

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT SUBMISSION  
FOR OMB APPROVAL OF THE CONFLICT OF INTEREST AND OWNERSHIP  
AND CONTROL INFORMATION STATEMENT TO MEDICARE CONTRACTORS  
CMS-R-312**

A. BACKGROUND

The Conflict of Interest and Ownership and Control Information Statement (COI Statement) is sent to all Medicare Fiscal Intermediaries (FIs) and Carriers to collect full and complete information on any entity's or individual's ownership interest (defined as a 5 per centum or more) in an organization that may present a potential conflict of interest in their role as a Medicare FI or Carrier.

B. JUSTIFICATION

1. Need and Legal Basis

Most of this information is required by Public Law 95-142 (copy attached) as a condition of participation in the Medicare program. The FIs and Carriers are also contractually required, as a condition for renewal of their contracts, to submit to CMS any ownership and control interest information required by Public Law 95-142. Additional information concerning contractor ownership and investments is being requested since it relates to the required information and is pertinent to the operation of the Medicare program.

2. Information Users

The information gathered in the survey is used to ensure that all potential, apparent and actual conflicts of interest involving Medicare contractors are appropriately mitigated and that employees of the contractors, including officers, directors, trustees and members of their immediate families, do not utilize their positions with the contractor for their own private business interest to the detriment of the Medicare program. Information is also requested on potential organizational conflicts of interest involving Medicare contractors' ownership of other entities in the health care industry. If a response has indicated that a potential conflict of interest exists, the contractor is contacted and asked to address how the conflict can be avoided or mitigated.

3. Improved Information Technology

The COI Statement is primarily sent to contractors electronically, but may be sent through the mail. Contractors are required to send in a hardcopy of their response. We require that responses to the COI Statement be Certified as complete and not misleading through the signature of a corporate representative who is responsible for the Medicare operation.

4. Duplication of Similar Information

Medicare contractors who are both FIs and Carriers are only required to send in one response.

#### 5. Small Businesses

Small businesses are not affected by the COI Statement.

#### 6. Less Frequent Collection

The information is requested annually in order to require updates on the existence of potential conflicts of interest. Since the trend in the health care industry is consolidation of various companies, including insurance companies and providers, an annual update is necessary to stay abreast of developments.

#### 7. Special Circumstances

No special circumstances, as enumerated in the instructions, exist.

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

The 60-day Federal Register Notice was published on July 27, 2007.

#### 9. Payments/Gifts to Respondents

There will be no payment/gifts to respondents outside of allowable payment under the contracts for time spent on the COI Statement.

#### 10. Confidentiality

No assurances of confidentiality are provided.

#### 11. Sensitive Questions

No sensitive information is requested as defined by the instructions. Financial data, however, is requested since the disclosure is required by law and is relevant to the performance of the duties of a Medicare contractor.

#### 12. Burden Estimates

There will be 37 respondents to the COI Statement, issued on an annual basis. It is estimated that it will require each respondent 300 hours to answer the COI Statement for a total of 11,100 hours. It will cost each respondent approximately \$1,200.00 to complete the survey (300 hours x \$40.00 per hour labor rate for auditor).

#### 13. Capital Costs

No capital costs are required to respond to the survey.

#### 14. Cost to Federal Government

The cost to the Federal Government will be approximately \$1,575.00 (Approx. 63 hours for a GS-12 @\$25 per hour to send out the COI Statement, collect and review responses).

#### 15. Program/Burden Changes

There are no program or burden changes associated with this submission. We are extending the currently approved collection.

#### 16. Publication and Tabulation Dates

Data collected from the survey will not be published.

#### 17. Expiration Date

CMS would like to display the expiration date.

#### 18. Certification Statement

There are no exceptions to the certification statement.

### C. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Statistical methods cannot be used for the survey since each contractor is required by law and by its contract with CMS to provide any ownership and control information that could pose a conflict of interest.