Supporting Statement for Data Collection to Support Eligibility Determinations for Insurance Affordability Programs and Enrollment through Health Insurance Marketplaces, Medicaid and Children's Health Insurance Program Agencies

A. Background

On March 23, 2010, the President signed into law H.R. 3590, the Patient Protection and Affordable Care Act, Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. 111-152, collectively referred to as "The Affordable Care Act." The Affordable Care Act expands access to health insurance coverage through the establishment of Health Insurance Marketplaces, also known as Affordable Insurance Exchanges, improvements to the Medicaid and Children's Health Insurance (CHIP) programs, and the assurance of coordination between Medicaid, CHIP, and Marketplaces.

The new Marketplaces established by the Affordable Care Act will facilitate the enrollment of qualified individuals into Qualified Health Plans (QHPs). Marketplaces will begin taking applications for coverage when open enrollment begins on October 1, 2013 for coverage that begins on January 1, 2014. Section 1401 of the Affordable Care Act creates new section 36B of the Internal Revenue Code (the Code), which provides for a premium tax credit which is available on an advanced basis ("Advance Payments of the Premium Tax Credit", or APTC) to reduce the monthly insurance costs for eligible individuals who enroll in a QHP through a Marketplace. In addition, section 1402 of the Affordable Care Act establishes provisions to reduce cost-sharing obligations, including co-pays and deductibles, of eligible individuals enrolled in a QHP offered through a Marketplace.

The Affordable Care Act also fills current gaps in coverage by creating a minimum Medicaid income eligibility level across the country and by simplifying the current eligibility rules in the Medicaid and CHIP programs. Under the Affordable Care Act, most individuals under 65 years of age with income below 133 percent of the Federal Poverty Level (FPL) will be eligible for Medicaid beginning January 2014. These individuals will be able to apply for coverage beginning October 1, 2013. As required under section 1413 of the Affordable Care Act, there will be one application through which individuals may apply for coverage through the Marketplace or a Medicaid or CHIP agency with or without APTC and Cost Sharing Reductions (CSRs), Medicaid, and CHIP and receive an eligibility determination. Specific data must be collected to make such determinations and enroll qualified individuals into the appropriate coverage program.

CMS developed this Paperwork Reduction Act (PRA) package as part of an effort to solicit feedback from key stakeholders. Further discussion of stakeholder consultation can be found in section B8.

B. Justification

1. Need and Legal Basis

Section 1413 of the Affordable Care Act directs the Secretary of Health and Human Services to develop and provide to each state a single, streamlined form that may be used to apply for coverage through a Marketplace and for Insurance Affordability Programs, including APTC/CSR, Medicaid, and CHIP. The application must be structured to maximize an applicant's ability to complete the form satisfactorily, taking into account the characteristics of individuals who may qualify for the programs by developing materials at appropriate literacy levels and ensuring accessibility. A state may develop and use its own single streamlined application if approved by the Secretary in accordance with section 1413 and if it meets the standards established by the Secretary.

45 CFR §155.405(a) provides more detail about the application that must be used by Marketplaces to determine eligibility and to collect information necessary for enrollment. Eligibility standards for the Marketplace are set forth in 45 CFR §155.305. The information will be required of each applicant upon initial application, with some subsequent information collections for the purposes of confirming accuracy of previous submissions and for changes in an applicant's circumstances. 42 CFR §§435.907 and 457.330 establish the standards for state Medicaid and CHIP agencies related to the use of the single streamlined application. CMS has designed the single streamlined application to be a dynamic online application that will tailor the amount of data required from an applicant based on the applicant's circumstances and responses to particular questions. The paper version of the application will not be able to be tailored in the same way but will request only the data required to determine eligibility.

Information collection will start during the initial open enrollment period beginning October 1, 2013, per 45 CFR §155.410(b). The open enrollment period ends on March 31, 2014, but all individuals may apply outside of the open enrollment period, and enroll in coverage right away if they qualify for a special enrollment period (outlined in 45 CFR §155.420(d)), or if they are eligible for Medicaid or CHIP. Medicaid and CHIP do not have specified open enrollment periods, and the single, streamlined application will be available at all times during the year.

Individuals will be able to submit an application online, through the mail, over the phone through a call center, or in person, per 45 CFR §155.405(c)(2), as well as through other commonly available electronic means as noted in 42 CFR §435.907(a) and §457.330. The application may be submitted to a Marketplace, Medicaid or CHIP agency.

We have attached four attachments of application materials to illustrate the process applicants will use to apply for health coverage in a qualified health plan through a Marketplace and for Insurance Affordability Programs.

- Attachment A: List of Items in the Online Application to Support Eligibility Determinations for Enrollment through the Marketplace and for Medicaid and the Children's Health Insurance Program – a list of all potential questions that could be asked on the online application. No applicant will ever be required to answer this exhaustive list of questions; the vast majority of applicants will be asked less than one-third of these questions. The document includes descriptions of question logic and skip patterns.

- Attachment B: Application for Health Coverage & Help Paying Costs (Short Form) – this paper application can be used by some single individuals to receive an eligibility determination for enrollment through the Marketplace or for Medicaid and the Children's Health Insurance Program. This application can be used by single individuals who: do not have any dependent children and are not claimed as a dependent on someone else's tax return; are not American Indian/Alaska Native; are not offered coverage through a job; were not in the foster care system (and under age 26); and do not deduct certain expenses from his/her income. Individuals meeting any of those circumstances should apply online or use Attachment C. The short form is also accompanied by Appendix C "Assistance with Completing this Application".

- Attachment C: Application for Health Coverage & Help Paying Costs – this paper application supports eligibility determinations for enrollment through the Marketplace or for Medicaid or CHIP. The application can be used to determine eligibility for an individual or family applying for enrollment through the Marketplace, Advance Payment of the Tax Credit, cost-sharing reductions, Medicaid and CHIP. The Application for Health Coverage & Help Paying for Costs is also accompanied by 1) Appendix A "Health Coverage from Jobs and Employer Coverage Tool," designed to assist employees to gather necessary information to answer employer sponsored health coverage questions on the application; 2) Appendix B "American Indian or Alaska Native Family Member (AI/AN)"; and 3) Appendix C "Assistance with Completing this Application".

- Attachment D: Application for Health Coverage – this paper application supports eligibility determinations for enrollment through the Marketplace for applicants who do not wish to be considered for Insurance Affordability Programs. The application can be used to determine eligibility for an individual or family applying to directly purchase coverage through a QHP through the Marketplace. The application for health coverage is also accompanied by Appendix C "Assistance with Completing this Application".

2. Information Users

Information collected by the Marketplace, Medicaid or CHIP agency will be used to determine eligibility for coverage through the Marketplace and Insurance Affordability Programs. Applicants include anyone who may be eligible for coverage through any of these programs.

3. Use of Information Technology

Technology enables the online application process to offer a number of advantages over a paper process. The online application will feature a dynamic or "smart" process that poses questions to the applicant based on the responses to previous questions and available verification of information. This ensures that only relevant questions are asked and any non-relevant questions are not displayed (for example, the application does not ask men if they are pregnant). The paper application does not offer the same flexibility in customizing the sequence or number of questions. The online system also will be able to catch inadvertent errors in real time, as well as immediately verify information in many cases. The online process will be designed to allow individuals to save information through a unique user account, obtain access to immediate help resources, and more quickly enroll in coverage. CMS anticipates that the majority of individuals will apply online. As compared to applying via paper, the online application will allow applicants to complete the process more efficiently and receive an eligibility determination more quickly. Therefore the online application will reduce the burden of applying for coverage.

4. Duplication of Effort

This information collection does not duplicate any other effort, and we will make every effort to obtain such information from existing sources.

5. Small Businesses

Small businesses are not affected by this data collection.

6. Consequences of Less Frequent Collection

The Affordable Care Act directs that Marketplaces permit individuals to apply for coverage during annual open enrollment periods as well as during special enrollment periods. Additionally, individuals may apply for Medicaid and CHIP at any time throughout the year. If information was collected less frequently or not at all, individuals would not be able to gain coverage under Affordable Care Act reforms and the program would be unable to operate.

7. Special Circumstances that may cause respondents to submit information in fewer than 30 days

An individual who is enrolled in a Qualified Health Plan (QHP) through a Marketplace is required to report changes that impact eligibility to the Marketplace within 30 days of such a change per 45 CFR §155.330(b). Individuals are required to report changes in residency, incarceration, and citizenship or lawful presence. The Marketplace may conduct a redetermination for eligibility to be enrolled in a QHP based on the reported change.

If an individual is responding by mail to a request for follow up regarding an application, for example, the individual may need to respond in fewer than 30 days if the open enrollment period will end in less than 30 days, or if it is the policy of the Medicaid or CHIP agency.

8. Federal Register/Outside Consultation

The 30-day Federal Register notice published on January 29, 2013 (78 FR 6109). The 60-day Federal Register noticed published on July 6, 2012 (77 FR 40062). The goal of the data collection was to inform the application process to enroll in a Marketplace, Medicaid or CHIP and the data elements that would be included in the single streamlined application. CMS worked closely with federal partners, including the Internal Revenue Service, the Department of Homeland Security, the Social Security Administration, the Department of Veterans Affairs, as well as other stakeholders including state Medicaid, CHIP and Marketplace officials, consumer advocates, and American Indian and Alaska Native tribal representatives. CMS hosted three webinars with relevant stakeholders describing the 30-day PRA materials, to encourage that these groups submit comments on the Federal Register notice.

In response to the 30 day notice, CMS received approximately 120 comments which addressed a range of topics, including availability of help and educational screen text, the dynamic nature of the online application, processes for electronically verifying information, assistance through Navigators, agents and brokers, certified application counselors, and call center representatives, and suggested collection of additional demographic data. A majority of the comments targeted the help and educational screen text, which CMS recognizes as a key component of the application process. Some commenters recommended specific areas where clarifying screen help text or definitions should appear to best assist the consumer through the web-based application process. The application will display such information in the appropriate areas online allowing consumers to access more or less information as needed. Commenters also recommended including information that addresses the specific concerns of immigrant families. CMS worked closely with federal partners and stakeholders to ensure that the language successfully conveys that individuals not seeking coverage will not be asked for his/her immigration status.

CMS also accepted suggestions to improve the language for questions related to collecting an applicant's Social Security Number and for the non-Modified Adjusted Gross Income screening questions. Some commenters expressed concern about questions regarding employer-sponsored coverage required pursuant to section 1411 of the Affordable Care Act. CMS worked to streamline these questions as much as possible, in addition to further refining the available help tool in consultation with consumer and employer groups to assist consumers with gathering the required information from their employers. The tool can be reviewed in Attachment C.

Many commenters suggested expanding the data collection to gather preferred language of all persons on an application (instead of only the household contact), as well as collecting sexual orientation and gender identity of applicants. Because such demographic data is not required in order to make an eligibility determination, CMS does not plan to expand the collection.

In response to comments about collection of information on agents and brokers on the application, CMS has included a separate section for relevant information on the application in all formats, including the National Producer Number. CMS also made several clarifying language edits and applied a clear numbering system to the paper application questions.

We have taken into consideration all of the proposed suggestions and have made changes to this collection of information to promote a positive user experience based on the responses to the 30- and 60-day notices and other stakeholder engagement.

Beyond soliciting public comment, CMS continued to work with stakeholders on the development of the draft paper and online applications.

These consultations were essential and valuable for developing the model application materials. The purpose of the consultations was to ensure that information necessary to determine eligibility was accurately identified and that only the data needed to determine eligibility would be collected. The consultation process considered the perspective of groups representing those who will eventually apply for health insurance, those who will administer the programs, and those who will deliver care.

9. Payments/Gifts to Respondents

There are no payments or gifts to respondents.

10. Confidentiality

All information will be kept private pursuant to applicable laws/regulations.

11. Sensitive Questions

Per statute, a Social Security number and information about citizenship or immigration status are needed to help verify eligibility for coverage.

12. Estimates of Annualized Burden Hours

The Congressional Budget Office (CBO) estimated in July 2012 that approximately 16 million people will apply for coverage through the Marketplaces and Insurance Affordability Programs in 2014 with an additional seven and ten million in 2015 and 2016, respectively.[1]

We expect the total number of applications to be 4,336,646 in 2014 for a total burden of 2,125,914 hours; 1,939,953 applications and 880,193 total burden hours in 2015; and 2,829,702 applications and 1,280,359 total burden hours in 2016.

Burden for Online Application

1 Updated Estimates for the Insurance Coverage Provisions of the Affordable Care Act, CBO, July 2012.

The online application process will vary depending on each applicant's circumstances, their experience with health insurance applications and online capabilities. The goal is to solicit sufficient information so that in most cases no further inquiry will be needed. In addition, the online application will administer an identification proofing process. Based on the information an individual provides, the identification proofing system tool will generate three to five challenge questions, such as a previous address where an individual has lived. The tool will have a large bank of questions it will randomly generate based on information from external databases. Due to the security and integrity of the system, we cannot provide the list of questions generated. Additional burden from the identification proofing process is negligible in the context of the online application questions. Please refer to Attachment A for the placement of and more detail about the identification proofing process. We estimate that on average it will take approximately .50 hours (30 minutes) to complete for people applying for Insurance Affordability Programs. It will take an estimated .25 hours (15 minutes) to complete an application without consideration for Insurance Affordability Programs.

We expect approximately 3,618,171 applications to be submitted for Insurance Affordability Programs online in 2014 for a total number of 1,809,086 burden hours.

The expected number of applications for insurance affordability programs is 1,461,147 for 2015 and 1,977,111 for 2016. The burden hours are projected to be 730,574 and 988.556 in 2015 and 2016, respectively. We estimate 284,810 applications to be submitted online without consideration for Insurance Affordability Programs in 2014 and 2015 for a total of 71,203 burden hours in each year and a total of 569,620 applications in 2016 for 142,405 burden hours in 2016.

Burden for Paper Application

The paper application process will take an average of .75 hours (45 minutes) to complete for those applying for Insurance Affordability Programs, 25 hours (15 minutes) for those applying for Insurance Affordability Programs using the short form, and .33 hours (20 minutes) for those applying without consideration for Insurance Affordability Programs.

We expect approximately 402,019 applications to be submitted for Insurance Affordability Programs on paper in 2014. We estimate one third of respondents will complete the short form and two-thirds will complete the longer form, bringing the total of burden hours to approximately 235,181 in 2014. The estimated number of paper applications to be submitted is 162,350 for 2015 and 219,679 for 2016 and the burden hours are projected to be 94,975 and 128,512 in 2015 and 2016, respectively. We estimate 31,646 paper applications will be submitted without consideration for Insurance Affordability Programs in 2014 bringing the total burden hours to 10,443. The expected number of paper applications to be submitted without consideration for Insurance Affordability Programs is 31,646 in 2015 and 63,291 in 2016. Total burden hours are expected to be 10,443 and 20,886, in 2015 and 2016, respectively.

Application Processing Burden

State-based and Federally-facilitated Marketplaces and state Medicaid and/or CHIP agencies will need to process applications and make eligibility determinations based on the information submitted from individuals. We estimate the burden to be 10 minutes for online applications and 30 minutes for paper applications at a rate of $27 per hour.[2] Total burden hours in 2014 for eligibility determinations are 663,507 for online applications and 216,883 for paper. The total burden hours in 2015 are 296,813 for online applications and 96,998 for paper. In 2016, the total burden hours are 432,944 for online applications and 141,485 for paper.

12A. Estimated Annualized Burden Hours

Table 1: Estimated Annualized Burden Table for 2014

Application Type	**Type of Respondent**	**Number of Respondents**	**Number of Responses per Respondent**	**Average Burden Hours per Response**	**Total Burden Hours**
Online Application	Applying for Insurance Affordability Programs	3,618,171	1	0.5	1,809,086
Online Application	Not applying for Insurance Affordability Programs	284,810	1	0.25	71,203
Paper Application	Applying for Insurance Affordability Programs	269,353	1	0.75	202,015
Paper Application	Applying for Insurance Affordability Programs (Short Form)	132,666	1	0.25	33,167
Paper Application	Not applying for Insurance Affordability Programs	31,646	1	0.33	10,443
Total		**4,336,646**			2,125,914

2 Occupational Employment Statistics survey results for "43-4061 Eligibility Interviewers, Government Programs", May 2011.

Table 2: Estimated Annualized Burden Table for 2015

Application Type	**Type of Respondent**	**Number of Respondents**	**Number of Responses per Respondent**	**Average Burden Hours per Response**	**Total Burden Hours**
Online Application	Applying for Insurance Affordability Programs	1,461,147	1	0.5	703,574
Online Application	Not applying for Insurance Affordability Programs	284,810	1	0.25	71,203
Paper Application	Applying for Insurance Affordability Programs	108774	1	0.75	81,580
Paper Application	Applying for Insurance Affordability Programs (Short Form)	53,576	1	0.25	13,393
Paper Application	Not applying for Insurance Affordability Programs	31,645	1	0.33	10,443
Total		**1,939,953**			**880,193**

Table 3: Estimated Annualized Burden Table for 2016

Application Type	**Type of Respondent**	**Number of Respondents**	**Number of Responses per Respondent**	**Average Burden Hours per Response**	**Total Burden Hours**
Online Application	Applying for Insurance Affordability Programs	1,977,111	1	0.5	988,556
Online	Not applying	569,620	1	0.25	142,405

Application Type	Type of Respondent	Number of Respondents	Number of Responses per Respondent	Average Burden Hours per Response	Total Burden Hours
Application	for Insurance Affordability Programs				
Paper Application	Applying for Insurance Affordability Programs	147,185	1	0.75	110,389
Paper Application	Applying for Insurance Affordability Programs (Short Form)	72,494	1	0.25	18,123
Paper Application	Not applying for Insurance Affordability Programs	63,291	1	0.33	20,886
Total		**2,829,702**			**1,280,359**

Table 4: Estimated Application Processing Burden

Year	Application Type	Number of Respondents	Burden per Response (hours)	Total Annual Burden (hours)	Labor Cost (per hour)	Total Cost
2014	Online Application	3,902,981	0.17	663,507	$27	$17,914,689
2014	Paper Application	433,665	0.5	216,833	$27	$5,854,491
2015	Online Application	1,745,957	0.17	296,813	$27	$8,013,951
2015	Paper	193,995	0.5	96,998	$27	$2,618,946

Year	Application Type	Number of Respondents	Burden per Response (hours)	Total Annual Burden (hours)	Labor Cost (per hour)	Total Cost
	Application					
2016	Online Application	2,546,731	0.17	432,944	$27	$11,689,488
2016	Paper Application	282,970	0.5	141,485	$27	$3,820,095

We expect the total number of applications to be 3,035,434 on average between 2014 and 2106, for a total average burden of 1,428,822 hours. For application processing, we estimate an average cost of $15,404,823 per year.

13. Capital Costs

There are no additional capital costs.

14. Cost to Federal Government

The initial burden to the Federal Government for the development and implementation of the data is $278,164 per year between 2014 and 2016. This estimate projects software development costs at $98.50 an hour and assumes approximately 73 weeks of development.

Table 5: Cost to federal government to develop application

Data Collection and Development Task	Number of Developer Hours	Average Labor Cost Per Hour	Cost of Development
Application Development	8,472	$98.50	$834, 492.00

An additional burden to the Federal Government is the work of one full time GS-13 employee to serve as the COR for the development contract. The current salary of a 13 Grade/Step 1 employee in the Washington, D.C. area is $89,033.

15. Changes to Burden

To address public comment regarding the complexity and length of the application, CMS developed a short form for applying for Insurance Affordability Programs on paper (Appendix B). We project about one third of those applying for Insurance Affordability Programs will use

the short form which is customized for single adults without dependent children. The burden estimates for the longer form would decrease by a total of 194,051 hours bringing the overall estimate down from 588,035 to 393,984 hours (2014-2016). The net impact on overall burden estimates for those applying for Insurance Affordability Programs on paper would decrease by 129,368 hours from a total of 588,035 to 458,667 hours (2014-2016).

16. Publication/Tabulation Dates

Not applicable.

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.