SUPPORTING STATEMENT PART A
BLUEPRINT FOR APPROVAL OF STATE-BASED HEALTH INSURANCE EXCHANGES"
(CMS-10416/OMB CONTROL NUMBER: 0938-1172)

A. Background

On March 23, 2010, the President signed into law the Patient Protection and Affordable Care Act (PPACA) (P.L. 111-148). On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) was signed into law. The PPACA establishes Health Benefit Exchanges to provide individual and small business employees access to health insurance coverage in local markets.

An Exchange is an entity that both facilitates the purchase of qualified health plans (QHPs) by qualified individuals and provides for the establishment of a Small Business Health Options Program (SHOP), consistent with PPACA Section 1311 (b) and 45 CFR 155.100. The Health Benefit Exchange's IT systems support simple and seamless identification of individuals who qualify for coverage through the Exchange, tax credits, cost-sharing reductions, Medicaid, and CHIP programs. By providing a place for one-stop shopping, Exchanges make purchasing health insurance easier and more understandable and put greater control and more choice in the hands of individuals and small businesses.

Pursuant to 45 CFR 155.105, states (including U.S. territories and the District of Columbia) have the opportunity to seek the Department of Health and Human Services (HHS) approval or conditional approval to operate a State-based Exchange that meets Federal standards and will be able to offer health insurance coverage for the plan year, beginning on, or after January 1, 2014. In the 2016 Payment Notice, the Centers for Medicare & Medicaid (CMS) codified a new Exchange model, the State-based Exchange on the Federal Platform (SBE-FP), which allows states to operate as an Exchange while relying on the Federal government for eligibility and enrollment functionality. Currently, 17 states have completed a Blueprint Application to operate an SBE, of which 5 states have transitioned to an SBE-FP. The remaining 33 have elected to rely on the Federally-facilitated Exchange (FFE).

For coverage years beginning on or after, January 1, 2019, A FFE state can choose to establish and operate as a SBE or SBE-FP for the first time. This would pertain to FFEs electing to operate their own SBE or using the SBE-FP model option. However, if a FFE does not elect to change their Exchange model option there is no action required. States with a conditionally-approved Exchange Blueprint Application who are seeking to transition to either one of the SBE or SBE-FP model options must submit an updated Exchange Blueprint Application for HHS's approval.

The PPACA and its implementing regulations continue to provide states with the flexibility in the design and operation of their Exchanges to ensure state are implementing sustainable Exchanges that best meet the need of its population. The revised Exchange Blueprint Application documents how an Exchange meets, or will meet, all legal and operational requirements associated with the model a state chooses to pursue (i.e., SBE or SBE-FP). As part of the Exchange Blueprint completion and submission for HHS's certification these are the

requirements for states pursuing a new or transitioning to a different Exchange model option;
-Declaration of Intent Letter or Update to Declaration of Intent Letter
-Exchange Blueprint Application or Updated Exchange Blueprint Application
-Attestations (state agrees to demonstrate operational readiness to execute Exchange activities).

CMS will work closely with each state that indicate interests in or begins to pursue a different Exchange model option.

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B. Justification

1. Need and Legal Basis

The PPACA, Section 1311(b)(1) gives states the opportunity to establish State-based Exchanges (also known as "Exchanges"), subject to approval or conditional approval that the State-based Exchange meets Federal standards and were ready to offer health care coverage beginning on or after January 1, 2014. The past deadline for approval or conditional approval was January 1, 2013 for the first coverage year of 2014. Section 1321(c) of the PPACA directed the Secretary of Health and Human Services to facilitate the establishment of a Federally-facilitated Exchange in a state that does not achieve approval or conditional by the January 1, 2013 deadline. Per regulations at 45 CFR 155.106, states seeking to establish and operate a SBE must submit their Exchange Blueprint Application (or update Blueprint Application) to HHS at least 15 months prior to the beginning of an SBE's first open enrollment.

As part of HHS's Exchange approval or conditional approval process, it is expected that Exchanges will attest to completion of, and demonstrate compliance with, operational requirements through a) one-time submission of an Exchange Blueprint (referred to as "Certification Application" for purposes of 60-day public comment) and b) demonstration of operational readiness. The Exchange Blueprint is organized by Exchange activities and includes requirements for an operational Exchange. In completing the Exchange Blueprint, states are required to submit a compilation of attestations and descriptions of some processes. To further ensure operational readiness of an Exchange, CMS may conduct onsite system demonstrations and consultations as part of its approval process. Per regulations at 45 CFR 155-157 CMS must ensure that a state meets the requirements for establishing an Exchange and meets all legal and operational requirements.

To ensure a state can operate a successful and compliant Exchange, it is critical that states provide CMS with a complete and thorough Exchange Blueprint and attest to operational readiness. CMS understood the burden the prior Exchange Blueprint and operational readiness assessments placed on states and thus streamlined all reporting and assessments required from states to ensure an efficient and effective Exchange approval process.

2. Information Users

The information collected from states will be used by CMS, IRS, SSA and other Federal agencies to determine if a state can implement a complete and fully operational Exchange. The Exchange Blueprint is the sole data collection instrument used by CMS to collect this information from states.

The Exchange Blueprint allows CMS to monitor a states' progress towards successful implementation of a State-based Exchange and assess readiness for the Open Enrollment period the state intends to first begin operations of their State-based Exchange. The Exchange Blueprint will be used in conjunction with a streamlined readiness reviews process focusing on program integrity requirements, assessing the state's internal controls and compliance with PPACA.

3. Use of Information Technology

The Exchange Blueprint data collection tool will be available 100% online, which will permit electronic submission of all responses and uploads of documentation[1].

4. Duplication of Efforts

This information collection does not result in a duplicate collection of information. As indicated above, the Exchange Blueprint is the sole data collection instrument used by CMS to collect this information from states. In this updated version of the Exchange Blueprint, CMS has also reduced the amount of data being collected, as compared to previous versions, by eliminating the documentation and evidence states are required to submit as part of the application, to lessen the administrative burden to states to the maximum extent possible. Other updates in this version of the Exchange Blueprint are based on updated regulatory requirements promulgated through the 2017, 2018 and the soon to be released 2019 Payment Notice and Marketplace Stabilization Rule.

5. Small Businesses

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

6. Less Frequent Collection

This collection cannot be conducted less frequent. The Exchange Approval process requires a one-time submission of the completed application tool in order for CMS to assess an Exchange's compliance with ACA requirements and associated regulations.

7. Special Circumstances

No special circumstances apply.

8. Federal Register/Outside Consultation

As required by the Paperwork Reduction Act of 1995 (44 U.S.C.2506 (c)(2)(A)), the Center for Consumer Information and Insurance Oversight (CCIIO) published a 60-day notice in the Federal Register on 04-04-2018 (Vol. 83, 14461-14462), requesting public comment on its proposed reinstatement with changes of the information collection requirements specified in the Blueprint for Approval of State-based Health Insurance Exchanges; (OMB Control No. 0938-1172). No comments were received in response to the 60-day comment period. A 30-day notice published in the Federal Register on August 27, 2018 (83 FR 43690).

9. Payments/Gifts to Respondents

There will be no payments or gifts to respondents.

10. Confidentiality

There will be no collection of confidential data or information from the respondents.

[1] Exchanges will complete the Blueprint Application on SERVIS at portal.cms.gov/servis.

11. Sensitive Questions

There will be no sensitive questions asked to respondents or sensitive data collected from respondents.

12. Burden Estimates (Hours & Wages)

While it was estimated in the original clearance that each state (including District of Columbia and U.S. territories) would complete and submit an Exchange Blueprint, some states have elected to rely on the FFE to achieve compliance with the ACA and were not required to submit an application. However, some states are still considering establishing an Exchange and may submit applications in the future. Also, some states may elect to modify the format of their Exchange and be required to update their Blueprint accordingly.

The calculation for the overall burden includes best estimates for the number and types of Exchanges that could potentially be requested or modified in the future. As a result, 21 potential respondents across the three years of the ICR were used to calculate the burden estimates. CMS used the Bureau of Labor Statistics for standard wages in order to calculate the burden costs[21].

Estimated Annualized Burden Table

Forms	Type of Respondent	Number of Respondents	Number of Responses per Respondent	Estimated Burden hours per Response	Total Estimated Burden Hours
Blueprint	State Agency	7	1	31.5	220.5
Total				**31.5**	**220.5**

Annualized Hours and Costs Table

Type of Respondent	Number of Respondents	Number of Responses per Respondent	Average Burden	Wage per Hour	Burden Costs
Senior-level manager to oversee	7	1	1	$112.96	$790.72
Senior-level manager to conduct	7	1	2	$112.96	$1,581.44

[2] We calculate total hourly wage based on the mean hourly wage, 100% of compensation from benefits, and fringe rate. We calculate total annual salary by multiplying total wage by a full-time, year-round working year of 2,080 hours. Source: May 2016 National Industry-Specific Occupational Employment and Wage Estimates - State Government via this link: htttp://www.bls.gov/oes/current/naics4_999200.htm

Mid-level policy analyst to support	7	1	4	$82.46	$2,308.88
Senior-level manager with insurance	7	1	1	$112.96	$790.72
Mid-level policy analyst with	7	1	2	$82.46	$1,154.44
Senior-level manager from	7	1	0.5	$112.96	$395.36
Mid-level policy analyst from	7	1	2	$82.46	$1,154.44
Senior-level manager with health policy	7	1	0.5	$112.96	$395.36
Mid-level policy analyst with health policy expertise	7	1	0.5	$82.46	$288.61
Senior-level manager with systems architecture expertise	7	1	3	$129.96	$2,729.16
Mid-level analyst with systems architecture	7	1	3	$99.30	$2,085.30
Administrative budget analyst	7	1	2	$75.56	$1,057.84
Administrative assistant	7	1	2	$49.34	$690.76
Lawyer	7	1	3	$121.10	$2,543.10
Budget analyst from outside core	7	1	1	$89.20	$624.40
Agency head (1)	7	1	1	$152.94	$1,070.58
Agency head (2)	7	1	1	$152.94	$1,070.58
Agency head (3)	7	1	1	$152.94	$1,070.58
Official in Governor's office	7	1	1	$112.96	$790.72
Total			**31.5**		**$22,593**

13. Capital Costs

There are no capital costs associated with this collection.

14. Cost to Federal Government

Total cost to the federal government across the three years of the ICR is $58,429.56. It requires the combined labor of CMS employees at GS-12, GS-13, GS-14 and GS-15 in the Washington DC area to complete a review and assessment of the Blueprint applications.

Based on the 2018 GS pay schedule[3], a GS-12, Step 1 earns $39.07 hourly, a GS-13, Step 1 earns $48.01 hourly, a GS-14, Step 1 earns $54.91 hourly and a GS-15, Step 1 earns $64.59 hourly. HHS then multiplied hourly rates by a standard government benefits multiplication factor of 2.

15. Changes to Burden

The overall burden hours have decreased from 5,552 hours to 221 hours, a total reduction of -5,301 hours. Based on the changing nature of the states' approaches to meeting the requirements of the ACA and changes in delivery format, there has been a significant reduction in the time it takes to complete the data collection. CMS has converted many of the information requirements on the Blueprint application from full explanations with uploads of supporting documents, requiring significant levels of effort to produce, to a more streamlined "attestations" based Blueprint application with few uploads of supporting documents developed for other purposes. In addition, the number of states have decreased from 31 to 7.

16. Publication/Tabulation Dates

The results of this collection will not be published.

17. Expiration Date

The expiration date and OMB control number will appear on the instrument (first page, top right corner).

[3] Source: OPM Salary and Wages Table effective January 2018.
https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/18Tables/html/DCB_h.aspx