

Supporting Statement A  
Establishment of an Exchange by a State and  
Qualified Health Plans  
(CMS-10593/OMB control number: 0938-1312)

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## **A. Background**

The Patient Protection and Affordable Care Act, Public Law 111-148, enacted on March 23, 2010, and the Health Care and Education Reconciliation Act, Public Law 111-152, enacted on March 30, 2010 (collectively, “Affordable Care Act”), expand access to health insurance for individuals and employees of small businesses through the establishment of new Affordable Insurance Exchanges (Exchanges), including the Small Business Health Options Program (SHOP). The Exchanges, which became operational on January 1, 2014, enhance competition in the health insurance market, expand access to affordable health insurance for millions of Americans, and provide consumers with a place to easily compare and shop for health insurance coverage.

To offer insurance through an Exchange, a health insurance issuer must have its health plans certified as Qualified Health Plans (QHPs) by the Exchange. A QHP must meet certain minimum certification standards, such as network adequacy, inclusion of Essential Community Providers (ECPs), and non-discrimination. The Exchange is responsible for ensuring that QHPs meet these minimum certification standards as described in the Exchange rule annually.<sup>1</sup>

The regulatory requirements are codified in 45 CFR parts 155, 156, and 157. Part 155 outlines the standards relative to the establishment, operation, and minimum functionality of Exchanges, including eligibility standards for insurance affordability programs (IAPs). Centers for Medicare & Medicaid Services (CMS) rules establish requirements that various entities must meet for the establishment and operation of an Exchange; minimum requirements that health insurance issuers must meet for participation in a State-based or Federally-facilitated Exchange (FFE); requirements that employers must meet to participate in the SHOP; as well as other provisions of the Affordable Care Act. While existing Exchanges must perform certain functions annually, any new State-based Exchange (SBE) will need to perform certain one-time functions for implementation.

## **B. Justification**

### **1 Need and Legal Basis**

Section 1311(b) of the Affordable Care Act required each state to establish an Exchange by January 1, 2014. Section 1311(d) of the Affordable Care Act requires an Exchange to be a governmental agency or nonprofit entity established by a state; requires an Exchange to make QHPs available to eligible individuals and employers; and identifies the minimum functions an Exchange must perform.

Pursuant to section 1311(d)(5), States must ensure their Exchanges are self-sustaining beginning on January 1, 2015. A state may accomplish this by permitting its Exchange to charge assessments or user fees to participating health insurance issuers, or otherwise generate funding to support Exchange operations.

The requirements covered under this information collection requirement (ICR) include:

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<sup>1</sup> Establishment of Exchanges and Qualified Health Plans; Exchange Standards for Employers (77 FR 18310) and any subsequent updates to the final rule.

- General Standards Related to the Establishment of an Exchange by a State (§155.100 through §155.150)
- General Functions of an Exchange (§155.200 through §155.270)
- Exchange Functions in the Individual Market: Eligibility Determinations for Exchange Participation and Insurance Affordability (§155.302 through §155.345)
- Exchange Functions in the Individual Market: Enrollment in Qualified Health Plans (QHP) (§155.400 through §155.440)
- Exchange Functions: Small Business Health Options Program (SHOP) (§155.700 through §155.741)
- Exchange Functions: Certification of Qualified Health Plans (§155.1000 through §155.1090)
- Additional Standards Specific to SHOP for Plan Years Beginning on or After January 1, 2018 (§156.286)
- Quality Reporting Standards for Exchanges (§155.1400 through §155.1405)

## **2 Information Users**

CMS and other federal partners will use the data collected from states operating SBEs to determine Exchange compliance with federal standards for operating the Exchange. The data that health insurance issuers, Exchanges, and other entities that Exchanges contract within performing Exchange functions collect will help to inform CMS, Exchanges, and health insurance issuers on the participation of individuals, employers, and employees in the individual Exchange and SHOP.

## **3 Use of Information Technology**

The process of establishing an SBE and compliance with the federal requirements covered by this ICR will be facilitated using existing Information Technology (IT) systems for the collection of state-specific data. CMS aims to reduce the burden on states and minimize the need for any additional costs for the required submission by using existing IT systems. CMS anticipates the majority of the processes are, or will be, automated.

## **4 Duplication of Efforts**

This information collection does not duplicate any other federal information collection.

## **5 Small Businesses**

CMS estimates minimal burden on small business because they are not required to participate in the SHOP.<sup>2</sup>

## **6 Less Frequent Collection**

CMS cannot conduct data collection less frequently. SBEs are required to complete certain activities only once to establish the Exchange, and other activities on an annual, or regular, basis to comply with federal requirements. Due to the required flow of information between multiple

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<sup>2</sup> Patient Protection and Affordable Care Act; HHS Notice of Benefit and Payment Parameters for 2019

parties, it is necessary to collect information according to the indicated frequencies. Collecting information less frequently could result in non-compliance with the law or consumer harm.

## 7 Special Circumstances

There are no special circumstances for this information collection.

## 8 Federal Register/Outside Consultation

Sixty-day Notice will publish in the Federal Register on <<DATE>>. CMS did not seek any additional, outside consultation.

## 9 Payments/Gifts to Respondents

No payments and/or gifts will be provided to respondents.

## 10 Confidentiality

To the extent of the applicable law and CMS policies, we will maintain respondents' privacy with respect to the information collected.

## 11 Sensitive Questions

There are no sensitive questions included in this information collection effort.

## 12 Burden Estimates (Hours & Wages)

To derive average costs, we used data from the U.S. Bureau of Labor Statistics May 2022 National Occupational Employment and Wage Estimates for all salary estimates ([https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.htm)). Table 1 presents the mean hourly wage, the cost of fringe benefits (calculated at 100 percent of salary), and the adjusted hourly wage.

Table 1 – Wage Rates

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefits and Overhead (\$/hr)	Adjusted Hourly Wage (\$/hr)
Management Analyst	13-1111	\$50.32	\$50.32	\$100.64
Computer and Information Systems Manager	11-3021	\$83.49	\$83.49	\$166.98
Computer Programmer	15-1251	\$49.42	\$49.42	\$98.84

<b>Occupation Title</b>	<b>Occupation Code</b>	<b>Mean Hourly Wage (\$/hr)</b>	<b>Fringe Benefits and Overhead (\$/hr)</b>	<b>Adjusted Hourly Wage (\$/hr)</b>
Computer User Support Specialist	15-1232	\$29.61	\$29.61	\$59.22
Actuary	15-2011	\$61.34	\$61.34	\$122.68
Web Developer	15-1254	\$42.11	\$42.11	\$84.22

As indicated, we are adjusting our employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and overhead costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. Nonetheless, we believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

## Requirements and Associated Burden Estimates

CMS estimates 20 states, including the District of Columbia, will be operating an SBE by 2024, for plan year (PY) 2025. As of PY 2023, there were 18 states operating an SBE and 3 States operating a State-based Exchange on the Federal Platform (SBE-FP). CMS estimates one State that is currently an SBE-FP will implement and be newly operating as an SBE in 2024, for PY 2025. For PY 2025, CMS anticipates Illinois will be operating a new SBE-FP.

Any State transitioning Exchange models to become an SBE will need to perform one-time Exchange-related functions. All 20 SBEs need to perform annual, recurring Exchange-related functions. The estimates of burden recorded generally reflect burden hours and costs for the first year of operation. The associated burden for subsequent years may lessen because many of the standards in the regulation may be fulfilled through automated processes. Therefore, these estimates should be considered an upper bound of burden estimates for non-federal entities.

### 12.1 General Standards Related to the Establishment of an Exchange by a State (§155.100 through §155.170)

In Part 155, subpart B of the regulation, we describe the standards related to the establishment of Exchanges by a state. Subpart B contains ICRs associated with determining whether a state is ready to operate an Exchange. There are additional ICRs associated with the development of Exchange operations after January 1, 2014.

Section 155.105 contains the requirements for the Exchange approval process. To have CMS approve an Exchange, the state must develop and submit an Exchange Blueprint that demonstrates how the Exchange meets all legal requirements for successful operation of an Exchange. In addition to the Exchange Blueprint, the state must submit an operational readiness assessment to CMS to demonstrate readiness to execute the Exchange Blueprint. CMS published an Exchange



Blueprint application that included an operational readiness section, subject to the notice and comment process under the Paperwork Reduction Act (PRA). The PRA package for the Exchange Blueprint application outlined the required components of the Exchange Blueprint, including the burden associated with completing an operational readiness assessment as well as the requirements regarding eligible contracting entities stated in §155.110. The burden associated with meeting the approval process requirements of §155.105 is reflected in the PRA package for the Blueprint approval application (CMS-10416 [OMB 0938-1172]).

## **12.2 General Functions of an Exchange (§155.200 through §155.285)**

Part 155, subpart C describes the information collection and reporting requirements that Exchanges are required to perform to support the minimum functions of an Exchange.

### **12.2.1 Internet Website (§155.205(b))**

Section 155.205(b) requires an Exchange to maintain an up-to-date internet website that provides information on available QHPs. The website must include the following QHP information: premium and cost-sharing information, the summary of benefits and coverage, levels of coverage (“metal levels”) for each QHP, results of the enrollee satisfaction survey, quality ratings, medical loss ratio information, transparency of coverage measures, and a provider directory. Additionally, the Exchange must maintain the website to publish financial information, provide information on Navigators and other consumer assistance services, and allow for eligibility determinations and enrollment in coverage. Finally, the website must provide a calculator for the comparison of plans and have a consumer assistance function.

The burden for this requirement may vary based on whether the Exchange decides to develop its own code to support the website or utilize federally developed code provided pursuant to section 1311(c)(5)(B) of the Affordable Care Act. If the Exchange uses federally developed code, the burden of meeting this requirement may include customizing the code to meet the state’s business practices, developing security policies, and system testing. If the Exchange opts to develop new code, the burden will include the additional steps of designing the website template and writing the code for the website. After developing the website, the burden on the Exchange will be to maintain the website by populating it with the information collected per ICRs in this rule and future rulemaking by CMS. We estimate that 2 states may plan to operate an Exchange website subject to these reporting requirements. We assume that they will not opt to develop their own new code and that most will use federally developed code. We estimate that it will take 3,200 hours for an Exchange to meet these reporting requirements for a total of 6,400 hours.

Table 2 – Burden and Cost Estimates Associated with an Internet Website

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (2 respondents)</b>
Management Analyst 13-1111	1	\$100.64	256	\$25,763.84	\$51,527.68
Web Developer 15-1254	2	\$84.22	256	\$43,120.64	\$86,241.28
Senior Manager 11-3021	2	\$166.98	64	\$21,373.44	\$42,746.88
Database Administrator 15-1242	2	\$95.58	384	\$73,405.44	\$146,810.88
Computer Programmer 15-1251	4	\$98.84	384	\$151,818.24	\$303,636.48
Total	—	—	3,200	\$315,481.60	\$630,963.20

### 12.2.2 Navigator Program Standards (§155.210)

An Exchange is required to develop and publicly disseminate two sets of standards for Navigators: one set of standards to govern conflict of interest and one set of standards for training. The Exchange may choose to use any method that would make the standards available to the general public if the Exchange does not exclusively rely on a method that places the burden on the public to request the standards. Such methods could, for example, include posting the standards on the Exchange website or disseminating them to appropriate stakeholders. The burden estimate for this requirement includes the time and effort needed to develop the standards and make them available to the public. We estimate there will be 20 SBEs subject to these operating requirements. This estimate is an upper bound of burden. We estimate that it will take 192 hours for an Exchange to meet these reporting requirements for a total of 3,840 hours.

Table 3 – Burden and Cost Estimates Associated with Navigator Program Standards

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Management Analysts 13-111	2	\$104.64	64	\$13,393.92	\$267,878.40
Senior Manager 11-3021	2	\$166.98	32	\$10,686.72	\$213,734.40
Total	—	—	192	\$24,080.64	\$481,612.80

### 12.3 Enrollment Through the Exchange (§155.220(c))

Section 155.220(c) provides the option for an Exchange to allow an agent's, broker's, or web-broker's website to be used in the selection of a QHP, as long as the website meets certain conditions and the agent, broker, or web-broker complies with the terms of an agreement with the Exchange regarding access and use of Exchange data and systems by the agent, broker, or web-broker. In such instances, the agent, broker, or web-broker must ensure that applicants have their eligibility applications completed through the Exchange website and the Exchange must transmit the enrollment information to the QHP issuer. For the agent, broker, or web-broker's website to be able to assist individuals in selecting a QHP, the Exchange would have to provide QHP data to the agent or broker's website so that the applicant could select a QHP. The Exchange would also need to develop an agreement with agents, brokers, or web-brokers that intend to support a website that would assist individuals in selecting a QHP.

For Exchanges that elect to allow agents, brokers, or web-brokers to use their websites to help individuals select a QHP, the burden associated with this provision would be the development of electronic interfaces to provide QHP data to the agent or broker's website and receive QHP selection information from the agent or broker. There would also be additional burden on Exchanges to develop and execute agreements with applicable agents and brokers. We estimate there will be potentially 20 SBEs that plan to or do operate State Exchanges will be subject to these operating requirements. This estimate is an upper bound of burden. We estimate that it will take 164 hours for an Exchange to meet these reporting requirements for a total of 3,280 hours.

Table 4 – Burden and Cost Estimates Associated with Enrollment Through the Exchange

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Management Analyst 13-111	1	\$100.64	12	\$1,207.68	\$24,153.60
Operations Analyst 13-111	1	\$ 100.64	24	\$2,415.36	\$48,307.20
Senior Manager 11-3021	1	\$166.98	12	\$2,003.76	\$40,075.20
Lawyer 23-1011	1	\$157.48	16	\$2,519.68	\$50,393.60
Database Administrator 15-1141	1	\$98.58	40	\$3,943.20	\$78,864
Computer Programmer 15-1251	1	\$98.84	60	\$5,930.40	\$118,608.00
Total	–	–	164	\$18,020.08	\$360,401.60

#### 12.4 Written Policies and Procedures (§155.260(d))

An Exchange must also develop privacy and security standards addressing the collection, use and disclosure of personally identifiable information (PII). Section 155.260(d) states that the Exchange must develop policies and procedures regarding the use, disclosure, and disposal of PII. These policies and procedures must be made available, in writing, to the Secretary of Health and Human Services (HHS) upon request. This information will be used to verify that an Exchange has standards in place to protect PII and that the Exchange is in compliance with all applicable privacy and security requirements. The burden associated with this requirement is the time and effort necessary for the Exchange to develop and transmit the information, in writing, to the Secretary of HHS. We estimate there will be states that plan to operate State Exchanges subject to these operating requirements. We estimate that it will take 95 hours for each of the 2 new SBEs to meet this requirement for a total estimate of 190 hours.

Table 5 – Burden and Cost Estimates Associated with Privacy and Security Standards

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (2 respondents)</b>
Management Analyst 13-1111	1	\$100.64	40	\$4,025.60	\$8,051.20
Senior Manager 11-3021	1	\$166.98	15	\$2,504.70	\$1,009.40
Information Security Analyst 15-1212	2	\$115.26	40	\$9,220.80	\$18,441.60
Total	—	—	95	\$15,751.10	\$31,502.20

## **12.5 Exchange Functions in the Individual Market: Eligibility Determinations for Exchange Participation and Insurance Affordability (§155.302 through §155.355)**

### **12.5.1 Options for Conducting Eligibility Determinations (§155.302(a))**

Section 155.302 of the regulation provides options for conducting eligibility determinations. Section 155.302(a) provides that the Exchange may satisfy the requirements of this subpart directly or through contracting arrangements or through a combination of the approach described in paragraph (a)(1) and one or both of the options, described in paragraphs (b) and (c), subject to the standards described in paragraph (d) of this section. The burden associated with this provision is the time and effort necessary for the Exchange to establish or modify an agreement for eligibility determinations and coordination of eligibility functions. We do not have an estimate as to the number of states in which such an agreement will be executed; however, if one of the options, or combinations of options, described in paragraphs (b) and (c) is implemented, we estimate it will take a state an average of 105 hours to create a new agreement and a total of 210 hours for 2 new SBEs. This includes a mid-level management analyst drafting the agreement with managerial oversight and comprehensive review of the agreement.

*Table 6 – Burden and Cost Estimates Associated with Options for Conducting Eligibility Determinations*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (2 respondents)</b>
Management Analyst 13-1111	1	\$100.64	35	\$3,522.40	\$7,044.80
Lawyer 23-1011	1	\$157.48	30	\$4,724.40	\$9,448.80
Operations Analyst 13-1111	1	\$100.64	35	\$3,522.40	\$7,044.80
Senior Manager 11-3021	1	\$166.98	5	\$834.90	\$1,669.80
Total	—	—	105	\$12,604.10	\$25,208.20

We estimate that no more than three SBEs each year would make such a change. We estimate that changing the agreement would be require no more than half the time of establishing a new agreement.

*Table 7 – Burden and Cost Estimates Associated with Options for Conducting Eligibility Determinations*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (3 respondents)</b>
Management Analyst 13-1111	1	\$100.64	17.5	\$1,761.20	\$5,283.60
Lawyer 23-1011	1	\$157.48	15	\$2,362.20	\$7,086.60

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (3 respondents)</b>
Operations Analyst 13-1111	1	\$100.64	17.5	\$1,761.20	\$5,283.60
Senior Manager 11-3021	1	\$166.98	2.5	\$417.45	1,252.35
Total	—	—	52.5	\$6,302.05	\$18,906.15

### 12.5.2 Section 155.310(d)(3)

Section 155.310(d)(3) provides that, to the extent that the Exchange determines an applicant eligible for Medicaid or Children’s Health Insurance Program (CHIP), the Exchange must notify the State Medicaid or CHIP agency and successfully transfer all information from the records of the Exchange to the Medicaid agency to provide the applicant with coverage promptly and without undue delay. This applicant information will be transmitted electronically (via secure electronic interface) from the Exchange to the agency administering Medicaid or CHIP upon receiving an indication that the Exchange has determined an applicant eligible for such program. The purpose of this data transmission is to notify the agency administering Medicaid or CHIP that an individual is newly eligible and so the agency should facilitate enrollment in a plan or delivery system. We estimate the burden on the Exchange to execute data sharing agreements with State Medicaid and CHIP agencies to comply with this provision in §155.345.

### 12.5.3 Section 155.310(g)

Section 155.310(g) provides that the Exchange notifies individuals of their eligibility determination after it has been made, so that they may select a plan, appeal an eligibility determination, or follow up with Medicaid, CHIP, or the Basic Health Plan (BHP), as applicable. The Exchange consolidates all of a household’s eligibility determinations into a single notice when multiple members of a household are applying together and receive an eligibility determination at the same time. The notice can be made available in paper or electronic format but must be in writing and sent after the Exchange has made an eligibility determination. We anticipate that half of enrollees will request electronic notification while the other half will receive the notice by mail. As a result, we estimated the associated mailing costs for the time and effort needed to mail notices in bulk to enrollees as appropriate. We expect that the electronic eligibility determination notice will be dynamic and include information tailored to all possible outcomes of an application throughout the eligibility determination process. To develop the paper and electronic notices, Exchange staff refer to eligibility rules and draft notice text for various decision points, follow up, referrals, and appeals procedures. A peer analyst, manager, and/or legal counsel would review and approve final language for the notice. The Exchange would then review and edit the notice to incorporate changes from the consultation and user testing including review to ensure compliance with plain

language, translation, and readability standards. The Exchange may also consult with the State Medicaid or CHIP agency to develop a coordinated, single notice. Finally, for the electronic notice, a developer would program the template notice into the eligibility system so that the notice may be populated and generated as the applicant moves through the eligibility process.

We estimate 20 Exchanges will be required to generate the various eligibility notices for applicants. We estimate that this notice development as outlined in the paragraph above, including the systems' programming, would take each Exchange an estimated 196 hours to complete in the first year. We estimate the total estimated hour burden is 3,920 hours, however the number of hours to complete this activity will significantly reduce for operating Exchanges over time.

*Table 8 – Burden and Cost Estimates Associated with Development of Eligibility Notices for Applicants*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Management Analyst 13-1111	2	\$100.64	69	\$13,888.32	\$277,766.40
Lawyer 23-1011	1	\$157.48	20	\$3,149.60	\$62,992.00
Senior Manager 11-3021	1	\$166.98	4	\$667.92	\$13,358.40
Computer User Support Specialist 15-1232	1	59.22	2	\$118.44	\$2,368.80
Computer Programmer 15-1251	1	\$98.84	32	\$3,162.88	\$63,257.60
Total	—	—	196	\$20,987.16	\$419,743.20

#### **12.5.4 Section 155.310(h)**

Paragraph (h) specifies that the Exchange will notify an enrollee's employer that an employee has been determined eligible for advance payments of the premium tax credits and/or cost-sharing reductions (CSRs). Upon making such an eligibility determination, the Exchange will send a notice to the employer with information identifying the employee who was determined eligible for advance payments of the premium tax credit and CSRs that the employer may be liable for the payment under section 4980H of the Code, and that the employer has a right to appeal this determination. The notice must be available in paper or electronic format. We expect the



information on the employer notice to be minimal in comparison to the eligibility notice and, therefore, the burden on the Exchange to develop the notice to be substantially less.

To develop this employer notice, Exchange staff time would include learning the eligibility process and drafting notice text. A peer analyst, manager, and/or legal counsel would review the notice. The Exchange would then review and edit the notice to incorporate changes from the review and user testing, including review to ensure compliance with plain language, translation, and readability standards. Finally, a developer would program the final notice into the eligibility system so that it can be populated and generated as the applicant moves through the eligibility process.

We estimate 20 Exchanges will be required to generate a notice to send to employers. We estimate that this notice development as outlined in the paragraph above would take each Exchange 168 hours in the first year and the total estimated hour burden across all Exchanges in the first year to be 3,360 hours. We expect that the burden on the Exchange to maintain this notice will be significantly lower than to develop it.

*Table 9 – Burden and Cost Estimates Associated with Maintaining Eligibility Notices for Applicants*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Management Analyst 13-1111	2	\$100.64	69	\$13,888.32	\$277,766.40
Lawyer 23-1011	1	\$157.48	10	\$1,574.80	\$31,496.00
Senior Manager 11-3021	1	\$166.98	2	\$333.96	\$6,679.20
Computer User Support Specialist 15-1232	1	\$59.22	2	\$118.44	\$2,368.80
Computer Programmer 15-1251	1	\$98.84	16	\$1,581.44	\$31,628.80
Total	—	—	99	\$17,496.96	\$349,939.20

### 12.5.5 Sections 155.315 and 155.320

The provisions in §155.315 and §155.320 set standards for verification of applicant information for determining eligibility for enrollment in a QHP and IAPs. Exchanges will set up data-sharing agreements with CMS to verify applicant information with federal agencies that maintain authoritative data. The attestations collected throughout the verification process in §155.315 and

§155.320 are outlined in a separate Application PRA Package (CMS-10440, OMB Control Number: 0938-1191)

The primary burden associated with the verification process includes the written agreements necessary for data sharing between the Exchange and CMS for Exchanges to access the data maintained in federal data sources, as well as with other state agencies to access data maintained by such entities. We estimate the time and effort necessary for the Exchange to create new agreements with CMS and other state agencies or entities for the collection of this information. We expect that two SBEs will be subject to this requirement. We estimate it will take a state an average of 105 hours to create new agreements. This includes a mid-level management analyst drafting the agreement with managerial oversight and comprehensive review of the agreement as well as operations work completed by an operations analyst. For 2 new SBEs, we estimate a total hour burden of 210 hours.

*Table 10 – Burden and Cost Estimates Associated with Verification Agreements*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (2 respondents)</b>
Management Analyst 13-1111	1	\$100.64	35	\$3,522.40	\$7,044.80
Operations Analyst 13-1111	1	\$100.64	35	\$3,522.40	\$7,044.80
Lawyer 23-1011	1	\$157.48	30	\$4,724.40	\$9,448.80
Senior Manager 11-3021	1	\$166.98	5	\$834.90	\$1,669.80
Total	—	—	105	\$12,604.10	\$25,208.20

### 12.5.6 Section 155.315(f)

Section 155.315(f) outlines the process for resolving inconsistencies identified through the verification process. The Exchange will provide notice to an applicant and request that the applicant provide documentation to support their attestation regarding the eligibility determination. Upon receipt of acceptable supporting information from the applicant, the Exchange updates the applicant's account and predetermines their eligibility. The electronic eligibility system will be able to process most applications automatically and only the more complex cases will be handled through the paper-driven process to resolve inconsistencies. For these complicated cases, the manual adjudication of the documentation an applicant submitted to the Exchange will be necessary. While there is minimal consumer burden associated with submitting documentation, it is

difficult to provide estimates for the number of applicants for whom the adjudication of documentation will be necessary, but we anticipate that this number will decrease as applicants become more familiar with the eligibility process and as more data become available electronically.

#### **12.5.7 Sections 155.330(b) and (c)**

Sections 155.330(b) and (c) indicate that an Exchange must require an individual to report certain changes that affect their eligibility for enrollment in a QHP and IAPs within 30 days. Upon receipt of changes reported by the enrollee, the Exchange must re-verify the information in accordance with the rules described in §155.315 and §155.320.

The enrollee reports a large volume of changes reported electronically, but an enrollee would also be permitted to submit changes through phone, mail, or in person. The burden for this collection includes the time necessary for an eligibility worker to process any changes submitted by an enrollee during the benefit year if manual review is needed. It is difficult to provide estimates for the number of applicants for whom the adjudication of documentation will be necessary, but we anticipate that this number will decrease as applicants become more familiar with the eligibility process and as more data become available.

#### **12.5.8 Section 155.330(d)**

Section 155.330(d) provides that an Exchange must periodically examine certain data sources for changes impacting an enrollee's eligibility. Exchanges may make additional efforts to identify and act on changes that may affect an enrollee's eligibility for QHPs or IAPs, if those efforts would reduce administrative costs and burdens on individuals while maintaining accuracy and minimizing delay. These efforts may require new data sharing agreements or amendments to existing data sharing agreements. The estimate of the burden associated with establishing or amending such agreements is described in §155.315 and §155.320.

#### **12.5.9 Sections 155.335 and 155.410(d)**

Section 155.335 outlines the annual redetermination process and provides that an Exchange must conduct annual eligibility redeterminations for IAPs for enrollees, unless the enrollee has not requested to be evaluated for eligibility in an IAP or if the Exchange does not have an active authorization to obtain tax data as part of this process. The Exchange must allow a qualified individual, or an application filer, on behalf of the qualified individual, to report changes via the channels available for the submission of an application, and conduct redeterminations on the basis of this information, if provided, or other information that the Exchange has relating to the individual's eligibility. The Exchange must provide a redetermination notice to the individual with the qualified individual's projected eligibility determination for the following year, after considering any updated information described in [paragraph \(b\)](#) of this section, including, if applicable, the amount of any advance payments of the premium tax credit and the level of any CSRs or eligibility for Medicaid, CHIP or BHP, as well as the individual's right to correct any information or appeal the redetermination. The burden associated with this requirement is the time and effort necessary for Exchanges to develop and automate the annual redetermination notice and perform the record keeping related to redetermining eligibility. In accordance with 155.335(d), the

annual redetermination notice is sent along with the notice of annual open enrollment as specified in 155.410(d), in a single, coordinated notice. We anticipate that half of enrollees will request electronic notification while the other half will receive the notice by mail. Thus, we have estimated the associated mailing costs for the time and effort needed to mail notices in bulk to enrollees as appropriate.

Similar to the eligibility notice described in 155.310(g), the annual redetermination notice contains dynamic text and include information specific to each applicant.

Exchange staff time would include learning the eligibility process and drafting notice text to include relevant information, as well as follow up and appeals procedure. A peer analyst, manager, and/or legal counsel would review the notice. The Exchange then reviews and edits the notice to incorporate changes from the review and user testing, including a review to ensure compliance with plain language, translation, and readability standards. The Exchange also coordinates the text of the notice with other IAPs. Finally, a developer would program the notice template into the eligibility system so it can be incorporated into the streamlined eligibility process. The programming of the notice into the eligibility system would allow for updated tax information to be pre-populated into the notice of annual redetermination.

We estimate 20 Exchanges will be required to generate the annual redetermination notice for applicants. We estimate that this notice development as outlined in the paragraph above would take each Exchange an estimated 334 hours. We estimate the total estimated hour burden in the first year is 6,680 for all Exchanges. We expect that this cost will decrease significantly after the first year of development as the costs incurred will be for maintenance.

*Table 11 – Burden and Cost Estimates Associated with Generating Annual Redetermination Notices*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Management Analyst 13-1111	2	\$100.64	138	\$27,776.64	\$555,532.80
Lawyer 23-1011	1	\$157.48	20	\$3,149.60	\$62,992.00
Senior Manager 11-3021	1	\$166.98	4	\$667.92	\$13,358.40
Computer User Support Specialist 15-1232	1	\$59.22	2	\$118.44	\$2,368.80

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Computer Programmer 15-1251	1	\$98.84	32	\$3,162.88	\$63,257.60
Total	—	—	334	\$34,875.48	\$697,509.60

#### **12.5.10Section 155.335(e)**

Section§155.335(e) requires that an Exchange must require an individual to report changes on the notice of annual redetermination within 30 days. The Exchange has observed many enrollees report changes at annual redetermination electronically (by updating their initial application for coverage). Some enrollees send in a paper annual redetermination notice or require manual review of documentation. It is difficult to provide estimates for the number of applicants for whom the manual adjudication of documentation will be necessary, but we anticipate that this number will decrease as applicants become more familiar with the eligibility process and as more data become available.

#### **12.5.11Section 155.340**

Section 155.340 provides that if an Exchange determines that a tax filer is eligible for advance payments of the premium tax credit and/or CSRs, the Exchange must notify CMS and the relevant QHP issuer. This notification is made via secure, electronic transmission that the system sends automatically.

Paragraph (a) provides that an Exchange must transmit eligibility and enrollment information necessary to enable CMS to begin, end, or change an individual's advance payments of the premium tax credit or CSRs. This applicant information is transmitted from the Exchange to CMS and includes information such as the individual's name, the dollar amount of the individual's advance payment, and the individual's CSRs eligibility, among other information. This information is transmitted when an individual's advance payment of the premium tax credit or CSRs begins, ends, or changes. The system sends this electronic data transmission automatically. The burden estimate for this information collection is addressed in the discussion of enrollment transactions in §155.400(b).

#### **12.5.12Section 155.345(a)**

Section 155.345(a) provides that an Exchange must enter into written agreements with agencies administering other IAPs. These provisions are necessary to minimize burden on individuals, ensure prompt determinations of eligibility and enrollment in the appropriate program without undue delay, and to provide standards for transferring an application from an IAP to the Exchange.

Agencies must also develop agreements to share data between IAPs. The specific number of agreements needed may vary depending on how states choose to divide responsibilities regarding eligibility determinations.

The burden associated with this provision is the time and effort necessary for the Exchange to establish or modify an agreement for eligibility determinations and coordination of eligibility and enrollment functions. We expect that two SBEs will be subject to this requirement and that one agreement would include standards for all IAPs. If a state chooses to draft separate agreements for each IAP or a subset of IAPs, then the estimate would likely increase. We estimate it will take a state an average of 105 hours to create new agreements. This includes a mid-level management analyst and an operations analyst developing the agreement with managerial oversight and comprehensive review of the agreement by an operations analyst. For 2 SBEs, we expect a total hour burden in the first year of 210 hours.

*Table 12 – Burden and Cost Estimates Associated with Developing Agreements to Share Data Between IAPs*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (2 respondents)</b>
Management Analyst 13-1111	1	\$100.64	35	\$3,522.40	\$7,044.80
Operations Analyst 13-1111	1	\$100.64	35	\$3,522.40	\$7,044.80
Lawyer 23-1011	1	\$157.48	30	\$4,724.40	\$9,448.80
Senior Manager 11-3021	1	\$166.98	5	\$834.90	\$1,669.80
Total	—	—	105	\$12,604.10	\$25,208.20

### **12.5.13Section 155.345(d)(1)**

Section 155.345(d)(1) provides that, when the Exchange assess that an applicant is potentially eligible for Medicaid or if an applicant requests a full determination for Medicaid, the Exchange must transmit all information provided on the application and any information obtained or verified by the Exchange to the State Medicaid agency. Section 155.345(d)(2) also provides that the Exchange must notify the applicant of that transmission. This notification may also be part of the eligibility notice described in 155.310(g) and the burden associated with this ICR is referenced in that section.

The burden associated with this ICR for information disclosure is the time and effort necessary to transmit the application data from the Exchange to the appropriate IAP. This data transmission is

via secure, electronic transmission automatically sent by the system. No personnel are needed to enact this transmission and therefore we do not estimate any burden associated with the data transmitted as specified by this provision. The Exchange will enter into agreements to fulfill this provision as specified in §155.345(a).

## **12.6 Exchange Functions in the Individual Market: Enrollment in Qualified Health Plans (45 CFR §155.400 through §155.430)**

This section describes the requirements for regarding enrollment and termination of qualified individuals in a QHP.

### **12.6.1 Section 155.400(a)**

Section 155.400(a) requires Exchanges to notify QHP issuers of an applicant's selected QHP and transmit any information necessary to enroll the applicant. Section 155.400(b) requires Exchanges to send eligibility and enrollment information to QHP issuers and to CMS promptly, without undue delay. Additionally, Exchanges are required to establish a process by which a QHP issuer acknowledges receipt of the eligibility and enrollment information. We expect that all plan selection, eligibility, and enrollment information will be maintained electronically by Exchanges, QHP issuers and CMS alike. We expect the transmission of such data to be fully automated. Therefore, we estimate that it will take an Exchange less than one minute to transmit plan selection and necessary enrollment information concurrently to QHP issuers and CMS. As a result, we expect that most of the burden will initially reflect programming of the enrollment feeds to QHP issuers and CMS.

We estimate that two SBEs would be subject to these reporting requirements. This estimate is an upper bound of burden. We estimate that it will take 142 hours for an Exchange to meet these reporting requirements for a total of 284 hours.

*Table 13 – Burden and Cost Estimates Associated with Reporting Requirements to QHP Issuers and CMS*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (2 respondents)</b>
Management Analyst 13-1111	1	\$100.64	10	\$1,006.40	\$2,012.80
Computer Programmer 15-1251	1	\$98.84	100	\$9,884.00	\$19,768.00
Operations Analyst 13-1111	1	\$100.64	32	\$3,220.48	\$6,440.96

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (2 respondents)</b>
Total	—	—	142	\$14,110.88	\$28,221.76

### 12.6.2 Section 155.400(c)

Section 155.400(c) states that Exchanges must maintain records of all enrollments in QHPs through the Exchange. The information will be used to make sure that the Exchange has up-to-date information on the individuals covered through the Exchange. It is expected that the information will be maintained in an electronic data system. We expect that most of the burden will reflect programming to retain enrollment information on the Exchange's electronic data system. We estimate that the 20 SBEs would be subject to these reporting requirements. This estimate is an upper bound of burden. We estimate that it will take 142 hours for an Exchange to meet these record requirements for a total of 2,840 hours.

Table 14 – Burden and Cost Estimates Associated with QHP Enrollment Records Maintenance

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Management Analyst 13-1111	1	\$100.64	10	\$1,006.40	\$20,128.00
Computer Programmer 15-1251	1	\$98.84	100	\$9,884.00	\$197,680.00
Operations Analyst 13-1111	1	\$100.64	32	\$3,220.48	\$64,409.60
Total	—	—	142	\$14,110.88	\$282,217.60

### 12.6.3 Section 155.400(d)

Section 155.400(d) states that Exchanges must reconcile enrollment information with QHP issuers



and CMS no less monthly. The purpose of reconciling enrollment information between the Exchange and the QHP issuers and CMS is to ensure that both entities have accurate records of the number of enrollees and persons enrolled in each QHP. It is expected that the information will be maintained in an electronic data system. We estimate that it will take 27 hours per month for an Exchange to reconcile information, for a total of 6,480 hours across 20 Exchanges. We estimate that it will take 324 hours for each Exchange to reconcile information over the course of a year if information is reconciled monthly. This estimate is similar to estimates provided by Medicare Part D in their rule on data submissions. For example, Medicare Part D estimated that it would take plan sponsors approximately 10 hours annually for plan sponsors to submit data on aggregated negotiated drug pricing from pharmaceutical companies described in §423.104. We provided a higher estimate for the submission of data due to the complexity of enrollment data.

*Table 15 – Burden and Cost Estimates Associated with Reconciling Enrollment Information*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Management Analyst 13-1111	2	\$100.64	72	\$14,492.16	\$289,843.20
Computer Programmer 15-1251	2	\$98.84	60	\$11,860.80	\$237,216.00
Operations Analyst 13-1111	1	\$100.64	60	\$6,038.40	\$120,768.00
Total	—	—	324	\$32,391.36	\$647,827.20

#### **12.6.4 Section 155.405(b)**

Section 155.405(b) states that Exchanges have the option of using an alternative application that includes information to determine the eligibility of an applicant and process plan selection for enrollment in a QHP and IAPs. If the Exchange opts to use an alternative application, the Exchange must submit the alternative application to CMS for approval. The burden estimate associated with this requirement includes the time and effort needed to develop the alternative application and submit the application for approval by CMS. We believe that most Exchanges, in the interest of avoiding duplication of existing work, will choose to use the model single, streamlined application developed by CMS. We assume that the number of Exchanges choosing to develop an alternate application will be less than 10 in a 12-month period. We will review each alternative application that is submitted to CMS and, if the number of Exchanges opting to use an alternative application approaches ten, then we will seek Office of Management and Budget (OMB) approval.

## 12.6.5 Section 155.410

As discussed in §155.410, the Exchange must provide written notice to each enrollee about annual open enrollment to each enrollee no earlier than the first day of the month before the open enrollment period begins and no later than the first day of the open enrollment period. The notice will include the date of annual open enrollment and information regarding where individuals may obtain information about available QHPs. The Exchange will send the notice of annual open enrollment via mail or electronically, depending on the enrollee's indicated preference. The burden estimate associated with this requirement includes the time and effort needed to develop the notice template and distribute the notice through an automated process when appropriate via the enrollee's preferred method. We anticipate that half of enrollees will request electronic notification while the other half will receive the notice by mail. As a result, we estimated the associated mailing costs for the time and effort needed to mail notices in bulk to enrollees as appropriate. We estimate that 20 SBEs plan to or do operate an Exchange will be subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 42 hours annually for the time and effort to develop and transmit the notice when appropriate for a total of 840 hours.

*Table 16 – Burden and Cost Estimates Associated with Annual Open Enrollment And Information Notices*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Management Analyst 13-1111	1	\$106.64	4	\$402.56	\$8,051.20
Senior Manager 11-3021	1	\$166.95	1	\$166.98	\$3,339.60
Operations Analyst 13-1111	1	\$100.64	3	\$301.92	\$6,038.40
Computer Programmer 15-1251	1	\$98.84	32	\$3,162.88	\$63,257.60
Computer User Support Specialist 15-1232	1	\$59.22	2	\$118.44	\$2,368.80
Total	—	—	42	\$4,176.75	\$83,535.00

## 12.6.6 Section 155.430(c)

Section 155.430(c) requires Exchanges to retain and track coverage termination information, including information to identify the individual's terminating coverage, the date of coverage termination, and the reason for termination. The Exchange must collect and retain the coverage termination information and submit the coverage termination information to the QHP issuer and CMS. The information will help provide CMS an accurate record of enrollment in the Exchange, so that CMS can inform the Internal Revenue Service (IRS) when to cease advance payments of premium tax credits. We expect that all termination information will be maintained electronically by Exchanges. We also expect the transmission of data to be automated. We estimate that it will take Exchanges less than one minute to transmit the termination information to CMS. We anticipate a similar initial burden on Exchanges for establishing a system for automated tracking, maintenance and transmittal of termination information. The burden estimates associated with the maintenance and transmission of coverage termination information includes the time and effort needed to develop the system to collect and store the information. Additionally, the burden estimates include the time and effort needed to develop an automated process to submit termination information when appropriate. We estimate that 20 SBEs plan to or do Exchange operations will be subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 70 hours annually for the time and effort to meet this requirement for a total of 1,400 hours.

*Table 17 – Burden and Cost Estimates Associated with Maintenance And Transmission Of Coverage Termination Information*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Management Analyst 13-1111	1	\$100.64	30	\$3,019.20	\$60,384.00
Computer Programmer 15-1251	1	\$98.84	20	\$1,976.80	\$39,536.00
Operations Analyst 13-1111	1	\$100.64	20	\$2,012.80	\$40,256.00
Total	—	—	70	\$7,008.80	\$140,176.00

Section 155.430(c) requires Exchanges to establish procedures for QHP issuers to maintain records of termination of coverage and requires Exchanges to send termination information to the QHP issuer and CMS in accordance with §155.400(b). We expect that Exchanges and QHP issuers will manage termination records and related procedures the same way they do the enrollment records described in §155.400. We therefore do not estimate any additional burden for Exchanges to meet the requirements in §155.430.

## 12.7 Exchange Functions: Small Business Health Options Program (SHOP) (§155.700 through §155.741)

In subpart H of part 155, we describe information collection and reporting requirements that pertain to SHOP.

### 12.7.1 Section 155.720

Section 155.720 states that use SHOP must maintain records of all employer and employee enrollments in QHPs through SHOP for at least 10 years. This information will be used to facilitate SHOP's reconciliation functions. Section 155.720(g) states that the SHOP must reconcile enrollment and employer participation information with QHP issuers no less than monthly. The purpose of reconciling enrollment information between the SHOP and QHP issuers is to ensure that both entities have accurate records of the participating employers, number of enrollees, and persons enrolled in each QHP. It is expected that the information will be maintained in an electronic data system. The burden estimates associated with these requirements include the time and effort needed to develop processes for the collection and retention of record information and reconcile the enrollment information with CMS. We estimate that one SBE would be subject to these reporting requirements. This estimate is an upper bound of burden. We estimate that it will take 142 hours for an Exchange to meet the record maintenance requirement.

*Table 18 – Burden and Cost Estimates Associated with Reconciling Enrollment Information Between SHIP and QHP*

Labor Category	Staff Count	Adjusted Hourly Wage (\$/hr)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (1 respondent)
Management Analyst 13-1111	1	\$100.64	10	\$1,006.40	\$1,006.40
Computer Programmer 15-1251	1	\$98.84	100	\$9,884.00	\$9,884.00
Operations Analyst 13-1111	1	\$100.64	32	\$3,220.48	\$3,220.48
Total	–	–	142	\$14,110.88	\$14,110.88

We further estimate that it will take 264 hours annually for 20 SBEs that plan or do operate an Exchange to meet the reconciliation requirements for a total of 5,280 hours across all Exchanges.

*Table 19 – Burden and Cost Estimates Associated with Reconciling Enrollment Information Between SHOP and QHP*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Management Analyst 13-1111	1	\$100.64	84	\$8,453.76	\$169,075.20
Computer Programmer 15-1251	1	\$98.84	120	\$11,860.80	\$237,216.00
Operations Analyst 13-1111	1	\$100.64	60	\$6,038.40	\$120,768.00
Total	—	—	264	\$26,352.96	\$527,059.20

#### **12.7.2 Section 155.715(e)**

Section 155.715(e) requires SHOP to provide an employer requesting eligibility to purchase coverage with a notice of approval or denial of eligibility and the employer’s right to appeal the eligibility determination. The burden estimates associated with the notice requirement include the time and effort needed to develop the notice and make the notice an automated process to send when appropriate. We anticipate that nearly all employers will request electronic notification. As a result, we did not estimate the associated mailing costs. We estimate that 20 SBEs that plan to or do operate an Exchange will be subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 40 hours annually for the time and effort to develop the two notices and transmit each notice when appropriate for a total of 800 hours.

*Table 20 – Burden and Cost Estimates Associated with Employer Coverage Eligibility Notice Development and Automation*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Management Analyst 13-1111	1	\$100.64	4	\$402.56	\$8,051.20
Senior Manager 11-3021	1	\$166.98	1	\$166.98	\$3,339.60
Operations Analyst 13-1111	1	\$100.64	3	\$301.92	\$6,038.40
Computer Programmer 15-1251	1	\$98.84	32	\$3,162.88	\$63,257.60
Total	—	—	40	\$4,034.34	\$80,686.80

### **12.7.3 Section 155.715(f)**

Section 155.715(f) provides the same notice of approval or denial of eligibility for employees seeking to enroll in a QHP offered through SHOP. The burden estimates associated with the notice requirement include the time and effort needed to develop the notice and make the notice an automated process to send when appropriate. We anticipate that half of enrollees will request electronic notification while the other half will receive the notice by mail. As a result, we estimated the associated mailing costs for the time and effort needed to mail notices in bulk to enrollees as appropriate. As a result, we have not estimated associated mailing costs. We estimate that 20 SBEs that plan to or do operate an Exchange will be subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 42 hours annually for the time and effort to develop the two notices and transmit each notice when

appropriate for a total of 840 hours.

*Table 21 – Burden and Cost Estimates Associated with Employee Coverage Eligibility Notice Development and Automation*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Management Analyst 13-1111	1	\$100.64	4	\$402.56	\$8,051.20
Senior Manager 11-3021	1	\$166.98	1	\$166.98	\$3,339.60
Operations Analyst 13-1111	1	\$100.64	3	\$301.92	\$6,038.40
Computer Programmer 15-1251	1	\$98.84	32	\$3,162.88	\$63,257.60
Computer User Support Specialist 15-1232	1	\$59.22	2	\$118.44	\$2,368.80
Total	—	—	42	\$4,152.78	\$83,055.60

#### **12.7.4 Section 155.716**

Section 155.716 discusses several notices related to the eligibility process that SHOP must provide to employers and employees. If the SHOP finds any inconsistencies in the application submitted by the employer, the SHOP, in accordance with section 155.716(d)(2), must notify the employer of the inconsistency and give the employer 30 days to submit documentary evidence to support the application. If, after the 30-day period the SHOP does not receive satisfactory documentary evidence, the SHOP must notify the employer of its denial of eligibility and the employer's right to appeal such determination. The burden estimates related to the two notices include the time and effort needed to develop each of the notices and make it an automated process to send when appropriate. We anticipate that nearly all employers will request electronic notification. We estimate that 20 SBEs will be subject to these reporting requirements. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 80 hours annually for the time and effort to develop the two notices and transmit each notice when appropriate for a total of 1,600 hours.

Table 22 – Burden and Cost Estimates Associated with SHOP Notifications to Employers and Employees

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Management Analyst 13-1111	1	\$100.64	8	\$805.12	\$16,102.40
Senior Manager 11-3021	1	\$166.98	2	\$333.96	\$6,679.20
Operations Analyst 13-1111	1	\$100.64	6	\$603.84	\$12,076.80
Computer Programmer 15-1251	1	\$98.84	64	\$6,325.76	\$126,515.20
Total	—	—	80	\$8,068.68	\$161,373.60

### 12.7.5 Section 155.731

Section 155.731 states that the SHOP may use an alternative employer application, if such application is approved by CMS and collects the information required in §155.731(b) by including identifying information about the employer. The SHOP must submit alternative employer applications to CMS. The burden estimate associated with this requirement includes the time and effort needed to develop the alternative applications and submit the applications for approval by CMS. We believe that most Exchanges, in the interest of not duplicating existing work, will choose to use the model employer application developed by CMS. We presume that the number of Exchanges choosing to develop an alternate employer application will be less than 10 in 12. If the number of Exchanges opting to use an alternative application approach reaches 10, then we will seek OMB approval.

## 12.8 Exchange Functions: Certification of Qualified Health Plans (§155.1000 through §155.1090)

In subpart K of Part 155, we describe a number of data collection and reporting requirements for Exchanges related to the certification of QHPs.

### 12.8.1 Section 155.1050 and 155.1075

Section 155.1050 requires that an Exchange ensures the provider network of each QHP meets network adequacy standards. Section 155.1075 requires that an Exchange notify a QHP seeking recertification by the Exchange, of the Exchange's determination. We assume that the Exchange will notify QHP issuers by using a standardized notice that provides information about the



applicable network adequacy standards. We assume that the Exchange will notify QHP issuers by using a standardized notice that provides information about the recertification process. The burden estimate associated with these requirements includes the time and effort needed to develop the notice and distribute the notice to QHP issuers. We expect that these notices will be distributed electronically to all QHP issuers. We estimate that 20 States will distribute notices annually. This estimate is an upper bound of burden. As such, we estimate that it will take approximately 40 hours annually for each Exchange to develop and transmit the notices when appropriate, and a total of 800 hours across all Exchanges.

*Table 23 – Burden and Cost Estimates Associated with Exchange Certification Notifications to QHPs*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Operations Analyst 13-1111	1	\$100.64	4	\$402.56	\$8,051.20
Senior Manager 11-3021	1	\$166.98	1	\$166.98	\$3,339.60
Management Analyst 13-1111	1	\$100.64	3	\$301.92	\$6,038.40
Computer Programmer 15-1251	1	\$98.84	32	\$3,162.88	\$63,257.60
Total	—	—	40	\$4,034.34	\$80,686.80

### 12.8.2 Section 155.1080(e)

Section 155.1080(e) requires that an Exchange must provide notification of decertification to all affected parties, including the QHP issuer, the enrollees in the QHP who enrolled through the Exchange, CMS, and the state department of insurance. The decertification notice needs to be provided to CMS so that the IRS can cease payment of tax credits and CSRs, as appropriate. The notice will advise affected enrollees to enroll in other available QHPs during a special enrollment period (SEP) and provide information about how enrollees may select a new QHP. The burden estimate for notifying all affected parties of the decertification of a QHP includes the time and effort needed to develop the decertification notice and transmit the notice to the affected parties. We expect that the decertification notice will be distributed electronically to CMS and the state department of insurance. We anticipate that half of enrollees will prefer to receive electronic notification while the other half of enrollees will receive the notice by mail. As such, the burden includes the time and effort needed to mail notices, in bulk, to enrollees electing to receive notice by mail. For the purposes of this estimate, we assume that Exchanges in 20 states will issue a

decertification notice annually. This is an upper bound of burden. Accordingly, we estimate that it will take 42.5 hours for each Exchange to meet this requirement for a total estimate of 850 hours.

*Table 24 – Burden and Cost Estimates Associated with Exchange Decertification Notifications*

<b>Labor Category</b>	<b>Staff Count</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Operations Analyst 13-1111	1	\$100.64	6	\$603.84	\$12,076.80
Senior Manager 11-3021	1	\$166.98	2.5	\$417.45	\$8,349.00
Computer Programmer 15-1251	1	\$98.84	32	\$3,162.88	\$63,257.60
Computer User Support Specialist 15-1232	1	\$59.22	2	\$118.44	\$2,368.80
Total	—	—	42.5	\$4,302.61	\$86,052.20

### **12.8.3 Quality Reporting Standards for Exchanges (§155.1400 through §155.1405)**

In accordance with Section 1311(c)(3) and (c)(4) of the Patient Protection and Affordable Care Act and 45 C.F.R. §§ 155.1400 and 155.1405, all Exchanges must prominently display quality rating information for each QHP on their website and must prominently display results from the Enrollee Satisfaction Survey for each QHP on their website, in a form and manner specified by CMS.

The term “QHP quality rating information” includes the Quality Rating System (QRS) scores and ratings and the QHP Enrollee Satisfaction Survey results. Exchanges can satisfy the requirement to display the QHP Enrollee Survey results by displaying the QRS star ratings (which incorporate member experience data from the QHP Enrollee Survey).

The purpose of the QHP quality rating information is to provide additional comparative information for consumers while shopping and selecting plans. SBEs are generally required to display the federally calculated QRS global ratings and summary indicator ratings. SBEs cannot develop their own programs to replace the quality ratings calculated by CMS. However, SBEs have some flexibility to customize the display of quality rating information for their respective QHPs. For example, SBEs can make some state-specific customizations, such as to incorporate additional state or local quality information or to modify the display names of the QRS star ratings.

The QRS ratings reflect QHP performance by product type, which includes QHPs in both the

SHOP and individual market. SBEs must display ratings for all QHPs in the product type, including QHPs in the SHOP and individual market, as applicable. When displaying the federally calculated QRS ratings, SBEs must also prominently display disclaimer language on the SBE website regarding the QHP quality ratings information.

All SBEs display QHP quality rating information on the websites. CMS provides the QRS data and the disclaimer language for States to display on their websites annually. The estimate is the burden for SBEs to publish the data on their websites. As such, we estimate that it will take approximately 33 hours annually per Exchange for the time and effort to comply with this requirement for a total of 660 hours for 20 Exchanges.

*Table 25 – Burden and Cost Estimates Associated with QHP Quality Rating Information*

<b>Labor Category</b>	<b>Respondents</b>	<b>Adjusted Hourly Wage (\$/hr)</b>	<b>Burden Hours</b>	<b>Burden Costs (per respondent)</b>	<b>Total Burden Costs (20 respondents)</b>
Operations Analyst 13-1111	1	\$100.64	7	\$704.48	\$14,089.60
Computer Programmer 15-1251	1	\$98.84	5	\$494.20	\$9,884.00
Web Developer 15-1134	1	\$84.22	20	\$1,684.40	\$33,688.00
Senior Manager 11-3021	1	\$166.98	1	\$166.98	\$3,339.60
Total	—	—	33	\$3,050.06	\$61,001.20

Table 26 shows the burden and cost estimates associated with ICRs for the general functions of an exchange with an estimate of 13,710 total hours.

*Table 26 – Burden and Cost Estimates Associated with ICRs: General Functions*

<b>Regulation Section</b>	<b>Respondents</b>	<b>Responses</b>	<b>Burden per Response (hours)</b>	<b>Total Annual Burden (hours)</b>	<b>Hourly Labor Cost of Reporting (\$)</b>	<b>Total Labor Cost of Reporting (\$)</b>
155.205(b)	2	1	3,200	6,400	\$315,481.60	\$630,963.20
155.210	20	1	192	3,840	\$24,080.64	\$481,612.80
155.220(c)	20	1	164	3,280	\$18,020.08	\$360,401.60
155.260(d)	2	1	95	190	\$15,751.10	\$31,502.20

Table 27 shows the burden and cost estimates associated with ICRs for exchange functions in the individual market eligibility determinations for exchange participation and insurance affordability with an estimate of 14,748 total hours.

*Table 27 – Burden and Cost Estimates Associated with ICRs: Exchange Functions in the Individual Market Eligibility Determinations for Exchange Participation and Insurance Affordability*

<b>Regulation Section</b>	<b>Respondents</b>	<b>Responses</b>	<b>Burden per Response (hours)</b>	<b>Total Annual Burden (hours)</b>	<b>Hourly Labor Cost of Reporting (\$)</b>	<b>Total Labor Cost of Reporting (\$)</b>
155.302(a)	2	1	105	210	\$12,604.10	\$25,208.20
155.302(a)	3	1	52.5	157.5	\$6,302.05	\$18,906.15
155.310(g)	20	1	196	3,920	\$20,987.16	\$419,743.20
155.310(h)	20	1	168	3,360	\$17,496.96	\$349,939.20
155.315	2	1	105	210	\$12,604.10	\$25,208.20
155.335	20	1	334	6,680	\$34,875.48	\$697,509.60
155.345	2	1	105	210	\$12,604.10	\$25,208.20

Table 28 shows the burden and cost estimates associated with ICRs for exchange functions in the individual market enrollment in QHPs with an estimate of 11,844 total hours.

*Table 28 – Burden and Cost Estimates Associated with ICRs: Exchange Functions in the Individual Market Enrollment in QHPs*

<b>Regulation Section</b>	<b>Respondents</b>	<b>Responses</b>	<b>Burden per Response (hours)</b>	<b>Total Annual Burden (hours)</b>	<b>Hourly Labor Cost of Reporting (\$)</b>	<b>Total Labor Cost of Reporting (\$)</b>
155.302(a)	2	1	105	210	\$12,604.10	\$25,208.20
155.302(a)	3	1	52.5	157.5	\$6,302.05	\$18,906.15
155.310(g)	20	1	196	3,920	\$20,987.16	\$419,743.20
155.310(h)	20	1	168	3,360	\$17,496.96	\$349,939.20
155.315	2	1	105	210	\$12,604.10	\$25,208.20
155.335	20	1	334	6,680	\$34,875.48	\$697,509.60
155.345	2	1	105	210	\$12,604.10	\$25,208.20

Table 29 shows the burden and cost estimates associated with ICRs for SHOP with an estimate of 8,662 total hours.

*Table 29– Burden and Cost Estimates Associated with ICRs: SHOP*

<b>Regulation Section</b>	<b>Respondents</b>	<b>Responses</b>	<b>Burden per Response (hours)</b>	<b>Total Annual Burden (hours)</b>	<b>Hourly Labor Cost of Reporting (\$)</b>	<b>Total Labor Cost of Reporting (\$)</b>
155.720	1	1	142	142	\$14,110.88	\$14,110.88
–	20	1	264	5,280	\$26,352.96	\$527,059.20
155.715(e)	20	1	40	800	\$4,034.34	\$80,686.80
155.715(f)	20	1	42	840	\$4,034.34	\$80,686.80
155.716	20	1	80	1,600	\$8,068.68	\$161,373.60

Table 30 shows the burden and cost estimates associated with ICRs for certification of QHPs with an estimate of 1,650 total hours.

*Table 30 – Burden and Cost Estimates Associated with ICRs: Certification of QHPs*

<b>Regulation Section</b>	<b>Respondents</b>	<b>Responses</b>	<b>Burden per Response (hours)</b>	<b>Total Annual Burden (hours)</b>	<b>Hourly Labor Cost of Reporting (\$)</b>	<b>Total Labor Cost of Reporting (\$)</b>
155.1075	20	1	40	800	\$4,034.34	\$80,686.80
155.1080(e)	20	1	42.5	850	\$4,302.61	\$86,052.20

Table 31 shows the burden and cost estimates associated with ICRs for quality reporting standards for exchanges with an estimate of 660 total hours.

*Table 31– Burden and Cost Estimates Associated with ICRs: Quality Reporting Standards for Exchanges*

<b>Regulation Section</b>	<b>Respondents</b>	<b>Responses</b>	<b>Burden per Response (hours)</b>	<b>Total Annual Burden (hours)</b>	<b>Hourly Labor Cost of Reporting (\$)</b>	<b>Total Labor Cost of Reporting (\$)</b>
155.1075	20	1	40	800	\$4,034.34	\$80,686.80
155.1080(e)	20	1	42.5	850	\$4,302.61	\$86,052.20



Table 32 shows the total burden and cost estimates associated with ICRs.

*Table 32: – Burden and Cost Estimates Associated with ICRs: Totals*

<b>Regulation Section</b>	<b>Respondents</b>	<b>Responses</b>	<b>Burden per Response (hours)</b>	<b>Total Annual Burden (hours)</b>	<b>Hourly Labor Cost of Reporting (\$)</b>	<b>Total Labor Cost of Reporting (\$)</b>
Total	–	–	6,120	51,274	\$630,594.25	\$5,339,837.59

### 13 Capital Costs

There are no additional record keeping/capital costs.

### 14 Cost to Federal Government

CMS staff provide guidance and technical support to SBE staff developing written notices, collecting rate justifications, and displaying QRS data on their websites. CMS has made improvements that reduce burden on the states, as well as increase staff efficiencies. The total estimated time for CMS staff to perform these activities is 6,632 hours annually, with 6,060 hours performed by staff at an average grade and step of a GS-13, step 2 (hourly salary of \$55.46 in the Washington D.C. area) and 572 hours performed by staff at the GS-15, step 2 level (hourly salary is \$77.09 in Washington D.C. area), for a total cost of \$425,105.68.

The hourly salary data for federal employees in the Washington D.C. area were obtained from the Office of Personnel Management (OPM) website, at the following link:

[https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/23Tables/html/DCB\\_h.aspx](https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/23Tables/html/DCB_h.aspx).

*Table 33 Cost to Federal Government*

<b>Staff</b>	<b>Estimated Cost</b>
Certification of Exchanges	
15 GS-13: 15 x \$55.46 x 193.6 hours	\$ 161,055.84
Review of State/Exchange Data	
15 GS-13: 15 x \$55.46 x 264.4 hours	\$ 219,954.36
Managerial Review and Oversight	
2 GS-15: 2 x \$77.09 x 286 hours	\$ 44,095.48
Total Costs to the Federal Government	\$ 425,105.68

### 15 Explanation for Program Changes or Adjustments

OMB previously approved this information collection July 27, 2021, with a total of 55,026 burden hours. This revision does not change the burden estimates for activities.

## **16 Publication/Tabulation Dates**

The majority of information collected under these requirements will not be made public but used in the operations of the SBEs, and for CMS oversight purposes. SBEs will display justifications for each rate increase by a QHP prior to the implementation of the rate increase on its website.

## **17 Expiration Date**

The anticipated expiration date is July 31, 2027.