

**SUPPORTING STATEMENT FOR THE  
INFORMATION COLLECTION REQUIREMENTS CONTAINED IN  
THE COOPERATIVE AGREEMENTS TO SUPPORT ESTABLISHMENT OF STATE-  
OPERATED HEALTH INSURANCE EXCHANGES  
(OFFICE OF MANAGEMENT AND BUDGET (OMB CONTROL NO. 0938-1119))**

**A. Background**

Section 1311 of the Affordable Care Act provides for grants to States for the planning and establishment of American Health Benefit Exchanges (hereinafter referred to as ‘Exchanges’). The Secretary is planning to disburse funds in at least three phases: first, for planning; second, for early development of information technology; and third, for implementation. Funding was made available for the 50 States, the District of Columbia, and the U.S. Territories of American Samoa, the Commonwealth of the Northern Mariana Islands, Guam, Puerto Rico, and the U.S. Virgin Islands during the planning phase. Forty-nine States, the District of Columbia, and four Territories applied and were awarded grant funds during this phase. The State of Alaska did not apply for either the original Planning grant made available in September 2010, or the second Planning grant made available in January 2011 exclusively to States that did not apply for the first. Because Alaska did not receive funding under Section 1311 for planning and establishment of an Exchange within one year of the enactment of the Affordable Care Act, by Statute, it will not be eligible for Section 1311 Exchange planning and establishment money in the future.

Cooperative Agreements to Support Establishment of State-Operated Health Insurance Exchanges will support activities to implement integral functional requirements of State-operated health insurance Exchanges (‘Exchanges.’) The U.S. Department of Health and Human Services (HHS) will make awards to States (including the 49 States, consortia of States, and the District of Columbia, herein referred to as States unless otherwise noted) based on budgets proposed by States that are deemed sufficient, reasonable and cost effective to support activities integral to Exchange operations proposed in a respective State application.

There are two levels of awards for States to apply for the Establishment grants. Each level is based on grantee readiness. Level One Establishment grants are open to States that received federal funding for Exchange Planning activities and awardees of the Cooperative Agreements to Support Innovative Exchange Information Technology Systems. Level One Establishment cooperative agreements provide one year of funding to States that are ready to initiate establishment activities, having made progress under their Exchange Planning grant. Level Two Establishment cooperative agreements are open to States that received federal funding for Exchange Planning activities and awardees of the Cooperative Agreements to Support Innovative Exchange Information Technology Systems. Level Two Establishment grants are designed to provide funding to applicants who have made significant progress in meeting specific benchmarks in the Exchange establishment process. Level One Establishment grantees may apply for additional funding under Level Two Establishment grants once they have achieved the benchmarks identified in the Level Two Establishment review criteria.

HHS released the Funding Opportunity Announcement for the 49 States and the District of

Columbia on January 20, 2011. HHS anticipates Level One Establishment applications will be due: March 30, 2011; June 30, 2011; September 30, 2011; and December 30, 2011 with anticipated Notices of Grant Award made May 16, 2011; August 15, 2011; November 15, 2011; February 16, 2012. HHS anticipates Level Two Establishment applications will be due: March 30, 2011; June 30, 2011; September 30, 2011; December 30, 2011; March 30, 2012, June 29, 2012 with expected Notices of Grant Award made May 16, 2011; August 15, 2011; November 15, 2011; February 15, 2012; May 15, 2012, August 13, 2012. The Period of Performance for Level One Establishment is one year after date of award. The Period of Performance for Level Two Establishment is through December 31, 2014. HHS reasonably estimates that of the 50 eligible States based on readiness there will be 44 applicants for Level 1 Establishment who may subsequently apply for additional funding under either Level 1 Establishment or Level 2 Establishment; and six States that will apply initially for Level 2 Establishment for a total of 94 applications.

Exchanges will perform the following functions, at a minimum:

- Implementing procedures for the certification, recertification, and decertification of health plans as qualified health plans, consistent with guidelines developed by the Secretary;
- Providing for the operation of a toll-free telephone hotline to respond to requests for assistance;
- Maintaining an Internet website through which enrollees and prospective enrollees of qualified health plans may obtain standardized comparative information on such plans;
- Assigning a rating to each qualified health plan offered through the Exchange in accordance with criteria developed by the Secretary;
- Utilizing a standardized format for presenting health benefits plan options in the Exchange, including the use of the uniform outline of coverage established under section 2715 of the Public Health Service Act;
- Informing individuals of eligibility requirements for the Medicaid program under title XIX of the Social Security Act, the CHIP program under title XXI of such Act, or any applicable State or local public program, and if through screening of the application by the Exchange, the Exchange determines that such individuals are eligible for any such program, enrolls such individuals in such program;
- Making available by electronic means a calculator to determine the actual cost of coverage after the application of any premium tax credit/premium assistance or cost-sharing reduction;
- Granting exemptions from the individual responsibility penalty, and providing information on exempt individuals to the Treasury;
- Providing certain information to employers; and,
- Establishing the Navigator program, which will provide grants to entities for public education activities, facilitate enrollment in qualified health plans, and refer individuals for assistance with grievances, complaints, or questions about their health coverage.

This grant opportunity will support activities including, but not limited to, the following:

- Involving stakeholder groups to gain public input into the Exchange establishment process;
- Developing legislative and regulatory action in accordance with State legislative calendars to support the State legislature in passing enabling legislation for the establishment of the Exchange;
- Establishing the administrative structure and governance structure of the Exchange;
- Coordinating with State Medicaid, CHIP, Department of Insurance, and other State health subsidy programs throughout Exchange establishment activities related to streamlining eligibility and enrollment;
- Assessing and developing IT systems and modifications/new systems needed to facilitate eligibility and enrollment and other Exchange functions;
- Developing a budget justification through December 31, 2014;
- Undertaking financial integrity activities, activities for prevention of waste, fraud, and abuse, and auditing;
- Identifying funding requirements and resources needed to operate the Exchange, including fees that will be required, in order to achieve self-sustainability by January 1, 2015.

HHS will work with States in establishing processes for Exchanges. As a part of this collaboration, this grant opportunity will require that States meet certain periodic reporting requirements, and consult regularly with HHS.

All States that received a State Planning and Establishment Grant for the Affordable Care Act's Exchanges are eligible for the Cooperative Agreement to Support Establishment of State Operated Insurance Exchanges. In order to receive a grant, applicants must be an eligible entity, must meet all technical application requirements (including the submission of all required forms), and address certain specified areas in the application.

## **B. Justification**

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

Section 1311(b) of the Affordable Care Act provides the opportunity for each State to establish an Exchange no later than January 1, 2014. Section 1311 of the Affordable Care Act provides for grants to States for the planning and establishment of these Exchanges. Given the innovative nature of Exchanges and the statutorily-prescribed relationship between the Secretary and States in their development and operation, it is critical that the Secretary work closely with States to provide necessary guidance and technical assistance to ensure that States can meet the prescribed timelines, federal requirements, and goals of the statute.

In order to provide appropriate and timely guidance and technical assistance, the Secretary must have access to timely, periodic information regarding State progress. Consequently, the information collection associated with these grants is essential to facilitating reasonable and appropriate federal monitoring of funds, providing statutorily-mandated assistance to States to implement Exchanges in accordance with Federal requirements, and to ensure that States have all necessary information required to proceed, such that retrospective corrective action can be

minimized.

## 2. Information Users

Information collected as a part of the application for this grant will be used to evaluate the applications and determine awardees. Information collected pursuant to the reporting requirements for awardees will be used to evaluate the progress of States in planning for and implementing Exchanges, and determine how the Secretary can provide assistance to achieve the goals of the grant program and the Affordable Care Act.

## 3. Use of Information Technology

The information collection requirements associated with this grant will primarily involve programmatic narrative based on policy research and strategic planning processes, and accompanying budget narrative and appropriate supporting documentation. This grant does not involve the tracking or submission of person-level data. As such, it is expected that States will create data with readily available word processing and spreadsheet programs, and submit such information electronically. This should result in 100 percent of information being transmitted electronically.

### Government Paperwork Elimination Act (GPEA)

*Is this collection currently available for completion electronically?*

- Yes, awardees are required to send electronic reporting to HHS. Our intent is to have the awardees report to HHS using the Microsoft Word application, in PDF format, or by a grant-oriented data collection mechanism.

*Does this collection require a signature from the respondent(s)?*

- Yes, the application will require a signature. Progress reports will not require a signature.

*If HHS had the capability of accepting electronic signature(s), could this collection be made available electronically?*

- Given the one or two-time nature of application for funding, an e-signature will not be utilized. E-signature could be utilized as appropriate as part of a grant-oriented data collection mechanism.

*If this collection isn't currently electronic but will be made electronic in the future, please give a date (month & year) as to when this will be available electronically and explain why it can't be done sooner.*

- Not applicable since all data collections will be electronic.

*If this collection cannot be made electronic or if it isn't cost beneficial to make it electronic,*

*please explain.*

- Not applicable since all data collections will be electronic.

4. Duplication of Efforts

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. Small Businesses

The information collection requirements of the Regulation do not have a significant impact on a substantial number of small entities.

6. Less Frequent Collection

Close monitoring will be critical to ensuring that States receive prompt Federal guidance and technical assistance that is responsive to any State-specific issues that may arise, and that State activities meet statutory and other Federal requirements. In the absence of regularly reporting, there is a risk that States could invest resources and conduct activities that are not aligned with requirements. As such, HHS will be in close contact with awardees. Upon request by awardees, HHS may allow less frequent reporting due to burden on program activities.

7. Special Circumstances

*Requiring respondents to report information to the agency more often than quarterly;*

- CCIIO may wish to follow up with States in between reporting periods in order to ensure close collaboration on Exchange development.

*Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;*

- CCIIO may wish to follow up with States in between reporting periods in order to ensure close collaboration on Exchange development.

*Requiring respondents to submit more than an original and two copies of any document;*

- Not applicable. We will not require more copies than an original and two copies of any document.

*Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;*

- Not applicable.

*In connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study*

- Not applicable. Statistical surveys are not contemplated for this program.

*Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;*

- Not applicable. Statistical surveys are not contemplated for this program.

*That includes a pledge of confidentiality that is not supported by authority established in statute or regulation that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or*

- Not applicable. These information collections do not include a pledge of confidentiality.

*Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.*

- Not applicable. This is outside the scope of our reporting requirements.

#### 8. Federal Register/Outside Consultation

As required by the Paperwork Reduction Act of 1995 (44 U.S.C.2506 (c)(2)(A)), the Center for Consumer Information and Insurance Oversight (CCIIO) published a notice in the *Federal Register* requesting public comment on its proposed extension of the information collection requirements specified in the Cooperative Agreements to Support Establishment of State-Operated Health Insurance Exchanges (OMB Control No. 0938-1119). The notice is part of a preclearance consultation program intended to provide those interested parties the opportunity to comment on CCIIO's request for an extension by the Office of Management and Budget (OMB) of the collections of information required by the grant.

The 60-day *Federal Register* notice published on April 29, 2011. CMS did not receive any comments in response to its request to its solicitation for public comment.

The 30-day *Federal Register* notice published on July 29, 2011. CMS did not receive any comments in response to its request to its solicitation for public comment.

#### 9. Payments/Gifts to Respondents

- Not applicable. We will not provide any payments or gifts.

#### 10. Confidentiality

- Not applicable. No assurance of confidentiality is provided to respondents. Further, HHS will not collect personally identifiable information from awardees as a part of this grant. All reporting will be of an aggregate nature.

11. Sensitive Questions

- Not applicable. Data collection will not include sensitive questions.

12. Burden Estimates (Hours & Wages)

For the purposes of obtaining a PRA approval, we anticipate that 49 States and the District of Columbia will receive a Notice of Grant Award.

**I. APPLICATION**

In order to complete the application, each applicant will need to read the application requirements, assemble, review, finalize and submit an application package to the Department of Health and Human Services (HHS). This burden estimate encompasses the entire application process, which includes assembly of all required application content (standard forms, project narrative, work plan, budget narrative, and applicable supporting documents), certification of the application package by a senior official at the State, application submission to HHS and any subsequent application amendments, corrections or supporting documentation that may be necessary. The final application must be submitted electronically via Grants.gov using the directions furnished in the application by HHS.

**Estimated Annualized Burden Table - Application**

Forms	Type of Respondent	Number of Respondents	Number of Responses per Respondent	Average Burden hours per Response	Total Burden Hours
Grant Application	State Government	50	1	564	28200
<b>Total</b>				<b>564</b>	<b>28200</b>

We estimate that it will take approximately **564 hours** per applicant to read, assemble, review, finalize and submit their application package to HHS. We believe up to 19 people per applicant will be involved in the application assembly at a cost of **\$28,081**. We reasonably estimate that of the 50 eligible States based on readiness there will be 44 applicants for Level 1 Establishment who may subsequently apply for additional funding under either Level 1 Establishment or Level 2 Establishment; and six States that will apply initially for Level 2 Establishment for a total of 94 applications, with an annualized estimate of one application per eligible entity per year. The estimated annualized burden is **28,200 hours** and **\$1,404,096**.

Forty-nine States and the District of Columbia are eligible applicants for this funding opportunity. The Governor of a State (the Mayor, if from the District of Columbia) may designate a State agency or quasi-governmental entity to apply for grants on behalf of that State. Non-profit organizations are not eligible to apply. Only one application per State is permitted.

Because States have different staffing levels and pay scales, we make the following assumptions about completing the application.<sup>1</sup>

### Estimated Annualized Cost Table for Completing the Application

Type of respondent	Number of Respondents	Number of Responses per Respondent	Average Burden Hours	Wage per Hour (incl fringe)	Burden Costs
Senior-level manager to oversee application	50	1	14	\$ 56.48	\$ 39,536.00
Senior-level manager to conduct most writing	50	1	56	\$ 56.48	\$ 158,144.00
Mid-level policy analyst to support writing	50	1	51	\$ 41.23	\$ 105,136.50
Senior-level manager with insurance expertise	50	1	35	\$ 56.48	\$ 98,840.00
Mid-level policy analyst with insurance expertise	50	1	35	\$ 41.23	\$ 72,152.50
Senior-level manager from Medicaid agency	50	1	45	\$ 56.48	\$ 127,080.00
Mid-level policy analyst from Medicaid agency	50	1	45	\$ 41.23	\$ 92,767.50
Senior-level manager with health policy expertise	50	1	40	\$ 56.48	\$ 112,960.00
Mid-level policy analyst with health policy expertise	50	1	30	\$ 41.23	\$ 61,845.00
Computer and Information Systems Managers	50	1	48	\$ 64.98	\$ 155,952.00
Computer Systems Analyst	50	1	33	\$ 49.56	\$ 81,774.00
Administrative budget analyst	50	1	48	\$ 37.78	\$ 90,672.00
Administrative assistant	50	1	14	\$ 24.67	\$ 17,269.00
Lawyer	50	1	17	\$ 60.55	\$ 51,467.50
Budget analyst from outside core team	50	1	39	\$ 44.60	\$ 86,970.00
Agency head (1)	50	1	4	\$ 76.47	\$ 15,294.00

<sup>1</sup> We calculate total hourly wage based on the mean hourly wage, 34.3% of compensation from benefits, and fringe rate. We calculate total annual salary by multiplying total wage by a full-time, year-round working year of 2,080 hours. Source: May 2009 National Industry-Specific Occupational Employment and Wage Estimates - State Government [http://www.bls.gov/oes/current/naics4\\_999200.htm](http://www.bls.gov/oes/current/naics4_999200.htm)



Agency head (2)	50	1	4	\$ 76.47	\$ 15,294.00
Agency head (3)	50	1	4	\$ 76.47	\$ 15,294.00
Official in Governor's office	50	1	2	\$ 56.48	\$ 5,648.00
<b>Total</b>					<b>\$ 1,404,096.00</b>

## II. DATA COLLECTION REPORT

During each one-year grant cycle, grantees must submit data a minimum of four times: four quarterly reports, and a number of periodic reports based on the grantee's progress and funded activities. Each data submission will be based on a reporting template (OMB Control No. 0938-1119), and must address the following:

### Estimated Annualized Burden Table – Reporting by Awardees

Forms	Type of Respondent	Number of Respondents	Number of Responses per Respondent	Estimated Burden hours per Response	Total Estimated Burden Hours
Quarterly Report	State Government	50	4	115	23000
Work Plan Update	State Government	50	2	2	200
Public Report	State Government	50	4	8.5	1700
Periodic Report	State Government	50	2	106	10600
Performance Review	State Government	50	1	115	5750
<b>Total</b>				<b>346.5</b>	<b>41250</b>

### 1. Quarterly Progress Report

In order to ensure that funds are used for authorized purposes, and to mitigate instances of fraud, waste, error, and abuse, grantees must provide HHS quarterly information such as, but not limited to, project status, implementation activities initiated, accomplishments, barriers, and lessons learned. Such performance includes submission of the State's progress toward the milestones identified in its Work Plan. The report will include, but will not be limited to:

- Progress on the required milestones (in BOLD and preceded by two asterisks (\*\*)) in Appendix B of the Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges funding opportunity announcement (Funding Opportunity Number: IE-HBE-11-004.)
- Progress on State determined goals, milestones, and activities
- Changes in work plan components
- Lessons learned

We estimate that it will take approximately 115 hours per applicant to assemble, review, finalize and submit each quarterly report to HHS. We believe that 24 personnel will be required for the production and delivery of required quarterly reports. The total burden for 50 applicants to submit four reports each is **23,000 hours** and **\$1,145,350**.

Because staffing levels and pay scales vary by state, we make the following assumptions about the reporting process.

**Annualized** Cost Estimate for All Respondents Completing the Quarterly Report

Type of respondent	Number of Respondents	Number of Responses per Respondent	Average Burden Hours Per Response	Wage per Hour (incl fringe)	Burden Costs
Senior-level manager to oversee efforts	50	4	15	\$ 56.48	\$ 169,440.00
Senior-level manager to conduct most writing	50	4	18	\$ 56.48	\$ 203,328.00
Mid-level policy analyst to support writing	50	4	24	\$ 41.23	\$ 197,904.00
Senior-level manager with insurance expertise	50	4	2	\$ 56.48	\$ 22,592.00
Mid-level policy analyst with insurance expertise	50	4	2	\$ 41.23	\$ 16,492.00
Senior-level manager from Medicaid agency	50	4	2	\$ 56.48	\$ 22,592.00
Mid-level policy analyst from Medicaid agency	50	4	2	\$ 41.23	\$ 16,492.00
Senior-level manager with health policy expertise	50	4	2	\$ 56.48	\$ 22,592.00
Mid-level policy analyst with health policy expertise	50	4	2	\$ 41.23	\$ 16,492.00
Administrative budget analyst	50	4	8	\$ 37.78	\$ 60,448.00
Budget analyst with insurance expertise	50	4	3	\$ 44.60	\$ 26,760.00
Budget analyst from Medicaid agency	50	4	3	\$ 44.60	\$ 26,760.00
Budget analyst with systems expertise	50	4	3	\$ 44.60	\$ 26,760.00
Senior-level financial manager with insurance expertise	50	4	2	\$ 62.69	\$ 25,076.00
Senior-level financial manager from Medicaid agency	50	4	2	\$ 62.69	\$ 25,076.00
Senior-level financial manager with health policy expertise	50	4	2	\$ 62.69	\$ 25,076.00
Senior-level manager	50	4	6	\$	\$

with systems architecture expertise				64.98	77,976.00
Mid-level analyst with systems architecture expertise	50	4	4	\$ 49.56	\$ 39,648.00
Systems project manager	50	4	4	\$ 41.23	\$ 32,984.00
Administrative assistant	50	4	2	\$ 24.67	\$ 9,868.00
Lawyer	50	4	2	\$ 60.55	\$ 24,220.00
Lawyer	50	4	2	\$ 60.55	\$ 24,220.00
Budget analyst from outside core team	50	4	2	\$ 44.60	\$ 17,840.00
Agency head	50	4	1	\$ 76.47	\$ 15,294.00
Total					\$ 1,145,930.00

**2. Work Plan Update**

Each State will be required to periodically submit an updated Work Plan in order to exhibit progress toward identified milestones contained in the Work Plan. HHS Project Officers will track State progress using these updated Work Plans and progress made towards milestones.

**Annualized Cost Estimate for All Respondents Completing Work Plan Updates**

Type of respondent	Number of Respondents	Number of Responses per Respondent	Average Burden Hours	Wage per Hour (incl fringe)	Burden Costs
General and Operations Managers	50	2	1.5	\$ 56.48	\$ 8,472.00
Management Analysts	50	2	0.5	\$ 41.23	\$ 2,061.50
<b>TOTAL</b>					\$ <b>10,533.50</b>

We estimate that it will take approximately two hours per applicant to assemble, review, finalize and make available each work plan update, and that grantees will make reports available intermittently as work plans change between quarterly progress reports. We estimate that two of the personnel involved in reporting would be involved in making progress reports public. The total burden for 50 applicants to post two work plan updates each is **200 hours** and **\$10,534**.

**3. On-Site Performance Review**

HHS intends to use the grant process and its evaluation of a State’s progress in completing its Work Plan as the opportunity to provide hands-on assistance and counseling to States. Our mutual goal is the successful certification and operation of each State’s Exchange. HHS will provide future guidance on State Exchange certification in forthcoming regulations.

HHS is interested in enhancing the performance of its funded programs within communities and States. As part of this agency-wide effort, grantees will be required to participate, where appropriate, in an on-site performance review of their HHS-funded project(s) by a review team. The timing of the performance review is at the discretion of HHS. States may also be subject to site visits to enable HHS to conduct evaluations of Exchange progress as needed to support the determinations HHS must make related to Exchange certification, explained in Section I.5 of the Establishment funding opportunity announcement (Funding Opportunity Number: IE-HBE-11-004).

#### **Annualized Cost Estimate for All Respondents Completing On-Site Performance Reviews**

<b>Type of respondent</b>	<b>Number of Respondents</b>	<b>Number of Responses per Respondent</b>	<b>Average Burden Hours Per Response</b>	<b>Wage per Hour (incl fringe)</b>	<b>Burden Costs</b>
Senior-level manager to oversee efforts	50	1	24	\$ 56.48	\$ 67,776.00
Senior-level manager with insurance expertise	50	1	6	\$ 56.48	\$ 16,944.00
Mid-level policy analyst with insurance expertise	50	1	11	\$ 41.23	\$ 22,676.50
Senior-level manager from Medicaid agency	50	1	6	\$ 56.48	\$ 16,944.00
Mid-level policy analyst from Medicaid agency	50	1	7	\$ 41.23	\$ 14,430.50
Administrative budget analyst	50	1	10	\$ 37.78	\$ 18,890.00
Budget analyst with insurance expertise	50	1	4	\$ 44.60	\$ 8,920.00
Budget analyst from Medicaid agency	50	1	4	\$ 44.60	\$ 8,920.00
Budget analyst with systems expertise	50	1	4	\$ 44.60	\$ 8,920.00
Senior-level financial manager with insurance expertise	50	1	6	\$ 62.69	\$ 18,807.00
Senior-level financial manager from Medicaid agency	50	1	6	\$ 62.69	\$ 18,807.00
Senior-level manager with systems architecture expertise	50	1	6	\$ 64.98	\$ 19,494.00
Mid-level analyst with systems architecture expertise	50	1	7	\$ 49.56	\$ 17,346.00
Administrative assistant	50	1	14	\$ 24.67	\$ 17,269.00
<b>Total</b>					<b>\$ 276,144.00</b>

We estimate that it will take approximately 115 hours per applicant to assemble, review, finalize and make available materials and presentations for each on-site performance review. We estimate that fourteen of the personnel involved in reporting would be involved in completing on-site reviews. The total burden for 50 applicants to complete one performance review each is

5,750 hours and \$276,144.

4. Periodic Deliverables related to Systems Development Lifecycle Reviews

The organization governing the design, development, and implementation of the core IT capabilities must follow standard industry Systems Development Life Cycle (SDLC) frameworks, including the use of iterative and incremental development methodologies, or “gate reviews.” This approach requires the grantee to explain the contract costs associated with each life cycle review phase prior to beginning work.

At each stage of the life cycle review process, the grantee must provide detail of the deliverables, products, etc. completed during that stage of the life cycle. That report will then be reviewed by HHS in accordance with SDLC standards, and determine whether the grantee has met HHS SDLC standards for that phase.

**Annualized Cost Estimate for All Respondents Completing SDLC Reviews**

Type of respondent	Number of Respondents	Number of Responses per Respondent	Average Burden Hours Per Response	Wage per Hour (incl fringe)	Burden Costs
Senior-level manager to oversee efforts	50	2	9	\$ 56.48	\$ 50,832.00
Senior-level manager to conduct most writing	50	2	9	\$ 56.48	\$ 50,832.00
Mid-level policy analyst to support writing	50	2	4	\$ 41.23	\$ 16,492.00
Senior-level manager with insurance expertise	50	2	3	\$ 56.48	\$ 16,944.00
Mid-level policy analyst with insurance expertise	50	2	4	\$ 41.23	\$ 16,492.00
Senior-level manager from Medicaid agency	50	2	3	\$ 56.48	\$ 16,944.00
Mid-level policy analyst from Medicaid agency	50	2	4	\$ 41.23	\$ 16,492.00
Budget analyst with systems expertise	50	2	10	\$ 44.60	\$ 44,600.00
Senior-level manager with systems architecture expertise	50	2	11	\$ 64.98	\$ 71,478.00
Mid-level analyst with systems architecture expertise	50	2	14	\$ 49.56	\$ 69,384.00
Systems project manager	50	2	22	\$ 41.23	\$ 90,706.00
Administrative assistant	50	2	11	\$ 24.67	\$ 27,137.00
Agency head	50	2	2	\$ 76.47	\$ 15,294.00
<b>Total</b>					<b>\$ 503,627.00</b>

We estimate that it will take approximately 106 hours per applicant to assemble, review, finalize and make available each gate review. We estimate that thirteen personnel will be involved in completing SDLC reviews. The total burden for 50 entities to complete two gate reviews each is

**10,600 hours and \$503,627.**

### 5. Public Report

Grantees are required to prominently post progress reports about their planning grants on their respective Internet websites to ensure that the public has information on the use of funds. The Public Report must be compliant with Section 508. The content of each public report should include information on the progress of each State's Exchange.

### **Annualized Cost Estimate for All Respondents Completing Public Report**

Type of respondent	Number of Respondents	Number of Responses per Respondent	Average Burden Hours	Wage per Hour (incl fringe)	Burden Costs
General and Operations Managers	50	4	2	\$ 56.48	\$ 22,592.00
Management Analysts	50	4	3	\$ 41.23	\$ 24,738.00
Budget Analysts	50	4	3.5	\$ 44.60	\$ 31,220.00
TOTAL					<b>\$ 78,550.00</b>

We estimate that it will take approximately 8.5 hours per applicant to assemble, review, finalize and make available each public report, and that grantees will make reports available quarterly. We estimate that three of the personnel involved in reporting would be involved in making progress reports public. The total burden for 50 entities to post four progress reports each is **1,700 hours and \$78,550.**

### 13. Capital Costs

We anticipate that contracts will be awarded to existing entities, not to start-up organizations, therefore we do not anticipate a total capital and start-up cost component. As such, we have not estimated these costs to applicants.

We do not anticipate applicants incurring operational costs beyond those estimated above. As we expect that existing entities will be the recipients of these awards, we have not calculated costs related to electronic communication. However, we have estimated possible costs that might arise from States that may not conduct the application development process entirely electronically via either email or facsimile.

It may be necessary to make up to 500 copies in black and white on 8.5" by 11" paper. HHS reasonably estimates that of the 50 eligible States based on readiness there will be 44 applicants for Level 1 Establishment who may subsequently apply for additional funding under either Level 1 Establishment or Level 2 Establishment; and six States that will apply initially for Level 2 Establishment for a total of 94 applications. At an estimated maximum price of \$0.10 per page, this results in a price of \$50 per state per application or **\$4,700** for all 94 applications.

Applicants may also costs associated with mailings. A maximum estimated price for a mailing, based on the use of Express Mail by the United States Postal Service is \$40.50.

This is calculated by the cost of an Express Mail flat rate envelope, for a package weighing 8 ounces, delivered at the highest zone (8) price on a non-holiday Monday through Saturday. The total cost, based on an estimate of ten mailings per State is **\$405 per applicant** or a total of **\$38,070**.

#### 14. Cost to Federal Government

Preparation of the Funding Opportunity Announcement was a one-time cost of \$3,972 of ordinary labor costs based on a full-time GS-09 salary, which we annualized over the four program years. The applications will be prepared and reviewed by staff in the Washington, D.C. area at the GS-13, GS-11, and GS-9 levels. Applications will only be reviewed in the first two program years, but we have annualized this cost over four program years.

Based on the 2011 GS pay schedule, a GS-13, Step 1 earns \$89,033 annually; a GS-11, Step 1 earns \$62,467 annually; and a GS-9, Step 1 earns \$51,630 annually. To derive hourly estimates, HHS divided annual compensation estimates by 2,080, the number of hours in the Federal work year. HHS then multiplied hourly rates by a standard government benefits multiplication factor of 1.6.

Federal staff will convene an outside panel of experts to evaluate applications and assist in the selection process as an objective review panel. We assume that the panelists will be local and their travel expenses will not be reimbursed, and those who choose not to travel will use existing HHS conference calling capabilities.

**Total annual estimated cost to the federal government** for preparation of funding announcements, review of applications and selection of grantees is therefore **\$5,889** of ordinary labor costs.

Federal staff will prepare and review progress reports. Reports will be evaluated across all program years. Federal staff will also conduct remote and on-site reviews with State planners, as appropriate.

**Total annual estimated cost to the federal government** for review of reports and other grantee progress, including labor and travel costs, is **\$389,023**.

**Total annual cost to the federal government is estimated at \$394,912.**

#### 15. Changes to Burden

A revision was made to reflect that the preparation for and review of the applications from states for the Exchange Planning Grant will be initially performed in-house by existing federal employees. This added an additional annual **\$394,912** in costs to the Federal government, reflecting ordinary labor costs and travel. The Agency inadvertently provided an incorrect estimate of this burden in the previously submitted ICR.

A revision was made to reflect a change in HHS's estimate of eligible applicants from 51 to

50. The State of Alaska did not apply for a Planning grant. Because Alaska did not receive funding under Section 1311 for planning and establishment of an Exchange within one year of the enactment of the Affordable Care Act, by Statute, the state will not be eligible for Section 1311 Exchange planning and establishment money in the future.

Finally, this revision reflects the addition of reporting requirements on grantees. This will add a total additional **41,250 hours** and **\$2,014,785** in annualized burden over 50 respondents. The Agency inadvertently provided an incorrect estimate of the States' time burden in the previously submitted ICR.

16. Publication/Tabulation Dates

The Department will not publish the information collected under this application.

17. Expiration Date

This Funding Opportunity Announcement is for a performance period of 48 months from the Notice of Grant Award. However, Section 1311(a)(4)(B) specifies that no grants may be awarded after January 1, 2015.

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.