

Supporting Statement – Part A  
Methods for Assuring Access to Covered Medicaid Services  
Under 42 CFR 447.203 and 447.204  
CMS 10391, OMB 0938-1134

## **Background**

The following changes are associated with a standalone 60-day notice that published in the Federal Register on May 21, 2024 (89 FR 44685). Comments must be received by July 22, 2024.

As discussed in section 15 of this Supporting Statement, this 2024 collection of information request updates documentation requirements in § 447.203. To develop the burden estimates associated with these changes, we account for the removal of existing information collection requirements in former § 447.203(b), and the introduction of new requirements at § 447.203(b) and (c). Overall, we believe the updates to the payment rate access monitoring procedures will result in an ongoing net decrease in burden on States of minus 1,324 hours and minus \$56,968 annually.

We are also adding a new standalone template which some states would need to submit alongside regular SPA submission.

### **A. Justification**

#### 1. Need and Legal Basis

Existing and newly finalized regulations at §§ 447.203 and 447.204 implement section 1902(a)(30)(A) of the Act, which requires that states: “assure that payments are consistent with efficiency, economy, and quality of care and are sufficient to enlist enough providers so that care and services are available under the plan at least to the extent that such care and services are available to the general population in the geographic area.” The regulations describe processes to be used by states and CMS to demonstrate compliance with 1902(a)(30)(A) and provides better information for CMS to make informed SPA approval decisions when states propose to reduce provider payments or otherwise restructure payments in ways that may harm access to care.

#### 2. Information Users

The information is used by states to document that access to care is in compliance with section 1902(a)(30)(A) of the Act, to identify issues with access within a state’s Medicaid program, and to inform any necessary programmatic changes to address issues with access to care. CMS will use the information to monitor ongoing compliance with section 1902(a)(30)(A), and to make informed approval decisions on State plan amendments that propose to make Medicaid rate reductions or restructure payment rates. Beneficiaries, providers, and other affected stakeholders may use the information to raise access issues to state Medicaid agencies and work with agencies to address those issues.

### 3. Use of Information Technology

CMS anticipates that states will primarily use information technology to gather and analyze the data collected through this requirement. States will likely rely upon the state Medicaid Management Information Systems and other state databases and systems to gather much of the data used to review payment rates and may use statistical and other analytical software to analyze the information. The use of information technology should reduce the burden associated with this collection by 30%.

### 4. Duplication of Efforts

CMS has reviewed the available universe of information currently available and these collection efforts are not currently conducted.

### 5. Small Businesses

CMS has determined that this information collection request does not have an impact on small businesses. Rather, the impact is on state governments.

### 6. Less Frequent Collection

If the information collection is not conducted, states and CMS may have insufficient information to determine if Medicaid rates are sufficient to provide for access to care as described under the Act. In addition, States have some discretion to undertake rate actions at a cadence they prefer, and therefore the requirements that include deadlines related to when a State undertakes an action are more within the States' control.

### 7. Special Circumstances

There are no special circumstances that 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

### *Federal Register*

Serving as the 60-day notice, the Ensuring Access to Medicaid Services NPRM (CMS–2442–P, RIN 0938–AU68) published in the Federal Register on May 3, 2023 (88 FR 27960). We did not receive any PRA-related comments, that is comments related to any one or more of the following: the collection of information, the reporting of information, the disclosure of information, and/or recordkeeping.

Final rule (CMS–2442–F, RIN 0938–AU68) published in the Federal Register on May 10, 2024 (89 FR 40542).

As the rule’s collection of information request were not posted for public review (NPRM only) or submitted to OMB we are addressing that oversight by publishing a standalone 60-day notice in the Federal Register on May 21, 2024 (89 FR 44685). Comments must be received by July 22, 2024.

### *Outside Consultation*

CMS did not perform any outside consultation specific to this revision. Feedback from States that informed the revisions was obtained during the course of prior rulemaking on these topics and in the regular course of business.

## 9. Payments/Gifts to Respondents

No payments or gifts are made to respondents.

## 10. Confidentiality

Confidential information will not be required as part of the information collection. The collection requires access reviews, beneficiary feedback forums and other processes, which are not associated with confidential information.

## 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

## Wages

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2021 National Occupational Employment and Wage Estimates for all salary estimates ([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)
Business Operations Specialist	13-1000	40.04	40.04	80.08
Computer and Information Analyst	15-1210	53.15	53.15	106.30
General and Operations Manager	11-1021	59.07	59.07	118.14
Management Analyst	13-1111	50.32	50.32	100.64
Social Science Research Assistant	19-4061	27.77	27.77	55.54

We adjusted 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*

#### 12.1. ICRs Regarding Payment Rate Transparency, Analysis, and Disclosure (§ 447.203(b)(1) through (5))

We replaced the AMRP requirements with new payment rate transparency, analysis, and disclosure requirements at § 447.203(b)(1) through (5). The burden associated with the payment rate transparency, analysis, and disclosure requirements consists of the time and effort to develop and publish Medicaid FFS provider payment rate information and analyses.

Section 447.203(b)(1) specifies that all FFS Medicaid payments must be published on a publicly accessible website that is maintained by the State. Section 447.203(b)(2) specifies the requirements pertaining to the comparative payment rate analysis and the payment rate disclosure, which related to primary care services; obstetrical and gynecological services; outpatient behavioral health services; and certain HCBS. Section 447.203(b)(3) describes the required components of the comparative payment rate analysis to include, for services in § 447.203(b)(2)(i) through (iii), a percentage comparison of Medicaid payment rates to the most

recently published Medicare payment rates effective for the time period for each of the service categories specified in paragraph (b)(2). We also specify that the payment analysis must include percentage comparisons made on the basis of Medicaid base payments. For HCBS described in § 447.203(b)(2)(iv), we require a State publish average hourly payment rates.

Section 447.203(b)(4) details the payment analysis timeframe, with the first payment analysis required to be published by the State agency by July 1, 2026, and updated every 2 years by July 1. Section 447.203(b)(5) describes our mechanism for ensuring compliance and that we may take compliance action against a State that fails to meet the requirements of the payment rate transparency, comparative payment rate analysis, and payment rate disclosure provisions in preceding paragraphs in § 447.203(b) including a deferral or disallowance of certain of the State's administrative expenditures following the procedures described at part 430, subpart C.

We estimate that the requirements to complete and make publicly available all FFS Medicaid payments, and the comparative payment rate analysis and payment rate disclosures under § 447.203(b)(1) through (5) for the specified categories of Medicaid services affect 51 total respondents, based on the estimate in the prior section regarding the variation in States and territories subject to these requirements. We require States and territories to publish all FFS Medicaid payments initially by July 1, 2026, while future updates to the payment rate transparency information depend on when a State submits a SPA updating provider payments and we have approved that SPA. As such, we assume 51 one-time respondents for the initial payment rates publication. Because the comparative payment rate analysis and payment rate disclosure requirement is biennial, we assume 26 annual respondents in any given year, and we will assume this figure accounts for the updates made following a rate reduction SPA or rate restructuring SPA approval. The comparative payment rate analysis is similar to the previous requirement at § 447.203(b)(3) that required AMRPs to include a comparative payment rate analysis against public or private payers. To estimate the burden associated with our comparative payment rate analysis and payment rate disclosure provisions, we assume this work requires approximately 25 percent of the ongoing labor hour burden that we previously estimated to be required by the entire AMRP, to account for the service categories subject to the comparative payment rate analysis and payment rate disclosure in § 447.203(b)(2) as decreased from the full body of AMRP service requirements.

With regard to developing and publishing the payment rate transparency data at § 447.203(b)(1), we estimate a low one-time and ongoing burden due to the data being available, and the main work required to meet the requirement would be formatting and web publication. As such, we estimate it will initially take: 5 hours at \$55.54/hr for a research assistant to gather the data, 5 hours at \$80.08/hr for a business operations specialist to publish, and 1 hour at \$118.14/hr for a general and operations manager to review and approve the rate transparency data. In aggregate, we estimate a one-time burden of 561 hours (51 Respondents x 11 hr) at a cost of \$40,608 (51 responses x [(5 hr x \$55.54/hr) + (5 hr x \$80.08/hr) + (1 hr x \$118.14/hr)]). Taking into account the Federal administrative match of 50 percent, the requirement will cost States \$20,304 (\$40,608 x 0.50).

For the ongoing cost to update assumed to take place every 2 years (although we are proposing that updates would only be required as necessary to keep the data current, with any update made

no later than 1 month following the date of CMS approval of the SPA or similar amendment providing for the change), we estimate an annualized impact on 26 respondents (51 respondents every 2 years) of: 2 hours at \$55.54/hr for a research assistant to update the data, 1 hour at \$80.08/hr for a business operations specialist to publish the updates, and 1 hour at \$118.14/hr for a general and operations manager to review and approve the rate transparency update. In aggregate, we estimate an annualized burden of 104 hours (26 responses x 4 hr) at a cost of \$8,042 (26 responses x [(2 hr x \$55.54/hr) + (1 hr x \$80.08/hr) + (1 hr x \$118.14/hr)]). Taking into account the Federal administrative match of 50 percent, the requirement will cost States \$4,021 (\$8,042 x 0.50).

With regard to developing and publishing the comparative payment rate analysis and payment rate disclosure at § 447.203(b)(2), we estimate it would take: 22 hours at \$55.54/hr for a research assistant to gather the data, 22 hours at \$106.30/hr for an information analyst to analyze the data, 25 hours at \$100.64/hr for a management analyst to design the comparative payment rate analysis, 11 hours at \$80.08/hr for a business operations specialist to publish the comparative payment rate analysis and payment rate disclosure, and 3 hours at \$118.14/hr for a general and operations manager to review and approve the comparative payment rate analysis and payment rate disclosure. In aggregate, we estimate an annualized burden, based on 51 respondents every 2 years, of 2,054 (26 responses x 79 hr) at a cost of \$190,107 (26 States x [(22 hr x \$55.54/hr) + (22 hr x \$106.30/hr) + (25 hr x \$100.64/hr) + (11 hr x \$80.08/hr) + (3 hr x \$118.14/hr)]). We then adjust the total cost to \$95,053 (\$190,107 x 0.50) to account for the 50 percent Federal administrative match. We have summarized the total burdens in Table 1.

TABLE 1: Summary of Burden Associated with Payment Rate Transparency, Analysis, and Disclosure Requirements (§ 447.203(b)(1) through (5))

Requirement	No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage (\$/hr)	Total Cost (\$)	State Share (\$)
§ 447.203(b)(1) Rate Transparency	51	51	One-time	11	561	Varies	40,608	20,304
§ 447.203(b)(1) Rate Transparency	26	26	Biannual (figures are annualized)	4	104	Varies	8,042	4,021
§ 447.203(b)(2) and (3) Rate Analysis	26	26	Biannual (figures are annualized)	83	2,054	Varies	190,107	95,053
TOTAL	51	103	Varies	Varies	2,719	Varies	238,757	119,378

12.2. ICRs Regarding Medicaid Payment Rate Interested Parties' Advisory Group (§ 447.203(b)(6))

The burden associated with the recordkeeping requirements § 447.203(b)(6), specifically the online publication associated with the reporting and recommendations of the interested parties advisory group, would consist of the time and effort for all 50 States and the District of Columbia to:

- Appoint members to the interested parties' advisory group.
- Provide the group members with materials necessary to:

- ++ Review current and proposed rates.
- ++ Hold meetings.
- ++ Provide a written recommendation to the State.
- Publish the group’s recommendations to a website maintained by the single State agency.

The requirements would require varying levels of efforts for States depending on the existence of groups that may fulfil the requirements of this group. However, because it is unknown how many States would be able to leverage existing practices, and to what extent, this estimate does not account for those differences.

We estimate that it will take 40 hours at \$140.14/hr for a human resources manager to recruit interested parties and provide the necessary materials for the group to meet. In aggregate, we estimate a one-time burden of 2,040 hours (51 responses x 40 hr) at a cost of \$285,886 (2,040 hr x \$140.14/hr). Taking into account the 50 percent administrative match, the total one-time State cost is estimated to be \$142,943 (\$285,886 x 0.50).

We believe the ongoing work to maintain the needs of this group will take a human resources manager 5 hours at \$140.14/hr annually. Additionally, we estimate it will take 4 hours for the biennial requirement, or 2 hours annually at \$118.14/hr for an operations manager to review and prepare the recommendation for publication. In aggregate, we estimate an ongoing annualized burden of 182 hours (26 responses x 7 hr) at a cost of \$24,361 (26 Respondents x [(5 hr x \$140.14/hr) + (2 hr x \$118.14/hr)]). Accounting for the 50 percent Federal administrative match, the total State cost is adjusted to \$12,181 (\$24,361 x 0.50). We have summarized the total burdens in Table 2.

Table 2: Summary of Burden for Medicaid Payment Rate Interested Parties’ Advisory Group

Requirement	No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage (\$/hr)	Total Cost (\$)	State Share (\$)
§ 447.203(b)(6) (Establish advisory group)	51	51	One-time	40	2,040	140.14	285,886	142,943
§ 447.203(b)(6) (Support and publish recommendation)	51	26	Biennial (figures are annualized)	7	182	Varies	24,361	12,181
TOTAL	51	77	Varies	Varies	2,222	Varies	310,247	155,124

12.3. ICRs Regarding State Analysis Procedures for Payment Rate Reductions or Payment Restructuring (§ 447.203(c))

The State analysis procedures for payment rate reductions and payment restructurings at § 447.203(c)(1) through (3) within this final rule effectively would replace payment rate reduction or payment restructuring procedures in current § 447.203(b)(6). As noted, the burden reduction associated with the removal of § 447.203(b)(6)(i) has already been accounted for in the recurring burden reduction estimate shown in section 15 for the removal of the AMRP

requirements, and the burden reduction associated with the removal of monitoring requirements at current § 447.203(b)(6)(ii) has been accounted for in section 15. Our replacement procedures at § 447.203(c)(1) through (3) introduce new requirements as follows.

i. Initial State Analysis for Rate Reduction or Restructuring (§ 447.203(c)(1))

Section 447.203(c)(1) would require that for States proposing to reduce or restructure provider payment rates, the State must document that their program and proposal meet all of the following requirements: (i) Medicaid rates in the aggregate for the service category following the proposed reduction(s) or restructurings are at or above 80 percent of most recent Medicare prices or rates for the same or a comparable set of services; (ii) Proposed reductions or restructurings result in no more than a 4 percent reduction of overall spending for each service category affected by a proposed reduction or restructuring in a single State fiscal year; and (iii) Public process yields no significant access concerns or the State can reasonably respond to concerns.

Section 447.203(c)(1) will apply to all States that submit a SPA that proposes to reduce or restructure provider payment rates. We limited our estimates for new information collection burden to the requirements at § 447.203(c)(1)(i) through (ii). Our estimates assume States will build off the comparative analysis required by § 447.203(b)(2) through (4) to complete the requirements at § 447.203(c)(1)(i), which will limit the additional information collection burden. We also assume no additional information collection burden posed by the public review process required by § 447.203(c)(1)(iii), as this burden is encapsulated by current public process requirements at § 447.204.

The requirements of § 447.203(c) apply to all 50 States and the District of Columbia, as well as US territories. We will again use the estimate of 50 utilized in preceding sections, which we note may include territories not exempt under waivers, and exclude States not subject due to reliance entirely on managed care (with no beneficiaries receiving any benefits through FFS delivery), and these figures fluctuate. As such, for consistency, we will maintain the estimate of 51 respondents subject to this final rule. The State analysis for rate reduction or restructuring is be similar to the previous requirement at § 447.203(b)(6) that requires States to submit an access review with any State plan amendment that proposed to reduce provider payment rates or restructure provider payments in circumstances when the changes could result in diminished access. The inclusion of additional types of services for which a review is required in § 447.203(b)(6) is also one of eight services required to be included in the AMRP as specified by current § 447.203(b)(5). While we cannot predict how many States will submit a rate reduction SPA or rate restructuring SPA in a given year, the figures from 2019 provide the best recent estimate, as the years during the COVID pandemic do not reflect typical behavior. In 2019, we approved rate reduction and rate restructuring SPAs from 17 unique State respondents. Therefore, to estimate the annualized number of respondents subject to this information collection burden, we will utilize a count of 17 respondents.

With regard to the burden associated with completing the required State analysis for proposed rate reductions or restructurings at § 447.203(c)(1), we estimate that it would take: 20 hours at \$100.64/hr for a management analyst to structure the rate reduction or restructuring analysis,

25 hours at \$106.30/hr for an information analyst to complete the rate reduction or restructuring analysis, and 3 hours at \$118.14/hr for a general and operations manager to review and approve the rate reduction or restructuring analysis. In aggregate, we estimate a burden of 816 hours (17 States x 48 hr) at a cost of \$85,420 (17 States x [(20 hr x \$100.64/hr) + (25 hr x \$106.30/hr) + (3 hr x \$118.14/hr)]). Accounting for the 50 percent Federal administrative reimbursement, this adjusts to a total State cost of \$42,710 (\$85,420 x 0.50).

Table 3: Burden Associated with Tier 1 State Analysis Procedures for Rate Reductions or Restructurings (§ 447.203(c)(1))

Requirement	No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage (\$/hr)	Total Cost (\$)	State Share (\$)
§ 447.203(c)(1)	17	17	Annual	48	816	Varies	85,420	42,710
TOTAL	17	17	Annual	48	816	Varies	85,420	42,710

ii. Additional State Rate Analysis (§ 447.203(c)(2))

Section 447.203(c)(2) describes requirements for payment proposals that do not meet the requirements in paragraph (c)(1), requiring the State to provide the nature of the change and policy purpose, the rates compared to Medicare and/or other payers pre- and post-reduction or restructuring, counts/trends of actively participating providers by geographic areas, counts of FFS Medicaid beneficiaries residing in geographic areas/characteristics of the beneficiary population, service utilization trends, access to care complaints from beneficiaries, providers, and other interested parties, and the State’s response to access to care complaints.

The information collection requirements at § 447.203(c)(2) applies to those States that submit rate reduction or restructuring SPAs that do not meet one or more of the criteria in § 447.203(c)(1). Using 2019 rate reduction and restructuring SPA figures, we estimate that 17 States will submit rate reduction or restructuring SPAs per year. Then, a 2019 Urban Institute analysis<sup>1</sup> indicates that 22 States (or 43 percent) have rates that meet the 80 percent fee ratio threshold in § 447.203(c)(1)(i) across all services. Although our proposal does not include all services, using this all services amount is our best method to estimate how many States may fall below on any given service without knowing which. Because we cannot predict the amount a State may propose to reduce, once or cumulatively for the SFY, and because failure of any one criterion in § 447.203(c)(1) would require additional analysis under § 447.203(c)(2), we will use that percentage to assess how many States would need to perform additional analysis. Using this percentage, we estimate that 7 (43 percent x 17) of the estimated 17 unique State respondents may submit rate reduction or restructuring SPAs meet that criteria for the streamlined analysis process under § 447.203(c)(1). Therefore, we assume that 10 out of 17 unique annual State respondents who submit rate reduction or restructuring SPAs would also need to perform the additional analysis § 447.203(c)(2).

The required components of the review and analysis in § 447.203(c)(2) are similar to the AMRP

<sup>1</sup> Zuckerman, S. et al. “Medicaid Physician Fees Remained Substantially Below Fees Paid By Medicare in 2019.”, *Health Affairs*, Volume 40, Number 2, February 2021, p. 343-348, <https://www.healthaffairs.org/doi/10.1377/hlthaff.2020.00611>, accessed August 31, 2022.

requirements found at former § 447.203(b)(1). However, due to the anticipated development and release of a template for States to facilitate completion of the required analysis, as well as the lack of a requirement to publish the analysis, we anticipate a moderately reduced burden associated with § 447.203(c)(2) when compared to the burden estimated for the AMRPs.

With regard to our newly finalized requirements, we estimate that it would take: 64 hours at \$55.54/hr for a social science research assistant to gather data, 64 hours at \$106.30/hr for a computer and information analyst to analyze data, 80 hours at \$100.64/hr for a management analyst to structure the analyses and organize output, and 8 hours at \$118.14/hr for a general and operations manager to review and approve the rate reduction or restructuring analysis. In aggregate, we estimate a burden of 2,160 hours (10 States x 216 hr) at a cost of \$193,541 (10 States x [(64 hr x \$55.54/hr) + (64 hr x \$106.30/hr) + (80 hr x \$100.64/hr) + (8 hr x \$118.14/hr)]). The total cost is adjusted down to \$96,771 (\$193,541 x 0.50) for States after accounting for the 50 percent Federal administrative match.

We do not assume any additional information collection imposed by the compliance procedures finalized at § 447.203(c)(3).

Table 4 shows our estimated combined annualized burden for § 447.203(c), which includes 17 States for § 447.203(c)(1) and 10 States for § 447.203(c)(2). In total, we estimate an annualized burden of 2,976 (816 hours + 2,160 hours) hours at a cost of \$278,961 (\$85,420 + \$193,541). This cost to States is then adjusted to \$139,481 after the 50 percent Federal administrative reimbursement is applied.

Table 4: Summary of Burden Associated with State Analysis Procedures for Rate Reductions or Restructurings (§ 447.203(c))

Requirement	No. Respondents	Total Responses	Frequency	Time per Response (hr)	Total Time (hr)	Wage (\$/hr)	Total Cost (\$)	State Share (\$)
§ 447.203(c)(1) (initial State analysis)	17	17	Annual	48	816	Varies	85,420	42,710
§ 447.203(c)(2) (additional State analysis)	12	12	Annual	216	2,160	Varies	193,541	96,771
TOTAL	17	29	Annual	264	2,976	Varies	278,961	139,481

12.4. ICRs Regarding Ongoing Input (§447.203(c)(4))

Under this revision, section 447.203(b)(7) is redesignated as 447.203(c)(4). This paragraph requires that states have a mechanism for obtaining ongoing beneficiary, provider and stakeholder input on access to care issues, such as hotlines, surveys, ombudsman, or other equivalent mechanisms. States must promptly respond to public input with an appropriate investigation, analysis, and response. They must also maintain records of the beneficiary input and the nature of the state response.

The ongoing burden associated with the requirements under redesignated §447.203(c)(4) is the

time and effort it would take each of the 50 state Medicaid programs and the District of Columbia (51 total respondents) to monitor beneficiary feedback mechanisms.

The overall effort associated with monitoring the feedback will primarily be incurred by analysts who will gather, review and make recommendations for and conduct follow-up on the feedback. We estimate that the approval of the recommendations will not require a significant effort from managers. We estimate that it will take an average of **3,825 hr** to monitor the feedback results, and **255 hr** to approve the feedback effort (**4,080 total hours**). We also estimate an average cost of \$8,139 per state and a total of **\$415,089**.

In deriving these figures, we used the following hourly labor rates and time to complete each task: 75 hr at \$100.64/hr for management analyst staff to monitor feedback results and 5 hr at \$110.82/hr for managerial staff to review and approve the feedback effort.

TABLE 5: Beneficiary Feedback Mechanism—Ongoing Burden Per State (annual)

Requirement	Occupation Title	Burden Hours	Adjusted Hourly Wage (\$/hr)	Cost Per Data Review (\$/State)
Monitoring Feedback Results	Management Analyst	75	100.64	7,548
Oversee Feedback Effort	General and Operations Manager	5	118.14	591
Total Burden Per State		80	Varies	8,139

TABLE 6: Beneficiary Feedback Mechanism—Ongoing Total Burden (annual)

Anticipated Number of State Reviews	Total Hours	Cost of Review per State (\$)	Total Cost Estimate (\$)
51	4,080 (80 hr x 51 reviews)	8,139	415,089

This section has no associated attachments such as information collection/reporting instruments, SPA templates/preprints, or instructions/guidance related to the collection/reporting of information.

12.5. ICRs Regarding Corrective Action Plan (§447.203(c)(5))

Under this revision, section 447.203(b)(8) is redesignated as 447.203(c)(5). Under this paragraph, a State is required to institute a corrective action procedure that requires states to submit to CMS a corrective action plan should access issues be discovered through the access monitoring processes. The requirement is intended to ensure that states will oversee and address any future access concerns.

We believe that a maximum of 10 states may identify access issues per year. The one-time burden associated with the requirements under §447.203(b)(7) is the time and effort it would take 10 state Medicaid programs to develop and implement corrective action plans.

We estimate that it will take an average of **200 hr** to identify issues requiring corrective action,

**400 hr** to develop the corrective action plans, and **30 hr** to review and approve the corrective action plans (**630 total hours**). We also estimate an average cost of \$6,393 per state and a total of **\$63,930**.

In deriving these figures, we used the following hourly labor rates and time to complete each task: 20 hr at \$100.64/hr for management analyst staff to identify issues requiring corrective action, 40 hr at \$100.64/hr for management analyst staff to develop the corrective action plans, and 3 hr at \$118.14/hr for managerial staff to review and approve the corrective action plans.

TABLE 7: Corrective Action Plan—One-time Burden Per Corrective Plan (annual)

Requirement	Occupation Title	Burden Hours	Adjusted Hourly Wage (\$/hr)	Cost Per Data Review (\$/State)
Identifying Issues for Action	Management Analyst	20	100.64	2,013
Developing the Corrective Plan	Management Analyst	40	100.64	4,026
Approve Corrective Plan	General and Operations Manager	3	118.14	354
Total Burden Per State		63	Varies	6,393

TABLE 8: Corrective Action Plan – One-time Total Burden (annual)

Anticipated Number of State Reviews	Total Hours	Cost of Review per State (\$)	Total Cost Estimate (\$)
10	630 (63 hr x 10 reviews)	6,393	63,930

This section has no associated attachments such as information collection/reporting instruments, SPA templates/preprints, or instructions/guidance related to the collection/reporting of information.

12.6. ICRs Regarding Public Process to Engage Stakeholders (§447.204)

Sections 447.204(a)(1) and (a)(2) require that states consider (when proposing to reduce or restructure Medicaid payment rates) the data collected through § 447.203 and undertake a public process that solicits input on the potential impact of the proposed reduction or restructuring of Medicaid service payment rates on beneficiary access to care. Under this revision, in § 447.204(b) the State must submit to CMS with any such proposed State plan amendment affecting payment rates documentation of the information and analysis required under § 447.203(c) of this chapter. The impacts related to that latter requirement are documented in association with 447.203(c)(1) and (2). We further note that under this revision, section 447.204(d) would be redesignated as 447.203(c)(6). There is not an impact associated with that provision.

We are estimating that for each SPA revision approximately 23 states, annually, will develop and implement 39 of these rate changes that would require a public process based on the number of states that proposed such reductions in FY 2017.

We estimate that it will take an average of **780 hr** to develop the public process and **117 hr** for review and approval of the public process (**897 total hours**). We also estimate an average cost of \$2,367 per state and a total of **\$92,313**.

In deriving these figures, we used the following hourly labor rates and time to complete each task: 20 hr at \$100.64/hr for management analyst staff to develop the public process and 3 hr at \$118.14/hr for managerial staff to review and approve the public process.

TABLE 9: Public Process—One-Time Burden Per State Per SPA

Requirement	Occupation Title	Burden Hours	Adjusted Hourly Wage (\$/hr)	Cost Per SPA (\$)
Develop the Public Process	Management Analyst	20	100.64	2,013
Approve Public Process	General and Operations Manager	3	118.14	354
Total Burden Per State		23	Varies	2,367

TABLE 10: Public Process—One-Time Total Burden

Anticipated number of State Reviews	Total Hours	Cost of Review per State (\$)	Total Cost Estimate (\$)
39	897 (23 hr x 39 changes)	2,367	92,313

The ongoing burden associated with the requirements under §447.204 is the time and effort it would take the state Medicaid programs to oversee a public process.

The overall effort associated with developing the public process will primarily be incurred by analysts who develop and initiate public process activities. We do not estimate that efforts associated with review and approval of the activities will increase for overseeing managers. We estimate it will take an average of **1,560 hr** to oversee the public process and **117 hr** for review and approval of the public process (**1,677 total hours**). We also estimate an average cost of \$4,380 per state and a total of **\$170,820**.

In deriving these figures, we used the following hourly labor rates and time to complete each task: 40 hr at \$100.64/hr for management analyst staff to oversee the public process and 3 hr at \$118.14/hr for managerial staff to review and approve the public process.

TABLE 11: Public Process—Ongoing Burden Per State

Requirement	Occupation Title	Burden Hours	Adjusted Hourly Wage (\$/hr)	Cost Per SPA (\$)
Oversee the Public Process	Management Analyst	40	100.64	4,026

Approve Public Process	General and Operations Manager	3	118.14	354
Total Burden Per State		43	Varies	4,380

TABLE 12: Public Process—Ongoing Total Burden (annual)

Anticipated number of State Reviews	Total Hours	Cost of Review per State (\$)	Total Cost Estimate (\$)
39	1,677 (43 hr x 39 reviews)	4,380	170,820

This section has no associated attachments such as information collection/reporting instruments, SPA templates/preprints, or instructions/guidance related to the collection/reporting of information.

*Summary of Annual Burden Estimates*

One-time Reporting and Recordkeeping Requirements

Regulation Section(s) in Title 42 of the CFR	Number of Respondents	Number of Responses	Time per Response (hr)	Total Time (hr)	Hourly Labor Rate (\$/hr)	Total Labor Cost (\$)	State Share (\$)
§ 447.203(b)(1) (Table 1) (Rate transparency)	51	51	11	561	Varies	40,608	20,304
§ 447.203(b)(6) (Table 3) (advisory group)	51	51	40	2,040	131.34	285,886	142,943
§ 447.203(c)(5) (Table 7 and 8) (corrective action plan)	51	10	63	630	varies	63,930	31,965
§ 447.204 (Tables 9 and 10) (public process)	51	39	23	897	Varies	92,313	46,157
<b>TOTAL</b>	<b>51</b>	<b>151</b>	<b>Varies</b>	<b>4,128</b>	<b>Varies</b>	<b>482,737</b>	<b>241,369</b>

On-going Reporting and Recordkeeping Requirements

Regulation Section(s) in Title 42 of the CFR	Number of Respondents	Number of Responses	Time per Response (hr)	Total Time (hr)	Hourly Labor Rate (\$/hr)	Total Labor Cost (\$)	State Share (\$)
§ 447.203(b)(1) (Table 1) (Rate transparency)	51	26	4	104	varies	8,042	4,021
§ 447.203(b)(2) (Table 1) (Rate analysis)	51	26	83	2,158	varies	190,107	95,053
§ 447.203(b)(6) (Table 2) (advisory group)	51	26	7	182	varies	24,361	12,181
§ 447.203(c)(1) (Table 4) (initial State analysis)	51	17	48	816	varies	85,420	42,710
§ 447.203(c)(2) (Table 4) (additional State analysis)	51	12	216	2,160	varies	193,541	96,771
§ 447.203(c)(4) (Table 5 and 6) (ongoing input)	51	51	80	4,080	varies	415,089	207,545

Regulation Section(s) in Title 42 of the CFR	Number of Respondents	Number of Responses	Time per Response (hr)	Total Time (hr)	Hourly Labor Rate (\$/hr)	Total Labor Cost (\$)	State Share (\$)
§ 447.204 (Tables 11 and 12) (public process)	51	39	43	1,677	<i>varies</i>	170,820	85,410
<b>TOTAL</b>	<b>51</b>	<b>197</b>	<i>varies</i>	<b>11,177</b>	<i>varies</i>	<b>1,087,380</b>	<b>543,690</b>

### Total Burden

Regulation Section(s)	Number of Respondents	Number of Responses	Burden per Response (hours)	Total Burden (hours)	Hourly Labor Cost of Reporting (\$/hr)	Total Labor Cost of Reporting (\$)	State Share (\$)
Subtotal #1 (One-time requirements)	51	151	<i>varies</i>	4,128	<i>varies</i>	482,737	241,369
Subtotal #2 (On-going requirements)	51	197	<i>varies</i>	11,177	<i>varies</i>	1,087,380	543,690
<b>TOTAL</b>	<b>51</b>	<b>348</b>	<b>varies</b>	<b>15,305</b>	<b>varies</b>	<b>1,570,117</b>	<b>785,059</b>

### 13. Capital Costs

There are no estimated capital cost increases associated with the extension request. States may conduct the payment rate transparency, SPA procedures, and other related processes contained in this revision through existing capital resources.

### 14. Cost to Federal Government

There is no additional cost to the federal government associated with these revisions. The information gathered, and published or submitted by states will aid CMS in our ongoing access monitoring duties and in making State plan amendment approval decisions, which is a part of current operations.

### 15. Changes to Burden

The following changes are associated with a standalone 60-day notice that published in the Federal Register on May 21, 2024 (89 FR 44685). Comments must be received by July 22, 2024.

This 2024 collection of information request updates documentation requirements in § 447.203. To develop the burden estimates associated with these changes, we account for the removal of existing information collection requirements in former § 447.203(b), and the introduction of new requirements at § 447.203(b) and (c). Overall, we believe the updates to the payment rate access monitoring procedures will result in an ongoing net decrease in burden on States of minus 1,324 hours and minus \$56,968 annually.

We are also adding a new standalone template which some states would need to submit alongside regular SPA submission.

Regulation Section(s) in Title 42 of the CFR	Number of Respondents	Number of Responses	Time per Response (hr)	Total Time (hr)	Hourly Labor Rate (\$/hr)	Total Labor Cost (\$)	State Share (\$)
Removal of § 447.203(b)(1)-(6)(i) (Removal of AMRP)	51	(17)	(310)	(5,270)	<i>varies</i>	(465,729)	(232,865)
Removal of § 447.203(b)(6)(ii) (Removal of AMRP)	51	(22)	(67)	(1,474)	<i>varies</i>	(149,498)	(74,749)
§ 447.203(b)(1) (Rate transparency)	51	26	4	104	<i>varies</i>	8,042	4,021
§ 447.203(b)(2) (Rate analysis)	51	26	83	2,054	<i>varies</i>	190,107	95,053
§ 447.203(b)(6) (advisory group)	51	26	7	182	<i>varies</i>	24,361	12,181
§ 447.203(c)(1) (initial State analysis)	51	17	48	816	<i>varies</i>	85,240	42,710
§ 447.203(c)(2) (additional State analysis)	51	12	216	2,160	<i>varies</i>	193,541	96,771
TOTAL	51	68	Varies	(1,324)	<i>varies</i>	(113,936)	(56,968)

#### 16. Publication/Tabulation Dates

States are required to publish payment rates approximately two years following publication of a final rule, and then update those publications on an as-needed and ongoing basis. Payment rates must be published on the State website.

States are required to conduct payment rate analyses and disclosures every two years for certain services and submit to CMS, and states must monitor access to care and public input on an ongoing basis and maintain records of those activities.

States are required to publish the recommendation of the interested parties advisory group, which convenes and produces a recommendation at least every two years.

States will perform an analysis regarding a proposed payment rate reduction or restructuring on an as-needed basis with the submission of a SPA adjusting rates in that manner.

#### 17. Expiration Date

CMS will display the expiration date.

#### 18. Certification Statement

There are no exceptions requested to the certification statements.

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

This collection does not employ any statistical methods.