

*Administrator*

Washington, DC 20201

OCT 13 2006

Mr. Steven D. Aitken
Acting Administrator
Office of Information and Regulatory Affairs
Office of Management and Budget
The New Executive Office Building, Room 5001
17th & Pennsylvania Avenue, NW
Washington, DC 20503

Dear Mr. Aitken:

This provides the revised estimate by the Centers for Medicare & Medicaid Services (CMS) of the paperwork burden related to the new Medicare Part D prescription drug benefit. In addition to correcting some computational errors (one of them very large), the revision provides an updated estimate based on actual experience with the Part D program and additional methodological guidance from the Office of Information and Regulatory Affairs (OIRA). The revision also addresses questions that were raised during the July hearing at which OIRA testified (before the Subcommittee on Regulatory Affairs of the House Committee on Government Reform) regarding the Information Collection Budget (ICB) for Fiscal Year 2005.

In sum, the original burden estimate had been approximately 212 million burden hours for the first year of the Part D program. As is outlined below and in the enclosures, the correction of the large computational error (of approximately 191 million hours), and the updated estimate of the paperwork burden for the Part D beneficiaries, has yielded a revised estimate for the total first year paperwork burden of approximately 40 million hours.

Background

On August 3, 2004, the Department of Health and Human Services (HHS) issued a proposed rule to implement the recently enacted Medicare Part D Prescription Drug Program. That proposed rule contained a section entitled "Collection of Information Requirements" that described each of the approximately five dozen reporting and recordkeeping requirements, its purpose, and its estimated burden in terms of hours of time to be spent by the public in compliance. The public was asked to comment on those requirements and the burden estimates. Virtually no comments were received and none of these suggested any major error or omission in those estimates. On January 28, 2005, the final rule was issued. That document's preamble also contained a section on "Collection of Information Requirements" in equally comprehensive detail, reflecting those comments and final decisions on the content of the rule. There were few changes. Pursuant to its responsibilities under Executive Order 12866, OIRA reviewed those estimates.

In a supplementary submission to OIRA on July 22, 2005, CMS submitted the paperwork requirements to OIRA for review and approval under the Paperwork Reduction Act (PRA). As part of this submission, CMS provided OIRA a table adding up the first year estimates for these approximately five dozen requirements, reaching a total of about 212 million burden hours.

Summary of the Revised Paperwork Burden Estimate

As noted above, we have revised our estimates. We now calculate the first year information collection burden of Medicare Part D requirements to be about 40 million hours, one fifth of the total shown in the original estimate that CMS submitted to OIRA for PRA approval in July 2005. In future years, with the maturation of the program, the burden will be substantially lower. We made the following changes.

First, we corrected a computation error in the July 2005 submission. That submission had incorrectly calculated the estimated paperwork burden on the Part D-plan sponsors. That error comprised approximately 191 million hours of the July 2005 burden estimate.

Second, we presented the estimates by fiscal year. Previously, we had estimated paperwork burden on the basis of the "first full year" of program operation, without regard to Federal fiscal year boundaries.

Third, we made a substantial revision to our estimate of time spent by Medicare beneficiaries. This raises the estimate from one-half hour per applicant to two hours per applicant, and raises to 33 million hours the total estimated burden on beneficiaries (including the friends and family members who assisted them). This revised estimate also presents a more complete picture of the educational and informational efforts we made to assist beneficiaries in making decisions on prescription drug coverage.

Fourth, we have estimated the range and distribution of effort by beneficiaries in applying for the program. We estimate that most applicants spent an hour or less. However, perhaps ten percent spent considerably more time. Unfortunately, many of these cases appear to have involved failure to use the many types of aid and assistance that CMS made available to assist beneficiaries. For example, our Plan Finder Internet tool performed the calculations necessary to determine which prescription drug plans best met beneficiary needs and preferences. However, many beneficiaries did not realize that this tool was available or understand what it could do to help them.

Fifth, we made a number of minor changes to reflect information that was not available to us at the time of the original estimates, such as the number of participating plan sponsors, the time and effort involved in applying for the low income subsidy, and the numbers of persons using such services as 1-800-MEDICARE and our Web tools.

Description and Analysis of the Revised Estimate

The largest substantive change we have made, and a concern that was raised during the hearing in July 2006, relates to the paperwork burden on beneficiary applicants for the Medicare Part D benefit. Accordingly, I want to explain the context of our re-estimate to include time spent by beneficiaries (including their friends and family members who assisted them) in acquiring and using information necessary to make informed choices.

Educational efforts by CMS and plans sponsors began in the fall of 2005, and remained at high levels until the close of the general open enrollment period May 15, 2006. These efforts were necessary to enable beneficiaries to understand the new program and their opportunities.

Prior to implementation of the drug benefit, CMS provided most Medicare-related information directly to beneficiaries using traditional tools, including the *Medicare & You* Handbook, and standard information through 1-800-MEDICARE, and www.medicare.gov. While these more traditional tools would still play a valuable role in our efforts, CMS foresaw the need to develop new, more personalized strategies in order to reach a wider audience and to target specific, hard-to-reach populations, including those in rural areas and minority communities. In addition to print, radio and television advertisements, CMS implemented a multi-pronged approach to raise awareness and assist beneficiaries and their caregivers in making decisions about prescription drug plans.

CMS designed its Plan Finder tool to give people with Medicare specific, personalized information. Upon entering the medications they were taking, beneficiaries received information on the exact premiums, co-payments and annual deductibles they would be subject to under any of the plans available in their area. They were also given a figure showing their total annual expenses under each of those plans. The Plan Finder tool also provided information on the precise savings available to them by switching to generic medications. They might also look at coverage and savings available through a Medicare Advantage plan. This information, uniquely tailored to that beneficiary's inquiry, could then be used to make an informed, personal decision. To help get this valuable information in the hands of our beneficiaries, however, we needed to provide them with a high level of one-on-one help. They in turn needed to make a considered and informed decision.

Prominent among the outreach and assistance efforts were:

- The *Medicare & You* Handbook was distributed to 42 million Medicare beneficiaries in October of 2005. The Handbook contained detailed information on the new benefit, including which circumstances affected the decision to enroll, what factors to consider, how to enroll, and how to get assistance in making a decision.
- An extensive media campaign aimed at alerting Medicare beneficiaries and their families and friends as to the need to find out about the new benefit and obtain information and assistance in enrolling.
- The 1-800-MEDICARE number was staffed by thousands of trained customer service representatives to answer questions by eligibles. It handled about 26 million calls in an average handling time (including time on hold) of about 9 minutes. During the open enrollment period somewhat over half of these calls were Part D related.
- Approximately 20 million beneficiaries were notified by mail of the possibility that they would be eligible for extra help in paying the premiums.
- The www.medicare.gov Web site handled about 313 million page views during the open enrollment period (many fewer visits, of course). This includes all Medicare related searches, not just those pertaining to prescription drugs.
- CMS itself conducted over 7,500 outreach and education events with beneficiaries.

- Our grassroots partners sponsored over 50,000 Medicare events and opportunities for people to get personalized assistance.
- State Health Insurance Programs (SHIPs) spent over 3 million hours counseling over 9 million beneficiaries in individual meetings.
- More than 40,000 volunteers in communities across the country worked to assist beneficiaries in enrollment decisions.
- There were more than 195 million page views on Plan Finder and 3.6 million persons used Plan Finder directly or with assistance from SHIPs or other counselors to enroll in a prescription drug plan online.

As a result of this undertaking an estimated 38.2 million beneficiaries — about 90 percent of people with Medicare - have drug coverage as of mid-year 2006. For the approximately 22 million beneficiaries enrolled in Part D directly or through Medicare Advantage plans, this coverage has an average actuarial value in excess of twelve hundred dollars a year.

The broad participation of beneficiaries with relatively low drug costs, coupled with the overwhelming popularity of plans with low premiums and generally slower growth in drug costs, has lowered costs for Medicare and enabled beneficiaries to save even more money than originally estimated. Beneficiaries selected plans that best met their needs, and often the plans they picked were not the standard benefit as designed in the MMA. Competition is working. Plans bid lower than expected, thereby helping to lower premiums to an average of less than \$24 per month in 2006. For 2007, no increase from that level is projected. The initial implementation of the new Medicare prescription drug benefit is complete. People with Medicare have access to the drugs they need most and are seeing significant savings. In addition, people with Medicare have chosen plans that fit their coverage needs better than the "standard" benefit enacted by Congress, including coverage with no deductibles, flat co-payments, and benefits during the ~coverage gap.

CMS now projects lower than expected Part D expenditures. In 2006, accounting for enrollment, beneficiary premiums are expected to average less than \$24 a month—down from the \$37 projected in last July 2005 budget estimates—and the overall cost to taxpayers for 2006 has dropped about 20 percent since the July 2005 estimate, according to the CMS Office of the Actuary. The savings result from significantly slower than expected growth in drug costs generally in 2004 and 2005, which contributes to lower costs per beneficiary; the drug benefit complementing rather than replacing other sources of coverage, such as from employers; and, strong competition plus informed beneficiary choices leading to greater savings by beneficiaries choosing plans with greater price discounts, manufacturer rebates, and effective utilization-management savings by the drug plans.

For the five-year period from 2006 to 2010, the net total cost of the drug benefit to Medicare is now estimated to be about \$84 billion less: \$264 billion, compared to an estimated \$348 billion. In addition, for the period 2006-2010, the state phase-down contributions are now projected to be \$14 billion (about 26 percent) less over the five-year period.

The strong performance of Medicare Part D in 2006, which is good for enrollees, good for Federal and State budgets, and good for the nation, was substantially enhanced by the efforts of CMS and its partners to engage beneficiaries in making careful and informed decisions.

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This was not paperwork burden through imposition of red tape, but provision of information in the interests of beneficiaries, used by beneficiaries themselves, to take advantage of this new program in their own interest and tailored to their own needs.

It would have been possible to design a drug benefit that involved lower levels of beneficiary involvement and decision-making, but a "one size fits all" program would have prevented tailoring benefits to individual needs and would have cost far more for the same overall level of benefits. The information collection burden involved is saving both beneficiaries and taxpayers billions of dollars that could not otherwise have been realized.

I have enclosed a technical explanation of our re-estimates, and a set of six tables that show the various calculations as made originally, as revised, and as further detailed and explained. I hope that this information will enable you to improve future Information Collection Budgets and answer any of the questions and concerns raised by members of the Congress.

We appreciate the chance to explain, refine, and correct our estimates.

Sincerely,



Mark B. McClellan, M.D., Ph.D.

Enclosures:

- Technical Explanation of Revised Estimates of Information Collection Burden Related to Medicare Part D
- Table 1. First Year Information Collection Requirements Related to Medicare Part D - Submitted to OMB on July 22, 2005
- Table 2. Revised First Year Information Collection Requirements Related to Medicare Part D - September 2006
- Table 3. Revised Estimates of Time Spent by Beneficiaries on Program Application - September 2006
- Table 4. Estimated Distribution of Time Spent by Beneficiaries on Program Application - September 2006
- Table 5. Revised Estimates of Time Spent on (a) Employer Subsidy, (b) Notices of Creditable Coverage, (c) Application for Low Income Subsidy - September 2006
- Table 6. Estimated Annual Burden Totals for FY 2005 and FY 2006 - September 2006

Technical Explanation of Revised Estimates of Information Collection Burden Related to Medicare Part D

September 2006

Major Changes. The Centers for Medicare and Medicaid Services are revising our estimates on previously published information collection burden at the request of the Office of Management and Budget. We have focused our analysis on the largest two requirements, along with several others where original burden estimates were one million hours or more, or where our review concluded that significant changes were appropriate. The original estimates were contained in the final rule establishing the Part D Prescription Drug Program, published on January 28, 2005, and in a summary spreadsheet table that CMS transmitted to OMB's Office of Information and Regulatory Affairs (OIRA) on July 22, 2005, in support of CMS's request for OIRA approval under the Paperwork Reduction Act (PRA) of the paperwork requirements for the Part D program (see Table 1).

1. *Application Notices.* There was a significant arithmetic error, introduced in a faulty calculation in the spreadsheet table originally transmitted to OMB (row entries for section 423.32(d)). That spreadsheet failed to portray accurately the calculations published with the proposed and final rules. As explained in those preambles, section 423.32(d) of the final rule required Part D plan sponsors to "provide the individual with prompt notice of acceptance or denial of the individual's enrollment request" (70 FR 4444 in the final rule). CMS estimated that this would require each plan sponsor to spend about 8 hours to prepare each notice and, by using automated mailing, to spend 1 minute to assemble and disseminate each notice to each applicant. We have re-estimated the time spent on this requirement as approximately 800,000 hours. Unfortunately, in the July 2005 spreadsheet transmitted to OMB the entry for this requirement was erroneously calculated to be 8 hours per applicant rather than 8 hours per plan sponsor, and the table showed a total of 192 million hours for these notices, approximately 191 million hours in excess of the correct estimate (see Table 2 for the corrected estimates). This error comprised a large portion of the total estimated paperwork burden for the Part D requirements that was reported in CMS's submission to OIRA requesting PRA approval.

2. *Application Forms.* Section 423.32(a) of the rule requires persons joining prescription drug plans to fill out application forms. CMS had estimated the time to read the instructions, gather necessary information, complete the form, and send the application form to the plan to take one half hour on average. Multiplied by an estimated 24 million applications, total hours to be spent were estimated at 12 million. This was, and remains, a reasonably accurate estimate of the time spent on the form itself. We have now developed new estimates including the time spent by the eligible applicants (including the friends and families who assisted them) in learning details of the new program that pertained to their situation, in understanding their options, and in selecting the plan that best met their needs. Accordingly, we have re-estimated the time spent during the application process. As explained below and in attachment three, we believe a reasonable estimate of the average time involved is about 2 hours, taking account of the many millions of individuals who spent only a few minutes, those who spent one or two hours, and those who spent even longer amounts of time (including over six hours). Accordingly, we now estimate the total time spent on the application process, by about 16 million actual applicants, to be about 33 million hours (see Table 3).

We note that the PRA estimation process does not explicitly provide for a comparison to alternatives. However, two major factors suggest that the burden could and would have been higher had the program not been created or designed as it was. First, the program design for Medicare Part D allows and encourages beneficiaries to retain existing high-quality coverage. Hence, only a fraction of Medicare beneficiaries needed to join a Part D plan to obtain or retain good prescription drug coverage. Second, beneficiaries are now relieved of the burden of obtaining and comparing information on ways to obtain access to drugs through other and usually inferior means such as enrollment in Medigap plans, manufacturer discount programs, or purchase from unreliable suppliers.

For an average of 2 hours of work, applicants saved on average about \$150 from the originally projected cost of premiums, quite apart from savings on the drugs themselves worth, on average, over \$1,200.

We have also estimated the distribution of time spent by beneficiaries who applied for the program. Millions, especially those dual eligibles who were "auto-enrolled" into a Part D plan, spent virtually no time in learning about the program and comparing plans. We estimate that the great majority spent an hour or two making an informed decision, including use of Plan Finder the 1-800-MEDICARE assistance. However, a significant number, perhaps ten percent of total applicants, spent considerably more time (see Table 4). In many cases these were beneficiaries who did not realize how much time could be saved by using one or more of the many resources made available by CMS.

3. *Other Requirements.* We have made several other significant but relatively minor adjustments, based on our review (see Tables 4 and 5). We deleted estimates for the information collections that were previously approved by OMB separate from the Part D rule itself. This reduced the total number of hours by approximately 1 million.

We have re-estimated the time spent by employers in dealing with the retiree drug subsidy. We originally estimated that 50,000 employers would apply for the subsidy. In fact, we had about 4,000 applicants. Primarily as a result of this, but also reflecting several other adjustments, we have reduced the estimated numbers of hours for this program (sections 423.884 (a through f)) from 5.5 million hours to approximately .5 million hours.

We have re-estimated the time involved in providing notices related to creditable coverage (sections 423.56 (b and c)) from about 1.2 million hours to about .5 million hours.

And we have tentatively re-estimated the time associated with in applying for the special help provided by the low-income subsidy (section 423.774(d)) from 750,000 hours to 5.2 million hours. The number of respondents was increased to 5.2 million from 4.5 million, and the estimate for the time required to complete the documentation was increased from 10 minutes to 1 hour. These estimates reflect that large numbers of beneficiaries were enrolled in Medicaid or otherwise eligible for "deemed" status and did not have to apply separately, while large numbers had to compile income and assets information and visited Social Security offices to apply. It is important to note that the burden associated with 423 .774(d)

has already been accounted for by the Social Security Administration in an information collection request that has been separately approved by OMB (0960-0696; form SSA-1020). Hence, we include the re-estimate here for continuity with our earlier table and because we want a complete representation of the time spent by applicants for the new benefit.

In return for this one-hour time investment, low-income subsidy applicants received a benefit worth over \$3,000, on average.

The revised total estimate is approximately 40 million hours, a very substantial reduction from the 212 million estimate submitted to OMB in July of 2005.

Estimates by Fiscal Year. The original estimates represented the entire "first year" cost of the program and were not assembled by fiscal year. At OIRA's request, we have addressed the actual fiscal year of incidence. Of the revised "first year" total of 40 million hours, approximately 1 million were incurred in FY 2005, mainly by plan sponsors and employers, and 39 million in FY 2006, mainly by beneficiary applicants (see Table 6). However, plan sponsors and employers must also apply again in 2006 for the 2007 program year. Hence, the total for FY 2006 is about 40 million hours because it includes elements from two plan years.

The vast majority of the revised estimate is for time spent by applicants (including the friends and family members who assisted them). Virtually all of this time was spent in FY 2006; during the general open enrollment period from November 15, 2005 through May 15, 2006, or to a far lesser extent in the month of October 2005. In contrast, employers and plans had to take actions--such as applying for participation or applying for the retiree drug subsidy--in the spring, summer, and early fall of 2005. Hence, we have allocated much of those activities to FY 2005.

CMS will prepare another set of estimates to deal with 2007, possibly including minor additional adjustments to the FY 2006 base, on an 83-C Change Worksheet containing revised burden estimates for 2007. We expect the estimate for 2007 that we will submit to OMB this fall to be significantly smaller than our revised estimate for FY 2006. The biggest reform in the Medicare program since its inception offered beneficiaries an opportunity to learn, and CMS an obligation to provide, information about the new program and the coverage options offered under the program. But in future years many enrollees will already understand the workings of the program, and are likely either to be satisfied with their current enrollment choices or to find it relatively easy to make a comparison with another option.

We will again conduct a vigorous campaign of outreach, counseling, and both telephone- and internet-based assistance, aimed especially at persons who didn't join in the first year, beneficiaries eligible for the low income subsidy who failed to apply, and newly eligible beneficiaries. However, we would expect the time spent by most existing plan enrollees in learning about key details of the program, studying plan choices, and applying for low income subsidies, to fall substantially. Those who have enrolled in plans have gained substantial familiarity with Part D simply through participation and two factors will further reduce time needed to make decisions in the November-December open enrollment period. First, reflecting the experience of the Federal Employees Health Benefits Program, we expect that the majority of enrollees will be satisfied with their current plan and will simply elect to remain with it. Second, many more of those who want to consider a change will turn directly to Plan Finder or 1-800-MEDICARE for assistance. Time spent is likely to decrease substantially for those who didn't originally realize they could use these decision tools to help them make a choice with little time investment.

Of particular importance, we will improve our outreach and assistance efforts from last year, based on learning from our first year experience. For example, our Web tools will be even easier to use. Beneficiaries in identical situations will find it even easier, and time saving, to use our assistance and information.

As a technical matter, our FY 2007 estimates will also benefit from ongoing research projects on beneficiary decision making, as those projects near completion.

Methodology of Revision. Of the approximately five dozen separate requirements related to different sections of the Part D rule, five items with estimated hours of 1 million or more accounted for 208 of the 212 million hours estimated in our table submission to OMB in 2005, or approximately 98-percent of the total. Two of these five items were the focus of discussion in the hearing. Accordingly, we have focused our review on these five items, and on several other items pertaining to burden on Medicare beneficiaries, the primary focus of the discussion.

The largest substantive change was the inclusion of time spent by beneficiaries in acquiring detailed information about the new benefit and their options for coverage, and in using the counseling assistance and decision tools that enabled them to choose among plans, to find the plan or plans that best met their individual need.

Our methodology in calculating beneficiary application time is described in detail in Table 3. The crucial difference from the earlier estimate is that we have included not just the time spent in applying, but also the totality of time spent by beneficiaries (including the friends and family members who assisted them) in educating themselves about the new benefit. Hence, we included not only the time spent in reading government information, but also the time spent in public and private counseling sections, in reading marketing materials from prescription drug plans, and in using CMS-supplied information and tools—most notably our 1-800-MEDICARE Customer Service Representatives and our Plan Finder Web tool—in comparing information on plans to choose economical and convenient plans.

These estimates, like all information collection estimates, are based on a mixture of "hard" information and judgments. They attempt to include the full range of activities and the full range of beneficiary experiences involved in understanding the new program and making decisions about whether to join and which option to choose.

Although we included beneficiary time spent in counseling sessions, we did not include the time spent by Customer Service Representatives (at peak, almost 8,000 persons), state SHIP staff, and volunteers. (However, we did include, in estimating the beneficiary time, the time spent by family members and friends in conducting research into the Part D program, and understanding the options, on behalf of the beneficiaries whom they were assisting—who otherwise would have had to do the research themselves.) Nor did we include the time spent by plan sponsors in answering questions as part of their marketing efforts, or by pharmacists and other health professionals in answering questions for their customers and clients.

Likewise, we did not include the time or costs of preparation of materials provide to beneficiaries, or in training counselors. These efforts were vital in making the program a success. But they did not impose burden on beneficiary applicants and the purpose of paperwork burden estimates is to measure impacts on the affected respondents. We note that published CMS budget estimates include the substantial amounts spent on our Web site, our *Medicare & You* Handbook (which contains information required by law to be sent to all 42 million beneficiaries), our training efforts, and the many other activities needed to mount and operate the Medicare Part D program.

As discussed above, we included approximately 5 million hours spent by applicants for low-income assistance in order to assure consistency with the earlier estimates and to reflect our current judgment that the original estimate was too low. However, this estimate represents a Social Security Administration information collection, should not be double-counted, and may need further revision by SSA.

We have checked all other entries for arithmetic accuracy, but in the interest of time have not systematically reexamined or re-estimated these. We do not believe that re-estimating any of the remaining requirements would change the overall estimate by more than a small fraction of one percent of the revised total.

Table 1. First Year Information Collection Requirements Related to Medicare Part D— Submitted to OMB on July 22, 2005

Table 2. Revised First Year Information Collection Requirements Related to Medicare Part D—September 2006

Table 3. Revised Estimates of Time Spent by Beneficiaries on Program Application September 2006

Table 4. Estimated Distribution of Time Spent by Beneficiaries on Program Application— September 2006

Table 5. Revised Estimates of Time Spent on (a) Employer Subsidy, (b) Notices of Creditable Coverage, (c) Application for Low Income Subsidy—September 2006

Table 6. Estimated Annual Burden Totals for FY 2005 and FY 2006—September 2006

Table 1. First Year Information Collection Requirements Related to Medicare Part D - Submitted to OMB on July 22, 2005

Subpart	Section	# of Respondents	# of Responses	Total Annual Burden Hours
B	423.32 (a)	24,000,000	24,000,000	12,000,000
	423.32 (b)	2,600,000	2,600,000	43,333
	423.32 (d)	64	64	192,000,000
	423.36 (b)	64	576,100	10,113
	423.44	64	61,440	6,144
	423.48	68	68	136
	423.5	68	68	136
	423.56 (b)	400,144	1,900,000	831,864
	423.56 (c)	400,144	400,144	400,144
	C	430.104 (g)	450	450
423.120 (b)		450	450	18,450
423.128 (a)		450	450	90,000
423.128 (e)		450	450	72,000
D		423.153 (b)	450	450
	423.153 (c)	450	450	225
	423.153 (d)	450	450	675
	F	423.265	450	450
G	423.329 (b)	450	450	10,450
	423.336 (a)	10	10	200
	423.336 (c)	450	450	4,500
	423.343 (c)	450	450	4,500
	423.343 (d)	450	450	4,500
	I	423.410 (e)	15	15
J		423.458 (b)	10	10
	423.458 (c)	500	500	10,000
	423.458 (d)	10	10	200
	K			

Subpart	Section	# of Respondents	# of Responses	Total Annual Burden Hours
	423.502 (b)	450	450	4,500
	423.505 (d)	450	450	23,400
	423.505 (f)	450	450	3,600
	423.514 (b)		Burden approved under OMB 0938-0936	
	423.514 (d)		Burden approved under OMB 0938-0936	
	423.514 (e)		Burden approved under OMB 0938-0936	
	423.514 (f)		Burden approved under OMB 0938-0936	
M				
	423.562 (a)	100	100	800
	423.564 (e)	100	100	5,200
	423.564 (g)	100	100	5,200
	423.568 (a)	100	28,000	56,000
	423.568 (b)	100	3,500	7,000
	423.570 (d)	100	126	32
	423.572 (a)	100	11,340	1,653
	423.578 (a)	112,000	112,000	56,000
	423.578 (b)	112,000	112,000	57,400
	423.582 (a)	9,450	9,450	4,725
	423.582 (c)	10,000	10,000	2,500
	423.582 (d)	500	500	125
	423.584 (c)	100	945	500
	423.584 (d)	100	10,500	26
	423.590 (a)	100	2,362	4,725
	423.590 (b)	100	945	473
	423.590 (d)	100	89,500	448
P				
	423.774 (d)	4,500,000	4,500,000	750,000
	423.8	450	450	35,100
Q				
	423.863	20	20	533
R				
	423.884 (a)(b)(c)(d)	50,000	50,000	2,126,250
	423.884 (e)	200,000	200,000	475,000
	423.884 (f)	50,000	50,000	1,000,000
	423.888 (b)(c)	50,000	50,000	850,000

2006					
Subpart	Section	# of Respondents	# of Responses	Original Estimate of Total Annual Burden Hours	Revised Estimate of Total Annual Burden
B	423.32 (a)	16,317,099	16,317,099	12,000,000	32,980,000
	423.32 (b)	2,600,000	2,600,000	43,333	43,333
	423.32 (d)	80	16,317,099	801,024	545,152
	423.36 (b)	80	576,100	10,113	10,242
	423.44	80	153,600	6,144	7,680
	423.48	80	80	136	160
	423.50	80	80	136	160
	423.56 (b)	400,160	424,673	831,864	417,037
	423.56 (c)	400,160	400,160	400,144	33,347
C	423.104 (g)	430	430	4,500	4,300
	423.120 (b)	430	430	18,450	18,060
	423.128 (a)	430	430	90,000	86,000
	423.128 (e)	430	430	72,000	68,880
	D	423.153 (b)	430	430	225
423.153 (c)		430	430	225	215
423.153 (d)		430	430	675	645
F		423.265	430	430	36,000
	G	423.329 (b)	430	430	10,450
423.336 (a)		10	10	200	200
423.336 (c)		430	430	4,500	4,300
423.343 (c)		430	430	4,500	4,300
423.343 (d)		430	430	4,500	4,300
I	423.410 (e)	15	15	150	150
	J	423.458 (b)	10	10	200
423.458 (c)		500	500	10,000	10,000
423.458 (d)		10	10	200	200
K					

	423.502 (b)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
	423.505 (d)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
	423.505 (f)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
	423.514 (b)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
	423.514 (d)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
	423.514 (e)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
	423.514 (f)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
M					
	423.562 (a)	80	80	800	640
	423.564 (e)	80	80	5,200	4,160
	423.564 (g)	80	80	5,200	4,160
	423.568 (a)	80	28,000	56,000	14,000
	423.568 (b)	80	14,000	7,000	7,000
	423.570 (c)	80	1,260	0	4,560
	423.570 (d)	80	126	32	32
	423.572 (a)	80	11,340	1,653	1,653
	423.578 (a)	112,000	112,000	56,000	56,000
	423.578 (b)	112,080	112,080	57,400	57,400
	423.582 (a)	10,500	10,500	4,725	5,250
	423.582 (c)	100	100	2,500	25
	423.582 (d)	400	400	125	100
	423.584 (c)	80	945	500	400
	423.584 (d)	80	8,400	26	2,100
	423.590 (a)	80	9,450	4,725	4,725
	423.590 (b)	80	945	473	473
	423.590 (d)	80	71,600	448	35,800
P					
	423.774 (d)	5,200,000	5,200,000	750,000	5,200,000
	423.800(b)	430	430	35,100	33,540
Q					
	423.863(a)	20	20	533	533
R					
	423.884 (a)(b)(c)	4,200	4,200	2,126,250	170,100
	423.884 (e)	4,000	4,000	475,000	4,000
	423.884 (f)	4,000	4,000	1,000,000	4,000
	423.888 (b)(c)	4,000	4,000	850,000	160,000

	423.888 (d)	5,000	5,000	1,000,000	200,000
	423.892 (c)	2,500	2,500	1,250	1,250
S					
	423.904 (b)	51	600,000	11,220	11,220
	423.904 (d)	51	51	1,020	1,020
	423.910 (d)	51	51	11,220	11,220
	Total Responden	25,183,947			
	Total Responses		43,000,234		
	Beneficiaries			12,914,083	38,342,108
	Part D Plan Sponsors and MA-PD organizations			2,413,093	1,362,396
	Organization seeking to offer MA-PD plans			10,200	10,200
	Cost plans and PACE organizations			200	200
	States and the District of Columbia			23,460	23,460
	Fallback entities			533	533
	Employers and Unions			5,452,500	539,350
			Total	20,814,069	40,278,247

Table 2. Revised First Year Information Collection Requirements Related to Medicare Part D--September 2006

Subpart	Section	# of Respondents	# of Responses	Original Estimate of Total Annual Burden Hours	Revised Estimate of Total Annual Burden
B	423.32 (a)	16,317,099	16,317,099	12,000,000	32,980,000
	423.32 (b)	2,600,000	2,600,000	43,333	43,333
	423.32 (d)	80	16,317,099	801,024	545,152
	423.36 (b)	80	576,100	10,113	10,242
	423.44	80	153,600	6,144	7,680
	423.48	80	80	136	160
	423.50	80	80	136	160
	423.56 (b)	400,160	424,673	831,864	417,037
	423.56 (c)	400,160	400,160	400,144	33,347
	C	423.104 (g)	430	430	4,500
423.120 (b)		430	430	18,450	18,060
423.128 (a)		430	430	90,000	86,000
423.128 (e)		430	430	72,000	68,880
D		423.153 (b)	430	430	225
	423.153 (c)	430	430	225	215
	423.153 (d)	430	430	675	645
	F	423.265	430	430	36,000
G	423.329 (b)	430	430	10,450	9,410
	423.336 (a)	10	10	200	200
	423.336 (c)	430	430	4,500	4,300
	423.343 (c)	430	430	4,500	4,300
	423.343 (d)	430	430	4,500	4,300
	I	423.410 (e)	15	15	150
J		423.458 (b)	10	10	200
	423.458 (c)	500	500	10,000	10,000
	423.458 (d)	10	10	200	200

K					
	423.502 (b)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
	423.505 (d)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
	423.505 (f)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
	423.514 (b)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
	423.514 (d)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
	423.514 (e)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
	423.514 (f)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending			
M					
	423.562 (a)	80	80	800	640
	423.564 (e)	80	80	5,200	4,160
	423.564 (g)	80	80	5,200	4,160
	423.568 (a)	80	28,000	56,000	14,000
	423.568 (b)	80	14,000	7,000	7,000
	423.570(c)	80	1,260	0	4,560
	423.570 (d)	80	126	32	32
	423.572 (a)	80	11,340	1,653	1,653
	423.578 (a)	112,000	112,000	56,000	56,000
	423.578 (b)	112,080	112,080	57,400	57,400
	423.582 (a)	10,500	10,500	4,725	5,250
	423.582 (c)	100	100	2,500	25
	423.582 (d)	400	400	125	100
	423.584 (c)	80	945	500	400
	423.584 (d)	80	8,400	26	2,100
	423.590 (a)	80	9,450	4,725	4,725
	423.590 (b)	80	945	473	473
	423.590 (d)	80	71,600	448	35,800
P					
	423.774 (d)	5,200,000	5,200,000	750,000	5,200,000
	423.800(b)	430	430	35,100	33,540
Q					
	423.863(a)	20	20	533	533
R					
	423.884 (a)(b)(c)	4,200	4,200	2,126,250	170,100
	423.884 (e)	4,000	4,000	475,000	4,000
	423.884 (f)	4,000	4,000	1,000,000	4,000

	423.888 (b)(c)	4,000	4,000	850,000	160,000
	423.888 (d)	5,000	5,000	1,000,000	200,000
	423.892 (c)	2,500	2,500	1,250	1,250
S					
	423.904 (b)	51	600,000	11,220	11,220
	423.904 (d)	51	51	1,020	1,020
	423.910 (d)	51	51	11,220	11,220
	Total Responden	25,183,947			
	Total Responses		43,000,234		
	Beneficiaries			12,914,083	38,342,108
	Part D Plan Sponsors and MA-PD organizations			2,413,093	1,362,396
	Organization seeking to offer MA-PD plans			10,200	10,200
	Cost plans and PACE organizations			200	200
	States and the District of Columbia			23,460	23,460
	Fallback entities			533	533
	Employers and Unions			5,452,500	539,350
			Total	20,814,069	40,278,247

Table 3. Revised Estimates of Time Spent by Beneficiaries on Program Application--September 2006

Actual Number of Part D Applicants:

16,317,099

Informational Services	Estimated Percent of Applicants (rounded to nearest 5%)	Average Time Spent (hours)	Average Number of Times (includes estimated 10% reexamining initial)	Total Hours Spent	Comment
Listened to Public Service Announcements	90%	NA	NA	NA	These announcements were intended to raise awareness and did not provide specific information on selecting and joining a Part D plan
Read Part D sections of Medicare & You Handbook	25%	0.25	1.1	1,122,000	Estimate based on the 40% of non-institutionalized beneficiaries who responded to a national survey that they read the Handbook for drug benefit information and the proportions who read it thoroughly, in part, or glanced at it (18%, 43%, and 30% respectively, and estimated reading time of one hour, one-half hour, and one-fourth hour, respectively).
Called 1-800-MEDICARE for information on Part D	50%	0.15	2	2,448,000	Monitoring statistics on 1-800 number calls indicate that somewhat over half of the 26 million calls were Part D related. The average call lasted 9 minutes. This estimate adds up to 16 million Part D related calls.
Read literature from plan sponsors	40%	0.25	2	3,263,000	Most plans marketed directly to beneficiaries. It was typical for one household to receive materials from a half-dozen plans. This estimate assumes that more two thirds of all those single individuals actively choosing plans reviewed an average of two sets of materials but that among married couples only two thirds of the spouses did so.
Called plan sponsor for information	20%	0.25	1.1	897,000	This estimate assumes that one half of those who read materials from plans called a plan for more information.
Read magazine and newspaper articles with consumer advice on making decisions	25%	0.12	2	979,000	This estimate is based on readership levels and intensity similar to the Handbook, but time spent reduced by almost half because articles were far shorter in length and contained far less detail. It assumes that on average two articles were read.



Read literature on applying for "extra help" (LIS)	25%	0.08	1.1	374,000	About one-fourth of applicants (selected based on estimated income levels) received government mailings concisely explaining the low income supplement. The estimate assumes that two thirds of these read the materials. (The time of those who applied for the extra help, usually at Social Security offices, is estimated separately.)
Attended group counseling events	10%	2.00	1.1	3,590,000	"Grassroots partners" sponsored more than 50,000 Medicare events. We assume that there were an additional 10,000 events sponsored by plans or others, and that the average event attracted almost 30 people.
Obtained individual counseling	50%	0.75	1.1	6,731,000	Estimate includes counseling from friends or family as well as trained staff (e.g., SHIPs) and volunteers. In total approximately 6 million people were counseled, but there are no reliable data on the number counseled by family or friends. Time spent in counseling varied from a few minutes to several hours or more, but we believe that most counseling sessions were under one half hour.
Sought general advice on www.medicare.gov	25%	0.50	2	4,079,000	Our quantitative data include "page views" but not numbers of persons using the Web site. This estimate assumes that about half of all non-institutionalized beneficiaries used the Internet on their own or with help, but does not include an estimate half of these who used Plan Finder directly (estimated below).
Used Plan Finder to enroll online	23%	1.00	1	3,753,000	Over 3.6 million persons applied and joined through Plan Finder. This includes persons who did so on their own as well as those who did so through counselors or Customer Service Representatives. Time spent varied from as little as 10 minutes or so for persons in the hands of a skilled counselor or CSR to several hours for persons who printed out and studied plan comparisons before making a final choice.
Filled out application form by hand	40%	0.50	1.1	3,590,000	The original paperwork estimate used one half hour to fill out an application form. We have not changed this estimate but it includes time for reflection on the decision because the actual time to write down the handful of necessary information (name, age, Medicare number, etc.) was less. We note that most who joined using paper applications used forms provided by plans and available through plans or distribution points such as pharmacies or senior service centers.
Assembled personal prescription drug information for use in any of the above activities	60%	0.20	1.1	2,154,000	Most people store pill bottles or packaged labels or both in readily accessible places.

Total time incurred by Medicare Beneficiaries		2.02	32,980,000	
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Note: Six million of these applicants were dual Medicare/Medicaid enrollees (many nursing home residents) who were auto-enrolled and presumably spent little or no time gathering or seeking information. These estimates also exclude persons who remained in or joined Medicare Advantage plans to obtain prescription drug coverage, those who remained in retiree coverage, and others who did not join Part D to obtain drug coverage.

Note: About forty percent of Medicare beneficiaries are currently married. While each beneficiary must apply separately for his or her own prescription drug insurance, it is common for one spouse to perform most of the research on behalf of both. Our estimates include this practice, where appropriate.

Table 4. Estimated Distribution of Time Spent by Beneficiaries

Interval in Hours	Average Time in Hours	Typical Situations	Estimated Number	Percent	Estimated Total Hours Spent
0 to .25	0.125	Auto-enrolled dual eligibles	4,000,000	25%	500,000
.25 to .75	0.5	Rational "satisficers" and satisfied customers, plus careful dual eligibles	3,000,000	18%	1,500,000
.75 to 1.25	1	Attentive citizens with minimal problems	2,800,000	17%	2,800,000
1.25 to 2.5	2	Careful researcher	2,500,000	15%	5,000,000
2.5 to 6	4	Needing help from counselors or in depth research	2,300,000	14%	9,200,000

>6		Complex 8 Cases	1,717,099	11%	13,736,792
Total			16,317,099	100%	32,736,792

Note: In order to avoid spurious precision all estimates except the final entry odd number of applicants in the final entry to reach the control total of 16,317,099 but not identical to the total estimated elsewhere because we would have had a different distribution. The estimated distribution is highly skewed, with the majority of a minority of just over 10 percent estimated to spend 8 hours and account for a small portion of the total. Burden applicants could have saved a great deal of time had they used Plan I.

s on Program Application--September 2006

<p>Comment</p>
<p>Some six million dual eligibles were auto-enrolled in almost costless plans and perhaps half of these spent only a few minutes. These applicants did not even have to fill out a form.</p>
<p>A person with low or no drug costs could reasonably choose the lowest premium plan available (often as little as \$4 a month) rather than spend time researching the obvious. A satisfied customer of an existing company (for example, AARP member using United, or Blue Cross Medigap member) could reasonably stay with the known "brand." Many auto-enrolled persons would reasonably study key Handbook pages, consult friends or advisors, or check the plan formulary to confirm that their auto-assigned plan was a sensible choice.</p>
<p>A person who read several articles and information from the Handbook and plans, decided to compare plans based on simple criteria, and then to use PlanFinder on the Web (directly or by calling the 800 number) could, absent unusual complexities, select and join a plan in as little as an hour of time. This interval would also include unusually diligent members of the groups above.</p>
<p>An attentive beneficiary who spent additional time reading and comparing plans, talking to friends and advisors, calling plans, checking formularies, etc. could easily spend an additional hour of time.</p>
<p>A person in this group would have attended group counseling events, or obtained individual counseling, in addition of the time spent in other information gathering activities. This interval would include persons with unusually complex medical situations, those who decided to switch plans and got caught in conflicting paperwork, or otherwise found themselves devoting unusual time or attention to their decision.</p>

This interval includes especially diverse situations. Some persons devoted 5, 10, or even more hours studying plan choices because they didn't realize that PlanFinder existed or could provide rapid answers by doing calculations for them. Some persons with very complex medical problems checked and double-checked plan formularies to be sure their most expensive medicines would be covered. Some persons got conflicting advice from multiple media sources or were pressured by friends who differed in their choices (e.g., whether or not to drop Medigap drug coverage). Some persons with cognitive impairments simply found the process of choosing a plan confusing and didn't realize they had ready access to advice and assistance that would simplify their decision.

are rounded to the nearest 100,000. We included an 17,099 actually enrolled. Total burden hours is close to remove rounding from other entries to make it applicants estimated to spend 1 hour or less, but a over one third of total burden. Most of these high Finder to assist in plan selection.

Table 5. Revised Estimates of Time Spent for (a) Employer Subsidy, (b) Notices of Creditable Coverage, (c) Application for Low Income Subsidy and (d) Plan Sponsors--September 2006

Retiree Drug Subsidy (RDS)

423.884(a) We originally estimated the maximum potential number of applicants for RDS to be 50,000. Based upon our first year experience, we now know that estimate to be high and the correct number should be 4,000. The estimated total burden for the application process of 40.5 hours remains to be the best estimate. Accordingly, the total burden for the application process is 162,000 hours (40.5 x 4,000). As we did in the final rule, we will add 5% for refiling.

4,000 responses x 40.5 hours/response = 162,000 hours for application process

5% x 4,000 respondents = 200 respondents

200 responses

200 responses x 40.5 hours/response = 8,100 hours for refiling an application

Total burden for 423.884(a) = 162,000 hours + 8,100 hours = 170,100 burden hours.

423.884 (e) 4,000 respondents
4,000 responses
1 hour/response

4,000 responses x 1 hour/response = 4,000 burden hours

Total burden for 423.884(e) = 4,000 burden hours

423.884(f) Subsequent to the regulation, we exempted the RDS applicants from providing the creditable coverage disclosure to CMS, which we estimated in the regulation to take 1 hour. We have also reduced the burden of producing the creditable coverage notices from 8 hours to 1 hour.

4,000 respondents

4,000 responses

4,000 responses x (1 min ÷ 60 min/hour) = 4,000 hours

Total burden for 423.884(f) = 4,000 burden hours

423.888(b) In the regulation, we estimated the entire process for payment request to be 17 hours. It is appropriate to adjust this upward to 40 hours given our actual experience and also because there is system development associated with payment. It also more realistic to increase this burden in light of the fact that we have drastically cut the number of respondents.

4,000 respondents
4,000 responses
4,000 responses x 40 hours/response = 160,000 burden hours

Total burden for 423.888(b) = 160,000 burden hours

423.888(d) We originally estimated record keeping to be a total of 40 hours (20 for the application and 20 for payment). This still is realistic but we are increasing the number of respondents to 5,000 to account for the estimated 1,000 vendors who will also have to maintain records for RDS audits.

5,000 respondents
5,000 responses
5,000 responses x 40 hours/response = 200,000 burden hours

Totals burden for 423.888(d) = 200,000 burden hours

Creditable Coverage

Since the publication of the final rule, we have updated the burden estimates in subsequent PRA notices based upon our experience as follows:

423.56 (b) Disclosure to the Beneficiaries:

Group Health Plans

Number of group health plans respondents (excluding applicants for RDS): 400,000

Number of hours for group health plans to produce the disclosure: 1 (downgraded from 8 since most disclosures will be incorporated in existing notices).

400,000 responses x 1 hr/response = 400,000 hours

Number of requests for additional disclosures: 100,000 (for those that lost the originals)

Number of minutes to produce the additional disclosures: 5 minutes

$100,000 \text{ responses} \times (5 \text{ min} \div 60 \text{ min/hr}) = 8,333 \text{ hours}$

Number of Change in creditable coverage notices: 4,000

Number of hours per response: 2 hours

$4,000 \text{ responses} \times 2 \text{ hours/response} = 8,000 \text{ hours}$

Total Group Health Plan Burden = 400,000 hours + 8,333 hours + 8,000 hours = 416,333 burden hours

Medigap Insurers

Number of Medigap Issuers respondents: 120

Number of notices: 15,833

Minutes per notice: 1

$15,833 \text{ responses} \times (1 \text{ min} \div 60 \text{ min/hour}) = 264 \text{ hours}$

Number of requests for additional notices: 4,800

Minutes per request: 5

$4,800 \text{ responses} \times (5 \text{ min} \div 60 \text{ min/hour}) = 400 \text{ hours}$

Total burden for Medigap Issuers = 264 hours + 400 hours = 664 burden hours

SPAP

Total number of SPAP respondents: 40

Hours per respondent to produce the notice: 1

$40 \text{ responses} \times 1 \text{ hours/response} = 40 \text{ hours}$

Total Burden for SPAPs: 40 hours

Total Burden for 423.56(b): 416,333 hours + 664 hours + 40 hours = 417,037 burden hours

423.56(c) Disclosure to CMS:

Total number of respondents: 400,160

Minutes to respond: 5 minutes (downgraded from 1 hour since CMS has developed an automated system)

$400,160 \text{ responses} \times (5 \text{ min} \div 60 \text{ min/hour}) = 33,347 \text{ hours}$

Total burden for 423.56(c) = 33,347 burden hours

Low-Income Subsidy

423.774 (d) Application requirements for individuals applying for the low-income subsidy.

5,200,000 respondents

5,200,000 responses

1 hour per response

$5,200,000 \text{ responses} \times 1 \text{ hour/response} = 5,200,000 \text{ burden hours}$

Revised Numbers of Part D Plan Sponsors

As shown in Tab 1, the original submission estimated the number of Part D plan sponsors to be 64. The actual number is 80 Part D plan sponsors. Table 2 shows in detail the new calculations containing this value. Examples of this change can be found in Subpart B, sections 423.32(d) and 423.36(b), in addition to the other applicable sections.

Table 6. Annual Burden Totals for FY 2005 and FY 2006--September 2006

Subpart	Section	# of Respondents	# of Responses	Original Estimate of Total Annual Burden Hours	Revised Estimate of Total Annual Burden	Incidence in both 2005 and 2006
B	423.32 (a)	16,317,099	16,317,099	12,000,000	32,980,000	
	423.32 (b)	2,600,000	2,600,000	43,333	43,333	
	423.32 (d)	80	16,317,099	801,024	545,152	
	423.36 (b)	80	576,100	10,113	10,242	
	423.44	80	153,600	6,144	7,680	
	423.48	80	80	136	160	Yes
	423.50	80	80	136	160	Yes
	423.56 (b)	400,160	424,673	831,864	417,037	Yes
	423.56 (c)	400,160	400,160	400,144	33,347	Yes
	C					
423.104 (g)		430	430	4,500	4,300	Yes
423.120 (b)		430	430	18,450	18,060	Yes
423.128 (a)		430	430	90,000	86,000	
D	423.128 (e)	430	430	72,000	68,880	
	423.153 (b)	430	430	225	215	Yes
	423.153 (c)	430	430	225	215	Yes
F	423.153 (d)	430	430	675	645	
	423.265	430	430	36,000	34,400	Yes
G						
	423.329 (b)	430	430	10,450	9,410	
	423.336 (a)	10	10	200	200	Yes
	423.336 (c)	430	430	4,500	4,300	
	423.343 (c)	430	430	4,500	4,300	
I	423.343 (d)	430	430	4,500	4,300	
J	423.410 (e)	15	15	150	150	Yes
	423.458 (b)	10	10	200	200	Yes
	423.458 (c)	500	500	10,000	10,000	Yes

Subpart	Section	# of Respondents	# of Responses	Original Estimate of Total Annual Burden Hours	Revised Estimate of Total Annual Burden	Incidence in both 2005 and 2006	
	423.458 (d)	10	10	200	200		
K							
	423.502 (b)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending					
	423.505 (d)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending					
	423.505 (f)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending					
	423.514 (b)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending					
	423.514 (d)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending					
	423.514 (e)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending					
	423.514 (f)	Burden approved under OMB 0938-0936; expires 7/31/06, with OMB reapproval pending					
M							
	423.562 (a)	80	80	800	640		
	423.564 (e)	80	80	5,200	4,160		
	423.564 (g)	80	80	5,200	4,160		
	423.568 (a)	80	28,000	56,000	14,000		
	423.568 (b)	80	14,000	7,000	7,000		
	423.570(c)	80	1,260	0	4,560		
	423.570 (d)	80	126	32	32		
	423.572 (a)	80	11,340	1,653	1,653		
	423.578 (a)	112,000	112,000	56,000	56,000		
	423.578 (b)	112,080	112,080	57,400	57,400		
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	423.582 (c)	100	100	2,500	25		
	423.582 (d)	400	400	125	100		
	423.584 (c)	80	945	500	400		
	423.584 (d)	80	8,400	26	2,100		
	423.590 (a)	80	9,450	4,725	4,725		
	423.590 (b)	80	945	473	473		
	423.590 (d)	80	71,600	448	35,800		
P							
	423.774 (d)	5,200,000	5,200,000	750,000	5,200,000		
	423.800(b)	430	430	35,100	33,540		
Q							

Subpart	Section	# of Respondents	# of Responses	Original Estimate of Total Annual Burden Hours	Revised Estimate of Total Annual Burden	Incidence in both 2005 and 2006
	423.863(a)	20	20	533	533	Yes
R						
	423.884 (a)(b)(c)(d)	4,200	4,200	2,126,250	170,100	Yes
	423.884 (e)	4,000	4,000	475,000	4,000	Yes
	423.884 (f)	4,000	4,000	1,000,000	4,000	
	423.888 (b)(c)	4,000	4,000	850,000	160,000	
	423.888 (d)	5,000	5,000	1,000,000	200,000	
	423.892 (c)	2,500	2,500	1,250	1,250	
S						
	423.904 (b)	51	600,000	11,220	11,220	
	423.904 (d)	51	51	1,020	1,020	
	423.910 (d)	51	51	11,220	11,220	
		Total FY 2005 Burden		3,904,013	693,077	
		Total FY 2006 Burden		20,814,069	40,278,247	
		Total First Year Burden		20,814,069	40,278,247	

Note: Total FY 2006 Burden and Total First Year Burden identical because plans and employers participate again each year at approximately the same level of effort. This pattern will repeat in FY 2007, but beneficiary burden will fall because of "learning curve" and satisfaction with prior choices.