Supporting Statement for Data Collection to Support Eligibility Determinations for Insurance Affordability Programs and Enrollment through Health Insurance Marketplaces, Medicaid, and Children's Health Insurance Program Agencies

A. Background

On March 23, 2010, the President signed into law H.R. 3590, the Patient Protection and Affordable Care Act, Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. 111-152, collectively referred to as "The Affordable Care Act." The Affordable Care Act expands access to health insurance coverage through the establishment of Health Insurance Marketplaces, also known as Affordable Insurance Exchanges, improvements to the Medicaid and Children's Health Insurance (CHIP) programs, and the assurance of coordination between Medicaid, CHIP, and Marketplaces.

Marketplaces established by the Affordable Care Act facilitate the enrollment of qualified individuals into Qualified Health Plans (QHPs). Section 1401 of the Affordable Care Act created a new section 36B of the Internal Revenue Code (the Code), which provides for a premium tax credit which is available on an advanced basis ("Advance Payments of the Premium Tax Credit" or APTC) to reduce the monthly insurance costs for eligible individuals who enroll in a QHP through a Marketplace. In addition, section 1402 of the Affordable Care Act establishes provisions to reduce cost-sharing obligations, including copayments and deductibles, of eligible individuals enrolled in a QHP offered through a Marketplace ("Cost-Sharing Reductions" or CSRs).

The Affordable Care Act also fills current gaps in coverage by creating a minimum Medicaid income eligibility level across the country and by simplifying the current eligibility rules in the Medicaid and CHIP programs. Under the Affordable Care Act, in states that have chosen to expand Medicaid for adults, most individuals under 65 with income below 133 percent of the Federal Poverty Level (FPL) may be eligible for Medicaid since January 2014.

As required under section 1413 of the Affordable Care Act, there is one application through which individuals may apply for Marketplace QHPs with or without APTC and CSRs, Medicaid, and CHIP and receive an eligibility determination.

CMS developed this Paperwork Reduction Act (PRA) package as part of an effort to solicit feedback from key stakeholders on the electronic and paper applications. This package provides details on the proposed collection of information from the public to facilitate providing eligibility for coverage and assistance in enrolling in a QHP or Medicaid and CHIP programs across the Marketplaces. Please note, we provide examples of how this information is collected in an electronic fashion via multiple channels and in a paper-based format. This PRA questionnaire serves as the foundation for supporting a consumer's ability to apply for and enroll in a

Marketplace QHP or Medicaid & CHIP coverage in any FFM or SBM state. Further discussion of stakeholder consultation can be found in section B8.

B. Justification

1. Need and Legal Basis

Section 1413 of the Affordable Care Act directs the Secretary of Health and Human Services to develop and provide to each state a single, streamlined application form that may be used to apply for coverage through a Marketplace and for APTC/CSR, Medicaid, and CHIP (which we refer to collectively as insurance affordability programs). The application must be structured to maximize an applicant's ability to complete the form satisfactorily, taking into account the characteristics of individuals who may qualify for the programs by developing materials at appropriate literacy levels and ensuring accessibility. A state may develop and use its own application if approved by the Secretary in accordance with section 1413 and if it meets the standards established by the Secretary.

45 CFR §155.405(a) provides more detail about the application that must be used by Marketplaces to determine eligibility and to collect information necessary for enrollment. Eligibility standards for the Marketplace are set forth in 45 CFR §155.305. The information will be required of each applicant upon initial application, with some subsequent information collections for the purposes of confirming accuracy of previous submissions and for changes in an applicant's circumstances. 42 CFR §§435.907 and 457.330 establish the standards for state Medicaid and CHIP agencies related to the use of the application. CMS has designed a dynamic electronic application that will tailor the amount of data required from an applicant based on the applicant's circumstances and responses to particular questions in the FFM (please note SBM implementations may vary but the essence of the data collection must adhere to the same parameters). The paper version of the application will not be tailored in the same way but will require only the data necessary to determine eligibility.

The Affordable Care Act directs that Marketplaces permit individuals to apply for coverage during annual open enrollment. Individuals may apply outside of the open enrollment periods, and enroll in coverage right away if they qualify for a special enrollment period (outlined in 45 CFR §155.420(d)). Medicaid and CHIP do not have specified open enrollment periods. The application will be available at all times during the year.

Individuals will be able to submit an application electronically, through the mail, over the phone through a call center, or in person, per 45 CFR §155.405(c)(2), as well as through other commonly available electronic means as noted in 42 CFR §435.907(a) and §457.330. The application may be submitted to a Marketplace, Medicaid or CHIP agency.

We have included the following attachments of application materials to illustrate the process applicants will use to apply for health coverage in a qualified health plan through a Marketplace and for insurance affordability programs.

- Attachment A: List of Items in the Electronic Application to Support Eligibility Determinations for Enrollment through the Marketplace and for Medicaid and the Children's Health Insurance Program – a list of all potential questions that could be asked on the electronic application. No applicant will ever be required to answer this exhaustive list of questions; the vast majority of applicants will be asked less than one-third of these questions. The document includes descriptions of question logic and skip patterns.

- Attachment A-1: Additional Electronic Application Items to Support Eligibility Determinations for Enrollment through the Health Insurance Marketplace and for Medicaid and the Children's Health Insurance Program – a list of additional questions to guide consumer to the most appropriate application for their household characteristics and interests.

- Attachment B: Application for Health Coverage & Help Paying Costs (Short Form) – this paper application can be used by some single individuals to receive an eligibility determination for enrollment through the Marketplace or for Medicaid and the Children's Health Insurance Program. This application can be used by single individuals who: do not have any dependent children and are not claimed as a dependent on someone else's tax return; are not American Indian/Alaska Native; are not offered coverage through a job; were not in the foster care system (and under age 26); and do not deduct certain expenses from his/her income. Otherwise, individuals should apply online or use Attachment C. The short form is also accompanied by Appendix C "Assistance with Completing this Application."

- Attachment C: Application for Health Coverage & Help Paying Costs – this paper application supports eligibility determinations for enrollment through the Marketplace or for Medicaid or CHIP. The application can be used to determine eligibility for an individual or family applying for enrollment through the Marketplace, Advance Payment of the Tax Credit, cost-sharing reductions, Medicaid and CHIP. The Application for Health Coverage & Help Paying for Costs is also accompanied by 1) Appendix A "Health Coverage from Jobs and Employer Coverage Tool," designed to assist consumers to gather necessary information to answer employer sponsored health coverage questions on the application; 2) Appendix B "American Indian or Alaska Native Family Member (AI/AN)"; and 3) Appendix C "Assistance with Completing this Application."

- Attachment D: Application for Health Coverage – this paper application supports eligibility determinations for enrollment through the Marketplace for applicants who do not wish to be considered for insurance affordability programs. The application can be used to determine eligibility for an individual or family applying to directly purchase QHP coverage through a QHP through the Marketplace. This implementation of application questions in this form is less burdensome for consumers who do not wish to be considered for insurance affordability program eligibility. The application for health coverage is also accompanied by Appendix C "Assistance with Completing this Application."

- Attachment E: This is a summary of the 60-day comments received and CMS responses.

- Attachment F: This is a crosswalk of the changes made in response to the 60-day comments to Attachments A and A1.

2. Information Users

Information collected by the Marketplace, Medicaid, or CHIP agency will be used to determine eligibility for coverage through the Marketplace and insurance affordability programs and assist consumers in enrolling in a QHP if eligible. Applicants include anyone who may be eligible for coverage through any of these programs.

3. Use of Information Technology

Technology enables the electronic application process to offer a number of advantages over a paper application process. The electronic application will feature a dynamic or "smart" process that poses questions to the applicant based on the responses to previous questions and available verification of information. This ensures that only relevant questions are asked and any non-relevant questions are not displayed (for example, the electronic application does not ask men if they are pregnant). The paper application does not offer the same flexibility in customizing the sequence or number of questions. The electronic application will also be able to catch inadvertent errors in real time, as well as immediately verify information in many cases. The electronic process will be designed to allow individuals to save information through a unique user account, obtain access to immediate help resources, and more quickly enroll in coverage. As compared to applying via paper, the electronic application will allow applicants to complete the process more efficiently and receive an eligibility determination more quickly. Therefore the electronic application will reduce the burden of applying for coverage.

4. Duplication of Effort

This information collection does not duplicate any other effort, and we will make every effort to obtain such information from existing sources.

5. Small Businesses

Small businesses are not affected by this data collection.

6. Consequences of Less Frequent Collection

The Affordable Care Act directs that Marketplaces permit individuals to apply for coverage during annual open enrollment periods and during special enrollment periods, when applicable. Additionally, individuals may apply for Medicaid and CHIP at any time throughout the year. If information was collected less frequently or not at all, individuals would not be able to gain coverage under Affordable Care Act reforms and the program would be unable to operate.

7. Special Circumstances that may cause respondents to submit information in fewer than 30 days

An individual who is enrolled in a QHP through a Marketplace is required to report changes that impact eligibility to the Marketplace within 30 days of such a change per 45 CFR §155.330(b). Individuals are required to report changes in residency, incarceration, household makeup, income, and citizenship or lawful presence. The Marketplace may conduct a redetermination for eligibility to be enrolled in a QHP based on the reported change.

If an individual is responding by mail to a request for follow up regarding an application, for example, the individual may need to respond in fewer than 30 days if the open enrollment period will end in less than 30 days, or if it is the policy of the Medicaid or CHIP agency.

8. Federal Register/Outside Consultation

As required by the Paperwork Reduction Act of 1995 (44 U.S.C.2506 (c)(2)(A)), CMS published the Application PRA package for a 60-day comment period in the Federal Register on December 2, 2015, ending on February 1, 2016 (80 FR 75463). This 30-day posting reflects proposed changes made to the data collection for the online electronic application and screener (Attachment A and Attachment A-1) in response to public comments received from the 60-day comment period. The comments have been summarized and addressed in the comment/response document (Attachment E of the 30-day ICR submission). The paper applications (Attachments B, C and D) will be updated prior to Open Enrollment each year to reflect the appropriate content for the coverage year.

9. Payments/Gifts to Respondents

There are no payments or gifts to respondents.

10. Confidentiality

All information will be kept private pursuant to applicable laws/regulations.

11. Sensitive Questions

Per statute, a Social Security number and information about citizenship or immigration status are needed to help verify eligibility for coverage. The items in this collection are included in the SORN (09-70-0560) published in the Federal Register on February 6, 2013.

12. Estimates of Annualized Burden Hours

The Congressional Budget Office (CBO) estimated in March 2015 that approximately 24 million people will enroll in coverage through the Marketplaces and insurance affordability programs per year from 2017 to 2019.[1] CMS estimates an average of 30% of those enrolled represents new enrollments (equally about 7,200,000 per year) as the base population of the remaining uninsured continues to decrease so will the take-up rate among eligible insured individuals. Leveraging data reported by the Department of Health and Human Services (HHS) Office of the Assistant Secretary for Planning and Evaluation (ASPE) based on the 2015 Open enrollment period[2], CMS estimates that 74% of the new enrollment represents the total number of new applications that need to be accounted for in this collection as a single completed application can include multiple individual applicants from the same household.

Therefore, CMS expects a total of 5,328,000 new applications a year from 2017 to 2019, resulting in a total of 2,410,767 total burden hours each year. Further, CMS estimates that approximately 90% of consumers will submit online applications.

Burden for Electronic Application

CMS estimates that the electronic application process will vary depending on each applicant's circumstances, their experience with health insurance applications and electronic capabilities. The goal is to solicit sufficient information so that in most cases no further inquiry will be needed. In addition, online channels will administer an identification proofing process prior to the electronic eligibility application information. Based on the information an individual provides, the identification proofing system will generate a series of challenge questions, such as a previous address where an individual has lived. The system will have a large bank of questions it will randomly generate based on information from external databases. To protect the security and integrity of the system, we cannot provide the list of questions generated. Additional burden from the identification proofing process is negligible in the context of the electronic application questions. Please refer to Attachment A for the placement of and more detail about the identification proofing process. We estimate that on average it will take approximately 30 minutes (0.50 hours) to complete an application for insurance affordability programs. It will take

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1 Effects of the Affordable Care Act on Health Insurance Coverage – Baseline Projections, CBO, March 2015.

2 Health Insurance Marketplaces 2015 Open Enrollment Period: March Enrollment Report, ASPE, March 2015.

an estimated 15 minutes (0.25 hours) to complete an application without consideration for insurance affordability programs.

CMS estimates that approximately 4,795,200 new electronic applications will be submitted for Marketplace and insurance affordability programs each year from 2017 through 2019 for a total number of 2,129,468 yearly burden hours.

Burden for Paper Application

CMS estimates that the paper application process will take an average of 45 minutes (0.75 hours) to complete for those applying for insurance affordability programs; 15 minutes (0.25 hours) for those applying for insurance affordability programs using the short form; and 20 minutes (0.33 hours) for those applying without consideration for insurance affordability programs.

CMS further estimates that approximately 532,800 paper applications will be submitted for Marketplace insurance affordability programs for the next three years. One third of respondents will complete the short form and two-thirds will complete the longer form, resulting in 281,299 total burden hours a year from 2017-2019.

Application Processing Burden

Marketplaces and state Medicaid and/or CHIP agencies will need to process applications and make eligibility determinations based on the information submitted from individuals. CMS estimates the burden to be 10 minutes (0.17 hours) for online applications and 30 minutes (0.50 hours) for paper applications at a rate of $27 per hour.[3] The table below shows the estimated processing costs associated with this program.

Table 4: Application Processing Costs

Application Type	Number of Respondents (a)	Burden per Response (hours) (b)	Total Annual Burden (hours) (c) (a) x (b)	Labor Costs (per hour) (d)	Total Cost (e) (c) x (d)
Electronic Application	4,795,200	0.17	815,184	$27.00	$22,009,968

3 Occupational Employment Statistics survey results for “43-4061 Eligibility Interviewers, Government Programs”, May 2014.

Application Type	Number of Respondents (a)	Burden per Response (hours) (b)	Total Annual Burden (hours) (c) (a) x (b)	Labor Costs (per hour) (d)	Total Cost (e) (c) x (d)
Paper Application	532,800	0.5	266,400	$27.00	$7,192,800
Total	**5,328,000**		**1,081,594**		**$29,202,769**

12A. Estimated Annualized Burden Hours

Table 1: Estimated Burden Table, Average

Application Type	Type of Respondent	Number of New Respondents (a)	Number of Responses per Respondent	Average Burden Hours per Response (b)	Total Burden Hours (c) (a) x (b)
Online Application	Applying for insurance affordability programs	3,722,670	1	0.5	1,861,335
Online Application	Not applying for insurance affordability programs	1,072,530	1	0.25	268,133
Paper Application	Applying for insurance affordability programs	277,132	1	0.75	207,849
Paper Application	Applying for insurance affordability programs (Short Form)	136,498	1	0.25	34,124

Application Type	Type of Respondent	Number of New Respondents (a)	Number of Responses per Respondent	Average Burden Hours per Response (b)	Total Burden Hours (c) (a) x (b)
Paper Application	Not applying for insurance affordability programs	119,170	1	0.33	39,326
Total		**5,328,000**			**2,410,767**

13. Capital Costs

There are no additional capital costs.

14. Cost to Federal Government

The collection's burden to the federal government includes maintaining the application and implementation of the data. The overall cost is estimated to be $295,772. This estimate projects software development costs at $98.50 an hour and assumes approximately 13 weeks of development.

Table 3: Cost to federal government to maintain application

Data Collection and Development Task	Number of Developer Hours (a)	Average Labor Cost Per Hour (b)	Cost of Development (c) (a) x (b)
Application Development	2,080	$98.50	$204,880
1 GS-13 FTE (as COR)			$90,892
Total			**$295,772**

An additional burden to the federal government is the work of one full time GS-13 employee to serve as the COR for an application contract. The current (2015) salary of a 13 Grade/Step 1 employee in the Washington, D.C. area is $90,892.

15. Changes to Burden

While a couple additional questions were added in response to comments received from the 60 day posting, none were substantial enough to warrant changes to burden estimates. The changes modified language for an attestation and optional questions.

OMB previously approved this information collection in April, 2013 with a total of 3,035,434 responses and 1,428,822 burden hour. There have been no interim approvals.

For this renewal, CMS estimates that the total new responses (applications) will be 5,328,000 per year and the total burden hours will be 2,410,767 per year. This reflects an increase of 2,292,566 responses and 981,945 total burden hours per year from the currently approved burden for this collection.

Changes in Application Processing Cost Burden

For this renewal, CMS estimates that the total annual application cost burden will decrease by $20,708,891 (from $49,911,660 per year to $29,202,769 per year) due to administrative adjustments.

16. Publication/Tabulation Dates

Not applicable.

17. Expiration Date

CMS would like an exemption from displaying the expiration date as these forms are used on a continuing basis. To include an expiration date would result in having to discard a potentially large number of forms that are otherwise usable, creating unnecessary waste and cost burden.