

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. Qualified non-profit health insurance issuers who received CO-OP loan funding must 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 must be offered in the individual or small group markets. Profits generated by the nonprofit CO-OPs must 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 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 provided 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 assisted loan recipients with the many start-up costs associated with establishing a new health insurance issuer. Solvency Loans 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 was 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.

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.

ATRA does not allow CMS to award loans to new loan recipients but additional funds may be awarded to existing loan recipients. Under ATRA, CMS completed two opportunities to existing CO-OPs for additional loan funding.

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 to determine if a loan recipient is deviating from business plan targets or is violating programmatic compliance, including compliance with state and federal laws.

This funding opportunity requires that loan recipients meet certain periodic reporting requirements to assist CMS in identifying 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 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 April 17, 2015 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 applications 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

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, quarterly pro forma financial projections certified by an actuary (including monthly cash flow projections through the calendar year following submission. For example, any report submitted in 2015 would include monthly cash flow projections through December 2016), 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 26 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 312 hours and the total annual reporting burden for all loan recipients is estimated at 7,176 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 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	16	26	9,568
Total	-	-	-	26	9,568

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
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 per Respondent	Average Burden Hours per Response	Total Burden 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	16	5	\$56	\$103,040.00
Market/Research analyst	23	12	8	\$33	\$72,864.00
Budget analyst	23	12	6	\$35	\$57,960.00
Actuary	23	16	7	\$52	\$133,952.00
Total	-	-	45	-	\$367,816.00

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 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
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
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		Respondent	Hours		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

CO-OPs are required to provide annual pro forma financial projections to CMS on March 1. At CMS's discretion, the pro forma financial projections may be requested on a semi-annual basis. The guidance for this is included in the semi-annual reporting tool which is submitted to CMS on March 1 and August 15. Pro forma financial projections aid CMS in determining whether a CO-OP is a financial risk. As the lender to the CO-OPs, CMS has a vested interest in a given CO-OP's financial viability. As such, we are requiring an additional reporting requirement to collect pro forma financial projections (including monthly cash flow projections for 18 months from the date of submission) on a quarterly basis. Furthermore, CMS is amending the monthly

reporting guidance to clarify current requirements and include additional data elements necessary for CMS to conduct appropriate oversight over the CO-OP program. The additional quarterly reporting requirements will increase the total burden from 89,172 hours annually to 93,220 hours annually. Please note that there is no change in the burden for the additional data elements in the monthly reporting requirements as this information is readily available to the CO-OPs on a monthly basis.

16. Plans for Tabulation and Publication and Project Time Schedule

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.