

Supporting Statement – Part A
Passive Enrollment Processes for D-SNPs
CMS-10953, OMB 0938-1495

This is a new collection of information request.

Background

Paragraph (g)(1)(iii) at 42 CFR 422.60 allows CMS to passively enroll certain dually eligible individuals currently enrolled in an integrated D-SNP into another integrated D-SNP after consulting with the State Medicaid agency that contracts with the D-SNP or other integrated managed care plan, when CMS determines that the passive enrollment will promote continuity of care and integrated care.

CMS finalized the regulation § 422.60(g)(1)(iii) in the final rule titled “Medicare Program; Contract Year 2019 Policy and Technical Changes to the Medicare Advantage, Medicare Cost Plan, Medicare Fee-for-Service, the Medicare Prescription Drug Benefit Programs, and the PACE Program”, which appeared in the Federal Register April 16, 2018 (83 FR 16440), hereinafter referred to as the April 2018 final rule.

In the April 2018 final rule, we finalized § 422.60(g)(2) to require that, in order to qualify to receive passive enrollments per § 422.60(g)(1)(iii), an MA plan would have to meet several criteria. The MA plan needed to:

- Operate as a fully integrated dual eligible special needs plan or highly integrated dual eligible special needs plan;
- Have substantially similar provider and facility networks and Medicare- and Medicaid-covered benefits as the plan (or plans) from which the beneficiaries are passively enrolled.
- Have an overall quality rating from the most recently issued ratings, under the rating system described in §§ 422.160 through 422.166, of at least 3 stars or is a low enrollment contract or new MA plan as defined in § 422.252;
- Not have any prohibition on new enrollment imposed by CMS;
- Have limits on premiums and cost-sharing appropriate to full-benefit dual eligible beneficiaries; and
- Have the operational capacity, including care coordinator capacity, to passively enroll beneficiaries and agree to receive the enrollments.

In this April 2018 final rule, we estimated that approximately 1 percent of the 373 active D-SNPs offered at that time would meet the criteria and operate in a market where all of the conditions of passive enrollment are met and where CMS, in consultation with a State Medicaid agency, implements passive enrollment. We therefore estimated that there would be only four instances ($373 \text{ D-SNPs} \times 0.01$) in which CMS would conduct passive enrollment each year. Since we estimated fewer than 10 respondents, the information collection requirements and burden related to the final provisions under § 422.60(g)(1)(iii) in the April 2018 final rule were exempt (5 CFR 1320.3(c)) from the requirements of the PRA.

Our Contract Year 2027 rule (CMS-4212-F; RIN 0938-AV63) amends § 422.60(g)(2)(ii) by removing the requirement that receiving plans have substantially similar provider and facility networks and Medicare- and Medicaid-covered benefits as the plan (or plans) from which the beneficiaries are passively enrolled and replace it with the requirement that the integrated D-SNP receiving passive enrollment provide a continuity of care to all incoming enrollees for 120 days.

This new iteration adds 11 responses, 1,100 hours with a labor related cost of \$89,161 and a non-labor cost of \$114,686.

This collection of information request does not include any reporting instruments or instruction/guidance documents.

A. Justification

1. Need and Legal Basis

Section 1851(c)(1) of the Social Security Act authorizes CMS to develop mechanisms for enrollees to elect MA enrollment. In the April 2018 final rule (83 FR 16502), we amended the regulation at § 422.60(g) by adding § 422.60(g)(1)(iii) and (g)(2) to allow passive enrollment for full-benefit dually eligible enrollees from a non-renewing integrated D-SNP into another comparable plan. In the Contract Year 2027 rule, we amend to § 422.60(g)(2) in an effort to better operationalize passive enrollment.

We believe the regulation at § 422.60(g)(1)(iii) meets the definition of a collection of information as defined at 5 CFR 1320.3(c) as the D-SNPs receiving enrollment through this process will be required to provide noticing to the new enrollees they receive. This noticing includes two model notices for individuals. The D-SNP must provide the first model notice no fewer than 60 calendar days prior to the enrollment effective date and the second notice no fewer than 30 days prior to the enrollment effective date. This package only accounts for burden as it relates to § 422.60(g)(1)(iii) and the requirement for D-SNPs to send model notices as described in § 422.60(g)(4)(ii). Any other actions under § 422.60(g) are outside of the purview of this PRA package.

2. Information Users

CMS will use information from plan sponsors and states to approve passive enrollment and ensure that correct information is disclosed to enrollees who are disenrolling from one D-SNP and being passively enrolled into another, per § 422.60(g)(1)(iii).

3. Improved Information Technology

MA organizations can use automated, electronic, mechanical, or other technological collection techniques or other forms of information technology to collect data related to this information collection as long as the use of such techniques adheres to the regulations at § 422.60(f) and any other applicable laws and regulations.

4. Duplication of Similar Information

This information collection does not duplicate any other effort and the information cannot be obtained from any other source.

5. Small Businesses

There is no significant impact on small businesses.

6. Less Frequent Collection

This information collection requires an MA organization to comply with the standards set forth in § 422.60(g)(1)(iii) no more frequently than would be agreed upon by the MA organization, the state in which the MA organization operates, and CMS.

7. Special Circumstances

There are no special circumstances to report, and no statistical methods will be employed. More specifically this collection:

- Does not require respondents to report information to the agency more often than quarterly;
- Does not require respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Does not require respondents to submit more than an original and two copies of any document;
- Does not require respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- Is not connected with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- Does not require the use of a statistical data classification that has not been reviewed and approved by OMB;
- Does not 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
- Does not require respondents to submit proprietary trade secret, or other confidential information, unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

8. Federal Register Notice/Outside Consultation

Serving as the 60-day notice, our proposed rule (CMS-4212-P, RIN 0938-AV63) published in the Federal Register on November 28, 2025 (90 FR 54894). Comments were received on the proposed rule, but none pertained to the COI section of the rule or the PRA.

Our final rule (CMS-4212-F; RIN 0938-AV63) published in the Federal Register on April 6, 2026 (91 FR 17384).

9. Payments/Gifts to Respondents

This collection provides zero payments or gifts to MA organizations with D-SNPs. MA organizations benefit from establishing and maintain enrollee advisory committees by better ensuring that policies and procedures are responsive to the needs, preferences, and values of enrollees and their families and caregivers

10. Confidentiality

Consistent with federal government and CMS policies, CMS will protect the confidentiality of the requested proprietary information.

11. Sensitive Questions

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

12. Collection of Information Requirements and Associated Burden Estimates

Wage Data

To derive mean (average) costs, we are using data from the most current (May 2025) U.S. Bureau of Labor Statistics' (BLS's) National Occupational Employment and Wage Estimates for all salary estimates (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 (calculated at 100 percent of salary), 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 Operation Specialists, All Other	13-1199	45.18	45.18	90.36
Computer Support Specialists	15-1230	33.55	33.55	67.10

As indicated, we are adjusting our employee hourly wage estimates by a factor of 100 percent to account for fringe benefits and overhead costs that vary 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.

Collection of Information Requirements and Associated Burden Estimates

As described above, in the April 2018 final rule (83 FR 16692), we estimated that there would be only four instances ($373 \text{ D-SNPs} \times 0.01$) in which CMS would conduct passive enrollment each

year. Since we estimated fewer than 10 respondents, the information collection requirements and burden related to the final provisions under § 422.60(g)(1)(iii) were exempt (5 CFR 1320.3(c)) from the requirements of the PRA.

In the Contract Year 2027 rule, we amended our burden estimate and estimated that approximately 1 percent of the projected 1,100 active D-SNPs expected for CY 2027 would meet the revised criteria and operate in a market where the conditions for passive enrollment are met and where CMS, in consultation with a State Medicaid agency, implements passive enrollment. While the actual number of D-SNPs eligible for passive enrollment primarily depends on state procurement decisions for affiliated Medicaid managed care contracts, we estimated that there would be 11 instances (1,100 D-SNPs x 0.01) in which CMS would conduct passive enrollment each year.

We believe that D-SNPs participating in passive enrollment would require a business operations specialist to make necessary policy and systems updates in preparation for participating in passive enrollment. We estimate a business operations specialist would spend an average of 40 hours at \$90.36/hr to complete these one-time activities and a computer support specialist would spend an average of 40 hours at \$67.10/hr. With 11 D-SNPs nationally participating in passive enrollment in any given year, we estimate a one-time burden of 880 hours (11 D-SNPs * 80 hr) at a cost of \$69,282 [(440 hr * \$90.36/hr) + (440 hr * \$67.10/hr)] to update policies and procedures, training materials, systems.

Per § 422.60(g)(4)(ii), D-SNPs approved by CMS to participate in passive enrollment are required to distribute two model notices to individuals. The D-SNP must provide the first notice no fewer than 60 calendar days prior to the enrollment effective date and the second notice no fewer than 30 days prior to the enrollment effective date. We believe a D-SNP business operation specialist would spend 20 hours at \$90.36/hr developing these model notices. We estimate a one-time burden of 220 hours (20 hr * 11 D-SNPs) at a cost of \$19,879 (220 hr * \$90.36/hr).

See section 13 of this Supporting Statement for our estimated non-labor cost for mailing the notices.

Burden Summary

Regulation Section in Part 42 of the CFR	Item	Number of respondents	Responses per respondent	Total Responses	Time per Response (hours)	Total Time (hours)	Hourly Labor Cost (\$/hr)	Total Cost 1 st Year (\$)	Total Cost Subsequent years (\$)
§ 422.60(g)	Passive Enrollment (plan burden)	11 D-SNP contracts	1	11	80	880	varies	69,282	0
§ 422.60(g)	Passive Enrollment (plan burden)	11 D-SNP contracts	1	11	20	220	90.36	19,879	0

Regulation Section in Part 42 of the CFR	Item	Number of respondents	Responses per respondent	Total Responses	Time per Response (hours)	Total Time (hours)	Hourly Labor Cost (\$/hr)	Total Cost 1 st Year (\$)	Total Cost Subsequent years (\$)
TOTAL (LABOR BURDEN)	Passive Enrollment (plan burden)	11 D-SNP contracts	2	22	varies	1,100	varies	89,161	0

Collection of Information Instruments

No instruments are associated with this package. As we noted earlier in this section, the notices associated with this package are model materials. Per § 422.2267(c), model materials and content are those required materials and content created by CMS as an example of how to convey beneficiary information. Model materials must accurately convey the vital information in the required material or content to the beneficiary, although the MA organization is not required to use CMS model materials or content verbatim. In the instance where a D-SNP is undergoing passive enrollment, CMS will provide model notices to the D-SNPs.

13. Capital Costs

Although there are no capital costs, we estimate non-labor cost for mailing the notices discussed in Section 12 of this Supporting Statement.

Based on July 2025 total D-SNP enrollment, we estimate 6,168,649 D-SNP enrollees or a CY 2025 average of 6,500 enrollees per D-SNP (6,168,649 D-SNP enrollees / 949 D-SNPs). We are including this calculation to provide the average number of enrollees per D-SNP, which is used in calculations below.

We assume the following costs include paper, toner, envelopes, and postage (envelope weight is normally considered negligible when citing these rates and is not included) for hard-copy mailings:

- Paper: \$3.50 for a ream of 500 sheets. The cost for one page is \$0.007 (\$3.50/500 sheets).
- Toner: \$70 for 10,000 pages. The toner cost per page is \$0.007 (\$70/10,000 pages).
- Envelope: Bulk envelope costs are \$440 for 10,000 envelopes or \$0.044 per envelope.
- Postage: The cost of first-class metered mail is \$0.73 per letter up to 1 ounce. We estimate that a sheet of paper weighs 0.16 ounces (10.0 lb/1,000 sheets x 16 oz/lb), and do not anticipate additional postage for mailings in excess of 1 ounce.

We estimate the aggregate cost per mailed notice is \$0.802 ([\$0.007 for paper * 2 pages] + [\$0.007 for toner * 2 pages] + \$0.73 for postage + \$0.044 per envelope). We assume a maximum of 2 double-sided pages (generally, weighing less than 1 ounce) will be needed for a passive enrollment notice. Because preparing and generating a hard-copy enrollment notice is automated once the systems have been developed, we do not estimate any labor costs. Therefore, we estimate a total annual mailing cost by sponsors to enrollees of \$114,686 (6,500 enrollees * 2 mailings * 11 D-SNPs * \$0.802/mailing).

Regulation Section in Part 42 of the CFR	Item	Number of respondents	Responses per respondent	Total Responses	Time per Response (hours)	Total Time (hours)	Hourly Labor Cost (\$/hr)	Total Cost 1 st Year (\$)	Total Cost Subsequent years (\$)
§ 422.60(g)	Passive Enrollment (plan burden)	11 D-SNP contracts	1	11	N/A	N/A	N/A	114,686	114,686
TOTAL (NON-LABOR BURDEN)	Passive Enrollment (plan burden)	11 D-SNP contracts	1	11	N/A	N/A	N/A	114,686	114,686

14. Cost to the Federal Government

There are no additional costs to the federal government outside of normal course of business.

15. Program/Burden Changes

Not applicable. There are no changes since this is a new collection of information request.

16. Publication/Tabulation Dates

CMS does not intend to publish information related to passive enrollment, § 422.60(g)(1)(iii).

17. Expiration Date

CMS will display the expiration date and OMB approval number on the CMS website.

18. Certification Statement

No exception to any section of OMB Form 83-I is requested.

B. Collections of Information Employing Statistical Methods

This collection does not employ statistical methods.