

Supporting Statement – Grants to States for Health Insurance Premium Review

A. Justification

1. Circumstances Making the Collection of Information Necessary

On March 23, 2010, the President signed into law H.R. 3590, the Patient Protection and Affordable Care Act (ACA), Public Law 111-148. Section 1003 of the Affordable Care Act requires the Secretary of HHS in conjunction with States, to establish a process for the annual review of health insurance premiums to protect consumers from unreasonable, unjustified and/or excessive plan increases. This requirement takes effect beginning with the 2010 plan year. Section 1003 also establishes a program of grants to states for health insurance premium review. States receiving a grant award are to review, and if appropriate under State law, approve premium changes and provide information to the Secretary on premium increases. As the ACA requires an annual process of premium review beginning in plan year 2010, there is an urgent need to provide States with grant funding to enhance their current processes for reviewing health insurance premiums and to make immediate improvements to their current rate review reporting processes. In order to address these immediate needs, HHS will be announcing the Health Insurance Premium Review Grants on June 7, 2010 with awards to States by early August 2010.

The Department of Health and Human Services (HHS) is requesting emergency action for this clearance by the Office of Management and Budget no later than June 4, 2010. We are requesting emergency processing procedures for this application because this information is needed immediately to assure that the program for Grants to States for Health Insurance Premium Review is timely to provide immediate grant funding to States for implementation of the above provisions.

2. Purpose and Use of Information Collection

The data collection will be used by HHS to request that States and the District of Columbia submit the following:

- An application to apply for the Cycle I Health Insurance Premium Review Grants. Guidance requirements for the application are provided on pages 12-20 of the funding opportunity announcement.

This above information will assist HHS in planning for and executing grants to States for health insurance premium review.

3. Use of Improved Information Technology and Burden Reduction

All information collected in the grant application will be submitted electronically via grants.gov. HHS staff will analyze the data electronically and communicate with States and the District of Columbia using email and phone.

4. Efforts to Identify Duplication and Use of Similar Information

Since this is a new program that was created through the Affordable Care Act, the information that will be collected has never been collected before by the Federal government.

5. Impact on Small Businesses or Other Small Entities

No impact on small business.

6. Consequences of Collecting the Information Less Frequent Collection

Information collected in the grant application is a one-time data collection for the purposes of determining eligibility to receive a grant award.

7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5

No special circumstance.

8. Comments in Response to the Federal Register Notice/Outside Consultation

Due to the emergency nature of the program announcement OMB has waived the Federal Register notice requirements for this collection.

9. Explanation of any Payment/Gift to Respondents

Not applicable

10. Assurance of Confidentiality Provided to Respondents

No personal health information will be collected. All information will be kept private to the extent allowed by applicable laws/regulations.

11. Justification for Sensitive Questions

No sensitive information will be collected.

12. Estimates of Annualized Burden Hours (Total Hours & Wages)

In order to complete the grant application, each applicant will be asked to provide information on their current rate review process for health insurance; States currently reviewing rate filings will need to propose enhancements to further strengthen their existing authorities and process. States

that do not currently review rate filings must describe their plans to conduct reviews or otherwise enhance their oversight over insurers' rate setting practices. States will also be required to describe their plan for reporting data on health insurance premiums to the Secretary. State Insurance Commissioners will need to obtain a letter of support from their Governor's office to be eligible for grant funding.

We estimate that it will take approximately two working days per applicant to submit the grant application.

It is estimated that up to 51 respondents will submit contact information and letters of intent.

12A. Estimated Annualized Burden Hours

Estimated Annualized Burden Table

Forms (If necessary)	Type of Respondent	Number of Respondents	Number of Responses per Respondent	Average Burden hours per Response	Total Burden Hours
Grant Application	State Government	51	1	520	26520
Total				520	26520

12B. Cost Estimate for All Respondents Completing the Application and Contact Information

Type of respondent	Number of Respondents	Number of Responses per Respondent	Average Burden Hours	Wage per Hour (including fringe)	Burden Costs Per Response
Actuary	51	1	60	\$250	\$765000
Senior General Counsel	51	1	120	\$350	\$2142000
Junior General Counsel	51	1	160	\$175	\$1428000
Other Professional Staff Development of Application	51	1	180	\$50	\$459000
Total			26520		\$4794000

Application Process

In order to complete the application, each applicant will need to read the application requirements, assemble, review, finalize and submit an application package to HHS. This burden estimate encompasses the entire application process which includes assembly of all required application content (technical approach, cost proposal, application format, extraction and summarization of current activities if applicable), certification of the application package by a senior official at the State or Delegated Entity, application submission to HHS and any subsequent application amendments or corrections that may be necessary for application approval. The final application must be submitted electronically via grants.gov using the directions furnished in the application by HHS.

We estimate that it will take approximately 520 hours per applicant to read, assemble, review, finalize and submit their application proposal package to HHS. We believe up to 10 people per applicant will be involved in the application assembly; total one-time burden is 26520 hours.

It is estimated that up to 51 respondents will submit an application.

13. Estimates of other Total Annual Cost Burden to Respondents or Record Keepers /Capital Costs

There are no additional record keeping/capital costs.

14. Annualized Cost to Federal Government

This is the cost to government to review the program.

Type Federal employee support	Total Burden Hours per reviewer	Total reviewers	Hourly Wage Rate (GS 14 equivalent) – (includes fringe)	Total Federal Government Costs
Grant Reviewer	24 hrs (~ 4 applications per reviewer at 8 hours labor per review)	13	\$72	\$29376
Total				\$29376

Salaries are based on a 14 Grade/Step 1 in Washington DC area with the allowance up to \$150,000 to include fringe.

15. Explanation for Program Changes or Adjustments

This is a new data collection, grant program required by ACA.

16. Plans for Tabulation and Publication and Project Time Schedule

The grant applications will be received by HHS no later than July 7, 2010. Grant awards will be made in early August, 2010.

17. Reason(s) Display of OMB Expiration Date is Inappropriate

Not applicable. We plan to include an expiration date once assigned an OMB number.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

There are no exceptions to the certification.

B. Collection of Information Employing Statistical Methods

Not applicable. The information collection does not employ statistical methods.