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## **SUPPORTING STATEMENT – Part A**

### **A. BACKGROUND**

The Centers for Medicare & Medicaid Services (CMS) requests a three year clearance from the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 for the Medicare Consumer Assessment of Healthcare Providers and Systems (CAHPS) survey. In October 2007, CMS received approval to field the CAHPS survey annually for three years. That approval expires November 30, 2010.

Based on requirements in the 2003 Medicare Prescription Drug Improvement and Modernization Act (MMA), the Centers for Medicare & Medicaid Services (CMS) has collected information about the experiences of Medicare Advantage and Medicare prescription drug plan enrollees with their plans through the annual implementation of the CAHPS Survey since 2006. Earlier, requirements in the Balanced Budget Act of 1997 also required CMS to collect and report satisfaction and quality information about the Medicare health plans available under the Medicare + Choice plans and the Medicare Fee-For-Service (FFS) program and to provide this information to Medicare enrollees to assist them in their selection of a Medicare plan. The CAHPS survey for health plans has been collected since 1997 and the Medicare FFS survey has been collected since 2000.

The MMA under Sec. 1860D-4 (Information to Facilitate Enrollment) requires CMS to conduct consumer satisfaction surveys of plan enrollees in Medicare Advantage (MA) and Medicare prescription drug plans (PDPs) and report the results to Medicare beneficiaries prior to the annual enrollment period. This request for approval is for CMS to continue conducting the Medicare CAHPS surveys annually to meet the requirement to conduct consumer satisfaction surveys regarding the experiences of beneficiaries with their health and prescription drug plans.

This supporting statement incorporates the CAHPS data collection requirements set forth in the Part C and D final rule published on April 15, 2010. We revised the regulations to require that MA organizations, Part D sponsors, and section 1876 cost contractors pay for the data collection costs of the annual CAHPS survey beginning in 2011. Previously, CMS has paid for the fielding of these surveys. As we noted in the preamble to the proposed rule, in the 2010 Call Letter to Part C and D sponsoring organizations, we informed all MA and Part D contracts with at least 600 enrollees as of July 1 of the prior calendar year that they would be expected to pay for the data collection costs of the CAHPS survey starting with the administration of the 2011 annual CAHPS survey. The final rule set forth this requirement in regulations at §422.152 for Part C, §417.472 for section 1876 cost contracts, and §423.156 for Part D. CMS will continue to pay for the data collection costs for the Medicare FFS CAHPS survey.

CMS plans to use a data collection model similar to the one used for the Health Outcome Survey, commercial health plan CAHPS, Hospital CAHPS and Home Health Care CAHPS. CMS will approve and train survey vendors to collect and submit data on behalf of the MA, section 1876 cost, and Part D contracts. All contracts that are required to

conduct CAHPS will need to contract directly with an approved vendor. CMS will be responsible for approving and training vendors, providing technical assistance to vendors, overseeing vendors to ensure that they are following the data collection protocols, providing the sample directly to the survey vendors, collecting and analyzing the data for public reporting, and producing reports that the plans can use for quality improvement.

This request for approval takes the OMB control number 0938-0732.

## **B. JUSTIFICATION**

### **1. Need and Legal Basis**

The CMS is required to collect and report information on the quality of health care services and prescription drug coverage available to persons enrolled in a Medicare health or prescription drug plan under provisions in the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA). Specifically, the MMA under Sec. 1860D-4 (Information to Facilitate Enrollment) requires CMS to conduct consumer satisfaction surveys regarding Medicare prescription drug plans and Medicare Advantage plans and report this information to Medicare beneficiaries prior to the Medicare annual enrollment period. The Medicare CAHPS survey meets the requirement of collecting and publicly reporting consumer satisfaction information. The CAHPS survey measures are incorporated into the plan ratings that are published on [www.medicare.gov](http://www.medicare.gov) each fall for consumers. A subset of the CAHPS measures are also included in the *Medicare & You Handbook*.

### **2. Information Users**

The primary purpose of the CAHPS survey is to provide information to Medicare beneficiaries to help them make more informed choices among health and prescription drug plans available to them. The Medicare CAHPS also provides data to help the CMS and others monitor the quality and performance of Medicare health and prescription drug plans and identify areas to improve the quality of care and services provided to enrollees of these plans.

### **3. Use of improved information technology**

There are no barriers or obstacles that prohibit the use of improved technology for this information collection activity. The CMS will provide approved CAHPS vendors with the samples of enrollees for their client plans. Respondents return the completed surveys to the vendors and the data are collected and aggregated electronically using scanners that automatically place the data into an electronic database. Telephone follow-up of non-respondents to the mail survey is conducted using Computer Assisted Telephone Interviewing (CATI) and also entered into an electronic database automatically.

**4. Duplication of Efforts**

The health plan section of the survey that CMS is conducting is the same survey that is required by the National Committee on Quality Assurance (NCQA) for accreditation of commercial non-Medicare health plans; thus, there is no duplication of effort. Besides CAHPS there is no standard satisfaction survey for health or prescription drug plans.

**5. Small Business**

Survey respondents are Medicare Advantage (MA with or without a Prescription Drug Plan), Medicare Fee-For-Service (FFS), or Medicare Stand Alone Prescription Drug plan (PDP) enrollees. The MA and PDP plans will need to pay for the data collection using vendors approved by CMS. The cost of conducting the CAHPS survey for each contract is estimated to be approximately \$5,000. The survey instruments and procedures for completing the instruments are designed to minimize burden on all respondents and will not have a significant impact on small businesses or other small entities.

**6. Less Frequent Collection**

The Medicare CAHPS survey is conducted annually. CMS is required to provide up-to-date information to Medicare beneficiaries each year prior to the annual enrollment period to help them make more informed plan choices. Additionally, the information is used by CMS for monitoring of plan quality, and by plans to improve the health care and services they provide to their enrollees. Given the uses of the data, it is important that persons with Medicare, the CMS, and others have current information about the experiences of persons enrolled in Medicare health and prescription drug plans. Provision of this information on an annual basis allows for the design of quality improvement initiatives on a timely basis and helps inform beneficiaries about the quality and performance of health and prescription drug plans at the time they make a health or drug plan selection each year.

**7. Special Circumstances**

Medicare CAHPS will not require any of the special circumstances noted in the instructions.

**8. Federal Register/Outside Consultation**

A 60-day Federal Register notice was published on April 19, 2010. Eight comments were received.

**9. Payment/Gifts to Respondents**

Respondents will not receive any payments or gifts.

**10. Confidentiality**

Individuals and organizations contacted will be assured of the confidentiality of their replies under 42 U.S.C. 1306, 20 CFR 401 and 422, 5 U.S.C.552 (Freedom of Information Act), 5 U.S.C.552a (Privacy Act of 1974), and OMB Circular No.A-130. In instances where respondent identity is needed, the information collection will fully comply with all respects of the Privacy Act. The System of Records for this survey is Under the Privacy Act of 1974 within the Health Plan Management System (HPMS): No. 09-70-4004 Federal Register Citation: Vol. 63, No. 155, p. 4317, Publication Date Aug. 12, 2010.

**11. Sensitive questions**

No questions of a sensitive nature are included in the survey.

**12. Burden Estimate (Hours and Wages)**

The CAHPS survey takes on average 20 minutes to complete. This burden varies by survey type as shown below, with the Stand Alone FFS type having the lowest burden. Thus, as shown below the total sample of 566,700 members, the total survey burden to complete the survey is approximately the sum of MA (.40 hours x 427,200), Stand Alone PDP (.25 hours x 81,000), and FFS Medicare (.30 x 58,500) or 208,680 hours. The reason for the variation in burden hours by survey type is that the CAHPS survey has specific questions relevant to the of Medicare plan in which a sample member is enrolled, i.e. MA, MA PD, PDP, or MFFS.

	Units	Sample/ Unit	Sample by Type	Burden/ Survey	Total Hours
MA	534	800	427,200	0.40	170,880
Stand Alone PDP	90	900	81,000	0.25	20,250
FFS Medicare	65	900	58,500	0.30	17,550
Total Hours					208,680

Costs to respondents will be the time required by respondents to complete the survey.

Survey Form	Number of Respondents	Total Burden Hours	Average Hourly Wage Rate*	Estimated Data Collection Cost to Respondents
MA	427,200	170,880	\$19.56	\$3,342,413
Stand Alone PDP	81,000	20,250	\$19.56	\$396,090
Medicare FFS	58,500	17,550	\$19.56	\$343,278
Total	566,700	208,680	\$19.56	\$4,081,781

\*Based upon the average wages, "National Compensation Survey: Occupational Wages in the United States, May 2007," U.S. Department of Labor, Bureau of Labor Statistics

### **13. Capitol Cost**

The cost to Medicare health and prescription drug plans will be the cost of their contracting with Medicare CAHPS vendors approved by CMS to pay for the data collection among the sample of enrollees in their plan at the contract level that CMS provides to the vendors. The estimated annual capitol costs are \$3,120,000. CMS estimates this cost will be about \$5,000 per plan (MA and Stand Alone PDP plans only) which have a total of 624 units at the contract level although the final cost will be dependent on the negotiated contracts the plans execute with an approved vendor or vendors for their data collection. (624 units X \$5000 = \$3,120,000)

### **14. Estimate of cost to Federal government**

The total cost to the Federal government for the 2011 CAHPS Survey is estimated to be \$4.5 million. This total includes CMS management and implementation of the Medicare FFS data collection; approval process for survey vendors; training, oversight, and technical assistance of the approved survey vendors for the MA and PDP plans; preparation and cleaning of data submitted by the survey vendors for the MA and PDP plans; data analysis; preparation of CAHPS measures for public reporting; and production of plan reports to be used by all participating MA and PDP plans for quality improvement.

**15. Changes to Burden**

This request reduces the burden of hours requested by 9,120 hours virtually no change from the hours of burden approved for the 2007-2010 Medicare CAHPS survey.

**16. Publication and Tabulation Dates**

The CAHPS survey results will be disseminated through tools on [www.medicare.gov](http://www.medicare.gov) – Medicare Prescription Drug Plan Finder and Medicare Options Compare -- that contain comparative information on prescription drug and health plans, respectively. The information will also be made available to the public through “print on demand” (i.e., beneficiaries can request a hardcopy of this information from 1-800-MEDICARE. The *Medicare & You Handbook* also contains some CAHPS information and instructions about how to obtain information on additional measures. The information will be made available in the fall following each annual data collection, prior to the annual enrollment period.

Medicare health and prescription plans also will receive plan-specific reports that contain detailed information on the CAHPS results for their plan for use in quality improvement initiatives. These reports also include background information on the methodology and definitions used in CAHPS to assist them in understanding the information in their report.

**17. Expiration Date**

No exemption is being requested.

**18. Exceptions to Certification Statement 19**

There are no exceptions taken to item 19 of OMB Form 83-1.