

A: Supporting Statement for Paperwork Reduction Act Submission:
Part C Medicare Advantage Reporting Requirements and
Supporting Regulations in 42 CFR 422.516(a)
CMS-10261, OCN 0938-1054

The following applies to CY 2016 and 2017.

TERMS OF CLEARANCE: CMS continues to agree to include the technical specifications document in the ICR package and to make it available to the public during the public comment periods. ICR packages that do not contain this information and were not made available for public comment will be considered incomplete. CMS also understands that all burden-impacting changes--even technical changes like procedure and diagnosis codes that are revised annually--are subject to the PRA and require an opportunity for public comment before they are implemented. This includes changes that would require respondents to change their workflow processes or computer programs in order to accommodate those changes.

Background

The Centers for Medicare and Medicaid Services (CMS) established reporting requirements for Medicare Advantage Organizations (MAOs) under the authority described in 42 CFR 422.516(a). It is noted that each MAO must have an effective procedure to develop, compile, evaluate, and report to CMS, to its enrollees, and to the general public, at the times and in the manner that CMS requires, and while safeguarding the confidentiality of the doctor-patient relationship, statistics and other information with respect to the following:

- (1) The cost of its operations.
- (2) The patterns of service utilization.
- (3) The availability, accessibility, and acceptability of its services.
- (4) To the extent practical, developments in the health status of its enrollees.
- (5) Information demonstrating that the MAO has a fiscally sound operation
- (6) Other matters that CMS may require.

CMS also has oversight authority over cost plans including establishing reporting requirements.

CMS initiated new Part C reporting requirements with the Office of Management and Budget (OMB) approval of the "Information Collection Request" (ICR) under the Paperwork Reduction Act of 1995 (PRA) in December 2008 (OMB # 0938-New; CMS-10261). National PACE plans and 1833 cost plans are excluded from reporting all the new Part C Reporting Requirements reporting sections. The initial ICR involved 13 "measures" now termed "reporting sections." Four of these 13 reporting sections have been suspended from reporting: Reporting Section # 1 *Benefit Utilization*; Reporting Section #3 *Provider Network Adequacy*; Reporting Section #10 *Agent Compensation Structure* and; Reporting Section #11 *Agent Training and Testing*. One new reporting section was added beginning 2012: # 13 *Enrollment and Disenrollment*.

The changes proposed in this 2015 iteration consist of: Three reporting sections, Organization

Determinations/Reconsiderations, Special Needs Plans Care Management, and Enrollments/Disenrollments, were updated to include additional data elements. For Part C Grievances, Sponsor Oversight of Agents, and Employer Group Plan Sponsors, the data due dates were changed to the first Monday in February. The due date for Enrollment/Disenrollment was changed to the last Monday of August and February. This “staggering” of data due dates was proposed so that the reporting load would be more manageable in 2016 than it was in 2015 for CMS/HPMS. Also, having the data due date fall on February 28, as it was in the past, introduced problems when February 28 was on a weekend or when it occurred in a leap year. By listing weekdays, this problem is eliminated. The changes in data due dates is not be expected to change any burden estimates. The final set of proposed changes is the addition of two reporting sections: Rewards and Incentives Program and Mid-Year Network Changes. Mid-Year Network Changes is similar to the previous reporting section, “Provider Network Adequacy,” that was suspended in 2013. Mid-Year Network Changes has 53 data elements, an increase from 13 data elements that were set out in the 60-day PRA package.

A. Justification

1. Need and Legal Basis

In accordance with 42 CFR 422.516(a), each MA organization under Part C Medicare is required to have an effective procedure to provide statistics indicating:

- 1) The cost of its operations.
- 2) The patterns of utilization of its services.
- 3) The availability, accessibility, and acceptability of its services.
- 4) To the extent practical, developments in the health status of its enrollees.
- 5) Other matters that CMS may require.

2. Information Users

Before Part C reporting, CMS had mainly clinical performance reporting sections on Part C plans such as HEDIS, CAHPS, and the Health Outcomes Survey (HOS). However, CMS also needs other performance data on MAOs under Part C Medicare. CMS receives inquiries about the beneficiary use of available services, patient safety, grievance rates, and other factors pertaining to the performance of MA plans. Prior to the collection and reporting of these data, CMS was unable to respond to these requests for information. There are a number of information users of Part C reporting. They include central and regional office staff that uses this information to monitor health plans and to hold them accountable for their performance. Among CMS users are group managers, division managers, branch managers, account managers, and researchers. Other government agencies such as GAO and OIG have inquired about this information. Health plans can use this information to measure and benchmark their performance.

3. Use of Information Technology

MA organizations and other health plan organizations (e.g., cost plans) utilize the Health Plan

Management System (HPMS) to submit or enter data for 100% of the data elements listed within these reporting requirements. CMS and its subcontractors, in turn, communicate to these organizations regarding this information, including approval and denial notices and other related announcements through HPMS. HPMS, therefore, is a familiar tool to MA organizations. Access to HPMS must be granted to each user and is protected by individual login and password; electronic signatures are unnecessary.

4. Duplication of Efforts

This collection does not contain duplication of similar information.

5. Small Businesses

There are no small businesses involved.

6. Less Frequent Collection

Most of the Part C reporting requirements data for reporting year 2016 will be reported on an annual basis. Less frequent collection of the reporting requirement data from MA organizations would severely limit CMS' ability to perform accurate and timely oversight, monitoring, compliance and auditing activities around the Part C MA benefits.

7. Special Circumstances

- As mandated by 42 CFR 422.504(d), MA organizations must agree to maintain for 10 years books, records, documents and other evidence of accounting procedures and practices.
- CMS could potentially require clarification around submitted data, and therefore CMS may need to contact organizations within 60 days of data submission.

8. Federal Register/Outside Consultation

The 60-day Federal Register notice published on May 1, 2015 (80 FR 24934). Comments were received. A summary of the comments and our response has been added to this PRA package as Appendix A.

With regard to any changes that were made in response to the public comments, we added four data elements to improve monitoring capability under the SNPs Care Management reporting section. This change increased our currently approved burden estimate by 1,416 hr. We also increased the data elements from 13 to 53 under the new Mid-Year Network Changes reporting section. This change increased our burden estimate by 6,014 hr.

While the 60-day notice set out a burden of 201,503 hr, we are adjusting that estimate by - 27,560 hr to a total of 173,943 hr. Based on internal review, the 60-day estimate contained a computational or transcription error which has been eliminated in this 30-day iteration.

9. Payments/Gifts to Respondents

There are no payments/gifts to respondents associated with this information collection request.

10. Confidentiality

CMS will adhere to all statutes, regulations, and agency policies regarding confidentiality.

11. Sensitive Questions

CMS will adhere to all statutes, regulations, and agency policies with regard to survey questions.

12. Burden Estimates (Hours & Wages)

The burden associated with this ICR is the time and resources it takes to develop computer code, to “de-bug” computer code, gather the ‘raw’ data, “clean” the data in order to eliminate errors, enter data, to compile the data, review technical specifications, and perform tests on the data.

Wage Estimates

To derive average costs, we used data from the U.S. Bureau of Labor Statistics’ May 2014 National Occupational Employment and Wage Estimates for all salary estimates (<http://www.bls.gov/oes/current/oes151121.htm>). In this regard, the following Table 2 presents the mean hourly wage, the cost of fringe benefits (calculated at 100 percent of salary), and the adjusted hourly wage. Anticipated staff performing the activities required of this data collection and reporting would be computer systems analysts. An average competitive hourly rate of \$83.96 (including the 100 percent adjustment) was used to calculate estimated costs.

Table 2: National Occupational Mean Hourly Wage and Adjusted Hourly Wage:
Computer Systems Analysts

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr.)	Fringe Benefit (\$/hr.)	Adjusted Hourly Wage (\$/hr.)
Computer Systems Analyst	15-1121	41.98	41.98	83.96

As indicated, we are adjusting our employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and overhead costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. Nonetheless, there is no practical alternative, and we believe that

doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

Burden Estimates

Anticipated staff performing the activities required of this data collection and reporting would be computer systems analysts. An average competitive hourly rate (including wages, benefits and overhead) of \$83.96/hr. was used to calculate estimated costs (see above for details).

Table 3: 2016-2017 Burden Estimates for Part C Reporting Requirements by Reporting Section

Reporting Section	Estimates	
	Hours	Cost (\$)
Organization Determinations/ Reconsiderations	74,528	6,257,371
SNPs Care Management	3,728	313,003
Enrollment/Disenrollment	319	26,783
Rewards and Incentives Program(s)	1,960	164,562
Mid-Year Network Changes	7,968	668,993
Remaining 5 reporting sections total (no changes)	85,440	7,173,542
10 reporting sections total	173,943	14,134,078

Note: Figures in above table subject to rounding.

Burden Summary

The proposed annual burden estimates for 2016-2017 are as follows:

Respondents = 562

Responses per respondent = 5.47

Total annual responses = 3,072

Hours per response = 56.62

Total annual hours = 173,943

Total annual cost=\$14,134,078

13. Capital Costs

There is no capital cost associated with this collection.

14. Cost to Federal Government

The estimated annual cost is \$300,000 to support reporting through the Health Plan Management System (HPMS). This is the same as previously reported.

15. Changes to Burden

While we estimated an hourly wage of \$64.57/hr in our currently approved pkg, in this 2015 iteration we are adjusting our employee hourly wage estimate by a factor of 100 percent to a wage of \$83.96/hr.

The total increase in hours is estimated at 4,385 hr while the total cost increase is estimated at \$3,655,893.

Please note that the currently approved pkg includes a number of attachments which are no longer applicable or are duplicative. Specifically, Attachment III (Medicare Advantage Medical Utilization and Expenditure Experience) has been removed since CMS collects similar information elsewhere. Attachments IV (Mapping of MA PBP to Medical Utilization and Expenditure Experience) and V (Codes to Identify Procedures/ Serious Adverse Reportable Events Codes/ Hospital Acquired Conditions) are obsolete. The information in Attachments I (Part C Reporting Overview) is now included in the Technical Specifications document.

Table 6: Changes in Burden Between 2014 and 2016/2017

Reporting Section	2014 –Estimate		2016/2017 Estimate		Change in Burden	
	Hours	Cost (\$) at \$64.57/hr	Hours	Cost (\$) at \$83.96/hr	Hours	Cost (\$)
Organization Determinations/ Reconsiderations*	75,264	4,859,797	74,528	6,257,371	-736	1,397,574
SNPs Care Management	2,088	134,822	3,728	313,003	1,640	178,181
Enrollment/Disenrollment	1,166	75,289	319	26,783	-847	-48,506
Rewards and Incentives Program(s)	0	0	1,960	164,562	1,960	164,562
Mid-Year Network Changes	0	0	7,968	668,993	7,968	668,993
Remaining 5 reporting sections total (no program changes)	85,440	5,516,861	85,440	7,173,542	0	1,656,681 (adjusted, cost only)
Hospital Acquired Conditions (suspended, see	5,600	361,592	0	0	-5,600	-361,592
TOTAL	169,558	10,948,361	173,943	14,134,078	4,385	3,655,893

Note: Figures in above table subject to rounding.

Organization Determinations and Reconsiderations

Based on more recent data we are adjusting our 2014 estimate from 75,264 hr to 69,632 hr for a decrease of -5,632 hr.

Separately, we propose to increase the number of data elements from 29 to 31, and, therefore, increase the reporting burden by 6.9 percent.

We estimated the number of contracts reporting in 2016 based on the number of contracts reporting in CY 2014 (n=544). The number of annual responses for this reporting section was $544 \times 1 = 544$ since this section is reported annually.

Per contract, this increase was from 128 hr to 137 hr or, in aggregate, 4,896 hr (74,528 hr – 69,632 hr).

2014 69,632 hr = 544 x 128 hr/contract
2016 74,528 hr = 544 x 137 hr/contract

The net change is -736 hr (4,896 hr – 5,632 hr) or (74,528 hr - 75,264 hr).

Special Needs Plans (SNPs) Care Management

In this ICR, we are proposing doubling the number of data elements (from 4 to 8) in this reporting section. The number of SNPs decreased from 261 in CY 2014 to an estimated 233 in CY 2016. We estimated that the average number of hours per contract would double (from 8 to 16) based on a doubling of data elements. The proposed increase in burden from 2014 to 2016 is 1,640 hours (3,728 hr – 2,088 hr) and \$137,694.

2014 2,088 hr = 261 x 8 hr/contract
2016 3,728 hr = 233 x 16 hr/contract

Enrollment/Disenrollment

Based on more recent data we are adjusting our 2014 estimate from 1,166 hr to 240 hr for a decrease of -926 hr.

Using 2014 data, only 10 contracts, all of them 1876 cost contracts with no Part D Medicare, reported enrollment/disenrollment under Part C. We estimate that 10 contracts would report in 2016. We used an estimated 24 hours for each contract for 2014. We are still proposing an increase in the hourly burden of 33.3 percent for 2016 due to the addition of a 33.3 percent increase in data elements—from 12 to 16.

The total increase in estimated hourly burden across the 10 contracts was from 240 in 2014 to 319 in 2016, an increase of 79 hours. The proposed increase in cost is still: $(319 \times \$83.96/\text{hr.}) - (240 \times$

\$83.96/hr.) = 79 x \$83.96/hr. = \$6,633. The change in due date is not expected to affect any burden estimates.

The net change is -847 hr (79 hr - 926 hr) or (319 hr - 1,166 hr).

New Reporting Sections: Rewards and Incentives (RI) Program and Mid-Year Network Changes

Please refer to Table 5 below. We arrived at the numbers for the RI Program by estimating that 30% of contracts will have RI Programs, and that it will take 8 hours to fully and accurately complete the survey questions. HPMS indicated that we had 814 active contracts for CY2015. We estimated that 30% of those contracts (or 245) would report. In aggregate, we estimate an additional 1,960 hr (245 contracts x 8 hr/contract).

For Mid-Year Network Changes, we used 498 as the number of contracts; Regional CCPs, Local CCPs, and 1876 Cost Plans are the organization types that report on this section. For Mid-Year Network Changes, we are increasing the number of data elements from 13, which was listed in the 60-day notice, to 53. This increase is based on comments received on the 60-day Federal Register notice. We estimated that the average (mean) hours per contract to collect and report these data is 16 hours. In aggregate, we estimate an additional 7,968 hr (498 contracts x 16 hr/contract).

Table 5: Summary of Key Estimates for New Reporting Sections

Name of Reporting Section	# Contracts	Average # Hours Per Contract	Cost Per Hour	Total Costs
Rewards and Incentives Programs	245	8	\$83.96	\$164,562
Mid-Year Network Changes	498	16	\$83.96	\$668,993

*Note: Cost estimates subject to rounding error.

Remaining 5 Reporting Sections

There are no changes to the five remaining reporting sections. We have no basis to predict an increase in hours for 2016 for these five sections; therefore, for these five reporting sections, we used the 2014 time estimate for the 2016 time estimate.

Our cost estimate, however, has increased by \$1,656,681 in response to the increase of our adjusted hourly wage.

Hospital Acquired Conditions

Subsequent to the issuance of the April 7, 2014, Notice of Action, the “Hospital Acquired

Conditions” reporting section was suspended and was not part of CY 2014 Part C reporting requirements. This reduced our 169,558 estimate by -5,600 hr.

16. Publication/Tabulation Dates

Collection of these data will commence in January 1, 2014. The collection of these data from MA organizations will continue indefinitely.

17. Expiration Date

This collection does not lend itself to displaying an expiration date.

18. Certification Statement

There are no exceptions.

B. Collections of Information Employing Statistical Methods

This information collection does not require statistical analyses to be conducted by CMS.