

**SUPPORTING STATEMENT FOR THE  
INFORMATION COLLECTION REQUIREMENTS “BLUEPRINT FOR  
APPROVAL OF AFFORDABLE HEALTH INSURANCE  
MARKETPLACES”  
(OMB CONTROL NUMBER 0938-1172)”**

**A. Background**

On March 23, 2010, the President signed into law the Patient Protection and Affordable Care Act (P.L. 111-148). On March 30, 2010, the Health Care and Education Reconciliation Act of 2010 (P.L. 111-152) was signed into law. The two laws are collectively referred to as the Affordable Care Act (ACA). The Affordable Care Act creates new competitive private health insurance markets – through competitive Marketplaces, called Affordable Insurance Exchanges or “Exchanges– that will provide millions of Americans and small businesses with access to affordable coverage and the same insurance choices members of Congress will have. Marketplaces will help individuals and small employers shop for, select, and enroll in high quality, affordable private health plans that fit their needs at competitive prices. The Marketplace IT systems will support simple and seamless identification of individuals who qualify for coverage through the Marketplace, tax credits, cost-sharing reductions, Medicaid, and CHIP programs. By providing a place for one-stop shopping, Marketplaces will make purchasing health insurance easier and more understandable and will put greater control and more choice in the hands of individuals and small businesses.

The law gives states (including U.S. territories and the District of Columbia) the opportunity to establish State-based Marketplaces, subject to certification (or “Approval”) that the State-based Marketplace meets Federal standards and will be able to offer health care coverage for the following plan year, beginning January 1, 2014. States may operate the functions of a Marketplace according to one of three forms: State-based Marketplace (SBM), State Partnership Marketplace (SPM), and State-based Small Health Options Plan (SHOP) Marketplace. To document their Marketplace’s compliance with the ACA, each state must submit a Blueprint Application. States that do not apply for one of these options will resume their current status as a Federally-facilitated Marketplace (FFM) or State Partnership Marketplace and will not be required to submit an application. Currently, 17 states have completed a Blueprint Application to operate a SBM, 7 states have completed an application to operate a SPM, and one has completed an application to operate a SHOP Marketplace. The remaining 26 have elected to rely on the Federally-facilitated Marketplace (FFM). States that seek HHS Approval and have not been previously approved to operate a State-based Marketplace, State-based SHOP Marketplace, or a State Partnership Marketplace for coverage years beginning after January 1, 2014 (e.g., January 1, 2015, January 1, 2016) must submit a Blueprint Application to demonstrate their compliance with the ACA.

## **B. Justification**

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

The Affordable Care Act, Section 1311(b)(1) gives states the opportunity to establish State-based Exchanges (also known as “Marketplaces”), subject to approval that the State-based Marketplace meets Federal standards and will be ready to offer health care coverage on January 1, 2014. The deadline for Exchange approval is January 1, 2013. Section 1321(c) of the Affordable Care Act directs the Secretary of Health and Human Services to facilitate the establishment of an Exchange in a state that does not achieve approval or conditional by the January 1, 2013 deadline. The Exchange Final Rule (45 CFR § 155-157 Establishment of Exchanges and Qualified Health Plans) includes requirements for establishing an Exchange that meets all the legal and operational requirements.

As part of the Marketplace approval process, it is expected that Marketplaces will attest to completion of, and demonstrate compliance with, operational requirements through a) submission of a Marketplace Blueprint (referred to as “Certification Application” for purposes of 60-day public comment) and b) demonstration of operational readiness. The Marketplace Blueprint is organized by Marketplace activities and includes requirements for an operational Marketplace. In completing the Marketplace Blueprint, states are required to submit a compilation of attestations, descriptions of processes, and reference files such as state testing summaries and results of the Marketplace’s execution of CMS-provided test scenarios. To further ensure operational readiness of a Marketplace, CMS may conduct onsite system walk-throughs as part of its approval process.

In order to ensure a state can operate a successful and compliant Marketplace, it is critical that states provide CMS with a complete and thorough Marketplace Blueprint and demonstrate operational readiness. CMS is aware of the burden that the Marketplace Blueprint and operational readiness assessments place on states and will work to streamline all reporting and assessments required from states to ensure an efficient and effective Marketplace approval process.

### ***2. Information Users***

The information collected from states will be used by CMS, IRS, SSA and other Federal agencies to determine if a state can implement a complete and fully operational Marketplace and what technical assistance and integrative builds must be built.

### ***3. Use of Information Technology***

The Marketplace Blueprint data collection tool will be available online, which will permit electronic submission of responses.

### ***4. Duplication of Efforts***

The information CMS requires in order to certify a State Marketplace is similar to the information being currently collected as part of the Establishment Review Process, which is associated with Planning and Establishment Grant reporting. The HHS Center for Consumer Information and Insurance Oversight (CCIIO) has worked in collaboration with the Center for Medicaid and CHIP Services (CMCS) and the Office of Information Services (OIS) to develop the Establishment Review Process that supports states with their Marketplace design. While the Establishment Review Process is intended to be a glide path to Marketplace Approval, the approval process is independent of the Establishment Reviews. To ensure data collection requirements associated with the Marketplace Blueprint are streamlined, HHS will utilize, where possible, information collected during the Establishment Review Process to make Marketplace Approval determinations.

### ***5. Small Businesses***

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

### ***6. Less Frequent Collection***

This collection cannot be conducted less frequent. The Marketplace Approval process requires a one-time submission of the completed application tool in order for CMS to assess a Marketplace's compliance with ACA requirements and associated regulations. As referenced in response to #4 (Duplication of Efforts), CMS will work to minimize any duplicative efforts, while ensuring a Marketplace complies with the relevant legislative and regulatory requirements.

### ***7. Special Circumstances***

No special circumstances apply.

### ***8. Federal Register/Outside Consultation***

As required by the Paperwork Reduction act of 1995, the Centers for Consumer Information and Insurance Oversight (CCIIO) published a 60-day Federal Register Notice (FRN) to provide interested parties the opportunity to comment on the collections of information required by the Marketplace Blueprint tool. FRN appeared on **August 16, 2013**, on page 50060 -50062 (3 pages) of the Federal Register.

### ***9. Payments/Gifts to Respondents***

There will be no payments or gifts to respondents.

### ***10. Confidentiality***

Not applicable

## 11. Sensitive Questions

There will be no sensitive questions asked.

## 12. Burden Estimates (Hours & Wages)

While it was estimated in the original clearance that each state (including District of Columbia and U.S. territories) would complete and submit a Marketplace Blueprint, some states have elected to rely on the FFMs to achieve compliance with the ACA and were not required to submit an application. However, some states are still considering establishing a Marketplace and may submit applications in the future. Also some states may elect to modify the format of their Marketplace and be required to update their Blueprint accordingly.

The calculation for the overall burden includes both those states that have already completed their applications (25) and best estimates for the number and types of exchanges that could be potentially be requested in the future (6). As a result, 31 potential respondents were used to calculate the burden estimates. CMS used the Bureau of Labor Statistics for standard wages in order to calculate the burden costs<sup>1</sup>.

### Estimated Annualized Burden Table

| Forms              | Type of Respondent | Number of Respondents | Number of Responses per Respondent | Estimated Burden hours per Response | Total Estimated Burden Hours |
|--------------------|--------------------|-----------------------|------------------------------------|-------------------------------------|------------------------------|
| Exchange Blueprint | State Agency       | 31                    | 1                                  | 179.1                               | 5,552.1                      |
| <b>Total</b>       |                    |                       |                                    | <b>179.1</b>                        | <b>5,552.1</b>               |

### Hours and Costs Table

| Type of Respondent                           | Number of Respondents | Number of Responses per Respondent | Average Burden Hours | Wage per Hour | Burden Costs |
|--|-----------------------|------------------------------------|----------------------|---------------|--------------|
| Senior-level manager to oversee application  | 31                    | 1                                  | 3.3                  | \$56.48       | \$5,777.90   |
| Senior-level manager to conduct most writing | 31                    | 1                                  | 3.5                  | \$56.48       | \$6,128.08   |

<sup>1</sup> We calculate total hourly wage based on the mean hourly wage, 34.3% of compensation from benefits, and fringe rate. We calculate total annual salary by multiplying total wage by a full-time, year-round working year of 2,080 hours. Source: May 2009 National Industry-Specific Occupational Employment and Wage Estimates - State Government [http://www.bls.gov/oes/current/naics4\\_999200.htm](http://www.bls.gov/oes/current/naics4_999200.htm)

|  |    |   |              |         |                     |
|--|----|---|--------------|---------|---------------------|
| Mid-level policy analyst to support writing              | 31 | 1 | 17.5         | \$41.23 | \$22,367.28         |
| Senior-level manager with insurance expertise            | 31 | 1 | 4            | \$56.48 | \$7,003.52          |
| Mid-level policy analyst with insurance expertise        | 31 | 1 | 19.6         | \$41.23 | \$25,051.35         |
| Senior-level manager from Medicaid agency                | 31 | 1 | 3.6          | \$56.48 | \$6,303.17          |
| Mid-level policy analyst from Medicaid agency            | 31 | 1 | 19.6         | \$41.23 | \$25,051.35         |
| Senior-level manager with health policy expertise        | 31 | 1 | 3.1          | \$56.48 | \$5,427.73          |
| Mid-level policy analyst with health policy expertise    | 31 | 1 | 1.3          | \$41.23 | \$1,661.57          |
| Senior-level manager with systems architecture expertise | 31 | 1 | 17           | \$64.98 | \$34,244.46         |
| Mid-level analyst with systems architecture expertise    | 31 | 1 | 18.4         | \$49.65 | \$28,320.36         |
| Administrative budget analyst                            | 31 | 1 | 18.1         | \$37.78 | \$21,198.36         |
| Administrative assistant                                 | 31 | 1 | 16.1         | \$24.67 | \$12,312.80         |
| Lawyer   | 31 | 1 | 19.4         | \$60.55 | \$36,414.77         |
| Budget analyst from outside core team                    | 31 | 1 | 2.7          | \$44.60 | \$3,733.02          |
| Agency head (1)  | 31 | 1 | 3            | \$76.47 | \$7,111.71          |
| Agency head (2)  | 31 | 1 | 3            | \$76.47 | \$7,111.71          |
| Agency head (3)  | 31 | 1 | 3            | \$76.47 | \$7,111.71          |
| Official in Governor's office                            | 31 | 1 | 3            | \$56.48 | \$5,252.64          |
| <b>Total</b>   |    |   | <b>179.1</b> |         | <b>\$267,583.48</b> |

### **13. Capital Costs**

Not applicable

### **14. Cost to Federal Government**

Not applicable

### **15. Changes to Burden**

Based on the changing nature of the states' approaches to meeting the requirements of the ACA and changes in delivery format, there has been a significant reduction to the overall burden. It has been reduced by 6,260.8 hours and \$267,583.48. CMS has translated the application from its original paper-based format to an on-line tool that allows the states to enter the information efficiently and without redundancy. CMS has also converted many of the information requirements on the application from full explanations, requiring significant levels of effort to produce to a more streamlined "attestations" and uploading of supporting documents developed for other purposes. CMS has also revised and clarified the descriptions of various Marketplace activities to provide more concise guidance to the states.

| <b>Type of respondent</b> | <b>Total Requested</b> | <b>Change Due to New Statute</b> | <b>Change Due to Agency Discretion</b> | <b>Change Due to Agency Estimate</b> | <b>Change Due to Violation</b> | <b>Currently Approved</b> |
|---------------------------|------------------------|----------------------------------|--|--------------------------------------|--------------------------------|---------------------------|
| Annual responses          | 31.0                   |                                  | -25                                    |                                      |                                | 56                        |
| Annual hour burden        | 5,552.1                |                                  | -6,260.8                               |                                      |                                | 11,816                    |
| Annual cost burden        | \$267,583.48           |                                  | -311,013.01                            |                                      |                                | \$578,596.48              |

### **16. Publication/Tabulation Dates**

The results of this collection will not be published.

### **17. Expiration Date**

Exemption not required

### **18. Certification Statement**

There are no exceptions to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," on OMB Form 83-I.