Attachment A

Supporting Statement Part A
Medical Loss Ratio (MLR) Data Form for
Medicare Advantage (MA) Plans and Prescription Drug Plans (PDP)
CMS-10476, OMB 0938-1232

Supporting regulations related to the requirements for a minimum MLR on the Part C side are set out in: 42 CFR 422.2400, 422.2401, 422.2410, 422.2420, 422.2430, 422.2440, 422.2450, 422.2460, 422.2470, 422.2480, and 422.2490.

Supporting regulations related to the requirements for a minimum MLR on the Part D side are set out in: 423.2400, 423.2401, 423.2410, 423.2420, 423.2430, 423.2440, 423.2450, 423.2460, 423.2470, 423.2480, and 423.2490.

Background

This collection of information request is associated with our May 9, 2022 final rule (87 FR 27704) (CMS-4192-F, RIN 0938-AU30) (hereinafter referred to as the May 2022 final rule). In that rule we amended §§ 422.2460 and 423.2460 to reinstate the detailed MLR reporting requirements that were in effect for CYs 2014 through 2017. In addition, we expanded those detailed reporting requirements to include separate reporting of amounts spent on MA supplemental benefits.

We revised our information collection request to take into account (1) the additional burden for MA organizations and Part D sponsors to report their MLRs under the reporting requirements as finalized in the May 2022 final rule; and (2) the elimination of the burden for MA organizations to calculate and apply the deductible factor to the MLR calculation for MA MSA contracts because the software used to report Medicare MLRs under the finalized requirements will automatically calculate this burden.

Overall, this collection of information request adds 14 respondents/responses and 15,589 hours.

Out active collection of information requirements include two ICs: our MLR Data Form and our MLR Data Submission Instructions. We are revising both (see the attached Crosswalks and Track Change versions for details).

A. Justification

1. Need and Legal Basis

Statutory Requirements

The Patient Protection and Affordable Care Act (Pub. L. 111–148), was enacted on March 23, 2010; the Health Care and Education Reconciliation Act (Pub. L. 111–152) ("Reconciliation Act"), was enacted on March 30, 2010.

Section 1103 of the Reconciliation Act amended section 1857(e) of the Social Security Act (the Act) by adding a minimum medical loss ratio (MLR) requirement to the MA program. An MLR is expressed as a percentage, generally representing the percentage of revenue used for patient care, rather than for such other items as administrative expenses or profit. Because section 1860D–12(b)(3)(D) of the Act incorporates by reference the requirements of section 1857(e), the minimum MLR requirement also applies to the Part D program. The MLR requirement for the MA and Part D programs took effect in contract year 2014.

Under the minimum MLR requirement, MA organizations and Part D sponsors are subject to financial and other penalties for a failure to meet the statutory requirement that they have an MLR of at least 85 percent. The Patient Protection and Affordable Care Act requires several levels of sanctions for failure to meet the 85 percent minimum MLR requirement, including remittance of funds to CMS, a prohibition on enrolling new members, and, ultimately, contract termination.

CMS Regulations

CMS implemented the changes as required through the Patient Protection and Affordable Care Act and Reconciliation Act through a final rule for the MA and Part D programs. In our May 23, 2013 (78 FR 31284) final rule (CMS–4173–F, RIN 0938–AR69) regarding the implementation of these new MLR requirements for the MA and Part D programs, we established the requirement that MA organizations and Part D sponsors (collectively referred to as "plan sponsors" in this Supporting Statement) submit contract-level MLR data on an annual basis (§§ 422.2460 and 423.2460). This rule established the MLR reporting and recordkeeping requirements MA organizations and Part D sponsors originally had to fulfill. However, in our April 16, 2018 (83 FR 16440) final rule (CMS-4182-F; RIN 0938-AT08), we finalized that, for contract year 2018 data (submitted in 2019) and for subsequent contract years, this annual data submission for each contract year would consist of either: (a) the MLR and the amount of any remittance due to CMS, for each credible or partially credible contract; or (b) a submission noting that the contract is not subject to the 85 percent minimum MLR requirement and the remittance requirement, for each non-credible contract.

Our June 2, 2020 (85 FR 33797) final rule (CMS-4190-F, RIN 0938-AT97) amended § 422.2440 to provide for the application of a deductible factor to the MLR calculation for MA MSA (medical savings account) contracts that receive a credibility adjustment. Our currently approved (active) information collection request takes into account the additional burden for MA organizations to calculate and apply the deductible factor to the MLR calculation.

In the May 2022 final rule, we amended § 422.2460 and 423.2460 to reinstate the detailed MLR reporting requirements that were in effect for CYs 2014 through 2017, and expanded the MLR reporting requirements for MA contracts to require reporting of additional information on expenditures for MA supplemental benefits. The more detailed reporting requirements will be applied to CY 2023 MLR data collection.

MA organizations and Part D sponsors must provide a remittance to the Secretary if the amount spent in a contract year on certain costs compared to total revenues (excluding Federal and States taxes and licensing and regulatory fees) is below the 85 percent minimum MLR. MLR sanctions

do not apply to contracts with non-credible experience, as defined in the regulations. These non-credible contracts are not required to submit their MLR or remittance amount to CMS; however, they must inform CMS that the contract's experience is non-credible, in the manner prescribed by CMS.

2. Information Users

The collection of data for the CY 2023 MLR reporting is an expansion of MLR reporting requirements that are being reinstated that were in effect for MLR reporting CYs 2014 through 2017. This MLR reporting expansion includes a more detailed description of the data elements, updated regulations relevant to reporting MLR data, and reporting considerations dependent on the plan type.

Moreover, the detailed collection of data for the CY 2023 MLR reporting requirements includes plans reporting to CMS on their expenditures related to the following categories of supplemental benefits: Dental; Vision; Hearing; Transportation; Fitness Benefit; Worldwide Coverage/Visitor Travel; Over the Counter (OTC) Items; Remote Access Technologies; Meals; Routine Foot Care; Out-of-network Services (informational only);Acupuncture Treatments; Chiropractic Care; Personal Emergency Response System (PRS); Health Education; Smoking and Tobacco Cessation Counseling; All Other Primarily Health Related Supplemental Benefits; Non-Primarily Health Related Items and Services that are Special Supplemental Benefits for the Chronically Ill (SSBCI) (as defined in § 422.102(f)); and Non-Primarily Health Related Items - Other.

As described below, respondents and users of the reported information consist of: MA organizations, Part D sponsors, and CMS.

Publication Information The publication of the Medicare Advantage MLR data will be found on the CMS website for the Medical Loss Ratio athttps://www.cms.gov/medicare/medicare-advantage/plan-payment/medicallossratio.

Burden for Plans Given that MA organizations and Part D sponsors are already tracking expenses by line of business and contract in order to comply with our current regulations and account for supplemental benefit expenditures for both internal accounting and bid development purposes, we estimate that the additional start-up and ongoing costs and time burden for submitting detailed data will be moderate. We estimate that MA organizations and Part D sponsors will incur minimal one-time start-up costs associated with developing processes for capturing the necessary data and will incur ongoing annual costs relating to data collection, populating the MLR reporting form, conducting an internal review, submitting the MLR reports to the Secretary, and conducting internal audits.

Annual Data Submission (Revised) MA organizations and Part D sponsors are required to submit MLR data to the Secretary on an annual basis. Part C and Part D MLR data for a contract year will generally be submitted in December of the year following the end of the contract year.

The annual MLR data submissions will be used by CMS to ensure that beneficiaries are receiving value for their premium dollars based on each contract's MLR and any remittances due.

Recordkeeping (No Changes) The MLR regulations contain recordkeeping requirements that require plan sponsors to maintain evidence of the amounts reported to CMS, to enable CMS to verify that the data submitted is in compliance with MLR regulations, including all documents, records, and other evidence used to calculate the MLR. Documents, records, and other evidence must be preserved and maintained for 10 years from the date such calculations were reported to CMS with respect to a given MLR reporting year.

The recordkeeping requirements will be used by CMS to determine MA organizations' and Part D sponsors' compliance with the MLR requirements, including requirements concerning how MLR data is to be reported, and how the MLR and any remittances are calculated.

3. Use of Information Technology

The submission process for MLR data is entirely automated (electronically) through CMS's Health Plan Management System (HPMS). No paper/hardcopy submissions are required.

HPMS is already used by plan sponsors for other annual Part C and Part D submissions to CMS (e.g., contracting information, bid pricing tools, plan benefit packages, formularies, DIR data submission, attestations, etc.).

4. Duplication of Information

There are no similar information collections that capture the requirements of MLR data submission for MA and Part D contracts.

5. Impact on Small Businesses or Other Small Entities

Our analysis of the estimated administrative burden related to the MLR reporting requirements is based on the average number of MA and Part D contracts subject to the reporting requirements for each contract year. For contract years (CYs) 2014 to 2020, the average number of such contracts is 601. The total number of MA and Part D contracts is relatively stable year over year. As noted in the Regulatory Flexibility Act section of the final rule, the CMS threshold for what constitutes a substantial number of small entities for purposes of the RFA is 3 to 5 percent. The estimated burden per contract is $3,787 annually. We note that in Medicare Advantage, MA organizations and Part D sponsors submit bids that cover all costs including administrative overhead and profit. Just as large organizations, small entities that must comply with MA regulations, such as those in this proposed rule, are expected to include the costs of compliance in their bids and will, therefore, be compensated for the costs associated with complying with the revised requirements for MLR reporting under this final rule.

6. Consequences of Collecting the Information Less Frequently

CMS must collect this information annually in order to determine the amount of any remittances owed to CMS, and to implement sanctions, as required by the sections 1857(e) and 1860D–12(b)(3)(D) of the Act. MA organizations and Part D sponsors are required to report their MLR data, and are subject to financial and other penalties for a failure to meet the statutory requirement that they have an MLR of at least 85 percent. The statute requires several levels of sanctions for

failure to meet the 85 percent minimum MLR requirement, including remittance of funds to CMS, a prohibition on enrolling new members, and, ultimately, contract termination.

Annual submission of MLR data is necessary for enforcement of the statutory remittance requirement and other sanctions mandated by the Act.

7. Special Circumstances

Each MA organization and Part D sponsor must maintain the supporting documentation for ten years from the date such data were reported to CMS with respect to a given contract year (see §§ 422.2480(c) and 423.2480(c), respectively). Regulations governing contract provisions under §§ 422.504(d) for Medicare Advantage and 423.505(d) for Part D set forth record retention requirements. Otherwise, there are no special circumstances that would require an information collection to be conducted in a manner that requires respondents to:

- Report information to the agency more often than quarterly;
- Prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Submit more than an original and two copies of any document;
- Retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- Collect data 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;
- Use 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
- 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 Notice/Outside Consultation

Serving as the 60-day notice, the proposed rule (CMS-4192-F, RIN 0938-AU30) published in the Federal Register on January 12, 2022 (87 FR 1842). As it pertains to that rule's proposed requirements and burden estimates under this collection of information request's control number (OMB 0938-1232) no comments were received. The NPRM's amendments to §422.2460(d) and (e) and §423.2460(d) and (e) were finalized as proposed.

The final rule (CMS-4192-F, RIN 0938-AU30) published in the Federal Register on May 9, 2022 (87 FR 27704).

9. Payment/Gift to Respondents

Respondents will not receive any payments or gifts as a condition of complying with this information collection request.

10. Confidentiality

MLR data submitted by MA organizations and Part D sponsors will be published on the CMS website pursuant to the authority at §§ 422.2490 and 423.2490. No individually identifiable personal health information will be collected and, consequently, cannot be disclosed.

11. Sensitive Questions

There are no sensitive questions associated with this collection. Specifically, the collection does not solicit questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

12. Collection of Information Requirements and Burden Estimates

Wage Estimates

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2021 National Occupational Employment and Wage Estimates for all salary estimates (www.bls.gov/oes/current/oes_nat.htm). In this regard, the following table (Table 1) presents BLS' mean hourly wage, our estimated cost of fringe benefits and other indirect costs, and our adjusted hourly wage.

TABLE 1: Estimated Hourly Wages

Occupation Title	Occupation Code	Mean Hourly Wage ($/hr)	Fringe Benefits and Other Indirect Costs ($/hr)	Adjusted Hourly Wage ($/hr)
Computer and Information Systems Managers	11-3021	78.33	78.33	155.52

We are adjusting our employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and other indirect costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. Nonetheless, we believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

Collection of Information Requirements and Associated Burden Estimates

Annual Data Submission (Revised)

MA organizations and Part D sponsors will be submitting MLR data to CMS for each contract on an annual basis (see §§ 422.2460 and 423.2460, respectively). CMS's analysis is based on an estimate of 601 MLR data submissions each year. The 601 figure is based on the average number of MA and Part D contracts subject to the MLR data submission requirements for contract years 2014 to 2020. The total number of MA and Part D contracts is relatively stable year over year.

CMS anticipates that the level of effort relating to these activities will vary depending on the scope of an MA organization's or Part D sponsor's operations. The complexity of each MA organization's or Part D sponsor's estimated reporting burden is likely to be affected by a variety of factors, including the number of contracts it offers, enrollment size, the degree to which it currently captures the relevant data, whether it is a subsidiary of a larger carrier, and whether it currently offers coverage in the commercial market (and is therefore subject to the commercial MLR requirements).

Section 422.2440 provides for the application of a deductible factor to the MLR calculation for MA MSA contracts that receive a credibility adjustment. The deductible factor serves as a multiplier on the credibility factor. We previously estimated that it would take an actuary approximately 5 minutes to calculate the deductible factor for the contract. We anticipate that the burden to calculate the MSA deductible factor would be eliminated as this factor would be automatically calculated by the MLR Report software that MA organizations and Part D sponsors will use to submit their detailed MLR data to CMS, starting with CY 2023 MLR reporting. While the requirement is now subsumed in our reporting requirements, the burden is excluded. See section 15 of this Supporting Statement for details.

With regard to the reinstatement of the detailed MLR reporting requirements and to require reporting of additional information on expenditures for MA supplemental benefits, we anticipate that it would take 61.1 hours at $156.66/hr for a computer and information systems manager to submit the MLR data to CMS.

TABLE 2: Average Time and Labor Costs Required for MLR Reporting

Requirement	(a)	(b)	(c) = (a) x (b)	(d)	(e) = (c) x (d)	(f) = (e) / (a)
	Number of Contracts	Average Time per Contract (hours)	Total Time (hours)	Labor Cost ($/hr)	Total Cost ($)	Average Cost per Contract ($)
MLR Reporting	601	61.1	36,721	156.66	5,752,712	94,153

Recordkeeping Requirements (Revised)

CMS estimates that each MA organization and Part D sponsor will incur annual administrative costs (per contract) related to complying with the MLR recordkeeping requirements.

Each MA organization and Part D sponsor is obligated to maintain all documents, records, and other evidence that support the MLR data that it submits to the Secretary. Each MA organization and Part D sponsor must maintain the supporting documentation for ten years from the date such data were reported to CMS with respect to a given contract year (see §§ 422.2480(c) and 423.2480(c), respectively).

MLR record retention costs are assumed to be relatively low, since MA organizations and Part D sponsors already retain similar data for general MA and Prescription Drug Plan program audits and per the established requirements in §§ 422.504(f)(2) and 423.505(f)(2).

We estimate that it takes 2.7 minutes (0.045 hr) for a computer and information systems manager to maintain such records. In aggregate, we estimate an annual burden of 27 hours (0.045 hr x 601 contracts) at a cost of $4,230 (27 hr x $156.66).

TABLE 3: Summary of Annual Burden and Maintenance of Records

Requirement	(a)	(b)	(c) = (a) x (b)	(d)	(e) = (c) x (d)	(f) = (e) / (a)
	Number of Contracts	Time per Contract (hours)	Total Time (hours)	Labor Cost ($/hr)	Total Cost ($)	Average Cost per Contract ($)
Recordkeeping	601	0.045	27	156.66	4,230	7.04

Summary of Annual Requirements/Burden Estimates

TABLE 4: Annual Requirements/Burden Estimates

Requirement	Number of Respondents	Number of Responses	Average Time per Response (hours)	Total Time (hours)	Labor Cost ($/hr)	Estimated Total Cost ($)	Estimated Average Cost per Contract ($)
Annual Data Submission	601	601 (contracts)	61.1	36,721	156.66	5,752,712	94,153
Recordkeeping Requirements	601	601 (contracts)	0.045	27	156.66	4,230	7.04
TOTAL	601	601	61.145	36,748	156.66	5,756,942	94,160

Collection of Information Instruments and Instruction/Guidance Documents

- Attachment B: MLR Report Workbook (Revised): The MLR Report Workbook categorizes the data elements of the MLR that an MA organization or Part D plan must report to CMS. Beginning in CY 2023, the MLR Report Workbook will be used, which revises the current MLR data form.

The process for submitting MLR data is entirely automated (electronically) through CMS's (HPMS. No paper/hardcopy submissions are required.

The MLR Report Workbook, which was used to collect detailed MLR reporting elements that were in effect for CYs 2014 through 2017, will be used to collect reporting data for CY 2023 and subsequent years. The May 2022 final rule expanded the MLR reporting requirements beyond what was required under the detailed MLR reporting requirements that were in effect for CYs 2014 through 2017, to include expenditures related to supplemental benefits. Due to the additional reporting requirements, the MLR Report Workbook has been updated to include

expenditures related to supplemental benefits. The submission process for the MLR Report Workbook will be automated through HPMS.

- Attachment C: MLR Report Filing Instructions (CY 2023) (Revised) The MLR Report Filing Instructions provide a more detailed guide to assist MA organization and Part D sponsors in submitting their MLR Report Workbook to CMS. This includes a more detailed description of the data elements, updated regulations relevant to reporting MLR data, and reporting considerations dependent on the plan type.

For CY 2023 MLR reporting, an expansion upon existing requirements has been reinstated. The expansion of MLR reporting requirements includes plans reporting to CMS on their expenditures related to the following categories of supplemental benefits: Dental; Vision; Hearing; Transportation; Fitness Benefit; Worldwide Coverage/Visitor Travel; Over the Counter (OTC) Items; Remote Access Technologies; Meals; Routine Foot Care; Out-of-network Services (informational only);Acupuncture Treatments; Chiropractic Care; Personal Emergency Response System (PRS); Health Education; Smoking and Tobacco Cessation Counseling; All Other Primarily Health Related Supplemental Benefits; Non-Primarily Health Related Items and Services that are Special Supplemental Benefits for the Chronically Ill (SSBCI) (as defined in § 422.102(f)); and Non-Primarily Health Related Items - Other.

13. Capital Costs

Not applicable. This collection does not impose any capital costs.

14. Annualized Cost to Federal Government

The initial burden to the Federal government for the collection of the MA and Part D MLR data was borne through the initial development cycle, as a one-time cost. The MA and Part D MLR data collection is now in maintenance mode with regard to development and enhancements. The maintenance cost and the cost for enhancements are estimated in the table below. We previously estimated that we would pay federal contractors $200,000 each year for maintenance and enhancements. We have subsequently found it necessary to pay $300,000 for these services, and we have revised our estimate accordingly.

The CMS employees' hourly wage schedule can be obtained at https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2022/DCB_h.pdf under the Washington-Baltimore-Northern Virginia locality.

TABLE 5: Annualized Cost to Federal Government

Annual Maintenance and Enhancements	$300,000
Annual Defining Requirements	
1 GS-15 (step 10): 1 x $84.48 x 20 hours	$1,689
2 GS-14 (step 10): 2 x $78.63 x 80 hours	$12,580
2 GS-13 (step 10): 2 x $66.54 x 40 hours	$5,323
Subtotal	*$19,593*
Total Annual Cost to the Government	$337,49

Additional costs to the government to prepare these files for release are already accounted for in current estimates (existing staff assignments and contracts), and therefore the cost impact is zero.

15. Program Changes and Burden Adjustments

We anticipate that the annual data submission burden will increase due to the finalized amendments in the May 2022 final rule to reinstate the detailed MLR reporting requirements that were in effect for CYs 2014 through 2017 and to require reporting of additional information that MA organizations and Part D sponsors were not required to submit when the detailed MLR reporting requirements were previously in effect.

As a starting point, we assume that reinstating the detailed MLR reporting requirements that were in effect for CYs 2014 through 2017 will cause the MLR reporting burden to increase by the same amount that the burden decreased when we adopted the current, scaled-back reporting requirements in the final rule titled "Medicare Program; Contract Year 2019 Policy and Technical Changes to the Medicare Advantage, Medicare Cost Plan, Medicare Fee-for-Service, the Medicare Prescription Drug Benefit Programs, and the PACE Program" (83 FR 16701) (hereinafter referred to as the April 2018 final rule). In the information collection request that had previously (that is, prior to publication of the April 2018 final rule) been approved by OMB under 0938-1232 (CMS-10476), we estimated that, on average, MA organizations and Part D sponsors would spend 47 hours per contract on administrative work related to Medicare MLR reporting, including: collecting data, populating the MLR reporting forms, conducting internal review, submitting the reports to the Secretary, and conducting internal audits. The April 2018 final rule estimated that, by eliminating the requirement to submit detailed MLR data, the per-contract burden associated with the above tasks would be reduced from 11.5 hours to 0.5 hours,[1] causing the total per contract burden associated with MLR reporting to decrease from 47 hours to 36 hours.

As explained in the May 2022 final rule, we now recognize that not all MA organizations and Part D sponsors were required to correct or provide explanations for suspected errors or omissions in their MLR submissions when the detailed MLR reporting requirements were in effect, which was one of the burdens that CMS factored in to its estimate that the per contract burden of completing the detailed MLR reporting form used for CYs 2014 through 2017 had been 11.5 hours. After adjusting our estimate to reflect the percentage of contracts that actually had to correct or provide explanations for their MLR submissions for CYs 2014 through 2017, we now estimate that the per-contract burden associated with completing the detailed MLR report was 10.75 hours. This is relevant because it means that the additional burden associated

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with the changes in the May 2022 final rule should reflect that the current MLR reporting burden is 36.75 hours[2] (47 hours (total administrative burden) minus 10.75 hours (burden associated with detailed MLR reporting form) plus 0.5 hours (burden associated with current, non-detailed MLR Data Form)), as opposed to 36 hours (47 hours (total administrative burden) minus 11.5 hours (April 2018 final rule's estimate of the burden associated with completing the detailed MLR reporting form) plus 0.5 hours (burden associated with current, non-detailed MLR Data Form)). We note that this refinement to our prior 11.5-hour time estimate does not affect our estimate that MA organizations and Part D sponsors spent 47 hours per contract on administrative work under the MLR reporting requirements in effect for CYs 2014 through 2017 (Row (1) in Table 5). Instead, it causes the estimated time to complete the detailed MLR reporting form to decrease from 11.5 hours to 10.75 hours, with the remaining administrative tasks associated with MLR reporting now estimated as taking the other 36.25 hours (47 hours – 10.75 hours). Because the proposed changes to the MLR reporting requirements were finalized, CMS expects to resume development of the MLR reporting software, and to update the data collection fields and built-in formulas so that the MLR reporting software calculates the MLR consistent with all amendments to the MLR regulations that CMS has finalized since CY 2017. In making these updates, CMS will revise the programming of the MLR reporting software so that it automatically calculates and applies the appropriate deductible factor for MA MSA contracts, as determined under § 422.2440. Because MA organizations will no longer be responsible for calculating the deductible factor, the burden associated with performing that calculation would be eliminated. For information collection that was in place leading up to the implementation of the May 2022 final rule, which was based on estimates included in the February 2020 final rule, we anticipated that 8 MA organizations that would offer MA MSA contracts in 2021 and in each year through 2030, and that it would take an actuary approximately 5 minutes (1/12 hour) to calculate the deductible factor for each MSA contract. In aggregate, we estimated an annual burden of 0.67 hours (5 min/60 * 8 MA organizations). The per-contract burden for MA and Part D contracts was estimated to be 0.00114 hours (0.67 hr / 587 contracts). However, as of January 2022, there are only 4 MSA contracts, and as noted above, we now estimate that 601 contracts are subject to the MLR reporting requirements. In light of these facts, we now estimate an aggregate annual burden of 0.33 hours (5 min/60 * 4 MA organizations) and a per-contract burden of 0.00055 hours (0.33 hr / 601 contracts). Because this burden will be eliminated under our May 2022 final rule amendments, we exclude this burden from the summary table below.

As noted above, in addition to the reinstatement of the detailed MLR reporting requirements in effect for 2014 through 2017, CMS is requiring that MA organizations provide more detailed information on the portion of the incurred claims component of the MLR numerator that represents expenditures for MA supplemental benefits. Please see the proposed rule at 87 FR 1907 through 1908 for a discussion of the factors that we took into consideration in compiling the list of supplemental benefit types and categories in the proposed rule. First, data elements and categories should enable a thorough reporting of data elements in categories that support MLR calculation, reduce errors in reporting, and increase our ability to verify data reporting accuracy. Second, data elements and categories for supplemental benefits should be selected to provide transparency into how MA program payments are allocated and may focus on specific benefits, such as the non-primarily health related supplemental benefits offered to the SSBCI population,

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for the purposes of providing CMS with information on the impact of a specific benefit change. Third, we will take into consideration the percentage of MA plans that offer each type of supplemental benefit in the most recent year for which data on plan benefit packages is available (that is, looking at CY 2022 for developing the CY 2023 Reporting Tool), so that the lines we add to the MLR Reporting Tool are more likely to allow for comparison of MA organizations' expenditures on types of supplemental benefits that are widely offered. Fourth, in establishing the scope of data fields and categories for supplemental benefits, we acknowledge the trade-offs between the additional information gained from changing requirements and the additional burden placed on MA organizations and Part D sponsors brought about by changing requirements. We will take the balance between the increased value of additional information and the increased reporting burden into account in developing requirements.

The May 2022 final rule also stated that CMS is to retain flexibility to modify the scope of data fields and the specific list of supplemental benefit categories required to be reported on the MLR Report Workbook. Maintaining this flexibility will allow CMS to collect data that is sufficiently detailed to enable us to understand benefit expenditures and verify and increase accountability for the accuracy of MLR calculation. The intent is not to create a more detailed but static MLR report; but rather, to enable reporting requirements that support the program needs, such as supporting MLR calculation, verifying data reporting accuracy, gaining insight into supplemental benefit policies, and providing transparency into program expenditure allocation

The more detailed reporting requirements resulted in updates to both MLR Report Workbook and the MLR Reporting Instructions. To collect this information, we have added 18 additional fields to the MLR Report Workbook, which was used to collect detailed MLR reporting elements that were in effect for CYs 2014 through 2017. The May 2022 final rule expanded the MLR reporting requirements beyond what was required under the detailed MLR reporting requirements that were in effect for CYs 2014 through 2017, to include expenditures related to supplemental benefits. Due to the additional reporting requirements, the MLR Report Workbook has been updated to include expenditures related to supplemental benefits. The MLR Report Workbook will be used beginning with CY 2023 reporting, which revises the MLR data form that was used for CY 2018 through 2022 reporting. We also added narrative fields in which users will describe the methodologies used to allocate supplemental benefit expenditures. The MLR Reporting Instructions also reflect these changes. Earlier versions of the MLR Report Workbook and MLR Reporting Instructions did not include categories of supplemental benefits or narrative fields to describe their expenditures. In total, we estimate that the addition of these fields, as well as the addition of an information-only field in which MA organizations and Part D sponsors enter the low-income cost sharing subsidy amount that they deducted when calculating the amount of prescription drug costs to include in the MLR report, would increase the number of fields that would require user input and validation by approximately one-third, or 33.3 percent. We believe this increase will cause a proportional increase in the amount of time needed both to complete and submit the MLR Report to CMS, and to perform the data collection activities that make up the remaining portion of the 47 hours per contract that we previously estimated MA organizations and Part D sponsors would spend on administrative work related to the MLR reporting requirements. However, because the new supplemental benefits fields do not affect the MLR reporting burden for sponsors of standalone Part D contracts, we calculate the MLR reporting burden separately for MA contracts and standalone Part D contracts. Thus, we estimate the burden to stand-alone Part D contracts would only increase 5 percent.

To aggregate this increase in burden on a per-contract level, we take a weighted average of the 33 percent increase and the 5 percent increase. The weights correspond to the percentage of contracts that represent MA contracts (about 89 percent) and standalone Part D contracts (about 11 percent). This aggregate net increase per contract is 29.92 percent (89% x 33% + 11% x 5%). The computations are presented in the table below. It is simpler to use one aggregate figure (29.92 percent) for all contracts rather than estimate each contract type separately and then adding them together.

TABLE 6: Aggregate Burden Increase Per Contract

Contract Type	Percent of contracts	Increase for new fields	Product of Increase and Percent (weight) of contract type
Stand-alone prescription drug contracts	11%	5%	0.55%
MA (including MA-PD and MSA) contracts	89%	33%	29.37%
Aggregate burden increase per contract			29.92%

Accordingly, we estimate that the per contract burden associated with completing the detailed MLR reporting form would increase to 61.1 hours, or by 29.92% over the estimated per-contract burden of 47 hours (i.e., the estimated burden of completing the detailed MLR reporting form without taking into account the proposed additional fields).

We estimate that MA organizations and Part D sponsors will incur minimal one-time start-up costs associated with developing processes for capturing the necessary data, as they should already have been allocating their expenses by line of business and contract in order to comply with our current regulations regarding the calculation of the MLR, and they should already have been tracking their supplemental benefit expenditures for purposes of bid development. We estimate that MA organizations and Part D sponsors will incur ongoing annual costs relating to data collection, populating the MLR reporting form, conducting an internal review, submitting the MLR reports to the Secretary, and conducting internal audits.

Changes to Adjusted Hourly Wages

We are adjusting our Computer and Information Systems Manager adjusted wage based on more recent BLS wage figures.

TABLE 7: Changes to Adjusted Hourly Wages

Occupational Title	Occupation Code	Currently Approved* ($/hr)	CMS-4192-F** ($/hr)	Difference ($/hr)
Computer and Information Systems Manager	11-3021	150.38	156.66	+6.28

*BLS May 2019.
**BLS May 2020.

Burden Reconciliation

TABLE 8: Burden Reconciliation based on New Statue and Program Adjustment

Burden Type	Total Requested	Change Due to New Statute	Change Due to Program Discretion	Change Due to Program Adjustment	Total Currently Approved
Total Responses	601	0	0	+14	587
Total Time (hr)	36,748	0	+15,084	+505	21,159
Time Per Response (hr)	61.145	0	+25.09886	0	36.04614

TABLE 9: Total Annual Cost of Burden Reconciliation

Burden Type	Total Annual Respondents	Response Frequency (per year)	Total Annual Responses	Time Per Response (hr)	Total Annual Time (hr)	Labor Cost ($/hr)	Total Annual Cost ($)
Currently Approved Burden	587	Annually	587	36.04614	21,159	varies	3,181,881
Proposed Burden	601	Annually	601	61.145	36,748	156.66	5,756,942
Adjustment	+14	No change	+14	+25.09886	+15,589	N/A	+2,575,061

16. Plans for Tabulation and Publication and Project Time Schedule

CMS reserves the right to publish plan sponsors' annual submissions of MLR data for purposes of to achieving greater market transparency and improving beneficiaries' ability to make informed health insurance choices. With specified exceptions to release, data in plan sponsors' annual data submissions will be published pursuant to the authority at §§ 422.2490 and 423.2490.

17. Display of OMB Expiration Date

CMS has no objections to displaying the expiration date.

18. Certification Statement

There are no exceptions to the certification statement identified in Item 19, “Certification for Paperwork Reduction Act Submissions,” of OMB Form 83-I.

B. Collections of Information Employing Statistical Methods

Not applicable. The information collection does not employ statistical methods.