

Supporting Statement A for Paperwork Reduction Act Submissions:
Medicare Part C and D Reporting Requirements and Supporting Regulations
under 42 CFR §§ 422.516 and 423.514
(CMS-10185 (OMB 0938-0992))

A. Background

Section 1857(e)(1) and Section 1860D–12(b)(3)(D) of the Social Security Act (the Act) provides broad authority for the Secretary to add terms to the contracts with Medicare Advantage Organizations (MAOs) and Part D sponsors, including terms that require the sponsor to provide the Secretary with information as the Secretary may find necessary and appropriate. Pursuant to our statutory authority, the Centers for Medicare & Medicaid Services (CMS) codified these information collection requirements for MAOs in regulation at 42 CFR § 422.516 and for Part D sponsors in regulation at 42 CFR §423.514.

This information collection consolidates two previously approved PRA packages—OMB Control Number 0938-1054 (Part C) and OMB Control Number 0938-0992 (Part D)—into a single package under OMB Control Number 0938-0992. This consolidation improves efficiency and reduces duplicative reporting. The burden calculations have been revised to reflect the combined burden from both collections. The data collection methodology follows the approach previously approved under OMB Control Number 0938-0992, with modifications to accommodate Part C data elements from OMB Control Number 0938-1054. Upon approval, OMB Control Number 0938-1054 will be discontinued.

CMS is requesting a revision of the currently approved information collection and is consolidating the Part C and Part D requirements into a single PRA package.

B. Justification

1. Need and Legal Basis

42 CFR § 422.516(a) and requires each MAO to have a procedure to develop, compile, evaluate, and report to CMS, to its enrollees, and to the general public, at the times and in the manner that CMS requires, statistics indicating the following:

- 1) The cost of its operations.
- 2) The procedures related to and utilization of its services and items.
- 3) The availability, accessibility, and acceptability of its services.
- 4) To the extent practical, developments in the health status of its enrollees.
- 5) Information demonstrating that the MAO has a fiscally sound operation.
- 6) Other matters that CMS may require.

42 CFR §423.514(a) requires each Part D sponsor to have an effective procedure to develop, compile, evaluate, and report to CMS, to its enrollees, and to the general public, at the times and in the manner that CMS requires, information indicating the following:

- 1) The cost of its operations.
- 2) The patterns of utilization of its services.
- 3) The availability, accessibility, and acceptability of its services.
- 4) Information demonstrating that the Part D sponsor has a fiscally sound operation.

- 5) Pharmacy performance measures.
- 6) Other matters that CMS may require.

42 CFR §§ 422.504 and 423.505 establish contract provisions that require MAOs and Part D sponsors to comply with the disclosure and reporting requirements.

2. Information Users

The data collected through the reporting requirements for MAOs and Part D sponsors are used by CMS and other stakeholders for oversight, monitoring, compliance, and performance evaluation. CMS staff use the data to monitor and hold organizations accountable, while academic researchers and governmental entities such as the Government Accountability Office (GAO) and the Office of Inspector General (OIG) have inquired about this information collection. Reported data may be used for CMS performance metrics such as the Medicare Part C and D Star Ratings and Display Measures, and analyzed for program oversight to ensure the availability, accessibility, and acceptability of sponsors' services.

Data for each reporting section is submitted at either the contract level (e.g., H#, S#, R#, or E#) or the Plan Benefit Package (PBP) level (e.g., Plan 001). In accordance with 42 CFR §§ 422.504(d) and 423.505(d), MAOs and Part D sponsors must retain documentation and data records related to their submissions. The data are analyzed, and CMS conducts additional follow-up if outliers or anomalies are detected.

3. Use of Information Technology

MAOs and Part D sponsors utilize the Health Plan Management System (HPMS) to submit or enter 100% of the data elements listed within these reporting requirements. The reporting periods vary for each section of the reporting requirements, on a biannual or annual basis. HPMS is a familiar and established tool used by sponsors to submit a variety of other materials to CMS, including applications, formularies, marketing materials, and bids. CMS and its contractors also utilize HPMS to communicate with sponsors, including approval and denial notices, as well as other related communications. For all reporting sections, data are submitted electronically through HPMS. Access to HPMS must be granted to each user and is protected by individual login and password; electronic signatures are unnecessary.

4. Duplication of Efforts

This collection does not contain duplication of similar information.

5. Small Businesses

The collection of information will have a minimal impact on small businesses since MA organizations must possess an insurance license to operate, and as a condition of that license, generally be able to accept substantial financial risk. State statutory licensure requirements generally preclude small businesses from bearing the risk needed to participate in Medicare Advantage.

6. Less Frequent Collection

Less frequent collection of these data from Medicare Advantage organizations and Part D sponsors would severely limit CMS's ability to perform accurate and timely oversight, monitoring, compliance, and auditing activities related to the administration of Part C and Part D benefits.

Each reporting section varies its reporting timeline to capture data as frequently as necessary without increasing undue burden. All reporting sections are collected on an annual basis, with the exception of one - Enrollment and Disenrollment data are collected bi-annually so that data analysis may be completed, and any issues resolved before enrollment/disenrollment activities begin for the following contract year.

7. Special Circumstances

MAOs and Part D sponsors must agree to maintain, for 10 years, books, records, documents, and other evidence of accounting procedures and practices. CMS may request clarification on submitted data and, therefore, may need to contact organizations. Otherwise, there are no special circumstances, since this information collection request does not do any of the following:

- Require respondents to report information to the agency more often than quarterly;
- Require respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Require respondents to submit more than an original and two copies 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;
- Involve a statistical survey 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 statute or regulation, or that is not supported by disclosure and data security policies consistent with the pledge, or that unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- Require respondents to submit proprietary trade secrets 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

- CM requested that the Part C and D reporting requirements document be posted in the Federal Register (91 FR 11553) on March 10, 2026, and the 60-day comment period ended on May 11, 2026.
- From May 11, 2026, to June 18, 2026, CM staff reviewed all received comments and questions and revise the document appropriately. Also, CM staff prepared a document summarizing responses to comments and questions. A revised Part C and D reporting requirements document is provided.
- CM has requested that the Part C and D reporting requirements be posted in the Federal Register (91 FR 40540) on July 2, 2026; the 30-day comment period will end August 3, 2026.

- From August 3, 2026, to September 11, 2026, CM staff will review all received comments and questions and revise the document appropriately. In addition, CM staff will prepare a document summarizing responses to comments and questions.
- A final Part C and D reporting requirements document will be delivered for OMB review by September 11, 2026.
- OMB approval is requested by October 13, 2026.

9. Payments/Gifts to Respondents

There are no payments/gifts to respondents associated with this information collection request.

10. Confidentiality

CMS will adhere to all statutes, regulations, and agency policies regarding confidentiality.

11. Sensitive Questions

Consistent with federal government and CMS policies, CMS protects the confidentiality of the requested proprietary information. Specifically, any information within a submission (or attachments thereto) constituting a trade secret, privileged or confidential information, (as such terms are interpreted under the Freedom of Information Act and applicable case law), is clearly labeled as such by the submitter, and includes an explanation of how it meets one of the expectations specified in 45 CFR Part 5, will be protected from release by CMS under 5 U.S.C. §552(b) (4). Information not labeled as trade secret, privileged, or confidential or not including an explanation of why it meets one or more of the FOIA exceptions in 45 CFR Part 5 will not be withheld from release under 5 U.S. C. 552(b)(4).

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 (Hours & Wages)

For CY 2027 Medicare Part C and D reporting requirements, the following 14 reporting sections will be reported and collected at the Contract level or Plan level:

- Enrollment and Disenrollment (Part C and Part D) – to evaluate sponsors' processing of enrollment, disenrollment, and reinstatement requests in accordance with CMS requirements.
- Grievances (Part C and Part D) – to assess sponsors' compliance with the timely and appropriate resolution of grievances filed by their enrollees.
- Employer/Union Sponsored Sponsors (Part C and Part D) - to ensure sponsors and the employer groups that contract with them properly utilize appropriate waivers and modifications.
- Medication Therapy Management (MTM) Programs (Part D) – to evaluate Part D MTM programs and sponsors' adherence to CMS requirements.
- Improving Drug Utilization Review Controls (Part D) – to determine the impact of formulary-level safety edits at the point of sale in sponsors' processing of opioid prescriptions.

- Coverage Determinations, Redeterminations, and Reopenings (Part D) - to assess sponsors' compliance with the appropriate resolution of coverage determinations and redeterminations requested by their enrollees.
- Medicare Prescription Payment Plan (Part D) – to assess pharmacy benefits and compliance of Part D sponsors relating to the program's requirements.
- Organization Determinations & Reconsiderations (Part C)- to assess medical benefits and compliance of MAOs with program requirements related to timely and accurate coverage decisions, including appeals process and beneficiary rights.
- Special Needs Plans (SNPs) Care Management (Part C)- to assess SNP compliance with care coordination, health risk assessment, and model of care requirements.
- Rewards and Incentives (Part C)-To assess MAOs' compliance with offering health-related rewards and incentives that promote enrollee engagement.
- Payments to Providers (Part C)- To assess MAO use of the value-based payment model through the Alternative Payment (APM) category reporting.
- Supplemental Benefit Utilizations and Costs (Part C)- To assess MAO compliance with offering and reporting supplemental benefits, including Special Supplemental Benefits for the Chronically Ill (SSBCI).
- D-SNP Advisory Committee (Part C)-To assess D-SNP compliance with enrollee advisory committee requirements.
- D-SNP Transmission of Admission Notifications (Part C)-To assess D-SNP compliance with admission notification requirements for high-risk dually eligible individuals.

Wage Estimates

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' [May 2025 National Occupational Employment and Wage Estimates for all salary estimates \(https://www.bls.gov/oes/tables.htm\)](https://www.bls.gov/oes/tables.htm).

In this regard, the following table presents the median hourly wage, the cost of fringe benefits (calculated at 100 percent of salary), and the adjusted hourly wage.

Occupation Title	Occupation Code	Median Hourly Wage (\$/hr.)	Fringe Benefit (\$/hr.)	Adjusted Hourly Wage (\$/hr.)
Computer System Analyst	15-1211	\$50.89	\$101.78	\$101.78

As indicated, 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 overhead 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 method for estimating total cost.

Burden Estimates

The tables below illustrate the estimated hours and costs associated with each reporting section of the CY 2027 Medicare Part C and D reporting requirements. We have combined the figures from the two separate CY2026 PRA collections currently approved by OMB to illustrate the

changes in this combined PRA accurately. Please note that the level of each section's reporting (contract or plan level) determines the number of respondents used to base the reporting section's burden estimate.

Level of Reporting	Reporting Section	Hours for Reporting	Respondents	Reporting Frequency	Total Responses (Respondents * Reporting Frequency)	Total Hour Burden (Hours for Reporting * Total Responses)
Contract	Enrollment and Disenrollment (Part C and Part D)	3	705	2	1,410	4,230
Contract	Medication Therapy Management Programs (Part D)	3	757	1	757	2,271
Contract	Grievances (Part C and Part D)	0.5	759	1	759	379.5
Contract	Improving Drug Utilization Review Controls (Part D)	2.0	758	1	758	1,516
Contract	Coverage Determinations, Redeterminations, and Reopenings (Part D)	6	758	1	758	4,548
Plan	Employer/Union Sponsored Sponsors (Part C and Part D)	0.5	1,137	1	1,137	568.5
Plan	Medicare Prescription Payment Plan (Part D)	1	6,225	1	6,225	6,225
Contract	Organization Determinations & Reconsiderations (Part C)	3	717	1	717	2,151
Plan	Special Needs Plans (SNPs) Care Management (Part C)	3	6,784	1	6,784	20,352
Contract	Rewards and Incentives Programs (Part C)	3	711	1	711	2,133
Contract	Payments to Providers (Part C)	3	680	1	680	2,040

Level of Reporting	Reporting Section	Hours for Reporting	Respondents	Reporting Frequency	Total Responses (Respondents * Reporting Frequency)	Total Hour Burden (Hours for Reporting * Total Responses)
Plan	Supplemental Benefit Utilization and Costs (Part C)	4	7,024	1	7,024	28,096
Plan	D-SNP Enrollee Advisory Committee (Part C)	3	6,784	1	6,784	20,352
Plan	D-SNP Transmission of Admission Notifications (Part C)	3	692	1	692	2,076

Respondents	758
Annual Responses = Respondents * Reporting Frequency	35,196
Total Hour Burden	96,938
Avg. cost/hr.	\$101.78/hr.
Total Annual Cost = Total Hour Burden * Avg. cost/hr.	\$9,866,349.64
Cost Per Response = Total Annual Cost / Responses	\$280.32
Cost Per Respondent = Total Annual Cost / Respondents	\$13,016.29

13. Capital Costs

There are no capital costs associated with this collection.

14. Cost to Federal Government

The estimated annual cost is \$300,000 to support reporting through the CMS Health Plan Management System (HPMS).

15. Changes to Burden

The following table illustrates the changes in burden hours per response by reporting section.

Reporting Section	Hours Per Response for CY 2026 Reporting	Hours Per Response for CY 2027 Reporting	Increase/(Decrease)
Enrollment and Disenrollment (Part C and Part D)	3 hours (Part C) to 2 hours (Part D)	3	Increase
Grievances (Part C and Part D)	3 hours (Part C) to 0.5 hours (Part D)	0.5	Decrease
Employer/Union Sponsored Sponsors (Part C and Part D)	3 hours (Part C) to 0.5 hours (Part D)	0.5	Decrease
Organization Determinations & Reconsiderations (Part C)	3	3	No change
Coverage Determinations, Redeterminations and Reopenings (Part D)	6	6	No change
Special Needs Plans (SNPs) Care Management (Part C)	3	3	No change
Rewards and Incentives (Part C)	3	3	No change
Payment to Providers (Part C)	3	3	No change
Supplemental Benefit Utilizations and Costs (Part C)	3	4	Increase
D-SNP Enrollee Advisory Committee (Part C)	3	3	No change
D-SNP Transmission of Admission Notifications (Part C)	3	3	No change
Medication Therapy Management Programs (Part D)	3	3	No change
Improving Drug Utilization Review Controls (Part D)	2	2	No change

Reporting Section	Hours Per Response for CY 2026 Reporting	Hours Per Response for CY 2027 Reporting	Increase/(Decrease)
Medicare Prescription Payment Plan (Part D)	1	1	No change

The following table illustrates the change in burden hours per reporting section from CY 2026 to CY 2027:

Reporting Section	Hours for CY2026 Reporting*	Hours for CY2027 Reporting**	Increase/(Decrease)
Enrollment and Disenrollment (Part C and Part D)	26,633.50	4,230	Decrease
Grievances (Part C and Part D)	23,067.00	379.5	Decrease
Employer/Union Sponsored Sponsors (Part C and Part D)	23,469.00	568.5	Decrease
Organization Determinations & Reconsiderations (Part C)	22,557.50	2,151	Decrease
Coverage Determinations, Redeterminations, and Reopenings	6,114	4,548	Decrease
Special Needs Plans (SNPs) Care Management (Part C)	22,557.50	20,352	Decrease
Rewards and Incentives (Part C)	22,557.50	2,133	Decrease
Payments to Providers (Part C)	22,557.50	2,040	Decrease
Supplemental Benefit Utilizations and Costs (Part C)	22,557.50	28,096	Decrease
D-SNP Enrollee Advisory Committee (Part C)	22,557.50	20,352	Decrease
D-SNP Transmission of Admission Notifications (Part C)	22,557.50	2,076	Decrease
Medication Therapy Management Programs	3,057	2,271	Decrease
Improving Drug Utilization Review Controls	2,038	1,516	Decrease
Medicare Prescription Payment Plan	6,388	6,225	Decrease
TOTAL	248,669	96,938	Decrease

* Based on the per response changes cited in the preceding table and 783 respondents (Part C), 1019 contract respondents (Part D), and 6388 plan respondents (Part D)

**Based on the per response changes cited in the preceding table and 758 contract respondents and 6505 plan respondents.

The following table illustrates the changes in burden from CY 2026 to CY 2027:

	CY 2026	CY 2027	Differential
Annual Responses	30,924	35,196	4,272
Annual Hour Burden	248,669	96,938	-160,165
Annualized Burden per Respondent	52	128	65

For CY 2027, CMS is consolidating Part C and Part D reporting requirements and merging both PRAs, which requires standardizing the burden calculation methodology. Previously, Part C calculated the number of responses by multiplying the number of contract-level respondents by the number of Part C reporting sections, whereas Part D used the actual number of respondents per section, considering the reporting frequency. The annualized hours per response were also calculated differently. To ensure consistency, for CY 2027, CMS adopts a unified approach that calculates responses based on actual respondents per section (contract or plan level), hours per section, and reporting frequency, with annualized hours per response calculated as total burden hours divided by the median number of contract-level respondents. While this methodological change increases the reported annualized hours per respondent from 52 hours to 128 hours, the total burden hours for these reporting requirements have actually decreased. The observed increase in the per respondent metric represents a statistical artifact of methodological alignment rather than a substantive change in respondent burden.

Data included in Part C and D reporting requirements are already available to Part C and D sponsors. CMS does not expect that compliance with these reporting requirements will result in additional start-up costs.

Staff anticipated performing these data collections would be data analysts and/or IT analysts. An adjusted hourly wage of \$101.78/hr. for a Computer Systems Analyst was used to calculate our cost estimates. The previous hourly wage rate was \$98.30/hr. for the same position.

16. Publication/Tabulation Dates

Following the final submission of these data in the spring of 2027 and independent data validation in the summer of 2027, CMS will release a limited data set of plan-reported data.

17. Expiration Date

The expiration date is set out in the reporting requirements document. (Note the effective date is upon approval by OMB.)

18. Certification Statement

There are no exceptions.