

Supporting Statement – Part B  
Basic Health Program Report for Health Insurance Exchange Premium  
CMS-10510, OCN 0938-New

1. Describe (including a numerical estimate) the potential respondent universe and any sampling or other respondent selection method to be used. Data on the number of entities (e.g., establishments, State and local government units, households, or persons) in the universe covered by the collection and in the corresponding sample are to be provided in tabular form for the universe as a whole and for each of the strata in the proposed sample. Indicate expected response rates for the collection as a whole. If the collection had been conducted previously, include the actual response rate achieved during the last collection.

ANSWER: This Information collection to develop payment rates for the Basic Health Program (BHP) is a non-statistical survey / questionnaire. CMS expects 17 respondents, one response per year for each State Based Exchange (SBE). CMS expects the SBE states to provide the reference premiums for second lowest cost silver plans (SLCSP) and lowest cost bronze plans (LCBP) by county for several different ages and by coverage type. This information is readily available for each SBE as these data are needed to develop the premium tax credits (PTCs) and cost sharing reductions (CSRs) that Exchanges are required to generate in accordance with the Exchanges provisions of the Affordable Care Act ACA). CMS already has the information to identify the reference premiums for the Exchanges that are run by the federal government. That is to say, we only need to and plan to collect these data from states that are not operated by or in partnership with the Federally Facilitated Exchange. We expect all 17 SBE states to provide this information as it is in their interest to understand what federal payments would be to implement a Basic Health Program (BHP) program. Per the BHP statute in ACA, a key input into the formula for calculating BHP payment rates and amounts is the reference premium in each county by age and coverage type for SLCSPs and LCBPs.

2. Describe the procedures for the collection of information including:

- Statistical methodology for stratification and sample selection.

ANSWER: The BHP payment methodology will aggregate the reference premiums and other related adjustment factors into age ranges in order to provide one rate per county for each coverage type. CMS is collecting a reference premium by county from each age range identified in the payment methodology presented in the proposed BHP payment notice. CMS will use the state's age curve to establish the other premiums for each age, and then will subsequently roll them up by age range.

- Estimation procedure,

ANSWER: There is no estimation procedure.

- Degree of accuracy needed for the purpose described in the justification,

ANSWER: The BHP payment rates will be used to calculate federal payments to states that apply and are approved to operate a BHP program. Therefore, these reference premiums need to be the actual premiums charged for the SLCSs and LCBSs for the age scenarios provided in the information collection, as they are building blocks in developing PTCs and CSRs under the Exchanges. The BHP statute requires that the BHP payment methodology simulate what PTCs and CSRs would have been paid had the BHP enrollees instead been enrolled in an Exchange.

- Unusual problems requiring specialized sampling procedures, and

ANSWER: none

- Any use of periodic (less frequent than annual) data collection cycles to reduce burden.

ANSWER: The BHP statute in ACA requires that BHP payments be calculated every year based on Exchange premiums. It is expected that SLCSs and LCBSs and the associated premiums under each Exchange will change every year, requiring these data to be collected every year from SBE states. CMS is expected to continue on behalf of Exchange operations to collect the data needed to identify these premiums for states that are operated by or in partnership with the Federally Facilitated Exchange, so CMS will not be collecting these premiums from such states.

3. Describe methods to maximize response rates and to deal with issues of non-response. The accuracy and reliability of information collected must be shown to be adequate for intended uses. For collections based on sampling, a special justification must be provided for any collection that will not yield 'reliable' data that can be generalized to the universe studied.

ANSWER: We anticipate that all 17 states will provide these data as it is in their interest to know what the federal government will pay to a state to provide services under a BHP program. We have already conducted webinars for states to discuss the BHP program and likely information that we will need from states. In addition, we will provide technical assistance to states on the information collection instrument after it is approved by OMB.

4. Describe any tests of procedures or methods to be undertaken. Testing is encouraged as an effective means of refining collections of information to minimize burden and improve utility. Tests must be approved if they call for answers to identical questions from 10 or more respondents. A proposed test or set of tests may be submitted for approval separately or in combination with the main collection of information.

ANSWER: We have discussed the nature of data that we intend to collect under this information collection with states interested in implementing BHP, as well as from CMS/CCIIO who operates the Exchange program, the CMS Office of the Actuary, The Office of Taxation Analytics in the Department of Treasury, and the internal Revenue Service. All of these parties are familiar with premiums and Exchange policy that supports PTC and CSR calculations. All parties have indicated that the information collection is appropriate and reasonable to complete with a very low

burden on SBE states.

5. Provide the name and telephone number of individuals consulted on statistical aspects of the design and the name of the agency unit, contractor(s), grantee(s), or other person(s) who will actually collect and/or analyze the information for the agency.

ANSWER: Chris Truffer, CMS / OACT, 410-786-1264