

Supporting Statement for the
Detailed Notice and Supporting Regulations
Contained in 42 CFR §§405.1206 and 422.622

Introduction

This application requests an extension of the Detailed Notice of Discharge (DND), Form CMS 10066, collection 0938-1019, in association with final rule CMS-4105-F, [Medicare Program; Notification of Hospital Discharge Appeal Rights.] This final rule, implemented on July 2, 2007, set forth requirements for hospitals to deliver a detailed notice to beneficiaries who request review of a discharge decision by a Quality Improvement Organization (QIO). Hospitals and Medicare Advantage (MA) organizations are affected by this rule. The Office of Management and Budget (OMB) approved the collection in 2007, and it expires on May 31, 2010.

A. Background

A beneficiary/enrollee who wishes to appeal a determination by a Medicare health plan or hospital that inpatient care is no longer necessary, may request QIO review of the determination. On the date the QIO receives the beneficiary's/enrollee's request, it must notify the plan and hospital that the beneficiary/enrollee has filed a request for an expedited determination. The plan (for a managed care enrollee) or hospital (for an original Medicare beneficiary), in turn, must deliver a detailed notice to the enrollee/beneficiary.

B. Justification

1. Need and Legal Basis

The authority for the right to an expedited determination is set forth at Section 1869(c)(3)(C)(iii)(III) and 1154(a) of the Act.

§405.1206, §422.622– When a QIO notifies a hospital or MA organization that a beneficiary/enrollee has requested an expedited determination, the hospital or MA organization must deliver a detailed notice to the beneficiary/enrollee by noon of the day after the QIO's notification.

2. Information Users

According to the 2008 Medicare CMS Statistics published online by the U.S. Department of Health and Human Services, there were approximately 12.3 million discharges in 2007 and 6163 hospitals

participating in Medicare that would potentially need to issue the notice.

The DND was submitted for OMB approval as a new collection in 2007, and based on prior experience with the expedited review process for MA and original Medicare in non-hospital settings, we estimated that approximately 1 % of Medicare beneficiaries requiring inpatient hospitalization would request a QIO review prompting DND delivery. So, we had predicted that 130,000, or 1% of the 13 million Medicare beneficiaries discharged from the inpatient hospital level of care would receive a DND.

The notice is required whenever a beneficiary requests a discharge appeal; thus, we can accurately deduce the number of DNDs delivered by using QIO inpatient hospital appeals data. Since implementation of the DND and revised Important Message from Medicare (IM) began in July 2007, we selected QIO data from 2008 to reflect a full calendar year of use. In 2008, 9,140 fee-for-service (FFS) Medicare beneficiaries and 4,078 Medicare Advantage (MA) beneficiaries requested a QIO review of their inpatient hospital discharge decision for a total of 13,218 appeals requests requiring DND delivery in 2008.

Since hospital inpatient data for 2008 is currently not available, we used 2007 Medicare data and trends for inpatient hospitalizations to estimate 12.3 million discharges. 13,218 or 0.1075% of the annual discharges required DND delivery.

Assuming that in 2008 the number of Medicare participating hospitals is approximately the same as our 2007 figure, approximately 13,218 notices issued by 6163 hospitals annually would indicate that each hospital delivered an average of 2.15 notices.

3. Improved Information Technology

Hospitals and MA organizations must deliver a hard copy of the detailed notice whenever beneficiaries or enrollees request a QIO review of the discharge decision. There is no provision for alternative uses of information technology for the detailed notice, although hospitals may store a copy of the notice electronically.

4. Duplication of Similar Information

None.

5. Small Business

This information collection will affect small businesses. However, the new requirements have been designed to impose as little burden as possible on these providers. The detailed notice is delivered to beneficiaries only when they request an immediate QIO review of the discharge decision. Our experience with expedited determinations in the non-hospital setting is that delivery of this detailed notice represents a very small (approximately 0.1075%) fraction of the total number of notices delivered. To simplify the notice structure, hospitals use a single notice for both Original Medicare beneficiaries and Medicare managed care enrollees. The rule does not have a significant impact on small rural hospitals.

6. Less Frequent Collection

None.

7. Special Circumstances__

The regulations at §405.1206(b) and §422.622(b) require that the detailed notice be delivered to either beneficiaries or their representatives when they request QIO review. However, if the beneficiary or representative requests more information in writing to make a decision about whether to request a QIO review, providers may issue a detailed notice prior to the beneficiary filing a QIO review request.

8. Federal Register Notice/ Outside Consultation

A 60-day Federal Register notice was published on January 25, 2010.

The DND was previously published for comment as a *Federal Register* notice on April 5, 2006. Interested parties will have an opportunity to comment. Public comments will be considered carefully in making any necessary revisions to the notice and accompanying instructions.

9. Payment/ Gift to Respondent

We do not plan to provide any payment or gifts to respondents.

10. Confidentiality

We are not collecting information. The provider and QIO will maintain records of notices and decisions, but those records do not become part of a federal system of records. Therefore, this item is not applicable.

11. Sensitive Questions

We do not require beneficiaries to answer any sensitive questions. Therefore, this item is not applicable.

12. Burden Estimate

Section 405.1206(b) requires any beneficiary wishing to exercise the right to an expedited determination to submit a request, in writing or by telephone, to the QIO that has an agreement with the hospital. Section 405.1206(e) requires hospitals to deliver a DND to the beneficiary and to make available to the QIO (and to the beneficiary upon request) a copy of that notice and any necessary supporting documentation. As specified in §422.622 (e), Medicare health plans would be required under this rule to deliver the DND to the enrollee and to make a copy of that notice and any necessary supporting documentation available to the QIO (and to the enrollee upon request).

Previously, we had determined that preparation of the DND and the patient's case file for the QIO would take approximately 60 minutes or one hour. One hour multiplied by 13,218 annual responses (from 2. above) gives us an annual hour burden of 13,218. Based on an hourly wage of \$30, the cost estimate per DND notice is \$30 which when multiplied by the annual hour burden provides us with the annual cost estimate of \$396,540.

13. Capital Costs

There are no capital costs associated with this collection.

14. Costs to Federal Government

There is no cost to the Federal Government for this collection.

15. Program or Burden Changes

The DND is an existing collection that received OMB approval in 2007. Our initial burden estimates were based on estimates derived from the non-hospital expedited determination process in both Original Medicare and MA. The data provided by the QIOs for 2008 proved to be much lower than these estimates; thus, both the hour burden and cost burden estimates for this extension request are considerably lower than the estimates in the prior submission. (See 2. and 12. above.) The annual hour burden is 116,782 less than the 130,000 annual hour burden predicted with our initial PRA submission. In addition, the annual cost burden is \$3.5 million less than our predicted burden of \$3.9 million published in the 2006 final rule, CMS-4105-F.

16. Publication and Tabulation Dates

These notices will be published on the Internet; however, no aggregate or individual data will be tabulated from them.

17. Expiration Date

We are not requesting exemption.

18. Certification Statement

There are no exceptions to the certification statement.

C. Collection of Information Employing Statistical Methods

There are no statistical methods associated with this collection.