

# Supporting Statement for Paperwork Reduction Act Submissions: Establishment of an Exchange by a State and Qualified Health Plans

## 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), including the Small Business Health Options Program (SHOP). The Exchanges, which became operational on January 1, 2014, 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.

As directed by the rule *Establishment of Exchanges and Qualified Health Plans; Exchange Standards for Employers* (77 FR 18310) (Exchange rule), each Exchange will assume responsibilities related to the certification and offering of Qualified Health Plans (QHPs). To offer insurance through an Exchange, a health insurance issuer must have its health plans certified as QHPs by the Exchange. A QHP must meet certain minimum certification standards, such as network adequacy, inclusion of Essential Community Providers (ECPs), and non-discrimination. The Exchange is responsible for ensuring that QHPs meet these minimum certification standards as described in the Exchange rule under 45 CFR 155 and 156, based on the Affordable Care Act, as well as other standards determined by the Exchange. The reporting requirements and data collection in the Exchange rule address Federal requirements that various entities must meet with respect to the establishment and operation of an Exchange; minimum requirements that health insurance issuers must meet with respect to participation in a State based or Federally-facilitated Exchange; and requirements that employers must meet with respect to participation in the SHOP and compliance with other provisions of the Affordable Care Act.

## B. Justification

### 1. Need and Legal Basis

Section 1311(b) of the Affordable Care Act requires each State to establish an Exchange by January 1, 2014. Section 1311(d) of the Affordable Care Act requires that an Exchange be a governmental agency or nonprofit entity established by a State; requires that an Exchange make QHPs available to eligible individuals and employers; and identifies the minimum functions that an Exchange must perform.

Pursuant to section 1311(d)(5), States had to ensure that their Exchanges are self-sustaining beginning on January 1, 2015. A State may accomplish this by permitting its Exchange to charge assessments or user

fees to participating health insurance issuers, or otherwise generate funding to support Exchange operations.

In order to consolidate similar requirements in the same collection, the following information collection requirements (ICRs) currently approved under OMB Control Number 0938-1156 will now be included under separate collections for which we are seeking OMB approval under new OMB Control Numbers:

- General Functions of an Exchange (§155.200 through §155.270)
- Exchange Functions in the Individual Market: Eligibility Determinations for Exchange Participation and Insurance Affordability (§155.302 through §155.345)
- Exchange Functions in the Individual Market: Enrollment in Qualified Health Plans (§155.400 through §155.440)
- Exchange Functions: Small Business Health Options Program (SHOP) (§155.700 through §155.730)
- Exchange Functions: Certification of Qualified Health Plans (§155.1000 through §155.1080)
- QHP issuer notice of effective date (§156.260(b))
- QHP issuer reconciliation of enrollment files with Exchange (§156.265(f))
- QHP issuer termination notice to the enrollee and Exchange (§156.270(b))
- QHP issuer notice of enrollee nonpayment of premium (§156.270(d))
- QHP issuer notice to providers of the possibility for denied claims (§156.270(d)(3))
- QHP issuer notice of payment delinquency to an enrollee (§156.270(e))
- QHP issuers maintenance of records of terminations of coverage (§156.270(h))
- QHP issuer notification of plan non-renewal (§156.290)

The following ICRs are currently approved under other OMB control numbers and are being removed from this collection to avoid duplication:

- General Standards Related to the Establishment of an Exchange by a State (§155.100 through §155.150), approved under OMB control number 0938-1172
- Data collection and reporting requirements for health insurance issuers related to the certification of qualified health plans (§156.210, §156.230), approved OMB control number 0938-1187
- QHP transparency requirements (§156.220), approved OMB control number 0938-1187
- QHP Provider Directory (§156.230(b)), approved OMB control number 0938-1187
- QHP release of Accreditation survey (§156.275), approved OMB control number 0938-1187

The following requirement is being discontinued because it has not been implemented:

- QHP submission of information related to prescription drug dispensing, pricing and management (§156.295)

## 2. Information Users

The data collection and reporting requirements will further compliance with federal law and assist HHS in operation of the Federally-facilitated Exchanges.

### 3. Use of Information Technology

HHS anticipates that a majority of the systems, notices, and information collection required by this rule will be automated.

### 4. Duplication of Efforts

This information collection does not duplicate any other Federal effort.

### 5. Small Businesses

We estimate minimal burden on small business as they are not required to participate in the SHOP.

### 6. Less Frequent Collection

Due to the required flow of information between multiple parties, it is necessary to collect information according to the indicated frequencies. If the information is collected less frequently, the result could mean non-compliance with the law or consumer harm.

### 7. Special Circumstances

There are no special circumstances.

### 8. Federal Register/Outside Consultation

A Federal Register notice was published on December 2, 2015 (80 FR 75463), providing the public with a 60-day period to submit written comments on the ICRs. Comments were received but did not impact burden.

### 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, we will maintain respondent privacy with respect to the information collected.

### 11. Sensitive Questions

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

### 12. Burden Estimates (Hours & Wages)

For purposes of presenting an estimate of paperwork burden, we reflect the participation of 20 states, including the District of Columbia in operating an Exchange. However, we recognize that not all states have elected to operate their own Exchanges and that territories may participate in operating an

Exchange. We also note that these estimates generally reflect burden for the first year, and that the associated burden in subsequent years will be lower because many of the standards in the regulation can be fulfilled through automated processes. Therefore, these estimates should be considered an upper bound of burden estimates for non-Federal entities. These estimates may be adjusted in future PRA packages as states progress in their Exchange development processes.

Salaries for the positions cited in the labor category of the burden charts were obtained from the Bureau of Labor Statistics (BLS) Web site by visiting this link: [http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm) and the “May 2014 National Occupational Employment and Wage Estimates” report. Fringe benefit estimates were taken from the BLS March June 2015 Employer Costs for Employee Compensation report.

#### General Standards Related to the Establishment of an Exchange by a State (§155.100 through §155.150)

In Part 155, subpart B of the regulation, we describe the standards related to the establishment of Exchanges by a State. Subpart B contains information collection requirements associated with determining whether a State is ready to operate an Exchange before 2014. There are additional information collection requirements associated with the development of Exchange operations after January 1, 2014.

Section 155.105 contains the requirements for the Exchange approval process. In order to have an Exchange approved by HHS, the State must develop and submit an Exchange Blueprint that demonstrates how the Exchange meets all legal requirements for successful operation of an Exchange. In addition to the Exchange Blueprint, the State must submit an operational readiness assessment to HHS to demonstrate readiness to execute the Exchange Blueprint. HHS published an Exchange Blueprint application that included an operational readiness section, subject to the notice and comment process under the Paperwork Reduction Act. The PRA package for the Exchange Blueprint application outlined the required components of the Exchange Blueprint, including the burden associated with completing an operational readiness assessment as well as the requirements regarding eligible contracting entities stated in §155.110. The burden associated with meeting the approval process requirements of §155.105 are reflected in the PRA package for the template approval application, CMS-10416.

#### General Functions of an Exchange (§155.200 through §155.270)

Part 155, subpart C describes the information collection and reporting requirements that Exchanges are required to perform to support the minimum functions of an Exchange. Section 155.200 sets out the basic functions of the Exchange. Section 155.200(b) requires the Exchange to issue certificates of exemption from the individual responsibility requirement and payment. Section 155.200(d) includes the required quality activities that the Exchange will have to perform. The activities that will involve the collection of information include the implementation of surveys, information disclosures, and data reporting. HHS will conduct future rulemaking on both the certificate of exemption requirement and the quality activities. At that time, and per the requirements outlined in the Paperwork Reduction Act, we will estimate the burden on Exchanges of complying with these provisions of the rule.

Section 155.205(b) requires the Exchange to maintain an up-to-date Internet Web site that provides information on available QHPs. The QHP information required to be posted on the Web site includes

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premium and cost-sharing information, the summary of benefits and coverage, levels of coverage (“metal levels”) for each QHP, results of the enrollee satisfaction survey, quality ratings, medical loss ratio information, transparency of coverage measures, and a provider directory. Additionally, the Exchange must maintain the Web site to publish financial information, provide information on Navigators and other consumer assistance services, and allow for eligibility determinations and enrollment in coverage. Finally, the Web site must provide a calculator for the comparison of plans and have a consumer assistance function.

The burden for this requirement may vary based on whether the Exchange decides to develop its own code to support the Internet Web site or utilize Federally-developed code provided pursuant to section 1311(c)(5)(B) of the Affordable Care Act. If the Exchange uses Federally-developed code, the burden of meeting this requirement may include customizing the code to meet the business practices of the State, developing security policies, and system testing. If the Exchange opts to develop new code, the burden will include the additional steps of designing the Web site template and writing the code for the Web site. After developing the Web site, the burden on the Exchange will be to maintain the Internet Web site by populating the Web site with information collected per information collection requirements in this rule and future rulemaking by HHS. We estimate that 3 states, may plan to operate an Exchange Web site subject to these reporting requirements, and we assume that they will not opt to develop their own new code and that most will use Federally-developed code. We estimate that it will take 3,200 hours for an Exchange to meet these reporting requirements for a total of 9,600 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	256	\$15,016.96	
Web Developer	2	\$44.35	256	\$22,707.20	
Senior Management	2	\$78.81	64	\$10,087.68	
Network Administrator/Database Administrator	2	\$54.86	384	\$42,132.48	
Computer Programmer	4	\$61.52	384	\$94,494.72	
Total			3200	\$184,439.04	\$553,317.12

As discussed in §155.210, the Exchange is required to develop and publically disseminate two sets of standards for Navigators, one set of standards to govern conflict of interest and one set of standards for training. The Exchange may choose to use any method that would make the standards available to the general public as long as the Exchange does not exclusively rely on a method that places the burden on the public to request the standards. Such methods could, for example, include posting the standards on the Exchange Web site or disseminating them to appropriate stakeholders. The burden estimate related to this requirement includes the time and effort needed to develop the standards and make them available to the public. We estimate there will be 20 states, including the District of Columbia, potentially operating State Exchanges subject to these operating requirements. This estimate is an upper bound of burden. We estimate that it will take 192 hours for an Exchange to meet these reporting requirements for

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a total of 3,840 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	2	\$58.66	64	\$7,508.48	
Senior Management	2	\$78.81	32	\$5,043.84	
Total			192	\$12,552.32	\$251,046.40

Section 155.220(c) provides the option for an Exchange to allow an Internet Web site of an agent or broker to be used to select a QHP, as long as the agent or broker's Internet Web site meets certain conditions and the agent or broker complies with the terms of an agreement with the Exchange regarding access and use of Exchange data and systems by the agent or broker. In such instances, the agent or broker must ensure that applicants have their eligibility applications completed through the Exchange Internet Web site and the Exchange must transmit the enrollment information to the QHP issuer. For the agent or broker's Internet Web site to be able to assist individuals in selecting a QHP, the Exchange would have to provide QHP data to the agent or broker's Internet Web site so that the applicant could select a QHP. The Exchange would also need to develop an agreement with agents and brokers that intend to support an Internet web site that would assist individuals in selecting a QHP.

For Exchanges that elect to allow agents and brokers to use their Internet Web sites to help individuals select a QHP, the burden associated with this provision would be the development of electronic interfaces to provide QHP data to the agent or broker's Internet Web site and receive QHP selection information from the agent or broker. There would also be additional burden on Exchanges to develop and execute agreements with applicable agents and brokers. We estimate there will be potentially 20 states, including the District of Columbia that plan to or do operate State Exchanges subject to these operating requirements. We estimate that it will take 164 hours for an Exchange to meet these reporting requirements for a total of 3,280 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	12	\$703.92	
Operations Analyst	1	\$58.66	24	\$1,407.84	
Senior Manager	1	\$84.09	12	\$1,009.08	
Attorney	1	\$86.18	16	\$1,378.88	
Network Administrator/Databas e Administrator	1	\$54.86	40	\$2,194.40	
Computer Programmer	1	\$61.52	60	\$3,691.20	
Total			164	\$10,385.32	\$207,706.40

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The Exchanges must also develop privacy and security standards addressing the collection, use and disclosure of personally identifiable information. Section 155.260(d) states that the Exchange must develop policies and procedures regarding the use, disclosure, and disposal of personally identifiable information. These policies and procedures must be made available, in writing, to the Secretary of HHS upon request. This information will be used to ensure that Exchanges have standards in place to protect personally identifiable information and that Exchanges are in compliance with all applicable privacy and security requirements. The burden associated with this requirement is the time and effort necessary for the Exchange to develop and transmit the information, in writing, to the Secretary of HHS. We estimate there will be states that plan to operate State Exchanges subject to these operating requirements. We estimate that it will take 95 hours for each Exchange to meet this requirement for a total estimate of 285 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	40	\$2,346.40	
Senior Manager	1	\$84.09	15	\$1,261.35	
Systems security officer	1	\$59.15	20	\$1,183.00	
Privacy Officer	1	\$59.15	20	\$1,183.00	
Total			95	\$5,973.75	\$17,921.25

[Exchange Functions in the Individual Market: Eligibility Determinations for Exchange Participation and Insurance Affordability \(§155.302 through §155.345\)](#)

Section 155.302 of the regulation provides options for conducting eligibility determinations. Section 155.302(a) provides that the Exchange may satisfy the requirements of this subpart directly or through contracting arrangements or through a combination of the approach described in paragraph (a)(1) and one or both of the options, described in paragraphs (b) and (c), and certain standards are met. The burden associated with this provision is the time and effort necessary for the Exchange to establish or modify an agreement for eligibility determinations and coordination of eligibility functions. We do not have an estimate as to the number of States in which such an agreement will be executed; however, if one of the options, or combinations of options, described in paragraphs (b) and (c) is implemented, we estimate it will take a State an average of 105 hours to create a new agreement and a total of 315 hours for the 3 potential new exchanges. This includes a mid-level health policy analyst drafting the agreement with managerial oversight and comprehensive review of the agreement.

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Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	35	\$2,053.10	
Attorney	1	\$86.18	30	\$2,585.40	
Operations Analyst	1	\$58.66	35	\$2,053.10	
Senior Manager	1	\$84.09	5	\$420.45	
Total			105	\$7,112.05	\$21,336.15

In accordance with section §1413(b) of the Affordable Care Act, §155.310(a)(1), the Exchange uses a single streamlined application, as specified in §155.405. Section 155.405 also provides that the Exchange may choose to use an alternative application if such application is approved by HHS and requests the minimum information necessary for the purposes identified in §155.405(a). The application includes all information necessary to determine the eligibility of an applicant for enrollment in a qualified health plan through the Exchange and insurance affordability programs, as applicable. More detailed information on this information collection requirement and the corresponding burden estimate is outlined in a separate Application PRA Package (CMS-10440, OMB Control Number: 0938-1191)

Throughout this subpart, we collect attestations from the application filer. For the most part, these attestations will be collected as a data element or incorporated in some way as part of the single streamlined application. We will discuss the burden of these attestations in further detail in a separate PRA package associated with the single streamlined application.

Section 155.310(d)(3) provides that to the extent that the Exchange determines an applicant eligible for Medicaid or CHIP, the Exchange must notify the State Medicaid or CHIP agency and successfully transfer all information from the records of the Exchange to the Medicaid agency to provide the applicant with coverage promptly and without undue delay. This applicant information will be transmitted electronically (via secure electronic interface) from the Exchange to the agency administering Medicaid or CHIP upon receiving an indication that the Exchange has determined an applicant eligible for such program. The purpose of this data transmission is to notify the agency administering Medicaid or CHIP that an individual is newly eligible and so the agency should facilitate enrollment in a plan or delivery system. We estimate the burden on the Exchange to execute data sharing agreements with State Medicaid and CHIP agencies to comply with this provision in §155.345.

Section 155.310(g) provides that the Exchange notifies individuals of their eligibility determination after it has been made, so that he or she may select a plan, appeal an eligibility determination, or follow up with Medicaid, CHIP, or the BHP, as applicable. The Exchange consolidate all eligibility determinations of a household into a single notice when multiple members of a household are applying together and receive an eligibility determination at the same time. The notice can be made available in paper or electronic format but must be in writing and sent after an eligibility determination has been made by the Exchange. We anticipate that half of enrollees will request electronic notification while the other half will receive the notice by mail. As a result, we estimated the associated mailing costs for the time and effort needed to mail notices in bulk to enrollees as appropriate. We expect that the electronic eligibility determination notice will be dynamic and include information tailored to all possible outcomes of an application



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throughout the eligibility determination process. To develop the paper and electronic notices, Exchange staff refer to eligibility rules and draft notice text for various decision points, follow up, referrals, and appeals procedures. A peer analyst, manager, and/or legal counsel would review and approve final language for the notice. The Exchange would then engage in review and editing to incorporate changes from the consultation and user testing including review to ensure compliance with plain writing, translation, and readability standards. The Exchange may also consult with the State Medicaid or CHIP agency in order to develop a coordinated, single notice. Finally, for the electronic notice, a developer would program the template notice into the eligibility system so that the notice may be populated and generated as the applicant moves through the eligibility process.

We estimate 20 Exchanges will be required to generate the various eligibility notices for applicants. We estimate that this notice development as outlined in the paragraph above, including the systems programming, would take each Exchange an estimated 196 hours to complete in the first year. We estimate the total estimated hour burden is 3,920 hours, however this will significantly reduce for operating exchanges.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	2	\$58.66	69	\$8,095.08	
Attorney	1	\$86.18	20	\$1,723.60	
Senior Manager	1	\$84.09	4	\$336.36	
Fulfillment Manager	1	\$34.61	2	\$69.22	
Computer Programmer	1	\$61.52	32	\$1,968.64	
Total			196	\$10,155.04	\$203,100.80

Paragraph (h) specifies that the Exchange will notify an enrollee’s employer that an employee has been determined eligible for advance payments of the premium tax credits and/or cost-sharing reductions. Upon making such an eligibility determination, the Exchange will send a notice to the employer with information identifying the employee who was determined eligible for advance payments of the premium tax credit and cost-sharing reductions that the employer may be liable for the payment under section 4980H of the Code, and that the employer has a right to appeal this determination. The notice must be available in paper or electronic format. Unlike the eligibility notice, we expect the information on the employer notice to be minimal in comparison to the eligibility notice and therefore the burden on the Exchange to develop the notice to be substantially less.

To develop this employer notice, Exchange staff time would include learning the eligibility process and drafting notice text. A peer analyst, manager, and/or legal counsel would review the notice. The Exchange would then engage in review and editing to incorporate changes from the review and user testing, including review to ensure compliance with plain writing, translation, and readability standards. Finally, a developer would program the final notice into the eligibility system so that it can be populated and generated as the applicant moves through the eligibility process.

We estimate 20 Exchanges will be required to generate a notice to send to employers. We estimate that

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this notice development as outlined in the paragraph above would take each Exchange an estimated 99 hours in the first year and the total estimated hour burden across all Exchanges in the first year to be 1,980 hours. We expect that the burden on the Exchange to maintain this notice will be significantly lower than to develop it.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	2	\$58.66	69	\$8,095.08	
Attorney	1	\$86.18	10	\$861.80	
Senior Manager	1	\$84.09	2	\$168.18	
Fulfillment Manager	1	\$34.61	2	\$69.22	
Computer Programmer	1	\$61.52	16	\$984.32	
Total			99	\$9,125.06	\$182,501.20

The provisions in §155.315 and §155.320 set standards for verification of applicant information for determining eligibility for enrollment in a QHP and insurance affordability programs. Exchanges will set up data-sharing agreements with HHS to allow for the verification of applicant information with Federal agencies that maintain authoritative data. The attestations collected throughout the verification process in §155.315 and §155.320 will be collected as data elements of the single streamlined application and discussed in further detail in a separate PRA package.

The primary burden associated with the verification process includes the written agreements necessary for data sharing between the Exchange and HHS in order for Exchanges to access the data maintained in Federal data sources, as well as with other State agencies to access data maintained by such entities. We estimate the time and effort necessary for the Exchange to create new agreements with HHS and other State agencies or entities for the collection of this information. We expect that 20 Exchanges, including the District of Columbia will be subject to this requirement. We estimate it will take a State an average of 105 hours to create new agreements. This includes a mid-level health policy analyst drafting the agreement with managerial oversight and comprehensive review of the agreement as well as operations work completed by an operations analyst. For the 3 potential new Exchanges, we expect a total hour burden of 315 hours.

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Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	35	\$2,053.10	
Operations Analyst	1	\$58.66	35	\$2,053.10	
Attorney	1	\$86.18	30	\$2,585.40	
Senior Manager	1	\$84.09	5	\$420.45	
Total			105	\$7,112.05	\$21,336.15

Section 155.315(f) outlines the process for resolving inconsistencies identified through the verification process. The Exchange will provide notice to an applicant, requests that the applicant provide documentation to support his or her attestation regarding the eligibility determination. Upon receipt of acceptable supporting information from the applicant, the Exchange updates the applicant’s account and predetermines his or her eligibility. While the electronic eligibility system will be able to process most applications in an automated fashion and that only the more complex cases will be handled through the paper-driven process to resolve inconsistencies. For these complicated cases, the manual adjudication of the documentation submitted by an applicant to the Exchange will be necessary. While there is minimal consumer burden associated with submitting documentation, it is difficult to provide estimates for the number of applicants for whom the adjudication of documentation will be necessary, but we anticipate that this number will decrease as applicants become more familiar with the eligibility process and as more data become available electronically.

Sections 155.330(b) and (c) indicate that the Exchange requires an individual to report certain changes that affect his or her eligibility for enrollment in a QHP and insurance affordability programs within 30 days of such change. Upon receipt of changes, the Exchange re-verifies the information in accordance with the rules described in §155.315 and §155.320.

A large volume of changes are reported electronically by the enrollee, but an enrollee would also be permitted to submit changes through any of the channels via phone, mail, or in person. The burden for this collection includes the time necessary for an eligibility worker to process any changes submitted by an enrollee during the benefit year. It is difficult to provide estimates for the number of applicants for whom the adjudication of documentation will be necessary, but we anticipate that this number will decrease as applicants become more familiar with the eligibility process and as more data become available.

Section 155.330(d) provides that the Exchange will periodically examine certain data sources for changes impacting an enrollee’s eligibility. The final rule provides the Exchange the flexibility to go beyond the limited data matching required, as long as it acts within certain standards. Any such data matching would require new data sharing agreements or amendments to existing data sharing agreements. The estimate of the burden associated with establishing or amending such agreements is described in §155.315 and §155.320.

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The Exchange is required to notify an enrollee that it has identified such a change and dependent upon the response, predetermine the enrollee's eligibility. The burden associated with creating this notice is similar to that of the annual redetermination notice, discussed in §155.335.

Section 155.335 outlines the annual redetermination process and provides that the Exchange will predetermine the eligibility of an enrollee in a QHP on an annual basis. The burden associated with this requirement is the time and effort necessary for Exchanges to develop and automate the annual redetermination notice and perform the record keeping related to predetermining eligibility. In accordance with 155.335(d), the annual redetermination notice is sent along with the notice of annual open enrollment as specified in 155.410(d), in a single, coordinated notice. We anticipate that half of enrollees will request electronic notification while the other half will receive the notice by mail. Thus, we have estimated the associated mailing costs for the time and effort needed to mail notices in bulk to enrollees as appropriate.

Similar to the eligibility notice described in 155.310(g), the annual redetermination notice contains dynamic text and include information tailored to each applicant. Section 155.335(c) provides that the Exchange include in the annual redetermination notice 1) updated income and family size information from the IRS, 2) data regarding MAGI-based income as described in §155.320(c)(1), 3) data used in the enrollee's most recent eligibility determination, and 4) the enrollee's projected eligibility determination for the following year, including the amount of any advance payments of the premium tax credit and cost-sharing reductions.

Exchange staff time would include learning the eligibility process and drafting notice text to include relevant income information, as well as follow up and appeals procedure. A peer analyst, manager, and/or legal counsel would review the notice. The Exchange then engages in review and editing to incorporate changes from the review and user testing, including a review to ensure compliance with plain writing, translation, and readability standards. The Exchange also coordinates the text of the notice with other insurance affordability programs. Finally, a developer would program the notice template into the eligibility system so it can be incorporated into the streamlined eligibility process. The programming of the notice into the eligibility system would allow for updated tax information to be pre-populated into the notice of annual redetermination.

We estimate 20 Exchanges will be required to generate the annual redetermination notice for applicants. We estimate that this notice development as outlined in the paragraph above would take each Exchange an estimated 196 hours. We estimate the total estimated hour burden in the first year is 3,920 for all Exchanges. We expect that this cost will decrease significantly after the first year of development as the costs incurred will be for maintenance.

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Health Policy Analyst	2	\$58.66	138	\$16,190.16	
Attorney	1	\$86.18	20	\$1,723.60	
Senior Manager	1	\$84.09	4	\$336.36	
Fulfillment Manager	1	\$34.61	2	\$69.22	
Computer Programmer	1	\$61.52	32	\$1,968.64	
Total			196	\$18,250.12	\$365,002.40

Section 155.335(e), holds that the Exchange must require an individual to report changes on the notice of annual redetermination within 30 days. And the exchange has observed many enrollees will report changes at annual redetermination electronically (by updating their initial application for coverage). And some enrollees send in a paper annual redetermination notice or require manual review of documentation. However, it is difficult to provide estimates for the number of applicants for whom the manual adjudication of documentation will be necessary, but we anticipate that this number will decrease as applicants become more familiar with the eligibility process and as more data become available.

Section 155.340 provides that in the event that a tax filer is determined eligible for advance payments of the premium tax credit and/or cost-sharing reductions, the Exchange notifies HHS and the relevant QHP issuer. This notification is made via secure, electronic transmission automatically sent by the system. Paragraph (a) provides that the Exchange transmits eligibility and enrollment information necessary to enable HHS to begin, end, or change an individual's advance payments of the premium tax credit or cost-sharing reductions. This applicant information is transmitted from the Exchange to HHS and includes information such as the individual's name, the dollar amount of the individual's advance payment, and the individual's cost-sharing reductions eligibility category, among other information. This information is transmitted when an individual's advance payment of the premium tax credit or cost-sharing reductions begins, ends, or changes. This electronic data transmission is automatically sent by the system. The burden estimate for this information collection is addressed in the discussion of enrollment transactions in §155.400(b).

Based on Section 155.345(a), the Exchange has entered into written agreements with agencies administering other insurance affordability programs. These provisions are necessary to minimize burden on individuals, ensure prompt determinations of eligibility and enrollment in the appropriate program without undue delay, and to provide standards for transferring an application from an insurance affordability program to the Exchange. Agencies will also develop agreements to share data between insurance affordability programs. The specific number of agreements needed may vary depending on how States choose to divide responsibilities regarding eligibility determinations.

The burden associated with this provision is the time and effort necessary for the Exchange to establish or modify an agreement for eligibility determinations and coordination of eligibility and enrollment functions. We expect that 3 Exchanges will be subject to this requirement and that one agreement would

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include standards for all insurance affordability programs. If a State chooses to draft separate agreements for each insurance affordability program or a subset of insurance affordability programs, then the estimate would likely increase. We estimate it will take a State an average of 105 hours to create new agreements. This includes a mid-level health policy analyst and an operations analyst developing the agreement with managerial oversight and comprehensive review of the agreement an operations analyst. For the 3 potential new Exchanges, we expect a total hour burden in the first year of 315 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	35	\$2,053.10	
Operations Analyst	1	\$58.66	35	\$2,053.10	
Attorney	1	\$86.18	30	\$2,585.40	
Senior Manager	1	\$84.09	5	\$420.45	
Total			105	\$7,112.05	\$21,336.15

Section 155.345(d)(1) provides that when the Exchange identifies an applicant as potentially eligible for Medicaid by accessing information on the application or an applicant requests a full determination for Medicaid, the Exchange must transmit all information provided on the application and any information or verifies by the Exchange to the State Medicaid agency. Section 155.345(d)(2) also provides that the Exchange must notify the applicant of such transmittal. This notification is part of the eligibility notice described in 155.310(f) and the burden associated with this information collection requirement is referenced in that section.

The burden associated with this ICR for information disclosure is the time and effort necessary to transmit the application data from the Exchange to the appropriate insurance affordability program. This data transmission is via secure, electronic transmission automatically sent by the system. No personnel are needed to enact this transmission and therefore we do not estimate any burden associated with the data transmitted as specified by this provision. The Exchange will enter into agreements to fulfill this provision as specified in §155.345(a).

[Exchange Functions in the Individual Market: Enrollment in Qualified Health Plans \(§155.400 through §155.440\)](#)

In Part 155, subpart E of the regulation, we describe the requirements for Exchanges in connection with enrollment and disenrollment of qualified individuals through the Exchange. Section 155.400(a) requires Exchanges to notify QHP issuers of an applicant’s selected QHP and transmit any information necessary to enroll the applicant. Section 155.400(b) requires Exchanges to send eligibility and enrollment information to QHP issuers and to HHS promptly, without undue delay. Additionally, Exchanges are required to establish a process by which a QHP issuer acknowledges receipt of the eligibility and enrollment information. We expect that all plan selection, eligibility and enrollment information will be maintained electronically by Exchanges, QHP issuers and HHS alike. We expect the transmission of such data to be fully automated. Therefore, we estimate that it will take an Exchange less than one minute to transmit plan selection and necessary enrollment information concurrently to QHP issuers and HHS. As a result, we

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expect that most of the burden will initially reflect programming of the enrollment feeds to QHP issuers and HHS.

We estimate that the 3 potential exchanges plan would be subject to these reporting requirements. This estimate is an upper bound of burden. We estimate that it will take 142 hours for an Exchange to meet these reporting requirements for a total of 426 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	10	\$586.60	
Computer Programmer	1	\$61.52	100	\$6,152.00	
Operations Analyst	1	\$58.66	32	\$1,877.12	
Total			142	\$8,615.72	\$25,847.16

Section 155.400(c) states that Exchanges must maintain records of all enrollments in QHPs through the Exchange. The information will be used to make sure that the Exchange has up to date information on the individuals covered through the Exchange and to ensure that individuals are not covered by more than one QHP. It is expected that the information will be maintained in an electronic data system. We expect that most of the burden will reflect programming to retain enrollment information on the Exchange's electronic data system. We estimate that the 3 potential exchanges plan would be subject to these reporting requirements. This estimate is an upper bound of burden. We estimate that it will take 142 hours for an Exchange to meet these record requirements for a total of 426 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	10	\$586.60	
Computer Programmer	1	\$61.52	100	\$6,152.00	
Operations Analyst	1	\$58.66	32	\$1,877.12	
Total			142	\$8,615.72	\$172,314.40

Section 155.400(d) states that Exchanges must reconcile enrollment information with QHP issuers and HHS on no less than a monthly basis. The purpose of reconciling enrollment information between the Exchange and the QHP issuers and HHS is to ensure that both entities have accurate records of the number of enrollees and persons enrolled in each QHP. It is expected that the information will be maintained in an electronic data system. We estimate that it will take 27 hours per month for an Exchange to reconcile information, for a total of 6,480 hours across 20 Exchanges. We estimate that it will take 324 hours for each Exchange to reconcile information over the course of a year if information is reconciled on a monthly basis. This estimate is similar to estimates provided by Medicare Part D in their rule on data submissions. For example, Medicare Part D estimated that it would take plan sponsors

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approximately 10 hours annually for plan sponsors to submit data on aggregated negotiated drug pricing from pharmaceutical companies described in §423.104. We provided a higher estimate for the submission of data due to the complexity of enrollment data.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	2	\$58.66	72	\$8,447.04	
Computer Programmer	2	\$61.52	60	\$7,382.40	
Operations Analyst	1	\$58.66	60	\$3,519.60	
Total			324	\$19,349.04	\$386,980.80

As discussed in §155.405(a), the Exchange must use a single streamlined application to determine eligibility and to collect information necessary for enrollment. The application will include information to determine eligibility of an applicant and process plan selection for enrollment in a qualified health plan through the Exchange and insurance affordability programs. The information will be required of each applicant upon initial application with subsequent information collections for the purposes of confirming accuracy of previous submissions or updating information from previous submissions. Information collection starting during initial open enrollment in October 2013. As indicated in §155.405(c)(2), the information will be submitted by the applicant to the Exchange through the internet, call center, in-person assistance, or a paper application. After collecting the information, the Exchange will either house the information in an Exchange data repository or purge the information after it is used to make an eligibility determination. At this time, HHS is currently developing the model single streamlined application for the States. 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 Paperwork Reduction Act, we will estimate the burden on Exchanges of complying with this provision of the rule.

Section 155.405(b) states that Exchanges have the option of using an alternative application that includes information to determine the eligibility of an applicant and process plan selection for enrollment in a QHP and insurance affordability programs, as applicable. If the Exchange opts to use an alternative application, the Exchange must submit the alternative application to HHS for approval. The burden estimate associated with this requirement includes the time and effort needed to develop the alternative application and submit the application for approval by HHS. We believe that most Exchanges, in the interest of avoiding duplication of existing work, will choose to use the model single, streamlined application being developed by HHS. We assume that the number of Exchanges choosing to develop an alternate application will be less than ten in a twelve month period. We will review each alternative application that is submitted to HHS and, if the number of Exchanges opting to use an alternative application approaches ten, then we will seek OMB approval.

As discussed in §155.410, the Exchange must provide written notice to each enrollee about annual open enrollment between September 1 and September 30 of each year, beginning in 2014. The notice will include the date of annual open enrollment and information regarding where individuals may obtain information about available QHPs. The Exchange will send the notice of annual open enrollment via mail or electronic means depending on the preference of the enrollee. The burden estimate associated with



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this requirement includes the time and effort needed to develop the notice template and distribute the notice through an automated process when appropriate via the enrollee’s preferred method. We anticipate that half of enrollees will request electronic notification while the other half will receive the notice by mail. As a result, we estimated the associated mailing costs for the time and effort needed to mail notices in bulk to enrollees as appropriate. We estimate that 20 states, including the District of Columbia plan to or do operate an Exchange subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 42 hours annually for the time and effort to develop and transmit the notice when appropriate for a total of 840 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	4	\$234.64	
Senior Manager	1	\$84.09	1	\$84.09	
Operations Analyst	1	\$58.66	3	\$175.98	
Computer Programmer	1	\$61.52	32	\$1,968.64	
Fulfillment Manager	1	\$34.61	2	\$69.22	
Total			42	\$2,532.57	\$50,651.40

Section 155.430(c) requires Exchanges to retain and track coverage termination information, including information to identify the individuals terminating coverage, the date of coverage termination, and the reason for termination. The Exchange will collect and retain the coverage termination information. The Exchange will submit the coverage termination information to HHS. The information will help provide HHS an accurate record of enrollment in the Exchange, so that HHS can inform the IRS when to cease advance payments of premium tax credits. We expect that all termination information will be maintained electronically by Exchanges. We also expect the transmission of data to be automated. We estimate that it will take Exchanges less than one minute to transmit the termination information to HHS. We anticipate a similar initial burden on Exchanges for establishing a system for automated tracking, maintenance and transmittal of termination information. The burden estimates associated with the maintenance and transmission of coverage termination information includes the time and effort needed to develop the system to collect and store the information. Additionally, the burden estimates includes the time and effort needed to develop an automated process to submit termination information when appropriate. We estimate that 20 states, including the District of Columbia, plan to or do Exchange operations subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 70 hours annually for the time and effort to meet this requirement for a total of 1,400 hours.

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Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	30	\$1,759.80	
Computer Programmer	1	\$61.52	20	\$1,230.40	
Operations Analyst	1	\$58.66	20	\$1,173.20	
Total			70	\$4,163.40	\$83,268.00

Section 155.430(c) requires Exchanges to establish procedures for QHP issuers to maintain records of termination of coverage, and requires Exchanges to send termination information to the QHP issuer and HHS in accordance with §155.400(b). We expect that Exchanges and QHP issuers will manage termination records and related procedures the same way they do the enrollment records described in §155.400. We therefore do not estimate any additional burden for Exchanges to meet the requirements in §155.430.

[Exchange Functions: Small Business Health Options Program \(SHOP\) \(§155.700 through §155.730\)](#)

In subpart H of part 155, we describe information collection and reporting requirements that pertain to the SHOP. Section 155.705(b)(4) states that the SHOP must perform certain functions related to premium payment administration. On a monthly basis, the SHOP is required to provide a bill to each employer participating in the SHOP. The bill will inform the employer of the amount of the employer and employee contributions, as well as provide a total amount that is due to the QHP issuers from the qualified employer. The SHOP will have to develop the bill and transmit it to the qualified employer by either electronic or paper means. The SHOP will have to maintain books, records, documents, and other evidence related to the premium aggregation program for a minimum of ten years. The information will be used to facilitate audit functions of the SHOP. The burden estimates associated with these requirements include the time and effort needed to develop automated processes for creating and transmitting the monthly bills to qualified employers. Additionally, the burden includes the time and effort needed to develop processes for the collection of discrepancy information and information retention. We estimate that the 3 potential exchanges plan would be subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 60 hours annually for the time and effort to develop and transmit the notice when appropriate for a total of 1,200 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Computer Programmer	3	\$61.52	15	\$2,768.40	
Senior Manager	1	\$84.09	5	\$420.45	
Operations Analyst	2	\$58.66	5	\$586.60	
Total			60	\$3,775.45	\$11,326.35

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Section 155.715(b) states that the SHOP must accept a SHOP single employer application form. The application, which will be submitted by an employer when applying to participate in the Exchange, will include information to determine employer eligibility to participate in the Exchange and to collect information necessary to purchase coverage. As stated in §155.730(b), the application must, at a minimum, include identifying information about the employer and a list of employees with social security numbers. The burden associated with complying with the requirement to accept a SHOP single employer application form includes the time and effort to accept and process the information provided by the employer in the application. Per §155.730(d), HHS is developing a model single employer application for States that will include the minimum data elements that the Exchanges will be required to collect. 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 Paperwork Reduction Act, we will estimate the burden on Exchanges of complying with this provision of the rule.

Section 155.715(b) also states that the SHOP must accept a SHOP single employee application form from employees wishing to elect coverage through SHOP. As per §155.730(b), the application will include information to determine the eligibility of an applicant and process plan selection for enrollment in a qualified health plan through the SHOP. Employees will submit the application to the Exchange upon applying to participate in the Exchange. Per §155.730(d), HHS is developing a model single employee application for States that will include the minimum data elements that the Exchanges will be required to collect. 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 Paperwork Reduction Act, we will estimate the burden on Exchanges of complying with this provision of the rule.

Section 155.715 discusses several notices related to the eligibility process that SHOP must provide to employers and employees. If the SHOP finds any inconsistencies in the application submitted by the employer, the SHOP, in accordance with section 155.715(d)(1), must notify the employer of the inconsistency and give the employer 30 days to submit documentary evidence to support the application. If after the 30 day period the SHOP does not receive satisfactory documentary evidence, the SHOP, must notify the employer of its denial of eligibility and the employer’s right to appeal such determination. The burden estimates related to the two notices includes the time and effort needed to develop each of the notices and make it an automated process to be sent out when appropriate. We anticipate that nearly all employers will request electronic notification. We estimate that 20 States will operate an Exchange subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 80 hours annually for the time and effort to develop the two notices and transmit each notice when appropriate for a total of 1,600 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	8	\$469.28	
Senior Manager	1	\$84.09	2	\$168.18	
Operations Analyst	1	\$58.66	6	\$351.96	

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Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Computer Programmer	1	\$61.52	64	\$3,937.28	
Total			80	\$4,926.70	\$98,534.00

Section 155.715(d)(2) provides a similar notification process for any inconsistent information in an employee application. If the SHOP finds that information on the application is inconsistent with information provided by the employer, the SHOP must notify the individual of the inconsistency and provide the individual with 30 days to provide documentary evidence to the SHOP to support the employee application. If after the 30 day period the SHOP does not receive satisfactory documentary evidence, the SHOP, must notify the employee of denial of eligibility. The burden estimates associated with the two notices includes the time and effort needed to develop each of the notices and make it an automated process to be sent out when appropriate. We anticipate that half of enrollees will request electronic notification while the other half will receive the notice by mail. As a result, we estimated the associated mailing costs for the time and effort needed to mail notices in bulk to enrollees as appropriate. We estimate that 20 states, including the District of Columbia, plan to or do operate an Exchange subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 84 hours annually for the time and effort to develop the two notices and transmit each notice when appropriate for a total of 1,680 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	8	\$469.28	
Senior Manager	1	\$84.09	2	\$168.18	
Operations Analyst	1	\$58.66	6	\$351.96	
Computer Programmer	1	\$61.52	64	\$3,937.28	
Fulfillment Manager	1	\$34.61	4	\$138.44	
Total			84	\$5,065.14	\$101,302.80

Section 155.715(e) requires the SHOP to provide an employer requesting eligibility to purchase coverage with a notice of approval or denial of eligibility and the employer’s right to appeal the eligibility determination. The burden estimates associated with the notice requirement includes the time and effort needed to develop the notice and make the notice an automated process to be sent out when appropriate. We anticipate that nearly all employers will request electronic notification. As a result, we did not estimate the associated mailing costs. We estimate that 20 States, including the District of Columbia, plan to or do operate an Exchange subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 40 hours annually for the time and effort to develop the two notices and transmit each notice when appropriate for a total of 800 hours.

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Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	4	\$234.64	
Senior Manager	1	\$84.09	1	\$84.09	
Operations Analyst	1	\$58.66	3	\$175.98	
Computer Programmer	1	\$61.52	32	\$1,968.64	
Total			40	\$2,463.35	\$49,267.00

Section 155.715(f) provides the same notice of approval or denial of eligibility for employees seeking to enroll in a QHP offered through the SHOP. The burden estimates associated with the notice requirement includes the time and effort needed to develop the notice and make the notice an automated process to be sent out when appropriate. We anticipate that half of enrollees will request electronic notification while the other half will receive the notice by mail. As a result, we estimated the associated mailing costs for the time and effort needed to mail notices in bulk to enrollees as appropriate. As a result, we have not estimated associated mailing costs. We estimate that 20 states, including the District of Columbia, plan to or do operate an Exchange subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 42 hours annually for the time and effort to develop the two notices and transmit each notice when appropriate for a total of 840 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	4	\$234.64	
Senior Manager	1	\$84.09	1	\$84.09	
Operations Analyst	1	\$58.66	3	\$175.98	
Computer Programmer	1	\$61.52	32	\$1,968.64	
Fulfillment Manager	1	\$34.61	2	\$69.22	
Total			42	\$2,532.57	\$50,651.40

Section 155.715(g) requires the SHOP to notify enrolled employees when their employer terminates its participation in the SHOP. The purpose of the notice is to inform the employee of the termination of the employee's coverage and to provide the employee with information on potential other sources of coverage. The burden estimate related to the notice includes the time and effort needed to develop a single notice template and which would be distributed through an automated process when appropriate. We anticipate that half of employees will request electronic notification while the other half of employees will receive the notice by mail. As a result, we estimated the associated mailing costs for the time and effort needed to mail notices in bulk to employees as appropriate. As a result, we have not estimated

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associated mailing costs. We estimate that 20 states, including the District of Columbia, plan to or do will operate an Exchange subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 42 hours annually for the time and effort to develop and transmit the notice when appropriate for a total of 840 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	4	\$234.64	
Senior Manager	1	\$84.09	1	\$84.09	
Operations Analyst	1	\$58.66	3	\$175.98	
Computer Programmer	1	\$61.52	32	\$1,968.64	
Fulfillment Manager	1	\$34.61	2	\$69.22	
Total			42	\$2,532.57	\$50,651.40

Section 155.720(c) requires the SHOP to transfer enrollment information on behalf of qualified employees to QHP issuers in order to enroll qualified employees of a qualified employer participating in the SHOP. We estimate that 20 States, including the District of Columbia, plan to or do operate an Exchange subject to these reporting requirements. This estimate is an upper bound of burden. We expect that the transmission of SHOP enrollment information will leverage the enrollment feeds to issuers developed by Exchanges for the individual market. As a result, we expect only incremental development costs associated with incorporating SHOP specific information. We estimate that it will take 28 hours for an Exchange to meet the requirement for a total of 560 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	5	\$293.30	
Senior Manager	1	\$84.09	2	\$168.18	
Operations Analyst	1	\$58.66	5	\$293.30	
Computer Programmer	1	\$61.52	16	\$984.32	
Total			28	\$1,739.10	\$34,782.00

Section 155.720(f) states that the SHOP must maintain records of all employer and employee enrollments in QHPs through the SHOP. This information will be used to facilitate reconciliation functions of the SHOP. Section 155.720(g) states that the SHOP must reconcile enrollment and employer participation information with QHP issuers on no less than a monthly basis. The purpose of reconciling enrollment information between the SHOP and QHP issuers is to ensure that both entities have accurate records of

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the participating employers, number of enrollees, and persons enrolled in each QHP. It is expected that the information will be maintained in an electronic data system. The burden estimates associated with these requirements includes the time and effort needed to develop processes for the collection and retention of record information, and reconcile the enrollment information with HHS. We estimate that the 3 potential exchanges plan would be subject to these reporting requirements. This estimate is an upper bound of burden. We estimate that it will take 142 hours for an Exchange to meet the record maintenance requirement for a total of 426 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	10	\$586.60	
Computer Programmer	1	\$61.52	100	\$6,152.00	
Operations Analyst	1	\$58.66	32	\$1,877.12	
Total			142	\$8,615.72	\$25,847.16

We further estimate that it will take 264 hours annually for an Exchange to meet the reconciliation requirements for a total of 5,280 hours across all Exchanges.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	84	\$4,927.44	
Computer Programmer	1	\$61.52	120	\$7,382.40	
Operations Analyst	1	\$58.66	60	\$3,519.60	
Total			264	\$15,829.44	\$316,588.80

Section 155.720(h) states that the SHOP must provide notice to a qualified employer if any employee terminates coverage from a QHP. The purpose of the notice is to inform the employer of the termination of an employee's coverage. The burden estimate associated with this requirement includes the time and effort needed to develop the notice and distribute it through an automated process when appropriate. We anticipate that nearly all employers will request electronic notification. As a result, we have not estimated associated mailing costs. We estimate that 20 States will operate an Exchange subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 40 hours annually for the time and effort to develop and transmit the notice when appropriate for a total of 800 hours.

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Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	4	\$234.64	
Senior Manager	1	\$84.09	1	\$84.09	
Operations Analyst	1	\$58.66	3	\$175.98	
Computer Programmer	1	\$61.52	32	\$1,968.64	
Total			40	\$2,463.35	\$49,267.00

Section 155.725(d) states that the SHOP must provide notice to a qualified employer of the annual election period. The Exchange will send the notice of annual election period via mail or electronic means depending on the preference of the qualified employer. The burden estimate associated with this requirement includes the time and effort needed to develop the notice and distribute the notice through an automated process when appropriate. We anticipate that nearly all employers will request electronic notification. As a result, we have not estimated associated mailing costs. We estimate that 20 States will operate an Exchange subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 40 hours annually for the time and effort to develop and transmit the notice when appropriate for a total of 800 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	4	\$234.64	
Senior Manager	1	\$84.09	1	\$84.09	
Operations Analyst	1	\$58.66	3	\$175.98	
Computer Programmer	1	\$61.52	32	\$1,968.64	
Total			40	\$2,463.35	\$49,267.00

Section 155.725(f) requires that the SHOP provide notice to a qualified employee of the annual open enrollment period. The Exchange will send the notice of the annual open enrollment period via mail or electronic means depending on the preferences of the qualified employee. The burden estimate associated with this requirement includes the time and effort needed to develop the notice and distribute the notice through an automated process when appropriate. We anticipate that half of employees will request electronic notification while the other half of employees will receive the notice by mail. As a result, we estimated the associated mailing costs for the time and effort needed to mail notices in bulk to employees as appropriate. As a result, we have not estimated associated mailing costs. We estimate that 20 States will operate an Exchange subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 42 hours annually for the time and



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effort to develop and transmit the notice when appropriate for a total of 840 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Health Policy Analyst	1	\$58.66	4	\$234.64	
Senior Manager	1	\$84.09	1	\$84.09	
Operations Analyst	1	\$58.66	3	\$175.98	
Computer Programmer	1	\$61.52	32	\$1,968.64	
Fulfillment Manager	1	\$34.61	2	\$69.22	
Total			42	\$2,532.57	\$50,651.40

Section 155.730(e) states that the SHOP may use an alternative employer application, other than the model application being developed by HHS. The alternative application must adhere to §155.730(b) by including identifying information about the employer and a list of qualified employees with social security numbers. This section also states that the SHOP may use an alternative employee application, other than the model application being developed by HHS. The alternative application includes the information necessary to establish eligibility of the employee as a qualified employee and to complete the enrollment of a qualified employee. The alternative employer applications must be submitted to HHS. The burden estimate associated with this requirement includes the time and effort needed to develop the alternative applications and submit the applications for approval by HHS. We believe that most Exchanges, in the interest of not duplicating existing work, will choose to use the model employer application being developed by HHS. We presume that the number of Exchanges choosing to develop an alternate employer application will be less than ten in a twelve month period. We will review each alternative employer application that is submitted to HHS and, if the number of Exchanges opting to use an alternative application approaches ten, then we will seek OMB approval.

[Exchange Functions: Certification of Qualified Health Plans \(§155.1000 through §155.1080\)](#)

In subpart K of Part 155, we describe a number of data collection and reporting requirements for Exchanges related to the certification of qualified health plans (QHPs). As described in §155.1010, we require Exchanges to establish procedures for the certification of QHPs. The Exchange will have to develop procedures to collect information from QHPs that will be used to determine whether a QHP complies with the minimum certification standards seen in subpart C of part 156 and, based on §155.1000(c), is in the interest of the qualified individuals and qualified employers. HHS is developing a model application for the certification of QHPs that will include the data elements needed to inform the Exchange’s certification process in determining whether an issuer meets the minimum standards for QHP certification. HHS will publish the model QHP certification application and will solicit public comment. At that time, and per the requirements outlined in the Paperwork Reduction Act, we will estimate the burden on Exchanges for complying with this provision of the regulation.

As discussed in §155.1020(a), the Exchange will be required to collect justifications for each rate increase by a QHP prior to the implementation of the rate increase. The Exchange must also make the justification

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available on its Web site. The burden estimate related to the collection of rate increase justifications includes the time and effort needed to develop standards related to the format and content of the rate increase justification, collect the justification from the QHP issuer, and provide access to the justification on the Exchange Web site. We estimate that 20 States will operate an Exchange subject to these requirements. This estimate is an upper bound of burden. We note that 42 States and the District of Columbia have rate review programs under section 2794 of the PHS Act (“Effective Rate Review programs”) in both the individual and small group markets; an additional two States have programs for one market. We expect the Exchange to leverage standards for rate increase justifications provided to the Effective Rate Review program where available, thus reducing the burden on the Exchange in developing standards related to this information collection. We also anticipate that each Exchange will automate the collection of the rate increase justification. As such, we estimate that it will take approximately 41.5 hours annually per Exchange for the time and effort to comply with this requirement for a total of 830 hours for all Exchanges.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Operations analyst	1	\$58.66	13.25	\$777.25	
Actuary	1	\$60.88	3	\$182.64	
Computer Programmer	1	\$61.52	24	\$1,476.48	
Web developer	1	\$44.35	0.25	\$11.09	
Senior Manager	1	\$84.09	1	\$84.09	
Total			41.5	\$2,531.54	\$50,630.85

As discussed in §155.1020(c), the Exchange must collect information, at least annually, from QHPs about rates, covered benefits, and cost-sharing requirements. The burden estimate for collecting the rate and benefit information includes the time and effort expended by the Exchange in collecting and reviewing the rate, benefit, and cost-sharing information provided by QHP issuers. HHS is developing a model QHP certification application for the States that will include data elements for uploading rate and benefit information. HHS will publish the model QHP certification application and will solicit public comment. At that time, and per the requirements outlined in the Paperwork Reduction Act, we will estimate the burden on QHP issuers for complying with this provision of the regulation.

As discussed in §155.1040, Exchanges will be required to collect from QHP issuers information relating to coverage transparency as described in §156.220(a). The information will include claims payment policies and practices, data on enrollment, data on disenrollment, the number of claims that are denied, and rating practices. Finally, the Exchange must collect information on cost-sharing and payments with respect to any out-of-network coverage and information on enrollee rights under title I of the Affordable Care Act. The information collected by the Exchange from the QHP issuers may be used by Exchanges during the QHP certification process or when considering the past performance of the health insurance issuers. HHS will be providing future guidance on the collection of coverage transparency information. At that time, and per the requirements outlined in the Paperwork Reduction Act, we will estimate the burden on Exchanges for complying with this provision of the regulation.

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Section 155.1055 requires the Exchange to have a process to establish or evaluate the service areas of QHPs to ensure such service areas meet minimum criteria. The Exchange will collect information related to service area through the QHP certification application. As previously stated, HHS is developing a model QHP certification application for the States that will include data elements related to service area standards. HHS will publish the model QHP certification application and will solicit public comment. At that time, and per the requirements outlined in the Paperwork Reduction Act, we will estimate the burden on QHP issuers for complying with this provision of the regulation.

Section 155.1065 describes the requirements on an Exchange to allow stand-alone dental plans. The Exchange will have to collect information from an issuer of a stand-alone dental plan to ensure that it meets the Exchange’s certification requirements that apply to dental plans. The information may be collected through an application similar to the QHP certification application previously mentioned. However, the burden estimate related to certifying a stand-alone dental plan will be less due to the limited nature of the benefits offered by a stand-alone dental plan compared to a full QHP. Furthermore, in order to ensure sufficient child-only coverage of the pediatric essential health benefit, as described in 155.1065(e), the Exchange will have to ensure collection of benefit information from potential QHP issuers regarding whether the QHPs it offers will cover the pediatric dental essential health benefit. The burden for this information is included in the overall estimate of benefit reporting included under 155.1020(c). As previously stated, HHS is developing a model QHP certification application. HHS will publish the model QHP certification application and will solicit public comment. At that time, and per the requirements outlined in the Paperwork Reduction Act, we will estimate the burden on QHP issuers for complying with this provision of the regulation.

Section 155.1075 requires that an Exchange notify a QHP, seeking recertification by the Exchange, of the Exchange’s determination. We assume that the Exchange will notify QHP issuers by using a standardized notice that provides information about the recertification process. The burden estimate associated with this requirement includes the time and effort needed to develop the notice and distribute the notice to QHP issuers. We expect that this notice will be distributed electronically to all QHP issuers. We estimate that 20 States will distribute recertification notices on an annual basis. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 40 hours annually for each Exchange to develop and transmit the notice when appropriate, and a total of 800 hours across all Exchanges.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Operations analyst	1	\$58.66	4	\$234.64	
Senior manager	1	\$84.09	1	\$84.09	
Health Policy Analyst	1	\$58.66	3	\$175.98	
Computer Programmer	1	\$61.52	32	\$1,968.64	
Total			40	\$2,463.35	\$49,267.00

Section 155.1080(e) requires that an Exchange must provide notification of decertification to all affected

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parties, including the QHP issuer, the enrollees in the QHP who enrolled through the Exchange, HHS, and the State department of insurance. The decertification notice needs to be provided to HHS so that the IRS can cease payment of tax credits and cost-sharing reductions, as appropriate. The notice will advise affected enrollees to enroll in other available QHPs during a special enrollment period and provide information about how enrollees may select a new QHP. The burden estimate for notifying all of the affected parties of the decertification of a QHP includes the time and effort needed to develop the decertification notice and transmit the notice to the affected parties. We expect that the decertification notice will be distributed electronically to HHS and the State department of insurance. We anticipate that half of enrollees will prefer to receive electronic notification while the other half of enrollees will receive the notice by mail. As such, the burden includes the time and effort needed to mail notices, in bulk, to enrollees electing to receive notice by mail. For the purposes of this estimate, we assume that Exchanges in 20 States will issue a decertification notice annually. This is an upper bound of burden. Accordingly, we estimate that it will take 42.5 hours for each Exchange to meet this requirement for a total estimate of 850 hours.

Labor Category	Respondents	Hour Rate (incl fringe)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (all respondents)
Operations Analyst	1	\$58.66	6	\$351.96	
Senior Manager	1	\$84.09	2.5	\$210.23	
Computer Programmer	1	\$61.52	32	\$1,968.64	
Fulfillment Manager	1	\$34.61	2	\$69.22	
Total			42.5	\$2,600.05	\$52,000.90

### 13. Capital Costs

There are no additional record keeping/capital costs.

### 14. Cost to Federal Government

The initial burden to the Federal Government for the management of qualified health plans and Exchanges is \$390,088.00. The calculations for CCIIO employees' hourly salary were obtained from the OPM Web site, at the following link: <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2015/general-schedule/>.

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<b>Task</b>	<b>Estimated Cost</b>
<b>Certification of Exchanges</b>	
15 GS-13: 15 x \$46.42 x 220 hours	\$ 153,186.00
<b>Review of State/Exchange data</b>	
15 GS-13: 15 x \$46.42 x 280 hours	\$ 194,964.00
<b>Managerial Review and Oversight</b>	
2 GS-15: 2 x \$64.52 x 325 hours	\$ 41,938.00
<b>Total Costs to Government</b>	<b>\$ 390,088.00</b>

15. Explanation for Program Changes or Adjustments

There are no changes to the burden. This is a new data 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.