

Program Integrity II Information Collections - Supporting Statement – Part A

A. Background

The Patient Protection and Affordable Care Act, Public Law 111-148, enacted on March 23, 2010, and the Health Care and Education Reconciliation Act, Public Law 111-152, enacted on March 30, 2010 (collectively, “Affordable Care Act”), expand access to health insurance for individuals and employees of small businesses through the establishment of new Affordable Insurance Exchanges (Exchanges), also called Marketplaces, including the Small Business Health Options Program (SHOP). The Exchanges, for which enrollment will become operational by October 1, 2013 and coverage will become effective as early as January 1, 2014, will enhance competition in the health insurance market, expand access to affordable health insurance for millions of Americans, and provide consumers with a place to easily compare and shop for health insurance coverage.

On June 19, 2013, HHS published the proposed rule CMS-9957-P: *Program Integrity: Exchanges, SHOP, Premium Stabilization Programs, and Market Standards* (78 FR 37302) (Program Integrity Proposed Rule). Among other things, the Program Integrity Proposed Rule sets forth financial integrity provisions and protections against fraud and abuse. The third party disclosure requirements and data collections proposed in the Program Integrity Proposed Rule support the oversight of premium stabilization programs (transitional reinsurance, risk corridors and risk adjustments), State Exchanges, and qualified health plan (QHP) issuers in Federally- facilitated Exchanges (FFEs). HHS finalized some provisions from the Program Integrity Proposed Rule in a final rule, *Patient Protection and Affordable Care Act; Program Integrity: Exchange, SHOP, and Eligibility Appeals*, published on August 30, 2013. HHS displayed the final rule that finalized the remaining provisions from the Program Integrity Proposed Rule, CMS-9957-F2; CMS-9964-F3: *Patient Protection and Affordable Care Act; Program Integrity: Exchange, Premium Stabilization Programs, and Market Standards; Amendments to the HHS Notice of Benefit and Payment Parameters for 2014* (Program Integrity Final Rule II) on October 24, 2013.

B. Justification

1. Need and Legal Basis

Section 1311(c)(4) of the Affordable Care Act directs the Secretary of Health and Human Services (Secretary) to establish an enrollee satisfaction survey system that would evaluate the level of enrollee satisfaction of members in each QHP offered through an Exchange with more than 500 enrollees in the previous year.

Section 1321(a) of the Affordable Care Act provides general authority for the Secretary to establish standards and regulations to implement the statutory requirements related to Exchanges, QHPs, and other components of Title I of the Affordable Care Act.

Section 1321(c)(1) of the Affordable Care Act requires the Secretary to establish and operate an FFE within States that either: do not elect to operate an Exchange; or, as determined by the Secretary, will not have any required Exchange operational by January 1, 2014.

Section 1321(c)(2) of the Affordable Care Act authorizes the Secretary to enforce the Exchange standards using civil money penalties (CMPs) on the same basis as detailed in section 2723(b) of the Public Health Service Act (PHS Act). Section 2723(b) of the PHS Act authorizes the Secretary to impose CMPs as a means of enforcing the individual and group market reforms contained in Title XXVII, Part A of the PHS Act when a State fails to substantially enforce these provisions.

Section 1311(e)(1)(B) of the Affordable Care Act specifies that an Exchange may certify a health plan as a QHP if the Exchange determines that making available such a health plan is in the interests of qualified individuals and qualified employers in the State or States in which the Exchange operates.

Section 1341 of the Affordable Care Act establishes a transitional reinsurance program which begins in 2014 and is designed to provide issuers with greater payment stability as insurance market reforms are implemented and Exchanges facilitate increased enrollment. Section 1342 of the Affordable Care Act establishes a temporary risk corridors program which permits the Federal government and QHPs to share in gains or losses resulting from inaccurate rate setting from 2014 through 2016. Section 1343 of the Affordable Care Act establishes a permanent risk adjustment program which is intended to provide increased payments to health insurance issuers that attract higher-risk populations, such as those with chronic conditions, and eliminate incentives for issuers to avoid higher-risk enrollees.

Section 1401 of the Affordable Care Act amended the Internal Revenue Code (26 U.S.C.) to add section 36B, allowing a refundable premium tax credit to help individuals and families afford health insurance coverage. Under sections 1401, 1411, and 1412 of the Affordable Care Act and 45 CFR part 155, subpart D, an Exchange will make a determination of advance payments of the premium tax credit for individuals who enroll in QHP coverage through an Exchange and seek financial assistance. 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. Section 1313 of the Affordable Care Act, combined with section 1321 of the Affordable Care Act, provides the Secretary with the authority to oversee the financial integrity, compliance with HHS standards, and efficient and non-discriminatory administration of State Exchange activities. Section 1313(a)(6)(A) of the Affordable Care Act specifies that payments made by, through, or in connection with an Exchange are subject to the False Claims Act (31 U.S.C. 3729, et seq.) if those payments include any Federal funds.

The Program Integrity Final Rule II contains provisions that mandate third-party disclosure and data collections necessary to protect Federal funds and ensure that States Exchanges, premium stabilization programs, and QHP issuers in FFEs are in compliance with the Affordable Care Act. These information collection requirements are proposed for 45 CFR Parts 153, 155, and 156.

2. Information Users

The program integrity data collections and third-party disclosure requirements will assist HHS in determining Exchange compliance with Federal standards. The data collection and third-party disclosure requirements will also assist HHS in monitoring QHP issuers in FFEs for compliance with Federal QHP issuer standards. The data collected by health insurance issuers and Exchanges will help to inform HHS, Exchanges, and health insurance issuers as to the participation of individuals, employers, and employees in the individual Exchange, the SHOP, and the premium stabilization programs.

3. Use of Information Technology

HHS anticipates that a majority of the systems, notices, and information collection required by this rule will be automated. A majority of the information that is required by the collection of information for this rule will be submitted electronically. HHS staff will analyze or review the data in the same manner by which it was submitted and communicate with States, health insurance issuers, and other entities using e-mail, telephone, or other electronic means.

HHS will be leveraging existing IT systems for the collection of the State specific data set forth in the information collection requirements in 45 CFR 156.135. HHS aims to lessen the burden on states and minimize the need for any start-up costs for the required submission by using existing IT systems.

4. Duplication of Efforts

This information collection does not duplicate any other Federal effort.

5. Small Businesses

This information collection will not have a significant impact on small business.

6. Less Frequent Collection

Due to the required flow of information between multiple parties and flow of funds for payments for health insurance coverage within the Exchange, it is necessary to collect information according to the indicated frequencies. If the information is collected less frequently, the result would be less accurate, untimely or unavailable eligibility, enrollment or payment information for Exchanges, insurers, employers and individuals. This would lead to delayed payments to insurers; late charges to or payments by employers and enrollees; inaccurate or inappropriate payments of advance premium tax credits and cost sharing reductions; the release of misleading information regarding health care coverage to potential enrollees; and an overall stress on the organizational structure of the Exchanges. If the information is not collected in the timeframe proposed, HHS will not be able to properly ensure the financial integrity of Federal funds.

7. Special Circumstances

HHS proposes maintenance of records requirements in §§153.240, 153.310, 153.405, 153.410, 155.1210, and 156.705. In these sections, HHS is proposing to require States and QHP issuers in FFEs to maintain records for a time period of ten years. This time frame is necessary for HHS to be consistent with the statute of limitations under the False Claims Act and the record retention requirements set forth in 45 CFR 153.620(b).

In proposed §156.905, HHS proposes to provide respondents with the right to request a hearing if the request complies with proposed §156.907 within 30 days after the date of issuance of either HHS' notice of proposed assessment under proposed §156.805, notice of decertification of a QHP under §156.810(c) or §156.810(d). The timeline is necessary to provide entities with the protections provided by the Administrative Procedure Act, 5 U.S.C. 554 and 556.

8. Federal Register/Outside Consultation

The proposed rule soliciting comments was published on June 19, 2013 (78 FR 37032). HHS has consulted with stakeholders on many of the requirements in this information collection, and has based many of the requirements in this information collection on those consultations. HHS consulted with stakeholders through regular meetings with the National Association of Insurance Commissioners (NAIC), regular contact with States through the Exchange grant process, and meetings with other stakeholders including consumer advocates, employers, agents, brokers, and other interested parties.

9. Payments/Gifts to Respondents

No payments and/or gifts will be provided to respondents.

10. Confidentiality

To the extent of the applicable law and HHS policies, HHS will maintain respondent privacy with respect to the information collected. Nothing in the information collection should be interpreted as preventing a State from being allowed to disclose its own data.

11. Sensitive Questions

There are no sensitive questions included in this information collection effort.

Burden Estimates (Hours & Wages)

The following sections of this document contain estimates of burden imposed by the associated information collection requirements (ICRs); however, not all of these estimates are subject to the ICRs under the PRA for the reasons noted. Salaries for the positions cited were mainly taken from the Bureau of Labor Statistics (BLS) Web site (http://www.bls.gov/oco/ooh_index.htm).

ICRs Regarding Program Integrity Provisions Related to State Operation of the Reinsurance Program (§153.260)

In §153.260, State-operated reinsurance programs are directed to: (1) keep an accurate accounting of reinsurance contributions, payments, and administrative expenses; (2) submit to HHS and make public a summary report on program operations; and (3) engage an independent qualified auditing entity to perform a financial and programmatic audit for each benefit year, provide the audit results to HHS, and make public summary of the audit results. Fewer than 10 States have informed HHS that they will operate reinsurance for the 2014 benefit year. While these reinsurance records requirements are subject to the PRA, we believe the associated burden is exempt under 5 CFR 1320.3(c)(4) and 44 USC 3502(3)(A)(i), since fewer than 10 entities would be affected. Therefore, we are not seeking approval from OMB for these information collection requirements.

ICRs Regarding Program Integrity Provisions Related to State Operation of the Risk Adjustment Program (§153.310(c)(4) and §153.310(d)(3)-(4), and §153.365)

In §153.310(c)(4), §153.310(d)(3)-(4), and §153.365, States are required to perform risk adjustment

assessments by: (1) retaining records for a 10-year period; (2) submitting an interim report in its first year of operation; (3) submitting to HHS and make public a summary report on program operations for each benefit year; and (4) keeping an accurate accounting for each benefit year of all receipts and expenditures related to risk adjustment payments, charges, and administrative expenses. Fewer than 10 States have informed HHS that they will operate risk adjustment for the 2014 benefit year.

Since the burden associated with collections from fewer than 10 entities is exempt from the PRA under 5 CFR 1320.3(c)(4) and 44 USC 3502(3)(A)(i), we are not seeking approval from OMB for the risk adjustment information collection requirements. However, if more than nine States elect to operate risk adjustment in the future, we will seek approval from OMB for these information collections.

ICRs Regarding Maintenance of Records for Contributing Entities and Reinsurance-eligible Plans (§153.405(h) and §153.410(c))

In §153.405(h) and §153.410(c), record retention standards for contributing entities and reinsurance-eligible plans are included. In §153.405(h), contributing entities are required to maintain documents and records, whether paper, electronic, or in other media, sufficient to substantiate the enrollment count submitted pursuant to §153.405(b) for a period of at least 10 years, and to make those documents and records available upon request to HHS, the HHS Office of the Inspector General (OIG), and the Comptroller General.

On March 11, 2013 HHS published a list of data elements required to receive payments in conjunction with information collection associated with the Patient Protection and Affordable Care Act; Notice of Benefit and Payment Parameters for 2014 (78 CFR 15410). Issuers and contributing entities are not required to submit data to HHS and/or complete an application because issuers and contributing only need to maintain records.

We estimate that 26,200 contributing entities will be subject to this requirement, based on the Department of Labor's (DOL) estimated count of self-insured plans and the number of fully insured issuers that we estimate will make reinsurance contributions. We believe that most of these contributing entities will already have the systems in place for record maintenance, and that the additional burden associated with this requirement is the time, effort, and additional labor cost required to maintain the records. Therefore, we estimate that this requirement will take each contributing entity approximately 5 hours annually to maintain records. We estimate that it will take an insurance operations analyst 5 hours (at \$38.49 per hour) to meet the requirements in §153.405(h). On average, the cost for each contributing entity would be approximately \$192.45 annually. The aggregate burden for the 26,200 contributing entities subject to this requirement of is 131,000 hours at a cost of \$5,042,190.00.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Insurance Operations Analyst	1	\$38.49	5	\$192.45	
Total (based on the 26,200 entities)			5	\$192.45	\$5,042,190.00

In §153.410(c), issuers of reinsurance-eligible plans are required to maintain documents and records, whether paper, electronic, or in other media, sufficient to substantiate the requests for reinsurance payments made pursuant to §153.410(a) for a period of at least 10 years, and must make that evidence available upon request to HHS, the OIG, the Comptroller General, or their designees, (or, in the case of a State operating reinsurance, the State or its designees), for purposes of verification of reinsurance payment requests. We estimate that 1,900 issuers of reinsurance-eligible plans will be subject to this requirement, based on HHS’s most recent estimate of the number of fully insured issuers that will submit requests for reinsurance payments. We estimate this requirement will take each issuer of a reinsurance-eligible plan approximately 10 hours annually to maintain the records. To fulfill this provision, we estimate that it will take an insurance operations analyst 10 hours (at \$38.49 per hour). Therefore, the cost per issuer is approximately \$384.90 annually. The aggregate burden for 1,900 issuers is 19,000 hours at a cost of \$731,310.00 as a result of this requirement.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Insurance Operations Analyst	1	\$38.49	10	\$384.90	
Total (based on the 1,900 issuers)			10	\$384.90	\$731,310.00

ICRs Related to Oversight and Financial Integrity Standards for State Exchanges (§155.1200 to §155.1210)

Section 155.1200(a)(1) through (3) requires the State Exchange to follow generally accepted accounting principles (GAAP) and to monitor and report to HHS all Exchange-related activities. This

includes keeping an accurate accounting of all Exchange receipts and expenditures. The State Exchanges will electronically maintain the information as a result of normal business practices; therefore, the burden does not include the time and effort needed to maintain the Exchange-related activity information. The burden associated with this requirement includes a computer programmer taking 8 hours (at \$48.61 an hour) to modify the system to maintain and monitor the information required under §155.1200(a)(1) through (3), an analyst taking 8 hours (at \$58.05 an hour) to pull the necessary data under §155.1200(a)(1) through (3) in the State Exchange accounting system, and a senior manager taking 2 hours (at \$77.00 an hour) to oversee the development and transmission of the reported data. We estimate this requirement will take 18 total hours at a cost of \$1,007.28 for each State Exchange. Therefore, for the 18 State Exchanges, we estimate an aggregate burden of 324 hours at a cost of \$18,131.04.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Computer Programmer	1	\$48.61	8	\$388.88	
Analyst	1	\$58.05	8	\$464.40	
Senior Manager	1	\$77.00	2	\$154.00	
Total (based on the 18 State Exchanges)			18	\$1,007.28	\$18,131.04

Section 155.1200(b)(1) requires the State Exchange to submit a financial statement, in accordance with GAAP to HHS annually to be publicly displayed. The burden associated with this reporting requirement is the time and effort needed to develop and submit the financial statement to HHS. The State Exchanges will electronically submit the information. The burden associated with this requirement includes a computer programmer taking 40 hours (at \$48.61 an hour) to design the financial statement report, an analyst taking 8 hours (at \$58.05 an hour) pulling the necessary data and inputting it into the financial statement report, and a senior manager taking 2 hours (at \$77.00 an hour) overseeing the development and transmission of the reported data. We estimate a burden of 50 total hours for each State Exchange at a cost of \$2,562.80. Therefore, the aggregate burden for the 18 State Exchanges is 900 hours at a cost of \$45,410.40.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)

Computer Programmer	1	\$48.61	40	\$1,944.40	
Analyst	1	\$58.05	8	\$464.40	
Senior Manager	1	\$77.00	2	\$154.00	
Total (based on the 18 State Exchanges)			50	\$2,562.80	\$45,410.40

Section 155.1200(b)(2) requires the State Exchange to submit eligibility and enrollment reports to HHS. The State Exchanges will electronically maintain the information as a result of normal business practices, therefore the burden does not include the time and effort required to develop and maintain the source information. The burden associated with this reporting requirement includes the time and effort necessary for a computer programmer taking 40 hours (at \$48.61 an hour) to design the report template, an analyst taking 8 hours (at \$58.05 an hour) to compile the statistics for the report for submission to HHS, a privacy officer taking 8 hours (at \$64.98 an hour) and senior manager taking 2 hours (at \$77.00 an hour) overseeing the development and submission of the reported data. The burden also includes the time and effort necessary to post the data on the State Exchange Web site. We estimate an initial year burden of 58 hours at a cost of \$3,082.64 to each State Exchange. Therefore, the aggregate burden for the 18 State Exchanges is 1,044 hours at a cost of \$55,487.52.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Computer Programmer	1	\$48.61	40	\$1944.40	
Analyst	1	\$58.05	8	\$464.40	
Privacy Officer	1	\$64.98	8	\$519.84	
Senior Manager	1	\$77.00	2	\$154.00	
Total (based on the 18 State			58	\$3,082.64	\$55,487.52

As discussed in §155.1200(b)(3), the State Exchange will report performance monitoring data to HHS. The performance monitoring data includes information on financial sustainability, operational efficiency, and consumer satisfaction, which will be reported on an annual basis. The State Exchanges will electronically maintain the information as a result of normal business practices developed under Establishment Grants from HHS for this purpose. Therefore the burden does not include the time and effort needed to develop and maintain the performance data. The

burden associated with meeting the reporting requirement includes the time and effort necessary for a computer programmer taking 40 hours (at \$48.61 an hour) to design the report, for an analyst taking 12 hours (at \$58.05 an hour) to pull data into the report and prepare for submission to HHS and for a senior manager taking 2 hours (at \$77.00 an hour) to oversee the development and transmission of the reported data. Section 155.1200(b) requires the State Exchange to submit to HHS and to display publicly financial, eligibility and enrollment reports and performance data at least annually. For those measures reported annually, we estimate that in the initial year a burden of 54 hours at a cost of \$2,795.00 for each State Exchange. Therefore, we estimate an aggregate burden for the 18 State Exchanges of 972 hours at a total cost of \$50,031.00.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Computer Programmer	1	\$48.61	40	\$1944.40	
Analyst	1	\$58.05	12	\$696.60	
Senior Manager	2	\$77.00	2	\$154.00	
Total (based on the 18 State Exchanges)			54	\$2,794.60	\$50,301.00

For subsequent years, when the Establishment Grant project period ends we estimate an additional burden of 208 hours necessary for the computer programmer (at \$48.61 an hour) to maintain the performance data. For the first year, the burden for maintaining the data was already accounted for in the PRA package for the Exchange Establishment Grants (OMB Control Number 0938-1119); therefore, we are only including subsequent years in the ICR. We estimate that the total burden from year 1 will decrease to \$25,016.00 assuming a decreased effort and an additional burden of \$18,199.00 for maintaining the data, yielding a total burden of \$44,012.00 for subsequent years.

Section 155.1200(b)(4) requires the State Exchange to make public a summary of the results of the external financial audit. The burden associated with this requirement is the time and effort for a computer programmer taking 1 hour (at \$48.61 an hour) to design the summary and for an analyst to take 1 hour (at \$58.05 an hour) to pull data into the summary and prepare for public display. For this requirement we estimate in the initial year a burden of 2 hours for the State Exchanges at a cost of \$107.00 each and a total burden of \$1926.00. Therefore, the aggregate burden for the 18 State Exchanges, is estimated at 36 hours at a cost of \$1926.00.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Computer Programmer	1	\$48.61	1	\$48.61	
Analyst	1	\$58.05	1	\$58.05	
Total (based on the 18 State Exchanges)			2	\$106.66	\$1,926.00

Section 155.1200(c) (1) through (3) directs the State Exchange to engage an independent audit/review organization to perform an external financial and programmatic audit of the State Exchange. The State Exchange will provide the results of the audit and identify any material weakness or significant deficiency and intended corrective action in a public summary. The burden associated with this third party disclosure requirement includes the burden for an analyst level employee taking 3 hours (at \$48.61 an hour) to pull data into a report, the time and effort necessary for a health policy analyst taking 2 hours (at \$58.05 an hour) to prepare the report of the audit results, and the time for senior management taking 1 hours (at \$77.00 an hour) to review and submit to HHS. We estimate a burden of 6 hours at a cost of \$338.93 for each State Exchange. Therefore, the aggregate burden for the 18 State Exchanges is 108 hours at a cost of \$6,100.74.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Analyst	1	\$48.61	3	\$145.83	
Health Policy Analyst	1	\$58.05	2	\$116.10	
Senior Manager	1	\$77.00	1	\$77.00	
Total (based on the 18 State Exchanges)			6	\$338.93	\$6,100.74

As stated in §155.1210(a), the State Exchange and its contractors, subcontractors, and agents must maintain for 10 years, books, records, documents, and other evidence of accounting procedures and practices. Section 155.1210(b) specifies that the records include information concerning management and operation of the State Exchange’s financial and other record keeping systems. The records must also include financial statements, including cash flow statements, and accounts receivable and matters pertaining to the costs of operation. The burden associated with this record keeping requirement includes the time and effort necessary for a network administrator taking 16 hours (at \$46.86 an hour) to modify the State systems to maintain the information required under §155.1210(b), for a health policy analyst taking 8 hours (at \$58.05 an hour) to enter the data under §155.1210(b) into the State Exchange record retention system, and for senior management taking 2 hours (at \$77.00an hour) to oversee record collection and retention. We estimate that it will take 26 hours at a cost of \$1,368.16 for each State Exchange. Therefore, the aggregate burden for the 18 State Exchanges is 468 hours at a cost of \$24,626.88. The burden associated with completing the documents required by §155.1200 to §155.1210, including the application, is discussed in the State-Based Marketplace Annual Reporting Tool (SMART) information collection (FR Doc. 2013-27305).

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Network Administrator	1	\$46.86	16	\$749.76	
Health Policy Analyst	1	\$58.05	8	\$464.40	
Senior Manager	1	\$77.00	2	\$154.00	
Total (based on the 18 State Exchanges)			26	\$1,368.16	\$24,626.88

ICRs Related to Change of Ownership (§156.330)

§156.330 requires the QHP issuer to notify HHS and provide the legal name and tax identification number of the new owner of the QHP and the effective date of the change of ownership to HHS within 30 days of the effective date. We estimate fewer than 10 QHP issuers will report changes of ownership. While this reporting requirement is subject to the PRA, we believe the associated burden is exempt under 5 CFR 1320.3(c)(4) and 44 USC 3502(3)(A)(i), since fewer than 10 entities would be affected. Therefore, we are not seeking approval from OMB for these information collection requirements.

ICRs Related to Payment for Cost-Sharing Reductions (§156.430)

§156.430 requires QHP issuers to notify HHS prior to the start of each benefit year whether or not it selects the simplified methodology for the benefit year. We estimate that each issuer using the simplified methodology would incur labor costs of 40 hours of work by an actuary (at a wage rate of \$56.89) and 20 hours of work by an insurance manager (at a wage rate of \$67.44) to develop the effective cost-sharing parameters and actuarial memorandum, and calculate the amount of cost-sharing reductions provided, resulting in a cost of approximately \$3,624 per issuer. Therefore, the aggregate burden for the 1,200 issuers is estimated at 72,000 hours at a cost of \$2,174,640.00.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Actuary	1	\$56.89	40	\$2,275.60	
Insurance Manager	1	\$67.44	20	\$1,348.80	
Total (based on the 1,200 issuers)			60	\$3,624.40	\$2,174,640.00

Due to the modified simplified methodology in the final rule, we updated this estimate to require 42 hours of work by an actuary and 22 hours of work by an insurance manager, resulting in a cost of approximately \$3,873 per issuer. Although we cannot predict the precise number of issuers that will select either the standard or simplified methodology, we estimate that approximately half of QHP issuers (600 issuers) will implement the simplified methodology. Therefore, we estimate that the provisions of this rule will result in an incremental savings of approximately \$57,676,164 (\$60 million that would have been incurred by these issuers under the standard methodology, minus 600 multiplied by \$3,873) by reducing the overall administrative costs that issuers incur. HHS intends on publishing a separate CSR reconciliation information collection to be effective for CSR reconciliation in 2015 for the 2014 benefit year.

ICRs Related to Oversight of Cost-sharing Reductions and Advance Payment of the Premium Tax Credit (§155.340, §156.410, §156.460 and §156.480)

Section 156.460 requires a QHP issuer to notify the enrollee within 45 calendar days of the QHP issuer's discovery of the error, when the QHP issuer improperly reduces the premium by the amount of the advance payment of the premium tax. A parallel provision is established under §155.340 and 156.410(c) and (d) where a QHP issuer must notify the enrollee within 45 calendar days of the QHP issuer's discovery of the error of a misapplication of the cost-sharing reduction or the improper assignment to a plan variation (or standard plan without cost-sharing reductions) and subsequent reassignment. The notifications sent out by QHP issuers to enrollees are part of standard billing

practices and therefore do not create an additional burden on the Exchange or QHP issuers as applicable. Therefore, HHS does not estimate a burden for this notification.

In §156.480(a), we extend the standards set forth in proposed §156.705 concerning maintenance of records to a QHP issuer in the individual market on State Exchange with respect to cost-sharing reductions and advance payments of the premium tax credit. We believe that the burden of maintaining records related to cost-sharing reductions and advance payments of the premium tax credit for QHP issuers in an FFE is already accounted for in the burden for finalized §156.705, described elsewhere in the Collection of Information section of this final rule. On average, we estimate each QHP issuer in a State Exchange will incur a cost of approximately \$2,232.54 to comply with this record maintenance requirement. This reflects 46 hours of work by an insurance operations analyst (at \$38.49 an hour) and 6 hours by a senior manager (at \$77.00 an hour), for a total of 52 burden hours. Based on our most recent estimates, we assume that there will be 791 QHP issuers in the individual market on State Exchanges in 2014. Therefore, the aggregate burden for the 791 QHP issuers is 41,132 hours for a total cost of approximately \$1,765,939.10 as a result of this requirement. HHS does not specify the technology a QHP issuer must use to maintain these records. Additionally, issuers do not have to complete a template for records maintenance; therefore, the issuer can choose to use to maintain these records electronically, in hardcopy, or a combination of both.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Insurance Operations Analyst	1	\$38.49	46	\$1,770.54	
Senior Manager	1	\$77.00	6	\$462.00	
Total (based on 791 QHP issuers)			52	\$2,232.54	\$1,765,939.10

Section 156.480(b) established for each benefit year, an issuer that offers a QHP in the individual market through a State Exchange or an FFE report to HHS annually, in a timeframe and manner required by HHS, summary statistics with respect to cost-sharing reductions and advance payments of the premium tax credit. We estimated that it would take an insurance operations analyst 16 hours (at \$38.49 an hour) annually and one senior manager 2 hours (at \$77.00 an hour) to gather summary information and prepare a report for submission to HHS. For each issuer this requirement would take 18 hours at a cost of \$769.84 annually to fulfill. Therefore, the aggregate burden for 1,200 issuers is 21,600 hours at a cost of \$923,808.00.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Insurance Operations Analyst	1	\$38.49	16	\$615.84	
Senior Manager	1	\$77.00	2	\$154.00	
Total (based on 1200 issuers)			18	\$769.84	\$9223,808.00

Another requirement was added in the final rule that the summary reports also include information on misapplication of cost-sharing reductions and advance payments of the premium tax credit. We estimate that will take an insurance operations analyst 3 hours (at \$38.49 an hour) annually and one senior manager 1 hours (at \$77.00 an hour) to gather and prepare this additional information for the summary report, resulting in an additional burden of 4,800 hours and total costs of approximately \$230,964 for 1,200 QHP issuers (\$192.84, on average, for each issuer).

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Insurance Operations Analyst	1	\$38.49	3	\$115.47	
Senior Manager	1	\$77.00	1	\$77.00	
Total (based on 1,200 QHP issuers)			4	\$192.47	\$230,964.00

ICRs Related to Oversight and Financial Integrity Standards for Issuers of Qualified Health Plans in the Federally-facilitated Exchange (§156.705 to §156.715)

The burden estimates for §§156.705 and 156.715 reflect the assumption that the FFEs will include 475 QHP issuers. We update the number of issuers in the FFEs from the original estimated number to reflect more current information on the number of issuers expected to participate in the FFEs. The burden estimate is based on HHS estimates of the labor costs related to maintaining these records; issuers already have the records associated with this provision. Additionally, HHS does not specify the technology issuers choose to use to maintain these records. Therefore, HHS will not provide issuers with a standardized collection instrument for issuers to submit this information.

Section 156.705 provides that issuers offering QHPs in an FFE must maintain all documents and records (whether paper, electronic or other media), and other evidence of accounting procedures and practices necessary for HHS to conduct activities necessary to safeguard the financial and programmatic integrity of the FFEs.

Such activities include: (1) periodic auditing of the QHP issuer’s financial records, including data related to the QHP issuer’s ability to bear the risk of potential financial losses; and (2) compliance reviews and other monitoring of a QHP issuer’s compliance with all Exchange standards applicable to issuers offering QHPs in the FFEs listed in part 156. The burden includes utilizing existing technology and systems to process and maintain this information. This reflects 60 hours of work by an actuary (at \$56.89 an hour), 15 hours by a network administrator (at \$46.86 an hour), 15 hours by a compliance officer (at \$53.75 an hour), and 10 hours for a senior manager to review (at \$77.00 an hour). We estimate that it will take 100 hours total at a cost of \$5,693.00 for a QHP issuer to maintain these records for an aggregate burden of 47,500 hours and \$2,704,175 for all 475 QHP issuers.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Actuary	1	\$56.89	60	\$3413.40	
Network Administrator	1	\$46.86	15	\$702.90	
Compliance Officer	1	\$53.75	15	\$806.25	
Senior Manager	1	\$77.00	10	\$770.00	
Total (based on all 475 QHP issuers)			100	\$5692.55	\$2,704,175.00

Section 156.705(d) provides that QHP issuers must make all records described in paragraph (a) of this section available to HHS, the OIG, the Comptroller General, or their designees, upon request. In estimating the annual hour and cost burden on QHP issuers of making these records available to such authorities upon request, we assumed that such requests would normally be made in connection with a formal audit or compliance review or a similar process. Our burden estimates for this section address the hour and cost burden of making records available to HHS, the OIG, the Comptroller General, or their designees, for audit. Our estimates reflect our assumptions that about 47 QHP issuers would be subject to a formal audit in a given year and that the burden on issuers of making the records available would include the time, effort, and associated cost of compiling the information, reviewing it for completeness, submitting it to the auditor(s), and participating in telephone or in-person interviews. We anticipate using a risk-based approach to selection of the majority of QHP issuers for compliance

review so that burdens to the issuer community would generally be linked to the QHP issuers' risk. This reflects 75 hours of work by an actuary (at \$56.89 an hour), 10 hours by a compliance officer (at \$53.75 an hour), and 5 hours for a senior manager to review (at \$77.00 an hour). We estimate it will take 90 hours at a cost of \$5,189.25 for an issuer to make its records available for an audit for a total of 4,230 hours and \$243,894.75 across all QHP issuers subject to this requirement, which we estimate at an upper end as 100 issuers.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Actuary	1	\$56.89	75	\$4266.75	
Compliance Officer	1	\$53.75	10	\$537.50	
Senior Manager	1	\$77.00	5	\$385.00	
Total (based on 100 issuers)			90	\$5189.25	\$243,894.75

Section 156.715 establishes the general standard that QHP issuers are subject to compliance reviews. Our burden estimates for §156.715 address the estimated annual hour and cost burden on QHP issuers of complying with the records disclosure requirements associated with compliance reviews conducted by an FFE. We assume that HHS will conduct desk reviews of 31 QHP issuers each year. For each QHP issuer desk review we estimate an average of 40 hours of administrative work to assemble the requested information by a health policy analyst (at \$58.05 an hour), 19.5 hours to review the information for completeness and an additional 30 minutes for a compliance officer to submit the information to HHS (at \$53.75 an hour). There will also be an additional 10 hours to spend on phone interviews conducted by the compliance reviewer and 2 hours to spend speaking through processes with the compliance reviewer (at \$53.75 an hour). We estimate it will take 72 hours at a cost of \$4,042.00 for an issuer to make information available to HHS for a desk review for a total of 2,232 hours and \$125,302.00 across all issuers that may be subject to this information collection requirement.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Health Policy Analyst	1	\$58.05	40	\$2322.00	
Compliance Officer	1	\$53.75	32	\$1720.00	

Total (based on conducting desk reviews of 31 QHP issuers each year)			72	\$4,042.00	\$125,302.00
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We assume that HHS will conduct onsite reviews of 16 QHP issuers each year. For each onsite review we estimate it will take an average of 40 hours for a health policy analyst (at \$58.05 an hour) to assemble the requested information, and 19.5 hours for a compliance officer (at \$53.75 an hour) to review the information for completeness and 30 minutes to submit the information to HHS in preparation for an onsite review. An onsite review requires an additional 2 hours to schedule the onsite activities with the compliance officer (at \$53.75 an hour), 4 hours for introductory meeting, 8 hours to tour reviewers onsite, 10 hours of interview time, 2 hours to walk through processes with the reviewer, and 4 hours for concluding meetings. This is a total of approximately 60 hours of preparation time and an additional 30 hours for onsite time for each QHP. We estimate it will take 90 hours at a cost of \$5,009.50 for an issuer to make information available to HHS for an onsite review. We estimate that the burden for all respondents that may be subject to this information collection will be 1,440 hours at a cost of \$80,152.00.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Health Policy Analyst	1	\$58.05	40	\$2322.00	
Compliance Officer	1	\$53.75	50	\$2687.50	
Total (based on conducting onsite reviews of 16 QHP issuers each year)			90	\$5009.50	\$80,152.00
In cases in which HHS could potentially require clarification	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Compliance Officer	1	\$53.75	2	\$107.00	

Total (based on 20 QHP issuers each year)			40	\$107.00	\$1,075.00
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ICRs Regarding Administrative Review of QHP Issuer Sanctions in a Federally-facilitated Exchange (§156.901 to §156.963)

We base our burden estimate on the assumptions that one issuer will be subject to a CMP and that one issuer will have a QHP that it offers in an FFE decertified. We assume that the issuer in each case will choose to exercise its right to a hearing and will submit a valid request for hearing. The hours involved in preparing this request may vary; for the purpose of this burden estimate we estimate an average of 24 hours will be needed: 10 hours for the compliance officer to gather and assemble the necessary background materials described under §156.907, and prepare the written request (at \$53.75 an hour), 12 hours for an attorney (at \$90.14 an hour) to review the background materials and written request and provide recommendations to the senior manager, and 2 hours for the senior manager (at \$77.00 an hour) to discuss and act upon the attorney’s recommendations and submit the written request. We estimate that it will take 24 hours at a cost of \$1,773.18 for an issuer to prepare and submit a request for a hearing for a total of 48 hours and \$3546.36 for each issuer subject to an enforcement action under this scenario. This estimate includes any statement of good cause under §156.805(e)(3) or request for extension under §156.905(b), if applicable. Because we only estimate that one issuer per year would appeal a CMP and one issuer will have its QHP offered in an FFE decertified, we do not include this burden estimate in our overall calculation of burden for this proposed rule. This provision is exempt from the PRA under 44 U.S.C. 3502(3)(A)(i) since fewer than 10 entities are associated with this requirement.

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Costs (All Respondents)
Compliance Officer	1	\$53.75	10	\$537.50	
Attorney	1	\$90.14	12	\$1081.68	
Senior Manager	1	\$77.00	2	\$154.00	
Total (based on one issuer will be subject to a CMP)			24	\$1773.18	\$3546.36

ICRs Related to Quality Standards (§156.1105)

Section 156.1105 describes the information collection and disclosure requirements that pertain to the approval of enrollee satisfaction survey vendors. The burden estimate associated with these disclosure requirements includes the time and effort required for enrollee satisfaction survey vendors to develop, compile, and submit the application information and any documentation necessary to support oversight in the form and manner required by HHS. HHS refers survey vendors to OCN 0938-1221 to review the application. HHS is also developing a model enrollee satisfaction survey vendor application that will include data elements necessary for HHS review and approval. In the near future, HHS will publish the model application and will solicit public comment. At that time, and per the requirements outlined in the PRA, we will estimate the burden on survey vendors for complying with this provision of the regulation. We solicit comment on the burden for the application and review process for these entities.

13. Capital Costs

There are no anticipated capital costs associated with these information collections.

14. Cost to Federal Government

The initial burden to the Federal government for the establishing the systems and policies associated with this information collection is \$272,850.00. The calculations for CCIIO employees' hourly salary was obtained from the OPM website: http://www.opm.gov/oca/10tables/html/dcb_h.asp.

Table 1
Administrative Burden Costs for the Federal Government Associated with the Program Integrity
NPRM

<u>Task</u>	<u>Estimated Cost</u>
Development of Program Integrity Information Collections	
15 GS-13: 15 x \$42.66 x 200 hours	\$127,980.00
Technical Assistance to States	
15 GS-13: 15 x \$42.66 x 200 hours	\$127,980.00
Managerial Review and Oversight	
2 GS-15: 2 x \$59.30 x 150 hours	\$16,890.00
Total Costs to Government	\$272,850.00

15. Changes to Burden

There are no changes to burden. This is a new collection.

16. Publication/Tabulation Dates

TBD.

17. Expiration Date

Not applicable.

18. Certification Statement

There is no exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.