Supporting Statement for Data Collection to Support Eligibility Determinations for Insurance Affordability Programs and Enrollment through Affordable Insurance Exchanges, Medicaid and Children's Health Insurance Program Agencies

A. Background

On March 23, 2010, the President signed into law H.R. 3590, the Patient Protection and Affordable Care Act, Public Law 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. 111-152, collectively referred to as "The Affordable Care Act." The Affordable Care Act expands access to health insurance coverage through the establishment of Affordable Insurance Exchanges, improvements to the Medicaid and Children's Health Insurance (CHIP) programs, and the assurance of coordination between Medicaid, the Children's Health Insurance Program (CHIP), and Exchanges.

The new Affordable Insurance Exchanges established by the Affordable Care Act will facilitate the enrollment of qualified individuals into Qualified Health Plans (QHPs). The Exchanges will begin taking applications for coverage when open enrollment begins on October 1, 2013 for coverage that begins on January 1, 2014. Section 1401 of the Affordable Care Act creates new section 36B of the Internal Revenue Code (the Code), which provides for a premium tax credit which is available on an advanced basis ("Advance Payments of the Premium Tax Credit", or APTC) to reduce the monthly insurance costs for eligible individuals who enroll in a QHP through an Exchange. In addition, section 1402 establishes provisions to reduce cost-sharing obligations, including co-pays and deductibles, of eligible individuals enrolled in a QHP offered through an Exchange.

The Affordable Care Act also fills current gaps in coverage by creating a minimum Medicaid income eligibility level across the country and by simplifying the current eligibility rules in the Medicaid and CHIP programs. Under the Affordable Care Act, most individuals under 65 years of age with income below 133 percent of the Federal Poverty Level (FPL) will be eligible for Medicaid beginning January 2014. These individuals will be able to apply for coverage beginning October 1, 2013. As required under section 1413 of the Affordable Care Act, there will be one application through which individuals may apply for coverage through the Exchange or a Medicaid or CHIP agency with or without APTC and Cost Sharing Reductions (CSRs), Medicaid, CHIP and the Basic Health Program (as applicable) and receive an eligibility determination. Specific data must be collected to make such determinations and enroll qualified individuals into the appropriate coverage program.

CMS developed this Paperwork Reduction Act (PRA) package as part of an effort to solicit feedback from key stakeholders. Further discussion of stakeholder consultation can be found in section B8.

B. Justification

1. Need and Legal Basis

Section 1413 of the Affordable Care Act directs the Secretary of Health and Human Services to develop and provide to each State a single, streamlined form that may be used to apply for coverage through the Exchange and Insurance Affordability Programs, including APTC/CSR, Medicaid, CHIP, and the Basic Health Program, if applicable. The application must be structured to maximize an applicant's ability to complete the form satisfactorily, taking into account the characteristics of individuals who may qualify for the programs by developing materials at appropriate literacy levels and ensuring accessibility. A State may develop and use its own single streamlined application if approved by the Secretary in accordance with section 1413 and if it meets the standards established by the Secretary.

Section 155.405(a) of the Exchange Final Rule provides more detail about the application that must be used by the Exchange to determine eligibility and to collect information necessary for enrollment. The Medicaid Final Rule in §435.907 and §457.330 establish the standards for State Medicaid and CHIP agencies related to the use of the single streamlined application. CMS is designing the single streamlined application to be a dynamic online application that will tailor the amount of data required from an applicant based on the applicant's circumstances and responses to particular questions. The paper version of the application will not be able to be tailored in the same way but is being designed to collect only the data required to determine eligibility.

The Exchange Final Rule in §155.305 sets forth eligibility standards for the Exchange, outlining the information necessary to make eligibility determinations. The information will be required of each applicant upon initial application, with some subsequent information collections for the purposes of confirming accuracy of previous submissions and for changes in an applicant's circumstances. The Medicaid Final Rule sets forth changes made under the Affordable Care Act to eligibility standards for Medicaid and CHIP.

Information collection will start during the initial open enrollment period beginning October 1, 2013, per §155.410(b) of the Exchange Final Rule. The open enrollment period ends on March 31, 2014, but individuals may apply outside of the open enrollment period if they qualify for a special enrollment period (outlined in §155.420(d) of Exchange Final Rule). Individuals may apply for Medicaid, CHIP or BHP (if applicable) at any time during the year.

Individuals will be able to submit an application online, through the mail, over the phone through a call center, or in person, per §155.405(c)(2) of the Exchange Final Rule, as well as through other commonly available electronic means as noted in §435.907(a) and §457.330 of the Medicaid Final Rule. The application may be submitted to an Exchange, Medicaid or CHIP agency.

We have attached the following two appendices that contain the potential data elements applicants will need to submit to receive eligibility determinations for the Exchange or Insurance Affordability Programs.

- Appendix A: Data Elements for Application to Support Eligibility Determinations for Enrollment through Affordable Insurance Exchanges, Medicaid and Children's Health Insurance Program Agencies – Appendix A contains the list of data elements needed to determine eligibility for APTC/CSR through the Exchange, Medicaid, or CHIP.
- Appendix B: Data Elements for Application to Support Eligibility Determinations for Enrollment through Affordable Insurance Exchanges (Not Applying for Insurance Affordability Programs) – Appendix B contains the list of data elements needed to determine eligibility for an individual applying to directly enroll in a QHP through the Exchange (not applying for Insurance Affordability Programs).

We encourage entities that will be affected by these data collection requirements to provide formal comments on the data elements presented in the appendices.

2. Information Users

Information collected by the Exchange, Medicaid or CHIP agency will be used to determine eligibility for coverage through the Exchange and Insurance Affordability Programs. Applicants include anyone who may be eligible for coverage through any of these programs.

3. Use of Information Technology

Technology enables the online application process to offer a number of advantages over a paper process. Made available on an interactive web site, the online application will feature a dynamic or "smart" process that poses questions to the applicant based on the responses to previous questions, so that only relevant questions are asked and any non-relevant questions do not even appear on the application. The paper application does not offer the same flexibility in customizing the sequence or number of questions. The online system also will be able to catch inadvertent errors in real time, as well as immediately verify information in most cases. The online process will be designed to allow individuals to save information through a unique user account, obtain access to immediate help resources, and more quickly enroll in coverage. CMS anticipates that the majority of individuals will apply online, which will enable individuals to save information through a unique user account, access immediate help resources, and more quickly enroll in coverage. Overall, as compared to a paper process, the online application process will allow applicants to complete the process more efficiently and receive an eligibility determination more quickly. An online application will therefore reduce the burden of applying for coverage.

4. Duplication of Effort

This information collection does not duplicate any other effort, and we will make every effort to obtain such information from existing sources.

5. Small Businesses

Small businesses are not affected by this data collection.

6. Consequences of Less Frequent Collection

The Affordable Care Act directs that the Exchanges permit individuals to apply for coverage during annual open enrollment periods as well as during special enrollment periods. Additionally, individuals may apply for Medicaid and CHIP at any time throughout the year. If information was collected less frequently or not at all, individuals would not be able to gain coverage under Affordable Care Act reforms and the program would be unable to operate.

7. Special Circumstances that may cause respondents to submit information in fewer than 30 days

An individual who is enrolled in a Qualified Health Plan (QHP) through the Exchange is required to report changes that impact eligibility to the Exchange within 30 days of such a change per §155.330(b). Individuals are required to report changes in residency, incarceration, and citizenship or lawful presence. The Exchange may conduct a redetermination for eligibility to be enrolled in a QHP based on the reported change.

If an individual is responding by mail to a request for follow up on an application, for example, the individual may need to respond in fewer than 30 days if the open enrollment period will end in less than 30 days or if it is the policy of the Medicaid or CHIP agency.

8. Federal Register/Outside Consultation

CMS conducted initial consultations with a variety of stakeholders on the list of data elements that will provide the basis for developing the single, streamlined application, the vehicle consumers will use to apply for coverage through the Affordable Insurance Exchanges as well as through Medicaid and CHIP. The purpose of the consultations has been to ensure that information necessary to determine eligibility was accurately identified and that only the data needed to determine eligibility would be collected. The consultation process considered the perspective of groups representing those who will eventually apply for health insurance, those who will administer the programs, and those who will deliver care.

CMS sought input from other federal agencies, such as the IRS, as well as the CMS Advisory Panel on Outreach and Education (APOE), which is convened under the Federal Advisory Committee Act. The APOE members represent States, providers, health plans, and consumer advocates. The National Association of Insurance Commissioners was also consulted as directed under section 1311(c)(1)(F) of the Affordable Care Act. In addition, CMS conferred with States and various consumer advocacy organizations. Specifically, State Medicaid, CHIP and Exchange officials provided input through workgroups such as the CMS Coverage Expansion Learning Collaborative and two Federal/State workgroups that focused on development of the application and income verification process led jointly by CMS and CCIIO. Approximately 20 States and a dozen State and national advocacy organizations, including immigrant advocacy organizations, have participated in consultative sessions as well. We have also consulted with the Tribal Technical Assistance Group (TTAG).

In addition, we intend to undertake further consultation with States, consumer groups, brokers, community-based organizations, health providers and tribal leaders as well as to conduct consumer focus groups and engage experts in simplifying language and promoting a positive user experience.

9. Payments/Gifts to Respondents

There are no payments or gifts to respondents.

10. Confidentiality

All information will be kept private pursuant to application laws/regulations.

11. Sensitive Questions

Per statute, a Social Security number and information about citizenship or immigration status are needed to help verify eligibility for coverage.

12. Estimates of Annualized Burden Hours

The Congressional Budget Office (CBO) estimated in March of this year that approximately 20 million people will apply for coverage through the Exchanges and Insurance Affordability Programs in 2014 with an additional six and ten million in 2015 and 2016, respectively.[1]

We expect the total number of applications to be 5,348,297 in 2014 for a total burden of 2,723,362 hours, 1,662,945 applications and 788,552 total burden hours in 2015, and 2,810,425 applications and 1,306,486 total burden hours in 2016.[2]

1 Congressional Budget Office, Updated Estimates for the Insurance Coverage Provisions of the Affordable Care Act (March 2012).

[1] Calculations based on analysis of Congressional Budget Office projections and Office of the Assistant Secretary for Planning and Evaluation analysis of the Census data on families with incomes less than 138% FPL had a family size of 3.88 and those with incomes between 138% and 400% FPL had a family size of 3.61.

Burden for Online Application

The online application process will vary depending on each applicant's circumstances, their experience with health insurance applications and online capabilities. The goal is to solicit sufficient information so that in most cases no further inquiry will be needed. We estimate that on average it will take approximately .50 hours (30 minutes) to complete for people applying for Insurance Affordability Programs. It will take an estimated .25 hours (15 minutes) to complete without consideration for Insurance Affordability Programs.

We expect approximately 4,528,658 applications to be submitted for Insurance Affordability Programs online in 2014 for a total number of 2,264,329 burden hours.

The expected number of applications is 1,211,840 for 2015 and 1,959,762 for 2016. The burden hours are projected to be 605,920 and 979,881 in 2015 and 2016, respectively. We estimate 284,810 applications to be submitted online without consideration for Insurance Affordability Programs in 2014 and 2015 for a total of 71,203 burden hours in each year and a total of 569,620 applications in 2016 for 142,405 burden hours in 2016.

Burden for Paper Application

The paper application process will take an average of .75 hours (45 minutes) to complete for those applying for Insurance Affordability Programs and .33 hours (20 minutes) for those applying without consideration for Insurance Affordability Programs.

We expect approximately 503,184 applications to be submitted for Insurance Affordability Programs on paper in 2014 bringing the total of burden hours to approximately 377,388. The estimated number of paper applications to be submitted is 134,649 for 2015 and 217,751 for 2016 and the burden hours are projected to be 100,987 and 163,314 in 2015 and 2016, respectively. We estimate 31,645 applications will be submitted without consideration for Insurance Affordability Programs in 2014 bringing the total burden hours to 10,443. The expected number of paper applications to be submitted without consideration for Insurance Affordability Programs is 31,645 in 2015 and 63,291 in 2016. Total burden hours are expected to be 10,443 and 20,886, in 2015 and 2016, respectively.

12A. Estimated Annualized Burden Hours

Estimated Annualized Burden Table for 2014

	Type of Respondent	**Number of Respondents**	**Number of Responses per Respondent**	**Average Burden Hours per Response**	**Total Burden Hours**
Online Application	Applying for Insurance Affordability Programs	4,528,658	1	0.5	2,264,329
	Not applying for Insurance Affordability Programs	284,810	1	0.25	71,203
Paper Application	Applying for Insurance Affordability Programs	503,184	1	0.75	377,388
	Not applying for Insurance Affordability Programs	31,645	1	0.33	10,443
Total		**5,348,297**			**2,723,362**

Estimated Annualized Burden Table for 2015

	Type of Respondent	**Number of Respondents**	**Number of Responses per Respondent**	**Average Burden Hours per Response**	**Total Burden Hours**
Online Application	Applying for Insurance Affordability Programs	1,211,840	1	0.5	605,920
	Not applying for Insurance Affordability Programs	284,810	1	0.25	71,203
Paper Application	Applying for Insurance Affordability Programs	134,649	1	0.75	100,987
	Not applying for Insurance Affordability Programs	31,645	1	0.33	10,443
Total		**1,662,945**			**788,552**

Estimated Annualized Burden Table for 2016

	Type of Respondent	**Number of Respondents**	**Number of Responses per Respondent**	**Average Burden Hours per Response**	**Total Burden Hours**
Online Application	Applying for Insurance Affordability Programs	1,959,762	1	0.5	979,881
	Not applying for Insurance Affordability Programs	569,620	1	0.25	142,405
Paper	Applying for Insurance	217,751	1	0.75	163,314

Application	Affordability Programs				
	Not applying for Insurance Affordability Programs	63,291	1	0.33	20,886
Total		**2,810,425**			**1,306,486**

13. Capital Costs

There are no additional record keeping/capital costs.

14. Cost to Federal Government

The initial burden to the Federal Government for the development and implementation of the data collection tool is $834,492. This estimate projects software development costs at $98.50 an hour and assumes approximately 73 weeks of development.

Data Collection and Development Task	**Number of Developer Hours**	**Average Labor Cost Per Hour**	**Cost of Development**
Application Development	8,472	$98.50	$834, 492.00

An additional burden to the Federal Government is the work of one full time GS-13 employee to serve as the COTR for the development contract. The current salary of a 13 Grade/Step 1 employee in the Washington, D.C. area is $89,033.

15. Changes to Burden

Not applicable.

16. Publication/Tabulation Dates

Not applicable.

17. Expiration Date

CMS would like an exemption from displaying the expiration date as these forms are used on a continuing basis. To include an expiration date would result in having to discard a potentially large number of forms.