

**Supporting Statement for Data Collection to Support Eligibility Determinations
for Small Businesses in the Small Business Health Options Program
(CMS-10439/OMB control number: 0938-1193)**

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. The Patient Protection and Affordable Care Act (PPACA) expands access to health insurance coverage through improvements to the Medicaid and Children's Health Insurance (CHIP) programs, the establishment of Affordable Insurance Exchanges (Exchanges), and the coordination between Medicaid, CHIP, and Exchanges. Small business employers may participate in and provide health coverage through the Small Business Health Options Program (SHOP), so long as the small business employer obtains a positive eligibility determination from SHOP. Employers will work with SHOP-registered agents/brokers or Issuers offering Qualified Health Plans (QHPs) and Qualified Dental Plans (SADPs), to enroll in SHOP coverage and to select coverage options to offer their employees. SHOP Exchanges became operational on October 1, 2013.

B. Justification

1. Need and Legal Basis

HHS has developed a single, streamlined form that employers use to obtain a SHOP eligibility determination, which is included as an appendix to this Information Collection Request. 45 CFR §155.731 provides more detail about this "single employer application," which is used to determine employer eligibility.

The current SHOP single employer application collects less information than the prior application as a result of the Federally-facilitated Small Business Health Options Program (FF-SHOP) operating in a leaner fashion. Since publication of the last package, updates have been made in regulation concerning what information should be collected on the single employer application to determine employer eligibility, as reflected in 45 CFR § 155.73. When an employer completes the *SHOP Eligibility Determination Form*, the form and its results are retained by SHOP for future use, if needed (e.g., reconciliation with issuer records, SHOP employer appeals, etc.).

2. Information Users

The requirements for an employer to be considered a "qualified buyer" and thus eligible to purchase coverage through SHOP are set out at 45 CFR §155.731(b). The employer must be a small business that elects to offer, at a minimum, coverage in a QHP purchased through SHOP to all full-time employees, and either has its principal business address in the Exchange service area and offers coverage to all full-time employees through that SHOP or offers coverage to each eligible employee through the SHOP serving that employee's primary worksite.

The information collected in the single employer application filled out provides the data that the SHOP can then use to determine whether that employer is eligible to purchase coverage through the SHOP. Applicants include employers who may be considered qualified employers eligible to participate in the SHOP, per 45 CFR §155.710(b₁). After the employer is determined to be a qualified buyer, its employees who are otherwise qualified may then obtain QHP coverage

through the SHOP.

Small business employers (or an agent/broker acting on the employer's behalf) obtain a SHOP eligibility determination by completing the *SHOP Eligibility Determination Form* found on HealthCare.gov.

The *SHOP Eligibility Determination Form* was designed to provide applicants with: 1) notice of their SHOP eligibility determination; and 2) real-time eligibility determination results.

4. Duplication of Efforts

This information collection does not duplicate any other Federal effort.

5. Small Businesses

The *SHOP Eligibility Determination Form* is for small business employers, who may be qualified employers, eligible to participate in SHOP. Therefore, collection of information from this form impacts small employers. To minimize the burden of this collection on small businesses or other small employers, HHS developed a single, streamlined form that employers may use to obtain a SHOP eligibility determination. Additionally, the availability of an online *SHOP Eligibility Determination Form* allows applicants to receive a SHOP eligibility determination in real-time, in most cases.

6. Less Frequent Collection

If information is collected on a less frequent basis, employers would be unable to receive an eligibility determination and therefore, would not be able to purchase coverage through a SHOP.

7. Special Circumstances

Generally, qualified employers only provide SHOP eligibility information when they are seeking to enroll in SHOP coverage. However, there are special circumstances where a qualified employer resubmits the *SHOP Eligibility Determination Form* (e.g., an employer's information changes or data entered was incorrect etc.).

8. Federal Register/Outside Consultation

A 60-day notice published in the Federal Register on June 26, 2019 (84 FR 30123). No comments were received. A 30-day notice will publish in the Federal Register on August 28, 2019.

In the last package, CMS consulted with a variety of stakeholders on the list of data elements to provide the basis for developing the single employer application. The purpose of the consultations was to ensure that all information necessary to determine eligibility would be collected and that solicitation of extraneous information would be avoided. The consultation process considered the perspective of groups representing those who would eventually apply for health insurance and those who would administer the programs.

CMS sought input from other federal agencies, such as the IRS. The National Association of Insurance Commissioners also was consulted. CMS consulted the Advisory Panel on Outreach

and Education (APOE). The APOE is convened under the Federal Advisory Committee Act and its members represent States, providers, health plans, and consumer advocates.

In addition, CMS conferred with States, issuer associations, issuers, agent/broker associations, and various consumer advocacy organizations in both formal and informal discussions. CMS solicited input and advice via in-person and webinar presentations of the data elements from more than one dozen state and national consumer advocacy organizations.

CMS worked to minimize required document submissions to streamline and reduce duplication.

9. Payments/Gifts to Respondents

No payments and/or gifts will be provided to respondents.

10. Confidentiality

All information will be kept private to the extent allowed by applicable laws and regulations.

11. Sensitive Questions

In order to provide issuers with the information needed to comply with IRS Code §§ 5000A and 6055, the employer's identification number (EIN) shall be provided.

12. Burden Estimates (Hours & Wages)

Every employer wishing to apply for coverage through SHOP will need to complete a *SHOP Eligibility Determination Form* and obtain a positive eligibility determination in order to participate in and provide health coverage through the SHOP. In order to complete the form, each applicant will be asked to provide: (1) information about the employer including the employer's name, employer identification number (EIN), contact information, and the address of the employer's location(s); and (2) the number of full-time equivalent employees.

The applicant will also be asked to verify his or her understanding of their SHOP eligibility determination. Upon submission of the form by the applicant, the form will be electronically time and date stamped.

The form may also be completed, with assistance, by contacting an agent or broker who will assist the employer in-person or over the phone.

We estimate that it will take approximately 0.16 hours per applicant to submit a completed online *SHOP Eligibility Determination Form*. The mean hourly wage for the position of compliance officer is from the Bureau of Labor Statistics (BLS) Web site: <https://www.bls.gov/ooh/management/administrative-services-managers.htm>. The adjusted hourly wage of \$90.40 is the total of the mean hourly wage of \$45.20 plus 100% fringe benefit

rate of \$45.20, see Table 1. In calendar year 2018, approximately 5,788 eligibility determination forms were completed. As a result, we estimate approximately 500 employer groups will complete the form every month on HealthCare.gov. Thus, we expect approximately 6,000 employers to complete the form annually, for a total of approximately 960 burden hours or \$86,784.

Table 1. Burden Table

Labor Category	Number of Respondents	Hourly Labor Costs (Hourly rate + 100% Fringe benefits)	Burden Hours	Total Burden Costs (Per Respondent)	Total Burden Cost (All Respondents)
Administrative Services Managers	6,000	\$90.40	.16	\$14.46	
Total - Annual			960		\$86,784
Total – Three Years			2,880		\$260,352

13. Capital Costs

There are no anticipated capital costs associated with these information collections.

14. Cost to Federal Government

We do not anticipate any burden on the Federal Government for employers to complete the *SHOP Eligibility Determination Form*.

15. Changes to Burden

Our burden estimates have changed since the last package and reflect a decreased burden for employers. Although the estimate of anticipated applicants has not changed since publication of the last package, the amount of information being collected from applicants has decreased substantially which has greatly decreased the burden on employer applicants. Applicants are now required to provide only basic identifying information (e.g., employer name, identification number, and contact information) on the SHOP Eligibility Determination Form as opposed to the more extensive information collected in the prior application, in which applicants also made enrollment selections and provided detailed information about their employees. The reduction of information being collected is a result of the Federally-facilitated Small Business Health Options Program (FF-SHOP) operating in a leaner fashion. Since publication of the last package, updates have been made in regulation concerning what information should be

collected on the single employer application to determine employer eligibility, as reflected in 45 CFR § 155.731.

We previously estimated we would receive 6,000 responses for a total burden estimate of 12,000 hours or \$561,240. There are no changes to the number of respondents. However, the number of burden hours have been reduced from 12,000 hours to 960 hours, a total reduction of 11,040 hours. The reduction of information being collected from the applicant has resulted in the reduction of hours necessary to complete the application.

16. Publication/Tabulation Dates

Results of the collection will not be made public.

17. Expiration Date

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