 6071 of the Deficit Reduction Act
CMS-10249, OMB 0938-1053

Background

The Money Follows the Person (MFP) Demonstration, originally authorized under section 6071¹ of the Deficit Reduction Act of 2005 (DRA), supports strategies to rebalance long-term services and supports (LTSS) systems from institutional to community-based care. MFP has played a key role in many states' LTSS rebalancing efforts under the Medicaid program providing flexible funding opportunities to help states develop and test the necessary processes, tools, and infrastructure to advance LTSS system reform and to support successful transitions from institutional to community-based settings for individuals eligible for Medicaid LTSS.

Under the Consolidated Appropriations Act of 2021 (CAA), Congress authorized an additional \$1.253 billion in federal funds for the MFP Demonstration and extended the project through federal fiscal year (FY) 2023. The CAA, 2021 also provided the Centers for Medicare & Medicaid Services (CMS) with authorization to expand the MFP Demonstration to additional states and territories. The MFP Demonstration Expansion focuses on states and territories not currently participating in the MFP Demonstration. Section 5114 of the CAA, 2023 further extended the MFP Demonstration through FY 2027 (September 2027) at the current funding levels of \$450 million per federal fiscal year. Currently, there are 36 recipients participating in the MFP Demonstration and 5 recipients with planning and capacity building awards that are expected to implement the MFP Demonstration in FY 2024.

The authority for the MFP Demonstration is section 6071 of the DRA. Section 6071 of the DRA has been amended by: section 2403 of Patient Protection and Affordable Care Act; section 2 of the Medicaid Extenders Act of 2019; section 5 of the Medicaid Services Investment and Accountability Act of 2019; section 4 of the Sustaining Excellence in Medicaid Act of 2019; section 205 of the Further CAA, 2020; section 3811 of the Coronavirus Aid, Relief, and Economic Security Act, 2020; section 2301 of the CAA, 2021 and Other Extensions Act; section 1107 of the Further CAA, 2021, and Other Extensions Act; section 204 of the CAA, 2021; and section 5114 of the CAA, 2023.

In earlier work, CMS issued an Operational Protocol (OP) Instruction Guide and template for the development of operational protocols for the recipients selected to participate in the MFP Demonstration. The guide provided instruction on the required elements of the OP, which needed to be submitted and approved before a state or territory could enroll individuals in the demonstration or begin to claim for service dollars.

Health and Human Services recipients are required to record recipient expenses in real-time as well as submit semi-annual or annual expenditure Federal Financial Reports. The SF-425 is a semi-annual report that describes the extent to which the MFP Demonstration contributes to

¹ MFP Demonstration in the United States Code: <https://uscode.house.gov/view.xhtml?req=granuleid:USC-prelim-title42-section1396a&num=0&edition=prelim>

accomplishing MFP objectives. Recipients are also required to submit programmatic financial reports. On a quarterly basis, recipients will track expenditures associated with the demonstration participants (CMS 64.9i, 9Pi and 64.10i, 10Pi). Recipients will also track expenditures under the MFP Demonstration through quarterly MFP Financial Reporting Forms (ABCD). On an annual basis, the recipients will submit the Maintenance of Effort (MOE) form and the MFP Worksheet for Proposed Budget (WFPB). The MOE form captures all LTSS expenditures (both HCBS and institutional) annually to ensure that the recipient has maintained its financial effort, taking into account service costs, administrative costs, and rebalancing investments. The WFPB form provides CMS with a standardized report of each recipient's high-level budget information, as well as projected transition benchmark information.

States and territories also submit MFP Semi-Annual Progress Reports to help CMS monitor the progress of program implementation at the recipient level.

This package aims to reduce the reporting burden on states by presenting a substantially revised and shortened version of the MFP Semi-Annual Progress Report. The MFP Semi Annual Progress Report Benchmark Addendum will no longer be needed. States will be able to add measures and track progress in the state specific initiative section of the newly developed online tool. This will reduce burden of the grantee. It also includes a new Work Plan template, which is required by the CAA, 2021; the Semi-Annual Progress report also includes reporting requirements on the Work Plan as required in the CAA, 2021. In addition, the package aims to standardize and improve the consistency of information presented in the Operational Protocol through a new template.

A. Justification

1. Need and Legal Basis

Under section 6071(c) of the DRA (P.L. 109-171), the Secretary may require states and territories to meet requirements and provide additional information, provisions, and assurances. The Operational Protocol (OP) is the operational guide that outlines the recipient's demonstration and addresses how the recipient will meet the objectives of the demonstration. The recipient must leverage input from stakeholders, including home and community-based services (HCBS) participants and providers, to design the program and operational elements of the MFP Demonstration and prepare the OP. The OP describes the operational approach and project implementation plan, including program benchmarks and program content where applicable, for program components.

Under section 204(c)(7)(B)(iii) of the Consolidated Appropriations Act, 2021 (P.L. 116-260), states and territories must provide a Work Plan to participate in the MFP demonstration. For each federal fiscal year, the MFP Work Plan must describe the funding source for each proposed initiative, an evaluation plan, and a sustainability plan. Under section 204(c)(13)(B) of the CAA, 2021, states and territories must report on a quarterly basis on the use of grant funds for activities described in the MFP Work Plan.

2. Information Users

Operational Protocols should provide enough information such that: the CMS Project Officer and other federal officials may use it to understand the operation of the demonstration and/or prepare for potential site visits without needing additional information; the State Project Director can use it as the manual for program implementation; and external stakeholders may use it to understand the operation of the demonstration.

The financial information collection will be used in CMS financial statements and shared with the auditors who validate CMS's financial position. The MOE forms as well as the MFP Budget Workbook are required each year. Submissions of MFP Demonstration Financial Forms are required 30 days after the end of each federal fiscal quarter and semi-annually.

The MFP Work Plan describes what each state or territory plans to do to advance the MFP Demonstration and increase the use of Medicaid HCBS rather than institutional LTSS. An initial MFP Work Plan is developed and amended annually, or as needed.

The Semi-Annual Progress Report is used to present the recipient's analysis and the status of the various operational areas in reaching the objectives of the demonstration. Through the Semi-Annual Progress Reports, the recipient will further enumerate how it has, or intends to, meet or align with the recipient's MFP operational procedures and processes; transition benchmarks; program goals for expanding and enhancing HCBS; and sustainability plans. The recipient must submit the Semi-Annual Progress Report no later than 60 calendar days following the end of each second and fourth calendar year quarter. The recipient must submit the progress report through the final reporting period of the recipient's demonstration period of performance, even if the recipient has not operated for a complete reporting period.

3. Improved Information Technology

The OP template is word-based template. States and territories may submit their completed OP template and financial forms via email.

The MFP Work Plan and Semi-Annual Progress Reports will be submitted to CMS via a web-based platform.

The SF-425 Forms will be submitted through the Payment Management System (PMS). The Quarterly ABCD Financial Forms will be submitted quarterly as a Grant Note through GrantSolutions. The MFP Budget Workbook is sent to CMS and CMS 64i Forms are submitted through Medicaid Budget and Expenditure System (MBES).

4. Duplication/Similar Information

This information collection does not duplicate any other effort and the information cannot be obtained from any other source.

5. Small Business

This request does not affect small businesses.

6. Less Frequent Collection

The state or territory must review and amend the OP as appropriate every 3 years, or more frequently as-needed in response to changes in federal or state law, regulation, or policy impacting MFP eligibility, enrollment, or program operations and when responding to new needs that affect MFP operations, inclusive of changes to any of the required MFP OP elements. Refer to MFP Program Terms and Conditions (PTC) 36 for specific requirements around amending the OP.

States and territories are required to produce the MOE and MFP Budget Workbooks on an annual basis. Additionally, states and territories are required to submit the SF-425 semi-annually, the Quarterly ABCD Financial Forms and the CMS 64i forms quarterly.

A MFP Work Plan is developed and amended annually, or as needed. CMS anticipates changes will be less frequent than twice a year but aims to provide grantees with the ability to adapt to challenges and refine objectives for the demonstration efficiently.

Recipients will submit MFP Semi-Annual Progress Reports on a semi-annual basis. If the collection of this information is not conducted or is conducted less frequently, the ability to effectively monitor the grant program may be compromised. CMS considers the semi-annual collection of reports as representing the minimal collection effort required to achieve the basic monitoring elements of the programs.

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 Consultations

The 60-day notice published in the Federal Register on December 15, 2023 (88 FR 86905). Comments must be received by February 13, 2024.

9. Payment/Gift to Respondent

This collection of information does not provide for any additional payment or any gifts to the state. States are reimbursed for a portion of MFP administrative expenses and required to submit financial reports.

10. Confidentiality

States shall insure that all Federal and State laws that protect the confidentiality of medical information will be enforced.

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 Estimates

Wage Estimates

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2022 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 the mean hourly wage, the cost of fringe benefits and other indirect costs (calculated at 100 percent of salary), and the adjusted hourly wage.

| Occupation Title | Occupation Code | Mean Hourly Wage (\$/hr) | Fringe Benefits and Other Indirect Costs (\$/hr) | Adjusted Hourly Wage (\$/hr) |
|---|-----------------|--------------------------|--|------------------------------|
| Executive Secretaries and Executive Administrative Assistants | 43-6011 | 34.16 | 34.16 | 68.32 |

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 other indirect 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.

Information Collection Requirements and Associated Burden Estimates

As of April 2023, there are 36 MFP Demonstration grants consisting of 35 states and the District of Columbia. There are also 5 recipients with planning and capacity building awards that are expected to implement the MFP Demonstration in FY 2024. With the MFP Demonstration extended under the CAA, 2023, we have budgeted for 41 MFP Demonstration grants.

Maintenance of Effort Form We estimate it would take 8 hours at \$68.32/hr for an executive administrative assistant to complete the Maintenance of Effort form. In aggregate, we estimate an annual burden of 328 hours (41 recipients x 8 hr) at a cost of \$22,409 (328 hr x \$68.32/hr).

Form(s) include:
MFP_MOE_Form.pdf

Quarterly ABCD Financial Forms We estimate it would take 6 hours at \$68.32/hr for an executive administrative assistant to collect the quarterly financial information and have this information readily available to complete the MFP Quarterly ABCD Financial Forms. In aggregate, we estimate an annual burden of 984 hours (41 recipients x 6 hr x 4 quarters) at a cost of \$67,227 (984 hr x \$68.32/hr).

Form(s) include:
MFP_Financial_Reporting_FormsABCD.pdf

CMS 64i Forms Please note Appendix F forms (namely, CMS-64.9i, CMS-64.9pi, CMS-64.10i, and CMS-64.10pi) are required under this CMS-10249 information collection request but, to avoid duplication, we are not setting out such burden since it is a subset of the lines required under CMS-64 (as approved under CMS-10529 and OMB control number 0938-1265).

Form(s) include:
CMS 64i Expenditure Forms.pdf

Federal Financial Report (SF-425) Please note SF-425 forms are required under this CMS-10249 information collection request but, to avoid duplication, we are not setting out such burden since has been approved under OMB control number 4040-0014.

Form(s) include:
SF-425

The MFP Budget Workbook We estimate it would take 24 hours at \$68.32 for an executive administrative assistant to collect the information for the MFP Budget Workbook form and complete the form. In aggregate, we estimate an annual burden of 984 hours (41 recipients x 24 hr x 1 reports/year) at a cost of \$67,227 (984 hr x \$68.32/hr).

Form(s) include:
MFP-Budget-Workbook-2023

MFP Semi-Annual Progress Report Recipients will submit progress reports on a semi-annual basis. We expect that it will take each recipient, 2.5 hours at \$68.32/hr for an executive administrative assistant to complete each period's report. We estimate an annual burden of 205 hours (41 recipients x 2.5 hr/report x 2 reports/year) at a cost of \$14,006 (205 hr x \$68.32/hr).

Form(s) include:

MFP-Semi-Annual-Report.pdf

MFP-Semi-Annual-Rprt-Help-File.pdf

MFP Semi Annual Progress Report Benchmark Addendum This form will no longer be needed with the online tool as grantees will be able to add measures and track progress in the state specific initiative section (section C) in 2023 form. This will reduce burden of the grantee.

MFP Work Plan Recipients will submit an initial Work Plan and amend it annually, or as needed. We expect that it will take each recipient, 2.5 hours at \$68.32/hr for an executive administrative assistant to complete the initial report. We estimate an initial burden of 102.5 hours (41 recipients x 2.5 hr x 1 reports) at a cost of \$7,003 (102.5 hr x \$68.32/hr).

Form(s) include:

MFP-Work-Plan.pdf

MFP-Work-Plan-Help-File.pdf

Operational Protocol Template Recipients must review and amend the OP as appropriate every 3 years, or more frequently as-needed. We expect it will take each recipient, 42 hours at \$68.32/hr for an executive administrative assistant to amend or newly develop the OP according to the new template. We estimate an initial burden of 1,722 hours (41 recipients x 42 hr x 1 report) at a cost of \$117,647 (1,722 hr x \$68.32/hr) to complete the OP template. We expect it will take each recipient, 16 hours at \$68.32/hr for an executive administrative assistant to complete an annual amendment of the OP. We estimate a burden of 656 hours (41 recipients x 16 hr x 1 report) at a cost of \$44,818 (656 hr x \$68.32).

Form(s) include:

Information Collection Instruments and Instruction/Guidance Documents

MFP_MOE_Form.pdf (No changes)

MFP_Financial_Reporting_FormsABCD.pdf (No changes)

CMS 64i Expenditure Forms.pdf (No changes)

MFP-Budget-Workbook-2023 (No Changes)

MFP-Semi-Annual-Report.pdf (Revised)

MFP-Semi-Annual -Report Cross walk (Revised)

SF-425(No Changes)

MFP-Semi-Annual-Report-Help-File.pdf (Revised)

MFP-Semi-Annual-Report-Help File Crosswalk (Revised)

MFP-Work-Plan.pdf (Added)

MFP-Work-Plan-Help-File.pdf (Added)
MFP-Operational-Protocol.pdf (Added)

Summary of Annual Recordkeeping and Reporting Requirements

| Reporting | Respondents | Responses (per Respondent) | Total Responses | Burden per Response (hours) | Total Annual Time (hours) | Labor Cost (\$/hr) | Total Labor Cost (\$) |
|--|--------------------|---|----------------------------|--|--|-----------------------------------|--------------------------------------|
| Maintenance of Effort Forms (annual) | 41 | 1 | 41 | 8 | 328 | 68.32 | 22,409 |
| Quarterly ABCD Financial Forms | 41 | 4 | 164 | 6 | 984 | 68.32 | 67,227 |
| MFP Budget Workbook | 41 | 1 | 41 | 24 | 984 | 68.32 | 67,227 |
| MFP Semi- Annual Progress Report | 41 | 2 | 82 | 2.5 | 205 | 68.32 | 14,006 |
| MFP Work Plan | 41 | 1 | 41 | 2.5 | 102.5 | 68.32 | 7,003 |
| MFP OP Template | 41 | 1 | 41 | 42 | 1,722 | 68.32 | 117,647 |
| TOTAL | 41 | 10 | 410 | varies | 4,326 | 68.32 | 295,518 |

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

A total federal cost for review of all reports is estimated to be \$93,000 annually.

The federal cost is based on the efforts expended by CMS staff, using the 2023 General Schedule (Base) Pay (https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2023/GS_h.pdf) to review the data submitted by the respondents. While the 2023

base rate for GS-13 Step 4 is \$44.56 /hr, we are doubling that figure to \$89.12/hr to account for fringe benefits.

For review of the initial MFP OP template, we estimate \$43,886 for the federal cost (41 recipients x 12 hours review per OP x hourly rate of a GS-13 Step 4 @ \$89.12/hr). Annually, CMS staff financial reports, we estimate \$18,270 for the federal Cost (41 recipients x 5 financial reports per year x 1 hour, hourly rate of a GS-13 Step 4 @ \$89.12/hr). The five financial reports include four Quarterly ABCD Financial Forms, and one MFP Budget Workbook.

For review of the MFP Semi-Annual Progress Report, we estimate \$7,308 for the federal cost (41 recipients x 1 hour to review per report x 2 reports/ year, hourly rate of a GS-13 Step 4 @ \$89.12/hr). For review of the MFP Work Plan, we estimate \$3,654 for the federal cost (41 recipients x 1 hour to review per report, hourly rate of a GS-13 Step 4 @ \$89.12/hr).

15. Program/Burden Changes

Burden Adjustment September 2020 burden estimates are for 41 states and the District of Columbia in the last submission. As of April 2023, 41 states and territories are actively participating in the MFP Demonstration.

| Reporting | 2020 Iteration | | | | 2023 Iteration | | Difference |
|--------------------------------------|----------------|-----------------|-----------------------------|-----------------------------|----------------|-----------------------------|-----------------------------|
| | Respondents | Total Responses | Burden per Response (hours) | Total Annual Burden (hours) | Respondents | Total Annual Burden (hours) | Total Annual Burden (hours) |
| Maintenance of Effort Forms (annual) | 42 | 42 | 8 | 336 | 41 | 328 | -8 |
| MFP Budget Workbook | 42 | 168 | 6 | 1008 | 41 | 984 | -24 |
| Quarterly ABCD Financial Forms | 42 | 42 | 24 | 1008 | 41 | 984 | -24 |
| MFP Semi-Annual Progress Report | 42 | 84 | 3 | 252 | 41 | 205 | -47 |
| MFP Work Plan | N/A | N/A | N/A | N/A | 41 | 102.5 | 102.5 |
| MFP OP Template | N/A | N/A | N/A | N/A | 41 | 1,722 | 1,722 |
| TOTAL | 42 | 336 | varies | 2,604 | 41 | 4,326 | 1,721.5 |

Burden Reconciliation

| | |
|-----------------|---|
| 2,604 hours | 2020 Package Iteration |
| + 1,721.5 hours | 2023 Package Iteration (Program Change) |
| 4,325.5 hours | 2023 Package Iteration |

16. Publication and Tabulation Dates

N/A

17. Expiration Date

CMS does not oppose the display of the expiration date.

18. Certification Statement

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

This question is no longer applicable as the survey is no longer needed.