

Supporting Statement for Swing Bed Hospital  
Resident Assessment MDS Data and  
Supporting Regulations in 42 CFR 413.343 and 413.114

A. Background

We are requesting re-approval of resident assessment information that swing bed hospitals are required to submit as described at 42 CFR 413.343 in the manner necessary to administer the payment rate methodology under the SNF PPS described in 42 CFR 413.114. The burden associated with this requirement is the swing bed hospital staff time required to complete the 2-page customized MDS for Swing Bed Hospitals (SB-MDS), staff time to encode, and staff time spent in transmitting the data.

The MDS3.0 is currently being developed with an expectation of implementation in FY 2010. Since we do not have the MDS3.0 version available, we are requesting an extension for the current SB-MDS.

B. Justification

1. Need and Legal Basis

Swing bed hospitals furnishing SNF-level services are exempt from sections 4204(b) and 4214(d) of OBRA 1987 that require Long Term Care Facilities to complete, encode and transmit resident assessment data. However, section 1888 (e)(7) of the Social Security Act and section 203 of BIPA 2000 required the integration of swing bed hospitals into the SNF PPS at the end of the SNF transition period. This transition period ended June 30, 2002. Accordingly, swing bed hospitals have been reimbursed under the SNF PPS rate methodology since their first cost reporting period beginning on and after July 1, 2002.

In our July 31, 2001 regulation, we explained that we were exercising our authority under section 1888(e)(7) of the Act to determine the most appropriate manner in which to implement the SNF PPS for swing bed hospitals. We then designed a 2-page MDS instrument for use by swing bed hospitals that includes all resident assessment data needed to support reimbursement and to provide CMS with the basic demographic and utilization data for future planning and analysis. Swing bed staff is required to perform, encode and transmit MDS data on the established SNF PPS schedule; i.e., on days 5, 14, 30, 60, and 90 of the Part A stay.

OMB reviewed and concurred with the MDS requirements for swing bed hospitals, including the data items to be included and the burden estimates, as part of its review of the July 31, 2001 final regulation. OMB approved the 2-page customized MDS on December 4, 2002. The OMB number is 0938-0872, and the expiration date is December 31, 2008.

## 2. Information Users

CMS uses the MDS data to reimburse swing bed hospitals for SNF-level care furnished to Medicare beneficiaries.

## 3. Use of Information Technology

CMS has developed customized software that allows swing bed hospitals to encode, store and transmit MDS data. The software is available free of charge, and CMS provides customer support for software and transmission problems encountered by the providers.

## 4. Duplication of Efforts

The data required for reimbursement are not currently available from any other source.

## 5. Small Business

As part of our PRA analysis for an extension of our existing approval, we again considered whether the change impacts a significant number of small entities. In this filing we utilized the instructions that pertain to the I-83, Part II to determine the number of small entities. Out of a total of 481 swing bed hospitals, only 162, or 34% are small entities, eighty percent of which are owned by State, Local or Tribal governments. The average number of assessments completed (105) is the same across all respondents based on the number of actual assessments completed by swing bed hospitals in FY 2006. The creation of a 2-page customized MDS that was previously approved by OMB has substantially reduced the amount of time required by facility staff to comply with the reimbursement requirements.

## 6. Less Frequent Collection

We need to collect the SB-MDS data at the required frequency (i.e., at standardized time periods throughout the swing bed admission; that is, on days 5, 14, 30, 60, and 90) in order to calculate payment under the SNF PPS. However, as explained in Federal Register publication (70 FR 39590-39591), we have substantially reduced the number of MDS items that must be completed by swing bed hospital staff.

## 7. Special Circumstances

The information must be collected at periodic intervals throughout a swing bed inpatient admission, and is used to calculate the swing bed hospital's payment rate. Since the average swing bed length of stay remains under 9 days, most swing bed hospitals stays will require only one MDS record.

8. Federal Register Notice/Outside Consultation

The 60-day Federal Register notice for this re-approval of an existing collection was published on May 23, 2008. Please see the attached copy of the document.

9. Payment/ Gift To Respondent

There were not gifts or payments to respondents.

10. Confidentiality

The system of records (SOR) establishes privacy stringent requirements. The MDS SOR was updated to include MDS assessments in swing bed hospitals, and published in the Federal Register (67 FR 6714-6719).

11. Sensitive Questions

There are no sensitive questions.

12. Burden Estimate (Total Hours and Wages)

As required under Section 1888(e)(7) of the Act, swing bed hospitals must be reimbursed under the SNF PPS. We have **reduced** the MDS burden on swing bed providers by customizing the MDS to focus on items needed specifically for payment and swing bed utilization analysis.

a. MDS Preparation, Encoding and Transmission Time

According to CY 2006 claims data there were a total of 50,620 admissions for 481 swing bed hospitals. The average number of MDS' completed by a respondent for purposes of payment under the SNF PPS is 105 assessments per year. This number was calculated by reviewing the actual Part A claims data against the actual number of assessments filed by Swing Bed Hospital's minus non-Medicare Part A data, for a total of 50,505 assessments filed for purposes of payment under the Swing Bed PPS.

The average completion time of the SB MDS is 20 minutes. We have also estimated MDS coding time at 10 minutes per assessment. In addition, we estimate that swing bed hospital staff will require .5 hour per month for MDS transmission.

The total estimated hours for swing bed MDS preparation, coding and transmission are shown below.

MDS Preparation

| Average No. of Assessments | Completion Time/MDS | Total Completion Time |
|----------------------------|---------------------|-----------------------|
|----------------------------|---------------------|-----------------------|

|                         |          |                  |
|-------------------------|----------|------------------|
| 105 Per Respondent/year | 0.33 hrs | 34.65 hours/year |
|-------------------------|----------|------------------|

MDS Coding

|                            |                     |                       |
|----------------------------|---------------------|-----------------------|
| Average No. of Assessments | Completion Time/MDS | Total Completion Time |
| 105 per Respondent/year    | 0.17 hrs            | 17.85 hours/year      |

MDS Transmission

|                            |                     |                       |
|----------------------------|---------------------|-----------------------|
| Average No. of Assessments | Completion Time/MDS | Total Completion Time |
| 105 per Respondent/year    | 6 hours/year        | 630 hrs/year          |

b. Estimated Costs Associated with the Swing Bed MDS

To calculate burden, we obtained hourly wage rates for RNs and data operators from the Bureau of Labor Statistics. We used 2006 wage data updated to FY 2008 levels using the SNF Market Basket factor. MDS preparation costs were estimated using RN hourly wage rates of \$27.49. For data entry and transmission functions, we used a rate of \$13.20. The \$16.77 rate is a blend of RN and data operator wages, and reflects the fact that SNF providers have historically used both RN and support staff for the data entry function.

| MDS Function     | Total Hours Per Respondent | Hourly Rate | Estimated Cost Per Respondent |
|------------------|----------------------------|-------------|-------------------------------|
| MDS Preparation  | 34.65                      | \$27.49     | \$952.53                      |
| MDS Coding       | 17.85                      | \$16.77     | \$299.34                      |
| MDS Transmission | 630                        | \$16.77     | \$10,565.10                   |
| TOTAL            | 682.5                      |             | \$11,816.97                   |

There were 481 swing bed hospitals reimbursed under the SNF PPS during CY 2006. The average number of MDS-related hours per facility per annum is 682.5, and the average cost of MDS preparation, coding and transmission is estimated at \$11,816.97 per annum per swing bed hospital.

c. Basic Requirements for all claims

In evaluating the impact of billing changes in the HCFA-1500 common claim form, approved under OMB number 0938-0008, our long-standing policy is to focus on changes in billing volume. Under the SNF PPS, there will be no change in billing volume for swing bed hospitals.

13. Capital Costs (Maintenance of Capital Costs)

We estimate swing bed facility maintenance of capital costs at \$100,000 (~\$100/yr/facility).

14. Cost to Federal Government:

We have projected on-going MDS-related costs at approximately \$250,000 per year.

15. Changes to Burden

Total responses declined due to a reduction in the number of swing beds. However, reporting hours have increased due to an accurate accounting of actual MDS completion not available at the time of the original collection.

16. Publication and Tabulation Dates

The final regulation has already been published.

17. Expiration Date

With respect to the OMB approval, CMS does not object to the displaying of the expiration date.

18. Certification Statement

There are no exceptions

C. Collection of Information Employing Statistical Methods

This section is not applicable.

