Supporting Statement – Payment Collections Operations Contingency Plan: Enrollment and Payment Data Template

A. Background

On March 23, 2010, the President signed into law H.R. 3590, the Patient Protection and Affordable Care Act (the Affordable Care Act), Public Law 111-148. This law establishes American Health Exchanges (Exchanges, or Marketplaces) where issuers may sell Qualified Health Plans (QHPs) and where consumers may receive subsidies based on income to purchase affordable health care. The statute requires the Department of Health and Human Services (HHS) to operate Marketplaces in States that decline to establish their own. On October 1, 2013, HHS began operating Marketplaces on behalf of enrollees in 35 states.

B Justification

1. Need and Legal Basis

Under sections 1401, 1411, and 1412 of the Affordable Care Act and 45 CFR part 155 subpart D, an Exchange makes an advance determination of tax credit eligibility for individuals who enroll in QHP coverage through the Exchange and seek financial assistance. Using information available at the time of enrollment, the Exchange determines whether the individual meets the income and other requirements for advance payments and the amount of the advance payments that can be used to pay premiums. Advance payments are made periodically under section 1412 of the Affordable Care Act to the issuer of the QHP in which the individual enrolls. Section 1402 of the Affordable Care Act provides for the reduction of cost sharing for certain individuals enrolled in a QHP through an Exchange, and section 1412 of the Affordable Care Act provides for the advance payment of these reductions to issuers. The statute directs issuers to reduce cost sharing for essential health benefits for individuals with household incomes between 100 and 400 percent of the Federal poverty level (FPL) who are enrolled in a silver level QHP through an individual market Exchange and are eligible for advance payments of the premium tax credit.

As HHS's enrollment and payment processing systems are not yet operational, HHS needs a means of obtaining enrollment and payment information via an alternative collection tool—the Enrollment and Payment Data template in order to be able to make payments to issuers on behalf of eligible enrollees.

2. Purpose and Use of Information Collection

The data collection will be used by HHS to make payments or collect charges from issuers under the following programs: advance payments of the premium tax credit, advanced cost-sharing reductions, and Marketplace user fees. The template was used to make payments in January 2014 and will continue for a number of months thereafter, as may be required based on HHS's operational progress.

3. Use of Improved Information Technology and Burden Reduction

All information collected in the Enrollment and Payment Data template will be submitted electronically via email using a password-protected Microsoft Excel-based spreadsheet. HHS staff will analyze the data electronically and communicate with issuers and State-based Marketplaces, if necessary, by email and telephone. A financial authority contact of the issuer will submit a form electronically to HHS certifying that the information provided as of the submission date is complete and accurate to the best of his or her knowledge.

4. Efforts to Identify Duplication and Use of Similar Information

This is a new program created under the Affordable Care Act and the information to be collected has never been collected before by the federal government.

5. Impact on Small Businesses or Other Small Entities

No impact on small business.

6. Consequences of Collecting the Information Less Frequently

HHS makes payments and collects charges under these programs monthly. If HHS does not collection this information on a monthly basis, HHS will be unable to calculate monthly payment or charge for issuers providing health insurance to enrollees in Marketplace QHPs.

7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5

No special circumstance.

8. Comments in Response to the Federal Register Notice/Outside Consultation

HHS alerted issuers and State-based Marketplaces to a payment process contingency plan at the end of November 2013. On December 2, 2013, HHS held a webinar describing the step-by-step process that issuers would use to complete the template and the process for testing the template prior to production. HHS posted the webinar training materials to www.regtap.info, and provided additional technical support to issuers through webinars on December 9, 2013 and December 11, 2013.

On December 4, 2013, issuers received an email from MarketplacePayments@cms.hhs.gov that included the test data template in a Microsoft Excel file along with detailed instructions for populating the template. Approximately 400 issuers returned this template to HHS on December 10. HHS tracked the unreturned templates to issuers that do not expect payments because they are stand-alone dental plans or SHOP-only Marketplaces. A follow-up discussion for users in advance of production of the actual template data described in this supporting statement was held on December 16, 2013. Additional sessions in the technical support series,

"Marketplace Payment Processing User Group Series," were conducted, as necessary, for issuers that resubmitted templates at HHS's request. HHS posts all Q&As from issuers during training calls to www.regtap.info.

The 60-day Federal Register notice for this information collection published on January 31, 2014 (79 FR 5417). In response to our request for comment, CMS received one comment suggesting that CMS define what a successful transition from the payment contingency plan to the implementation of the HIX 820 entails. Appendix A addresses the commenters concern.

9. Explanation of any Payment/Gift to Respondents

Respondents will not receive any payments or gifts as a condition of complying with this information collection request.

10. Assurance of Confidentiality Provided to Respondents

No personal information is being collected. While the enrollment and payment processing systems would have collected enrollee-level information, this contingency process collects information aggregated by QHP issuer. All information will be kept private to the extent allowed by applicable laws/regulations.

11. Justification for Sensitive Questions

No sensitive information will be collected

12. **Estimates of Annualized Burden Hours (Total Hours & Wages**)

We estimate the burden associated with a one-time development of systems for all QHP issuers expecting to receive payments, monthly input of enrollment and payment numbers, aggregation of policy-level amounts to the QHP level, and electronic submission of data to HHS. To complete the Enrollment and Payment Data template, each issuer will need to collect, analyze, and aggregate QHP enrollee and payment information, read HHS instructions, enter data into a Microsoft Excel-based template, and submit this template to HHS. This may require a new information system or variation to an existing system. We estimate that it will take two working days per issuer (16 hours per issuer, at a cost of $59.39 per hour, reflecting fully loaded costs of a mid-level information system specialist) to develop the system. Once the template is built, we estimate it will take 12 hours each month (by a payment operations analyst at an hourly wage of $38.49) to enter current data for each month during which the contingency payment process is in place and submit this data to HHS. Although we recognize that some QHP issuers that do not expect to receive payments and are not required to pay user fees, we broadly estimate that 575 QHP issuers will submit the Enrollment and Payment Data template. We assume that the Enrollment and Payment Data template will be used for twelve months, resulting in a burden of 160 hours and $6,493 per QHP issuer, or an aggregate of 92,000 hours and $3,733,475 for all QHP issuers.

We note that this template was used in January 2014, but we expect it to be replaced by the HHS enrollment and payment processing systems later in 2014. We expect that HHS may modify this template slightly to allow issuers to report enrollment and payment discrepancies resulting from payments in January 2014. In this case, HHS would post the revised template for public comment and OMB approval.

Along with the Enrollment and Payment Data template, a financial authority contact of the issuer (i.e., CEO, CFO, or other authorized designee) submits a form electronically to HHS certifying that the information provided as of the submission date is complete and accurate to the best of his or her knowledge and will be the primary basis for the calculation of the payment amount. The financial authority contact indicates the HIOS issuer IDs for which the certification applies. We estimate that it will take a CEO or other designee approximately 10 minutes (at an hourly wage rate of approximately $117) to complete this certification for each month that data is submitted through the template. While a financial authority contact may complete one certification that applies to multiple HIOS issuer IDs, we believe that most financial authority contacts will complete one form that covers only one HIOS issuer ID, such that approximately 575 certification forms will be submitted for 575 QHP issuers for each month that data is submitted through the template. Therefore, we estimate an aggregate burden of approximately 96 hours and $11,213 each month as a result of this payment data certification requirement. We estimate an overall annual burden of 1,152 hours and $134,556 for all QHP issuers as a result of this requirement.

12A. Estimated Annualized Burden Hours

Microsoft Excel based Template	Type of Respondent	Number of Respondents	Number of Responses per Respondent	Average Burden hours per Response	Total Burden Hours
Testing & Development	QHP issuer	400	1	3	1,200
Enrollment and Payment Data template (start-up)	QHP issuer	575	1	16	9,200
Monthly data reports	QHP issuer	575	12	12	82,800
Monthly Data Submission Accuracy Certification Form	QHP issuer	575	12	0.17	1,173
Total		575	26		**94,373**

12B. Cost Estimate for All Respondents Completing the Template

Type of respondent	Number of Respondents	Number of Responses per Respondent	Average Burden Hours	Wage per Hour (including fringe)	Total Labor Costs
Information Systems specialist	575	1	13	$59.39	$443,940
Senior Manager	575	13	6	$77	$3,453,450
Payment Operations Specialist	575	13	12	$38.49	$3,452,553
Chief Executive or Designated Financial Authority Contact	575	12	0.17	$117	$137,241
Total					**$7,487,184**

1 This burden will be in effect only during the HHS contingency payment processing plan. Because we do not know when the HHS permanent payment and collections system will be operational, we are estimating burden for 12 months in 2014, which is the full duration for which we are requesting approval.

13. Estimates of other Total Annual Cost Burden to Respondents or Record Keepers /Capital Costs

There are no additional recordkeeping or capital costs.

14. Annualized Cost to Federal Government

The calculations for CCIIO employees' hourly salary was obtained from the OPM website, with an additional 35% to account for fringe benefits.

Task	Estimated Cost
Data Processing, Managerial Review, and Oversight	
2 GS-12: 2 x $48.44 x 20 hours	$1,938
1 GS-15: 2 x $80.06 x 4 hours	$640
Total Costs to Government	**$2,578**

15. Explanation for Program Changes or Adjustments

This is a new data collection required by the Affordable Care Act.

16. Reason(s) Display of OMB Expiration Date is Inappropriate

Not applicable. We plan to include an OMB expiration date once assigned an OMB control number.

17. Exceptions to Certification for Paperwork Reduction Act Submissions

There are no exceptions to the certification.

B. Collection of Information Employing Statistical Methods

Not applicable. The information collection does not employ statistical methods.