

Supporting Statement – Part A
Service Level Data Collection for Initial Determinations and Appeals
(CMS-10905, OMB-New)

Background

A. Justification

1. Need and Legal Basis

CMS has authority under sections 1857(e)(1) and 1860D–12(b)(3)(D) of the Act to require MA organizations and Part D plan sponsors to provide CMS “with such information . . . as the Secretary may find necessary and appropriate.” CMS also has authority, in section 1856(b) of the Act, to establish standards to carry out the MA program.

CMS regulations cover a broad range of topics and data to be submitted to CMS. Under these authorities, CMS established reporting requirements at §§ 422.516(a) (Validation of Part C reporting requirements) and 423.514(a) (Validation of Part D reporting requirements), respectively. Pursuant to §§ 422.516(a) and 423.514(a), each MA organization and Part D sponsor must have an effective procedure to develop, compile, evaluate, and report information to CMS at the times and in the manner that CMS requires. In addition, §§ 422.504(f)(2) and 423.505(f)(2) require MA organizations and Part D plan sponsors, respectively, to submit to CMS all information that is necessary for CMS “to administer and evaluate” the MA and Part D programs and to facilitate informed enrollment decisions by beneficiaries. Part D sponsors are also required to report all data elements included in all its drug claims by § 422.505(f)(3). Sections 422.504(f)(2), 422.516(a), 423.505(f)(2), and 423.514(a) each list general topics of information and data to be provided to CMS, including benefits, enrollee costs, quality and performance, cost of operations, information demonstrating that the plan is fiscally sound, patterns of utilization, information about beneficiary appeals and grievances, and information regarding actions, reviews, findings, or other similar actions by States, other regulatory bodies, or any other certifying or accrediting organization.

The Part C and D Reporting Requirements, as set forth in §§ 422.516(a) and 423.514(a), provide CMS with the ability to collect more granular data related to all plan activities regarding adjudicating requests for coverage and plan procedures related to making service utilization decisions. This includes collecting more timely data with greater frequency or closer in real-time.

The proposed data elements listed in the Technical Specifications document in this proposed PRA would provide key data to CMS on the utilization of benefits, enhance audit activities to ensure plans are operating in accordance with CMS guidelines, and ensure appropriate access to covered services and benefits. We particularly solicit input on how health plans can most efficiently provide information to CMS on their decision rationales for initial determinations and appeals. Recognizing this information is already required to be provided in beneficiary correspondence, CMS is interested in how best to also be a recipient of this information.

2. Information Users

There are a number of information users of these data elements. They include CMS staff that use this information to monitor health plans and to hold them accountable for their performance. CMS users include group managers, division managers, branch managers, account managers, and researchers.

Health plans can use this information to measure and benchmark their performance. CMS receives inquiries from the industry and other interested stakeholders about beneficiary access to the items, services, and drugs, including service level data for initial determinations and appeals, and other factors pertaining to use of government funds, as well the performance of MA plans.

3. Improved Information Technology

Health plans will use existing information technologies to submit these data to CMS, similar to how they do for current Part C Reporting Requirements approved under OMB control #0938-1054. Currently, MA organizations and other health plan organizations (e.g., cost plans) utilize the Health Plan Management System (HPMS) to submit or enter data for 100% of the data elements listed within the reporting requirements. We are soliciting comment on the best way for MA plans to submit information related to decision rationales. These comments will help CMS make an informed decision regarding the appropriate method for data submission.

4. Duplication of Similar Information

This collection does not duplicate the collection of similar information.

5. Small Businesses

This proposed collection does not impose a significant impact on small businesses and other entities.

6. Less Frequent Collection

Due to volume of proposed data, we do not believe it feasible to collect the elements in this data collection on less than a quarterly basis. Further, less frequent collection of these data elements from MA organizations would limit CMS' ability to more timely use the data.

7. Special Circumstances

As mandated by 42 CFR § 422.504(d), MA organizations must agree to maintain for 10 years books, records, documents and other information accounting procedures and practices. CMS could potentially require clarification around submitted data, and therefore CMS may need to contact organizations within 60 days of data submission. Otherwise, there are no special circumstances in fewer than 30 days after receipt of collection request does NOT do any of the following:

- Require respondents to submit more than an original and two copies of any document;

- Require respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- Is connected with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- Require the use of a statistical data classification that has not been reviewed and approved by OMB;
- Include a pledge of confidentiality that is not supported by authority established in statute or regulation that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- Require respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

8. Federal Register Notice/Outside Consultation

9. Payments/Gifts to Respondents

There are no payments/gifts to respondents associated with the data reporting request.

10. Confidentiality

CMS will adhere to all statutes, regulations, and agency policies regarding confidentiality.

11. Sensitive Questions

There are no sensitive questions associated with this proposed collection. Specifically, the collection does not solicit questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

12. Burden Estimates

Wage Estimates

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2023 National Occupational Employment and Wage Estimates (https://www.bls.gov/oes/current/oes_nat.htm). In this regard, the table below presents BLS' median hourly wage, our estimated cost of fringe benefits and other indirect costs (calculated at 100 percent of salary), and our adjusted hourly wage.

Anticipated staff performing the activities required of this data collection and reporting vary, but we believe computer systems analysts would be the primary staff person responsible for this work, consistent with the type of staff cited for the Part C Reporting Requirements. Other staff that are involved have a similar wage therefore we use an average hourly rate computer system analyst of \$99.80/hour (including the fringe benefits adjustment) to calculate estimated costs.

Table 1.

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefits and Other Indirect Costs (\$/hr)	Adjusted Wage (\$/hr)
Computer Systems Analyst	15-1211	\$49.90	\$49.90	\$99.80

The burden associated with this ICR is the time and resources it takes to develop computer code, to “de-bug” computer code, gather the “raw” data, “clean” the data in order to eliminate errors, enter data, to compile the data, review technical specifications, and perform tests on the data.

Also included is burden that is not strictly “technical.” “Non-technical” aspects of the burden include time to read instructions, answer questions, research solutions to any impediments, to develop estimates of any additional human resources needed, and to use other administrative resources involved in improving the reporting sections.

As indicated in the preceding table, 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.

Information Collection Requirements and Associated Burden Estimates

This proposed collection of information request is associated with our April 23, 2024 (89 FR 30448) final rule (CMS-4201-F3 and CMS-4205-F; RINs 0938–AV24 and 0938–AU96). We are setting out that rule’s PRA related requirements and burden estimates to comply with the requirements of the PRA.

Section R. of the final rule (preamble starting on page 30591) amends the Part C Reporting Requirements, affirming our authority to collect detailed data from MA organizations under the Part C Reporting Requirements.

To estimate the total burden, we consider the burden for MA organizations using the burden estimates for the Part C Reporting Requirements as a reference point.

Burden Summary

The number of contracts estimated to report is based on the number of active contracts in PY2024 (n=728). The average estimated number of annual responses for the data collection in this PRA would be 728 x 1 per quarter for a total of 2,912 responses.

Table 2.

Potential Number of Respondents (based on number of approved contracts for 2024)	Total Annual Responses (#of respondents x 4 quarterly submissions)	Time Per Response (hr)	Total Annual Time (hr) (2912 x .25)	Hourly Labor Cost (\$/hr)	Total Cost (\$) (728 hours x \$99.80/hour)
728	2,912	0.25	728	99.80	72,654.40

Collection of Information Instruments and Instruction/Guidance Documents

One additional section added to existing Part C Medicare Advantage Reporting Requirements

13. Capital Costs

There are no capital costs associated with this collection.

14. Cost to the Federal Government

The estimated annual cost for the Part C Reporting Requirements is \$300,000 to support reporting through the CMS Health Plan Management System (HPMS). This amount is the same as previously reported and is a “standard” estimate used in our ICRs when the HPMS resources support the CMS information processing and reporting role. Using this estimate as a baseline, we estimate an additional \$500,000 given the volume of data we would need to accommodate and the systems technology we will use for reporting purposes.

15. Program/Burden Changes

CMS is proposing this new data collection be reported on a quarterly basis at the service level. This new data collection increases MA organizations’ burden of reporting.

The table below builds upon the estimated burden changes presented in Supporting Statement A for Paperwork Reduction Act Submission Part C Medicare Advantage Reporting Requirements and Supporting Regulations in 42 CFR 422.516(a) CMS-10261 (OMB 0938-1054).

Table 3.

Estimated Cost of Information Collection Requirements (ICR) All Part C Reporting Sections	2024 hours to Report all Part C Reporting Requirements	2024 Cost to Report all Part C Reporting Requirements	Estimated hours with addition of Service Level Data Collection for Initial Determinations and Appeals (2024 hours for Part C Reporting Requirements + 728 hours for this data collection)	Estimated Cost with addition of Service Level Data Collection for Initial Determinations and Appeals (2024 Cost for Part C Reporting Requirements + \$72,654.40)
Total Burden Increase	187,979	\$18,474,576	188,707	\$18,547,230.40

16. Expiration Date

The expiration date for the approved Part C Reporting Requirements document will be located on the front cover of the reporting requirements.

18. Certification Statement

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

Reporting organizations are not required to do statistical analyses for this information collection.