

Generic Supporting Statement
Medicaid 1915(l) State Plan Option to Provide Medical Assistance for Eligible Individuals Who
Are Patients in Eligible Institutions for Mental Diseases
(CMS-10398 #93, OMB 0938-1148)

This June 2025 iteration is being submitted to OMB as a new generic collection of information request under control number 0938-1148.

The contents of this Supporting Statement and the associated attachments have been reviewed to ensure that they are consistent with the Trump administration's policies, goals, and objectives.

A. Background

The Centers for Medicare & Medicaid Services (CMS) works 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 comply with new statutory provisions. CMS also continues to work with States through other methods, including program waivers and demonstrations, and other technical assistance initiatives.

Under section 1902(a)(10) of the Social Security Act (the Act), States may offer certain Medicaid benefits, at State option, to categorically needy and medically needy Medicaid beneficiaries, as described in that section of the Act.

On October 24, 2018, section 5052(a) of the Substance Use-Disorder Prevention that Promotes Opioid Recovery and Treatment for Patients and Communities Act (SUPPORT Act, Pub. L. 115-271) amended Title XIX of the Act by adding section 1915(l) to include a new benefit at the state's option to provide medical assistance for items and services furnished to an eligible individual who is a patient in an eligible institution for mental diseases at the state's option (beginning October 1, 2019, and ending September 30, 2023).

On March 9, 2024, section 204 of the Consolidated Appropriations Act, 2024 (CAA, 2024, Pub. L. 118-42) amended section 1915(l) to remove the end date of September 30, 2023, making 1915(l) a permanent optional state plan benefit, and making additional changes to the requirements for maintenance of effort (MOE), review process for eligible institutions of mental disease (IMD), patient placement and utilization management, and provider assessments. On November 19, 2024 CMS issued [State Medicaid Director Letter \(SMD\) # 24-004](#) titled "Extension of Medicaid Coverage of Substance Use Disorder Treatment and Managed Care Medical Loss Ratio Provisions in the Consolidated Appropriations Act, 2024", providing subregulatory guidance to States regarding these requirements.¹

¹ <https://www.medicaid.gov/federal-policy-guidance/downloads/smd24004.pdf>.

The amendments to the Act as a result of the passage of the SUPPORT Act and section 204 of the CAA, 2024, as well as the subregulatory guidance provided in SMD #24-004, provide the authority for state plan amendments (SPAs) to add this optional Medicaid coverage for certain individuals with a substance use disorder who are patients in eligible IMDs. The attached template has been developed to simplify the SPA submission for States now that the benefit termination date has been removed and the 1915(l) state plan benefit option has been made permanent.

States updating or newly submitting state plan pages adding optional coverage for the 1915(l) benefit will be required to utilize the template and all of its required pages effective October 1, 2025, when all of the updated requirements are in effect. States must submit their SPA to CMS no later than the end of the quarter in which their effective date falls. For an October 1, 2025 effective date, a SPA must be submitted by December 31, 2025..²

B. Description of Information Collection

The template includes pages which are labeled Attachment 3.1-L-SUD/IMD to indicate where it is located in the state plan. The template consists of the following sections:

- General Assurances;
- Eligibility for Services;
- Eligible IMDs;
- Individual Placement Criteria and Utilization Management;
- Comprehensive Continuum of Care;
- Care Transitions;
- SUD Provider Assessment;
- Maintenance of Effort (MOE); and
- Optional (additional information).

Availability of the template will be announced through a Medicaid.gov email blast, which will include a link to a downloadable version of each template, and available upon request through the state lead points of contact.

States will submit these amendments through [the One Medicaid and Chip \(OneMAC\) System](#) online submission portal where States can upload completed (PDF or Word) state plan pages. This portal was created to replace the previous email submission process with a standard point of submission. Please note, OneMAC accepts submissions independently and is not affiliated with the MACPro or MMDL system or process. Technical Assistance in submitting these plan pages will be available from state lead points of contact and for overall content from the Division of Benefits and Coverage.

² There are two States who have existing approved state plan pages electing the 1915(l) benefit. These States will need to update select pages of the state plan prior to issuance of this template to comport with removal of the 1915(l) benefit end date, MOE requirements, and provider assessment requirements, prior to release of these templates, amending their current pages. These States will also be required to submit a subsequent SPA and updated pages by December 31, 2025 for the remaining requirements effective October 1, 2025 using the required template, once it has been released.

Approved SPAs are publicly posted to [Medicaid.gov](https://www.medicaid.gov). In accordance with 42 CFR 430.20, the effective date of a SPA may be no earlier than the first day of the quarter in which it was submitted (with the exception of 1915(i) SPAs which must be approved with a prospective effective date). CMS review time can vary, based on any revisions needed by the state. Generally, once they are submitted, CMS has 90 days to review and approve or disapprove a submission, or respond with a formal Request for Additional Information (RAI). The state's timeline for a response is indeterminate, generally less than 90 days. Once a response is received, CMS has 90 days to review and approve or disapprove the submission. The timeline is not expected to exceed 270 calendar days, but can be as little as 2 days for simple approvals involving no revisions or requests for additional information.

There are no plans to publish the reported information for statistical use.

C. Deviations from Generic Request

No deviations are requested.

D. Burden Hour Deduction

Wage Estimates

To derive average costs, we are using data from the U.S. Bureau of Labor Statistics' May 2024 National Occupational Employment and Wage Statistics for all salary estimates (<https://www.bls.gov/oes/tables.htm>). In this regard, the following table presents BLS' mean hourly wage, our estimated cost of fringe benefits and other indirect costs (calculated at 100 percent of salary), and our adjusted hourly wage.

BLS's wage estimates are updated annually. Current and historic wage figures can be found at the above BLS address and can be used to calculate current cost estimates. May 2024 is current as of the date of this collection of information request.

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefits and Other Indirect Costs (\$/hr)	Adjusted Hourly Wage (\$/hr)
Business Operations Specialist	13-1000	43.76	43.76	87.52
General and Operations Manager	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 other indirect costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. Nonetheless, we believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

Requirements and Associated Burden Estimates

We estimate a potential of 56 Medicaid respondents consisting of 50 States, the District of Colombia, American Samoa, Commonwealth of the Mariana Islands, Guam, Puerto Rico, and the US Virgin Islands. There are two states with existing state plan language not submitted on any template, as one did not exist prior to this template. Any subsequent updates to the state plan will include utilization of this new template and completion of the specifically outlined items, which is not part of these current SPAs.

We estimate it will take a Business Operations Specialist 22 hours at \$87.52/hr to prepare an initial SPA and make occasional and periodic amendments to their SPA pages. We also estimate that it will take a General and Operations Manager 3 hours at \$128.00/hr to review and approve the SPA for submission to CMS.

In aggregate we estimate a one-time state burden of 1,400 hours (56 states x 25 hr/response) at a cost of \$129,329 [(22 hr x \$87.52/hr x 56 states) + (3 hr x \$128.00/hr x 56 states)].

Since we have no reliable basis for estimating the number of template amendments we may receive each year, the 1,400-hour estimate is an annual figure that addresses the initial one-time burden at the beginning of this effort as well as the occasional burden for preparing and submitting amendments. We acknowledge that this is likely an overestimate, but we will refine our on-going estimates if/when applicable.

Burden Summary

Requirements	Number of Respondents	Total Number of Responses	Time per Response (hours)	Total Time (hours)	Labor Rate (\$/hr)	Total Cost (\$)
Attachment 3.1-L-SUD/IMD	56 States	56	25	1,400	varies	129,329

Information Collection Instruments and Instruction/Guidance Documents

Attachment 3.1-L-SUD/IMD (SPA templates). Instructions for their completion are provided on the form. The template is a PDF.

E. Timeline

The 14-day notice published in the Federal Register on June 13, 2025 (90 FR 25045). Comments must be received on/by June 27, 2025.

CMS hopes to deploy this collection within 30 - 45 days from our submission to OMB. These Medicaid state plan documents are essential for States implementing the new provisions and should be available as soon as possible. At the latest, they are necessary for States to submit a state plan amendment on or before December 31, 2025 for an October 1, 2025, effective date. States will need adequate time to complete and vet these documents.