Supporting Statement – Application for Coverage in the Pre-Existing Condition Insurance Plan

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 (Affordable Care Act), Public Law 111-148. Section 1101 of the law establishes a "temporary high risk health insurance pool program" (which has been named the Pre-Existing Condition Insurance Plan, or PCIP) to provide health insurance coverage to currently uninsured individuals with pre-existing conditions. The law authorizes HHS to carry out the program directly or through contracts with states or private, non-profit entities.

The Department of Health and Human Services (HHS) Centers for Medicare & Medicaid Services, Center for Consumer Information and Insurance Oversight is requesting emergency clearance by the Office of Management and Budget for this new collection package. This new package is being requested as a result of CMS, in its administration of the PCIP program, serving as a covered entity under the Health Insurance Portability and Accountability Act (HIPAA). Without a valid authorization, the PCIP program is unable to disclose information, with respect to an applicant or enrollee, about the status of an application, enrollment, premium billing or claim, to individuals of the applicant's or enrollee's choosing. The HIPAA Authorization Form has been modeled after CMS' Medicare HIPAA Authorization Form (OMB control number 0938-0930) and will be used by applicants or enrollees to designate someone else to communicate with PCIP about their protected health information (PHI).

2. Purpose and Use of Information Collection

Unless permitted or required by law, the Health Insurance Portability and Accountability Act (HIPAA) Privacy Rule (§ 164.508) prohibits CMS' PCIP program (a HIPAA covered entity) from disclosing an individual's protected health information without a valid authorization. In order to be valid, an authorization must include specified core elements and statements. CMS will make available to PCIP applicants and enrollees a standard, valid authorization to enable beneficiaries to request the disclosure of their protected health information.

CMS will make available to PCIP applicants and enrollees a standard, valid authorization to enable beneficiaries to communicate with PCIP about their personal health information. This is a critical tool because the population the PCIP program serves is comprised of individuals with pre-existing conditions who may be incapacitated and need an advocate to help them apply for or receive benefits from the program. This standard authorization will simplify the process of requesting information disclosure for beneficiaries and minimize the response time for the PCIP program.

3. Use of Improved Information Technology and Burden Reduction

The HIPAA authorization form may be submitted via fax, United States mail or electronically, at the consumers' discretion. Information will be collected from individuals with varying access to electronic devices and therefore requiring all individuals to submit information electronically would restrict individuals from being able to designate an authorized representative to speak with the PCIP program on their behalf.

4. Efforts to Identify Duplication and Use of Similar Information

The HIPAA Authorization Form has been modeled after CMS' Medicare HIPAA Authorization Form (OMB control number 0938-0930). CMS made minimal changes to the existing HIPAA Authorization Form to make the form applicable to its PCIP program beneficiaries.

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 is a one-time data collection.

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

The emergency Federal Register notice published on March 13, 2012 (77 FR 14807).

9. Explanation of any Payment/Gift to Respondents

Not applicable.

10. Assurance of Confidentiality Provided to Respondents

All information will be kept private to the extent allowed by application laws/regulations.

11. Justification for Sensitive Questions

There are no sensitive questions.

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

Each individual will be asked to complete the form which will include providing the individual's name, PCIP account number (if known), date of birth, what personal health information they agree to share, the length of time the individual agrees their personal health information can be shared, the names and addresses of the third party the individual wants PCIP to share their personal health information with, and an attestation that the individual is giving PCIP permission to share their personal health information with the third party listed in the form. This completed form will be submitted to the PCIP benefits administrator, GEHA, which contracts with CMS.

We estimate that it will take approximately 15 minutes per applicant to complete and submit a HIPAA Authorization Form to the PCIP program.

The federally-run PCIP program operates in 23 states plus the District of Columbia and receives an average of 35,000 enrollment applications per year[1]. To estimate the number of PCIP applicants and enrollees who may complete an authorization, we looked at the percentage of individuals who request an authorization in Medicare as a baseline. Medicare estimates 3% of its population will submit an authorization per year[2]. However, since the PCIP program caters to an exclusive population comprised of individuals who have one or more pre-existing conditions, we believe it is likely we could receive double the percentage estimated by Medicare. Accordingly, PCIP estimates 6% (or 2,100)[3] of its applicants and enrollees may submit an authorization per year.

Based on the above, it is estimated that up to 2,100 applicants and enrollees may submit an authorization annually. There is no cost to PCIP beneficiaries to request, complete, submit, or have the authorization form processed by PCIP. It should take approximately 15 minutes for a beneficiary to complete the authorization form. 15 minutes multiplied by 2,100 beneficiaries equals 525 hours.

12A. Estimated Annualized Burden Hours

Estimated Annualized Burden Table for 2012

Forms (If necessary)	**Type of Respondent**	**Number of Respondents**	**Number of Responses per Respondent**	**Average Burden hours per Response**	**Total Burden Hours**
Complete & Submit Form	Individual	2,100	1	.25	525
Total				.25	525

Estimated Annualized Burden Table for 2013

Forms (If necessary)	Type of Respondent	Number of Respondents	Number of Responses per Respondent	Average Burden hours per Response	Total Burden Hours
Complete & Submit Form	Individual	2,100	1	.25	525
Total				.25	525

Estimated Annualized Burden Table for 2014

Forms (If necessary)	Type of Respondent	Number of Respondents	Number of Responses per Respondent	Average Burden hours per Response	Total Burden Hours
Complete & Submit Form	Individual	2,100	1	.25	525
Total				.25	525

12B. Cost Estimate for All Respondents Completing the Letter of Intent and Contact Information

We have calculated the estimated burden hours associated with complying with this information collection request. However, we do not believe the respondents will incur any cost burden above other than that associated with mailing the authorization. There is no cost to PCIP beneficiaries to request, complete, or have the authorization processed by PCIP.

Authorization Process

In order to complete the authorization, each individual will need to read the authorization, fill out the required information in the authorization form, make a copy for themselves, and submit the completed authorization to the PCIP benefits administrator. This burden estimate encompasses the entire process of filling out the authorization which includes completing the individual's name, PCIP account number, date of birth, what personal health information they agree to share, the length of time the individual agrees their personal health information can be shared, the names and addresses of the third party the individual wants PCIP to share their personal health information with, and an attestation that the individual is giving PCIP permission to share their personal health information with the third party listed in the form. The completed authorization must be submitted to CMS, either by fax, United States mail or electronically.

We estimate that it will take approximately 15 minutes for a beneficiary to read, complete, and submit the authorization form to the PCIP benefits administrator.

It is estimated that up to 2,100 respondents will submit an authorization.

13. <u>Estimates of other Total Annual Cost Burden to Respondents or Record Keepers</u>

/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	Hourly Wage Rate (GS 7 equivalent)	Total Federal Government Costs
First level reviewer	1	$20.22	$20.22
Total	1		$20.22

Salaries are based on a 7 Grade/Step 1 in Washington DC area.

15. Explanation for Program Changes or Adjustments

This new data collection is being requested as a result of CMS, in its administration of the PCIP program, serving as a covered entity under HIPAA. Without a valid authorization, the PCIP program is unable to disclose information, with respect to an applicant or enrollee, about the status of an application, enrollment, premium billing or claim, to individuals of the applicant's or enrollee's choosing. The HIPAA Authorization Form has been modeled after CMS' Medicare HIPAA Authorization Form (OMB control number 0938-0930) and will be used by applicants or enrollees to designate someone else to communicate with PCIP about their personal health information.

16. Plans for Tabulation and Publication and Project Time Schedule

Data collection will begin as soon as clearance is received and will be collected daily, through 2014. While the program terminates January 1, 2014 upon transition to the American Health Benefit Exchanges, (established under sections 1311 or 1321 of the Patient Protection and Affordable Care Act) it is expected this form could be used through 2014 while program claims incurred in 2013 continue to be adjudicated.

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

Not applicable.

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.

[1] This figure is based on internal application statistics. Applications received do not always equate to an enrollment. However, because an applicant may submit an authorization this larger figure was used.
[2] Based on Medicare's PRA package (OMB control number 0938-0930) estimating out of 39 million Medicare beneficiaries that approximately 1 million (or 3%) would submit authorizations.
[3] 6% of 35,000 average applications received per year equals 2,100 authorizations