

Supporting Statement Part A
State-based Exchange Annual Reporting Tool
(SMART)
(CMS-10507/OMB control number: 0938-1244)

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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” (ACA), expanded 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. States can choose to establish and operate a State-based Exchange (SBE) or a State-based Exchange using the Federal Platform (SBE-FP).

An SBE is an entity that both facilitates the purchase of Qualified Health Plans (QHPs) by qualified individuals and provides for the establishment of a SHOP, consistent with ACA § 1311 (b) and 45 CFR § 155.100. The ACA and its implementing regulations provide states with flexibility in the design and operation of Exchanges for states to implement Exchanges that best meet their consumers’ needs. As such, states can choose to establish and operate a SBE or an SBE-FP. States electing to operate as an SBE-FP rely on the federal HealthCare.gov platform to carry out eligibility and enrollment functions, but operate other Exchange functions, including consumer assistance and outreach. For states that do not elect to operate either an SBE or SBE-FP, the Secretary of the U.S. Department of Health and Human Services (HHS) operates a Federally-facilitated Exchange (FFE) in those states. The term “State Exchange” collectively refers to SBEs and SBE-FPs throughout this document.

States electing to operate a State Exchange must submit the State-based Marketplace Annual Reporting Tool (SMART) to the Centers for Medicare & Medicaid Services (CMS). This report includes all reporting requirements for State Exchanges, and CMS uses it to evaluate compliance with Exchange regulations and standards. This report includes attestations of compliance with ACA requirements, attestations of compliance with eligibility and enrollment requirements, performance monitoring data, and the annual financial statement and external financial and programmatic audit report. This Information Collection Request (ICR) includes the following tools and templates:

- SMART
- SBE Redeterminations Template
- Advance Premium Tax Credit (APTC) Proration Methodology Template

B. Justification

1. Need and Legal Basis

The ACA § 1313(a)(1) and its implementing regulations require State Exchanges to keep an accurate accounting of all activities, receipts, and expenditures, and to submit a report annually to CMS concerning such accounting. Instructions governing specific facets of the activities covered by the report are contained both in the ACA and 45 CFR 155.1200, 155.1210. CMS uses the SMART as the reporting tool to ensure compliance with regulatory requirements.

2. Information Users

CMS uses the information collected from the SMART to determine if a state is maintaining a compliant, operational Exchange. It also provides a mechanism to collect innovative approaches to meeting challenges encountered by states during the preceding year, as well as to provide information to CMS regarding potential changes in priorities and approaches for the upcoming year.

If CMS determines a state to be non-compliant through the review of required documentation, it will issue a formal letter asking the state to develop and submit a Corrective Action Plan (CAP).

CMS may also provide technical assistance to help State Exchanges address potential areas of non-compliance, as needed.

3. Use of Information Technology

The SMART data collection tool is available on the CMS State Exchange Resource Virtual Information System (SERVIS) and permits electronic submission of State Exchange responses and upload of documentation.¹

4. Duplication of Efforts

This information collection does not duplicate any other federal information collection. CMS designed the SMART to reduce data collection to the maximum extent possible. State Exchanges answer most questions by attestation and upload existing documents, as specified in the SMART requirements.

5. Small Businesses

This collection does not impact small businesses or other small entities.

6. Less Frequent Collection

This collection cannot be conducted less frequently. The ACA requires an annual submission of the report.

7. Special Circumstances

There are no special circumstances for this information collection.

8. Federal Register/Outside Consultation

A 60-day Notice was published in the Federal Register on Month Day, Year (XX FR XXXXX). A 30-day Notice will publish on <<DATE>>. No additional outside consultation was sought.

¹ Exchanges will complete the SMART on SERVIS at portal.cms.gov. Note, users must be connected to CMS VPN in order to access the portal.

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, CMS 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)

States electing to operate a State Exchange are required to submit the SMART annually. To derive average costs, CMS used data from the U.S. Bureau of Labor Statistics May 2024 National Occupational Employment and Wage Estimates for all salary estimates (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 displays six roles: two Senior-level Managers (occupation code 11-3021) at a mean hourly wage of \$90.38, fringe benefits and overhead of \$90.38, and an adjusted hourly wage of \$180.76; Management Analyst (occupation code 13-1111) at a mean hourly wage of \$55.15, fringe benefits and overhead of \$55.15, and an adjusted hourly wage of \$110.30; Administrative Assistant (occupation code 43-6010) at a mean hourly wage of \$25.03, fringe benefits and overhead of \$25.03, and an adjusted hourly wage of \$50.06; Computer Programmer (occupation code 15-1251) at a mean hourly wage of \$49.83, fringe benefits and overhead of \$49.83, and an adjusted hourly wage of \$99.66; and Network Administrator (occupation code 15-1244) at a mean hourly wage of \$48.65, fringe benefits and overhead of \$48.65, and an adjusted hourly wage of \$97.30.

Table 1 – Wage Rates

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefits and Overhead (\$/hr)	Adjusted Hourly Wage (\$/hr)
Senior-level Manager	11-3021	\$90.38	\$90.38	\$180.76
Senior-level Manager	11-3021	\$90.38	\$90.38	\$180.76
Management Analyst	13-1111	\$55.15	\$55.15	\$110.30
Administrative Assistant	43-6010	\$25.03	\$25.03	\$50.06

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefits and Overhead (\$/hr)	Adjusted Hourly Wage (\$/hr)
Computer Programmer	15-1251	\$49.83	\$49.83	\$99.66
Network and Computer Systems Administrator	15-1244	\$48.65	\$48.65	\$97.30

We are adjusting 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.

12.1 Requirements and Associated Burden Estimates

This ICR reflects revisions to SMART, the SBE Redeterminations Template and the newly required APTC Proration Methodology Template resulting in a net increase of reporting metrics and burden for State Exchanges. For the upcoming plan year (PY 2026), CMS anticipates 21 states will be operating SBEs, and 2 states operating SBE-FPs, for a total of 23 State Exchanges.

12.2 Annualized Hours and Costs Tables

The following sections outline the requirements associated with each SMART section, as well as the hours and costs required to complete each section.

12.2.1 Eligibility and Enrollment

All State Exchanges, with the exception of SBE-FPs, are required to report on eligibility and enrollment activities (including verifications and inconsistencies), as well as maintain current and updated versions of the required policies and procedures related to redeterminations, reconciliation with issuers, and proration of APTC. CMS requires State Exchanges that manage their own eligibility and enrollment platforms to attest to the annual eligibility redeterminations requirement and provide a redeterminations plan demonstrating how they will renew their existing enrollee population for the upcoming open enrollment period using the standard CMS template.

Additionally, SBEs are newly required to report the methodology used to determine APTC when the enrollee is enrolled in a policy for less than the full coverage month. SBEs must satisfy these requirements using the standard CMS APTC Proration Methodology Template. An additional hour has been calculated in the burden estimate in Table 2 for each SBE to account for this slight APTC proration methodology template modification. An additional three hours has been calculated in the burden estimate below for each SBE to account for new SMART attestations related to Eligibility Application, Verification of Identity, Standards for Web-Brokers and Direct Enrollment (DE)

Entities, and Improper Payment Participation, as well as revised attestations related to Social Security Number (SSN), Citizenship, Lawful Presence, Incarceration Status, Household Income and Family Size, Employer-Sponsored Coverage (ESC), Inconsistency Resolution, Periodic Data Matching (PDM), Administration of APTC, and Special Enrollment Periods (SEPs).

The burden associated with the eligibility and enrollment requirement includes a Management Analyst (13-1111) taking 5 hours (at \$110.30 an hour) to support the writing, a Senior Manager (11-3021) taking 10 hours (at \$180.76 an hour) to conduct most of the writing, and a Senior Manager (11-3021) taking 4 hours (at \$180.76 an hour) to oversee and approve the updates to the policies and procedures. We estimate this requirement will take 19 total hours at a cost of \$3,082.14 for each SBE. Therefore, for the 21 SBEs, we estimate an aggregate burden of 399 hours, at a cost of \$64,724.94.

Table 2 – Burden and Cost Estimates Associated with Eligibility and Enrollment

Labor Category	Staff Count	Adjusted Hourly Wage (\$/hr)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (21 Respondents)
Senior-level Manager 11-3021	1	\$180.76	4	\$723.04	\$15,183.84
Senior-level Manager 11-3021	1	\$180.76	10	\$1,807.60	\$37,959.60
Management Analyst 13-1111	1	\$110.30	5	\$551.50	\$11,581.50
Total	-	-	19	\$3,082.14	\$64,724.94

12.2.2 Financial and Programmatic Audit

All State Exchanges are required to keep accurate accounting of Exchange receipts and expenditures and prepare and submit a financial statement, according to generally accepted accounting principles (GAAP), as well as conduct and submit an independent external financial and programmatic audit.

a. Accurate accounting of Exchange receipts and expenditures

45 CFR § 155.1200(a)(1) through (3) requires State Exchanges to follow GAAP and to monitor and report to CMS all Exchange-related activities. This includes keeping an accurate accounting of all Exchange receipts and expenditures. State Exchanges electronically maintain the information as a result of normal business practices; therefore, the burden does not include the time and effort needed to maintain the Exchange-related activity information.

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The burden associated with this requirement includes a Computer Programmer (15-1251) taking 8 hours (at \$99.66 an hour) to modify the system to maintain and monitor the information required under 45 CFR §§155.1200(a) (1) through (3), a Management Analyst (13-1111) taking 8 hours (at \$110.30 an hour) to pull the necessary data under § 155.1200(a) (1) through (3) in the State Exchange accounting system, and a Senior-level Manager (11-3021) taking 2 hours (at \$180.76 an hour) to oversee the development and transmission of the reported data. We estimate this requirement will take 18 total hours at a cost of \$2,064.96 for each State Exchange. Therefore, for the 23 State Exchanges, we estimate an aggregate burden of 414 hours at a cost of \$46,947.60.

Table 3 – Burden and Cost Estimates Associated with Accurate Accounting of Exchange Receipts and Expenditures

Labor Category	Staff Count	Adjusted Hourly Wage (\$/hr)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (23 Respondents)
Computer Programmer 15-1251	1	\$99.66	8	\$797.28	\$18,337.44
Senior-level Manager 11-3021	1	\$180.76	2	\$361.52	\$8,314.96
Management Analyst 13-1111	1	\$110.30	8	\$882.40	\$20,295.20
Total	-	-	18	\$2,041.20	\$46,947.60

b. Development and submission of financial statement

45 CFR § 155.1200(b)(1) requires State Exchanges prepare, submit to CMS, and publicly post a financial statement annually, in accordance with GAAP. The burden associated with this reporting requirement is the time and effort needed to develop and submit the financial statement to CMS. State Exchanges will electronically submit the information.

The burden associated with this requirement includes a Computer Programmer (15-1251) taking 40 hours (at \$99.66 an hour) to design the financial statement report, a Management Analyst (13-1111) taking 8 hours (at \$110.30 an hour) pulling the necessary data and inputting it into the Financial Statement report, and a Senior-level manager (11-3021) taking 2 hours (at \$180.76 an hour) overseeing the development and transmission of the reported data. We estimate a burden of 50 total hours for each State Exchange at a cost of \$5,230.32. Therefore, the aggregate burden for the 23 State Exchanges is 1,150 hours at a cost of \$120,297.36.

Table 4 – Burden and Cost Estimates Associated with Development and Submission of Financial Statement

Labor Category	Staff Count	Adjusted Hourly Wage (\$/hr)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (23 Respondents)
Computer Programmer 15-1251	1	\$99.66	40	\$3,986.40	\$91,687.20
Senior-level Manager 11-3021	1	\$180.76	2	\$361.52	\$8,314.96
Management Analyst 13-1111	1	\$110.30	8	\$882.40	\$20,295.20
Total	-	-	50	\$5,230.32	\$120,297.36

c. Post results of financial audit to Exchange website

45 CFR § 155.1200(b)(4) requires State Exchanges to make public the External Financial Audit summary results.

The burden associated with this requirement is the time and effort for a Computer Programmer (15-1251) taking 1 hour (at \$99.66 an hour) to design the summary and for a Management Analyst (13-111) to take 1 hour (at \$110.30 an hour) to pull data into the summary and prepare for public display.

For this requirement we estimate a burden of 2 hours for each State Exchange at a cost of \$209.96. Therefore, the aggregate burden for the 23 State Exchanges is estimated at 46 hours at a cost of \$4,829.08.

Table 5 – Burden and Cost Estimate Associated with Posting Results of Financial Audit to Exchange Website

Labor Category	Staff Count	Adjusted Hourly Wage (\$/hr)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (23 Respondents)
Computer Programmer 15-1251	1	\$99.66	1	\$99.66	\$2,292.18
Management Analyst 13-1111	1	\$110.30	1	\$110.30	\$2,536.90

Labor Category	Staff Count	Adjusted Hourly Wage (\$/hr)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (23 Respondents)
Total	-	-	2	\$209.96	\$4,829.08

- d. Compile data and prepare summary of financial and programmatic audit report(s) and submit to CMS.

45 CFR § 155.1200(c) (1) through (3) directs State Exchanges to engage an independent audit/review organization to perform an independent external financial and programmatic audit. State Exchanges provide the results of the audit and identify any material weakness or significant deficiency and intended corrective action in a public summary.

The burden associated with this third-party disclosure requirement includes the burden for a Management Analyst (13-1111) taking 3 hours (at \$110.30 an hour) to pull data into a report, the time and effort necessary for another Management Analyst (13-1111) taking 2 hours (at \$110.30 an hour) to prepare the report of the audit results, and the time for Senior-level Manager (11-3021) taking 1 hour (at \$180.76 an hour) to review and submit it to CMS. We estimate a burden of 6 hours at a cost of \$732.26 for each State Exchange. Therefore, the aggregate burden for the 23 State Exchanges is 138 hours at a cost of \$16,841.98.

Table 6 – Burden and Cost Estimate Associated with Compiling Data, Preparing Summary of Financial and Programmatic Audit report(s), and Submitting to CMS

Labor Category	Staff Count	Adjusted Hourly Wage (\$/hr)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (23 Respondents)
Management Analyst 13-1111	1	\$110.30	3	\$330.90	\$7,610.70
Senior-level Manager 11-3021	1	\$180.76	1	\$180.76	\$4,157.48
Management Analyst 13-1111	1	\$110.30	2	\$220.60	\$5,073.80
Total	-	-	6	\$732.26	\$16,841.98

12.3 Program Integrity

CMS requires all State Exchanges to attest to several program integrity requirements, including maintenance of records and development and maintenance of policies and procedures related to oversight and monitoring, fraud, waste, and abuse, and non-discrimination.

12.3.1 Maintenance of Records

As stated in 45 CFR §155.1210(a), State Exchanges and their contractors, subcontractors, and agents, must maintain for 10 years, documents and records (whether paper, electronic, or other media) and other evidence of accounting procedures and practices. Section 155.1210(b) specifies that the records include information concerning management and operation of the State Exchange's financial and other record keeping systems. The records must also include financial statements, including cash flow statements, and accounts receivable, and matters pertaining to the costs of operation. Additionally, records must include financial reports filed with other Federal programs or State authorities, records relating to eligibility verifications and determinations, enrollment transactions, appeals and plan variation certification.

The burden associated with this record keeping requirement includes the time and effort necessary for a Network and Computer Systems Administrator (15-1244) taking 16 hours (at \$97.30 an hour) to modify the state systems to maintain the information required under §155.1210(b), for a Management Analyst (13-1111) taking 8 hours (at \$110.30 an hour) to enter the data under §155.1210(b) into the State Exchange record retention system, and for a Senior-level Manager (11-3021) taking 2 hours (at \$180.76 an hour) to oversee record collection and retention. We estimate that it will take 26 hours at a cost of \$2,800.72 for each State Exchange. Therefore, the aggregate burden for the 23 State Exchanges is 598 hours at a cost of \$64,416.56.

Table 7 – Burden and Cost Estimate Associated with Maintenance of Records

Labor Category	Staff Count	Adjusted Hourly Wage (\$/hr)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (23 Respondents)
Network and Computer Systems Administrator 15-1244	1	\$97.30	16	\$1,556.80	\$35,806.40
Senior-level Manager 11-3021	1	\$180.76	2	\$361.52	\$8,314.96
Management Analyst 13-1111	1	\$110.30	8	\$882.40	\$20,295.20
Total	-	-	26	\$2,800.72	\$64,416.56

12.3.2 Develop and maintain the required policies and procedures related to program integrity

CMS requires State Exchanges to develop and maintain current and updated versions of required policies and procedures related to program integrity (e.g., the oversight and monitoring plan, fraud,

waste, and abuse, and non-discrimination).

The burden associated with this requirement includes two Management Analysts (13-1111) (at \$110.30 an hour) each taking 4 hours to support the writing, a Senior-level Manager (11-3021) taking 8 hours (at \$180.76 an hour) to conduct most of the writing, and a Senior-level Manager (11-3021) taking 2 hours (at \$180.76 an hour) to oversee and approve the updates to the policies and procedures. We estimate this requirement will take 18 total hours at a cost of \$2,690.00 for each State Exchange. Therefore, for the 23 State Exchanges we estimate an aggregate burden of 414 hours at a cost of \$61,870.00.

Table 8 – Burden and Cost Estimate Associated with Developing and Maintaining the Required Policies and Procedures Related to Program Integrity

Labor Category	Staff Count	Adjusted Hourly Wage (\$/hr)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (23 Respondents)
Senior-level Manager 11-3021	1	\$180.76	8	\$1,446.08	\$33,259.84
Senior-level Manager 11-3021	1	\$180.76	2	\$361.52	\$8,314.96
Management Analyst 13-1111	2	\$110.30	8	\$882.40	\$20,295.20
Total	-	-	18	\$2,690.00	\$61,870.00

12.3.3 Compile and post financial information to Exchange website

45 CFR § 155.205(b)(2) requires a State Exchange to publish on its website average licensing costs, regulatory fees, administrative costs, and any other additional fees required, along with any monies lost to fraud, waste, and abuse.

The burden associated with this requirement is the time and effort for a Computer Programmer (15-1251) taking 1 hour (at \$110.30 an hour) to design the summary and for a Management Analyst (13-1111) to take 1 hour (at \$110.30 an hour) to pull data into the summary and prepare for public display. For this requirement we estimate a burden of 2 hours for the State Exchange at a cost of \$209.96 each. Therefore, the aggregate burden for the 23 State Exchanges, is estimated at 46 hours at a cost of \$4,829.08.

Table 9 – Burden and Cost Estimate Associated with Compiling and Posting Financial Information to Exchange Website

Labor Category	Staff Count	Adjusted Hourly Wage (\$/hr)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (23 Respondents)
Computer Programmer 15-1251	1	\$99.66	1	\$99.66	\$2,292.18
Management Analyst 13-1111	1	\$110.30	1	\$110.30	\$2,536.90
Total	-	-	2	\$209.96	\$4,829.08

12.4 Prepare and Submit SMART

All State Exchanges must submit or attest to the submission of all SMART requirements by completing and submitting the SMART itself.

The burden associated with this requirement is the time and effort for a Senior-level manager (11-3021) taking 2 hours (at \$180.76 an hour) to approve the report, a Senior-level Manager (11-3021) taking 9 hours (at \$180.76 an hour) to oversee the report, a Senior-level Manager (11-3021) taking 17 hours (at \$180.76 an hour) to conduct most writing, a Management Analyst (13-1111) taking 25 hours (at \$110.30 an hour), another Management Analyst (13-1111) taking 14 hours (at \$110.30 an hour), and an Administrative Assistant (43-6014) taking 2 hours (at \$50.06 an hour). For this requirement we estimate a burden of 69 hours for the State Exchange at a cost of \$9,463.10. Therefore, the aggregate burden for the 23 State Exchanges, is estimated at 1,587 hours at a cost of \$217,651.30.

Table 10 – Burden and Cost Estimate Associated with Preparing and Submitting SMART

Labor Category	Staff Count	Adjusted Hourly Wage (\$/hr)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (23 Respondents)
Senior-level Manager 11-3021	3	\$180.76	28	\$5,061.28	\$116,409.44
Management Analyst 13-1111	2	\$110.30	39	\$4,301.70	\$98,939.10
Administrative Assistant 43-6014	1	\$50.06	2	\$100.12	\$2,302.76

Labor Category	Staff Count	Adjusted Hourly Wage (\$/hr)	Burden Hours	Burden Costs (per respondent)	Total Burden Costs (23 Respondents)
Total	-	-	69	\$9,463.10	\$217,651.30

12.5 Estimated Annualized Burden Table

The calculation of overall costs include the best estimates for SMART submissions. CMS estimates that there are 23 respondents (21 SBEs and 2 SBE-FPs) in the upcoming three years covered by this Information Collection Request (ICR).

CMS estimates it will take an SBE 210 hours to complete and submit a SMART each year. CMS estimates it will take an SBE-FP 191 hours to complete and submit a SMART each year.

Table 11 – Estimated Annualized Burden Table

Forms	Type of Respondent	Number of Respondents	Number of Responses per Respondent	Estimated Burden Hours per Response	Annual Estimated Burden Hours
Annual Regulatory Report	State Exchange (SBE)	21	1	210	4,410
Annual Regulatory Report	State Exchange (SBE-FP)	2	1	191	382
Total	-	-	-	-	4,792

13. Capital Costs

There are no additional record keeping/capital costs.

14. Cost to Federal Government

Total cost to the federal government across the three years of the ICR is \$81,276.52. It requires the combined labor of federal employees at GS-12, GS-13, GS-14, and GS-15 in the Washington DC locality to complete a review and assessment of the SMART submissions.

Based on the most current General Schedule pay schedule, a GS-12, Step 1 earns a basic rate of \$48.59 hourly, a GS-13, Step 1 earns a basic rate of \$57.78 hourly, a GS-14, Step 1 earns a basic rate of \$68.27 hourly and a GS-15, Step 1 earns a basic rate of \$80.31 hourly. CMS then multiplied hourly rates by a standard government benefits multiplication factor of two.

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/25Tables/html/DCB_h.aspx

Table 12 – Cost to Federal Government

Type of Respondent	Number of Respondents	Responses per Respondent	Average Burden Hours	Wage per Hour (incl 100% benefits fringe)	Burden Costs
GS-12 (Track)	1	1	125	\$97.18	\$12,147.50
GS-13 (Review)	1	1	356	\$115.56	\$41,139.36
GS-14 (Review)	1	1	125	\$136.54	\$17,067.500
GS-15 (Oversight)	1	1	68	\$160.62	\$10,922.16
Total	-	-	674	\$509.90	\$81,276.52

15. Changes to Burden

The overall burden hours for this approval increased because the number of SBEs/SBE-FPs increased from 21 to 23, and an additional four hours of burden per SBE has been included in the new calculation to account for additional burden based on the new required the APTC Proration Methodology Template for SBEs, several new attestations, and several revised attestations. The Office of Management and Budget (OMB) approved this information collection in October 4, 2022, with a total of 4,281 burden hours for 21 SBEs/SBE-FPs. CMS estimates the burden for this approval to be 4,792 hours for 23 SBEs/SBE-FPs.

In addition to the aforementioned changes to the burden estimates, CCIIO has included Table 13 to summarize the proposed non-substantive and substantive changes to SMART including:

15.1 Eligibility and Enrollment

The SMART includes revisions to the following eligibility and enrollment attestations: SSN, Citizenship, Lawful Presence, Incarceration Status, Household Income and Family Size, ESC, Inconsistency Resolution, PDM, Administration of APTC, and SEPs. The SMART also includes the addition attestations for Eligibility Application, Verification of Identity, Standards for Web-Brokers and DE Entities, and Improper Payment Participation. Regulations under 45 CFR §155.335 require that SBEs re-determine the eligibility of a qualified individual annually. The Exchange must conduct annual redeterminations using SBE Redeterminations Template, which includes minor revisions to assess SBE compliance with updated regulations. Regulations under 45 CFR §155.340(i) require SBEs to report to HHS the methodology used to determine APTC applied to an

enrollee's monthly premium does not exceed the expected monthly premium tax credit (PTC) amount when the enrollee is enrolled in a policy for less than the full coverage month. SBE's must satisfy these requirements using the APTC Proration Methodology Template.

15.2 Financial and Programmatic Audit

The SMART includes revisions to improve the logic within SERVIS clarifying the process for submitting external financial audit, Annual Comprehensive Financial Report (ACFR), and internal controls reports for State Exchanges.

15.3 Program Integrity

The SMART includes minor clarifications to the scope of the State Exchange oversight and monitoring plan and fraud, waste, and abuse policies and procedures.

Table 13 – Summary SMART Requirements

SMART SECTION	REQUIREMENT	PROPOSED CHANGE
Eligibility and Enrollment	CMS requires SBEs to report on regulatory compliance on an annual basis. SBEs attest to eligibility and enrollment policy and operational requirements. This section focuses on eligibility verifications, inconsistencies, eligibility redeterminations, and reporting requirements.	<ul style="list-style-type: none"> • Add “Verification of Identity” attestation. • Add “Eligibility Application” Attestation. • Add “Inconsistency Verification” sub-attestation. • Add “Administration of APTC” sub-attestation and the corresponding requirement to submit the State Exchange APTC proration methodology. • Add “Standards for Web-Brokers and Direct Enrollment (DE) Entities” attestation. • Add “Improper Payment Participation” attestation. • Add “Incarceration” sub-attestation to collect any alternative data sources used by State Exchanges for this verification. • Revise the “Social Security Number,” “Citizenship,” “Lawful Presence,” “Household Income and Size,” “Employer Sponsored Coverage,” “Periodic Data Matching,” and “Special Enrollment Period” attestations to collect additional information on SBE verification processes and align with regulatory changes, as applicable. • Revise SBE Redeterminations Template to align with updated federal regulations. • Add fields, as applicable, for State Exchanges to provide additional information or clarification for attestations of “No” or “Partial” to help Federal reviewers to better understand potential areas of non-compliance.

SMART SECTION	REQUIREMENT	PROPOSED CHANGE
Financial and Programmatic Audit	Audit requirements were developed to ensure SBE and SBE-FP accountability in all financial and programmatic activities, including accurate accounting of all activities, receipts, and expenditures; and compliance with the following 45 CFR § 155 Subparts: Subpart C (General Functions of an Exchange), Subpart D (Exchange Functions in the Individual Market: Eligibility Determinations for Exchange Participation and Insurance Affordability Programs), Subpart E (Exchange Functions in the Individual Market: Enrollment in Qualified Health Plans) and Subpart K (Exchange Functions: Certification of Qualified Health Plans).	<ul style="list-style-type: none"> • Revise language in “Financial Independent External Audit” to clarify to State Exchanges how to submit their external financial audit, ACFR, and internal controls report. • Update language from Comprehensive Annual Financial Report (CAFR) to Annual Comprehensive Financial Report (ACFR). • Revise order of attestations to improve flow and user experience. • Add optional field for State Exchanges to provide additional information or clarification regarding their responses in this section of the SMART. (This was previously included in the Program Integrity section and is now separate and included in this section for improved flow and user experience). • Add fields, as applicable, for State Exchanges to provide additional information or clarification for attestations of “No” or “Partial” to help Federal reviewers to better understand potential areas of non-compliance.
Program Integrity	Program Integrity requirements were developed to ensure proper oversight of the SBEs, including policies and procedures related to oversight and monitoring, consumer assistance, and identifying and addressing incidences of fraud, waste, and abuse.	<ul style="list-style-type: none"> • Add fields, as applicable, for State Exchanges to provide additional information or clarification for attestations of “No” or “Partial” to help federal reviewers to better understand areas of non-compliance.

16. Publication/Tabulation Dates

The results of this collection will not be published.

17. Expiration Date

Supporting Statement A
State-based Exchange Annual Reporting Tool

The OMB control number and expiration date will be displayed on the first page (top-right corner) of each instrument. The anticipated expiration date is October 31, 2028.

18. Exceptions to Certification for Paperwork Reduction Act Submissions

There are no exceptions to the Certifications.