Information Collection for Machine Readable Data for Provider Network and Prescription Formulary Content for FFM QHPs (CMS-10558)

A. Background

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 (P.L.111-152) was signed into law. The two laws are collectively referred to as the Affordable Care Act. The Affordable Care Act (ACA) established new competitive private health insurance markets called Marketplaces, or Exchanges, which gave millions of Americans and small businesses access to affordable, quality insurance options. By providing a place for one-stop shopping, Marketplaces make purchasing health insurance easier and more transparent, and put greater control and more choice in the hands of individuals and small businesses.

Under 45 CFR 156.122(d)(1)(2) and 156.230(c) in the rule *Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2016* (CMS-9944-F), new standards for qualified health plan (QHP) issuers are established for the submission of provider and formulary data in a machine-readable format to the Department of Health and Human Services (HHS) and for posting on issuer websites. These new standards will lead to greater transparency for consumers, including by allowing software developers to access formulary and provider data to create innovative and informative tools. The Centers for Medicare and Medicaid Services (CMS) is creating a new information collection request (ICR) in connection with these standards. The burden estimate for this new ICR included in this package reflects the additional time and effort for QHP issuers to update and publish the appropriate data, and submit it to CMS.

B. Justification

1. Need and legal basis

Section 156.122(d) is effective beginning for the 2016 plan year. In order to increase and enhance transparency of QHP formulary information, issuers must publish an up-to-date, accurate, and complete list of all covered drugs beginning for the 2016 plan year. Section 156.122(d)(1) requires formularies to list all drugs that fall under the category of essential health benefits (EHB) and provide the formulary drug list that specifies all drug names currently covered by the plan. QHP issuers (including Small Business Health Options Program [SHOP] issuers but excluding stand-alone dental plans [SADP] issuers) must provide complete, accurate, and up-to-date formulary information for consumers on their website and update this information not less than monthly. Section 156.122(d)(2) requires a QHP[1] in the FFMs to publish information regarding the formulary drug list on its website in an HHS-specified format and to submit this information to HHS, in a format and at times determined by HHS. A machine-readable file or a format specified by HHS will increase transparency by allowing software developers to access this information to create innovative and informative tools to help enrollees better understand plans' drug lists. QHP issuers must update the drug information in a machine-readable format not less than monthly. QHP

[1] 156.122(d)(2) includes individual and SHOP QHPs, but not SADPs

issuers must submit drug information by "RxNorm Concept Unique Identifier" (RxCUI,) including all drug formulations covered.

Section 156.230(b) is effective for plan years beginning on or after January 1, 2016. Section 156.230(b)(1) requires a QHP issuer to publish an up-to-date, accurate, and complete provider directory, including information on which providers are accepting new patients, the provider's location, contact information, specialty, medical group, and any institutional affiliations, in a manner that is easily accessible to plan enrollees, prospective enrollees, States, the Exchange, CMS, and the Office of Personnel Management (OPM). Section 156.230(b)(2) specifies that a QHP issuer must update the directory information at least once a month. Section 156.230(c) requires QHP issuers including SADP issuers and issuers in SHOP, to make information about providers in its provider networks available to HHS in a specified format at times determined by HHS, and to make the information available on their websites. The machine-readable file will increase transparency by allowing software developers to access formulary and provider data and create innovative and informative tools to assist enrollees in understanding plans' provider networks.

2. Information Uses

We expect software developers and CMS to access this information to create tools to help enrollees better understand the availability of drugs and providers in a specific plan.

3. Use of Information Technology

CMS anticipates that the availability of provider and formulary information will aid consumers in efficiently selecting and using their QHP benefits.

CMS anticipates that establishing machine-readable files with this data will provide the opportunity for third parties to create resources that aggregate information on different plans and thus improve transparency.

4. Duplication of Efforts

We anticipate no duplication of effort for issuers.

QHP issuers currently provide URLs for consumer formulary and provider information as part of the *Initial Plan Data Collection to Support QHP Certification and other Financial Management and Exchange Operations* (OMB Control Number 0938-1187).

Additionally, QHP issuers will provide to HHS URLs containing provider and formulary information in a machine-readable format. The format for the data will be specified by HHS. The machine-readable URLs will be collected by CMS either during the QHP certification process, or through a separate reporting process, e.g., through an email address set up by CMS for this purpose.

5. Small Business

QHP issuers will incur costs to make this information available on their websites and to HHS. However, CMS does not have reason to believe that any issuers are small businesses. The data collection will

benefit consumers, including small businesses that may wish to purchase coverage through the SHOP.

6. Less Frequent Collection

The burden associated with this information collection consists of QHP issuers updating provider and formulary information. QHP issuers are required to make this information available to consumers and CMS. Since provider contracts and formularies change frequently, less frequent collection increases inaccuracy of data due to changes over time. CMS requires QHP issuers to update formulary data and provider data not less frequently than monthly.

7. Special Circumstances

There are no anticipated special circumstances.

8. Federal Register/Outside Consultation

In the proposed rule *Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2016 (CMS-9944-P),* CMS proposed and solicited comment on 45 CFR §156.230 and §156.122. CMS has consulted with states, issuers, and industry regarding the feasibility of these requirements. CMS also received comments to the 60-day comment period for this information collection.

9. Payments/Gifts to Respondents

No payments and/or gifts will be provided.

10. Confidentiality

To the extent of the applicable law and HHS policies, we will maintain consumer privacy with respect to the information disclosed.

11. Sensitive Questions

No sensitive questions are included in these notice requirements.

12. Burden Estimates (Hours & Wages)

The following section of this document contains an estimate of the burden imposed by the associated information collection requirements (ICRs). Salaries for the positions cited were completely taken from the Bureau of Labor Statistics (BLS) website (http://www.bls.gov/oco/ooh_index.htm).

We estimate that in the first year, it will take 96 hours per year for a QHP issuer to meet this reporting requirement, which consists of updates to provider and formulary information to consumers, and to CMS in a machine-readable format specified by HHS, at a frequency of not less than monthly. We estimate that in subsequent years, it will take 36 hours per year. The increased burden in the first year accounts for initial set-up time.

We estimate 475 QHP issuers will be subject to this requirement, based on the number of issuers that were approved to offer QHPs in the 2015 plan year. Information regarding the data fields that we propose issuers provide is contained in Appendix A. Appendix A is also posted on: https://github.com/CMSgov/QHP-provider-formulary-APIs.

On average, in the first year, we estimate that it will take a pharmacist 8 hours (at $57.35 an hour), a health policy analyst 28 hours (at $58.05 an hour), an operations analyst 2 hours (at 56.63), a computer programmer 94 hours (at $48.61), and a senior manager 4 hours (at $103.95) to fulfill these requirements. The total estimated burden is$ $7,182.60 per year, per reporting entity, or $3,411,735 for all issuers.

Table 1: Burden to QHP Issuers in Year 1

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits	Burden Hours	Total Burden Costs	Total Burden Cost (Per Year)
Pharmacist	1	$57.35	8	$458.80	
Health Policy Analyst	1	$58.05	28	$1625.40	
Operations Analyst	1	$56.63	2	$113.26	
Computer Programmer	1	$48.61	94	$4,569.34	
Senior Manager	1	$103.95	4	$415.80	
Total per Issuer			136	$7,182.60	
Total for the 475 QHP Issuers					$3,411,735

In years two and three, we estimate that it will take a health policy analyst 18 hours per year (at $58.05 per hour) and a computer programmer 18 hours per year (at $48.61 per hour) to fulfill these requirements. This is a total of $1919.88 per issuer per year, or $911,943 for all 475 issuers.

Table 2: Burden to QHP Issuers in Years 2 and 3

Labor Category	Number of Employees	Hourly Labor Costs (Hourly rate + 35% Fringe benefits)	Burden Hours	Total Burden Costs	Total Burden Cost (Per Year)
Health Policy Analyst	1	$58.05	18	$1044.90	
Computer Programmer	1	$48.61	18	$874.98	
Total per Issuer			36	$1919.88	
Total for the 475 QHP Issuers					$911,943

OMB approvals are for three years. Therefore, the aggregate burden for years one through three across all 475 issuers is $4,312,031 ($2,488,145 in year one x $911,943 x 2 for years two and three).

13. Capital Costs

There are no additional capital costs.

14. Cost to Federal Government

There are no additional costs to the federal government.

15. Changes to Burden

There are no changes to burden.

16. Publication/Tabulation Dates

The updating of provider and formulary data occurs monthly. The data collected will be submitted to CMS and made public through the QHP issuers' websites on a recurring basis to ensure the most up-to-date information is available to Marketplace consumers.

17. Expiration Date

CMS has no objections to displaying the expiration date.

18. Certification Statement

There are no exceptions to the certification statement.