

**Supporting Statement for
Requests for Accelerated Payments and Supporting Regulations
in the 42 CFR, Section 412.116, 412.632, 413.64, 413.350, and 484.245
CMS-9042
OMB No. 0938-0269**

A. BACKGROUND

Medicare payments to providers usually are arranged through a fiscal intermediary who serves as the Secretary's agent for reviewing claims and making payments to providers. When a delay in Medicare payment by a fiscal intermediary for covered services causes financial difficulties for a provider, the provider may request an accelerated payment. Generally, an accelerated payment also may be made in highly exceptional situations where a provider has incurred a temporary delay in its bill processing beyond the provider's normal billing cycle. Accelerated payments are limited to providers that are not receiving periodic interim payments.

B. JUSTIFICATION

1. Need and Legal Basis

Section 1815(a) of the Social Security Act describes payment to providers of services. 42 CFR 412.116(f), 42 CFR 412.632(e), 42 CFR 413.64(g), 42 CFR 413.350(d), and 42 CFR 484.245 define the conditions under which accelerated payments may be requested. Sections 2412.2 and 2412.3 of the Provider Reimbursement Manual, Part 1, identify the information that providers must supply to their intermediary to request an accelerated payment. Copies of these citations are included at Attachment 1.

A request for accelerated payment can be made by a hospital, skilled nursing facility, home health agency, inpatient rehabilitation facility, critical access hospital, or hospice that is not receiving periodic interim payments.

The provider must stipulate that it suffers from an impaired cash position which will last at least 30 days and which is caused by a lag in Medicare payment. The lag may result from the intermediary's failure to make timely payment for bills that it has received or, in some cases, the provider's failure to bill timely for Medicare services rendered. In our experience, only about 10 percent of accelerated payment requests are caused by provider billing problems. The other 90 percent are caused by the intermediary's delay in bill processing.

Attachment 2 is a justification for each item for which we are seeking OMB approval. It should be noted that providers will routinely answer questions 1 thru 4 which are identified in Section 2412.2. Normally, all of the information in Section 2412.3 is computed by the intermediary. In those infrequent situations, however, where the accelerated payment is requested because of the provider's billing problems, the provider must also supply one

item, the value of the unbilled services, for Section 2412.3. The type of data for this item varies among types of providers depending upon the method of Medicare payment. That is, the value of unbilled services could be represented by unbilled discharges, unbilled days or charges, etc. The intermediary then uses the provider's figure to compute the remaining entries in Section 2412.3.

2. Information Users

This information is used by the fiscal intermediary to determine the provider's eligibility for accelerated payments. If this information were not furnished with an accelerated payment request, the intermediary would not be able to assess whether the provider's financial difficulties justified the accelerated payment.

3. Improved Information Technology

This information does not lend itself to electronic transmittal since it is collected on an exception basis and would not be cost effective.

4. Duplication/Similar Information

This information collection does not duplicate any other effort and the information cannot be obtained from any other source.

5. Small Business

Some of the providers may be small businesses. The burden is not further reduced for them since it is already the minimum amount necessary.

6. Less Frequent Collection

The information cannot be collected less frequently since it is already supplied on an exception basis.

7. Special Circumstances

This collection of information does not require any special circumstances.

8. Federal Register Notice/ Outside Consultation

The 60-day Federal Register notice was published on September 12, 2008.

This information collected has been in place since at least 1975 when instructions were issued making accelerated payments available. Because accelerated payments are requested infrequently and the information required is minimal, no special consultation was made. However, as the payment methodology for various types of provider services has been changed from a cost reimbursement method, for which accelerated payments originally

were made available, to various prospective payment methods, accelerated payments also have been made available for these new payment methods. The proposed and final rules published in the Federal Register for these new payment methods, with accompanying availability for accelerated payments, solicited and provided opportunity for public input. Finally, we note that the provider community has not had a problem with this information collection.

9. Payment/Gift To Respondent

This information collection does not provide for any payment or gift.

10. Confidentiality

We do not assure the confidentiality of this information.

11. Sensitive Questions

We do not ask any questions of a sensitive nature.

12. Burden Estimates (Hours and Wages)

Approximately 2.5 percent of the 35,204 providers (21,207 hospitals and skilled nursing facilities, 9403 home health agencies, 3301 hospices, and 1293 critical access hospitals) will file for accelerated payments. Thus, there will be about 880 annual requests for accelerated payments. We estimate that a provider will spend one-half hour per request.

The information required for questions 1 through 3 is readily available to the provider. For question 1, the provider must state its name, address and provider number. For question number 2, the provider must state the name of the intermediary. For question 3, the provider must comment on the status of its cash balance. And for question 4, a provider must gather the following information from its financial records: general fund cash position, anticipated receipts from all sources (exclusive of accelerated payments) in the next 30 days and anticipated expenditures in next 30 days.

The 10 percent of requestors, or 88 providers, which request accelerated payment because of their own billing problems must also compute the value of their unbilled services. They can do this by manually reviewing their unbilled files. The half-hour burden estimate is generous enough to include this activity in 10 percent of the cases.

The total respondent burden is
880 respondents X one-half hour (440 hours) X \$10 per hour = \$4,400.

13. Capital Costs

There are no capital costs.

14. Costs to Federal Government

Since the review will be done by the fiscal intermediary on behalf of the agency, the cost to the government is the cost incurred by the intermediary. The intermediary's accountant will spend half an hour at \$37.72 per hour to process an accelerated payment request. The intermediary's claims clerk will spend one and one-half hours at \$21.27 per hour to compute the billings pending processing by the intermediary (for 90 percent of the cases where the accelerated payment is requested because of intermediary tardiness).

For each accelerated payment request processed by the intermediary the cost would be

accountant	½ hour x \$37.72 = \$18.86
clerk	1 ½ hours x \$21.27 = <u>\$31.91</u>

Intermediary cost per request. \$50.77

Since there are 880 requests per year, the total Federal cost is \$44,678.

15. Program Changes

There are no program changes. The change in burden, a slight increase, is an adjustment due to an increase in the estimated respondents. In addition, intermediary cost has increased due to cost of living adjustments.

16. Publication of Data

This data is not published.

17. Expiration Date

We plan on showing the expiration date.

18. Certification Statement

We have not identified any exceptions.

C. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

This section does not apply because statistical methods were not used in developing this collection.