

Generic Collection of Information
MAGI-Based Eligibility Verification Plan
CMS-10398 #11, OMB 0938-1148

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.

Existing regulatory authority in 42 CFR 435.945(j) requires States to develop and update as modified and submit to CMS upon request a verification plan documenting their eligibility verification policies and procedures to implement the provisions in 42 CFR 435.940 through 960 to verify factors of eligibility for enrollment in Medicaid and CHIP.

Section 71119(a) of the Working Families Tax Cut (WFTC) legislation (P.L. 119-21) added section 1902(xx) of the Act to establish a community engagement requirement for certain adults applying for or enrolled in Medicaid, effective January 1, 2027. For these certain adults, States are required to verify that an applicant or beneficiary demonstrates community engagement or is deemed to demonstrate community engagement due to meeting the criteria for a mandatory exception or an optional short-term hardship exception, or that an individual is a "specified excluded individual" to whom the community engagement requirements do not apply consistent with § 435.557.

Additionally, section 1902(xx)(5) of the Act requires States to conduct *ex parte* verification of community engagement requirements, directing States to verify compliance or deemed compliance with or exclusion from, the community engagement requirement using reliable information available to the State without requiring additional information from an applicant or a beneficiary if able to do so.

For purposes of verification requirements under Section 1902(xx)(5) of the Act, States must use reliable information available to the State reliable information which includes, but is not limited to, information from electronic data sources (as documented in the State's verification plan) ; information from other State or local agencies to the extent that such information is needed to verify an individual's eligibility; information from Federal agencies provided through the Federal Data Services Hub; information in the State's eligibility system; information in the individual's case record; payroll data; and claims, payment and or encounter data from the preceding 12 months for verifications related to community engagement. When there is no

reliable information available to the State, or the reliable information available to the State is not reasonably compatible with the information provided by or on behalf of the individual, the State must seek additional information from the individual to verify the individual's compliance or deemed compliance with the community engagement requirement or status as a specified excluded individual. .

B. Description of Information Collection

Regulations at 42 CFR 435.945(j) and 457.380(j) require states to develop, and update as modified, a verification plan describing the verification policies and procedures adopted by the agency in accordance with §§ 435.940-435.965 and 457.380. States must use the template specified by CMS and submit their verification plans to CMS that describe their verification policies and procedures for individuals whose eligibility is based on Modified Adjusted Gross Income (MAGI). States may use one template for both Medicaid and separate CHIP programs if the verification policies and procedures are the same. If they are different, the State should submit two separate verification plans.

To account for the new community engagement factor of eligibility, CMS is providing states a Verification Plan Supplement for states to reflect their verification policies and procedures related to community engagement. States will use the supplement to record their verification policies and processes, including the electronic data sources they will use to verify community engagement and when they will require additional information and documentation from individuals in accordance with §435.557. The supplement will allow states to only select and submit changes to verification policies and procedures related to community engagement to CMS without the need to make updates to underlying MAGI verification plan template.

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 77,802 hours, leaving our burden ceiling at 76,302 hours.

Wage Data

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2024 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 (calculated at 100 percent of salary), and the adjusted hourly wage.

Table 1: National Occupational Employment and Wage Estimates

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefit (\$/hr)	Adjusted Hourly Wage (\$/hr)
Business Operations Specialist	13-1000	43.76	43.76	87.52
Operations Research Analyst	15-2031	47.66	47.66	95.32
Health Services Manager	11-9111	66.22	66.22	132.44
General and Operations Managers	11-1021	64.00	64.00	128.00

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

Current Burden

Currently, OMB has approved 2,240 hours (56 respondents x 40 hours/response). We estimate it would take a Business Operations Specialist 30 minutes (\$37.00) and a Health Services Manager 15 minutes (\$27.34) to update and submit their verification plan supplement to CMS for a cost of \$64.34 (.5 hours x \$74.00 + .25 hours x \$109.36) per response. In aggregate, we estimate a one-time burden of 38.25 hours (50 states plus the District of Columbia x .75 hr/state) at a cost of \$3,281.34 ([51 states x .5 hr/state x \$74.00/hr = \$1,887.00] + [51 x .25/state x \$109.36/hr = \$1,393.34]). Taking into account the federal contribution to Medicaid and CHIP program administration, the estimated state share would be \$1,640.67 (\$3,281.34 x 0.50).

New Burden

To comply with the WFTC legislation requirements for the verification plan, we estimate that each of the 43 States and the District of Columbia will have a one-time burden of 124 hours (5,456 total across 43 States and the District of Columbia) to develop and fill out the verification

plan supplement. We assume an Operations Research Analyst (15-2031) and a Business Operations Specialist (13-1000) will each perform approximately 50% of the effort for this task. We estimate that it would take 60 hours at \$87.52/hr for a Business Operations Specialists to prepare the verification plan supplement and 60 hours at \$95.32/hr for an Operations Research Analyst to prepare and review these data. Additionally, we estimate that it would take 4 hours at \$128.00/hr for a General and Operations Manager to review the data and submit the verification plan supplement. In aggregate, we estimate the total one-time burden to be \$505,226 ($44 \times [(60 \times \$87.52/\text{hr}) + (60 \times \$95.32/\text{hr}) + (4 \times \$128.00/\text{hr})]$). Accounting for the Federal administrative match of 50 percent, the requirement will cost States \$252,613. We have summarized the total burden in Table 2.

TABLE 2: Verification Plan Supplement Submission

Requirement	No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage (\$/hr)	Total Cost (\$)	State Share (\$)
Verification Plan Supplement	44	44	One-time	124	5,456	Varies	505,226	252,613

Additionally, we assume recurring burden associated with updates after the initial verification plan submission. Annually, we estimate five jurisdictions will require 5 hours for an Operations Research Analyst and 5 hours for a Business Operations Specialist to update their verification plan. Additionally, we estimate that it would take 1 hour at \$128.00/hr for General and Operations Managers to review the data and submit the verification plan. In aggregate, we estimate that the total annual burden for verification plan updates will be \$5,211 ($5 \times [(5 \times \$87.52/\text{hr}) + (5 \times \$95.32/\text{hr}) + (1 \times \$128.00/\text{hr})]$). Accounting for the Federal administrative match of 50 percent, the requirement will cost States \$2,606. We have summarized the total burden in Table 3.

TABLE 3: Verification Plan Supplement Submission Updates

Requirement	No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage (\$/hr)	Total Cost (\$)	State Share (\$)
Supplement Updates	5	5	Annual	11	55	Varies	5,211	2,606

Collection of Information Instruments

MAGI-Based Eligibility Verification Plan Template

Disaster Relief MAGI-Based Verification Plan Addendum

Community Engagement Guidance and Template

E. Timeline

The changes in this June 2026 collection of information request are associated with our Interim Final Rule with Comment Period (CMS-2454-IFC; RIN 0938-AV98) entitled, “Medicaid Program; Community Engagement Requirement for Certain Individuals.” The rule filed for public inspection on June 1, 2026, and is scheduled to publish on June 3, 2026. Comments are due on/by July 31, 2026.