

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

Background

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

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

CMS also has oversight authority over cost plans which includes establishment of reporting requirements.

CMS initiated new Part C reporting requirements with the Office of Management and Budget (OMB) approval of the "Information Collection Request" (ICR) under the Paperwork Reduction Act of 1995 (PRA) in December 2008 (OMB # 0938-New; CMS-10261). National PACE plans and 1833 cost plans are excluded from reporting all the new Part C Reporting Requirements sections.

A. Justification

1. Need and Legal Basis

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

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

2. Information Users

Before Part C reporting, CMS had mainly clinical performance reporting sections on Part C plans such as HEDIS, CAHPS, and the Health Outcomes Survey (HOS). However, CMS also needs other performance data on MAOs under Part C Medicare. CMS receives inquiries about

beneficiary access to care, patient safety, grievance rates, and other factors pertaining to the performance of MA plans. Prior to the collection and reporting of these data, CMS was unable to respond to these requests for information. There are a number of information users of Part C reporting. They include central and regional office staff that uses this information to monitor health plans and to hold them accountable for their performance. Among CMS users are group managers, division managers, branch managers, account managers, and researchers. Other government agencies such as GAO and OIG have inquired about this information. Health plans can use this information to measure and benchmark their performance.

3. Use of Information Technology

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

4. Duplication of Efforts

This collection does not contain duplication of similar information.

5. Small Businesses

There are no small businesses involved.

6. Less Frequent Collection

Most of the Part C reporting requirements data for reporting year 2017 will be reported on an annual basis. Less frequent collection of the reporting requirement data from MA organizations would severely limit CMS' ability to perform accurate and timely oversight, monitoring, compliance and auditing activities around the Part C MA benefits.

7. Special Circumstances

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

Otherwise, there are no special circumstances since this information collection request does not do any of the following:

-Require respondents to report information to the agency more often than quarterly;

-Require respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;

-Require respondents to submit more than an original and two copies of any document;

-Require respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;

-Is connected with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study,

-Require the use of a statistical data classification that has not been reviewed and approved by OMB;

-Includes a pledge of confidentiality that is not supported by authority established in statute or regulation that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or

-Require respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

8. Federal Register/Outside Consultation

The 60-day Federal Register notice published on May 11, 2016 (81 FR 29268). Public comments were received. They are attached to this package along with our response.

9. Payments/Gifts to Respondents

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

10. Confidentiality

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

11. Sensitive Questions

There are no sensitive questions associated with this collection. Specifically, the collection does not solicit questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

12. Burden Estimates (Hours & Wages)

Wage Estimates

We used data from the U.S. Bureau of Labor Statistics’ May 2015 National Occupational Employment and Wage Estimates for all salary estimates (http://www.bls.gov/oes/current/oes_nat.htm). In this regard, the following table presents the mean hourly wage, the cost of fringe benefits, and the adjusted hourly wage.

Anticipated staff performing the activities required of this data collection and reporting vary, but we believe computer systems analysts would be the primary staff person responsible for this work. We believe that other staff that are involved have a similar wage therefore we use an average hourly rate of \$86.72/hr (including the fringe benefits adjustment) was used to calculate estimated costs.

Table 2: National Occupational Mean Hourly Wage and Adjusted Hourly Wage

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefit (\$/hr)	Adjusted Hourly Wage (\$/hr)
Computer Systems Analyst	15-1121	43.36	43.36	86.72

We adjusted our employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and overhead costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. Nonetheless, there is no practical alternative, and we believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

Burden Estimates

The burden associated with this ICR is the time and resources it takes to develop computer code, to “de-bug” computer code, gather the “raw” data, “clean” the data in order to eliminate errors, enter data, to compile the data, review technical specifications, and perform tests on the data. Also included is burden that is not strictly “technical.” “Non-technical” aspects of the burden include time to read instructions, answer questions, research solutions to any impediments, to develop estimates of any additional human resources needed, and to use other administrative resources involved in improving the reporting sections.

We used the average hour estimates per contract and reporting section that were applied in the 2016-2017 ICR as the basis for calculating changes in hour burden. Then we adjusted these estimates based on: (1) the percentage increase in the number of data elements for Organization Determinations and Reconsiderations (ODR), (2) the increase in the number of burden hours and costs for adding the reporting section, Payments to Providers, and (3) the burden decreases due to the suspension of the Sponsor Oversight of Agents (SOA) reporting section and the elimination of two data elements from the Enrollment/Disenrollment reporting section.

Annual responses = 3,508

Total hour burden = 169,077
 Total annual cost = \$14,195,753

The estimates are based on increases in data elements for ODR, and Payments to Providers, decrease in data elements for enrollment/disenrollment, and suspension of SOA (see section 15 of this Supporting Statement).

Burden Summary

Annual Recordkeeping and Reporting Requirements

	Potential Respondents	Responses per Respondent	Total Responses	Burden per Response	Total Annual Burden (hours)	Hourly Labor Cost of Reporting (\$/hr.)	Total Cost (\$)
TOTAL	544	6.5*	3,508	48.2**	169,077	86.72	14,195,753

*6.448529411764706

**48.19754846066135

Information Collection Instruments/Instructions

- Medicare Part C Plan Reporting Requirements Technical Specifications Document Contract Year 2017

This document provides a description of the reporting sections, reporting timeframes and deadlines, and specific data elements for each reporting section.

13. Capital Costs

There is no capital cost associated with this collection.

14. Cost to Federal Government

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

15. Changes to Burden

The following table lists estimated burden changes in hours and costs between 2016 and 2017. Total hour change in burden is estimated at -12,946 and total cost change in burden is estimated at -\$1,086,898. The percentage decrease for hours is 7.1 percent.

Reporting Section	2016 -Estimate		2017 ICR Estimate		Change in Burden	
	Hours	Cost	Hours	Cost	Hours	Cost

Organization Determinations/ Reconsiderations*	74,434	\$6,249,479	84,038	\$7,055,863	9,604	806,384
Payments to Providers	N/A	N/A	11,312	\$949,756	11,312	\$949,756
Enrollment Disenrollment	768	\$64,481	698	\$58,619	-70	-\$5,862
Remaining reporting sections total	106,821	\$8,968,691	73,029	\$6,131,515	-33,792	\$-2,837,176
Total reporting sections total	182,023	\$15,282,651	169,077	\$14,195,753	-12,946*	\$-1,086,898

Note: Figures in above table subject to rounding.

*Overall, the average decrease in hours per contract for the 2017-2018 ICR compared to the 2016-2017 ICR is 24.

We estimated the number of contracts reporting in 2016, based on the number of contracts reporting in CY 2014 (n=544). The number of annual responses for this reporting section was then $544 \times 1 = 544$ since this section is reported annually. The currently approved figure estimates 562 contracts.

Organization Determinations/Reconsiderations

This ICR now lists just four new data elements to the reporting section: Organization Determinations and Reconsiderations. These new data elements are needed to obtain more information about case reopenings.

Increasing the number of data elements from 31 to 35 increased the estimated annual reporting burden for ODR by 9,604 hours. Per contract, the hourly burden increase for ODR was from 137 hours to 155 hours.

Payments to Providers

Adding Payments to Providers as a new reporting section increased hours by 11,312. Per contract, this resulted in an average increase of 20.8 hours.

Enrollment/Disenrollment

For the Enrollment/Disenrollment reporting section, the decrease in hours was 9.1 percent based on the percentage decrease in data elements from 22 to 20. This translated into a decrease of hour's burden from 768 hours to 698 annual hours (a change of -70 hr).

Former data elements 1-M and 1-N need to be removed since they no longer apply. This would decrease the reporting burden slightly. The data elements were:

Of the number reported in A, the number of enrollment transactions submitted using the SEP Election Period code "S" related to SPAP.

Of the number reported in A, the number of enrollment transactions submitted using the SEP Election Period code “S” related to SPAP.

Sponsor Oversight of Agents

Sponsor Oversight of Agents is being suspended. This 2017 suspension is still planned and would have a significant impact by lowering the resource utilization. The average decrease in hours is 62 per contract.

16. Publication/Tabulation Dates

Collection of these data will commence in January 1, 2017. The collection of these data from MA organizations will continue indefinitely.

17. Expiration Date

This collection displays OMB’s expiration date.

18. Certification Statement

There are no exceptions.

B. Collections of Information Employing Statistical Methods

This information collection does not require statistical analyses to be conducted by the reporting organizations.