

Supporting Statement Part A
Medicaid Program; Eligibility Changes under the
Affordable Care Act of 2010
CMS-10410, OMB 0938-1147

Background

The Patient Protection and Affordable Care Act (Pub. L. 111-148, enacted on March 23, 2010) as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111- 152, enacted on March 30, 2010) are collectively referred to as the “Affordable Care Act” or “ACA”. The ACA expands access to insurance affordability programs through improvements in Medicaid eligibility, enrollment simplification, the establishment of Affordable Insurance Exchanges (“Exchanges”), and coordination between Medicaid, the Children's Health Insurance Program (CHIP), and Exchanges.

The ACA provisions that are relevant to this collection of information request promote a high level of coordination, simplification, and data sharing among State and Federal agencies for the purpose of a seamless and streamlined eligibility system. The ACA allows for significant use of Web-based technology to provide information to the public and facilitate application and renewal functions. It creates a “no wrong door” approach to insurance affordability programs so that individuals will not have to apply to multiple programs. Nor will they have to repeat the application process if they initially apply to a program for which they are not ultimately determined eligible. It also provides a simplified process for maintaining coverage through a streamlined renewal process.

The relevant ACA provisions are set out in the March 23, 2012, final rule (77 FR 17144, RIN 0938-AQ62, CMS-2349-F) effective January 1, 2014. This includes regulatory provisions regarding periodic renewal of Medicaid and CHIP eligibility (42 CFR 435.916, 457.343, and 457.350) and web sites (42 CFR 435.1200 and 457.335).¹

The requirements for this collection of information request generally relate to ensuring data sharing and coordination among State and Federal agencies, recordkeeping efforts among State agencies, and the development of Web-based systems and notices in support of the implementation of the ACA (see section 12 for details).

While this 2025 collection of information request does not propose any program changes, we are adjusting our cost estimates by using the most recent wage figures. Overall, we estimate an increase of \$15,334,487 (see section 15 for details). Otherwise, all of our active time estimates are unchanged.

This collection does not include any reporting instruments. All of the requirements and instructions are set out in statute, in the CFR, and in the aforementioned 2012 final rule.

A. Justification

¹ We note that provisions and burden associated with our April 26, 2023 (88 FR 25324) proposed rule were previously submitted as part of this collection to OMB for clearance. However, as explained in our May 8, 2024 (89 FR 39392) final rule, we did not finalize the proposed provisions.

1. Need and Legal Basis

Sections 1413 and 2201 of the ACA provide for a simplified, coordinated, and streamlined system of eligibility for Medicaid, CHIP, and the Exchange. Specifically, section 1413 requires a streamlined system for individuals to apply for, be determined eligible for, and be enrolled in insurance affordability programs-the Exchange, Medicaid, CHIP, and the Basic Health Plan as applicable. Section 2201, which amends section 1943 of the Social Security Act, requires a simplified and coordinated eligibility and enrollment system of Medicaid and CHIP with the Exchange.

The provisions discussed in this collection of information request are necessary for the establishment of coordinated and efficient systems as called for by the ACA. The eligibility systems are essential to the goal of increasing coverage in insurance affordability programs while reducing administrative burden for States and consumers. The data driven redetermination process, along with the electronic transmission and automation of data transfers are key elements in managing the increased insurance affordability program caseload resulting from implementation of the ACA requirements. Accomplishing the same work without these information collection requirements would not be feasible.

2. Information Users

The State Medicaid and CHIP agencies will collect all information needed to determine and redetermine eligibility for Medicaid and will transmit information, as appropriate, to other insurance affordability programs. The information collection requirements will assist the public to understand information about health insurance affordability programs and will assist CMS in ensuring the seamless, coordinated, and simplified system of Medicaid and CHIP application, eligibility determination, verification, enrollment, and renewal.

3. Use of Information Technology

All of the information collections will be available in electronic form. Requirements related to Internet Web sites will be electronic, and notices will be automated. Interagency agreements will allow for the use of electronic data sharing. The eligibility renewal process will be significantly streamlined and automated using information technology. All of the information collections are designed to take advantage of information technology and be completed in a user-friendly format, in order to minimize burden to the greatest extent possible.

A signature will not be required of respondents under the information collections. Many of the information collections may currently be submitted electronically.

4. Duplication of Efforts

This information collection does not duplicate any other Federal effort.

5. Small Businesses

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

6. Less Frequent Collection

Application through the web site occurs only once, when an individual or family first applies for Medicaid or CHIP. Renewal of eligibility occurs once per year for most Medicaid beneficiaries and all CHIP beneficiaries, which is less frequent than some States' practices prior to 2014. The frequency of collection is the minimum required to ensure adequate compliance with Federal statutory requirements.

If eligibility renewals were to occur less frequently, the result may be inaccurate eligibility determinations and improper payments of Federal financial participation. If the requirements and burden discussed in section 12 of this collection of information request were not approved, the coordination, streamlining, simplification, and efficiencies envisioned by the ACA would not be realized, leading to greater reporting burdens on individuals and greater administrative and recordkeeping burdens on States.

7. Special Circumstances

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/Outside Consultation

The 60-day notice published in the Federal Register on September 8, 2025 (90 FR 43189). Comments were received and are attached to this collection of information request along with our response. In short, we are not making any changes as a result of the comments.

The 30-day notice published on November 28, 2025 (90 FR 54694).

9. Payments/Gifts to Respondents

No payments and/or gifts will be provided to respondents.

10. Confidentiality

Because no personal identifying information is being collected, there is no issue of confidentiality.

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. Burden Estimates

Wage Estimates

States. To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2024 National Occupational Employment and Wage Estimates for all salary estimates (www.bls.gov/oes/current/oes_nat.htm). In this regard, the following table presents BLS' mean hourly wage, our estimated the cost of fringe benefits and other indirect costs, and our adjusted hourly wage.

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefits and Other Indirect Costs (\$/hr)	Adjusted Hourly Wage (\$/hr)
Business Operations Specialists	13-1000	43.76	43.76	87.52
Information and Record Clerks	43-4000	21.44	21.44	42.88
Medical and Health Services Managers	11-9111	66.22	66.22	132.44
Network and Computer Systems Administrators	15-1244	48.65	48.65	97.30

Except where noted, 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. We believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

Wages for Individuals. We believe that the cost for beneficiaries undertaking administrative and other tasks on their own time is a post-tax wage of \$24.05/hr.

The Valuing Time in U.S. Department of Health and Human Services Regulatory Impact Analyses: Conceptual Framework and Best Practices² identifies the approach for valuing time when individuals undertake activities on their own time. To derive the costs for beneficiaries, we used a measurement of the usual weekly earnings of wage and salary workers of \$1,159³ for 2024 and then divided by 40 hours to calculate an hourly pre-tax wage rate of \$28.98/hr. This rate is adjusted downwards by an estimate of the effective tax rate for median income households of about 17 percent or \$4.93/hr ($\$28.98/\text{hr} \times 0.17$), resulting in the post-tax hourly wage rate of \$24.05/hr ($\$28.98/\text{hr} - \$4.93/\text{hr}$). Unlike our State wage adjustment at 100%, we are not adjusting beneficiary wages for fringe benefits and other indirect costs since the individuals' activities, if any, would occur outside the scope of their employment.

Collection of Information Requirements and Associated Burden Estimates

Burden for this collection of information request is presented below in two subsections: Periodic Eligibility Renewals and Web Sites.

Burden associated with the verification plan is approved by OMB under control number 0938-1148 (CMS-10398 #11).

Periodic Eligibility Renewals (§§ 435.916, 457.343, and 457.350)

For individuals whose eligibility is based on Modified Adjusted Gross Income (MAGI) per the ACA, §435.916 requires that Medicaid eligibility be redetermined only once each year, unless there is a change in circumstance. It also sets out a data-driven redetermination process that first uses information already available to the agency. If continued eligibility cannot be determined, a State agency's eligibility system issues a streamlined pre-populated renewal form for the individual's review. Section 457.343 aligns the standards for redeterminations in CHIP with the standards in the Medicaid program as described in §435.916.

We estimate that the 53 Medicaid agencies and 43 CHIP agencies will be subject to the provision above, for a total of 96 agencies. We estimate that of the approximately 51 million individuals enrolled in Medicaid and CHIP whose eligibility will be based on MAGI, half (25.5 million individuals) will have their eligibility redetermined using the information already available to the agency. This approach greatly simplifies the renewal process and will ultimately reduce costs for States.

We estimate that it will take each Medicaid and CHIP agency 16 hours annually to develop, automate, and distribute a notice of eligibility determination based on the use of existing information.⁴ Of the 16 hours, we estimate it will take a business operations specialist 10 hours at \$87.52/hr and a medical and health services manager 6 hours at \$132.44/hr to complete the notice. In aggregate we estimate an annual burden of **1,536 hours** (96 agencies x 16 hr/response) at a cost of \$160,305 (96 x [(10 hr x \$87.52/hr) + (6 hr x \$132.44/hr)]). However,

² https://aspe.hhs.gov/sites/default/files/migrated_legacy_files//176806/VOT.pdf.

³ <https://fred.stlouisfed.org/series/LEU0252881500A>.

⁴ 42 CFR § 435.916(a)(2) (2023)

when considering the state share of 50%, we estimate an annual cost of **\$80,153** ($\$160,305 \times 0.5$) apiece (both, Federal and State).

For those individuals whose eligibility cannot be redetermined using available information (25.5 million individuals), a pre-populated form will be issued, so that the individual can provide the additional information needed to the State so that their eligibility can be renewed. The process is much less burdensome than the processes currently in place in many States that require individuals to complete a new application at renewal. We estimate that it will take an individual 20 minutes to complete the streamlined renewal process. In aggregate, we estimate a total annual burden of **8.5 million hours** ($[20 \text{ minutes} \times 25.5 \text{ million individuals}] / 60 \text{ minutes}$) at a cost of **\$204,425,000** ($8.5 \text{ million hr} \times \$24.05/\text{hr}$). We note that the number of people who need to provide additional information may be smaller than our estimate, but we used a higher end estimate to account for the greatest potential impact on States and individuals.

States will keep records of each renewal that is processed in Medicaid and CHIP. The amount of time spent on recordkeeping will be the same for renewals based on information available to the agency and for renewals that require additional information from individuals. We estimate that it will take the State agency 15 minutes (0.25 hr) at \$42.88/hr for an information and record clerk to conduct the required recordkeeping for each of the 51 million renewals. We estimate a total annual burden of **12,750,000 hours** ($51 \text{ million renewals} \times 0.25 \text{ hr}$) at a cost of \$546,720,000 ($12,750,000 \text{ hr} \times \$42.88/\text{hr}$). However, when considering the state share of 50%, we estimate an annual cost of **\$273,360,000** ($546,720,000 \times 0.5$) apiece (both, Federal and State).

Web Sites (§§435.1200 and 457.335)

Sections 435.1200 and 457.335 require State Medicaid and CHIP agencies to have a Web site that allows an individual to apply, renew coverage, and select a health plan. Also, a Web site will allow the State agency to transmit data, for individuals found ineligible, to other insurance affordability programs and to provide coordinated notices with other insurance affordability programs. The burden is the time and effort necessary for the State to develop and disclose information on the Web site, develop and automate the required notices, and transmit (report) the application data to the appropriate insurance affordability program.

We estimate that 53 Medicaid agencies and an additional 43 CHIP agencies would be subject to the provisions above. To achieve efficiency, we assume that States will develop only one Web site to perform the required functions. Therefore, we base our burden estimates on 50 States, the District of Columbia, the Northern Mariana Islands, and American Samoa (53 agencies) and do not include the 43 separate CHIP programs.

We estimate that it will take each State an average of 320 hours to develop the additional functionality to meet the requirements, including developing an online application, automating the renewal process, and adding a health plan selection function. Of the 320 hours, we estimate it will take a business operations specialist 85 hours at \$87.52/hr, a medical and health services manager 50 hours at \$132.44/hr, and network and computer systems administrators 185 hours at \$97.30/hr to meet the requirements related to web site development. Approximately 70 percent of states have completed all of these necessary requirements and have a fully functioning Web site, so only 16 agencies are included in this specific estimate. We estimate a total burden of

5,120 hours (320 hr x 16 agencies) at a cost of \$302,069 (16 x [(85 hr x \$87.52/hr) + (50 hr x \$132.44/hr) + (185 hr x \$97.30/hr)]). However, when considering the state share of 50%, we estimate an annual cost of **\$151,035** (\$302,069 x 0.5) apiece (both, Federal and State).

We estimate that it will take each State entity 16 hours annually to develop and automate each of the two coordinated notices⁵ with other insurance affordability programs (or 32 hours for both notices). Of the 32 hours, we estimate it will take a business operations specialist 20 hours at \$87.52/hr and a medical and health services manager 12 hours at \$132.44/hr to complete each notice. We estimate a total burden of **1,696 hours** (32 hr for 2 notices x 53 agencies) at a cost of \$85,982 (53 x [(20 hr x \$87.52/hr) + (12 hr x \$132.44/hr)]). However, when considering the state share of 50%, we estimate an annual cost of **\$42,991** (\$85,982 x 0.5) apiece (both, Federal and State).

We also estimate that it will take a network and computer systems administrator 150 hours at \$97.30/hr to transmit the application data of ineligible individuals to the appropriate insurance affordability program and meet this information reporting requirement for each State (53). We estimate a total burden of **7,950 hours** (150 hr x 53 agencies) at a cost of \$773,535 [53 x (150 hours x \$97.30/hr)]. However, when considering the state share of 50%, we estimate an annual cost of **\$386,768** (\$773,535 x 0.5) apiece (both, Federal and State).

Burden Summary for States

Regulatory Section(s) in Title 42 of the CFR	Respondents	Responses per Agency	Time per Response (hours)	Total Annual Time (hours)	Labor Cost	Cost (\$)	State Share of Cost (\$)
435.916, 457.343, and 457.350: Develop, Automate, and Distribute Renewal Notices	96	1	16	1,536	Varies	160,305	80,153
435.916, 457.343, and 457.350: Recordkeeping	96	531,250	0.25	12,750,000	\$36.44/hr	546,720,000	273,360,000
435.1200 and 457.335: Develop Web Site	16	1	320	5,120	Varies	302,069	151,035
435.1200 and 457.335: Develop coordinated notices with other insurance affordability	53	1	32	1,696	Varies	85,982	42,991

⁵ See 42 CFR part 431, subpart E and § 435.1200(h) for coordinated eligibility notice requirements.

Regulatory Section(s) in Title 42 of the CFR	Respondents	Responses per Agency	Time per Response (hours)	Total Annual Time (hours)	Labor Cost	Cost (\$)	State Share of Cost (\$)
programs							
435.1200 and 457.335: Transmit Information	53	1	150	7,950	\$86.02/hr	773,535	386,768
Subtotal: States	96	Varies	Varies	12,766,302	Varies	548,041,891	274,020,946

Burden Summary for Beneficiaries

Regulatory Section(s) in Title 42 of the CFR	Respondents	Responses per Respondent	Burden per Response	Total Annual Time (hours)	Labor	Total Cost (\$)
435.916, 457.343, and 457.350: Submit Prepopulated Renewal Forms	25,500,000	1	20 minutes	8,500,000	\$24.05/hr	204,425,000
Subtotal: Beneficiaries	25,500,000	1	20 minutes	8,500,000	\$24.05/hr	204,425,000

Burden Summary (Total)

Respondent Type	Respondents	Responses (Total)	Burden per Response (hours)	Total Annual Time (hours)	Labor Cost	Total Cost (\$)
States	96	51,000,218	Varies	12,766,302	Varies	274,020,946
Beneficiaries	25,500,000	25,500,000	20 min	8,500,000	\$24.05/hr	204,425,000
TOTAL	25,500,096	76,500,218	Varies	21,266,302	Varies	478,445,946

Collection of Information Instruments and Instruction/Guidance Documents

This collection does not include any reporting instruments. All of the requirements and instructions are set out in statute, in the CFR, and in the aforementioned 2012 final rule.

13. Capital Costs

There are no capital or maintenance costs incurred by the collections. Any capital costs that may be incurred with respect to these information collections, for example the development of a new eligibility system or improvement of an existing electronic system were addressed through separate rulemaking. Such capital costs were described in the "Federal Funding for Medicaid Eligibility Determination and Enrollment Activities" final rule (April 19, 2011; 76 FR 21950).

14. Cost to Federal Government

Section 12 of this Supporting Statement estimates the total State cost and the Federal/State share of such costs. As noted, the Federal share equals 50% of the total State cost. In this regard the Federal share is \$274,020,946.

Information Collection	Total Cost (\$)	State Share (\$)	Federal Share (\$)
Renewal of Eligibility (§§ 435.916, 457.343, and 457.350)	546,880,305	273,440,153	273,440,153
Web Sites (§§ 435.1200 and 457.335)	1,161,586	580,793	580,793
Total	548,041,891	274,020,946	274,020,946

15. Changes to Collection of Information Requirements and Burden

We are not proposing any program changes. However, based on more recent BLS wage data, we are adjusting our cost estimate by plus \$15,334,487 (from \$463,111,459 using 2020 BLS wages to \$478,445,946 using 2024 BLS wages). Otherwise, all of our active time estimates are unchanged.

16. Publication/Tabulation Dates

There are no plans to publish the information for statistical use.

17. Expiration Date

The expiration date is displayed.

18. Certification Statement

There is no exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-1.

B. Collection of Information Employing Statistical Methods

This collection does not employ any statistical methods.