

Supporting Statement – Part A  
Medicaid Report on Payables and Receivables  
CMS-R-199, OMB 0938-0697

## **Background**

The Chief Financial Officers (CFO) Act of 1990 (Public Law 101-576) as amended by the Government Management Reform Act (GMRA) of 1994 (Public Law 103-356) requires government agencies to produce auditable financial statements. Because the Centers for Medicare & Medicaid Services (CMS) fulfills its mission through its contractors and the States, these entities are the primary source of information for such financial statements.

There are three basic categories of data: expenses, payables, and receivables.

- CMS-64 (OMB 0938-1265) is used to collect data on Medicaid expenses.
- CMS-R-199 survey form (attached) collects Medicaid payable and receivable accounting data from the States.

The data collected from CMS-64 and CMS-R-199 is used by CMS to estimate the liability for Medicaid owed to the States for medical services/claims incurred but not reported (IBNR) as of the end of the reporting period.

Enacted in 1965 as Title XIX of the Social Security Act, Medicaid is administered by CMS in partnership with the states. Although the Federal Government establishes certain parameters for all states to follow, each state administers its Medicaid program differently, resulting in variations in Medicaid coverage across the country. States have flexibility in determining Medicaid benefit packages within federal guidelines and are required to cover certain mandatory benefits. States have additional options for coverage and may choose to cover other groups, such as individuals receiving HCBS (home and community-based services) and children in state-funded foster care, who are not otherwise eligible. The Medicaid program is jointly funded by states and the Federal Government, as CMS provides matching payments to the states and territories for Medicaid program expenditures and related administrative costs.

This 2025 iteration seeks to reinstate (without change) OMB's approval of this collection of information which expired on April 30, 2023.

### **A. Justification**

#### **1. Need and Legal Basis**

Section 1903(b)(d)(1) of the Social Security Act requires the Secretary to estimate the amount each State should be paid at the beginning of each quarter. The amount is based on a report filed by the State. Section 1903(b)(d)(2)(A) of the Social Security Act authorizes the Secretary to pay the amount estimated, reduced or increased to the extent of any overpayment or underpayment for any prior quarter.

The Medicaid Report on Payables and Receivables will provide the information needed to calculate the Medicaid IBNR.

Collection of Medicaid data and the calculation of the Medicaid IBNR estimate are pertinent to CMS' financial audit.

Failure to collect this information could result in non-compliance with the law.

## 2. Information Users

The information reported by States to CMS on the CMS-R-199 survey form is used by CMS to estimate its liability for medical services/claims IBNR as of the end of the applicable reporting period.

Section 3515 of the CFO Act requires that most government agencies prepare annual audited financial statements and submit them to Congress and the director of the Office of Management and Budget (OMB) (31 U.S.C. 3515(a)). The CFO Act also established the position of CFO at 24 executive agencies who must submit an annual report to their respective agency head and OMB containing the aforementioned financial statements and audit reports (31 U.S.C. 902(a)(6)). The GMRA requires that all offices, bureaus and associated activities of the 24 executive agencies must be covered in an agency-wide, audited financial statement.

The collection of Medicaid data and the calculation of the Medicaid IBNR estimate are pertinent to CMS' financial audit.

The auditors validate CMS' financial position beginning at the end of the 1<sup>st</sup> quarter of the fiscal year through the completion of the financial statements at the end of the fiscal year.

The approved financial statements are submitted by CMS' Office of Financial Management to the Department of Health and Human Services and the auditors.

The Department's annual audited financial statements is submitted to Congress and the director of OMB.

## 3. Use of Information Technology

Data collection is completed through the Incurred But Not Reported Survey (IBNRS) module of the web-based Medicaid and CHIP Financial (MACFin) System.

The State user does not complete both the form and MACFin/IBNRS. Instead, the user only enters the information into the form as it is set up in the MACFin/IBNRS system.

The collection does not require a signature from the respondent.

## 4. Duplication of Efforts

## 5. Small Businesses

This request does not affect small businesses. States complete/submit the CMS-R-199 survey form.

#### 6. Less Frequent Collection

The information cannot be reported by States less frequently than once a year, since the law requires annual financial statements.

#### 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/Outside Consultation

The 60-day notice published in the Federal Register on September 8, 2025 (90 FR 43189). Comments must be received by November 7, 2025.

#### 9. Payments/Gifts to Respondents

This collection of information does not provide for any additional payment or any gifts. The Medicaid program is jointly funded by states and the Federal Government, as CMS provides matching payments to the states and territories for Medicaid program expenditures and related administrative costs. The states and territories are not specifically reimbursed for completing the CMS-R-199 survey form.

#### 10. Confidentiality

There are no confidentiality requirements associated with this report.

## 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 are using 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](http://www.bls.gov/oes/current/oes_nat.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.

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefits and Other Indirect Costs (\$/hr)	Adjusted Hourly Wage (\$/hr)
Accountants and Auditors	13-2011	44.96	44.96	89.92

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.

### *Collection of Information Requirements and Associated Burden Estimates*

There are 56 states and territories that submit CMS-R-199 annually. We believe that State accountants will complete and submit the form CMS. We also estimate it will take 16 to 48 hours to complete/submit the form with an average time of 32 hours at \$89.92/hr. Due to the flexibility the federal government allows the states in the administration of their Medicaid and CHIP programs, the availability of the data to be gathered, analysis of the data, the possibility of encountering problems with the data, and the turnover of staff, the range of time varies.

In aggregate, we estimate an annual burden of 1,792 hours (56 forms x 32 hr/form) at a cost of \$161,137 (1,792 hr x \$89.92/hr).

### *Burden Summary*

Requirement	Respondents	Total Annual Responses	Time per Response (hours)	Total Annual Time (hours)	Labor Cost (\$/hr)	Total Annual Cost (\$)
Complete/Submit CMS-R-199 Survey Form	56	56	32	1,792	89.92	161,137

### *Collection of Information Instruments/Instructions*

Medicaid Incurred But Not Reported (IBNR) Survey (No Change)

State Medicaid/Fiscal Administrator Letter dated February 28, 2020 (No Change)

### 13. Capital Costs

There are no capital costs.

### 14. Cost to Federal Government

The federal cost is based on the efforts expended by accountants at CMS to review the data submitted by the respondents. To aid in the review process, the MACFin/IBNRS system is designed to automatically calculate the dollar (\$) and percentage (%) differences between the current and prior fiscal years' data reported by the states on the CMS-R-199 survey form. The \$ and % differences appear on the CMS-R-199 screen, as well as the Excel version available for download and print. This feature decreases the amount of time required for review by eliminating the process of manually calculating differences. We estimate the average time for an accountant employed by CMS to review the data submitted by each respondent to be 1 hour. There are 56 states and territories that submit CMS-R-199 annually. Therefore, we have calculated the time to review the data as follows:

56 forms x 1 hour per form = 56 hours.

As referenced earlier, accountants at the Federal Government executive branch level will be reviewing the data submitted by respondents. Based on the most recent Bureau of Labor and Statistics Occupational and Employment Data (May 2018) for Category 13-2011 (Accountants and Auditors), the mean hourly wage for an accountant with Federal Government executive branch (OES Designation) is \$48.12/hr.<sup>2</sup> We have added 100% to account for fringe benefits and other indirect costs, which calculates to \$96.24/hr (\$48.12/hr + \$48.12/hr). We estimate the total annual cost to be \$5,389.44 (56 hr x \$96.24/hr).

### 15. Changes to Burden

This 2025 iteration seeks to reinstate (without change) OMB's approval of this collection of information which expired on April 30, 2023.

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<sup>2</sup> [Bureau of Labor and Statistics Occupational and Employment Data for May 2018 Web Page](#)

Please note that we are not proposing to change any of our active requirements or time estimates. Similarly, we are not proposing to change our active survey form or State Medicaid/Fiscal Administrator Letter.

We are, however, revising our cost estimates based the most recent BLS wage data.

16. Publication/Tabulation Dates

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

17. Expiration Date

The expiration is displayed on the survey form and will be updated as needed.

18. Certification Statement

There are no exceptions to the certification amount.

**B. Collection of Information Employing Statistical Methods**

This collection does not employ statistical methods.