

## Supporting Statement For Paperwork Reduction Act Submission: Health Care Reform Insurance Web Portal and Supporting Authority Contained in Sections 1103 and 10102 of The Patient Protection and Affordability Care Act, P.L. 111-148 (PPACA)

### A. Background

In accordance with Sections 1103 and 10102 of The Patient Protection and Affordability Care Act, P.L. 111-148 (PPACA) the U.S. Department of Health and Human Services (DHHS) is tasked with developing and implementing an Internet website portal to assist consumers with identifying affordable and comprehensive health insurance coverage options that are available in their State.

CMS is requesting approval to implement this information portal for the collection of information to assist consumers in making educated decisions on their health care options. This is an emergency request for a six month period until additional details are determined and a more comprehensive system is developed.

### B. Justification

#### 1. Need and Legal Basis

Section 1103(a) of the Affordable Care Act, as amended by section 10102(b) of the same act, directs the Secretary to immediately establish a mechanism, including an internet website, through which a resident of, or small business in, any State may identify affordable health insurance coverage options in that State. To the extent practicable, the website (hereinafter called the web portal) is to provide, at minimum, information on the following coverage options:

1. Health insurance coverage offered by health insurance issuers,
2. Medicaid coverage,
3. Children's Health Insurance Program (CHIP) coverage,
4. State health benefits high risk pool coverage,
5. Coverage under the high risk pool created by section 1101 of the Affordable Care Act, and
6. Coverage within the small group market for small businesses and their employees.

In order to provide this information in a standardized format, section 1103(b) requires the Secretary to develop a standardized format to present the coverage information described above. This format is to provide for, at a minimum, the inclusion of information on the

percentage of total premium revenue expended on nonclinical costs (as reported under section 2718(a) of the Public Health Service Act), eligibility, availability, premium rates, and cost sharing with respect to such coverage options.

By statute, the web portal must be available for public use no later than July 1, 2010. A copy of this statute is provided in Appendix B.

To meet the July 1, 2010 deadline, we will require issuers to provide data that we will use to develop introductory information for consumers on the universe of issuers and health insurance products in their geographic area. By May 21, 2010 we will require issuers to submit corporate and contact information, such as corporate addresses and websites; administrative information, such as enrollment codes; enrollment data by product; product names and types, such as Preferred Provider Organization (PPO) or Health Maintenance Organization (HMO); whether enrollment is currently open for each product; geographic availability information, such as product availability by zip code or county; customer service phone numbers; website links to the issuer website, brochure documents such as benefit summaries, and provider networks; and financial ratings, such as those offered by financial rating firms including AM Best, Standards and Poor, and Moody's, if available. (see Appendix D)

We are also asking States to voluntarily submit data on issuer corporate and contact information for licensed issuers in their State, such as corporate addresses and websites; underwriting status, such as whether or not premium rates in the individual market are determined based on medical underwriting or community rating; and information on any public websites administered by the State that provide consumer guidance on individual and small group health insurance coverage in their State. (see Appendix C)

We will also require issuers, in accordance with the guidance issued by the Secretary, to submit pricing and benefit data for their portal plans on or before September 3, 2010, and annually thereafter. (see Appendix E). For each zip code, issuers will be required to submit information on at least all portal plans that are open for enrollment and that represent 1 percent or more of the issuer's total enrollment for the respective individual or small group market within that zip code.

## 2. Information Users

We will collect an initial set of data (health insurance product information) from issuers in order to present basic information on all issuers and health insurance products in the July 1, 2010 release of the web portal. This release of the web portal will only contain the basic information on issuers and their products in the individual and small group markets that was practicable to obtain in the constrained timeframe for meeting the statutory requirement that the web portal be available for public use by July 1, 2010. We will release a more comprehensive version of the web portal on October 1, 2010. This version will include benefit and pricing information. Benefit and pricing information includes data such as premiums, cost-sharing options, types of services covered, coverage limitations, and exclusions.

In the July 1, 2010 release we will provide summary information about health insurance products that are available in the individual and small business markets including issuers of the products, types of products, location, summaries of services offered, links to provider networks, and contact information (including website links and customer service telephone contact) to enable interaction with specific issuers. In addition, the web portal will provide information on eligibility, coverage limitations and premium information for existing high risk pools operating in the States, to the extent that it is provided to us by the responding parties.

Certain administrative information that we are collecting, such as an issuer's technical contact information (that is, the person who will work directly with us and our contractors to submit and validate data), tax identification number, and enrollment count in an issuer's products, will be used to support the structure of the database in which this information will be 19 warehoused so that the data can be easily retrieved to support uploading information to the web portal test site, and so that issuers and their portal plans can be reliably recognized by HHS and issuers and counted to support analyses for improving the web portal. This information will also be used to support analysis necessary to improve the meaningfulness and usefulness of the web portal in future releases. In addition, certain contact information will allow the Federal government and its contractors to provide useful updates and reminders to issuers and to provide technical support.

The underwriting information and website links we are requesting from States will be included on the web portal in an effort to develop consumer education content and incorporate (by way of linking) any State-developed information on insurance coverage options in a given State. We recognize that some States may have already developed web portals that provide comprehensive information about health insurance coverage in their State, and we will link to that information if it is available.

### 3. Use of Information Technology

For the initial collection, we will be providing the States and Issuers with an excel template that that is to be emailed back to us. This information will then be entered into our systems and additional validation will be run. The submitters will then be sent an email stating that we have received their submission and whether or not it passed the additional validation. Once the submitters have sent a passing file, and it has been entered into the system they will be allowed to log into the web portal using a custom user ID and password validation to review their data submission.

The issuers will ultimately be given the choice to download a basic information template to enter data then upload into the portal, or manually enter data within the portal itself. Once the states and issuers submit their data, they will receive an email notifying them of any errors, and that their submission was received. The issuer's data will be sent to the IT Vendor who will be responsible for collecting the benefits, cost sharing, and premium rate information from the issuers.

CMS will be using drop down menus and error checks wherever possible to minimize burden. Once the data is submitted once, the issuers can later log in to update information they previously provided instead of having to re-upload all plan/product information.

#### 4. Duplication of Efforts

The information collection from Issuers does not duplicate any other Federal effort. We are aware that states are collecting some of this information. We are also aware that the information that we are requesting from States voluntarily may duplicate information provided by issuers. However, we believe that it is incumbent upon us to ensure that we provide information on the entire universe of issuers and health insurance products. Gathering these data from both States and issuers will help us in determining the universe and ensure that we are not inadvertently excluding an issuer or product as a result of incomplete data collection.

#### 5. Small Business

Small Businesses are not significantly affected by this collection.

#### 6. Less Frequent Collection

CMS is mandating that the issuers and is requesting the states to verify their information on an annual basis. In the event that an issuer enhances their existing plans, proposes new plans, or deactivates plans, the organization would be required to update the information in the web portal using the edit function or uploading an updated template.

If this collection were not conducted or were conducted less frequently than described above, there would be adverse consequences, including but not limited to, the following:

- CMS would not be able to accurately or effectively educate the public on the private plan choices available to them.
- CMS would not be able to effectively provide this information as required by statute.
- The public would not receive accurate, updated plan information via the website.

#### 7. Special Circumstances

Dependent on the frequency with which an issuer enhances, eliminates, or adds options to their products, additional submissions may be necessary.

Information that is to be collected from State health benefits high risk pools (Appendix F) will be collected from NASCHIP at this time. Therefore there will be no burden on these entities within the first year of this collection.

#### 8. Federal Register/Outside Consultation

The interim final rule that displayed on April 30, 2010, served as the emergency Federal Register notice for this information collection request (ICR). The Office of Management and Budget reviewed this ICR under emergency processing and approved the ICR on April 29, 2010.

Additionally, consultations with contractors have occurred to determine what is feasible for the release, and what information would be beneficial to the public during this time frame. CMS also plans to ultimately collect feedback from the public to help drive future enhancements to the web portal that will allow more beneficial information to be displayed.

Participants in this effort include CMS staff, HHS staff, representatives of the private plan industry, and various CMS contractors.

### 9. Payments/Gifts to Respondents

There are no payments/gifts to respondents.

### 10. Confidentiality

To the extent provided by law, we will maintain respondent privacy with respect to the information being collected.

### 11. Sensitive Questions

There are no sensitive questions included in this collection effort.

### 12. Burden Estimates (Hours & Wages)

The estimated hour burden for the web portal is 84,706 total burden hours, or 30.32 hours per organization to fill out the basic information, and 100.32 hours per organization to fill out both the benefits, cost sharing, and premium rate information and update their information as needed. The State estimated hour burden for the web portal is 58.3 total burden hours, or 10.17 hours per state.

#### **Insurance Issuers:**

- 650 Organizations

#### **Burden Calculations:**

##### **Initial Review and Analysis**

- 30 hours to train, review the regulations, analyze, and certify the completeness and accuracy of the information once submitted
- 19,500 hours for industry to train, review, analyze, and certify

##### **Basic Information**

- 650 responses (1 response contains information for 9 products per organization)

- 19 minutes to download information template and complete basic questions\*\*\*
- 206 hours for industry to complete the requested information for basic questions [206 = (650\*19)/60]
- **Benefits, cost sharing, and premium rate information**
- 20 batched responses per organization\*\*
- 13,000 total annual responses [13,000 = 650\*20]
- 240 minutes to download the benefits, cost sharing, & premium rate information template, enter data, and submit
- 52,000 hours for industry to complete the requested benefits, cost sharing, and premium rate information [52,000 = (240\*20\*650)/60]
- 13,000 hours additional burden for industry to update data [13,000 = 650 \* 20 responses \* 1 hour]
- 65,206 total hours for industry to complete the web portal's two phases [65,206 = 206 + 52,000 + 13,000]
- 84,706 total hours for industry to train, review, analyze, complete, and update the web portal's two phases [84,706 = 19,500 + 65,206]

An estimate of the annualized cost to the industry in burden hours for the completion of the basic, benefits, cost sharing, and premium rate information is approximately **\$6,188,390** [(\$1,950,000 = 19,500 hours \* \$100) + [\$4,238,390 = 65,206 hours \* \$65.00]]\*\*.

#### State Burden

- 50 states
- 10 hours to train, review regulation, and analyze
- 10 minutes to download information template and complete basic questions
- 500 hours for the States to train, review, and analyze
- 8.3 hours for States to complete questions [8.3 = (50\*10)/60]
- 508.3 total hours for States to train, review, analyze, and complete questions

An estimate of the annualized cost to the states in burden hours for the completion of the basic information is approximately **\$50,539.50** (\$50,539.50 = [\$50,000 = 500 hours \* \$100] + [539.50 = 8.3 hours \* \$65.00; 50.48 + (50.48 \* .30)] – where 30% equals overhead). Estimate of pay was derived from the 2008 State Government Function “Health” pay from the Census Bureau which can be found at <http://www2.census.gov/govs/apes/08stus.txt>.

#### Key:

\*\* Source: Estimation from knowledge of collections in HPMS for organizations who support Medicare includes overhead estimation.

\*\*\* Source: Based on the nature of the questions being asked – address, phone, etc.

### 13. Capital Costs

There is no capital costs needed for this collection effort.

#### 14. Cost to Federal Government

The initial burden to the Federal Government for the development and implementation of the collection of basic, pricing, and benefits information of issuers on the web portal is **\$11,660,472.34**. The calculations for CMS employees' hourly salary was obtained from the OPM website: [http://www.opm.gov/oca/10tables/html/dcb\\_h.asp](http://www.opm.gov/oca/10tables/html/dcb_h.asp).

Contractor Development	\$1,750,000
IT Vendor	\$7,000,000
Medicaid/CHIP data collection	\$2,400,000
Initial Design and Implementation Help	
2 GS - 13: 2 x \$42.66 x 60	\$5,119.20
Managing and Coordinating Contracts	
2 GS - 13: 2 x \$42.66 x 416	\$35,493.12
Analysis and QA	
2 GS - 13: 2 x \$42.66 x 416	\$35,493.12
Training and Help Desk	
2 GS - 13: 2 x \$42.66 x 104	\$8,873.28
Social Marketing Research	400,000.00
Overhead Costs	
84,978.72 * 30%	\$25,493.62
<b>Total Cost to Government</b>	<b>\$11,660,472.34</b>

#### 15. Changes to Burden

This is a new information collection request thus there are no changes to burden.

#### 16. Publication/Tabulation Dates

The basic information for the issuers, states, and high risk pools will be collected by May 21, 2010. That information will be displayed to the public no later than July 1, 2010. The benefits, cost sharing, and premium rate information will be collected by September 3, 2010, and will be displayed to the public no later than October 1, 2010.

17. Expiration Date

CMS has no objections to displaying the expiration date.

18. Certification Statement

There are no exceptions to the certification statement.