

From: DHHS/CMS/OA/CCIIO/Office of Health Insurance Exchanges
To: Office of Management and Budget
Re: Requested Approval of Non-substantive Change to Notice of Action: Cooperative Agreement to Support Establishment of State-Operated Health Insurance Exchanges (OMB Control Number 0938-1119)
Date: 09 February 2012

Summary

In January 2011, HHS released the Cooperative Agreement to Establish State-Operated Health Insurance Exchanges (IE-HBE-11-004) funding opportunity announcement (FOA.) This FOA provides States and the District of Columbia with financial assistance for the establishment of their American Health Benefit Exchange. States may choose whether to apply for up to one-year funding or multi-year funding based on their level of progress. State can also choose when to apply for grant funding based on their needs and planned expenditures.

- *Level One Establishment* is open to States that received Exchange Planning grants. These cooperative agreements provide up to one year of funding to States that have made some progress under their Exchange Planning grant but are not yet able to meet the eligibility requirements of *Level Two Establishment*.
- *Level Two Establishment* grants have a project period of up to four years (from the date of award through December 31, 2014). Level Two Establishment applicants have to meet the following additional eligibility criteria:
 - A. Has the necessary legal authority to establish and operate an Exchange that complies with Federal requirements available at the time of the application.
 - B. Has established a governance structure for the Exchange.
 - C.
 - 1) Submits a complete budget through 2014;
 - 2) Submits an initial plan discussing financial sustainability by 2015; and
 - 3) Submits a plan outlining steps to prevent fraud, waste, and abuse.
 - D. Submits a plan describing how capacity for providing assistance to individuals and small businesses in the State will be created, continued, and/or expanded, including provision for a call center.

In the months following the publication of this FOA, we have learned more about the flexibility available to States as they work to establish Exchanges. As a result there are some key amendments to the Establishment FOA that would allow for States to continue to apply for Level One funding into June 2012 as needed to establish Exchanges, as well as provide clarification on use of Establishment grant funds and activities States are to carry out.

We do not anticipate that this amendment will result in a significant increase in the burden to respondents. We are requesting that non-substantive change for this package be approved and issued by 15 March 2012. This will provide respondents with ample

opportunity to prepare for the change ahead of the 30 April 2012 progress report due date.

Changes

CCIO requests approval of non-substantive change around two issues:

- 1) System Development Lifecycle (SDLC) Reviews and On-Site Performance Reviews will be conducted together and renamed "Establishment Reviews"
- 2) Requirements will be revised to reduce duplicative reporting and decrease burden

1) SDLC Reviews and On-Site Performance Reviews will be conducted together and renamed "Establishment Reviews."

The current FOA describes two types of periodic collaborative reviews processes conducted between CCIO and the grant entity over the course of establishing an Exchange: four to six SDLC Reviews, and as-needed on-site performance reviews to address technical assistance needs. This version proposes two key changes to that process:

- 1) Conduct the SDLC Reviews and Performance Reviews together as an Establishment Review.
- 2) Reduce the total number of collaborative reviews to three.

2) Requirements will be revised to reduce duplicative reporting and decrease burden.

The current FOA requires quarterly progress reports. Due to the more holistic information collection approach envisioned in an Establishment Review, CCIO proposes to reduce the frequency with which grantees are required to provide additional progress data:

- 1) Progress reports will be reduced from one per quarter to one every six months, with the final progress report serving as a cumulative final report, due no later than ninety days after the end of the project period.
- 2) For reporting periods in which a grantee successfully completes an Establishment Review, they will submit a condensed progress report to supplement and update any program areas or activities not addressed in an Establishment Review process.

Anticipated Burden Impact

CCIO anticipates there will be no increase in burden to grantees based on this change. Based on the reduced frequency of progress report submission, we anticipate an annual decrease in total respondent burden.

CCIIO does not anticipate a change in grantee burden associated with the combination of SDLC Gate Reviews and On-Site Performance Reviews into Establishment Reviews.

SUMMARY OF ESTABLISHMENT GRANT REPORTING REQUIREMENTS

Grant Report	Previous Requirement	New Requirement
Progress Report	For all grantees: Submit quarterly based on the template provided at the time of award.	<ul style="list-style-type: none"> • <u>If you have successfully completed an Establishment Review in the past two calendar quarters:</u> Submit a <u>short-form</u> progress update <u>every six months</u>, based on the template provided. The final Progress Report will serve as the final project report and should be comprehensive of the work performed throughout the project period. It is due within 90 days of the end of the project period. • <u>If you have NOT successfully completed an Establishment Review in the past two calendar quarters:</u> Submit a full progress report <u>every six months</u>, based on the template provided. The final Progress Report will serve as the final project report and should be comprehensive of the work performed throughout the project period. It is due within 90 days of the end of the project period.
Establishment Review	<ul style="list-style-type: none"> • Renamed Establishment Reviews • Three reviews over the course of the Exchange Establishment program 	<ul style="list-style-type: none"> • Renamed Establishment Reviews • Three reviews over the course of the Exchange Establishment program
On-Site Performance Review	<ul style="list-style-type: none"> • Subsumed into Establishment Review (above) 	<ul style="list-style-type: none"> • Subsumed into Establishment Review (above)
Work Plan Update	Provide updates to approved work plan consistent with Federal reporting requirements.	<ul style="list-style-type: none"> • No change.
Public Report	Post reports based on the template provided at the time of award.	<ul style="list-style-type: none"> • No change.
Required Federal Financial Reports	Submit SF-425 on a quarterly basis and comply with other financial reporting requirements provided in the Notice of Grant Award.	<ul style="list-style-type: none"> • No change.

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