



Submitted Electronically via Regulations.gov

Centers for Medicare and Medicaid Services
Office of Strategic Operations and Regulatory Affairs
Division of Regulations Development
ATTN: CMS-10433 / OMB Control No. 0938-1187
Room C4-26-05
7500 Security Boulevard
Baltimore, MD 21244-1850

Re: Emergency Clearance: Public Information Collection Requirements – Modifications to the ICR CMS-10433 Initial Plan Data Collection to Support QHP Certification (OMB Control No. 0938-1187)

Dear Ms. Tavenner:

Aetna is one of the nation's leading diversified health benefit companies, providing members with resources to enable better informed decisions about their health. Aetna is committed to working with the Department to formulate rules that advance what we believe are consumers' top priorities in healthcare reform: affordability, competition and choice, and workability. Aetna is concerned that the Centers for Medicare & Medicaid Services' (CMS) proposed changes to the information collection requirements associated with the risk adjustment and reinsurance programs undermines these goals. Although separate on-premises edge servers would be required for each issuing entity for 2014 if cloud servers are not utilized, we recommend that CMS return to its prior guidance and allow a single server for an "edge server group" in subsequent years.

CMS is proposing to modify the current information collection request to include account registration elements associated with submitting data through the Amazon Cloud edge server or the on-premises edge server. CMS seeks to change the data elements that insurers will submit as part of the distributed data collection (DDC) information collection requirements; information that health plans will maintain on "edge servers" that will be periodically accessed by CMS to retrieve aggregated data.

The recent change in requirements is unduly burdensome and costly for both health plans and CMS. Aetna understands that CMS changed its information collection requirements at this late date because of structural CMS limitations for 2014. However, we recommend that for 2015 and subsequent plan years CMS permit insurers to use a single edge server to provide the necessary information. This would benefit both CMS and insurers over the long term through reduced costs for both organizations.

Issue: Simplify the cost and administration of the distributed data collection (DDC) information collection requirements.

CMS decided upon the DDC approach in 2012, and specified that health plans would use edge servers to maintain the data needed for the Affordable Care Act's risk adjustment and reinsurance programs. Initially, CMS considered requiring a separate edge server for each issuing entity. However, insurers, especially those that operate in multiple states, often configure their corporate structures into multiple entities. In addition, state regulations in many states require separate legal entities for certain health lines of business. A separate edge server for each issuing entity would result in many more edge

servers than CMS had originally anticipated and the implementation would result in increased costs for both insurers and CMS.

As a result of these concerns, CMS issued guidance in June 2013 defining an “edge server group,” allowing the use of a single edge server for an insurance parent/holding company for all of its subsidiaries/affiliates.ⁱ Based on this guidance, Aetna purchased a primary and a back-up edge server to house the necessary data.

In early 2014, CMS announced that it was taking away the physical server solution and replacing it with an Amazon only solution. CMS would allow “cloud” based servers, e.g., “virtual” servers through Amazon, an alternative that is ultimately significantly more expensive than using physical on-site servers. In May we learned that CMS would be adding back the option of the physical server. CMS also introduced two additional options, using a Third Party Administrator (TPA) or using an on-premises cloud server, neither of which are viable for us. Using a TPA would be more expensive than other approaches, and would involve ceding control of both the overall process and the protection of sensitive beneficiary data to a third party. The on-premises cloud server option would lack technical support from CCIO. However, in a DDC webinar in June, CMS said that it was now requiring, once again, a single edge server for each insurer.ⁱⁱ In subsequent discussions with insurance industry representatives, CMS said that this policy reversal was due solely to the change in contractors and the concern about developing system specifications in a timeframe that would provide adequate time for and attention to necessary, thorough testing.

Under the revised requirements, issuers have an option to use either an on-premises physical server or a virtual server via the Amazon Cloud. This was a change from their earlier announcement that Issuers would have to solely use Amazon. Although this initially seemed positive for Aetna because we already purchased our physical servers last year, CMS changed the requirement further:

- Only one Issuer ID is allowed per server
- Only one Issuer ID per file is allowed

Due to Aetna’s corporate structure--in part dictated by state regulatory requirements—plus the recent acquisition of Coventry Health Plan entities, we may need to purchase, set-up and manage as many as 95 servers as a result of this modified CMS policy. Additionally, we will need to submit at a minimum four files per Issuer ID equaling 380 files every month. CMS is currently conducting webinars to provide information on each server type, as well as the changes that they made to other specific data requirements that have also changed. However, CMS recently issued a timeline requiring the first submission of production files to be done by December 5, 2014 rather than by late summer. There are many steps involved in registering and provisioning all of the servers that need to take place. Although this additional time is a positive step, the changes that CMS made during the summer to the ICD document for the data requirements, and still continue to make, will make it difficult to meet the December 5 date.

The use of multiple on-site edge servers places an administrative burden on health plans that must purchase and maintain these servers. The work involved in analyzing the new requirements and implementing the changes is significant from a workflow and monetary perspective. It also places a burden on CMS, who must provision and acceptance test the software for each and every server. In addition, it is not clear that multiple physical edge servers are even available in the marketplace for insurers to acquire.

We realize that there may be no practical alternative for 2014, given the short timeframe, but we are concerned that this new guidance does not address 2015 and beyond. CMS should issue guidance for 2015 and beyond as soon as possible, clarifying that insurers will not be required to use a separate edge server for each insurance entity. This will allow insurers to consider alternative options to purchasing physical servers that will not be needed in the future.

Recommendations:

- We recommend that for plan years after 2014, CMS return to its original announced policy – that CMS would permit the use of a single edge server for an “edge server group” and allow including all issuer IDs on a single file. We ask that you announce this policy as soon as possible, so that insurers may plan appropriately. We believe this policy would minimize administrative and IT costs for the industry and CMS, and would eliminate unnecessary waste that ultimately is passed onto consumers in the form of higher premiums

Aetna appreciates the opportunity to comment on the information collection. We would be pleased to respond to follow up questions where needed.

Sincerely,



Steven B. Kelmar
Executive Vice President, Corporate Affairs

ⁱ CMS, Health Insurance Exchange Training Program Series, Distributed Data Collection for Reinsurance and Risk Adjustment: Provisioning Considerations for Multiple Insurance Companies and TPAs, June 5, 2013.

ⁱⁱ CMS, Health Insurance Exchange Training Program Series, Distributed Data Collection for Reinsurance and Risk Adjustment: Amazon Edge Server Guidance, June 12, 2104.