

## **Supporting Statement – Part B**

### Collections of Information Employing Statistical Methods

1. There are currently approximately 3,600 hospitals that are being paid under the IPPS and 400 hospitals being paid under the LTCH PPS. Because there is a lag in time using a cost-to-charge ratio from the latest tentatively settled or final settled cost report, it is very difficult to accurately predict how many hospitals will make this request. As stated in the June 9, 2003 Federal Register final rule, we expected 120 hospitals to request a change to their cost-to-charge ratio by presenting substantial evidence. However, since that time we have had approximately 10 IPPS requests and 8 LTCH PPS requests per year.
2. Hospitals can submit an array of data and information when requesting an update to their cost-to-charge ratio. The data submitted by the hospitals should be accurate and justify the necessity for an adjustment to the hospitals cost-to-charge ratio.
3. As stated above, hospitals will submit this data when they feel an adjustment is necessary and therefore this does not apply.
4. No testing will apply. The fiscal intermediary (FI) or A/B Medicare Administrative Contractor (MAC) and CMS regional office (RO) must approve the data and reasoning submitted by the hospitals for an adjustment to its cost-to-charge ratio.
5. Any FI, A/B MAC or RO can be part of this process.