Supporting Statement Part A

Basic Health Program Supporting Regulations

CMS-10510, OMB 0938-1218

**Background**

Section 1331 of the Affordable Care Act (ACA) gives states the option of creating a Basic Health Program (BHP), a health benefits coverage program for low-income residents who would otherwise be eligible to purchase coverage through the Exchange. The BHP gives states the ability to provide more affordable coverage for these low-income residents and improve continuity of care for people whose income fluctuates above and below Medicaid and Children's Health Insurance Program (CHIP) levels.

Through the Basic Health Program, states can provide coverage to individuals who are citizens or lawfully present non-citizens, who do not qualify for Medicaid, CHIP, or other minimum essential coverage and have income between 133 percent and 200 percent of the federal poverty level (FPL). People who are lawfully present non-citizens who have income that does not exceed 133 percent of FPL but who are unable to qualify for Medicaid due to such non-citizen status, are also eligible to enroll. In accordance with the BHP Final Rule published on March 12, 2014 (79 FR 14112), states could apply and be certified to operate a BHP effective January 1, 2015. Currently, two states have received approval from CMS to operate a BHP.

This 2023 information collection request relates to updates to BHP proposed in CMS-1784-P and includes a revision of prior State burden estimates related to the State’s Blueprint submission at § 600.125. Additionally, this request revises the operation of a BHP. We propose at § 600.145(a), a State must implement its BHP in accordance with (1) the approved and full certified State BHP Blueprint; or (2) the approved suspension application. We propose at § 600.145(f)(2) the State operating a BHP must perform eligibility and health services appeals as specified in § 600.335. We propose at § 600.330(f), BHP eligibility notices must be written in plain language.

Finally, this creates a new information collection request for suspension of a BHP. We propose at §600.140(b) if a State decides to suspend its BHP or requests a suspension extension, a State must submit to the Secretary a suspension application or suspension extension application. The State must submit the annual report required by §600.170(a)(2) and annually remit to HHS any interest that has accrued on the balance of the BHP trust fund during the suspension period. We propose that the State must submit a transition plan to HHS that describes how the State will reinstate its BHP or terminate the program.

Overall, the rule would add 604 hours.

We are not revising any of our active (currently approved) collection of information instruments or instruction/guidance documents.

The changes are discussed in section 15 of this Supporting Statement.

**Justification**

1. Need and Legal Basis

The legal authority for this collection is Section 1331 of the ACA, which provides states the option to establish a BHP. All information collected by CMS is required to ensure compliance with federal regulations and/or to calculate quarterly federal payments to the states that operate a BHP.

Specifically, federal regulations at 42 CFR 600.115 and 600.120 require a state to submit a BHP Blueprint to CMS for certification prior to the state implementing a BHP. Without the submission and certification of a BHP Blueprint, a state cannot legally operate a BHP. In addition, 42 CFR 600.125 requires the submission of a revised Blueprint, in the event that a state seeks to make significant changes that alter program operations; the BHP benefit package; or enrollment, disenrollment, and verification policies described in the Blueprint. Additionally, 42 CFR 600.170 requires a state to submit a BHP annual report, and 42 CFR 600.200 requires HHS to complete an annual compliance review of states’ BHPs. This review may be based on the states’ annual reports.

In accordance with Section 1331 of the ACA, BHP is federally funded by determining the amount of payments that the federal government would have made through PTCs and CSRs for people enrolled in BHP had they instead been enrolled in an Exchange. In order to calculate these amounts for each state, CMS needs the reference premiums for the second lowest cost silver plans (SLCSPs) in each geographic area in a state, as SLCSPs are a basic unit in the calculation of PTCs and CSRs under the Exchanges. Relatedly, the reference premiums for these SLCSPs are critical components in the BHP payment methodology in order to estimate what PTCs and CSRs would have been paid. Similarly, CMS also needs to collect reference premiums for the lowest cost bronze plans to appropriately account for CSR calculations for American Indians and Alaskan Natives. Reference premiums are foundational inputs into the BHP payment methodology. In addition to the reference premiums, CMS also needs quarterly estimated and actual enrollment data from all states that operate a BHP. The enrollment data are used to calculate the states’ quarterly federal BHP payments.

42 CFR 600.140 requires a state electing to terminate its BHP to submit a notice and transition plan to the Secretary. Without this notice and transition plan, a state would be out of compliance with federal regulations.

2. Information Users

CMS will use the information collected in the Blueprint, Blueprint revisions, and annual report to monitor compliance with federal regulations. CMS will use the estimated enrollment data, actual enrollment data, and reference premium data as inputs to calculate quarterly federal payments to the states.

In addition, information collected in the Blueprint and Blueprint revisions by CMS will be used by advocacy groups, beneficiaries, applicants, other governmental agencies, research organizations, and health care consultants. CMS will post the states’ most recent Blueprints on Medicaid.gov. States may also make their Blueprints publicly available. States will use the information collected to assess performance and monitor program enrollment.

CMS may publicly report high-level enrollment data, but will not make the states’ enrollment data submissions publicly available, as they contain confidential information. At this time, CMS does not intend to post BHP annual reports on Medicaid.gov, but may do so in the future.

3. Use of Information Technology

This information collection is relatively small and CMS expects to collect it in a standardized format. CMS expects to collect this information as follows:

* BHP Blueprint and revised Blueprints: States will submit this information in electronic format via email from the states to their BHP Project Officer.
* BHP annual report: States will submit this information in electronic format via email from the states to their BHP Project Officer.
* Estimated enrollment data: States will submit this information in electronic format via email to the CMS Office of the Actuary. Note that no personally identifiable information is transmitted in the estimated enrollment data file.
* Actual enrollment data: States will submit actual enrollment data to the CMS Office of the Actuary via a secure electronic file transfer.
* Reference premium data: States will submit reference premium data via email from the states to the CMS Office of the Actuary.
* Termination or Suspension of a BHP: States will submit required notification of their intent to termination their BHP via email to their BHP Project Officer.

4. Duplication of Efforts

There is no duplication of this information.

5. Small Businesses

This collection of information does not impact small businesses or other small entities.

6. Less Frequent Collection

The initial Blueprint must be certified by CMS prior to the state operating a BHP. Blueprint revisions may be submitted by states to CMS on an as needed basis. Disclosure of the information requested of states within the Blueprint ensures compliance with federal regulations and serves the interests of BHP enrollees. There is no method to reduce the frequency that does not result in non-compliance with federal regulations.

Under federal regulations, the BHP annual report must be submitted by states to CMS within 60 days of the end of each operational year. The BHP annual report is reviewed by CMS to ensure states’ compliance with their Blueprint and with federal regulations. There is no method to reduce the frequency that does not result in non-compliance with federal regulations.

Estimated and actual enrollment data must be submitted by states to CMS on a quarterly basis. The consequences to the federal government or the state if the information is not collected or is collected less frequently will be an inability to properly transfer federal payments to the states. There is no method to reduce the frequency that does not result in non-compliance with federal regulations.

For collection of the reference premiums, Section 1331(d)(3)(a)(i) of the ACA requires an annual determination of the amount that the Secretary would have paid equal to 95 percent of the PTCs and CSRs for BHP enrollees had they been enrolled in the Exchanges. The premiums for qualified health plans offered under the Exchanges are expected to change annually. Therefore, to accurately calculate the BHP payment amounts for a given year the reference premiums associated with the second lowest cost silver plans and the lowest cost bronze plans must be collected each year from SBEs. That is to say, the BHP payment rates and actual payment amounts would be inaccurate if these data were not collected on annual basis.

Under federal regulations in 42 CFR 600.140, a state electing to terminate or suspend its BHP must submit a notice and transition plan to the Secretary. There is no method to reduce the frequency that does not result in non-compliance with federal regulations.

7. Special Circumstances

There are no special circumstances requiring this information collection to do any of the following:

* Have respondents conduct this collection more often than quarterly;
* Have respondents submit more than the original electronic copy of any document;
* Require respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
* Be connected with any statistical survey, including one that is not designed to produce valid and reliable results that can be generalized to the universe of study;
* Require the use of a statistical data classification that has not been reviewed and approved by OMB;
* Include a pledge of confidentiality that is not supported by authority established in statue or regulation that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
* Require respondents to submit proprietary trade secret, or other confidential information.

8. Federal Register/Outside Consultation

*Federal Register*

Serving as the 60-day notice the CY 2024 PFS proposed rule (CMS-1784-P; RIN 0938-AV07) filed for public inspection on July 13, 2023 at the Office of the Federal Register and published in the Federal Register on August 7, 2023 (88 FR 52262). Comments must be received by 5 p.m. on September 11, 2023.

*Outside Consultation*

CMS has quarterly calls with Minnesota and New York to discuss any upcoming Blueprint revisions and any recent annual report and any challenges the states were facing with complying with federal requirements.

9. Payments/Gifts to Respondents

No provision is being made for payment or gift to respondents, other than remuneration of contractors or grantees.

10. Confidentiality

Consistent with federal government and CMS policies, CMS will protect the privacy of requested information. The collection of BHP Blueprints and Blueprint revisions, estimated enrollment data, the annual report, and reference premium data does not include confidential information. The collection of actual enrollment data does include confidential information. The data is transferred to CMS from the state via a secure electronic file transfer protocol. The data is maintained securely, is password protected, and access is limited to only select CMS employees and contractors.

In accordance with the requirements of the Privacy Act of 1974 (5 U.S.C. 552a), BHP is addressed in the system of records entitled, “Health Insurance Exchanges (HIX) Program” (No. 09-70-0560). See the October 23, 2013 (78 FR 63211) SORN for details.

11. Sensitive Questions

There are no questions in this information collection of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that we commonly considered private.

12. Burden Estimates

*Wage Estimates*

To derive average costs, we used data from the U.S. Bureau of Labor Statistics’ (BLS) May 2022 National Occupational Employment and Wage Estimates for our salary estimates ([www.bls.gov/oes/current/oes\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm)). In this regard, the following table presents BLS’ mean hourly wage, our estimated cost of fringe benefits and other indirect costs, and our adjusted hourly wage.

National Occupational Employment and Wage Estimates

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Occupation Title | Occupation Code | Mean Hourly Wage  ($/hr) | Fringe Benefits and Other Indirect Costs ($/hr) | Adjusted Hourly Wage ($/hr) |
| Business Operations Specialists | 13-1000 | 40.04 | 40.04 | 80.08 |
| Financial Specialists | 13-2000 | 44.37 | 44.37 | 88.74 |
| General and Operations Managers | 11-1021 | 59.07 | 59.07 | 118.14 |

To derive our cost estimates, we also adjusted BLS’ mean hourly wage 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. Therefore, we believe that doubling the hourly wage to estimate total cost is a reasonably accurate and conservative estimation method.

*Collection of Information Requirements (ICRs) and Associated Burden Estimates*

1. ICRs Regarding the BHP Blueprint and Revisions to a Certified Blueprint

Section 600.110 requires the submission of a BHP Blueprint to the Secretary for certification of the state’s program. CMS has prepared a Blueprint template, which is available on the Basic Health Program page on Medicaid.gov. Section 600.115, specifies that the Blueprint must be signed by the state's governor or signed by an official delegated by the governor. The Blueprint must identify the agency and officials, by position or title, who are responsible for program administration, operations, and financial oversight. The Blueprint would also be required to identify the required characteristics for all BHP Trust Fund trustees. No revision with this iteration.

In § 600.305, the Blueprint would be required to be consistent with the standards used to determine BHP eligibility. The state may not impose conditions of eligibility other than those identified in this section. No revision with this iteration.

In §§ 600.320 and 600.345, the Blueprint would be required to ensure that the state's enrollment, disenrollment, and verification policies are consistent with these sections. It must also include a plan to ensure coordination with and eliminate gaps in coverage for individuals transitioning between other insurance affordability programs. No revision with this iteration.

In § 600.405, the Blueprint would be required to ensure that standard health plan coverage include (at a minimum) EHBs including any changes resulting from periodic reviews. While states have the option to allow benefits in addition to the EHBs, standard health plan coverage must be in compliance with 45 CFR 156.280 regarding abortion services. No revision with this iteration.

In § 600.410, states would be required to assure that they comply with competitive contracting provisions in § 600.410(b), (c), and (d). This includes but is not limited to a justification for states unable to implement a competitive contracting process for benefit year 2015 as well as a description of the process it will use to enter into contracts for standard health plans. The state must also include a proposed timeline for implementing a competitive contracting process and provide assurance that the process includes specific negotiation criteria. No revisions with this iteration.

In § 600.415, states would be required to enter into a contract (with an offeror) for the administration and provision of standard health plans. A standard set of contract requirements would be included in the Blueprint. No revisions with this iteration.

In § 600.420, the Blueprint would be required to include a description of how the state will ensure (to the greatest extent possible) enrollee choice of standard health plans. States may also enter into a joint procurement with other states. States electing this option must address the Blueprint provisions in § 600.420(b)(2). No revisions with this iteration.

In § 600.425, the Blueprint would be required to demonstrate how the state will ensure coordination with other insurance affordability programs. No revisions with this iteration.

In § 600.505, the Blueprint would be required to describe: the amount of the premium imposed on enrollees; the group or groups that are subject to the applicable premium; the collection method and procedure for the payment of an enrollee's premium; the disenrollment procedures and consequences of nonpayment of premiums. The Blueprint must also ensure that the total premium liability for an enrollee does not exceed the monthly premium that the enrollee would have paid had he/she enrolled in the second lowest cost silver plan offered through an Exchange. No revisions with this iteration.

With regard to cost sharing imposed on enrollees, § 600.510 would require that the Blueprint identifies the group or groups of enrollees that may be subject to the cost sharing, and an assurance that the state has established a system to monitor and track the cost-sharing standards specified in § 600.520. No revisions with this iteration.

In § 600.525(a), the Blueprint would be required to assure that the state is in compliance with the disenrollment procedures described in 45 CFR 155.430. No revisions with this iteration.

If a state has elected to implement a continuous enrollment policy, the state may also impose a lockout period after an enrollee has been disenrolled from the program. The Blueprint must define the length of the state's lockout period and assure that it will not continue to impose a premium lockout period after an enrollee's past due premiums have been paid and will not require the collection of past due premiums as a condition of eligibility for reenrollment once the state-defined lockout period has expired.

In § 600.710, the Blueprint would be required to ensure that the state's fiscal policies and accountability standards are consistent with this section. In this regard, the Blueprint must ensure that the BHP administering agency will maintain an accounting system and support fiscal records to assure that the trust funds are maintained and expended in accordance with federal requirements. The Blueprint would also be required to assure that the administering agency will obtain an annual certification from the state's BHP trustees, or chief financial officer (or designee), certifying the state's trust fund financial statements for the fiscal year, that the trust funds are not being used as the non-federal share to meet matching or expenditure requirements of any federally-funded program, and that the trust fund is used in accordance with federal requirements. No revisions with this iteration.

The Blueprint would include an assurance that the administering agency will conduct an audit of trust fund expenditures, publish annual reports on the use of funds and audit findings (if applicable), establish and maintain trust fund restitution procedures, and retain records. The Blueprint must also be accompanied by a funding plan that describes the enrollment and cost projections for the first 12 months of operation and funding sources beyond the trust fund (if any). The plan must demonstrate that federal funds will only be used to reduce premiums and cost-sharing or to provide additional benefits.

Finally, the Blueprint would be required to describe how the state will ensure program integrity, including how the state will address potential issues of fraud, waste, and abuse and ensure consumer protections.

At this time, two states have completed this initial Blueprint. While a few states have expressed interest in pursuing the BHP in their state in the future, CMS currently estimates that one additional state will pursue this option in the future. We estimate that, on average, it will take a state 80 hours at $80.08/hr for a Business Operations Specialist and 20 hours at $118.14/hr for a General Manager to complete and submit the state’s Blueprint, for a total burden of 100 hours at a cost of $8,769 [(80 hr x $80.08/hr) + (20 hr x $118.14/hr)]. In this 2023 iteration we are only updating our wage and cost estimates to reflect BLS’ 2022 wage data. We are not setting out burden for the two states that have completed the initial Blueprint.

Section 600.125 requires the submission of a revised Blueprint, in the event that a state seeks to make significant changes that alter program operations; the BHP benefit package; or enrollment, disenrollment, and verification policies described in the Blueprint. Section 600.115 requires the state to seek public comment on any significant revisions prior to the submission of those revisions to the Secretary for certification. The process of seeking public comment must include Federally recognized tribes. Revised Blueprints are submitted to CMS via email.

We propose at § 600.125(a)(1)-(3) that Blueprint revisions must be submitted to reflect: (1) changes in Federal laws, regulations, policy interpretations or court decisions that affect provisions in the certified Blueprint; (2) significant changes that alter core program operations or 1187 the BHP benefit package; or (3) changes to enrollment, disenrollment, and verification policies described in the certified Blueprint. We note that only § 600.125(a)(1) is a new requirement. The requirements under § 600.125(a)(2) and (3) are existing. We propose at § 600.125(b) that a State may submit revisions to its certified Blueprint at any time within the same quarter of the proposed effective date of revised Blueprint. We propose at § 600.125(c) that HHS must review the revised Blueprint within 90 calendar days or provide the State written notice of disapproval or additional information it needs to make a final determination.

We estimate that, on average, a State operating a BHP will submit one revised Blueprint in response to § 600.125(a)(1) annually. Because only two States are currently certified to operate a BHP, we are providing the burden estimate for two States. We estimate that the proposal under § 600.125(a)(1) will increase State burden. We estimate that the proposals under § 600.125(b) and (c) will have no impact on State burden. We estimate that, on average, it will take a State 4 additional hours at $80.08/hr for a Business Operations Specialist and 2 additional hours at $118.14/hr for a General Manager to meet the new Blueprint requirements under § 600.125(a)(1). In aggregate, we estimate an increased burden of 12 hours (2 States x 6 hr/State) at a cost of $1,113 [2 States x ((4 hr x $80.08/hr) + (2 hr x $118.14/hr))]. We note that this cost will be incurred 100 percent by the State, as Federal BHP funds cannot be used for program administration.

As a result of the increased burden described above, we estimate that, on average, it will take a state a total of 44 hours at $80.08/hr for a Business Operations Specialist and 6 hours at $118.14/hr for a General Manager to complete and submit the state’s revised Blueprint, for a total burden of 2 respondents, 100 hours at a cost of $8,465 [2 States x ((44 hr x $80.08/hr) + (6 hr x $118.14/hr))].

2. ICRs Regarding the BHP Annual Report (42 CFR 600.170)

Section 600.170 requires a state to submit an annual report within 60 days after the end of each operational year. The annual report must include any evidence of fraud, waste, or abuse on the part of participating providers, plans, or the state BHP agency known to the state. The annual report must also include a detailed, data-driven review of compliance with eligibility verification requirements, requirements to collect quality and performance measures from all participating standard health plans focusing on quality of care and improved health outcomes, and any other requirements specified by the Secretary at least 120 days prior to the due date of the annual report. CMS will prepare the annual report template and email it to states operating a BHP a minimum of 120 days prior to the due date of the annual report. The annual report is submitted via email to CMS. No revisions with this iteration.

Because only two states are currently certified to operate a BHP, we are providing the burden estimate for two states. We estimate that, on average, it will take a Business Operations Specialist 40 hours at $80.08/hr and 4 hours at $118.14/hr for a General Manager to complete and submit the state’s annual report, for a total annual burden of 88 hours (44 hr x 2 states) at a cost of $7,352 [2 states x ((40 hr x $80.08/hr) + (4 hr x $118.14/hr))]. In this 2023 iteration we are only updating our wage and cost estimates based on BLS’ 2022 wage data.

3. ICRs Regarding the Submission of Estimated and Actual Quarterly Enrollment Data

A state that is approved to implement a BHP must provide CMS an estimate of the number of BHP enrollees it projects will enroll in the upcoming BHP program quarter, by applicable rate cell, prior to the first quarter and each subsequent quarter of program operations until after actual enrollment data is available. Enrollment data must be submitted by age range (if applicable), geographic area, coverage status, household size, and income range.

We estimate that it would take a Business Operations Specialist 10 hours at $80.08/hr and a General Manager 2 hours at $118.14/hr to compile and submit the quarterly estimated enrollment data to CMS. For 2023, we estimate that two states will operate a BHP and will submit the required estimated enrollment data to CMS. In aggregate, we estimate an annual burden of 96 hours (2 states x 12 hr/response x 4 responses/yr) at a cost of $8,297 [2 states x 4 responses/yr ((10 hr x $80.08/hr) + (2 hr x $118.14/hr)). In this 2023 iteration we are only updating our wage and cost estimates based on BLS’ 2022 wage data.

Following each BHP program quarter, a state operating a BHP must submit actual enrollment data to CMS. Actual enrollment data must be based on individuals enrolled for the quarter who the state found eligible and whose eligibility was verified using eligibility and verification requirements as agreed to by the state in its applicable BHP Blueprint for the quarter that enrollment data is submitted. Actual enrollment data must include a personal identifier, date of birth, county of residence, Indian status, family size, household income, number of persons in the household enrolled in BHP, family identifier, months of coverage, plan information, and any other data required by CMS to properly calculate the payment.

We estimate that it would take a Business Operations Specialist 100 hours at $80.08/hr and a General Manager 10 hours at $118.14/hr to compile and submit the quarterly actual enrollment data to CMS. For 2023, we estimate that two states will operate a BHP and will submit the required actual enrollment data to CMS. In aggregate, we estimate an annual burden of 880 hours (2 states x 110 hr/response x 4 responses/yr) at a cost of $73,515 [2 states X 4 responses/yr ((100 hr x $80.08/hr) + (10 hr x $118.14/hr)). In this 2023 iteration we are only updating our wage and cost estimates based on BLS’ 2022 wage data.

4. ICRs Regarding Submission of Qualified Health Plan Data

States operating an SBE in the individual market must provide certain data, including premiums for second lowest cost silver plans, by geographic area, for CMS to calculate the federal BHP payment rates in those states. States operating BHPs interested in obtaining the applicable program year federal BHP payment rates for its state must submit the data to CMS by October 15th of the preceding year.

We estimate that it would take a Business Operations Specialist 20 hours at $80.08/hr and a General Manager 2 hours at $118.14/hr to compile and submit the required data to CMS. In aggregate, we estimate an annual burden of 44 hours (2 states x 22 hr/response) at a cost of $3,676 [2 states x ((20 hr x $80.08/hr) + (2 hr x $118.14/hr))]. In this 2023 iteration we are only updating our wage and cost estimates based on BLS’ 2022 wage data.

5. ICRs Regarding the Operation of a BHP

The ongoing burden associated with the requirements under § 600.145 is the time and effort it would take each participating state to perform the recordkeeping and reporting portions of the core operating functions of a BHP including eligibility determinations and appeals as well as enrollment and disenrollment, health plan contracting, oversight and financial integrity, consumer assistance, and if necessary program termination or suspension.

BHPs would function as part of a coordinated eligibility and enrollment structure over all insurance affordability programs. They need to maintain and transfer eligibility accounts with equal accuracy and efficiency as the Exchange, as well as maintain enrollment data reported monthly to HHS. As such, we are estimating equal burden to the Exchange for this function. We estimate that it will take 52 hours annually to ensure the collection of enrollment data. Additionally, we estimate it will take 12 hours to submit monthly enrollment data and 12 hours to reconcile data monthly.

We propose at § 600.145(a) that a State must implement its BHP in accordance with: (1) the approved and full certified State BHP Blueprint; or (2) the approved suspension application (see ICR #7 below).

We propose at § 600.145(f)(2) that the State operating a BHP must perform eligibility and health services appeals as specified in § 600.335.

Because only two States are currently certified to operate a BHP, we are providing the burden estimate for two States. We estimate that it would take a business operations specialist 4 additional hours at $80.08/hr to meet these new recordkeeping and reporting requirements for health services appeals. In aggregate, we estimate an increased burden of 8 hours (2 States x 4 hr/response) at a cost of $641 (8 hr x $80.08/hr). We note that this cost will be incurred 100 percent by the State, as Federal BHP funds cannot be used for program administration.

The BHP will issue notices to applicants and eligible individuals regarding eligibility status. These notices must be developed and processed in a coordinated fashion with other insurance affordability programs. The burden estimates here are only for added burden of customizing to the BHP. We estimate that it will take a state 16 hours annually to customize notices and processes for the BHP.

In this iteration, we propose at § 600.330(f), BHP eligibility notices must be written in plain language and be provided in a manner which ensures individuals with disabilities are provided with effective communication and takes steps to provide meaningful access to eligible individuals with limited English proficiency. These notices must be developed and processed in a coordinated fashion with other insurance affordability programs which have the same accessibility standards at 45 CFR 155.230(b). As such, we propose no additional burden for the BHP for the noticing requirement.

Because only two states are currently certified to operate a BHP, we are providing the burden estimate for two states for eligibility and enrollment reporting requirements. We estimate that it will take a business operations specialist 360 hours ((24 x 12) + 52 + 16) at $80.08/hr to meet these reporting requirements for eligibility and enrollment functions as outlined in the paragraphs above. In aggregate, we estimate an annual burden of 720 hours (2 states x 360hr/response) at a cost of $7,658 [2 states x (356 hr x $80.08/hr)].

Part 600, subpart E, describes reporting requirements associated with the core function of standard health plan contracting and operations. Each state BHP must contract with standard health plan offerors and require participating standard health plans to provide transparency in covered benefits, cost-sharing and participating providers by reporting and making public such information annually. We estimate that it will take a state 120 hours to create and evaluate the request for proposals for participating standard health plans. Using the same estimates as the Exchange, we presume that it will take an additional 24 hours to collect the information necessary to ensure that coverage and transparency requirements are met for a total annual burden per state of 144 hours (120 hr + 24 hr). Of the 144 hours we presume that it will take a Business Operations Specialist 130 hours (at $80.08/hr) and a General Manager 14 hours (at $118.14/hr) to complete the requirements. In aggregate, we estimate an annual burden of 288 hours (2 states x 144 hr/response) at a cost of $24,129 [2 states x ((130 hr x $80.08/hr) + (14 hr x $118.14))]. In this 2023 iteration we are only updating our wage and cost estimates based on BLS’ 2022 wage data.

Oversight and financial integrity are core functions of the BHP that include annual reporting requirements to HHS on the operation of the trust fund, providing annual data necessary to acquire and reconcile federal funding and complete financial sections of the annual report in § 600.170.

We estimate that it will take a state operating a BHP 24 hours annually to complete these reporting requirements. Of the 24 hours, we presume that it will take a Financial Specialist 20 hours (at $88.74/hr) and a General Manager 4 hours (at $118.14/hr) to complete these reporting requirements. In aggregate, we estimate an annual burden of 48 hours (2 states x 24 hr/response) at a cost of $4,495 [2 states x (20 hr x $88.74/hr) + (4 hr x $118.14)]. In this 2023 iteration we are only updating our wage and cost estimates based on BLS’ 2022 wage data.

Finally, BHPs are required in § 600.150 to ensure that there is enrollment assistance and information readily available to understand the program and any choices a consumer would have. Additionally, the state must publish enrollment choices, covered services and any options and limitations in a manner that meets accessibility and readability standards. We estimate that it will take a Business Operations Specialist 48 hours at $80.08/hr annually to meet these requirements. In aggregate, we estimate an annual burden of 96 hours (2 states x 48 hr/response) at a cost of $7,688 [2 states x (48 hr x $80.08/hr)]. In this 2023 iteration we are only updating our wage and cost estimates based on BLS’ 2022 wage data.

The total revised burden estimate for program operation is 1,152 hours at a cost of $93,969.

6. ICRs Regarding the Termination of a BHP (42 CFR 600.140)

Section 600.140 requires a state electing to terminate its BHP to submit a notice and transition plan to the Secretary. A state must submit written notice to all participating standard health plans and to all enrollees regarding their plans to terminate. Finally, the state would be required to perform eligibility account transfers on behalf of enrollees. Due to the requirement that a state use the single eligibility service for all insurance affordability programs, we do not believe this requirement to necessitate much effort.

CMS is unaware of any states planning to terminate their BHP. However, because two states are currently certified to operate a BHP, we are providing the burden estimate for two states. We estimate that, on average, it will take a Business Operations Specialist 20 hours at $80.08/hr and a General Manager 4 hours at $118.14/hr to submit a notice and transition plan to the Secretary. We estimate that, on average, it will take a Business Operations Specialist 32 hours to prepare and submit notification to all participating standard health plans and enrollees. We estimate that it would take a Business Operations Specialist 8 hours to perform eligibility account transfers on behalf of enrollees.

The total burden estimate for program termination is 128 hours (2 states x [20 hr + 4 hr + 32 hr + 8 hr]) at a cost of $10,555 [2 states x ((20 hr x $80.08/hr) + (4 hr x $118.14/hr)) + (32 hr x $80.08/hr) + (8 hr x $80.08/hr)]. In this 2023 iteration we are only updating our wage and cost estimates based on BLS’ 2022 wage data.

7. ICRs Regarding Suspension of a BHP

We propose at §600.140(b)(1) if a State decides to suspend its BHP or requests a suspension extension, a State must submit to the Secretary a suspension application or suspension extension application. We propose at § 600.140(b)(3) that a State must submit written notices to all BHP enrollees and participating standard health plan offers at least 90 days prior to the effective date of the suspension. We propose at § 600.140(b)(4) that the State must submit to HHS within 12 months of the suspension effective date the data required by § 600.610 needed to complete the financial reconciliation process with HHS. We propose at § 600.140(b)(5) that the State must submit the annual report required by § 600.170(a)(2). We propose at § 600.140(b)(6) that the State must annually remit to HHS any interest that has accrued on the balance of the BHP trust fund during the suspension period. We propose at § 600.140(b)(7) that the State must submit a transition plan to HHS that describes how the State will reinstate its BHP or terminate the program.

Two States are currently certified to operate a BHP; therefore, we are providing the burden estimate for two States.

We estimate that, on average, it would take a Business Operations Specialist 30 hours at $80.08/hr and a General Manager 4 hours at $118.14/hr to submit a suspension application to the Secretary. In aggregate, we estimate a one-time burden of 68 hours (2 States x 34 hr/response) at a cost of $5,780 [2 States x ((30 hr x $80.08/hr) + (4 hr x $118.14/hr))].

We estimate that, on average, it would take a Business Operations Specialist 30 hours at $80.08/hr and a General Manager 4 hours at $118.14/hr to submit a suspension extension application to the Secretary. In aggregate, we estimate a one-time burden of 68 hours (2 States x 34 hr/response) at a cost of $5,780 [2 States x ((30 hr x $80.08/hr) + (4 hr x $118.14/hr))].

We estimate that, on average, it would take a Business Operations Specialist 32 hours at $80.08/hr to prepare and submit notification to all participating standard health plans and enrollees. In aggregate, we estimate a one-time burden of 64 hours (2 States x 32 hr/response) at a cost of $5,125 [2 States x (32 hr x $80.08/hr)].

We estimate that it would take a Business Operations Specialist 25 hours at $80.08/hr and a General Manager 4 hours at $118.14/hr to compile and submit data required for quarterly financial reconciliation. In aggregate, we estimate an annual burden of 232 hours (2 States x 29 hr/response x 4 responses/yr) at a cost of $19,796 [2 States x 4 responses/yr ((25 hr x $80.08/hr) + (4 hr x $118.14/hr)).

We estimate that, on average, it would take a Financial Specialist 8 hours at $88.74/hr to remit annually the interest accrued on the balance of the BHP trust fund while in suspension. In aggregate, we estimate an annual burden of 16 hours (2 States x 8 hr/response) at a cost of $1,420 [2 States x (8 hr x $88.74/hr)].

We estimate that it would take a Business Operations Specialist 20 hours at $80.08/hr and a General Manager 4 hours at $118.14/hr to submit a transition plan to reinstate its BHP or terminate the program. In aggregate, we estimate a one-time burden of 48 hours (2 States x 24 hr/response) at a cost of $4,148 [2 States x ((20 hr x $80.08/hr) + (4 hr x $118.14/hr))].

We estimate that, on average, it will take a Business Operations Specialist 40 hours at $80.08/hr and 4 hours at $118.14/hr for a General Manager to complete and submit the State’s annual report, for a total annual burden of 88 hours at a cost of $7,352 [2 States x ((40 hr x $80.08/hr) + (4 hr x $118.14/hr))].We note that these costs will be incurred 100 percent by the State, as Federal BHP funds cannot be used for program administration.

The total burden estimate for program suspension is 584 hours at a cost of $49,401.

*Summary of Requirements and Annual Burden Estimates*

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Section under Title 42 of the CFR | # of Respondents | Total Responses | Time per Response (hr) | Total Time (hr)\* | Labor Cost ($/hr) | Total  Cost ($) |
| See ICR #1 (600.110, 600,115, 600.125, 600.305, 600.320, 600.345, 600.405, 600.410, 600.415, 600.420, 600.425, 600.505, 600.510, 600.525, 600.530 and 600.710 | 1 | 1 | 100 | 100 (R) | Varies | 8,769 |
| See ICR #1 (600.125 and 600.115) | 2 | 2 | 50 | 100 (R) | Varies | 8,465 |
| See ICR #2 (600.170) | 2 | 2 | 44 | 88 (R) | Varies | 7,352 |
| See ICR #3 (600.610) | 2 | 8 | 12 | 96 (R) | Varies | 8,297 |
| See ICR #3 (600.610) | 2 | 8 | 110 | 880 (R) | Varies | 73,515 |
| See ICR #4 (600.610) | 2 | 2 | 22 | 44 (R) | Varies | 3,676 |
| See ICR #5 (600.145, 600.150, 600.170, and Subpart E) | 2 | 2 | Varies | 1,152 (R) | Varies | 93,969 |
| See ICR #6 (600.140) | 2 | 2 | 64 | 128 (R) | Varies | 10,157 |
| See ICR #7  (600.140(b) and 600.170(a)(2) | 2 | 20 | Varies | 584 (R) | Varies | 49,401 |
| TOTAL | 2 | 47 | Varies | 3,172 | Varies | $263,601 |

*\* Reporting*

*Collection of Information Instrument and Instruction Materials*

* BHP Blueprint (no change to the instrument and instruction materials, see ICR #1)
* BHP Annual Report (no change to ICR #2)
* State Report for Health Insurance Exchange Premiums (no change to ICR #4)
* Enrollment Data Guide (no change to ICR #3)
* Actual Enrollment Data Sample Spreadsheet (no change to ICR #3)
* BHP Suspension Instrument (addition, see ICR #7) The instrument and instruction materials for a BHP Suspension are still under development. BHP Suspension materials will be made available for public review and comment through the Federal Register in 2024.

13. Capital Costs

There are no start-up costs associated with this information collection or revision.

14. Cost to Federal Government

The federal government is incurring annualized cost to provide technical assistance to states on the information collected and to review the information collected. To calculate the annualized cost, a GS level was identified commensurate with the level of GS that normally handles these activities. The hourly wage associated with each GS level was selected from the Office of Personal Management’s Federal Employment Hourly Rate Table, General Schedule, for the locality pay area of Washington-Baltimore-Arlington, for 2023. Each hourly wage was adjusted to provide a 35 percent overhead rate. As presented in the following table the total annualized cost to the federal government for this information collection is $93,869.39.

The revision does not create any new or additional costs for the federal government. This is only updated to reflect 2023 wages.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Federal Activity | # Hours per response | Total number of instances, annually | GS level-Step :  Hourly Wage x 35 % per Response | Annualized Cost |
| Review initial Blueprint | 80 | 1 | GS 14-1: $85.63  /hr | $6,850.44 |
| Review Blueprint revisions | 16 | 2 | GS 13-1: $72.45/hr | $2,318.54 |
| Review annual report | 16 | 2 | GS 13-1: $72.45/hr | $2,318.54 |
| Review reference premiums | 8 | 2 | GS 15-1: $100.71/hr | $1,611.36 |
| Review estimated enrollment data | 16 | 8 | GS 15-1: $100.71/hr | $12,890.88 |
| Review actual enrollment data | 80 | 8 | GS 15-1: $100.71/hr | $64,454.40 |
| Review suspension or termination notice and plan | 40 | 1 | GS 14-1: $85.63/hr | $3,425.22 |
| Total | Varies | 24 | Varies | $93,869.39 |

15. Changes to Collection of Information Requirements and Burden

In this 2023 iteration, we propose changes that relate to updates to BHP proposed in CMS-1784-P and includes a revision of prior State burden estimates related to the State’s Blueprint submission at § 600.125. Additionally, this request revises the operation of a BHP. We propose at §600.145(a), a State must implement its BHP in accordance with (1) the approved and full certified State BHP Blueprint; or (2) the approved suspension application. We propose at § 600.145(f)(2) the State operating a BHP must perform eligibility and health services appeals as specified in § 600.335. We propose at § 600.330(f), BHP eligibility notices must be written in plain language.

Finally, this creates a new information collection request for suspension of a BHP. We propose at §600.140(b) if a State decides to suspend its BHP or requests a suspension extension, a State must submit to the Secretary a suspension application or suspension extension application. The State must submit the annual report required by §600.170(a)(2) and annually remit to HHS any interest that has accrued on the balance of the BHP trust fund during the suspension period. We propose that the State must submit a transition plan to HHS that describes how the State will reinstate its BHP or terminate the program.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Regulation Section(s)/ ICR Provision** | **Number of Respondents** | **Total Responses** | **Time per Response (hr)** | **Total Time (hr)** | **Labor Rate ($/hr)** | **Total Labor Cost ($)** | **State Share ($)** | **Total Beneficiary Cost ($)** |
| 600.125(a)(1) | 2 | 2 | 6 | 12 | Varies | 1,113 | 1,113 | N/A |
| 600.145(a) and 600.145(f)(2) | 2 | 2 | 4 | 8 | 80.08 | 641 | 641 | N/A |
| 600.140(b)(1) (suspension application) | 2 | 2 | 34 | 68 | Varies | 5,780 | 5,780 | N/A |
| 600.140(b)(1) (extension application | 2 | 2 | 34 | 68 | Varies | 5,780 | 5,780 | N/A |
| 600.140(b)(3) | 2 | 2 | 32 | 64 | 80.08 | 5,125 | 5,125 | N/A |
| 600.140(b)(4) | 2 | 8 | 29 | 232 | Varies | 19,796 | 19,796 | N/A |
| 600.140(b)(5) and 600.170(a)(2) | 2 | 2 | 44 | 88 | Varies | 7,352 | 7,352 | N/A |
| 600.140(b)(6) | 2 | 2 | 8 | 16 | 88.74 | 1,420 | 1,420 | N/A |
| 600.140(b)(7) | 2 | 2 | 24 | 48 | Varies | 4,148 | 4,148 | N/A |
| Total | 2 | Varies | Varies | 604 | Varies | 51,155 | 51,155 | N/A |

16. Publication/Tabulation Dates

The information gathered from the BHP Blueprints and revised Blueprints will be posted on Medicaid.gov. CMS intends to post each state’s most recent revised Blueprint on Medicaid.gov, for transparency. At this time, CMS does not intend to publish the BHP annual reports, estimated or actual enrollment data, and reference premium data. CMS may choose to publish information regarding termination of a state’s BHP.

17. Expiration Date

The expiration date will be displayed.

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. Collection of Information Employing Statistical Methods**

This collection does not employ any statistical methods.