

Supporting Statement for Paperwork Reduction Act Submission:

Consumer Operated and Oriented Plans [CO-OP] Program Loans

A. Justification

1. Circumstances Making the Collection of Information Necessary

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 was signed into law. The two laws are collectively referred to as the Affordable Care Act. The Affordable Care Act includes a wide variety of provisions designed to expand coverage, provide more health care choices, enhance the quality of health care for all Americans, hold insurance companies more accountable, and lower health care costs.

The Consumer Operated and Oriented Plan (CO-OP) program was established by Section 1322 of the Affordable Care Act. This program provides for loans to establish at least one consumer-operated qualified nonprofit health insurance issuer in each State. Issuers supported by the CO-OP program will offer at least one qualified health plan at the silver level of benefits and one at the gold level of benefits in the individual market State Health Benefit Exchanges (Exchanges). At least two-thirds of policies or contracts offered by a CO-OP will be open to individuals and small employers. Profits generated by the nonprofit CO-OPs will be used to lower premiums, improve benefits, improve the quality of health care delivered to their members, expand enrollment, or otherwise contribute to the stability of coverage offered by the CO-OP. By increasing competition in the health insurance market and operating with a strong consumer focus, the CO-OP program will provide consumers more choices, greater plan accountability, increased competition to lower prices, and better models of care, benefiting all consumers, not just CO-OP members.

The CO-OP program provides non-profit entities with loans to fund start-up costs and State reserve requirements, in the form of Start-up Loans and Solvency Loans.¹

Applicants had the option to apply for (1) joint Start-up and Solvency Loans;² or (2) only a Solvency Loan. However, only joint Start-up and Solvency Loans were awarded. Start-up Loans are intended to assist loan recipients with the many start-up costs associated with establishing a new health insurance issuer. Solvency Loans are intended to assist loan recipients with meeting the solvency requirements of States in which the applicant seeks to be licensed to issue qualified health plans.

The Funding Opportunity Announcement (FOA) was released on July 28, 2011. It was amended on December 9, 2011 to conform to the changes in the Final Rule for the CO-OP Program released on December 8, 2011 (45 CFR Part 156). The first round of applications were due on October 17, 2011. In total, there were six rounds of applications. Applications were reviewed through the fifth round. Between the fifth and sixth round, funding for the CO-OP Program was reduced and the current funding available to the program is through the American Tax Relief Act (ATRA). ATRA reduced the funding for the CO-OP Program to 10 percent of the originally obligated funds under Section 1322(g) of the Affordable Care Act. ATRA does not allow CMS to award loans to new loan recipients but additional funds may be awarded to

¹ Although Section 1322 of the Affordable Care Act refers to Solvency Loans as “grants” to assist with meeting State solvency requirements, they are loans because they must be repaid. Therefore, Solvency Loans are referred to as “loans” throughout this document.

² Hereafter this option will be referenced as “joint Start-up and Solvency Loans.” Although an applicant needed to submit only one application in order to apply for a Start-up Loan and a Solvency Loan, and the loans were awarded at the same time, please note that they are two separate loans with different terms and conditions.

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existing loan recipients.

2. Purpose and Use of Information Collection

The data collection in this package includes requirements outlined in 45 C.F.R. Part 156 Subpart F, the FOA, and the Loan Agreement for:

- Loan applications;
- Reconsideration requests and appeals;
- Loan Agreement acceptance and execution;
- Milestone updates;
- Financial reports;
- Progress reports;
- Enhanced financial and progress reports;
- Requests for additional funding;
- Disbursement requests;
- Core Contracts;
- Updated Business Plans;
- Audits; and
- Recordkeeping.

The above information assists CMS in administering the program, tracking the progress of loan recipients, ensuring that loans are being appropriately spent and that instances of fraud, waste and abuse are avoided, and ensuring that each loan recipient is on track to repay loans within the timeframes specified in 45 C.F.R. Subpart F and in its Loan Agreement.

This funding opportunity requires that loan recipients meet certain periodic reporting requirements to ensure that recipients are making appropriate progress towards achieving the goals specified in their Loan Agreements. Start-up Loans and Solvency Loans are made available for drawdown incrementally according to recipient progress; thus, recipients must report on their progress and funding needs in order to be allowed to drawdown their loan funds.

3. Use of Improved Information Technology and Burden Reduction

Information collected in the package is submitted electronically with the exception of the Loan Agreement, which must be signed by an officer of the applicant who has the ability to legally bind the applicant and must be returned to CMS in hard copy. CMS staff analyzes the data in the same manner by which it was submitted and communicates with applicants using e-mail or telephone.

4. Efforts to Identify Duplication and Use of Similar Information

Not applicable.

5. Impact on Small Businesses or Other Small Entities

No impact on small business.

6. Consequences of Collecting the Information Less Frequent Collection

Information collected in the package consists of both one-time data collection and regular programmatic

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reporting to CMS. In order to ensure federal funds are being used correctly and efficiently, CMS must receive regular program information to monitor the spending of federal dollars and be best positioned to promptly address programmatic issues such as instances of fraud, waste and abuse. In addition, loan recipients must report to CMS regularly in order to continue to be able to draw down their loan funding. Other items addressed in this package, such as record retention requirements, are a one-time data collection.

7. Special Circumstances Relating to the Guidelines of 5 C.F.R. 1320.5

No special circumstances.

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

A 30-day notice in the Federal Register will be published on November 21, 2014 to seek public comments in response to the information collection request described below.

9. Explanation of any Payment/Gift to Respondents

Not applicable.

10. Assurance of Confidentiality Provided to Respondents

All information will be kept private to the extent allowed by application, laws, and regulations.

11. Justification for Sensitive Questions

CMS performed criminal background checks and credit checks on key personnel listed in applications in order to ensure that key personnel were involved in any criminal proceedings, especially those related to fraud or misuse of funds. Applicants were contacted via email to request the Social Security numbers of key personnel. The email explained that the Social Security numbers will be used to perform background and/or credit checks and require that the applicant obtained the personnel's consent before sending us their Social Security numbers. All HIPAA privacy rules were followed in obtaining such information such as requesting sensitive information be shared via encrypted email or by phone.

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

1. Application – Start-up/Solvency Loans

Applicants were required to submit a complete loan application to CMS. The application are the same regardless of whether the applicant applied for joint Start-up and Solvency Loans or only a Solvency Loan. This burden estimate includes the total estimated burden to complete and submit an application for joint Start-up and Solvency Loans or only a Solvency Loan in connection with the FOA and 45 C.F.R. Part 156 Subpart F.

We estimate that it took each applicant nonprofit approximately 516 hours to read, complete, and submit an application to CMS. In accordance with the FOA and 45 C.F.R. Part 156 Subpart F, a complete application for Start-up/Solvency Loans will include: standard forms; a cover letter; an abstract; a project narrative; an organizational chart, position descriptions, & resumes of key personnel; a description of the target market & proposed products; a budget & budget narrative; a description of the proposed enrollment strategy & financial projections; an operations plan; a governance & licensure plan; a feasibility study; proof of nonprofit status; an eligibility affidavit & application certification; affidavit(s) of criminal &/or civil proceedings; and evidence of support. We believe 9 people per nonprofit will be involved in completing the application: a senior-level manager to oversee the application, two policy analysts, a lawyer, a budget analyst, an actuary, and three senior-level managers of supporting organizations, who will write letters of support for the applicant organization.

We received a total of 147 applications, The total estimated burden for all applicants is 75,852..

2. Application Reconsideration Requests and Termination Appeals

Pursuant to the FOA, an applicant may request reconsideration of a loan application determination. To request reconsideration of its application, the applicant must submit its request in writing to CMS within 30 days of receipt of the determination. An applicant may only request reconsideration of a specific application once; any determination made by CMS as result of reconsideration is final and will not be subject to review or appeal. Additionally, as outlined in the FOA, a loan recipient may appeal a decision by CMS to terminate its loan agreement by submitting a written request for appeal with appropriate supporting documents within 30 days, consistent with the terms of its loan agreement.

We estimate that it will take each applicant/loan recipient approximately 15 hours to write and submit a reconsideration request/appeal request. We believe 3 people per applicant will be involved in requesting reconsideration/appeal: a senior-level manager and two policy analysts. Of the 147 total applications received, 103 applications were reconsidered. The average annual burden for each applicant/loan recipient is 45 hours and the total annual burden for all applicants/loan recipients is estimated at 1,545 hours.

3. Loan Agreement Acceptance

Pursuant to the FOA, once a loan application is approved, the applicant must agree to the terms stated in the loan agreement in order to receive the loan. The loan agreement states the requirements that the applicant must meet in order to participate in the CO-OP program, continue to receive funding, and be determined to be in compliance with the CO-OP program. In order to indicate its acceptance, the applicant must sign and submit the loan agreement to CMS. This is a one-time requirement.

Prior to accepting the loan agreement, the loan recipient may have the opportunity to negotiate the terms and conditions with CMS.

We estimate that it will take each recipient approximately 16 hours to read, negotiate, sign, and submit the loan

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agreement to CMS. We believe 4 people per recipient will be involved in this task: a senior-level manager, two policy analysts, and a budget analyst.

To date, 24 non-profits accepted Loan Agreements. The estimated total, one-time burden was 384 hours for all loan recipients.

4. Standard Reporting Before Loan Repayment – Start-up/Solvency Loan(s) Recipients

Pursuant to the FOA, prior to full loan repayment a recipient of joint Start-up and Solvency Loans or only a Solvency Loan will be required to submit to CMS: monthly milestone updates, monthly reporting, quarterly financial reports, semi-annual progress reports, and ad-hoc reports as deemed necessary by CMS. In addition, loan recipients will have the option of submitting a bi-annual application to be deemed in compliance with standards for participation in the Affordable Insurance Exchanges. We estimate that all recipients will choose to submit such applications.

With all reporting requirements averaged out on a monthly basis, we estimate that it will take each recipient an average of approximately 20 hours per month to assemble and submit all required and optional reports. We believe 4 people per recipient will be involved in completing each item: a senior-level manager, a market/research analyst, a budget analyst, and an actuary. The average annual burden for each loan recipient is 240 hours and the total annual reporting burden for all loan recipients is estimated at 5,520 hours.

To date, 24 non-profit entities were awarded joint start-up and solvency loans. However, one loan recipient's Loan Agreement was terminated by the CMS on September 16, 2013. Therefore, any burden related to reporting after the Loan Agreement Acceptance Burden (number 3 above) is based on 23 loan recipients.

5. Standard Reporting After Loan Repayment – Start-up/Solvency Loan Recipients

Pursuant to the FOA, during a 10-year period after full loan repayment, a recipient of joint Start-up and Solvency Loans or only a Solvency Loan will be required to submit to CMS annual progress reports and ad-hoc reports as deemed necessary by CMS. In addition, loan recipients will have the option of submitting a bi-annual application to be deemed in compliance with federal standards for participation in the Marketplace. We estimate that all recipients will choose to submit such applications.

We estimate that it will take each recipient an annual total of approximately 20 hours to assemble and submit all required and optional reports. We believe 4 people per recipient will be involved in completing each item: a senior-level manager, a market/research analyst, a budget analyst, and an actuary.

We estimate that up to 23 nonprofits will submit standard reports. We estimate an average annual total reporting burden of 460 hours for all recipients.

6. Enhanced Reporting – Start-up/Solvency Loan Recipients

Pursuant to the FOA, CMS may place a loan recipient in an enhanced oversight plan if the loan recipient underperforms or has difficulty in meeting program milestones and benchmarks, as identified in its Loan Agreement. Under an enhanced oversight plan, CMS will conduct thorough and more frequent review of the loan recipient's operations and financial status. CMS may require the loan recipient to develop and implement a corrective action plan and submit monthly updates.

We estimate that it will take each affected applicant approximately 3 hours per monthly response to comply with required enhanced reporting. We believe 4 people per applicant will be involved in the task: a senior-level manager, market/research analyst, a budget analyst, and an actuary.

We estimate that up to 10 loan recipients will be required to submit enhanced reporting each year, and that each

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case of enhanced reporting will last 2 months. We estimate an average annual total reporting burden of 60 hours for all recipients estimated to be required to submit enhanced reporting.

7. Requests for Additional Funding

Pursuant to ATRA, CMS may award additional funding to existing loan recipients. For additional funding, the loan recipient will have to submit an application which includes information addressing how this funding will contribute to the viability and sustainability of the loan recipient's organization.

We believe 4 people will be involved in the task: a senior level manager, a market/research analyst, a budget analyst, and an actuary. In June 2014, we received 10 applications for additional funding. We estimate it takes each applicant for additional funding 20 hours to complete the application and the total average annual burden for all applicants was 200 hours. If funding allows for subsequent rounds of applications for additional funding, we estimate we will receive 5 applications for each round. The total estimate annual burden for subsequent rounds of additional funding is 100 hours.

8. Disbursement Requests

Pursuant to the Loan Agreement, the disbursement of start-up loan funding occurs when loan recipients reach previously agreed upon milestones. Loan recipients must show proof that they have met milestones prior to receiving the disbursement. Loan recipients must also include any core contracts that are tied to milestone completion. We believe 3 individuals will be involved in the task: a senior level manager, a market/research analyst and a budget analyst. We estimate that the annual burden for each loan recipient will be 4 hours and the total average annual burden is 92 hours for all loan recipients.

Requests for disbursement of solvency funds are communicated to CMS directly by the loan recipient. We believe 4 individuals will be involved in the task: a senior level manager, a policy analyst, a budget analyst and an actuary. We estimate each request will take 7 hours and the annual burden for each loan recipient to be 28 hours. The total annual burden for all loan recipients is 644 hours.

9. Core Contracts

A loan recipient is required to submit any core contract that does not align with milestone completion to CMS for prior approval. We believe this task will be done by a senior level manager and estimate it will take each loan recipient 1 hour to complete this requirement. The total annual estimated burden for each loan recipient is 5 hours and the total average annual burden for all loan recipients is 115 hours.

10. Updated Business Plans

CMS may request updated business plans from loan recipients who may not be demonstrating a viable and sustainable organization. We believe 4 people will be involved in this task: a senior level manager, a market/research analyst, a budget analyst and an actuary. We believe that updated business plans will be requested from at least 10 loan recipients annually. We estimate that each updated business plan will have an estimated burden of 10 hours for each loan recipient and an estimated total annual burden of 100 hours for all loan recipients. Please note that the burden for the updated business plan does not include any internal actions taken by each loan recipient to continually assess its business plan. The estimate only accounts for the time it will take a loan recipient to produce an updated business plan responsive to CMS's request.

11. Audits

Pursuant to the FOA, the loan recipient must agree that HHS or its designees have the right to audit, inspect, and evaluate any books, contractors, records, documents, and other evidence of the loan recipient, and its members, providers and suppliers, and contracted entities that pertain to the loan recipient's compliance with program requirements and the ability of the loan recipient to repay loan funds to CMS.

CMS audits may consist of comprehensive onsite performance reviews, less-intensive site visits, and desk reviews. The timing of any audit is at the discretion of CMS.

We estimate that it will take each applicant approximately 120 hours to comply with an audit. We believe 5 people per applicant will be involved in the task: a senior-level manager, a market/research analyst, a budget analyst, an actuary, and an office manager.

We estimate that up to 23 loan recipients will be audited each year. We estimate an average annual total reporting burden of 2,760 hours for all audited recipients.

12. Recordkeeping

A loan recipient is required to meet the requirements for recordkeeping contained in the FOA. A loan recipient is required to retain all records that they or their subcontractors create, collect or maintain while participating in the program for at least ten years following termination.

We estimate that it will take each loan recipient an average of approximately 60 hours annually to appropriately maintain their records. We believe that 2 people per applicant will be involved in the task: an office manager and a laborer/mover.

We estimate that 23 loan recipients will be required to comply with recordkeeping requirements. We estimate an average annual total burden of 1,380 hours.

12A. Estimated Annualized Burden Hours**1. Application – Start-up/Solvency Loans**

| Form | Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours per Response | Total Burden Hours |
|--------------------------------------|--------------------|-----------------------|------------------------------------|-----------------------------------|--------------------|
| Complete and submit loan application | Non-profit | 147 | 1 | 516 | 75,852 |
| Total | - | - | - | 516 | 75,852 |

2. Application Reconsideration Requests

| Form | Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden hours per Response | Total Burden Hours |
|-------------------------------------|--------------------|-----------------------|------------------------------------|-----------------------------------|--------------------|
| Application Reconsideration Request | Non-profit | 103 | 1 | 15 | 1,545 |
| Total | - | - | - | 15 | 1,545 |

3. Loan Agreement Acceptance

| Form | Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours per Response | Total Burden Hours |
|--------------------------------------------|--------------------|-----------------------|------------------------------------|-----------------------------------|--------------------|
| Read, negotiate, and accept loan agreement | Non-profit | 24 | 1 | 16 | 384 |
| Total | - | - | - | 16 | 384 |

4. Standard Reporting Before Loan Repayment – Start-up/Solvency Loan(s) Recipients

| Form | Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours per Response | Total Burden Hours |
|------------------------|--------------------|-----------------------|------------------------------------|-----------------------------------|--------------------|
| Reporting Requirements | Non-profit | 23 | 12 | 20 | 5,520 |
| Total | - | - | - | 20 | 5,520 |

5. Standard Reporting After Loan Repayment – Start-up/Solvency Loan Recipients

| Form | Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours per Response | Total Burden Hours |
|-------------------------------|--------------------|-----------------------|------------------------------------|-----------------------------------|--------------------|
| Annual Reporting Requirements | nonprofit | 23 | 1.5 | 20 | 690 |
| Total | - | - | - | 20 | 690 |

6. Enhanced Reporting (Before Loan Repayment) – Start-up/Solvency Loan Recipients

| Form | Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours per Response | Total Burden Hours |
|------|--------------------|-----------------------|------------------------------------|-----------------------------------|--------------------|
|------|--------------------|-----------------------|------------------------------------|-----------------------------------|--------------------|

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|---------------------------------|-----------|----|---|---|----|
| Enhanced Reporting Requirements | nonprofit | 10 | 2 | 3 | 60 |
| Total | - | - | - | 3 | 60 |

7. Request for Additional Funds

| Form | Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours per Response | Total Burden Hours |
|------------------------------|--------------------|-----------------------|------------------------------------|-----------------------------------|--------------------|
| Request for Additional Funds | nonprofit | 10 | 1 | 20 | 200 |
| Total | - | - | - | 20 | 200 |

8. Disbursement Requests

| Form | Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours per Response | Total Burden Hours |
|------------------------------------|--------------------|-----------------------|------------------------------------|-----------------------------------|--------------------|
| Start-up Loan Disbursement Request | nonprofit | 23 | 4 | 1 | 92 |
| Solvency Loan Disbursement Request | - | 23 | 4 | 7 | 644 |
| Total | - | - | - | 8 | 736 |

9. Core Contracts

| Form | Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours per Response | Total Burden Hours |
|-----------------------------|--------------------|-----------------------|------------------------------------|-----------------------------------|--------------------|
| Core Contracts Requirements | nonprofit | 23 | 5 | 1 | 115 |
| Total | - | - | - | 1 | 115 |

10. Updated Business Plans

| Form | Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours per Response | Total Burden Hours |
|------------------------------------|--------------------|-----------------------|------------------------------------|-----------------------------------|--------------------|
| Updated Business Plan Requirements | nonprofit | 10 | 1 | 16 | 160 |
| Total | - | - | - | 1 | 160 |

11. Audits

| Form | Type of Respondent | Number of Respondents | Number of Responses | Average Burden | Total Burden |
|------|--------------------|-----------------------|---------------------|----------------|--------------|
| | | | | | |

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| | | | per Respondent | Hours per Response | Hours |
|--------------------|-----------|----|-------------------|--------------------------|-------|
| Audit Requirements | nonprofit | 23 | 1 | 120 | 2,760 |
| Total | - | - | - | 120 | 2,760 |

12. Recordkeeping

| Form | Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours per Response | Total Burden Hours |
|----------------------|----------------------------|--------------------------|---------------------------------------------|--------------------------------------------|--------------------------|
| Annual Recordkeeping | nonprofit (loan recipient) | 23 | 1 | 60 | 1,380 |
| Total | - | - | - | 60 | 1,380 |

12B. Cost Estimate for All Respondents**1. Application – Start-up/Solvency Loans**

| Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours per Response | Wage per Hour | Burden Costs All Respondents |
|---------------------------------------------|-----------------------|------------------------------------|-----------------------------------|---------------|------------------------------|
| Senior-level manager | 147 | 1 | 89.50 | \$53 | \$697,294.50 |
| Policy analyst with insurance expertise | 147 | 1 | 85 | \$41 | \$512,295.00 |
| Policy analyst with health policy expertise | 147 | 1 | 86.5 | \$41 | \$521,335.50 |
| Lawyer | 147 | 1 | 27.5 | \$60 | \$242,550.00 |
| Budget analyst | 147 | 1 | 115.5 | \$29 | \$492,376.50 |
| Actuary | 147 | 1 | 113.5 | \$46 | \$767,487.00 |
| Total | - | - | 516 | - | \$3,233,338.50 |

2. Application Reconsideration Requests

| Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours per Response | Wage per Hour | Burden Costs All Respondents |
|---------------------------------------------|-----------------------|------------------------------------|-----------------------------------|---------------|------------------------------|
| Senior-level manager | 103 | 1 | 4 | \$53 | \$21,836.00 |
| Policy analyst with insurance expertise | 103 | 1 | 5 | \$41 | \$21,115.00 |
| Policy analyst with health policy expertise | 103 | 1 | 6 | \$41 | \$25,338.00 |
| Total | - | - | 15 | - | \$68,289.00 |

3. Loan Agreement Acceptance

| Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours per Response | Wage per Hour | Burden Costs All Respondents |
|---------------------------------------------|-----------------------|------------------------------------|-----------------------------------|---------------|------------------------------|
| Senior-level manager | 24 | 1 | 4 | \$53 | \$5,088.00 |
| Policy analyst with insurance expertise | 24 | 1 | 4 | \$41 | \$3,936.00 |
| Policy analyst with health policy expertise | 24 | 1 | 4 | \$41 | \$3,936.00 |
| Budget analyst | 24 | 1 | 4 | \$29 | \$2,784.00 |
| Lawyer | 24 | 1 | 4 | \$60 | \$5,760.00 |
| Total | - | - | 20 | - | \$21,504.00 |

4. Standard Reporting Before Loan Repayment – Start-up/Solvency Loan(s) Recipients

| Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours | Wage per Hour | Burden Costs All Respondents |
|----------------------|-----------------------|------------------------------------|----------------------|---------------|------------------------------|
| Senior-level manager | 23 | 12 | 4 | \$56 | \$61,824.00 |

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|-------------------------|----|----|----|------|--------------|
| Market/Research analyst | 23 | 12 | 8 | \$33 | \$72,864.00 |
| Budget analyst | 23 | 12 | 6 | \$35 | \$57,960.00 |
| Actuary | 23 | 12 | 2 | \$52 | \$28,704.00 |
| Total | - | - | 20 | - | \$221,352.00 |

5. Standard Reporting After Loan Repayment – Start-up/Solvency Loan Recipient

| Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours | Wage per Hour | Burden Costs All Respondents |
|-------------------------|-----------------------|------------------------------------|----------------------|---------------|------------------------------|
| Senior-level manager | 23 | 1.5 | 4 | \$56 | \$7,728.00 |
| Market/Research analyst | 23 | 1.5 | 5 | \$33 | \$5,629.50 |
| Budget analyst | 23 | 1.5 | 7 | \$35 | \$8,452.50 |
| Actuary | 23 | 1.5 | 4 | \$46 | \$6,348.00 |
| Total | - | - | 20 | - | \$28,158.00 |

6. Enhanced Reporting (Before Loan Repayment) – Start-up/Solvency Loan Recipients

| Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours | Wage per Hour | Burden Costs All Respondents |
|-------------------------|-----------------------|------------------------------------|----------------------|---------------|------------------------------|
| Senior-level manager | 10 | 2 | 0.5 | \$56 | \$560.00 |
| Market/Research analyst | 10 | 2 | 1 | \$33 | \$660.00 |
| Budget analyst | 10 | 2 | 1 | \$35 | \$700.00 |
| Actuary | 10 | 2 | 0.5 | \$52 | \$520.00 |
| Total | - | - | 3 | - | \$2,440.00 |

7. Request for Additional Funding

| Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours | Wage per Hour | Burden Costs All Respondents |
|-------------------------|-----------------------|------------------------------------|----------------------|---------------|------------------------------|
| Senior-level manager | 10 | 1 | 6 | \$56 | \$3,360.00 |
| Market/Research analyst | 10 | 1 | 3 | \$33 | \$990.00 |
| Budget Analyst | 10 | 1 | 3 | \$35 | \$1,050.00 |
| Actuary | 10 | 1 | 8 | \$52 | \$4,160.00 |
| Total | - | - | 20 | - | \$9,560.00 |

8a. Disbursement Requests (Start-up Loans)

| Type of Respondent | Number of | Number of | Average | Wage | Burden |
|--------------------|-----------|-----------|---------|------|--------|
|--------------------|-----------|-----------|---------|------|--------|

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| | Respondents | Responses per Respondent | Burden Hours | per Hour | Costs All Respondents |
|-------------------------|-------------|--------------------------|--------------|----------|-----------------------|
| Senior-level manager | 23 | 4 | 2 | \$56 | \$10,304.00 |
| Market/Research analyst | 23 | 4 | 1 | \$33 | \$3,036.00 |
| Budget analyst | 23 | 4 | 1 | \$35 | \$3,220.00 |
| Total | - | - | 4 | - | \$16,560.00 |

8b. Disbursement Requests (Solvency Loans)

| Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours | Wage per Hour | Burden Costs All Respondents |
|-------------------------|-----------------------|------------------------------------|----------------------|---------------|------------------------------|
| Senior-level manager | 23 | 4 | 2 | \$56 | \$10,304.00 |
| Market/Research analyst | 23 | 4 | 1 | \$33 | \$3,036.00 |
| Budget analyst | 23 | 4 | 1 | \$35 | \$3,220.00 |
| Actuary | 23 | 4 | 4 | \$52 | \$20,608.00 |
| Total | - | - | 8 | - | \$37,168.00 |

9. Core Contracts

| Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours | Wage per Hour | Burden Costs All Respondents |
|----------------------|-----------------------|------------------------------------|----------------------|---------------|------------------------------|
| Senior-level manager | 23 | 5 | 1 | \$56 | \$6,440.00 |
| Total | - | - | 1 | - | \$6,440.00 |

10. Updated Business Plans

| Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours | Wage per Hour | Burden Costs All Respondents |
|-------------------------|-----------------------|------------------------------------|----------------------|---------------|------------------------------|
| Senior-level manager | 10 | 1 | 3 | \$56 | \$1,680.00 |
| Market/Research analyst | 10 | 1 | 4 | \$33 | \$1,320.00 |
| Budget Analyst | 10 | 1 | 2 | \$35 | \$700.00 |
| Lawyer | 10 | 1 | 2 | \$64 | \$1,280.00 |
| Actuary | 10 | 1 | 5 | \$52 | \$2,600.00 |
| Total | - | - | 16 | - | \$7,580.00 |

11. Audits

| Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours | Wage per Hour | Burden Costs All Respondents |
|-------------------------|-----------------------|------------------------------------|----------------------|---------------|------------------------------|
| Senior-level manager | 23 | 1 | 16 | \$56 | \$20,608.00 |
| Market/Research analyst | 23 | 1 | 32 | \$33 | \$24,288.00 |
| Budget analyst | 23 | 1 | 32 | \$35 | \$25,760.00 |
| Actuary | 23 | 1 | 16 | \$52 | \$19,136.00 |
| Office Manager | 23 | 1 | 24 | \$26 | \$14,352.00 |
| Total | - | - | 120 | - | \$104,144.00 |

12. Recordkeeping

| Type of Respondent | Number of Respondents | Number of Responses per Respondent | Average Burden Hours | Wage per Hour | Burden Costs All Respondents |
|-----------------------------------------------|-----------------------|------------------------------------|----------------------|---------------|------------------------------|
| Office Manager | 23 | 1 | 50 | \$26 | \$29,900.00 |
| Laborers and Freight, Stock & Material Movers | 23 | 1 | 10 | \$12 | \$2,760 |
| Total | - | - | 60 | - | \$32,660.00 |

Salaries were taken from the Bureau of Labor Statistics website.

(<http://www.bls.gov/oco/ocos007.htm>)

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

There are no additional record keeping/capital costs.

14. Annualized Cost to Federal Government

The cost to the government for the review and awarding of loan applications prior to ATRA is listed below.

| Type Federal Employee Support | Total Burden Hours | Hourly Wage Rate* | Total Federal Government Costs |
|-------------------------------------|--------------------|----------------------|--------------------------------|
| Senior Leadership reviewers; annual | 160 | SES equivalent \$75 | \$12,000.00 |
| First level reviewers; annual | 480 | GS13 equivalent \$50 | \$24,000.00 |
| Contract | - | - | \$325,706.00 |
| Total | - | - | \$361,706.00 |

*Salaries based on Senior Executive Service and GS wage rate for Washington, D.C. area.

The annual cost to the government for reviewing reports and awarding additional funds to existing loan recipients is listed below:

| Type of Review | Number of Reports per year, per loan recipient | Number of loan recipients | Average Burden Hours | Wage per Hour | Total Federal Government Costs |
|------------------------------------------------------------------|------------------------------------------------|---------------------------|----------------------|-----------------------|--------------------------------|
| Review of monthly reporting (mid-level) | 12 | 23 | .5 | \$29 | \$4,002.00 |
| Review of quarterly reporting (mid-level) | 4 | 23 | 4 | \$29 | \$10,672.00 |
| Review of semi-annual reporting (mid-level) | 2 | 23 | 6 | \$29 | \$8,004.00 |
| Review of updated business plan reporting (mid-level) | 1 | 10 | 9 | \$29 | \$6,003.00 |
| Review of monthly reporting (senior-level) | 12 | 23 | 1 | \$48 | \$13,248.00 |
| Review of quarterly reporting (senior-level) | 4 | 23 | 1 | \$48 | \$4,416.00 |
| Review of semi-annual reporting (senior-level) | 2 | 23 | 1 | \$48 | \$2,208.00 |
| Review of updated business plan reporting (senior-level) | 1 | 10 | 4 | \$48 | \$1,920.00 |
| Review of requests for additional funding (mid-level) | 1 | 10 | 8 | \$29 | \$2,320.00 |
| Review of requests for additional funding (senior level manager) | 1 | 10 | 15 | \$48 | \$7,200.00 |
| Review of requests for additional funding (selection committee) | 1 | 10 | 35 | \$75 (SES Equivalent) | \$26,250.00 |
| Contract | - | - | - | - | \$176,000.00 |
| Total | - | - | - | - | \$262,243.00 |

15. Explanation for Program Changes or Adjustments

ATRA reduced the funding for the CO-OP Program to 10 percent of the originally obligated funds under Section 1322(g) of the Affordable Care Act and prohibited new loan awards to establish new CO-OPs. The funding under ATRA allows for additional loan awards to be made to existing CO-OPs. As such, the burden calculated in this supporting statement is based on the number of loans currently in existence. As a result of requiring additional reporting requirements, the total burden increased from 36,111 hours annually to 89,172 hours annually.

16. Plans for Tabulation and Publication and Project Time Schedule

Draft as of 7/31/2014

Start-up/Solvency Loans, Standard Reporting: Information in this package prior to loan repayment will be primarily collected monthly, quarterly and semi-annually, with potential ad hoc collections of specific information related to business plans and optional bi-annual updates. Information in this package for the ten years following loan repayment will be primarily collected annually, with optional bi-annual updates.

Start-up/Solvency Loans, Audits: Audits will be primarily performed annually and may include a site visit. Loan recipients may also receive a second site visit annually. Record retention requirements will be a one-time data collection.

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

Not applicable.

B. Collection of Information Employing Statistical Methods

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