

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Center for Consumer Information and Insurance Oversight
200 Independence Avenue SW
Washington, DC 20201



DATE: July 25, 2014

TO: Howard Shelanski
Administrator, OIRA

FROM: Marilyn Tavenner
Administrator

SUBJECT: Request for Emergency Clearance of the Information Collection Request for Initial Plan Data Collection to Support QHP Certification and Other Financial Management and Exchange Operations

Emergency Justification

The Centers for Medicare & Medicaid Services (CMS) is requesting that an information collection request (ICR) to support data collection for financial management and exchange operations be reviewed and approved under the emergency clearance process. In accordance with the Paperwork Reduction Act of 1995 (PRA), specifically 5 CFR 1320.13(a)(2)(i), public harm is reasonably likely to occur if the normal, non-emergency clearance procedures are followed.

CMS seeks emergency approval for modifications to the ICR currently approved under Office of Management and Budget (OMB) control number 0938-1187 to include account registration elements associated with submitting data through the Amazon Cloud EDGE Server or the On-Premise EDGE server. As a result of contractor changes and technical design changes to CMS' distributed data collection (DDC) approach for implementing the risk adjustment and reinsurance programs, CMS must change the data elements that issuers will submit as part of the DDC information collection requirements. These modifications will permit CMS to register EDGE servers with the appropriate issuer accounts, permitting CMS to make risk adjustment and reinsurance payments to issuers.

These data elements were not necessary for the original DDC environment that CMS intended to use to collect risk adjustment and reinsurance data. To simplify edge server provisioning, CMS will now offer issuers the option to provision their EDGE servers through the Amazon Cloud,

requiring a change to the DDC data elements that issuers will submit. Because risk adjustment covered issuers and reinsurance eligible issuers will need to submit this information by the end of August 2014 in order to register EDGE servers and submit 2014 data for payment, CMS will not have time to complete 60-day and 30-day comment periods for this proposed information collection. If CMS is unable to collect this data from issuers by August, CMS will be unable to effectively operate risk adjustment and reinsurance, which would result in significant premium spikes for consumers and destabilization of the individual and small group health insurance markets. Therefore, CMS is requesting OMB clearance by no later than August 29, 2014.

Background

The reinsurance and risk adjustment programs outlined in sections 1341 and 1343 of the Affordable Care Act and detailed in *Standards for Reinsurance, Risk Corridors, and Risk Adjustment* (the Premium Stabilization Rule; 77 FR 17220), have general information reporting requirements that apply to health insurance issuers in the individual and small group markets. Implementing the reinsurance and risk adjustment programs requires claims and enrollment data from issuers in states where HHS is operating the reinsurance and risk adjustment programs. In the Premium Stabilization Rule, CMS finalized its decision to use a distributed data approach for collecting reinsurance and risk adjustment data and, in 2013, CMS introduced the EDGE (External Data Gathering Environment) server concept as the distributed data collection method. The original EDGE server concept required issuers to purchase a physical server through which all claims and enrollee data would be submitted and individual risk scores and reinsurance amounts would be calculated. CMS is now offering issuers two options for submitting reinsurance and risk adjustment data through the distributed data environment: 1) Amazon EDGE (a cloud server provisioned by Amazon Web Services); or 2) a physical or virtual on premise EDGE server, which would be managed by the issuer or a third-party administrator on the issuer's behalf.

On April 16, 2014, the OMB approved the ICR associated with OMB Control Number 0938-1187, which included data elements required to facilitate communications regarding reinsurance contributions and payments, risk adjustment charges and payments, and other financial program payments. The data elements related to reinsurance and risk adjustment data collection in Appendix D of that ICR are not fully compatible with issuers' new options for submitting reinsurance and risk adjustment data.

Requested Timeline

July 3, 2014

- Submit Emergency Justification to OMB.

July 11, 2014

- Request OMB approval of Emergency Justification.
- Submit the ICR to OSORA.

July 28, 2014

- Target date for publishing the emergency *Federal Register* notice for this collection.
- Start of public comment period.

August 26, 2014

- End of public comment period.
- CMS will respond to public comments (if applicable).
- Start of OMB review period.

August 29, 2014

- Requested OMB approval date.
- Approved collection is posted.

CMS POC

Jaya Ghildiyal

Phone: 301-492-5149