

**Supporting Statement for Inpatient Rehabilitation Facility
Patient Assessment Instrument (IRF-PAI) data and
Supporting Regulations in 42 CFR 412 Subpart P**

A. Background

We are requesting an extension of the existing approval for the assessment instrument that inpatient rehabilitation hospitals and inpatient rehabilitation units of a hospital (herein referred to as IRFs) are required to submit in the manner necessary to administer the payment rate methodology under the IRF PPS described in 42 CFR 412 Subpart P. The burden associated with this requirement is the staff time required to complete, encode and transmit the data from the Inpatient Rehabilitation Facility Patient Assessment Instrument (IRF-PAI).

B. Justification

1. Need and Legal Basis

This instrument with its supporting manual is needed to permit the Secretary of Health and Human Services, and CMS, to implement Section 1886(j) of the Social Security Act, 42 U.S.C. §1395ww(j), as enacted by §4421 of the Balanced Budget Act of 1997 (BBA), Pub. L. No. 105-33. The statute requires the Secretary to develop a prospective payment system for inpatient rehabilitation facility services for the Medicare program. This payment system is to cover both operating and capital costs for inpatient rehabilitation facility services. It applies to inpatient rehabilitation hospitals as well as rehabilitation units of acute care hospitals, both of which are exempt from the current PPS for inpatient hospital services. CMS implemented the inpatient rehabilitation facility prospective payment system for cost reporting periods beginning on or after January 1, 2002.

The statute requires that the prospective payment system for each Medicare rehabilitation facility patient be based on patient case mix groups and directs the Secretary to “establish classes of patients of rehabilitation facilities . . . based on such factors as the Secretary deems appropriate, which may include impairment, age, related prior hospitalization, comorbidities, and functional capability of the patient . . . , as well as a method of classifying specific patients in rehabilitation facilities within these groups. In addition, for each case mix group the Secretary shall assign an appropriate weighting which reflects the relative facility resources used with respect to patients classified within that group compared to patients classified within other groups. The statute gives the Secretary authority to require inpatient rehabilitation facilities to submit data as the Secretary deems necessary to establish and administer the prospective payment system. Thus, a comprehensive, reliable system for collecting standardized patient assessment data is necessary for: 1) the objective assignment of Medicare beneficiaries to appropriate Case Mix Groups (CMGs); 2) the development of a system to monitor the effects of an inpatient rehabilitation facility prospective payment system on patient care and outcomes; 3) the determination of whether future adjustments to the

CMGs are warranted; and 4) the development of an integrated system for post-acute care in the future.

OMB reviewed and concurred with the IRF-PAI requirement, including the data items to be included and the burden estimates, as part of its review of the FY 2002 IRF PPS final rule (66 FR 41316). OMB approved the IRF-PAI form and data collection on January 31, 2003. The OMB number is 0938-0842, and the expiration date is December 31, 2008.

2. Information Users

CMS uses the IRF-PAI data to reimburse IRFs for services furnished to Medicare beneficiaries.

3. Use of Information Technology

CMS has developed customized software that allows IRFs to encode, store and transmit the IRF-PAI data. The software is available free of charge, and CMS provides customer support for software and transmission problems encountered by the providers. CMS has established a website and a hotline to assist providers with questions regarding the IRF-PAI.

4. Duplication of Efforts

The data required for reimbursement are not 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 1,205 IRFs, only 188 or 15% are small entities, 16% percent of which are owned by a small government jurisdiction with a population of less than 50,000. The average number of assessments completed is 330, and is the same across all respondents based on the number of actual assessments completed by IRFs in calendar year 2007. The integration of the existing FIM 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 IRF-PAI data at the required frequency (i.e., at admission and at discharge from the IRF) in order to calculate payment under the IRF PPS.

7. Special Circumstances

The information must be collected at admission and at discharge, and is used to calculate the IRF's payment rate. Therefore, IRFs complete only two assessments per patient, although some assessment may need to be revised under specific circumstances.

8. Federal Register Notice/Outside Consultation

The 60-day Federal Register notice for this re-approval of an existing collection was published on October 24, 2008. No comments were received for the 60-day notice.

The 30-day Federal Register notice for for this re-approval of an existing collection was published on January 14, 2009.

9. Payment/ Gift To Respondent

There were no gifts or payments to respondents.

10. Confidentiality

The system of records (SOR) establishes privacy stringent requirements. The IRF-PAI SOR was published in the Federal Register on November 9, 2001(66 FR 56681-56687).

CMS has also provided, as part of the current Manual, a section that addresses in writing statements of confidentiality consistent with the Privacy Act of 1974.

11. Sensitive Questions

There are no sensitive questions.

12. Burden Estimate (Total Hours and Wages)

As required under Section 1888(j) of the Act, IRFs must be reimbursed under the IRF PPS. An IRF must assess its Medicare Part A fee-for-service patients using the IRF-PAI in order to receive payment from Medicare. We **reduced** the burden on IRFs of completing the IRF-PAI in two ways. We used the FIM assessment instrument owned by UDSmr supplemented by some additional items, to create the standardized patient assessment instrument (IRF-PAI). Prior to the implementation of the IRF prospective payment system, approximately 85 percent of inpatient rehabilitation facilities assessed their patients using the FIM assessment instrument developed by UDSmr. CMS has a License Agreement with UDSmr to use the FIM Instrument. Second we allow any clinician who is employed or contracted by the IRF, and is trained on how to complete a patient assessment instrument using the IRF-PAI, to complete the data items on IRF-PAI (42 CFR §412.606(c)) .

a. IRF-PAI Preparation, Encoding and Transmission Time

According to the On-Line Survey and Certification and Reporting System (OSCAR) there were a total of 1,202 IRFs certified to participate in the Medicare program in CY 2007. The average number of IRF-PAIs completed by an IRF for purposes of payment under the IRF PPS is 330 assessments per year. This number was calculated by taking an average of the actual number of Medicare Part A fee-for-service IRF PAIs submitted by each IRF in CY 2007.

The average completion and coding time of the IRF-PAIs (at admission and at discharge) is 45 minutes. In addition, we estimate that IRF staff will require 6 minutes to transmit each IRF-PAI, for a total of 33 hours of transmission time each year.

The total estimated hours for IRF-PAI preparation, coding and transmission are shown below.

IRF-PAI Preparation and Coding

Average No. of Assessments	Completion Time/IRF-PAI	Total Completion Time
330 Per Respondent/year	45 minutes per assessment	247.5 hours/year

IRF-PAI Transmission

Average No. of Assessments	Completion Time/MDS	Total Completion Time
330 Per Respondent/year	6 minutes per assessment	33 hrs/year

IRF-PAI Total Hour Burden

Average No. of Assessments	Completion Time/MDS	Total Completion Time
330 Per Respondent/year	51 minutes	280.5 hrs/year

b. Estimated Costs Associated with the IRF-PAI

To calculate burden, we obtained hourly wage rates for social worker assistants, LPNs, recreational therapists, social workers, dietitians and nutritionists, RNs, speech language pathologists and audiologists, occupational therapists, and physical therapists, all of whom may complete the IRF-PAI, from the Bureau of Labor Statistics. We also obtained the hourly wage rate for data operators whose function is to transmit the completed IRF-PAIs to CMS.

We used 2007 wage data updated to FY 2008 levels using the IRF Market Basket factor of 3.2. IRF-PAI preparation and coding costs were estimated using social workers

hourly wage rates of \$23.72, social work assistants hourly wage of \$16.66, RN hourly wage rates of \$31.91, LPS hourly wage rates of \$19.85, recreational therapist hourly wage rates of \$20.57, dietitian/nutritionist hourly wage rates of \$24.93, Speech-Language pathologist hourly wage rates of \$33.94, Audiologist hourly wage rates of \$30.91, Occupational Therapist hourly wage rates of \$32.52, and Physical Therapist hourly wage rates of \$34.18. The \$26.92 rate is a blend of all of these categories, and reflects the fact that IRF providers have historically used all of these clinicians for preparation and coding of the IRF-PAI. Transmission costs were estimated using the hourly wage rate for a data operator of \$15.92.

IRF-PAI Function	Total Hours Per Respondent	Hourly Rate	Estimated Cost Per Respondent
IRF-PAI Preparation & Coding	247.5	\$26.92	\$6,662.70
IRF-PAI Transmission	33	\$15.92	\$525.36
TOTAL	280.5		\$7,188.06

There were 1,205 IRFs reimbursed under the IRF PPS during CY 2007. The average number of IRF-PAI-related hours per facility per annum is 280.5, and the average cost of IRF-PAI preparation, coding and transmission is estimated at \$ 7,188.06 per IRF.

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 IRF PPS, there will be no change in billing volume for IRFs.

13. Capital Costs (Maintenance of Capital Costs)

By now, all IRFs have the computer hardware capability and the related software to be able to handle the computerization, data transmission and GROUPE software requirements associated with the IRF-PAI. This statement is based upon the fact that IRFs have been submitting IRF-PAI data to CMS for almost six years. Therefore, we estimate that IRF-PAI capital cost maintenance is largely a part of normal computer operations at IRFs that can not be identified as a separate cost borne by the IRF to comply with program requirements.

In addition, because CMS supplies the IRFs with the software that performs the electronic functions associated with the IRF-PAI free of charge, there are no costs incurred by IRFs to purchase the software. This software allows users to computerize the assessment data and transmit the data in a standard format specified by us to the CMS patient data system. IRFs that use our IRF-PAI software need to have Internet access in order to be able to download and install our software into their computer

system. We believe that all IRFs currently have the capability to access the Internet. Therefore, the cost of internet services is largely a part of normal IRF operations and can not be identified as a separate cost borne by the IRF to comply with program requirements.

14. Cost to Federal Government:

We have projected on-going IRF-PAI-related costs at approximately \$2,000,000 per year.

15. Changes to Burden

Total responses increased due to a more accurate estimate based upon actual data, not available at the time of the original estimate. Total burden declined due to a reduction in the number of IRF admissions since fiscal year 2004.

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.

A. Collection of Information Employing Statistical Methods

This section is not applicable.