

## **State Exchange Blueprint Data Collection Tool Package Supporting Statement – Part A**

### **Supporting Statement for Paperwork Reduction Act Submissions**

#### **A. Background**

On March 23, 2010, the President signed into law the Patient Protection and Affordable Care Act (P.L. 111-148). On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) was signed into law. The two laws are collectively referred to as the Affordable Care Act. The Affordable Care Act creates new competitive private health insurance markets – called Exchanges – that will give millions of Americans and small businesses access to affordable coverage and the same insurance choices members of Congress will have. Exchanges will help individuals and small employers shop for, select, and enroll in high quality, affordable private health plans that fit their needs at competitive prices. The IT systems will support a simple and seamless identification of people who qualify for coverage through the Exchange, tax credits, cost-sharing reductions, Medicaid, and CHIP programs. By providing a place for one-stop shopping, Exchanges will make purchasing health insurance easier and more understandable and will put greater control and more choice in the hands of individuals and small businesses.

CMS is working with States (including the District of Columbia and the territories) to establish Exchanges in every State. The law gives States the opportunity to establish State-based Exchanges, subject to approval or conditional approval that the State-based Exchange meets federal standards and will be ready to offer health care coverage on January 1, 2014. The deadline for State-based Exchange approval or conditional is January 1, 2013. In a State that does not achieve approval or conditional approval by the deadline, the law directs the Secretary of Health and Human Services to facilitate the establishment of an Exchange in that State. States will apply for approval as a State-based by submitting a Declaration Letter on November 16<sup>th</sup>, 2012 and a Blueprint Application on December 14<sup>th</sup>, 2012, and final decisions will be made by January 1, 2013. States seeking to operate a State Partnership Exchange must submit a Declaration Letter and Blueprint Application by February 15<sup>th</sup>, 2013 with decisions made on a rolling basis but no later than March 1, 2013.

#### **B. Justification**

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

The Affordable Care Act, Section 1311(b)(1) gives States the opportunity to establish State-based Exchanges, subject to approval that the State-based Exchange meets federal standards and will be ready to offer health care coverage on January 1, 2014. The deadline for Exchange approval is January 1, 2013. Section 1321(c) of the Affordable Care Act directs the Secretary of Health and Human Services to facilitate the establishment of an Exchange in a State that does not achieve approval or conditional by the January 1, 2013 deadline. The Exchange Final Rule (45 CFR § 155-157

Establishment of Exchanges and Qualified Health Plans includes requirements for establishing an Exchange that meets all the legal and operational requirements.

As part of the Exchange approval process, it is expected that Exchanges attest to completion of, and demonstrate compliance with, operational requirements through a) submission of an Exchange Blueprint (referred to as “Certification Application” for purposes of 60-day public comment) and b) demonstration of operational readiness. The Exchange Blueprint is organized by Exchange activities and includes requirements for an operational Exchange. In completing the Exchange Blueprint, States are required to submit a compilation of attestations, descriptions of processes, and reference files such as State testing summaries and results of the Exchange’s execution of CMS-provided test scenarios. To further ensure operational readiness of an Exchange, CMS may need to conduct onsite or virtual system walk-throughs as part of its approval process.

In order to ensure a State can operate a successful and compliant Exchange, it is critical that States provide CMS with a complete and thorough Exchange Blueprint and demonstrate operational readiness. CMS is aware of the burden that the Exchange Blueprint and operational readiness assessments place on States and will work to streamline all reporting and assessments required from States to ensure an efficient and effective Exchange approval process.

## **2. Information Users**

The information collected from States will be used by CMS, IRS, SSA and other Federal agencies to determine if a State can implement a complete, fully operational Exchange and what technical assistance and integrative builds must be built.

## **3. Use of Information Technology**

The Exchange Blueprint data collection tool will be available online, which will permit electronic submission of responses. The Blueprint is not currently available electronically, but will be made electronic and will be available online upon receipt of OMB clearance (estimated time: Summer 2012).

## **4. Duplication of Efforts**

The information CMS requires in order to certify a State Exchange is similar to the information being currently collected as part of the Establishment Review Process, which is associated with Planning and Establishment Grant reporting. The HHS Center for Consumer Information and Insurance Oversight (CCIIO) has worked in collaboration with the Center for Medicaid and CHIP Services (CMCS) and the Office of Information Services (OIS) to develop the Establishment Review Process that supports States with their Exchange design. While the Establishment Review Process is intended to be a glide path to Exchange approval, the approval process is independent of the Establishment Reviews. To ensure data collection requirements associated with the Exchange Blueprint are streamlined, HHS will utilize, where possible, information collected during the Establishment Review Process to make Exchange approval determinations.

## **5. Small Businesses**

This collection does not impact small businesses or other small entities.

## **6. Less Frequent Collection**

This collection cannot be conducted less frequent. The Exchange approval process requires a one-time submission of the completed application tool in order for CMS to assess an Exchange's compliance with ACA requirements and associated regulations. As referenced in response to #4 (Duplication of Efforts), CMS will work to minimize any duplicative efforts, while ensuring a State Exchange complies with the relevant legislative and regulatory requirements.

## **7. Special Circumstances**

No special circumstances apply.

## **8. Federal Register/Outside Consultation**

As required by the Paperwork Reduction act of 1995, the Centers for Consumer Information and Insurance Oversight (CCIIO) published a 60-day Federal Register Notice (FRN) to provide interested parties the opportunity to comment on the collections of information required by the Exchange Blueprint tool. FRN appeared on November 10, 2011 on page 40148 of the Federal Register. Approximately 145 comments were received from 16 organizations. All comments were summarized and addressed in the attached Excel spreadsheet. The majority of comments were substantive in nature and involved feedback on operational requirements for Exchanges and/or editorial suggestions. There were no comments received that specifically related to cost and hour burden estimates; instead, there were three general comments that were identified as impacting burden.

The first burden-related comment related to the Exchange approval process in general (and was not specific to the data collection tool), and the remaining two comments related to a State's collection of immigration status data from individuals as part of determining eligibility for the Small Business Health Options Program (SHOP) within the Exchange.

The first referenced comment, which related to burden created by the Exchange approval process, has been addressed through the significantly revised Exchange Blueprint. As part of its efforts to streamline the Exchange Blueprint data collection process and enable efficiencies for both States and CMS (in its review/approval of Exchanges), CMS revised the Exchange Blueprint to include concise references to Exchange requirements, as well as requests of States to provide attestation of completion of the requirement, brief descriptions of processes (only in some cases), and uploading/ attachment of reference files (only in some cases). The comment was also addressed with the allowance of States – that are participating in Establishment Reviews and that have successfully submitted Exchange requirement documentation as part of their grant requirements – to reference their Establishment Review documentation (vs. re-submitting documentation for Blueprint purposes) as applicable.

The latter two burden comments, which related to a State’s collection of immigration status data from individuals as part of determining eligibility for the SHOP, were also addressed with the revised Exchange Blueprint. The immigration status data collection requirement was removed in correspondence with the changes to the 45 CFR Parts 155, 156, and 157 - Patient Protection and Affordable Care Act; Establishment of Exchanges and Qualified Health Plans; Exchange Standards for Employers, and as a result, States are not required to collect immigration status data as part of Exchange operations.

**9. Payments/Gifts to Respondents**

There will be no payments or gifts to respondents.

**10. Confidentiality**

Not applicable

**11. Sensitive Questions**

There will be no sensitive questions asked.

**12. Burden Estimates (Hours & Wages)**

It is estimated that each State (including District of Columbia and U.S. territories) will complete and submit an Exchange Blueprint one time each. As a result, 56 total respondents were used to calculate the burden estimates. CMS used the Bureau of Labor Statistics for standard wages in order to calculate the burden costs.

**Completion/Submission of Exchange Blueprint Data Collection Tool**

**Estimated Annualized Burden Table**

Forms	Type of Respondent	Number of Respondents	Number of Responses per Respondent	Estimated Burden hours per Response	Total Estimated Burden Hours
Exchange Blueprint	State Agency	56	1	211	11,816
<b>Total</b>				<b>211</b>	<b>11,816</b>

**Hours and Costs Table**

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	56	1	5	\$ 56.48	\$ 15,814.40

<b>Type of Respondent</b>	<b>Number of Respondents</b>	<b>Number of Responses per Respondent</b>	<b>Average Burden Hours</b>	<b>Wage per Hour (incl fringe)</b>	<b>Burden Costs</b>
application					
Senior-level manager to conduct most writing	56	1	5	\$ 56.48	\$ 15,814.40
Mid-level policy analyst to support writing	56	1	20	\$ 41.23	\$ 46,177.60
Senior-level manager with insurance expertise	56	1	5	\$ 56.48	\$ 15,814.40
Mid-level policy analyst with insurance expertise	56	1	20	\$ 41.23	\$ 46,177.60
Senior-level manager from Medicaid agency	56	1	5	\$ 56.48	\$ 15,814.40
Mid-level policy analyst from Medicaid agency	56	1	20	\$ 41.23	\$ 46,177.60
Senior-level manager with health policy expertise	56	1	5	\$ 56.48	\$ 15,814.40
Mid-level policy analyst with health policy expertise	56	1	1	\$ 41.23	\$ 2,308.88
Senior-level manager with systems architecture expertise	56	1	20	\$ 64.98	\$ 72,777.60
Mid-level analyst with systems architecture expertise	56	1	20	\$ 49.65	\$ 55,608.00
Administrative budget analyst	56	1	20	\$ 37.78	\$ 42,313.60
Administrative assistant	56	1	20	\$ 24.67	\$ 27,630.40
Lawyer	56	1	20	\$ 60.55	\$ 67,816.00

Type of Respondent	Number of Respondents	Number of Responses per Respondent	Average Burden Hours	Wage per Hour (incl fringe)	Burden Costs
Budget analyst from outside core team	56	1	5	\$ 44.60	\$ 12,488.00
Agency head (1)	56	1	5	\$ 76.47	\$ 21,411.60
Agency head (2)	56	1	5	\$ 76.47	\$ 21,411.60
Agency head (3)	56	1	5	\$ 76.47	\$ 21,411.60
Official in Governor's office	56	1	5	\$ 56.48	\$ 15,814.40
<b>Total</b>			<b>211</b>		<b>\$ 578,596.48</b>

### 13. Capital Costs

Not applicable

### 14. Cost to Federal Government

Not applicable

### 15. Changes to Burden

Not applicable

### Change in Burden Table

Type of respondent	Total Requested	Change Due to New Statute	Change Due to Agency Discretion	Change Due to Agency Estimate	Change Due to Violation	Currently Approved
Annual responses						
Annual hour burden						
Annual cost burden						
<b>Total</b>						

### 16. Publication/Tabulation Dates

The results of this collection will not be published.

### 17. Expiration Date

CMS would like an exemption from displaying the expiration date as these forms are used on a continuing basis. To include an expiration date would result in having to discard a potentially large number of forms.

**18. Certification Statement**

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