

Supporting Statement for the Information Collection Requirements (ICRs)
For the State Child Health Plan Under Title XXI of the Social Security Act,
State Children's Health Insurance Program and
Model Application Template and Instructions

A. Background

The Balanced Budget Act of 1997 created the Children's Health Insurance Program under Title XXI of the Social Security Act. Title XXI enables States to initiate and expand health insurance coverage for uninsured children. In order to be eligible for payment under this legislation, each State submitted an initial Title XXI plan for approval by the Secretary that details how the State intends to use the funds. States may also amend their plans at any time by submitting an amendment for approval by the Secretary. Under the law, a State plan or amendment is considered approved in 90 days unless the Secretary notifies the State in writing that the plan is disapproved or that specified additional information is needed. The plan encompasses all of the child health assistance being provided using Title XXI funding. It is important to note that once a Title XXI plan is approved, the State is obligated to continue providing benefits as described in that plan until the plan is amended. All 56 States and Territories have submitted and received approval for State plans and numerous amendments to their plans. States will continue to amend their plans as necessary to reflect changes to their programs.

B. Justification

1. Need and Legal Basis

The legal authority for this collection is Title XXI of the Social Security Act.

2. Information Users

States must submit Title XXI plans and amendments for approval by the Secretary. The plan or amendment must be submitted to CMS. The plan and its subsequent amendments are used by CMS to determine if the State has met the requirements of Title XXI.

Information provided in the state plan, state plan amendments and from the other information CMS is collecting will be used by: advocacy groups, beneficiaries, applicants, other Governmental agencies, providers groups, research organizations, health care corporations, health care consultants and States. These groups will use the information collected to assess state plan performance, health outcomes and an evaluation of the amount of substitution of private coverage that occurs as a result of the subsidies and the effect of the subsidies on access to coverage.

3. Improved Information Technology

States and non-Federal governmental plans can use their data processing and electronic systems to generate notices to participants and beneficiaries regarding

eligibility determinations, public notices and enrollee rights to file grievances and appeals.

States can use their electronic systems to send CMS information regarding their: state plan, state plan amendments, actuarial reports for benchmark-equivalent coverage, state expenditure and statistical reports, annual reports, state evaluations, the amount of substitution that occurs as a result of subsidies and the effect of subsidies on access to coverage, documentation (to be found in each applicants file -- facts that support the state's determination of the applicants eligibility for SCHIP), and the annual amount the state spends on family coverage and the number of children it has covered (this information is captured in the annual report).

4. Duplicate Information

Title XXI is a program created by the Balance Budget Act. There is no duplication of this information.

5. Small business

This collection of information does not involve small businesses or other small entities.

6. Less Frequent Collection

Title XXI of the Social Security Act requires each state to submit a child health plan and receive approval by the Secretary in order to be eligible for Federal funds. Once the plan is approved, it remains in effect until the state requests changes by submitting a plan amendment to CMS for approval. All states and Territories have approved state plans; however, states will submit amendments for approval when they want to make changes to their plans.

7. Special Circumstances

There are no special circumstances.

8. Federal Register/Outside Consultation

A notice requesting comment on this collection was published on October 12, 2001.

CMS has consulted with the National Governor's Association, states and other private and public parties in the development of this plan, the model template and instructions, and in the estimate of the reporting and record keeping burden.

9. Payments or Gifts

There is no provision for any payment or gift to respondents associated with this reporting requirement.

10. Confidentiality

Because no personal identifying information is collected in the report, there is no issue of confidentiality with respect to the information submitted by the State. The information submitted by the State is available for public review.

11. Sensitive Questions

There are no questions of a sensitive nature in the information collection.

12. Estimate of Hour Burden and Cost to Respondents

Although States may submit the information in any manner to demonstrate that they have met the requirements set forth in Title XXI of the Social Security Act, CMS, in cooperation with the states, has developed the attached model application template and instructions to reduce the burden associated with these ICRs to a minimal level. The estimate of burden includes time for reviewing instructions, gathering information, and completing the model template. Because all states already have approved plans, states currently submit amendments when needed to make changes to their programs. They alter only those portions of the model application template that are affected by the change. The number of amendments that will be submitted annually is estimated based on the number of amendments that were submitted in federal fiscal year 2000.

Record Keeping and Reporting Burden

42 State entities X 1 amendment X 80 hours = 3360

Total Annual Burden Hours

The estimate of annualized costs to the State governments is \$22,628 (30 percent of the total costs of \$75,628). The State employee hourly wage figure is computed as 80 percent of a GS-12, step 1, annual salary, plus 20 percent retirement/insurance. The State cost is computed as follows:

$\$53,156 \times 80 \text{ percent} = \$42,524 + \$10,631 \text{ (20 \% retirement/insurance)} = \$53,155$
divided by 2,080 hours per year = \$25.55 per hour.

$\$25.55 \text{ per hour} \times 2960 \text{ hours per year} = \$75,628 \text{ per year.}$

$\$75,628 \times 30 \text{ percent (State share)} = \$22,688.$

13. Total Costs as a Result of Data Collection

There are no start-up costs associated with this information collection.

14. Federal Costs

The estimate annualized cost to the Federal government is 70 percent X \$75,628 = \$52,939.

The cost estimate is computed as follows:

Title XXI provides an enhanced Federal match that is 30 percent of the difference between 100 and the current Federal match. The current average Federal match is 57 percent of total costs. Therefore, the average enhanced match under Title XXI is 70 percent.

Federal costs = 70 percent X \$75,628 = \$52,939

15. Changes in Burden and/or Cost Estimates

Adjustments in items 13 and 14 reduce State and Federal costs because States now only submit amendments as needed to reflect changes in their programs and only revise those sections of the application template that are affected by the changes.

16. Publication and Tabulation Data

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

17. Display of Expiration Data

CMS is not seeking approval not to display the expiration date for OMB approval of the information collection.

18. Exception to Certification Statement

There are no exceptions to the certification statement.

C. Collection of Information Employing Statistical Methods

CMS does not intend to collect information employing statistical methods.