

Supporting Statement for Paperwork Reduction Act Submissions – Part A

Improper Payment Pre-Testing and Assessment (IPPTA)

OMB Control Number: 0938-1439/CMS-10829

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# 1. Background

This extension request pertains to modifying the Data Request Form (DRF) that was previously approved in 2023. The modifications include:

- Added "Data Mapping Tool" tab
- Added "Document Change Log" tab
- Updated "Instructions" tab, with entry for Data Mapping Tool
- Added a "DRF Table of Contents" tab, including a table of contents
- Re-ordered the "Document Change Log" tab to the fourth tab
- Added a new column "Policy Applied APTC Amount" and updated the column L to reflect that the column is reserved for and filled out by SBE in the "Pre-Sampling" tab
- Altered 'FTR PDM Scheduled Date' Element Detail within 'Data Dictionary' tab of the DRF to reflect 'N/A'. Previous language stated that 'There should be at least one date scheduled for Death PDM'
- Added eight (8) information elements ('Auto Re-Enrolled For Past 2 Benefit Years', 'Enrollee Tax Return Access Authorization', 'Failure to Reconcile Indicator', 'IRS Annual Tax Household Income Amount', 'IRS Income Data Available', 'IRS Tax Form Receipt', 'No IRS Data For Past 3 Benefit Years', 'No Updates to Application For Past 2 Benefit Years') to the 'Data Dictionary' and 'Redetermination Events' tabs to account for 'Verify Enrollee Group Assignments' review
- Added new "SSN Inconsistency" column to 'Pre-Sampling' tab, and data dictionary entry

Historical background information is as follows:

45 CFR, part 155, subpart P, IPPTA (see CMS-9899-F) set forth the requirements for the IPPTA. The IPPTA will prepare State Exchanges for the measurement of improper payments of APTC, to test processes and procedures that support HHS's review of determinations of advance payments of the premium tax credit (APTC) made by State Exchanges, and to provide a mechanism for HHS and State Exchanges to share information that would aid in developing an efficient measurement process. The IPPTA has begun operations in 2024, with each State Exchange selected to participate in the IPPTA data collection for a period of two calendar years, which will occur either in 2024 or 2025.

HHS proposes to modify the previously approved data request form for the IPPTA, including improved instructions and a data mapping tool. The data mapping tool will assist the State Exchanges to provide additional clarity for the required data elements needed for submission that will result in an improved quality of data collection.

As stated in the preamble to proposed § 155.1510(a)(1), HHS proposes to require State Exchanges to submit the following data documentation to HHS:

- (i) the State Exchange's data dictionary including attribute name, data type, allowable values, and description;

- (ii) an entity relationship diagram; and
- (iii) business rules and related calculations.

As stated in § 155.1510(a)(2), HHS requires each State Exchange to identify and submit application data for no fewer than ten tax households to HHS. The application data includes the records related to a tax household that applied for and was determined eligible to enroll in a Qualified Health plan (QHP) and was determined eligible to receive an APTC in an amount greater than \$0 that collectively fulfill specified scenarios. To facilitate quality collection of the required data and data documentation, HHS is modifying the pre-testing and assessment data request form with instructions and a data mapping tool. The inclusion of the data mapping tool in the form will better assist the State Exchanges in collection of data and data documentation and will allow HHS to test the data elements as specified in the scenarios provided to each State Exchange in the pre-testing and assessment data request form and will enable HHS to comply with the requirements of the Payment Integrity Information Act of 2019 (PIIA) and Office of Management and Budget (OMB) Circular A-123, Appendix C.

## **2. Justification**

### **2.1 Need and Legal Basis**

This collection of information is needed to support the IPPTA (CMS-9899-P). The collection is necessary so that HHS can prepare State Exchanges for the IPPTA in compliance with the requirements of PIIA and OMB Circular A-123, Appendix C. HHS determined that APTCs are susceptible to significant improper payments and are subject to oversight. HHS is requesting modification to the data request form previously approved by OMB to improve the process of collecting information from the State Exchanges.

Prior to implementing an improper payment measurement program as required by PIIA, HHS will require State Exchanges to submit a small sample of a State Exchange's application data in order to test HHS' processes and procedures that will be used in the measurement of improper payments of APTC. As stated in the preamble § 155.1510(a)(2), HHS requires that State Exchanges use the pre-testing and assessment data request form to submit to HHS application data associated with a State Exchange's list of no fewer than ten sampled tax household identification numbers and the associated policy identification numbers that collectively fulfill certain scenarios, as specified by HHS. The proposed scenarios would include characteristics such as household composition, data matching inconsistencies (e.g., SSN, citizenship, lawful presence, annual income), special enrollment period types (e.g., relocation, marriage), periodic data matching (e.g., Medicaid/CHIP, Medicare, death), application status (e.g., policy terminated, policy canceled), and application types (e.g., initial application). After receiving the application data associated with no fewer than 10 sampled tax households from the State Exchange, HHS would test the data from each of the tax households against its review procedures to determine if the respective policy applications fulfill the scenarios. For the sampled records, HHS would also require the State Exchange to provide digital copies such as PDFs of supporting consumer-submitted documentation (e.g.,

proof of residency, proof of citizenship). HHS proposes to communicate to each State Exchange, the status of completion of the pre-testing and assessment procedures specified in § 155.1515 as well as observations and recommendations that result from processing and testing the data submitted by the State Exchange to HHS.

The testing of processes and procedures using a small sample of data is intended to minimize burden on State Exchanges. Inclusion of the data mapping tool in the data request form is intended to improve data collection by creating a consistent framework for matching State Exchange specific data to what is required for the IPPTA. This data mapping tool is intended to help prepare State Exchanges for the measurement of improper payments of APTC, (i.e., the State Exchanges will receive education about the goals, objectives, and detailed process steps for data preparation and collection). This collection of data will assist HHS to validate that its processes and procedures will efficiently and effectively achieve the objectives of the measurement program.

## **2.2 Information Users**

HHS and its contractors propose to use the information collected from the State Exchanges to prepare State Exchanges for the measurement of improper payments of APTC, to test processes and procedures that support HHS's review of determinations of APTC made by State Exchanges, and to provide a mechanism for HHS and State Exchanges to share information that would aid in developing an efficient measurement process.

## **2.3 Use of Information Technology**

HHS transmits the pre-testing and assessment data request form with instructions and deadline electronically to the State Exchanges. The pre-testing and assessment data request form will be an electronic workbook that each State Exchange must complete. The State Exchanges will export source data from their existing IT systems into the spreadsheet. The specific method for extraction will vary depending on each State Exchange's source data, but it is expected that each State Exchange will be able to produce the requested data by writing and using data queries to automate the process. The State Exchange will then submit the data electronically to HHS. HHS will provide a platform for secure file transfer of data between the State Exchange and HHS. If any States have certain data that are only available as hard copy, the State Exchange may need to convert paper documentation to an electronic format for transmission to HHS; however, adjustment of format is expected to be an extremely rare occurrence. The data retained by the State Exchanges are largely in a digitized format and transmission to HHS will be electronic using a secure file transfer protocol (SFTP).

## **2.4 Duplication of Efforts**

This information collection does not duplicate any other effort and the information cannot be obtained from any other source. State Exchanges are responsible for processing new applications and annual renewals for health plans, and the pertinent data is either new or

updated each year. HHS does not collect or have access to this data. Although the IRS may have some data, federal law at 26 IRC § 6103 prohibits the IRS from disclosing this data. In addition, HHS does not collect data regarding verification and eligibility determination, enrollment reconciliation, or plan management from the State Exchanges to determine whether they comply with existing regulations. Existing State-based Marketplace Annual Reporting Tool (SMART) oversight and audit requirements under §§ 155.1200 and 155.1210 do not duplicate the IPPTA. The independent external programmatic audits required under § 155.1200(c) do not review, estimate, or report the amounts or rates of improper payments and do not allow for standardized comparison or analysis across State Exchanges. Likewise, the IPPTA does not duplicate data collected through the Federal Data Services Hub (FDSH), as FDSH does not provide the information needed to determine whether a State Exchange evaluated verified information properly to determine an applicant's eligibility for enrollment in a QHP and receipt of APTC.

## **2.5 Small Businesses**

The collection of information does not impact small businesses or other small entities.

## **2.6 Less Frequent Collection**

For the purposes of this updated request, the data collection will occur one time beginning in CY 2025 and ending in CY 2026. State Exchanges are responsible for processing new applications and annual renewals for health plans, and the pertinent data is either new or updated each year. As such, HHS cannot meet the objectives of the IPPTA without collecting this information.

## **2.7 Special Circumstances**

No special circumstances apply.

## **2.8 Federal Register/Outside Consultation**

A 60-day notice published in the Federal Register on July 30, 2024 (89 FR 61122). No comments were received. The 30-day notice published on November 6, 2024 (89 FR 88051).

HHS has worked directly with State Exchanges and other stakeholders in developing the pre-testing and assessment data request form and associated procedures. HHS piloted elements of the program with participating State Exchanges and held outreach sessions with them to gather feedback.

## **2.9 Payments/Gifts to Respondents**

HHS will not provide any payment or gift to respondents associated with this reporting requirement.

## 2.10 Confidentiality

HHS contracts and information sharing agreements include a non-disclosure section that assures the information provided by respondents remains confidential. Also, the proposed regulation requires an SFTP for data exchange.

## 2.11 Sensitive Questions

No questions of a sensitive nature are asked.

## 2.12 Burden Estimates (Hours & Wages)

HHS used the May 2023 Bureau of Labor Statistics' wage estimates available at the following link, [https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.htm), as the basis for standard median hourly wages to calculate the burden costs. This median hourly wage is adjusted by a factor of 100 percent to include fringe benefits and overhead. Table 1 shows the median and adjusted hourly wages for each of the occupation codes used in this burden estimate.

Table 1 - Adjusted Hourly Wages Used in Burden Estimates

<b>Occupational Title</b>	<b>Occupational Code</b>	<b>Mean Hourly Rate (\$/hr.)</b>	<b>Fringe Benefits and overhead (\$/hr.)</b>	<b>Adjusted hourly wage (\$/hr.)</b>
<b>Manager</b>	11-1021	48.69	48.69	97.38
<b>Systems Manager</b>	11-3021	81.50	81.50	163.00
<b>Analyst</b>	13-1111	47.80	47.80	95.60
<b>Systems Analyst</b>	15-1211	47.94	47.94	95.88
<b>Computer Programmer</b>	15-1251	46.46	46.46	92.92

The addition of the data mapping tool and new instructions will not add additional burden for the State Exchanges. The completion of the data mapping tool is optional and is intended to improve the process for collecting information from the SBEs as required by IPPTA.

HHS originally planned for each State Exchange to complete IPPTA in one year. The original

estimated cost for each individual State Exchange to complete IPPTA was \$57,499.98. In response to comments HHS received from the State Exchanges regarding the annual burden, HHS evenly divided the activities required for each State Exchange to complete IPPTA over two years. This reduced the annual burden and annual cost for each State Exchange to participate in IPPTA by 50%. The revised estimated annual cost for each State Exchange to participate in IPPTA, \$28,749.99, can be found in Table 2. The total cost for each State Exchange to complete IPPTA over a two-year period is estimated to be \$57,499.98. There are currently 11 State Exchanges who will complete IPPTA over a two-year period, resulting in an estimated total cost of \$632,499.80 for all 11 State Exchanges to complete IPPTA.

Table 2 - Proposed Annual Recordkeeping and Reporting Requirements

<b>Occupational Title</b>	<b>Adjusted hourly wage (\$/hr.)</b>	<b>Total Hours Annually</b>	<b>Extended Cost (Adjusted hourly wage multiplied by Total Hours)</b>
<b>Manager</b>	97.38	23.5	2,288.43
<b>Systems Manager</b>	163.00	47	7,661.00
<b>Analyst</b>	95.60	59.5	5,688.20
<b>Systems Analyst</b>	99.80	43	4,291.40
<b>Computer Programmer</b>	95.88	92	8,820.96
<b>Total Annual Cost Per State Exchange</b>		265	28,749.99

### 2.13 Capital Costs

There are no capital costs for this data collection which uses existing systems and software.

### 2.14 Cost to Federal Government

Under the IPPTA, HHS employees will be necessary to perform oversight functions related to the review. HHS's oversight activities related to this program are oversight of the HHS

contractor and other duties as assigned. Table 3 shows the total cost of full-time equivalents (FTE) for one year. Table 4 shows the total projected cost to the federal government for the 3-year IPPTA period.

Table 3 - Full Time Equivalent (FTE) Costs

Full Time Equivalent (FTE) #	Cost of Full Time Equivalent (\$/FTE)	Total Cost of Full Time Equivalent (\$/Year)
3.7	\$376,075	\$1,391,477.50

Table 4 - Projected Costs to Federal Government

IPPTA Year	Total Cost
Year 1	\$1,391,477.50
Year 2	\$1,391,477.50
Year 3	\$1,391,477.50
Total 3-Year Cost	\$4,174,432.50

## 2.15 Changes to Burden

Burden hours have decreased (from 9540 to 5,830) as a result of a fewer number of respondents (State Exchanges) being required to submit IPPTA. The number of State Exchanges has decreased from 18 to 11 respondents.

## 2.16 Publication/Tabulation Dates

This data collection is only for use in the IPPTA and is designed to test processes and procedures between HHS and the State Exchanges. It will not be published.

## 2.17 Expiration Date

The expiration date and OMB control number will appear on each instrument.



## **2.18 Certification Statement**

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