

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)

A. 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). Each MAO must have an effective procedure to develop, compile, evaluate, and report to CMS, its enrollees, and the public at the times and in the manner that CMS requires. At the same time, each MAO must, in accordance with 42 CFR 422.516(a), safeguard 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. If CMS initiates any new Part C reporting requirements, the Office of Management and Budget (OMB) must approve the “Information Collection Request” (ICR) under the Paperwork Reduction Act of 1995 (PRA). Part C Reporting Requirements sections are not applicable to national PACE plans and 1833 cost plans.

The changes for the 2021 Reporting Requirements include the removal of the reporting section for Additional Telehealth Benefits (ATB). CMS deleted this section in response to comments received by plans about the level of burden to collect the data annually, and the difficulties of some plans in reporting the ATB data as specified by the Part C Reporting Requirements.

Other changes include a data element added to the Reward and Incentives section requesting the name of the Rewards and Incentives Program. This change improves the alignment between the reporting requirements and the file layout in CMS’ Health Plan Management System (HPMS) used to report this information. A complete list of all changes to the Part C Reporting Requirements are included in a crosswalk (attached).

B. 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:

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

These Part C Reporting Requirements fill the need for the data that had not been available prior to the inception of the requirements in 2008. Further information about the need for such changes is included in the Background section.

2. Information Users

There are a number of information users of Part C reporting. They include CMS central and regional office staff that use this information to monitor health plans and to hold them accountable for their performance. CMS users include 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. CMS receives inquiries from the industry about the beneficiary use of available services, patient safety, grievance rates, and other factors pertaining to the performance of MA plans.

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. MA organizations also use HPMS to submit applications to CMS, and CMS uses the system for announcements. HPMS, therefore, is a familiar tool to MA organizations. Users granted access have their access 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

The collection of information will have a minimal impact on small businesses since applicants must possess an insurance license and be able to accept substantial financial risk. Generally, state statutory licensure requirements do preclude a small business from bearing the risk needed to serve Medicare enrollees.

6. Less Frequent Collection

With the exception of enrollment and disenrollment (which is semi-annual), there is annual reporting for all Part C reporting sections. Less frequent collection of these 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;
- Include 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 was published in the Federal Register on June 22, 2020 (85 FR 37456) and CMS received twelve comments. In response to the comments, CMS decided to remove the ATB section of CMS Part C Reporting Requirements for contract year 2021 due to the level of burden for plans to collect the data annually and the difficulties with collecting the ATB data as specified by the Part C Reporting Requirements. Section 1852(m) of the Social Security Act (the Act) and CMS regulations at 42 CFR § 422.135 allow Medicare Advantage (MA) plans the ability to provide “additional telehealth benefits” (ATB) to enrollees starting in plan year 2020 and treat them as basic benefits. CMS currently collects limited information related to plan ATBs via the plan bid submission process. The Part C data elements were duplicative and inconsistent with that effort

The Federal Register will publish the 30-day Federal Register Notice on October 6, 2020 (85 FR 63116).

9. Payments/Gifts to Respondents

There are no payments/gifts to respondents associated with the data validation request.

10. Confidentiality

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

11. Sensitive Questions

Consistent with federal government and CMS policies, CMS protects the confidentiality of the requested proprietary information. Specifically, any information within a submitted application (or attachments thereto) constituting a trade secret, privileged or confidential information, (as such terms are interpreted under the Freedom of Information Act and applicable case law), is clearly labeled as such by the Applicant, and includes an explanation of how it meets one of the expectations specified in 45 CFR Part 5, will be protected from release by CMS under 5 U.S.C. §552(b) (4). Information not labeled as trade secret, privileged, or confidential or not including an explanation of why it meets one or more of the FOIA exceptions in 45 CFR Part 5 will not be withheld from release under 5 U.S. C. 552(b)(4).

12. Burden Estimates (Hours & Wages)

Wage Estimates

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2019 National Occupational Employment and Wage Estimates for all salary estimates http://www.bls.gov/oes/current/oes_nat.htm. Table 1 below 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. Other staff that are involved have a similar wage therefore we use an average hourly rate computer system analyst of \$92.46/hour (including the fringe benefits adjustment) to calculate estimated costs.

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

Table 1: 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	15-1211	\$46.23	\$92.46	\$92.46

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.

For the 2021 ICR, we used the average hour estimates per contract. The number of reporting sections, formerly eight sections, is now seven with the removal of the ATB reporting section. We also updated the wage data used in May 2019 data. The new wage date is \$46.23 per hour replacing the former number of \$45.01 per hour. The previous wage data used was for a General Computer Occupations Job Code. However, for reasons stated above, we believe a Computer Systems Analysts code is more appropriate and similar

to cost of other computer staff involved. Section 15 of this Supporting Statement provides a more detailed discussion of this package’s program changes and burden adjustments.

Burden Summary

Table 2 –Annual Record Keeping and Reporting Requirements

Potential no. of respondents (based on the number of approved contracts for 2021)	No. of responses per contract based on number of Part C reporting sections	No. of Responses (No. of Respondents*Reporting Frequency)- based on no of 2021 approved contracts	Burden per Response (total annual burden hours /no. of respondents	Total annual burden hours for all Part C reporting sections	Hourly labor cost of Part C Reporting (\$/46.23 hour)	Total Cost for all Part C Reporting
759	7	5,313	42	224,664	92.46	\$20,772,433

Each of the Part C reporting sections account for one response from a respondent (contract), and respondents (contracts) generally report on multiple reporting sections. The maximum number of responses for a contract for the currently approved data collection is eight responses per year. For the 2021 contract year, the reduction in the number of responses from eight to seven is due to the removal of the ATB reporting section. The increased costs for the 2021 contract year is due to the increase in the number of contracts from 681 for the 2020 year to 759 for the 2021 contract year, and updated wage data. The previous wage estimate used was \$45.01/hour, and the current estimate uses \$46.23 per hour.

Information Collection Instruments/Instructions

The Medicare Part C Plan Reporting Requirements Technical Specifications Document for Contract Year 2021 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 because as indicated above, MAOs are familiar with the electronic system used to fill out this data, HPMS.

14. Cost to Federal Government

The estimated annual cost is \$300,000 to support reporting through the CMS Health Plan Management System (HPMS). This amount is the same as previously reported, and is a “standard” estimate used in our ICRs when the HPMS resources support the CMS information processing and reporting role.

15. Program and Burden Changes

The table below estimates the burden changes in hours and costs for the 2021 ICR accounting for both the increase in the number of approved contracts for the 2021 reporting year, updated wage data, and the suspension of the reporting section for ATB. Despite the decrease in burden and hours due to the suspension of the ATB reporting, costs increased from 2020 to 2021 due to the increase in the number of active contracts reporting for 2021 year and updated wage data. The number of active contracts reporting in CY 2021 is 759 (n=759). The average number of annual responses for the Part C reporting section for 2021 is 759 x 1=759 for sections reporting annually. In addition, the wage data increased from \$45.01 per hour to \$46.23 per hour.

Table 3 -Estimated Cost of Information Collection Requirements (ICR)

All Part C Reporting Sections	2020 hours	2020 Cost	2021 hours	2021 Cost	Total Increase/Decrease in Burden for Part C Reporting
Total Burden Increase/Decrease	187,926	\$16,917,112.56	224,664	\$20,772,433	\$3,855,321

16. Publication/Tabulation Dates

The collection and validation of Part C and Part D data is annual. To support its transparency goals, CMS makes both validated and non-validated data from part C and Part D reporting sections available on an annual basis in the form of public use files (PUFs). The anticipated release date for the PUF is late fall, pending CMS verification of its accuracy. The CMS public use files are available at the following link: <https://www.cms.gov/Medicare/Prescription-Drug-Coverage/PrescriptionDrugCovContra/PartCDDDataValidation>

17. Expiration Date

There will be an expiration date displayed in the approved Part C Reporting Requirements document.

18. Certification Statement

There are no exceptions to the certification statement.

19. Collections of Information Employing Statistical Methods

Reporting organization are not required to do statistical analyses for this information collection.