Supporting Statement for Paperwork Reduction Act Submission
Rate Increase Disclosure and Review Requirements
(45 CFR Part 154)
(CMS – 10379/OMB Control Number 0938-1141)

A. Background

The Patient Protection and Affordable Care Act (Pub. L. 111–148) was enacted on March 23, 2010 and the Health Care and Education Reconciliation Act (Pub. L. 111–152) was enacted on March 30, 2010 (collectively known as "the Affordable Care Act"). The Affordable Care Act reorganizes, amends, and adds to the provisions of Part A of title XXVII of the Public Health Service Act (PHS Act) relating to group health plans and health insurance issuers in the group and individual markets.

Section 1003 of the Affordable Care Act added section 2794 to the PHS Act, which directs the Secretary of the Department of Health and Human Services (the Secretary), in conjunction with the States, to establish a process for the annual review of "unreasonable increases in premiums for health insurance coverage." The statute provides that health insurance issuers must submit justifications for unreasonable premium increases to the Secretary and the applicable State prior to the implementation of the increases. Section 2794 also specifies that the Secretary, in conjunction with States, shall monitor premium increases for health insurance coverage offered through an Exchange and outside of an Exchange.

B. Justification

1. Need and Legal Basis

45 CFR Part 154 implements the annual review of increases in premiums for health insurance coverage called for by section 2794 of the PHS Act. The regulation established a rate review program to ensure that all rate increases that meet or exceed an established threshold are reviewed by a State or the Centers for Medicare and Medicaid Services (CMS) to determine whether the rate increases are unreasonable. Each State or CMS also reviews all proposed rate changes from issuers offering non-grandfathered health insurance coverage in the individual and/or small group markets for compliance with the Federal rating rules at sections 2701, 2705, 2717(c)(4), and 2753 of the PHS Act, section 1312(c) of the Affordable Care Act, and 45 C.F.R. §§ 147.102, 147.110, 148.180, and 156.80. Accordingly, issuers offering non-grandfathered health insurance coverage in the individual and/or small group markets are required to submit Rate Filing Justifications to CMS. Section 154.103 exempts grandfathered health plan coverage as defined in 45 CFR §147.140, excepted benefits as described in section 2791(c) of the PHS Act, and student health insurance coverage as defined in §147.145 from Federal rate review requirements.

Section 154.200(a) provides that a rate increase for single risk pool coverage is subject to reasonableness review if the average increase, including premium rating factors described in §147.102, for all enrollees, weighted by premium volume for any plan within the product, (1) is 15 percent or more or (2) exceeds a State-specific threshold approved by the Secretary.

The Rate Filing Justification consists of three parts. All issuers must submit a Unified Rate Review Template ("URRT," Part I of the Rate Filing Justification) for all single risk pool plans. The URRT is intended to capture information needed to monitor rate increases and ensure compliance with the single risk pool methodology and other federal rating requirements. The URRT contains three worksheets: Worksheet 1 "Market Experience," Worksheet 2 "Plan & Product Information," and Worksheet 3 "Rating Areas."

Issuers that submit a rate filing that includes a plan that meets or exceeds the applicable State or Federal threshold must include a Written Description Justifying the Rate Increase (also known as the consumer justification narrative, Part II of the Rate Filing Justification). We note that the threshold set by CMS constitutes a minimum standard, and most States currently employ stricter rate review standards and may continue to do so.

Issuers offering a qualified health plan (QHP) or any single risk pool submission containing a rate increase of any size must submit an actuarial memorandum (Part III of the Rate Filing Justification). Additionally, the actuarial memorandum is required whenever a State with an Effective Rate Review Program, as determined in accordance with 45 CFR §154.301, requires it to be submitted, and for all plans in States that do not have an Effective Rate Review Program.

For each rate increase that is under review, either CMS or the State will prepare a final determination as to whether the proposed rate increase is unreasonable or not, as well as a brief explanation of relevant review findings.

Prior to March 2022, all issuers in the individual and small group market were submitting rate filing justifications via the Unified Rate Review (URR) module within CMS's Health Insurance Oversight System (HIOS). In most States, issuers were also submitting the same rate filing data and forms into the National Association of Insurance Commissioners' (NAIC) System for Electronic Rates & Forms Filing (SERFF). Most State reviewers were submitting their reasonableness determinations into both systems. That process resulted in a duplication of efforts in 47 States and the District of Columbia.

In order to decrease the burden on issuers and States, CMS and the NAIC development teams established a system connection between SERFF and HIOS. Starting with the 2025 filing year, CMS transitioned the collection of rate filing justifications from the URR module in HIOS to the URR Submissions Page of CMS's Marketplace Plan Management System (MPMS). SERFF therefore now connects to the MPMS, rather than HIOS. This connection allows automatic data and file transfers between the two systems to reduce duplicative manual entry work and therefore reduce the burden for issuers and State reviewers.

The system connection is available in most States for filings created after March 25, 2022. It is not applicable to States without an Effective Rate Review Program (currently Oklahoma, Tennessee, and Wyoming), or States that do not utilize SERFF (currently Florida). The issuers in those States will continue to submit filings directly into the URR Submissions Page in MPMS.

In addition to the requirements described above, the Patient Protection and Affordable Care Act, HHS Notice of Benefit and Payment Parameters for 2027; and Basic Health Program final rule (2027 Payment Notice final rule) requires that issuers that make a plan-level adjustment to account for unreimbursed CSRs report additional cost-sharing reduction (CSR) related information as part of their rate filing justifications. Section 156.80(d)(2)(i) specifies that the actuarially justified plan-specific adjustment factors by which an issuer may vary premium rates for a particular plan from its market-wide adjusted index rate include the actuarial value and cost-sharing design of the plan, including, if permitted by the applicable State authority, accounting for CSR amounts provided to eligible enrollees under § 156.410, and provided the issuer does not otherwise receive reimbursement for such amounts. Pursuant to § 154.215 and CMS's Unified Rate Review Instructions, issuers that load premiums must calculate actual CSR amounts paid on behalf of eligible enrollees using the standard methodology set forth in § 156.430(c)(2) using the most recent annual data that is available prior to the applicable filing year (in most cases, the plan year that is two years before the upcoming plan year) and report this information in the URRT along with the amount previously generated by any load factors from the most recent annual data available, projected CSR amounts to be paid on behalf of enrollees in the upcoming plan year, CSR load factors for the upcoming plan year, and the expected amount generated by the load factor for the upcoming plan year. Issuers must also provide in the Actuarial Memorandum an explanation of the methodology used to determine the load factor for the upcoming plan year and an explanation of how the expected amount generated by the load factor for the upcoming plan year compares to the amount of CSRs expected to be paid on behalf of enrollees for the same period.

2. Information Users

CMS will post on its website the information contained in each Rate Filing Justification for each proposed rate increase.[1] States have the option to post the information in the Rate Filing Justification that CMS makes available on its website or provide a hyperlink to the publicly available portions posted on the CMS website. This information is provided to increase transparency and to allow for public comments on proposed rate increases. For consumer clarity, CMS will also post on its website the final disposition of each rate increase that was subject to review under the regulation by either CMS or a State.

3. Use of Information Technology

Health insurance issuers and States will provide rate review information in one of two ways. In States without an Effective Rate Review Program, or States that do not utilize SERFF, States and issuers will continue to provide the information via MPMS — a web-based data collection system that is currently used by States and issuers to provide information for the healthcare.gov website. In all other States, the information will be provided via SERFF. All data submissions will be made electronically, and no paper submissions are permitted.

The rate review information that is uploaded and stored in MPMS will also be used to provide

[1] CMS will make available to the public on its website the information contained in Parts I and III of each Rate Filing Justification that is not a trade secret or confidential commercial or financial information as defined in HHS's Freedom of Information Act regulations, 45 CFR 5.31(d).

consumer-oriented information about rate increases on the ratereview.healthcare.gov website.

4. Duplication of Similar Information

There is no duplication of information requirements in any other collection.

5. Small Businesses

Small businesses are not affected by this collection as health insurance issuers are generally not small businesses.

6. Less Frequent Collection

Section 2794 of the PHS Act requires health insurance issuers to provide justifications for rate increases prior to implementation. Therefore, a less frequent collection cannot be considered for this information collection.

7. Special Circumstances

No special circumstances exist for this information collection.

8. Federal Register Notice/Outside Consultation

The proposed regulation Patient Protection and Affordable Care Act, HHS Notice of Benefit and Payment Parameters for 2027; and Basic Health Program with requests for comments was published on February 11, 2026 (91 FR 6292). A final rule published July 21, 2026 (91 FR 45647). No comments on the burden related to these information collections were received.

9. Payments/Gifts To Respondents

There will be no payments or gifts to respondents.

10. Confidentiality

CMS will make available to the public on its website the information contained in each Rate Filing Justification that is not considered a trade secret or confidential commercial or financial information and is approved for release under the Freedom of Information Act. Issuers are also required to submit redacted actuarial memorandums for public display.

11. Sensitive Questions

There are no sensitive questions included in this collection effort. The Department of Health and Human Services (HHS) does not propose to collect any private information.

12. Burden Estimates (Hours & Wages)

Table 12.1 – Adjusted Median Hourly Wages Used in Burden Estimates

Occupation Title	Occupational Code	Median Hourly Wage ($/hour)	Cost of Fringe Benefits and Other Indirect Costs ($/hour)	Adjusted Hourly Wage ($/hour)
Actuary	15-2011	$60.47	$60.47	$120.94
Data Scientist	15-2051	$54.13	$54.13	$108.26
Computer Programmer	15-1251	$47.44	$47.44	$94.88
Claims Specialist	43-9041	$36.92	$36.92	$73.84
Project Manager	11-9199	$48.44	$48.44	$96.88

Adjusted hourly labor costs (which include a 100 percent increase of the median hourly wage rate to account for the cost of fringe benefits and other indirect costs) are calculated using data available from the Bureau of Labor Statistics.[2]

Estimating CSR Load Factor Using the Standard Methodology

The 2027 Payment Notice final rule requires issuers that make a plan-level adjustment to account for unreimbursed CSRs to submit certain information in their URRTs and Actuarial Memoranda for each filing year in which CSRs are not funded beginning with PY 2027 rate filings. The 2027 Payment Notice final rule specifies that actual CSR amounts paid on behalf of eligible enrollees should be reported in the URRT and calculated using the standard methodology set forth in § 156.430(c)(2) and the most recent annual data that is available prior to the applicable filing year . Under the standard methodology, issuers re-adjudicate the actual complete set of claims incurred by an enrollee in the cost-sharing reduction plan variation as if they had been enrolled in the associated standard plan to determine the difference the enrollee would have paid in deductibles, copayments, coinsurance, and other out-of-pocket expenses for EHBs (other than premiums and balance billing), with the difference equaling the amount of CSRs provided by the issuer. The 2027 Payment Notice final rule further requires that issuers report in the URRT the amount previously generated by any load factors from the most recent annual data available, the projected CSR amounts to be paid on behalf of enrollees in the upcoming plan year, the CSR load factors for the upcoming plan year, and the expected amount generated by the load factor for the upcoming plan year.

We estimate that 366 issuers (that make a plan-level adjustment to account for unreimbursed CSRs) will incur an initial one-time cost and burden in 2026 to develop and implement a claim-level re-adjudication process using the standard methodology set forth in § 156.430 to produce the required values. Assuming a cross-functional team, we estimate that for each issuer it will require 2,400 hours (at an hourly rate of $120.94) for Actuaries to define plan mappings, business rules, and set reasonableness thresholds, 3,000 hours (at an hourly rate of $108.26) for Data Scientists to design the approach and data flows, prototype the logic, and validate results, 3,000 hours (at an hourly rate of $94.88) for Computer Programmers to develop and maintain production code and workflows, automate runs, and ensure reliability and performance, 2,000 hours (at an hourly rate of $73.84) for Claims Specialists to assemble and interpret claims, eligibility, and accumulator data, and 1,000 hours (at an hourly rate of $96.88) for a Project Manager to coordinate timelines, handoffs, and deliverables to produce the experience-period

[2] May 2024 Occupational Employment Statistics found at https://www.bls.gov/oes/current/oes_nat.htm.

actual CSR amount paid on behalf of eligible enrollees, the amount previously generated by any load factors from the most recent annual data available, the projection-period expected CSR amount to be paid on behalf of enrollees in the upcoming plan year, the plan-level CSR load factor for the upcoming plan year, and the expected amount generated by the load factor for the upcoming plan year for URRT reporting. This results in a total one-time burden of 11,400 hours per issuer, with an associated cost of approximately $1,144,236. Therefore, the total one-time burden for 366 issuers will be 4,172,400 hours, with an associated cost of approximately $418,790,376. We acknowledge that some issuers may incur lower one-time costs if they currently have systems in place that can calculate the CSR load factor and other required values using the standard methodology, or if their systems only require minor updates. Conversely, some issuers may incur higher costs if they must develop and build entirely new systems.

Table 12.2 – Estimated One-Time Burden Hours and Costs to Implement and Run the Standard Methodology Calculations

Number of Respondents	Number of Responses per Respondent	Burden per Response (hours)	Cost per Response	Total Burden	Total Cost
366	1	11,400	$1,144,236	4,172,400	$418,790,376

In subsequent years, issuers may be required to make targeted updates to ensure their systems accurately calculate the required values using the most recent data. We estimate that for each issuer it will require 1,200 hours (at an hourly rate of $120.94) for Actuaries to update plan parameters and CSR-to-standard-plan mappings using the most recent annual data that is available prior to the applicable filing year, 1,500 hours (at an hourly rate of $108.26) for Data Scientists to update specifications, oversee execution, and review outputs, 1,500 hours (at an hourly rate of $94.88) for Computer Programmers to reload data, apply configuration and code updates, and run and monitor processing, 1,000 hours (at an hourly rate of $73.84) for Claims Specialists to reconcile corrected claims, and 500 hours (at an hourly rate of $96.88) for a Project Manager to manage review and sign-off for the cycle. This results in an annual burden of 5,700 hours per issuer, with an associated cost of approximately $572,118. For all 366 issuers, the total annual burden will be 2,086,200 hours, with an associated cost of approximately $209,395,188. We further acknowledge that some issuers could incur higher or lower annual costs depending on their volume of CSR-eligible claims.

Table 12.3 – Estimated Annual Burden Hours and Costs to Update and Run the Standard Methodology Calculations

Number of Respondents	Number of Responses per Respondent	Burden per Response (hours)	Cost per Response	Total Burden	Total Cost
366	1	5,700	$572,118	2,086,200	$209,395,188

Submission of Unified Rate Review Templates (URRTs) (Part I of Rate Filing Justification)

Based on recent experience, we expect to receive a total of approximately 803 URRT submissions per year from approximately 573 issuers. We expect 743 of those to be submitted by issuers in States that have an Effective Rate Review Program and use SERFF. We expect 60 of those to be submitted, via MPMS, by issuers in States without an Effective Rate Review Program or that do not use SERFF.[3]

When the URRT is submitted into SERFF, the data and files will automatically transfer to MPMS, reducing the burden of duplicative manual entry of rate filings. Due to the system connection between SERFF and MPMS, we estimate that issuers in States that have an Effective Rate Review Program and use SERFF will experience a 1-hour reduction in burden for each URRT submission. Therefore, we estimate that it will take an actuary 8 hours[4] (at an hourly rate of $120.94) to prepare and submit the URRT, with an associated annual cost of approximately $968. Therefore, we estimate the total annual burden for all issuers in those States to be approximately 5,994 hours with an associated annual cost of approximately $718,867.

For issuers that must submit the URRT into SERFF and also submit directly into MPMS, it will take an actuary 9 hours (at an hourly rate of $120.94) to prepare and submit each URRT, with an associated cost of approximately $1,088. The total annual burden for all issuers submitting directly into MPMS will be 540 hours, with an associated annual cost of approximately $65,308.

The total annual burden for all issuers to prepare and submit URRTs will be 6,484 hours with an associated total cost of approximately $784,175.

Table 12.4 – Estimated Annual Burden Hours and Costs for Submission of URRTs

	Number of URRTs	Burden per URRT	Cost per Hour	Cost per URRT	Total Burden	Total Cost
SERFF only	743	8	$120.94	$968	5,944	$718,867
State + MPMS	60	9	$120.94	$1,088	540	$65,308
Total	803				6,484	$784,175

Additionally, the 2027 Payment Notice final rule requires issuers to gather all required CSR-related data elements (actual CSR amounts paid on behalf of eligible enrollees calculated using the standard methodology set forth in § 156.430(c)(2) using the most recent annual data that is available prior to the applicable filing year, generally reflecting the plan year that is two years prior to the upcoming plan year, the amount previously generated by any load factors from the most recent annual data available, the amount of CSRs expected to be paid on behalf of enrollees in the upcoming plan year, the CSR load factors for the upcoming plan year, and the expected amount generated by the load factor for the upcoming plan year) and enter them into the URRT. We estimate that for each plan, once the values have been calculated, an issuer will

[3] As previously noted, Oklahoma, Tennessee, and Wyoming do not have an Effective Rate Review Program, and Florida does not use SERFF.

[4] All burden estimates are consistent with estimates included in previous PRA packages that the public had opportunity to provide input on.

require 0.5 hours (at an hourly rate of $120.94) for Actuaries to collect all required CSR-related data elements and ensure the data is accurately entered into the URRT, resulting in an ongoing burden of 0.5 hours per plan, with an associated cost of approximately $60.

We estimate that each issuer will need to submit data for an approximate average of 7 plans,[5] that include CSR load factors, resulting in an estimated burden of 3.6 hours per issuer, with an associated costs of approximately $430. For all 366 issuers (that make a plan-level adjustment to account for unreimbursed CSRs), the total annual burden will be 1,300 hours, with an associated cost of approximately $157,222.

Table 12.5 – Estimated Annual Cost and Burden to Provide CSR Related Information in the URRT

Number of Respondents	Number of Responses per Respondent	Burden per Response (hours)	Cost per Response	Total Burden	Total Cost
366	7	3.6	$430	1,300	$157,222

Submission of Consumer Justification Narrative (Part II of Rate Filing Justification)

Based on recent experience, we estimate that the number of narratives submitted annually will be 174. We expect 165 of those to be submitted in States that have an Effective Rate Review Program and use SERFF. We expect 9 of those to be submitted, via MPMS, by issuers in States without an Effective Rate Review Program or in States that do not use SERFF. Issuers that no longer need to submit into MPMS and only submit into SERFF will experience a reduction in burden of 0.5 hours for each narrative.

For those issuers that will submit only into SERFF, we estimate that it will take an actuary 1 hour (at an hourly rate of $120.94) to prepare and submit each narrative, with an associated cost of approximately $121. Therefore, we estimate a total annual burden for all issuers in States that have an Effective Rate Review Program and use SERFF to be approximately 165 hours with an associated annual cost of approximately $19,955.

For issuers that must submit the narrative both to SERFF and directly into MPMS, we estimate that an actuary will require 1.5 hours (at an hourly rate of $120.94) to prepare and submit each narrative, with an associated cost of approximately $181. The total annual burden for all issuers that will submit the narrative directly into MPMS will be 13.5 hours with an associated annual cost of approximately $1,633.

The total annual burden for all issuers to prepare and submit consumer justification narratives will be 178.5 hours with an associated total cost of approximately $21,588.

Table 12.6 – Estimated Annual Burden Hours and Costs for Submission of Consumer Justification Narratives

[5] We estimate 2,600 plans across 366 issues, resulting in an approximate average of 7 plans per issues (7.1 rounded). Some values may vary due to rounding.

	Number of Narratives	Burden per Narrative	Cost per Hour	Cost per Narrative	Total Burden	Total Cost
SERFF only	165	1	$120.94	$121	165	$19,955
State + MPMS	9	1.5	$120.94	$181	13.5	$1,633
Total	174				178.5	$21,588

Submission of Actuarial Memorandum (Part III of Rate Filing Justification)

Based on recent experience, we estimate the number of actuarial memoranda submitted will be 803 annually. We expect 743 of those to be submitted in States that have an Effective Rate Review Program and use SERFF. We expect 60 of those to be submitted by issuers in States without an Effective Rate Review Program or States that do not use SERFF. Issuers that no longer need to submit into MPMS and only submit into SERFF will experience a reduction in burden of 0.5 hours for each actuarial memorandum.

For issuers that submit only into SERFF, we estimate that an actuary will require 13.5 hours (at an hourly rate of $120.94) to prepare and submit each actuarial memorandum, with an associated annual cost of approximately $1,633. Therefore, the total annual burden for all issuers in States that have an Effective Rate Review Program and use SERFF will be approximately 10,031 hours with an associated annual cost of approximately $1,213,089.

For issuers that must submit both into SERFF and directly into MPMS, we estimate that an actuary will require 14 hours (at an hourly rate of $120.94) to prepare and submit each actuarial memorandum, with an associated cost of $1,693. The total annual burden will be 840 hours with an associated annual cost of approximately $101,590.

The total annual burden for all issuers to prepare and submit the actuarial memoranda will be 10,871 hours with an associated total cost of approximately $1,314,678.

Table 12.7 – Estimated Annual Burden Hours and Costs for Submission of Actuarial Memoranda

	Number of Memos	Burden per Memo	Cost per Hour	Cost per Memo	Total Burden	Total Cost
SERFF only	743	13.5	$120.94	$1,633	10,031	$1,213,089
State + MPMS	60	14	$120.94	$1,693	840	$101,590
Total	803				10,871	$1,314,678

Additionally, the 2027 Payment Notice final rule requires issuers to develop, draft, and add an

explanation of the methodology used to determine the load factor for the upcoming plan year and an explanation of how the expected additional revenue to be generated by the CSR load factors for the upcoming plan year compares to the amount of CSRs expected to be paid on behalf of enrollees for the same period to the Actuarial Memorandum. We estimate that for each plan, an issuer will require 2 hours (at an hourly rate of $120.94) for Actuaries to develop and draft the required explanations methodology for determining the load factor for the upcoming plan year and comparison of expected load revenue to expected CSR payments on behalf of enrollees for the same period and add them to the Actuarial Memorandum for submission via SERFF and/or MPMS, resulting in an annual burden of 2 hours per plan, with an associated costs of approximately $242.

We estimate that each issuer will need to submit explanations for an approximate average of 7 plans,[6] resulting in an estimated burden of approximately 14.2 hours per issuer, with an associated costs of approximately $1,718. For all 366 issuers (that make a plan-level adjustment to account for unreimbursed CSRs), the total annual burden will be 5,200, with an associated costs of approximately $628,888.

Table 12.8 – Estimated Annual Cost and Burden to Include CSR Related Information in the Actuarial Memoranda

Number of Respondents	Number of Responses per Respondent	Burden per Response (hours)	Cost per Response	Total Burden	Total Cost
366	7	14.2	$1,718	5,200	$628,888

The table below includes a summary of burden to issuers related to submission of the Rate Filing Justification, not including the submission of CSR related information.

Table 12.9 – Estimated Total Annual Burden Hours and Costs for Rate Filing Justification for Issuers

	Issuers in OK, TN, WY, and FL[7]	Issuers in all other States	Total
Number of **URRT Submissions**	60	743	**803**
Estimated Total Burden Hours for **URRT Submissions**	540	5,944	**6,484**
Number of Consumer Justification **Narratives**	9	165	**174**
Estimated Total Burden Hours for **Narratives**	13.5	165	**178.5**

[6] We estimate 2,600 plans across 366 issues, resulting in an approximate average of 7 plans per issues (7.1 rounded). Some values may vary due to rounding.

[7] Issuers in these States will continue to submit filings into the HIOS system rather than using SERFF, so their burden estimate is higher than other States' burden estimates.

Number of **Actuarial Memoranda**	60	743	**803**
Estimated Total Burden Hours for **Actuarial Memoranda**	840	10,031	**10,871**
Estimated Total Burden Hours for All 3 Parts of Rate Filing	**1,394**	**16,140**	**17,533**
Estimated Total Cost for All 3 Parts of Rate Filing	**$168,530**	**$1,951,911**	**2,120,441**

The table below includes a summary of the burden associated with the CSR reporting requirements in the 2027 Payment Notice final rule.

Table 12.10 – Estimated Annual Burden Hours and Costs for Rate Filing Justification for Issuers That Make Plan-level Adjustment to Account for Unreimbursed CSRs*

	SERFF only	**State + MPMS**	**Total**
Number of Responses per Respondent to **Update and Run the Standard Methodology Calculation**	339	27	**366**
Estimated Total Burden Hours for **Update and Running the Standard Methodology**	1,930,320	155,880	**2,086,200**
Number of Responses per Respondent to **Provide CSR Related Information** in the URRT	339	27	**366**
Estimated Total Burden Hours for **Providing CSR Related Information** in the URRT	1,203	97	**1,300**
Number of Responses per Respondent **to Include CSR Related Information in the Actuarial Memoranda**	339	27	**366**
Estimated Total Burden Hours **for Including CSR Related Information in the Actuarial Memoranda**	4,811	389	**5,200**
Estimated Total Burden Hours for All 3 Parts of CSR Requirement	**1,936,334**	**156,366**	**2,092,700**
Estimated Total Cost for All 3 Parts of Rate Filing	**$194,476,593**	**$15,704,705**	**$210,181,298**

* Burden and costs do not include the one-time to implement the standard methodology calculations.

Review of Rate Filing Justifications by State Reviewers

We estimate the total annual burden and costs for State reviewers in States that have an Effective Rate Review Program and use SERFF to decrease by 1.5 hours, since those reviewers need to record their rate review determination into only one system. We estimate that, for each of those States, an actuary will require approximately 37 hours (at an hourly rate of $120.94) to review

the issuers' filings and to prepare and submit their determination, with an associated cost of approximately $4,475. Therefore, to review 743 Rate Filing Justifications, we estimate a total annual burden of 27,491, with an associated annual cost of $3,324,762.

We estimate that in Florida, State reviewers will review 28 Rate Filing Justifications and that an actuary will require 38.5 hours (at an hourly rate of $120.94) to review each justification and record the rate review determination in the State system and in MPMS, with an associated cost of $4,656 The total annual burden to review all Rate Filing Justifications in Florida will be approximately 1,078 hours, with an associated annual cost of approximately $130,373.

For all states that have an Effective Rate Review Program, the total annual burden to review all 711 Rate Filing Justifications will be 28,569 hours with an associated annual cost of approximately $3,455,135.

Table 12.11 – Estimated Annual Burden Hours and Costs for Review of Rate Filing Justifications by State Reviewers[8]

	Total Number of Submissions	Burden Hours per Submission	Cost per Submission	Total Burden Hours	Total Cost
State reviewers in FL[9]	28	38.5	$4,656	1,078	$130,373
State reviewers excluding OK, TN, and WY	743	37	$4,475	27,491	$3,324,762
Total	771			28,569	$3,455,135

The table below includes a summary of burden to issuers and States related to submission and review of Rate Filing Justifications.

Table 12.12– Estimated Total Annual Burden Hours and Costs for Rate Filing Justifications by Issuers and Review by State Reviewers

	Total Number of Respondents	Total Number of Responses	Estimated Average Burden per Response (hours)	Estimated Total Burden Hours for All Parts of Rate Filing Justification (hours)	Estimated Total Cost for All Parts of Rate Filing
Rate Filing Justification Submissions by Issuers	573	1,780	9.9	17,533	$2,120,441
Review of Rate Filing Justifications by State	47	771	37.1	28,569	$3,455,135

[8] There is no burden estimate for State review in Oklahoma, Tennessee and Wyoming because they do not have an Effective Rate Review Program (CMS reviews rate filings in those States).

[9] Florida does not utilize SERFF so the burden estimate accounts for hours spent reviewing a filing and submitting a State determination into HIOS.

	Total Number of Respondents	Total Number of Responses	Estimated Average Burden per Response (hours)	Estimated Total Burden Hours for All Parts of Rate Filing Justification (hours)	Estimated Total Cost for All Parts of Rate Filing
Reviewers					
Total	**620**	**2,551**		**46,102**	**$5,575,576**

The table below provides a three-year average of the burden and costs associated with this ICR and includes the CSR reporting requirements as required in the 2027 Payment Notice final rule.

Table 12.13 – Estimated Three-Year Average Cost and Burden

Year	Number of Respondents	Number of Responses	Burden Hours per Respondent	Total Burden Hours	Total Costs
Year 1	620	2,551	10,179	6,311,202	$634,547,250
Year 2	620	2,551	3,450	2,138,802	$215,756,874
Year 3	620	2,551	3,450	2,138,802	$215,756,874
3 Year Average	**620**	**2,551**	**5,693**	**3,529,602**	**$355,353,666**

13. Capital Costs

Issuers and States will not incur capital costs to fulfill these requirements.

14. Cost to Federal Government

CMS reviews all rate changes for compliance and all rate increases that meet the 15 percent Federal threshold for reasonableness in a State that does not have an Effective Rate Review Program.[10] This activity is conducted with the use of contracted services at a cost to the Federal Government of $415,213 annually. Additionally, beginning in 2026, CMS will review and evaluate the CSR-related data and Actuarial Memoranda submitted by issuers to ensure compliance with the standard methodology requirements and to determine whether CSR load factors are actuarially justified. To conduct the review of all required CSR-related data elements and explanations, CMS will require staff at the GS-14 level (at an hourly rate of $154.76 for GS-14 step 5) to spend 6 hours per plan reviewing the materials submitted by issuers. With an estimated 2,600 plans subject to review, CMS will incur an annual burden of 15,600 hours, with an associated cost of $2,414,256. The total annual cost to the Federal Government for all rate review activities will be $2,829,469.

[10] In light of new State legislation and regulations, CMS determined that Texas now has an Effective Rate Review Program and can review their own issuer's submissions beginning with all plans with an effective date on or after 1/1/2023.

Table 14.1 – Estimated Annual Cost to the Federal Government

Type of Cost	Estimated Annual Cost
Contract Costs Related to Rate Review	$415,213
Costs Related to CSR Data Review	$2,414,256
Total Costs Related to Rate Review	**$2,829,469**

15. Changes to Burden

This information collection reflects an increase in burden hours and costs due to new requirements for issuers to calculate and report CSR information using the standard methodology as set forth in the 2027 Payment Notice final rule. With the addition of the new CSR reporting requirements, 366 respondents (a subset of the 620 respondents already impacted by this ICR) will be further impacted and will incur an additional burden to develop and implement claim-level re-adjudication processes, update systems annually, enter CSR data into the URRT, and provide explanations in the Actuarial Memorandum.

16. Publication and Tabulation Dates

As part of consumer transparency and disclosure, certain information from the Rate Filing Justifications will be posted by HHS for all proposed rate increases and for all final rate changes. A final disposition of the rate review will also be posted and, if the rate change is identified as unreasonable and implemented by the issuer, the issuer must also post a final justification as defined in regulations within 10 business days.[11]

17. Expiration Date

The expiration date will be displayed on the first page of each instrument (top, right-hand corner).

18. Certification Statement

There are no exceptions to the certification statement.

[11] See 45 CFR 154.230. The Final Justification must be posted on the issuer's website and will be available at https://ratereview.healthcare.gov/.