

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT 1995  
SUBMISSIONS FOR COBRA CONTINUATION COVERAGE:  
PREMIUM ASSISTANCE**

This ICR seeks emergency approval for a new control number.

**A. JUSTIFICATION**

- 1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.**

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) provides that under certain circumstances participants and beneficiaries of group health plans that satisfy the definition of “qualified beneficiaries” under COBRA may elect to continue group health coverage temporarily following events known as “qualifying events” that would otherwise result in loss of coverage. COBRA provides that the Secretary of Labor (the Secretary) has the authority under section 608 of the Employee Retirement Income Security Act of 1974 (ERISA) to carry out the provisions of Part 6 of Title I of ERISA. The Conference Report that accompanied COBRA authorized the Secretary to issue regulations implementing the notice and disclosure requirements of COBRA.

President Biden signed the American Rescue Plan Act (ARP) on March 11, 2021. Section 9501 of ARP provides for premium assistance and expanded eligibility for health benefits under the Consolidated Omnibus Budget Reconciliation Act of 1986, commonly called COBRA. This premium assistance is not paid directly to the covered employee or the qualified beneficiary, but instead is in the form of a tax credit for the health plan, the employer, or the insurer. An individual must be an "assistance eligible individual" to be eligible for the premium assistance. If eligible, these individuals receive a subsidy of their COBRA premiums equal to the full amount of the premium. The subsidy is paid through a tax credit to the employer. Eligible individuals can start getting the premium assistance as of the first day of coverage beginning on or after April 1, 2021. The premium assistance ends on September 30, 2021.

An “assistance eligible individual” is a “qualified beneficiary<sup>1</sup>” who:

- Is eligible for COBRA continuation coverage at any time during the period beginning April 1, 2021 and ending September 30, 2021;
- Elects COBRA coverage; and

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<sup>1</sup> In general a “qualified beneficiary” is an individual who was covered by a group health plan on the day before a qualifying event occurred that caused him or her to lose coverage. A qualified beneficiary must be a covered employee, the employee’s spouse or former spouse, or the employee’s dependent child.

- Has a qualifying event for COBRA coverage that is the employee’s involuntary termination or reduction in hours during the extension of election period, and ending September 30, 2021.

### **Notice Requirements**

Plans and issuers must ensure that COBRA general notices include information on the availability of premium reduction with respect to coverage and option to enroll in different coverage if the employer permits assistance eligible individuals to elect different coverage. In the case of COBRA continuation coverage to which the notice provisions do not apply, the Secretary of Labor will develop an alternate notice, with the consultation of the Tri-Agencies and administrators of group health plans (or other entities) that provide group health plan coverage.

The General and Alternative notices must include: (1) the forms necessary for establishing eligibility for premium reduction; (2) name, address, and telephone number necessary to contact the plan administrator (and any other person maintaining relevant information); (3) a description of the extended election period; (4) a description of the obligations/penalties of the qualified beneficiary; (5) a description (prominently displayed) of the qualified beneficiary’s right to a reduced premium and any conditions on entitlement to the reduced premium; (6) a description of the option of the qualified beneficiary to enroll in different coverage.

The “Notice in Connection with Extended Election Periods” must include a description of the extended election period. The specifics of each notice are addressed below. The “Notice of Expiration of Period of Premium Assistance” must include that the premium assistance for the individual will expire and prominently identify the date and state that the individual may be eligible for coverage without any premium assistance. It also must contain a statement that the individual may be eligible for coverage without any premium assistance through COBRA continuation coverage or coverage under a group health plan.

Within 30 days after becoming law, the Secretary of Labor, in consultation with the Secretaries of the Treasury and HHS, must prescribe model notices for the additional COBRA notification discussed above except 45 days for the “Notice of Expiration of Period of Premium Assistance.”<sup>2</sup> In response to this directive, the Department has prepared model notices plans may use to satisfy the ARP notification requirements, which are the subject of this information collection.

The Department created model notices to cover an array of situations in order to deal with the complexity of the various scenarios facing dislocated workers and their families. In an effort to ensure that the notices included all of the information required under ARP while minimizing the burden imposed on group health plans and issuers, the Department created

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<sup>2</sup> These model notices also include a notice for assistance eligible individuals to notify the group health plan of their eligibility for another group health plan (other than excepted benefits, a health flexible spending account or a qualified small employer health reimbursement arrangement).

packages. Each package is designed for a particular group of qualified beneficiaries and contains all of the information needed to satisfy the content requirements for ARP's notice provisions.<sup>3</sup> Specifics of each notification package are discussed below.

### ***General Notice***

The General Notice is required to be sent by plans that are subject to the COBRA continuation provisions under Federal law. It must include the information described above and be provided to all qualified beneficiaries, who have experienced a qualifying event at any time from April 1, 2021 through September 30, 2021.

The General Notice includes all of the information related to the premium reduction and other rights and obligations under ARP as well as all of the information required in an election notice required pursuant to the Department's final COBRA notice regulations under 29 CFR 2590.606(a)(4). Providing the General Notice to individuals who have experienced a qualifying event from April 1, 2021 through September 30, 2021 will satisfy the Department's existing requirements for the content of the COBRA election notice as well as those imposed by ARP.

### ***Alternative Notice***

The Alternative Notice is required to be sent by issuers that offer group health insurance coverage that is subject to continuation coverage requirements imposed by State law, which are commonly referred to as "mini-COBRA laws." The Alternative Notice must include the information described above and be provided to all qualified beneficiaries, not just covered employees, who have experienced a qualifying event at any time from April 1, 2021 through September 30, 2021. Continuation coverage requirements vary among States. Thus, the Department crafted a single version of this notice that should be modified to reflect the requirements of the applicable state law. Issuers of group health insurance coverage subject to this notice requirement should feel free to use the model Alternative Notice or the abbreviated model General Notice (as appropriate).

### ***Notice in Connection with Extended Election Periods***

The Notice in Connection with Extended Election Periods is required to be sent by plans that are subject to COBRA continuation provisions under Federal law. It must include the information described above and be provided to any Assistance Eligible Individual (or any individual who would be an Assistance Eligible Individual if a COBRA continuation coverage

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<sup>3</sup>The packages include the following disclosures: a summary of ARP's premium reduction provisions; a form to request (or waive) the premium reduction; a form for plans (or issuers) who permit qualified beneficiaries to switch coverage options to use to satisfy ARP's requirement to give notice of this option; a form for an individual to use to satisfy ARP's requirement to notify the plan (or issuer) that the individual is eligible for other group health plan coverage or Medicare.; and COBRA election forms and information, as appropriate and a form for plans (or issuers) to notify individuals of the end of the premium subsidy.

election were in effect) who became entitled to elect COBRA continuation before April 1, 2021; including those who either did not elect COBRA continuation coverage or who elected but subsequently discontinued COBRA. This would not include those individuals whose maximum COBRA continuation coverage period, if COBRA had been elected or not discontinued, would have ended before April 1, 2021 (generally, those with applicable qualifying events before October 1, 2019). This notice must be provided by May 31, 2021, which is 60 days after the date ARP was enacted.

### ***Notice of Expiration of Period of Premium Assistance***

The Notice of Expiration of Period of Premium Assistance must include that the premium assistance for the individual will expire and prominently identify the date and state that the individual may be eligible for coverage without any premium assistance. This notice is to be sent between 45 days and 15 days before premium assistance ends on September 30, 2021.

The cost burden associated with the ARP-mandated model notices is discussed under Item 13, below.

**2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

ARP provides that a failure to provide the notices required under the Act, which are described in Item 1 above, is treated as a failure to satisfy the COBRA notice requirements, which would subject a plan or an employer to a penalty of up to \$110 per day under ERISA section 502(c)(1). Therefore, the Department expects the plans and employers will use the model notices to satisfy the new COBRA notification requirements imposed by the ARP.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration for using information technology to reduce burden.**

Under 29 C.F.R. § 2520.104b-1(b) of ERISA, “where certain material, including reports, statements, and documents, is required under Part I of the Act and this part to be furnished either by direct operation of law or an individual request, the plan administrator shall use measures reasonably calculated to ensure actual receipt of the material by plan participants and beneficiaries.” Section 2520.104b-1(c) establishes the manner in which disclosures under Title I of ERISA made through electronic media will be deemed to satisfy the requirement of §2520.104b-1(b). Section 2520-107.1 establishes standards concerning the use of electronic media for maintenance and retention of records. Under these rules, all pension and welfare plans covered under Title I of ERISA may use electronic media to satisfy disclosure and recordkeeping obligations, subject to specific safeguards.

- 4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

There is no duplication of information.

- 5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.**

Small health plans are required to send the notice. Small plans cannot be excluded from sending the notice, or individuals that had been covered by those plans would not be informed of the subsidy and option to enroll in coverage.

- 6. Describe the consequence to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

Due to the notifications requirements in the ARP, the collection of information cannot be conducted less frequently. Without the notices, individuals will not likely know about the subsidy and other rights under the statute.

- 7. Explain any special circumstances that would cause an information collection to be conducted in a manner:**

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes 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**
- **requiring 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.**

None.

- 8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.**

**Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.**

**Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.**

The Department is seeking emergency clearance in accordance with the emergency review procedures set forth under 5 CFR 1320.13 and waiving of the notice requirement under the emergency clearance as set forth in 5 CFR 1320.13(d). After emergency clearance is obtained the ICR will be submitted for review under the normal PRA procedures allowing for public review and comment.

In drafting the notices, the Department consulted with the Department of the Treasury, Internal Revenue Service, and Department of Health and Human Services to receive their input on the format and data elements and to ensure that the burden of the information collection on respondents is minimized. As directed by the statute the Departments also consulted with administrators of group health plans.

- 9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.**

None.

- 10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy.**

None.

- 11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

Not Applicable.

- 12. Provide estimates of the hour burden of the collection of information. The statement should indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**

- **If this request for approval covers more than one form, provide separate hour burden estimates for each form.**
- **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**
- **The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.**

The Department estimates that approximately 726,015 plans with 56.8 million participants are subject to notification requirements under COBRA.<sup>4</sup> The hour burden of this information collection is limited to the completion of notices, because the Department has provided model notices plans may use to comply with the ARP notice requirements, and most plans are expected to use the model notices.

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<sup>4</sup> EBSA estimates based on the 2019 Medical Expenditure Panel Survey, Insurance Component (MEPS-IC)

General Notices already are required to be sent by plans that are subject to the COBRA continuation provisions under Federal law. The General Notices are included in the Department's ICR for the existing COBRA requirements that has been approved under OMB Control Number 1210-0123. General Notices are assumed only to require information that would be provided in the normal course of business when employment is terminated, and they are included in most plans' Summary Plan Descriptions. This legislation would only require that plans include model notices provided by the Department with their existing General Notices. Therefore, similar to the existing ICR, the Department believes that satisfying the requirements of this legislation would impose a de minimis burden for each respondent. Accordingly, the Department has not included associated labor cost for General Notices in this ICR. The Department estimates that 10,780,847 General Notices will be distributed during the covered period.<sup>5</sup>

The Department has assumed that service providers will use an administrative assistant to complete Notices in Connection with Extended Election Periods, Alternative Notices, and Notices of Expiration of Premium Assistance. It is estimated that an administrative assistant will require 1 minute at \$55.14 per hour,<sup>6</sup> to complete 21,174,586<sup>7</sup> Notices in Connection with Extended Election Periods (\$19,459,445) and 1 minute at \$55.14 per hour to complete 7,235,615 Notices of Expiration of Premium Assistance<sup>8</sup> (\$6,649,530). Because the Alternative Notice

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<sup>5</sup> To estimate the number of General Notices sent out, the Department assumes that the premium assistance will be offered for six months from the first of April to the thirtieth of September. The Department estimates the number of General Notices as half of the sum of qualifying events observed over the 12 months of 2020. The number of qualifying events for 2020 is estimated as the number of unemployment filings in 2020 multiplied by 1.015 to estimate the number of job separations. The Department estimates that 97.3% of 2020 job separations are from the private sector, of which 83.0% are estimated to have occurred at firms with 20 or more employees, based on calculations from the May 2019 Medical Expenditure Panel Survey Insurance/Employer Component. Finally, 50.5% of workers are estimated to be ESI policy holders based on calculations from the 2018 Current Population Survey. This results in a calculation of  $52,088,734 \text{ unemployment insurance filings} \times 1.015 \times 0.973 \times 0.830 \times 0.505 \times (6/12) = 10,780,847$ .

<sup>6</sup> Labor costs are the total compensation costs for an administrative assistant. For a description of the Department's methodology for calculating wage rates, see <https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/rules-and-regulations/technical-appendices/labor-cost-inputs-used-in-eb-sa-opr-ria-and-pra-burden-calculations-june-2019.pdf>.

<sup>7</sup> To estimate the number of Notices in Connection with Extended Election Periods sent out, the Department assumes that the premium assistance will be offered retroactively for the 18 month period from the first of October 2019 to the thirty-first day of March 2021. To estimate the number of qualifying events, the Department looked at data from the Job Openings and Labor Turnover Survey (JOLTS) from September 2019 through December 2020 to calculate the number of job separations, excluding quits in the private sector. JOLTS data is not available from January 2021 to March 2021, so the Department estimated that number of separations during these months as the average separations, excluding quits, for the years 2018, 2019, and 2020. Separations from March and April of 2020 were excluded from the averages due to the elevated level of separations. The Department estimates that 83.0% of the separations are estimated to have occurred at firms with 20 or more employees, based on calculations from the May 2019 Medical Expenditure Panel Survey Insurance/Employer Component. Finally, 50.5% of workers are estimated to be ESI policy holders based on calculations from the 2018 Current Population Survey. This results in a calculation of  $50,519,000 \text{ cumulative separations, excluding quits} \times 0.830 \times 0.505 = 21,174,586$ .

<sup>8</sup> To estimate the number of Notices of Expiration of Premium Assistance sent out, the Department assumes that the premium assistance will be offered retroactively for the 18 month period from the first of October 2019 to the thirty-first day of March 2021 and proactively from the first day of March 2021 to the thirtieth day of September 2021.

requires additional information regarding state mini-COBRA laws and the individuals remaining eligible for coverage, the Department presumes that an administrative assistant would require two minutes at \$55.14 per hour to complete 2,264,397 Alternative Notices<sup>9</sup> (\$4,161,962). The total labor hour equivalent cost associated with these notices is \$30,270,937.

The total labor hour burden for this information collection is 548,983.

### **Estimated Annualized Respondent Cost and Hour Burden**

However, an individual is only eligible for COBRA coverage for 18 months, so for this notice, the Department only considers individuals eligible for COBRA after April 2020. To estimate the number of qualifying events, the Department looked at data from the Job Openings and Labor Turnover Survey (JOLTS) from April 2020 through December 2020 to calculate the number of job separations, excluding quits in the private sector. JOLTS data is not available from January 2021 to September 2021, so the Department estimates the number of separations during these months as average separations, excluding quits, for the years 2018, 2019, and 2020. Separations from March and April of 2020 were excluded from the averages due to abnormal elevated level of separations. The Department estimates that 83.0% of the separations are estimated to have occurred at firms with 20 or more employees, based on calculations from the May 2019 Medical Expenditure Panel Survey Insurance/Employer Component, and 50.5% of workers are estimated to be ESI policy holders based on calculations from the 2018 Current Population Survey. Termination Notices will only be received by individuals who elect coverage and still have coverage on September 30, 2021. One study from Mathematica found that 34 percent of unemployment insurance claimants opted for COBRA coverage during American Recovery and Reinvestment Act (ARRA) which had similar requirements. The study also found that the take-up of COBRA is positively correlated with the size of the premium subsidy, with eighty percent of workers who did not select COBRA coverage citing cost as the most important factor in their decision. (See Berk, Jillian and Anu Rangarajan. "Evaluation of the ARRA Subsidy: Final Report." Mathematica Research. February 2015. <https://www.dol.gov/sites/dolgov/files/EBSA/researchers/analysis/health-and-welfare/evaluation-of-the-arr-cobra-subsidy.pdf> ) In the 2021 legislation, the subsidy covers 100% of the premium, compared to the 65% subsidy in ARRA. The Department believes that the increase in the premium would result in a higher take-up rate. If 34% of COBRA eligible individuals would take up COBRA coverage with a 65% premium and 80% of the remaining COBRA eligible individuals chose not to take up COBRA due to cost, when removing the cost element, the Department calculates that 86.8 percent of individuals could have taken up COBRA coverage. ( $34\% + 80\% \times 66\% = 86.8\%$ ). In line with this estimate, while acknowledging uncertainty around take-up with the 2021 legislation, the Department estimates that the take-up rate will be 85 percent. Only individuals still covered by COBRA on September 30, 2021 will receive a Notice of Expiration of Premium Assistance. A survey conducted by Charles D. Spencer & Associates in 2009 found that the average beneficiary under an 18-month qualifying event kept COBRA coverage for 7.5 months. (See Kinzer, Janet. "Health Insurance Continuation Coverage Under COBRA. Congressional Research Service. July 2013. <https://crsreports.congress.gov/product/pdf/R/R40142>). To account for individuals who end their COBRA coverage prior to the expiration date, the Department applies an eight percent decay rate each month. This results in a calculation of 7,235,615 individuals receiving a Notice of Expiration.

<sup>9</sup> To estimate the number of Alternative Notices sent out, the Department assumes that the premium assistance will be offered for six months from the first of April to the thirtieth of September. The Department estimates the number of General Notices as half of the sum of qualifying events observed over the 12 months of 2020. The number of qualifying events for 2020 is estimated as the number of unemployment filings in 2020 multiplied by 1.015 to estimate the number of job separations. The Department estimates that 97.3 percent of 2020 job separations are from the private sector, of which 17.0% are estimated to have occurred at firms with less than 20 employees, based on calculations from the May 2019 Medical Expenditure Panel Survey Insurance/Employer Component. Finally, 50.5% of workers are estimated to be ESI policy holders based on calculations from the 2018 Current Population Survey. This results in a calculation of 52,088,734 unemployment insurance filings x 1.015 x 0.973 x 0.169 x 0.505

| Activity  | No. of Respondents | No. of Responses per Respondent | Total Responses | Average Burden (Hours) | Total Burden (Hours) | Hourly Wage Rate | Total Burden Cost |
|---|--------------------|---------------------------------|-----------------|------------------------|----------------------|------------------|-------------------|
| General Notices   | 726,015            | 14.849345                       | 10,780,847      | 0                      | 0 <sup>10</sup>      | 0                | \$0               |
| Notices in Connection with Extended Election Periods Notice | 726,015            | 29.165494                       | 21,174,586      | 1/60                   | 352,910              | \$55.14          | \$19,459,445      |
| Alternative Notices   | 726,015            | 3.1189397                       | 2,264,397       | 2/60                   | 75,480               | \$55.14          | \$4,161,962       |
| Notices of Expiration of Premium Assistance                 | 726,015            | 9.966206                        | 7,235,615       | 1/60                   | 120,594              | \$55.14          | \$6,649,530       |
| Total   | 726,015            | 57.099986                       | 41,455,446      | 0.01324272             | 548,983              | -                | \$30,270,937      |

**13. Provide an estimate of the total annual cost burden to respondents or record-keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12.)**

- **The cost estimate should be split into two components: (a) a total capital and start up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of service component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**
- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or**

x (6/12) = 2,894,246.

<sup>10</sup> Burden accounted for in 1210-0123.

**portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

For each of the notices, the Department has estimated material and mailing costs. As explained in Question 3, plan administrators are not precluded from using electronic disclosure methods. No assumption has been made as to the number of notices that will be distributed electronically.

The General Notice is distributed as a normal course of business when employment is terminated. ARP will require a minor change to the existing notices as well as the inclusion of the Summary of the COBRA Premium Subsidy Provisions. In addition to the cost estimate under the existing ICR,<sup>11</sup> the Department assumes that plans will incur the material costs associated with five additional pages: one page for changes to existing notices and four pages for the summary. As this notice is distributed under standard practice, the Department assumes that no additional postage costs will be incurred.

For the Notice in Connection with Extended Election Periods, the Department assumes that plans will incur material costs associated with nine pages in addition to postage costs. The Department estimates that the notice itself will require five pages and the Summary of the COBRA Premium Subsidy Provisions will require an additional four pages.

The Alternative Notice requirements coincide with existing notices distributed by state governments. ARP will require the inclusion of an additional notice, estimated to be five pages, as well as the inclusion of the Summary of the COBRA Premium Subsidy Provisions, estimated to be four pages. In total, the Department assumes that plans will incur the material costs associated with nine additional pages to meet the requirement. The Department assumes that plans will not incur additional postage costs due to the inclusion of these documents.

For the Notice of Expiration of Premium Assistance, the Department assumes that plans will incur material costs associated with four pages, in addition to postage costs.

The material cost for each page is assumed to be \$0.05, and the postage cost for each notice is assumed to be \$0.56. This results in estimated total material costs of \$14,689,877 and total postage costs of \$15,909,713. The total estimated cost for this information collection is approximately \$30.6 million. The cost estimates are broken down in the table below.

| Notice Type | Total Notices | New Pages | Material Cost | Mailing Cost | Total Cost |
|-------------|---------------|-----------|---------------|--------------|------------|
|-------------|---------------|-----------|---------------|--------------|------------|

<sup>11</sup> The public reporting burden is associated with 1210-0123. The total burden is \$37,133,409, which \$1,771,933 is associated with General Notices.

COBRA Continuation Coverage: Premium Assistance  
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|   |                   |   |                     |                     |                     |
|---|-------------------|---|---------------------|---------------------|---------------------|
| General Notice                                      | 10,780,847        | 5 | \$2,695,212         | \$0 <sup>12</sup>   | \$2,695,212         |
| Notice in Connection with Extended Election Periods | 21,174,586        | 9 | \$9,528,564         | \$11,857,768        | \$21,386,332        |
| Alternative Notice                                  | 2,264,397         | 9 | \$1,018,979         | \$0 <sup>13</sup>   | \$1,018,979         |
| Notice of Expiration of Premium Assistance          | 7,235,615         | 4 | \$1,447,123         | \$4,051,944         | \$5,499,067         |
| <b>Total</b>  | <b>41,455,446</b> |   | <b>\$14,689,877</b> | <b>\$15,903,713</b> | <b>\$30,599,590</b> |

The total estimated cost for this information collection is approximately \$30.6 million.

- 14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.**

There is no cost associated to the government for this information collection.

- 15. Explain the reasons for any program changes or adjustments.**

This is a new collection of information.

- 16. For collections of information whose results will be published, outline plans for tabulation, and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.**

There are no plans to publish the results of this collection of information.

- 17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

Not applicable.

- 18. Explain each exception to the certification statement identified in Item 19.**

None.

<sup>12</sup> Cost burden accounted for in 1210-0123.

<sup>13</sup> *Id.*

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

Not applicable.