Supporting Statement for Data Collection to Support Eligibility Determinations for Insurance Affordability Programs and Enrollment through Health Insurance Marketplaces, Medicaid and Children's Health Insurance Program Agencies

(CMS-10440/OMB control number: 0938-1191)

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, collectively referred to as "The Affordable Care Act." The Affordable Care Act expands access to health insurance coverage through the establishment of the Health Insurance Marketplaces, also known as Affordable Insurance Exchanges, improvements to the Medicaid and Children's Health Insurance (CHIP) programs, and the assurance of coordination between Medicaid, CHIP, and Marketplaces.

Marketplaces established by the Affordable Care Act facilitate the enrollment of qualified individua ls into Qualified Health Plans (QHPs). Section 1401 of the Affordable Care Act created a new section 36B of the Internal Revenue Code (the Code), which provides for a premium tax credit which is available on an advanced basis ("Advance Payments of the Premium Tax Credit," or APTC) to reduce the monthly insurance costs for eligible individua ls who enroll in a QHP through a Marketplace. In addition, section 1402 of the Affordable Care Act establishes provisions to reduce cost-sharing obligations, including co-payments and deductibles, of eligible individua ls enrolled in a QHP offered through a Marketplace ("Cost Sharing Reductions," or CSRs).

The Affordable Care Act also fills current gaps in coverage by creating a minimum Medicaid income eligibility level across the country and by simplifying the current eligibility rules in the Medicaid and CHIP programs. Under the Affordable Care Act, in states that have chosen to expand Medicaid for adults, most individua ls under 65 with income below 138 percent of the Federal Poverty Level (FPL) may be eligible for Medicaid since January 2014.

As required under section 1413 of the Affordable Care Act, there is one application through which individua ls may apply for Marketplace QHPs with or without APTC and CSRs, Medicaid, and CHIP and receive an eligibility determination.

Office of Management and Budget approval was sought as part of an effort to solicit feedback from key stakeholders on the electronic and paper applications. This information collection request (ICR) provides details on the proposed collection of information from the public to facilitate providing eligibility for coverage and assistance in enrolling in a QHP or Medicaid and CHIP programs across the Marketplaces. Please note, we provide examples of how this information is collected in an electronic fashion via multiple channels and in a paper-based

format. This request serves as the foundation for supporting a consumer's ability to apply for and enroll in a Marketplace QHP or Medicaid and CHIP coverage in any FFM or SBM state. Further discussion of stakeholder consultation can be found in section B8.

B. Justification

1. Need and Legal Basis

Section 1413 of the Affordable Care Act directs the Secretary of Health and Human Services to develop and provide to each state a single, streamlined application form that may be used to apply for coverage through a Marketplace and for APTC/CSR, Medicaid, and CHIP (which we refer to collectively as insurance affordability programs). The application must be structured to maximize an applicant's ability to complete the form satisfactorily, taking into account the characteristics of individua ls who may qualify for the programs by developing materials at appropriate literacy levels and ensuring accessibility. A state may develop and use its own application if approved by the Secretary in accordance with section 1413 and if it meets the standards established by the Secretary.

45 CFR §155.405(a) provides more detail about the application that must be used by Marketplaces to determine eligibility and to collect information necessary for enrollment. Eligibility standards for the Marketplace are set forth in 45 CFR §155.305. The information will be required of each applicant upon initial application, with some subsequent information collections for the purposes of confirming accuracy of previous submissions and for changes in an applicant's circumstances. 42 CFR §435.907 and §457.330 establish the standards for state Medicaid and CHIP agencies related to the use of the application. CMS has designed a dynamic electronic application that will tailor the amount of data required from an applicant based on the applicant's circumstances and responses to particular questions in the FFM (please note SBM implementations may vary but the essence of the data collection must adhere to the same parameters). The paper version of the application will not be tailored in the same way but will require only the data necessary to determine eligibility.

The Affordable Care Act directs that Marketplaces permit individuals to apply for coverage during annual open enrollment. Individua ls may apply outside of the open enrollment periods, and enroll in coverage right away if they qualify for a special enrollment period (outlined in 45 CFR §155.420(d)). Medicaid and CHIP do not have specified open enrollment periods. The application will be available at all times during the year.

Individua ls will be able to apply electronically, through the mail, over the phone through a call center, or in person, per 45 CFR §155.405(c)(2), as well as through other available electronic means as noted in 42 CFR §435.907(a) and §457.330. The application may be submitted to a Marketplace, Medicaid or CHIP agency. Electronic applications may also be

submitted to the Marketplace via approved a Qualified Health Plan Issuer, Agent/Broker or other HHS-approved channels through direct enrollment as noted in 45 CFR §156.1230(a)(1), 45 CFR
§155.220(c)(3) and §155.220(c)(4).

We have included four attachments of application materials to illustrate the process applicants will use to apply for health coverage in a qualified health plan through a Marketplace and for insurance affordability programs.

- Attachment A: List of Items in the Electronic Application to Support Eligibility Determinations for Enrollment through the Marketplace with or without financial help (APTC, CSRs, or Medicaid and CHIP) – a list of all potential questions that could be asked on the electronic application. No applicant will ever be required to answer this exhaustive list of questions; the vast majority of applicants will be asked less than one- third of these questions.

- Attachment B: Application for Health Coverage & Help Paying Costs (Short Form) – this paper application can be used by some single adults to receive an eligibility determination for enrollment through the Marketplace with or without financial help, or for Medicaid or CHIP. This application can be used by single adults who do not have any dependent children and are not claimed as a dependent on someone else's tax return; are not American Indian/Alaska Native; are not offered coverage through a job; were not in the foster care system (and under age 26); and do not deduct certain expenses from income. Otherwise, individua ls should apply electronically or use Attachment C. The short form is also accompanied by Appendix C "Help with Completing this Application" (collects information about certified individua ls who complete the application on behalf of someone else and if the applicant wants to establish an authorized representative regarding their application); and Appendix D "Questions about life changes" (collects information about certain life change events to determine eligibility to enroll in the Marketplace outside of the annual Open Enrollment Period).

- Attachment C: Application for Health Coverage & Help Paying Costs – this paper application supports eligibility determinations for enrollment through the Marketplace or for Medicaid or CHIP. The application can be used to determine eligibility for an individua l or family applying for enrollment through the Marketplace with or without financial help or Medicaid, and CHIP. The Application for Health Coverage & Help Paying for Costs is also accompanied by 1) Appendix A "Health Coverage from Jobs" (collects information about the employer and which individua ls in the household are offered health coverage through that employer to inform eligibility determinations for Marketplace coverage financial help through the Marketplace); 2) Appendix B "American Indian or Alaska Native (AI/AN) Household Members" (collects information about American Indian or Alaska Native household members to determine if they may

qualify for specific cost saving programs); 3) Appendix C “Help with Completing this

Application"; and 4) Appendix D "Questions about life changes".

- Attachment D: Application for Health Coverage – this paper application supports eligibility determinations for enrollment through the Marketplace for applicants who do not wish to be considered for insurance affordability programs. The application can be used to determine eligibility for an individual or family applying to directly purchase Qualified Health Plan coverage through the Marketplace. This form is less burdensome for consumers who do not wish to be considered for insurance affordability program eligibility. The application for health coverage is also accompanied by Appendix C "Help with Completing this Application" and Appendix D "Questions about life changes."

2. Information Users

Information collected by the Marketplace, Medicaid or CHIP agency will be used to determine eligibility for coverage through the Marketplace and insurance affordability programs (i.e., Medicaid, CHIP, and APTC), and assist consumers in enrolling in a QHP if eligible. Applicants include anyone who may be eligible for coverage through any of these programs.

The Marketplace verifies the information provided on the application, communicates with the applicant or the authorized representative and subsequently provides the information to the health plan selected by the applicant so that it can enroll the individua l or family in a QHP. The Marketplace also uses the information provided in support of its ongoing operations, including activities such as verifying continued eligibility for all programs, processing appeals, reporting
on and managing the insurance affordability programs for eligible individua ls, performing oversight and quality control activities, combatting fraud, and responding to any concerns about the security or confidentiality of the information. Applicants can find more information about how the Marketplace uses the information they provide on the application in the Privacy Act Statement for individua ls and families at https://www.healthcare.gov/individual-privacy-act- statement/.

3. Use of Information Technology

Technology enables the electronic application process to offer a number of advantages over a paper application process. The electronic application will feature a dynamic or "smart" process that poses questions to the applicant based on the responses to previous questions and available verification of information. This ensures that only relevant questions are asked and any non-relevant questions are not displayed. The paper application does not offer the same flexibility in customizing the sequence or number of questions. The electronic application will also be able to catch inadvertent errors in real time, as well as immediately verify information in many cases. The electronic process will be designed to allow individua ls to save information through a unique user account, obtain access to immediate help resources, and more quickly enroll in coverage. As compared to applying via paper, the electronic application will allow applicants to

complete the process more efficiently and receive an eligibility determination more quickly.

Therefore the electronic application will reduce the burden of applying for coverage.

4. Duplication of Effort

This information collection does not duplicate any other effort, and we will make every effort to obtain such information from existing sources.

5. Small Businesses

Small businesses are not affected by this data collection.

6. Consequences of Less Frequent Collection

The Affordable Care Act directs that Marketplaces permit individuals to apply for coverage during annual open enrollment periods and during special enrollment periods, when applicable. Additionally, individua ls may apply for Medicaid and CHIP at any time throughout the year. If information was collected less frequently or not at all, individua ls would not be able to gain coverage under Affordable Care Act reforms and the program would be unable to operate.

7. Special Circumstances

An individua l who is enrolled in a QHP through a Marketplace is required to report changes that impact eligibility to the Marketplace within 30 days of such a change per 45 CFR §155.330(b). Individua ls are required to report changes in residency, incarceration, household makeup, income, and citizenship or lawful presence. The Marketplace may conduct a redetermination for eligibility to be enrolled in a QHP and other coverage based on the reported change.

If an individual is responding by mail to a request for follow up regarding an application, for example, the individua l may need to respond in fewer than 30 days if the open enrollment period will end in less than 30 days, or if it is the policy of the Medicaid or CHIP agency.

8. Federal Register/Outside Consultation

The 60-day notice published in the Federal Register published on April 6, 2022 (87 FR 19957). A response to the comments received is included in the supplemental files for this information collection request. The 30-day notice published on August 4, 2022 (87 FR 47749).

CMS is requesting comment on the draft information collection that Marketplaces will implement if the April 7, 2022 IRS proposed rule "Affordability of Employer Sponsored Coverage for Family Members of Employees" is finalized. If the rule becomes final, the Marketplaces will collect family premium information, and information about whether an employer-sponsored family plan meets the minimum value standard, in order to determine employer sponsored coverage affordability for members of the employee's tax household other than the employee themselves. CMS expects to submit a non-substantive change request after the IRS rule becomes final that will include the official information collection to be

implemented by the Marketplaces.

9. Payments/Gifts to Respondents

There are no payments or gifts to respondents.

10. Confidentiality

All information will be kept private pursuant to applicable laws/regulations.

11. Sensitive Questions

Per statute, a Social Security number and information about citizenship or immigration status are needed to help verify eligibility for coverage. The items in this collection are included in the SORN (09-70-0560) published in the Federal Register on February 6, 2013.

12. Estimates of Annualized Burden Hours

The Congressional Budget Office (CBO) estimates that approximately 22 million people will enroll in coverage through the Marketplaces and insurance affordability programs per year from 2022 to 2024.[1] CMS estimates an average of 30% of those enrolled represents new enrollments. By leveraging historical data, CMS estimates that 74% of the new enrollment represents the total number of new applications that need to be accounted for in this collection as a single completed application can include multiple individual applicants from the same household.

Therefore, CMS expects a total of 4,884,000 new applications a year from 2022 to 2024, resulting in a total of 2,205,614 total burden hours each year.

Burde n for Electronic Application

CMS estimates that the electronic application process will vary depending on each applicant's circumstances, their experience with health insurance applications and electronic capabilities. The goal is to solicit sufficient information so that in most cases no further inquiry will be needed. In addition, electronic channels will administer an identification proofing process prior to the electronic eligibility application information. Based on the information an individua l
provides, the identification proofing system will generate a series of challenge questions or may request additional identifying information about the person to assist in identity verification, such as a previous address where an individua l has lived or official identity document information.
The system will have a large bank of questions it will randomly generate based on information from external databases. To protect the security and integrity of the system, we cannot provide the list of questions generated or specific identifying information requested. Additional burden from the identification proofing process is negligible in the context of the electronic application questions. Please refer to Attachment A for the placement of and more detail about the

1/CBO: Federal Subsidies for Health Insurance Coverage for People Under Age 65: 2020-2030. https://www.cbo.gov/publication/56650

identification proofing process. We estimate that on average it will take approximately 30 minutes (0.50 hours) to complete an application for insurance affordability programs. It will take an estimated 15 minutes (0.25 hours) to complete an application without consideration for insurance affordability programs.

CMS estimates that approximately 4,395,600 new electronic applications will be submitted for Marketplace and insurance affordability programs each year from 2022 through 2024 for a total number of 1,953,600 yearly burden hours.

Burde n for Pape r Application

CMS estimates that the paper application process will take an average of 45 minutes (0.75 hours) to complete for those applying for insurance affordability programs; 15 minutes (0.25 hours) for those applying for insurance affordability programs using the short form; and 20 minutes (0.33 hours) for those applying without consideration for insurance affordability programs.

CMS further estimates that approximately 488,400 new paper applications will be submitted for Marketplace insurance affordability programs for the next three years. One third of respondents will complete the short form and two-thirds will complete the longer form, resulting in 252,014 total burden hours a year from 2022-2024.

Application Processing Burde n

Marketplaces and state Medicaid and/or CHIP agencies will need to process applications and make eligibility determinations based on the information submitted from individua ls. CMS estimates the burden to be 10 minutes (0.17 hours) for electronic applications and 30 minutes (0.50 hours) for paper applications at a rate of $46.14 per hour.[2] The table below shows the estimated processing costs associated with this program. To derive wage estimates, we used data from the Bureau of Labor Statistics (BLS) (May 2020 Bureau of Labor Statistics, Occupational Employment Statistics, National Occupational Employment and Wage Estimates at https://www.bls.gov/oes/current/oes_nat.htm) to derive average labor costs (including a 100 percent increase for fringe benefits and overhead) for estimating the burden associated with the ICRs. Wage rates below present the mean hourly wage, the cost of fringe benefits and overhead, and the adjusted hourly wage.

2/Occupational Employment Statistics survey results for "43-4061 Eligibility Interviewers, Government Programs",

May 2020.

Table 1: Application Processing Costs

Application Type	Numbe r of New Respondents	Burden pe r Response (hours)	Total Annual Burden (hours)	Labor Costs (pe r hour)	Total Cost
Electronic Application	4,395,600	0.17	747,252	$46.14	$34,478,207
Paper Application	488,400	0.5	244,200	$46.14	$11,267,388
Total	**4,884,000**		**991,452**		**$45,745,595**

12A. Estimated Annualized Burden Hours

Table 2: Estimated Burden Table, Averages

Application Type	Type of Respondent	Number of New Respondents	Number of Responses per Respondent	Average Burden Hours per Response	Total Burden Hours
Electronic Application	Applying for insurance affordability programs	3,418,800	1	0.5	1,709,400
Electronic Application	Not applying for insurance affordability programs	976,800	1	0.25	244,200
Paper Application	Applying for insurance affordability programs	244,200	1	0.75	183,150
Paper Application	Applying for insurance affordability	146,520	1	0.25	36,630

Application Type	Type of Respondent	Number of New Respondents	Number of Responses per Respondent	Average Burden Hours per Response	Total Burden Hours
	programs (Short Form)				
Paper Application	Not applying for insurance affordability programs	97,680	1	0.33	32,234
Total		**4,884,000**			**2,205,614**

13. Capital Costs

There are no additional capital costs.

14. Cost to Federal Government

The collection's burden to the federal government includes maintaining the application and implementation of the data. The overall cost is estimated to be $298,100. This estimate projects software development costs at $91.96 an hour (occupation no. 15-1251) and assumes approximately 13 weeks of development.

Table 3: Cost to Federal Government to Maintain Application

Data Collection and Developme nt Task	Numbe r of Developer Hours (a)	Average Labor Cost Per Hour (b)	Cost of Development (c) (a) x (b)
Application Development	2,080	$91.96	$191,277
1 GS-13 FTE (as COR)			$106,823
Total			**$298,100**

An additional burden to the federal government is the work of one full time GS-13 employee to serve as the COR for an application contract. The current (2022) salary of a 13 Grade/Step 1 employee in the Washington, D.C. area is $106,823.

15. Changes to Burden

There is a total burden hour increase of +100,255 hours (from 2,105,359 hours to 2,205,614 hours). The burden increase is due to the increase in the number of expected new applications (increased from 4,662,000 to 4,884,000) and a calculation error in the last information collection submission.

16. Publication/Tabulation Dates

The results of this data collection will not be published.

17. Expiration Date

The expiration date and OMB control number have been placed on the first page (top right corner) of each instrument.