



Regulation Review

New Medicaid Managed Care Rule: Sprawling Red Tape

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The Centers for Medicare and Medicaid Services (CMS) recently released a proposed rule to restructure many provisions regarding Medicaid managed care services. The unofficial, pre-publication version of [the proposal](#) is 653 pages. It is both an economically significant and major rule, with annualized costs exceeding \$112 million. In terms of paperwork, it imposes more than 1.8 million total burden hours.

Although the hourly level of paperwork is substantial, it is not exactly earth-shattering compared to other rules. However, the aspects of this proposal's recordkeeping burden reveal the sheer breadth and complexity of how CMS arrives at its burden estimates. It makes some sense that a rule covering provisions for a whole host of medical conditions involves several complicated facets. Yet, there are few, if any, recent rules that cover this sort of regulatory ground.

The following points illustrate this sprawling compliance burden (using the currently available PDF version):

- The entire “Collection of Information Requirements” section spans 127 pages.
- The “Proposed Information Collection Requirements” section includes 61 different subsections.
- CMS includes wage rates for 10 different employee levels – from “General and Operations Manager” at \$127.72 per hour on down to “Mail Clerk” at \$26.40 per hour.
- The Summary Table spans 26 pages and includes 319 line items.

Few rules can match this sort of maddening complexity. Although, CMS's diligence deserves some credit compared to the countless other agencies that often present a figure with limited, if any, supporting calculations. However, since the agency has given a glimpse into what this rule actually covers, the rule's analysis makes it plain that this is an expensive, complicated rule that will affect states and private entities alike.