

State-based Marketplace Annual Report Tool (SMART) Supporting Statement for Paperwork Reduction Act Submissions

A. Background

On March 23, 2010, the President signed into law the Patient Protection and Affordable Care Act (P.L. 111-148) and on March 30, 2010, he signed the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) into law. Collectively, the two laws comprise the Affordable Care Act (ACA). The ACA creates new competitive private health insurance markets – referred to as State-based Marketplaces (SBMs) – that will give millions of Americans and small businesses access to affordable healthcare coverage. To best meet the needs of the individual states to provide these services, the ACA provides them with the maximum flexibility to design, implement, and operate the market within their state.

The U.S. Department of Health and Human Services (HHS) works collaboratively with SBMs. As these Marketplaces move from design and implementation to operations, HHS will provide oversight and monitoring to ensure adequate operational systems. The effective and efficient oversight of Marketplaces will include monitoring, reporting, and oversight of financial and other Marketplace activities. These mechanisms will ensure the Marketplaces are meeting the standards of the ACA and consumers receive both appropriate choices of available coverage and advance payments of the premium tax credit or cost-sharing reductions to which they are entitled.

HHS oversight of SBMs will promote transparency and ensure compliance with Marketplace-related standards while preserving states' traditional roles in overseeing their insurance markets. To that end, there are numerous regulatory requirements described in the Exchange Final Rule, the Program Integrity Rule, and other regulatory guidance with which SBMs must comply. Regulatory requirements include submitting reports such as an annual financial statement, eligibility and enrollment reports, and the Small Business Health Option Program (SHOP) reports to the Internal Revenue Service (IRS) on employer participation, employer contributions, and employee enrollment. Other regulatory requirements address security and privacy safeguards, stakeholder consultations, and funding obligations for SBM operations, beginning in 2015.

In order to ensure the SBMs and State-based Marketplaces using the Federal platform (SBM-FPs) are complying with the full range of reporting requirements, SBMs and SBM-FPs must submit the State-based Marketplace Annual Report Tool (SMART) to HHS. This report will include all reporting requirements for SBMs and will be used as the vehicle for evaluating comprehensive compliance with regulations and standards of the Centers for Medicare & Medicaid Services (CMS). This report will include attestations of SBM compliance with ACA requirements, attestations of compliance with eligibility and enrollment requirements, performance monitoring data, and the annual financial statement and external financial and programmatic audit report.

B. Justification

1. Need and Legal Basis

The annual report is the primary vehicle to ensure compliance with all reporting requirements contained in the ACA. It is specifically called for in Section 1313(a)(1) of the ACA, which requires an SBM to keep an accurate accounting of all activities, receipts, and expenditures, and to submit a report annually to the Secretary concerning such accounting. Instructions governing specific facets of the activities covered by the report are contained both in the ACA and in applicable Federal Regulations.

2. Information Users

CMS and other Federal agencies will use the information collected from states to assist in determining if a state is maintaining a compliant operational Exchange. It will also provide a mechanism to collect innovative approaches to meeting challenges encountered by the SBMs during the preceding year as well as to provide information to CMS regarding potential changes in priorities and approaches for the upcoming year.

3. Use of Information Technology

The SMART data collection tool will be available on the SERVIS and will permit electronic submission of responses.

4. Duplication of Efforts

CMS has designed the SMART to reduce the data collection to the maximum extent possible. While it is intended as a comprehensive compliance review to ensure SBMs are fulfilling their statutory requirements, very little additional data gathering is required to complete the form. The respondents can answer most questions by attestations and uploading existing documents.

5. Small Businesses

This collection does not impact small businesses or other small entities.

6. Less Frequent Collection

CMS cannot conduct this collection less frequently. The ACA requires an annual submission of the report.

7. Special Circumstances

No special circumstances apply.

8. Federal Register/Outside Consultation

As required by the Paperwork Reduction Act of 1995, CMS published a 60-day Federal Register Notice (FRN) to provide interested parties the opportunity to comment on the collections of information required by the State-based Marketplace Annual Report Tool (SMART). No outside consultation was sought. FRN appeared on May 19, 2017, on page 23007 -23008 (2 pages) of the Federal Register. No comments were received in response to the 60-day comment period.

The 30-day Notice published August 24, 2017 (82 FR 40157).

9. Payments/Gifts to Respondents

There will be no payments or gifts 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

The data collection does not incorporate any questions that would be considered sensitive in nature.

12. Burden Estimates (Hours & Wages)

There are currently 17 States operating marketplace formats requiring submission of the SMART. As a result, 17 total respondents were used to calculate the burden estimates. CMS used the May 2016 Bureau of Labor Statistics' most wage estimates available on the BLS website at the following link (http://www.bls.gov/oes/current/oes_nat.htm) as the basis for standard mean hourly wages to calculate the burden costs. This mean hourly wage is adjusted by a factor of 100 percent to include fringe benefits.

Estimated Annualized Burden Table

Forms	Type of Respondent	Number of Respondents	Responses per Respondent	Estimated Burden hours per Response	Total Estimated Burden Hours
Annual Regulatory Report	State Agency	17	1	69	1,173
Total				69	1,173

Hours and Costs Table

Type of respondent	Number of Respondents	Responses per Respondent	Average Burden Hours	Wage per Hour (incl 100% benefits)	Burden Costs
Agency head to Approve Report	17	1	2	\$122.06	\$4,150
Senior-level manager to oversee report	17	1	9	\$117.40	\$17,962
Senior-level manager to conduct most writing	17	1	17	\$117.40	\$33,929

Mid-level policy analyst to support writing	17	1	25	\$78.20	\$33,235
Mid-level financial analyst to support writing	17	1	14	\$93.88	\$22,343
Administrative assistant	17	1	2	\$38.78	\$1,319
Total			69		\$112,938

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

There are no costs to the Federal Government.

15. Changes to Burden

OMB previously approved this information collection in July 2014, with a total of 1,331 burden hours for 19 SBMs. Since the original approval, there have been two non-substantial changes approvals. The following changes have been made to the information collection: removal of the Executive Summary, State Blueprint Profiles, and Technology, Privacy and Security sections, and converting eligibility and enrollment and consumer assistance tool information from the Exchange Final Rule information collection and performance monitoring data information from the Establishment Grant information collection into attestations.

This revision amends the total number of SBMs and SBM-FPs from 19 to 17 to reflect the current number of respondents. As a result, there is a total reduction of 138 hours.

16. Publication/Tabulation Dates

The results of this collection will not be published.

17. Expiration Date

The OMB control number and expiration date will display on the first page (top right-hand corner) of each instrument.