

HDCI 2 Survey of Group Health Plans
OMB Number 1210-NEW
February 2007
Response to AHIP Comment Letter

The following is EBSA's response to the comment letter submitted by AHIP via e-mail dated February 6, 2007. The three numbered paragraphs below respond, respectively, to the three subjects ("Voluntary Compliance Efforts," "Administrative Burdens," and "Vague Survey Methodology") presented in the AHIP letter.

1. In its ongoing programs of enforcement and compliance assistance, EBSA regularly acts on complaints received from service providers and participants to direct its efforts. Particularly with respect to complaints received about Part 7 non-compliance, EBSA frequently resolves issues through voluntary compliance. However, EBSA cannot use such complaints and voluntary compliance resolutions as a basis for reaching conclusions about the effectiveness of its programs or the extent to which the entire population of group health plans either complies or does not comply with Part 7 requirements. The HDCI 2 Survey, as explained in the supporting statement for this ICR, is intended to supply information necessary to reach supportable conclusions about the effectiveness of EBSA's programs. It is part of EBSA's effort to comply with the President's Management Agenda and Congressional goals laid out in the Government Performance Results Act of 1993 (GPRA) and incorporated into Outcome Goals 2 and 3 of the Department's FY 2003-2008 Strategic Plan, which describe the Department's commitment to promoting voluntary compliance. EBSA can consequently reduce violations, by helping the public understand the federal employee benefit laws EBSA administers and enforces.

2. To accomplish its stated purposes, EBSA must obtain clearly defined measures of compliance comparable to those found in the 2001 project. EBSA determined that this can be done only by using a sampling frame that is exhaustive and non-overlapping and that using a plan-based sampling frame like the Form 5500 for large plans will not dovetail adequately with a firm-based sampling frame like the telephone survey for small plans. Therefore, EBSA decided to use a firm-based sampling frame for both size sets. EBSA attempted without success to obtain the needed information to create an adequate sample from other sources, including SBA, BLS, and public sources on the Internet and only after exhausting other sources of data decided to conduct this telephone survey. EBSA believes that the administrative burden of the telephone survey will be minor, consisting only of providing verbal replies to a few very simple questions about possible health benefits provided by the contacted firm. EBSA therefore believes that using Form 5500 data as a complement to, rather than a substitute for, an employer-based sampling frame will result in more accurate and complete information about ERISA-covered group health plans. EBSA staff that will make the calls for the telephone survey will already have access to whatever Form 5500 information has been filed by the contacted firms.

3. AHIP objects that it cannot verify that EBSA's methodology for the survey will result in a statistically valid sample of employer-sponsored health plans because the survey methodology was not described in the Federal Register notice. EBSA notes that the

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statistical methodology for the telephone survey was described in detail in the supporting statement for the ICR and that the Federal Register notice made clear that the ICR, including the supporting statement, could be requested from EBSA. AHIP did not make any request for the supporting statement. EBSA also notes that BLS reviewed and approved EBSA's statistical methodology prior to submission of the ICR to OMB. EBSA believes that its survey will produce a useful sample list of representative ERISA-covered group health plans from which EBSA can derive significant information concerning such plans' overall compliance with requirements under Part 7 of ERISA.