

Supporting Statement – Part A **Application**
To Be a Qualified Entity to Receive Medicare Data for Performance
Measurement (ACA Section 10332)

A. Background

Section 10332 of the Patient Protection and Affordable Care Act (ACA) requires the Secretary to make standardized extracts of Medicare claims data under Parts A, B, and D available to “qualified entities” for the evaluation of the performance of providers of services and suppliers. The statute provides the Secretary with discretion to establish criteria to determine whether an entity is qualified to use claims data to evaluate the performance of providers of services and suppliers. After consideration of comments from a wide variety of stakeholders during the public comment period, CMS established “Medicare Program; Availability of Medicare Data for Performance Measurement” (hereinafter called the Final Rule and referred to as the Medicare Data Sharing Program) published in the Federal Register on December 7, 2011 (42 CFR, Part 401, Subpart G). To implement the requirements outlined in the legislation, CMS established the Qualified Entity Certification Program (QECP) to evaluate an organization’s eligibility across three areas: organizational and governance capabilities, addition of claims data from other sources (as required in the statute), and data privacy and security. This collection covers the application through which organizations provide information to CMS to determine whether they will be approved as a qualified entity. CMS is requesting this package (0938-1144) to be reinstated. This package was delayed due to administrative issues.

B. Justification

1. Need and Legal Basis

The Patient Protection and Affordable Care Act (ACA) was enacted on March 23, 2010 (Pub. L. 111-148). ACA amends section 1874 of the Social Security Act by adding a new subsection (e) to make standardized extracts of Medicare claims data under Parts A, B, and D available to qualified entities to evaluate the performance of providers of services and suppliers. This is the application needed to determine an organization’s eligibility as a qualified entity.

2. Information Users

The information from the collection is used by CMS to determine whether an organization meets the criteria required to be considered a qualified entity to receive Medicare claims data under ACA Section 10332. CMS evaluates the organization’s eligibility in terms of organizational and governance capabilities, addition of claims data from other sources, and data privacy and security.

3. Use of Information Technology

All applications are submitted by electronic means.

4. Duplication of Efforts

This information collection does not duplicate any other effort and the information cannot be obtained from any other source.

5. Small Businesses

No special considerations are given to small businesses. The same information is needed to assess the qualifications of all organizations.

6. Less Frequent Collection

Data are collected once at the time of application.

7. Special Circumstances

No special circumstances.

8. Federal Register/Outside Consultation

The 60-day federal register notice published on March 12, 2018 (83FR10730) and the 30-day federal register notice published on June 11, 2018(83FR27005). No comments were received in either cycle of comments

9. Payments/Gifts to Respondents

There are no payments/gifts to respondents. This collection is only set out to establish criteria to determine whether an entity is qualified to use claims data to evaluate the performance of providers of services and suppliers.

10. Confidentiality

We pledge privacy to the extent allowed by law. The applications will be kept secure. No proprietary data or information will be disclosed outside the Government and will not be duplicated, used, or disclosed – in whole or in part – for any purpose other than to evaluate the application. Files containing the applications or information from these forms will be safeguarded in accordance with Departmental standards and National Institute of Standards and Technology (NIST) Special Publication 800-53, Recommended Security Controls for

Federal Information Systems and Organizations which limits access to only authorized personnel. The safeguards shall provide a level of security as required by Office of Management and Budget (OMB) Circular No. A-130 (revised), Appendix III – Security of Federal Automated Information Systems.

11. Sensitive Questions

No sensitive questions are part of this information collection.

12. Burden Estimates (Hours & Wages)

To date, there are 23 Qualified Entities (QEs), the majority of whom are non-profit agencies, including medical associations and consumer, provider, and supplier groups. Non-profit QEs also include community quality collaboratives, which are community-based organizations of multiple stakeholders that work together to transform health care at the local level by promoting quality and efficiency of care, and by measuring and publishing quality information. Current for-profit QEs include several healthcare analytic companies, data vendors, and technology companies. There is one state department of health, one agency that is a CMS-approved Qualified Clinical Data Registry (QCDR), a school of public health, and a public university. Going forward, we believe that we will continue to see an increase in applications from healthcare analytic and technology companies given the expanded uses of the Medicare data afforded by section 105 of the Medicare Access and CHIP Reauthorization Act (MACRA) of 2016. We also expect to see provider network companies and other CMS-approved QCDRs apply to the program. We have examined available information related to these entities to inform our assumptions. We estimate that 30 additional organizations will submit applications to participate as qualified entities

We estimate that the average response to complete each application will be 500 hours and will include a mix of staff from the following occupations: social scientists, network and systems administrators and executives. The time estimate for preparation of the application is based upon the professional judgment of staff members at the Centers for Medicare and Medicaid Services and the QCEP implementation support contractor. We estimate that 10 organizations will apply each year at an average response time of 500 hours per response. Therefore, we have calculated the annual burden as follows: 10 responses X 500 hours per response = 5,000 burden hours (annual).

As referenced earlier, we believe that social scientists, network and systems administrators, and an executive from each organization will be involved in responding to the information collection requirements (see Table 1 below).

Based on the most recent Bureau of Labor and Statistics Occupational and Employment Data (May 2016) for Category [19-3099] (Social Scientist and Related Workers, All Other), the mean hourly wage for a social scientist is \$38.87.¹ We have added 100% of the mean hourly wage to account for fringe and overhead benefits, which calculates to \$77.74 (\$38.87 + \$38.87).

Based on the most recent Bureau of Labor and Statistics Occupational and Employment Data (May 2016) for Category [15-1142] (Network and Computer Systems Administrators), the mean hourly wage for a systems administrator is \$40.63.² We have added 100% of the mean hourly wage to account for fringe and overhead benefits, which calculates to \$81.26 (\$40.63 + \$40.63).

Based on the most recent Bureau of Labor and Statistics Occupational and Employment Data (May 2016) for Category [11-1011] (Chief Executive), the mean hourly wage for a chief executive is \$93.44.³ We have added 100% of the mean hourly wage to account for fringe and overhead benefits, which calculates to \$186.88 (\$93.44 + \$93.44).

Table 1: Mean Hourly Wage by Occupation

Occupation	2017 hourly wage rate	Overhead/fringe (100%)	Total hourly
Social Scientist and Related Workers, All Other	\$38.87	\$38.87	\$77.74
Network and Computer Systems Administrators	\$40.63	\$40.63	\$81.26
Chief Executive	\$93.44	\$93.44	\$186.88

As reflected in Table 2 below we estimate the total cost for a social scientist to be \$23,322 (300 hours x \$77.74/hour). We estimate the total annual cost for a network and computer systems administrator to be \$13,001.60 (160 hours x \$81.26/hour). We estimate the total cost for a chief executive to be \$7,475.20 (40 hours x \$186.88/hour). From this, we estimate that the cost per organization for applying initially to be a qualified entity will be \$43,798.80, and we estimate that 30 organizations will apply over three years.

1 <https://www.bls.gov/oes/current/oes193099.htm>

2 <https://www.bls.gov/oes/current/oes151142.htm>

3 <https://www.bls.gov/oes/current/oes111011.htm>

The total hour burden will be 15,000 hours (500 hours multiplied by 30 organizations = 15,000 hours) and the total cost will be \$1,313,964.

Table 2: Costs by Occupation and Application

Occupation	Hourly Cost	Total Hours	Cost per Response	Number of Responses	Total Costs
Social Scientist	\$77.74	300	\$23,322.00	-	-
Network and Computer Systems Administrators	\$81.26	160	\$13,001.60	-	-
Executive	\$186.88	40	\$7,475.20	-	
Total	-	500	\$43,798.80	30	\$1,313,964

Based on the information listed above, the overall annual burden associated with this information collection requirements is 5,000 hours (15,000 hours divided by 3 years = 5,000 hours). Organizations applying to be a qualified entity will do so one time during a 3 year period.

Additionally, the annual average cost burden is estimated at \$437,988. (\$1,313,964 divided by 3 years=\$437,988)

13. Capital Costs

There are no capital costs associated with preparing the application to be a qualified entity.

14. Cost to Federal Government

It is estimated that annual CMS costs for managing the information collection will include one full time equivalent at the GS-13 step 4 level with an annual fully loaded salary of \$158,000, and \$585,000 in contractor support, for a total of \$743,000.

15. Changes to Burden

- The burden estimate has been adjusted from 35 to 10 for the total number of organizations that are expected to submit applications. The reduction in burden is due to an adjustment in the total number of respondents from a 3 year to 1 year representation of burden.
- The only other changes made that impact burden to individual applicants were updates to the BLS labor categories, which have increased since the last information collection submission.

16. Publication/Tabulation Dates

There are no publication/tabulation dates associated with this collection.

17. Expiration Date

CMS would like to display the expiration date as indicated.

On the footer of every page for the following information collection instruments:

- QECP Paper-Based Application Form
- QECP Letter of Commitment
- QECP Letter of Commitment for Quasi QEs
- QECP QA Worksheet (within the PRA disclosure statement)

On the first page/worksheet (“Instructions” tab) of the following information collection instruments:

- QECP Data Source Attestation - Instructions tab, line 56
- QECP Data Security Workbook - Instructions tab, line 7
- QECP Measure Information Workbook - Instructions tab, line 210

18. Certification Statement

There are no exceptions to the certification statement.