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DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[Document Identifier: CMS-10418]

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Centers for Medicare & Medicaid Services.

In compliance with the requirement of section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995, the Centers for Medicare & Medicaid Services (CMS) is publishing the following summary of proposed collections for public comment. Interested persons are invited to send comments regarding this burden estimate or any other aspect of this collection of information, including any of the following subjects: (1) The necessity and utility of the proposed information collection for the proper performance of the agency's functions; (2) the accuracy of the estimated burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

1. Type of Information Collection: Revision of a currently approved collection; Title of Information Collection: Annual MLR and Rebate Calculation Report and MLR Rebate Notices; Use: Under Section 2718 of the Affordable Care Act and implementing regulation at 45 CFR Part 158, a health insurance issuer (issuer) offering group or individual health insurance coverage must submit a report to the Secretary concerning the amount the issuer spends each year on claims, quality improvement expenses, non-claims costs, federal and state taxes and licensing and regulatory fees, and the amount of earned premium. An issuer must provide an

annual rebate if the amount it spends on certain costs compared to its premium revenue (excluding federal and states taxes and licensing and regulatory fees) does not meet a certain ratio, referred to as the medical loss ratio (MLR). An interim final rule (IFR) implementing the MLR was published on December 1, 2010 (75 FR 74865) and modified by technical corrections on December 30, 2010 (75 FR 82277), which added Part 158 to Title 45 of the Code of Federal Regulations. The IFR was effective January 1, 2011. A final rule regarding selected provisions of the IFR was published on December 7, 2011 (76 FR 76574, CMS-9998-FC) and an interim final rule regarding an issue not included in issuers' reporting obligations (disbursement of rebates by non-federal governmental plans) was also published December 7, 2011 (76 FR 76596, CMS-9998-IFC2) Both rules published on December 7, 2011 and were effective January 1, 2012. Each issuer is required to submit annually MLR data, including information about any rebates it must provide, on a form prescribed by CMS, for each state in which the issuer conducts business. Each issuer is also required to provide a rebate notice to each policyholder that is owed a rebate and each subscriber of policyholders that are owed a rebate for any given MLR reporting year. Additionally, each issuer is required to maintain for a period of seven years all documents, records and other evidence that support the data included in each issuer's annual report to the Secretary.

Based upon HHS' experience in the MLR data collection and evaluation process, HHS is updating its annual burden hour estimates to reflect the actual numbers of submissions, rebates and rebate notices. In addition, the notice requirement for issuers that do not owe rebates applied only to the 2011 reporting year, and does not apply to 2012 and subsequent MLR reporting years.

We have simplified the format of the reporting form and the method by which issuers submit their data. For the 2012 MLR reporting year, when submitting data to CMS, issuers will have the option to use either a Microsoft Excel (.xls) or a Comma Separated Value (.csv) file format. This will allow issuers flexibility and reduce the burden in submitting the MLR report. The new method will no longer include pre-calculated fields which will reduce the burden as well as the possibility of error.

The 2012 MLR Reporting Form and instructions also reflect changes for the 2012 reporting year and beyond that are set forth in the December 2011 Final Rule as to whether certain already reported expenditures such as ICD-10 conversion costs are taken into account in calculating an issuer's MLR.

HHS has created and published a host of electronic training tools to assist issuers with the preparation and submission of MLR data forms and Rebate calculations. Consequently the agency is reducing its current burden hours from 354,570 to 311,302. Form Number: CMS-10418 (OCN: 0938-1164); Frequency: Annual submission for each respondent; Affected Public: Private Sector, Business or other for-profits and not-for-profit institutions; Number of Respondents: 502; Number of Responses: 3,085; Total Annual Hours: 311,302. (For policy questions regarding this collection, contact Carol Jimenez at (301) 492-4457. For all other issues, call (410) 786-1326.)

To obtain copies of the supporting statement and any related forms for the proposed paperwork collections referenced above, access CMS' Web Site address at http://www.cms.hhs.gov/PaperworkReductionActof1995, or E-mail your request, including your address, phone number, OMB number, and CMS document identifier, to

Paperwork@cms.hhs.gov, or call the Reports Clearance Office on (410) 786-1326.

In commenting on the proposed information collections please reference the document identifier or OMB control number. To be assured consideration, comments and recommendations must be submitted in one of the following ways by **[OFR—insert date 60 days after date of publication in the Federal Register]**:

1. Electronically. You may submit your comments electronically to http://www.regulations.gov. Follow the instructions for "Comment or Submission" or "More Search Options" to find the information collection document(s) accepting comments.

2. By regular mail. You may mail written comments to the following address:

CMS, Office of Strategic Operations and Regulatory Affairs

Division of Regulations Development

Attention: Document Identifier/OMB Control Number _____

Room C4-26-05

7500 Security Boulevard

Baltimore, Maryland 21244-1850.

Dated: November 29, 2012 _____

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Director, Regulations Development Group, Division B

Office of Strategic Operations and Regulatory Affairs

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