SUPPORTING STATEMENT

Part A

Pilot Test of the Revised Data Collection Method for the Medical Expenditure Panel Survey - Insurance Component

OMB Number 0935-0124

Agency for Healthcare Research and Quality (AHRQ)

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A. Justification

1. Circumstances that make the collection of information necessary

The mission of the Agency for Healthcare Research and Quality (AHRQ) set out in its authorizing legislation, The Healthcare Research and Quality Act of 1999 (see Attachment A), is to enhance the quality, appropriateness, and effectiveness of health services, and access to such services, through the establishment of a broad base of scientific research and through the promotion of improvements in clinical and health systems practices, including the prevention of diseases and other health conditions. AHRQ shall promote health care quality improvement by conducting and supporting:

1. research that develops and presents scientific evidence regarding all aspects of health care; and

2. the synthesis and dissemination of available scientific evidence for use by patients, consumers, practitioners, providers, purchasers, policy makers, and educators; and

3. initiatives to advance private and public efforts to improve health care quality.

Also, AHRQ shall conduct and support research and evaluations, and support demonstration projects, with respect to (A) the delivery of health care in inner-city areas, and in rural areas (including frontier areas); and (B) health care for priority populations, which shall include (1) low-income groups, (2) minority groups, (3) women, (4) children, (5) the elderly, and (6) individuals with special health care needs, including individuals with disabilities and individuals who need chronic care or end-of-life health care.

The Agency for Healthcare Research and Quality (AHRQ) requests that the Office of Management and Budget (OMB) approve pre-testing clearance 0935-0124 to facilitate AHRQ's efforts to revise existing collections and procedures. AHRQ uses techniques to simplify data collection and estimation procedures, reduce respondent burden, and improve efficiencies to meet the needs of small business respondents who may have reduced budgets and staff. AHRQ believes that developing, testing, and evaluating data collection and estimation procedures using survey methods and other techniques in anticipation of agency-sponsored studies can improve its information collection efforts and the products it develops and allow AHRQ to be more responsive to fast-changing developments in the healthcare research field.

This clearance request is limited to research on data collection, estimation procedures and reports and does not extend to the collection of data for public release or policy formation. It will allow AHRQ to draft and test data collection and estimation procedures more quickly and with greater

lead time, thereby managing project time more efficiently and improving the quality of the data AHRQ collects. In some instances, the ability to test and evaluate data collection and estimation procedures in anticipation of work or early in a project may result in the decision not to proceed with additional activities, thereby saving both public and private resources and effectively eliminating respondent burden.

The preliminary research will not be used by AHRQ to regulate or sanction its customers. They will be entirely voluntary and the confidentiality of respondents and their responses will be preserved. Proposed information collections submitted under this clearance will be reviewed and acted upon by OMB within 14 days of submission to OMB.

This research has the following objective:

1) Conduct a pilot test data collection of up to 5,000 business establishments from the Medical Expenditure Panel Survey - Insurance Component (MEPS-IC) survey using the revised method with focus on electronic submission using the secure web-based respondent portal. The revised method uses existing data collection methods but excludes the Research operation and telephone-based procedures. Based on an analysis of results, we will determine which survey processes to retain and refine the collection accordingly.

We propose the following:

Pilot test – We will plan one data collection effort of the revised method using the secure web-based respondent portal. An advance email will inform establishments about the survey and notify them of the opportunity to respond using the web portal. If an establishment does not offer health insurance, characteristics of the business are collected through web collection and the survey ends for that establishment. If health insurance is offered, the establishment will receive an invitation to respond to the survey using the respondent portal. Follow-up emails and letters are sent to the business establishment as warranted. If further follow-up is needed, or if the establishment places a request, then a survey form packet will be mailed. Some of the usual MEPS-IC data collection procedures (i.e. Research operation, Telephone Prescreener, and Telephone follow-up) will not be used for these cases. The pilot test will evaluate the process of moving away from large CATI operations in order to (1) reduce costs and (2) deliver estimates more quickly. By testing the elimination of the Research operation, Telephone Prescreener, and Telephone follow-up, significant gains for both goals may be realized – at the possible cost of response, bias, and data quality. This pilot test will provide valuable information about all the possible costs of eliminating the Research and Telephone-based processes.

The pilot test of the revised method of data collection will be administered to approximately 5,000 establishments to facilitate analysis of the data. Exhibit 2 includes a burden estimate for the pilot test and it will be administered via secure web portal and mail.

This work is being conducted by AHRQ through its contractor, Census Bureau, pursuant to AHRQ's statutory authority to conduct and support research on healthcare and on systems for the delivery of such care, including activities with respect to the quality, effectiveness, efficiency, appropriateness and value of healthcare services and with respect to quality measurement and improvement. 42 U.S.C. 299a(a)(1) and (2).

2. Purpose and Use of Information

The information collected through preliminary research will be used by AHRQ to employ techniques to revise existing collections and procedures in anticipation or in response to changes in the health care field.

Using the pilot test to eliminate the MEPS-IC Research operation, Telephone Prescreener, and Telephone follow-up operations, could allow for significant gains for reduced costs and faster delivery of survey estimates – at the possible cost of response, bias, and data quality. This pilot test will provide valuable information about all the potential of eliminating the Research and Telephone-based processes. We will assess establishment response and email follow-up processes, allowing for their further refinement.

The end result will be improvement in AHRQ's data collections and procedures and the quality of data collected, a reduction or minimization of respondent burden, increased agency efficiency, and improved responsiveness to the public.

3. Use of Improved Information Technology

One of the goals of this effort is to identify and evaluate advanced techniques that will help AHRQ obtain the necessary amount of information with a minimum amount of burden through the use of electronic submission to substitute for telephone-based processes and automate processes whenever feasible.

4. Efforts to Identify Duplication

The pilot test sample will be drawn concurrently with the regular MEPS-IC sample to avoid duplication of selected establishments. Once the combined sample has been drawn using the sampling methodology used by the regular MEPS-IC survey, the pilot test establishments will be separated from the regular sample establishments and the pilot establishments will then be sent on a separate route through the data collection, data processing, and estimation operations.

5. Involvement of Small Entities

The survey instruments and procedures for completing the instruments will be designed to minimize burden on all respondents and will not have a significant impact on small businesses or other small entities.

6. Consequences if Information Collected Less Frequently

Only testing and evaluation of data collection and estimation procedures ensures the efficiency in terms of respondent burden and quality of the resulting information. The pilot test is a one-time data collection.

7. Special Circumstances

Data collections conducted under this generic clearance will be consistent with the general information collection guidelines of 5 CFR 1320.5(d)(2). No special circumstances apply.

8. Federal Register Notice and Outside Consultations

8.a. Federal Register Notice

This proposed information collection is being submitted under AHRQ's generic clearance (OMB No. 0935-0124). Therefore, publication in the Federal Register is not required.

8.b. Outside Consultations

AHRQ will consult with statistical and other expert staff in-house and at the Census Bureau that have conducted, or may engage in similar preliminary research activities. According to OMB guidelines for generic clearances and as indicated in 'Item 1' above, AHRQ will establish an independent internal review process to assure the development, implementation, and analysis of high quality research.

9. Payments/Gifts to Respondents

Pilot Test Respondents. No incentive is proposed for organizations participating in the pilot test. Establishments can receive customized feedback reports that compares their results with the aggregated results from the other participating establishments. We think this report provides sufficient value for establishments to participate.

10. Assurance of Confidentiality

Establishments will be assured of the confidentiality of their replies under Section 934(c) of the Public Health Service Act, 42 USC 299c-3(c). They will be told the purposes for which the information is collected and that, in accordance with this statute, any identifiable information about them will not be used or disclosed for any other purpose.

11. Questions of a Sensitive Nature

The MEPS Insurance Component contains no questions generally considered sensitive.

12. Estimates of Annualized Burden Hours and Costs

Exhibit 1 shows the estimated annualized burden hours for the respondent's time to participate. For the pilot test, the revised data collection method will be administered to about 5,000 establishments and require 45 minutes to complete both the Establishment and Plan questionnaires. Assuming a response rate of 60 percent, this data collection effort will yield a total of 3,000 completed questionnaires.

We estimate the total annualized burden is 1,180 hours.

Exhibit 2 shows the estimated annualized cost burden associated with the respondents' time to take part in this pilot test. The total cost burden is estimated to be $47,448.

Exhibit 1. Estimated annualized burden hours

Type of Information Collection	Number of Respondents	Number of Responses per Respondent	Hours per Response	Total Burden Hours
Pilot test – Establishment Questionnaire	1,500	1	23/60*	575
Pilot test – Plan Questionnaire	1,500	2.2	11/60	605
Totals	3,000	na	na	1,180

* The burden estimate printed on the establishment questionnaire is 45 minutes which includes the burden estimate for completing the establishment questionnaire and two plan questionnaires (on average, each establishment completes 2.2 plan questionnaires). The establishment and plan questionnaires are sent to the respondent as a package and are completed by the respondent at the same time.

Exhibit 2. Estimated annualized cost burden

Type of Information Collection	Number of Respondents	Total Burden Hours	Average Hourly Wage Rate*	Total Cost Burden
Pilot test – Establishment Questionnaire	1,500	575	$40.21	$ 23,121
Pilot test – Plan Questionnaire	1,500	605	$40.21	$ 24,327
Totals	3,000	1,180	na	$ 47,448

* Bureau of Labor & Statistics on "Occupational Employment and Wages, May 2019" found at the following URL: https://www.bls.gov/oes/current/oes_nat.htm#b29-0000.htm for the respondents.

13. Estimates of Annualized Respondent Capital and Maintenance Costs

Capital and maintenance costs include the purchase of equipment, computers or computer software or services, or storage facilities for records, as a result of complying with this data

collection. There are no direct costs to respondents other than their time to participate in the study.

14. Estimates of Annualized Cost to the Government

The pilot test will last for less than one year and will be carried out under the existing Interagency agreement with the Census Bureau. Assuming an average data collection cost of $180,000 for the web-based pilot test, and an additional annual cost of about $23,678 for agency staff assuming two GS14/5 statisticians ($150,530 annual salary*) and one GS15/5 project officer ($172,500 annual salary*) and 5% of their time in the fiscal year. The total annual cost to the government is estimated to be $203,678.

*Based on 2021 OPM Pay Schedule for Washington/DC area: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/21Tables/html/SF.aspx

15. Changes in Hour Burden

This is a new activity. There is no change in the total number of burden hours.

16. Time Schedule, Publication and Analysis Plans

As soon as OMB approval is received, pilot test activities will begin. The estimated time schedule to conduct these activities is shown below:

1. Pilot test sample selection (1 month)
2. Pilot test data collection (6 months)
3. Data analysis, data processing, and development of technical reports (3 months)

The information will be used for data collection and estimation procedure development and to employ new techniques to improve and to revise existing collections and procedures. AHRQ will disseminate findings only when appropriate and may include presentations at professional meetings; publications in AHRQ internal media vehicles, or in professional journals or books whose focus is evaluation methods and/or testing.

17. Exemption for Display of Expiration Date

AHRQ does not seek this exemption.

List of Attachments:

Attachment A -- Pilot test – Establishment Questionnaire **Attachment B –Pilot test – Plan Questionnaire**