

Supporting Statement for Emergency PRA Information Collection Package and Accompanying Instructions - Survey of Early Retiree Reinsurance Program Plan Sponsors

A. Background

Under 42 U.S.C. §18002 and implementing regulations at 45 CFR Part 149, employment-based plans that offer health benefits to early retirees and their spouses, surviving spouses and dependents are eligible under a temporary program to receive a tax-free reimbursement for the costs of certain health benefits for such individuals (the Early Retiree Reinsurance Program, or ERRP). In order to qualify, plan sponsors must submit a complete application to the Department of Health & Human Services (HHS), and must continually update any incorrect or outdated information in its application. In order to receive reimbursement under the program, they must also submit summary and detailed documentation of actual costs for health care benefits, which consists of documentation of actual costs for the items and services involved, and a list of individuals to whom the documentation applies. Once HHS reviews and analyzes the information on the application, notification will be sent to the plan sponsor about its eligibility to participate in the program. Once HHS reviews and analyzes each reimbursement request, reimbursement under the program will be made to the sponsor, as appropriate. The program's funding is limited to \$5 billion, and the program sunsets on January 1, 2014.

Most of the information collection requirements associated with the ERRP are contained in information Collection 0938-1087.

B. Justification

1. Need and Legal Basis

42 U.S.C. §18002(c)(4) limits the permissible uses of ERRP proceeds, as follows:

(4) USE OF PAYMENTS – Amounts paid to a participating employment-based plan under this subsection shall be used to lower costs for the plan. Such payments may be used to reduce premium costs for an entity described in subsection (a)(2)(B)(i) or to reduce premium contributions, copayments, deductibles, coinsurance, or other out of pocket costs for plan participants. Such payments shall not be used as general revenues for an entity described in subsection (a)(2)(B)(i).

That subparagraph also states:

The Secretary shall develop a mechanism to monitor the appropriate use of such payments by such entities.

As part of the Secretary's efforts to monitor the appropriate use of such payments, the Secretary intends to ask ERRP plan sponsors that have received ERRP funds to respond to a survey that will ask detailed questions about how they have used ERRP funds, or intend to use ERRP funds, and the timing of when they have or will use such funds, along with other related questions. This survey is the data collection instrument for this information collection.

2. Information Users

HHS has contracted with outside contractors to assist in the administration of the program. Once the plan sponsors complete and submit the survey, HHS will analyze the survey's responses.

3. Use of Information Technology

The survey will be completed online using Survey Monkey.

4. Duplication of Efforts

Information on how a sponsor has actually used – or plans to use -- ERRP funds is not collected through any other means. Therefore, this information collection does not duplicate any other effort and the information cannot be obtained from any other source.

5. Small Businesses

HHS has made efforts to minimize the burden that this collection of information will have on all submitting entities including small businesses. For example, the sponsors will complete the survey instrument online. Also, almost none of the survey instrument questions require narrative responses. Rather, almost every question in the survey is a multiple choice question that permits a sponsor to select from several listed answers.

6. Less Frequent Collection

Depending on when the sponsor first receives ERRP reimbursement, most sponsors will be directed to respond to the survey twice (i.e., once per year), and some will be directed to respond to the survey only once.

7. Special Circumstances

This collection of information fully complies with 5 CFR 1320.5. There are no special circumstances.

8. Federal Register/Outside Consultation

Following emergency approval of this PRA package, we intend to resubmit the package pursuant to the standard PRA approval process. In so doing, we will request a 60-day and a subsequent 30-day public comment period of the survey instrument, pursuant to relevant Paperwork Reduction Act authority. Our solicitation of comments will constitute our efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format, and on the data elements to be recorded, disclosed, or reported.

CMS did not receive comments from the 60 day comment period Federal Register. CMS received one comment from the emergency notice dated November 10, 2011. The commenter raised concerns about

respondents' to ability to quantify realized or expected savings from their program's procedures related to chronic and high-cost conditions. CMS considered the comment and removed the question.

9. Payments/Gifts to Respondents

There are no payments or gifts to respondents.

10. Confidentiality

We are assuring ERRP plan sponsors that respond to this survey, that if their responses are released they will be released in the form of aggregated data that, as a matter of course, will not identify the plan sponsor to which each response applies. However, all submitted data is subject to the Freedom of Information Act.

11. Sensitive Questions

No questions of a sensitive nature, such as sexual behavior and attitude and religious beliefs are asked.

12. Burden Estimates (Hours & Wages)

We estimate that it will take each sponsor an average of 11 hours to research answers to, and complete the survey, each time it does so. We estimate that 3,130 sponsors in total will complete the survey, for an average of one application per plan sponsor. We expect to begin directing sponsors to complete the survey in November 2011 (i.e., during the early part of fiscal year 2012). We estimate that 3,000 plan sponsors will complete the survey during this first "round." We also estimate that, during FY 2012, but sometime after November 2011, another 50 plan sponsors that first received ERRP reimbursement after November 2011, will respond to the survey. Therefore, in FY 2012, we estimate that 3,050 plan sponsors will respond to the survey. Based on a burden estimate of 11 hours to research responses to and complete the survey, we estimate a burden of \$1,860,683.* In FY 2013, we estimate that these same 3,050 plan sponsors will again respond to the survey, as well as an additional 50 plan sponsors who will have received reimbursement, during FY 2013, for an application for the first time (and will respond to the survey for the first time). Thus, in FY 2013, we estimate a burden of \$1,891,186. For FY 2014, we estimate that the same 50 plan sponsors that first responded to the survey in FY 2013 will again do so, plus an additional 30 plan sponsors who will have received reimbursement for an application, during FY 2014, for the first time (and will respond to the survey for the first time). Thus, in FY 2014, we estimate a burden of \$48,804.80.

*Burden estimates for the survey are based on an hourly labor rate of \$55.46, which is the hourly labor rate for a Federal GS 13, Step 10 employee in the Washington D.C./Baltimore locale.

The burden estimate is broken down as follows:

- Reading the instructions: 15 minutes

- Researching the answers to the questions: 10 hours, 15 minutes
- Providing responses to the survey: 30 minutes

Following is a table that provides per fiscal Year averages of the Burden per Task, Number of Respondents, Frequency of Response, and Total Burden. The data populating this table is calculated from the above data.

Task	Burden	Estimated # of Respondents, Average per FY	Average Frequency of Response	Total Average FY burden
Reading survey instructions	.25 hours	2,076	1	519 hours
Researching answers to survey questions	10.25 hours	2,076	1	21,279 hours
Provide responses to the survey	.50 hours	2,076	1	1,038 hours
Totals, averaged per FY	11 hours	2,076	1	22,836 hours

13. Capital Costs

(a) Total Capital and Start-up Cost

We have determined that there are no new capital outlays required complete the survey. We have assumed that all ERRP plan sponsors will own at least one computer and have access to the internet.

(b) Total Operation and Maintenance and Purchase of Service Component

We estimate that there may be expenses associated with hiring of vendors to assist plan sponsors in gathering and aggregating the data required to respond to the questions in the survey. Those expenses are subsumed in the burden estimates discussion contained in Section 12 of this paper.

14. Cost to Federal Government

We estimate costs to the Federal government of \$18,000, including the costs of paying an existing ERRP contractor to send emails to plan sponsors inviting them to a Secure website to complete the on-line survey, and to tally and analyze the survey results.

15. Change to Burden

N/A – this is a new collection.

16. Publication/Tabulation Dates

We expect that some data from the collection of information on the survey instrument will be published, in aggregate form. At this time, HHS has not determined the specific data that will be published, or the time schedule for such publication.

17. Expiration Date

HHS does not request an exemption from displaying the expiration date alongside the OMB control number.

18. Certification Statement

There are no exceptions to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.