

Uncompensated Services Assurance Report

SUPPORTING STATEMENT

A. JUSTIFICATION

1. Circumstances of Information Collection

This is a request for an extension of OMB approval of the Uncompensated Services Assurance Report and of associated program regulations, approved under OMB No. 0915-0077, with an expiration date of June 30, 2012. The information collection is authorized by 42 USC 300s-6 (Section 1627 of the Public Health Service (PHS) Act).

Background

Titles VI and XVI of the PHS Act, commonly known as the Hill-Burton Act, provide for government grants and loans for construction or renovation of health care facilities. Title XVI effectively replaced Title VI. The two programs are quite similar except for the conditions associated with the assistance. As a condition of receiving this construction assistance, facilities are required to provide a "reasonable volume" of services to persons unable to pay. Title VI recipients are obligated to provide these uncompensated services for a period of 20 years, while Title XVI recipients must provide the services in perpetuity. (The "reasonable volume" has been defined to mean an annual dollar amount of the lesser of 10 percent of Federal assistance adjusted by the Consumer Price Index, or 3 percent of a facility's operating costs less Medicare and Medicaid reimbursements.) The average number of Title VI and XVI facilities with remaining obligations over the next approval period is 184, a decrease of 34. Of the 184, 76 are community and migrant health centers which are exempt from reporting, leaving 108 annual respondents.

A condition of receiving this assistance requires facilities to provide assurances periodically that the required level of uncompensated care is being provided, and that certain notification and record keeping procedures are being followed. These requirements are referred to as the uncompensated services assurance. Regulations for the uncompensated services assurance (OMB #0915-0077) were first issued in 1947, with the most recent changes occurring in 1979, 1986, 1987, 1994, and 2001.

The regulations specify the notification and record keeping procedures the facilities are to use in reporting the amount of uncompensated services they provide and are included in this clearance package. However, the notification and record keeping procedures vary.

The current regulations (42 CFR Part 124), provide different information collection requirements for the two broad categories of Hill-Burton facilities. The first category of facilities are ones that operate under compliance alternatives that resulted from 1986, 1987, 1994, and 2001 changes to the regulations allowing some facilities to be certified as exempt from nearly all disclosure,

reporting, and record keeping requirements. There are five types of compliance alternatives under which a facility may operate:

- “public facility compliance alternative” (42 CFR 124.513);
- “compliance alternative for facilities with small annual obligations” [the dollar value of care they must provide each year to persons unable to pay totals \$10,000 or less] (42 CFR 124.514);
- “compliance alternative for community health centers, migrant health centers, and certain National Health Service Corps sites” (42 CFR 124.515);
- “compliance alternative for charitable facilities” (42 CFR 124.516), and
- “unrestricted availability compliance alternative” (42 CFR 124.517). (Notification procedures apply to this compliance alternative.)

The non-alternative facilities, which would be required to file the HRSA-710 Form, make up the other category of Hill-Burton facilities and are now audited by the Department biennially. Facilities are now required to submit the HRSA-710 (1) if they believe they have completed their obligation; or (2) if the Division of Health Facilities (DHF) requests the form to document compliance; or (3) for any year in which a deficit occurs. This later action occurs when it is deemed necessary to monitor the progress and compliance of a facility’s Hill-Burton program as well as a way of providing technical assistance to correct any problems the facility may be having before an audit of the program is conducted by the DHF.

Regulations Requiring Information Collection Clearance:

The regulations cited below contain specific disclosure, reporting, and record keeping requirements for which approval is being sought.

Disclosure/Notification (Applies to facilities obligated under the standard rule and the unrestricted availability compliance alternative.)

42 CFR 124.504(a) requires annual publication of notice of the availability of uncompensated services;

42 CFR 124.504(c) requires provision of individual written notice to each person seeking service in the facility of the availability of uncompensated services; and

42 CFR 124.507 requires provision of a copy of a determination of eligibility to each person applying for uncompensated services and specifies content of the determination.

Reporting

42 CFR 124.509(a) requires facilities obligated under the standard rule to submit the HRSA Form 710: (1) if they believe they have completed their Hill-Burton obligation; or (2) if the DHF requested the form to document compliance; or (3) for any year in which a deficit occurs.

42 CFR 124.509(b) requires annual certification of facilities under the public facility or charitable facility compliance alternative. This consists of a signed statement either that their eligibility for the compliance alternative has not changed, or that it has changed, with supporting documentation;

42 CFR 124.509(c) requires annual certification of facilities with small obligations under the small annual obligation compliance alternative. This consists of the same signed statement that is required of public facilities, along with a certification of the amount of free care provided in the previous year;

42 CFR 124.509(e) requires facilities obligated under the unrestricted availability compliance alternative, that cease providing uncompensated services, to submit a report no later than 90 days after the end of the fiscal year;

42 CFR 124.511(a) requires that complaints filed with the Secretary include specific information. It also requires the facility to provide any information requested related to its Hill-Burton program, when investigated by the Secretary;

42 CFR 124.513(c) requires certain information for initial certification of public facilities;

42 CFR 124.513(d)(2)(ii)(B) allows a Title VI public facility and 42 CFR 124.513(d)(2)(iii)(B)(2) allows a Title XVI public facility applying for initial certification under the public facility compliance alternative the option of submitting an independent certified audit of its Hill-Burton program to establish the amount of creditable uncompensated services provided;

42 CFR 124.514(c) requires certain information for initial certification of facilities with small annual obligations;

42 CFR 124.515(b)(2)(ii) allows a Title VI facility and 42 CFR 124.515(b)(3)(iii)(B) allows a Title XVI facility applying for initial certification under the community health centers, migrant health centers, and National Health Service Corps sites compliance alternative the option of submitting an independent certified audit of its Hill-Burton program to establish the amount of creditable uncompensated services provided;

42 CFR 124.516(c) requires certain information for initial certification of nonprofit facilities under the charitable facility compliance alternative; and

42 CFR 124.517(c) requires certain information for initial certification of Title VI facilities under the unrestricted availability compliance alternative.

Recordkeeping

42 CFR 124.510(a) specifies that facilities **not** certified under a compliance alternative must maintain compliance records for 3 years after submission or until 180 days following the close of the audit, whichever is less; and

42 CFR 124.510(b) specifies that facilities certified under a compliance alternative must maintain compliance records for 3 years after submission or until 180 days following the close of the audit, whichever is less.

2. Purpose and Use of Information

The Healthcare Systems Bureau (HSB), Health Resources and Services Administration (HRSA), has the primary responsibility for implementing the regulations and monitoring the uncompensated services assurances which require the HRSA-710, Uncompensated Services Assurance Report. The reporting system is used by HSB to monitor compliance with the law by obligated facilities.

The Disclosure/Notification Requirements, including both the annual and individual notices of the availability of uncompensated services, and the written determination of eligibility, are needed to ensure that persons in need of medical care are informed of the availability of these services. Without these notices, the facilities would be less likely to fulfill their statutory obligations to provide a "reasonable level" of care.

The Reporting Requirements include information for three broad purposes:

- Information for certification of facilities under one of the five compliance alternatives is needed by the agency to verify that the facilities meet the requirements of the compliance alternative. Without this information, certifications could not be granted, and eligible facilities would be unnecessarily burdened with lengthy reporting requirements. (42 CFR 124.509(b), 42 CFR 124.509(c), 42 CFR 124.513(c), 42 CFR 124.513(d)(2)(ii)(B), 42 CFR 124.513(d)(2)(iii)(B)(2), 42 CFR 124.514(c), 42 CFR 124.515(b)(2)(ii), 42 CFR 124.515(b)(3)(iii)(B), 42 CFR 124.516(c), 42 CFR 124.517(e))
- Compliance information for those facilities without a compliance alternative is needed to ensure that these facilities are providing the level of uncompensated care required by law (42 CFR 124.509(a)). Information about those in deficit status is needed to monitor progress toward meeting their obligations.
- Complaints about a facility's performance can be submitted by individuals; such complaints will be investigated by the Secretary. Information relating to the complaint must be provided by the facility so that a determination can be made as to whether the complaint is justified, and remedial action can be taken. (42 CFR 124.511(a))

The Recordkeeping Requirements ensure that facilities maintain adequate documentation showing compliance with the statutory and regulatory requirements for program participation. Without this information, the Secretary would be unable to monitor compliance.

The HRSA-710 Form is used to collect information on the level of uncompensated services provided by those facilities not eligible for one of the compliance alternatives and in deficit status. **No changes have been made to the Form and Instructions since the last submission to OMB.**

3. Use of Improved Information Technology

The HRSA-710 Form and Instructions, which are required to be completed by facilities under the standard regulations, are available electronically at <ftp://ftp.hrsa.gov/HRSAForms/hrsa710.pdf>. Most of the reporting requirements relate to one-time information collection for the purpose of certification under the compliance alternatives or for responding to complaints, and thus cannot be automated.

4. Efforts to Identify Duplication

The information requested is not available from any other source.

5. Involvement of Small Entities

The information collection does not have an impact on small businesses or other small entities.

6. Consequences if Information Collected Less Frequently

All facilities not certified under one of the compliance alternatives are audited by the Department biennially. In a previous submission, facilities in deficit status were required to file a HRSA-710 Form every year. Now that facilities are audited biennially, the policy was changed to require facilities to submit the HRSA-710 Form if requested by the Division of Health Facilities (DHF) or a facility felt that it had completed its total Hill-Burton obligation or a facility did not provide the required amount of uncompensated services in the previous unaudited year. The HRSA Form 710 provides an estimate of the uncompensated services provided by a facility, while the audit produces an actual account. Less frequent collection would prevent effective monitoring of programs failing to provide the required amount of uncompensated care.

In compliance with 42 CFR 124.509(b) and 42 CFR 124.509(c), facilities certified under the public facility compliance alternative, the charitable facility compliance alternative, or the small annual obligation compliance alternative submit only an annual statement of changes on their status after initial certification and do not use the HRSA-710 Form. Facilities certified under the migrant health centers, community health centers, and National Health Service Corps sites compliance alternative are not required to report as long as they are in compliance with the terms of their grant under section 330 or 329 or an agreement under section 334 of the PHS Act. In compliance with 42 CFR 124.509(e), facilities certified under the unrestricted availability compliance alternative do not use the HRSA-710 Form, since these facilities do not have a dollar volume of uncompensated services to provide.

Complaints may be filed against a Hill-Burton obligated facility at any time by an individual or an organization representing a group of individuals. Facilities must respond to the Secretary whenever information concerning a complaint is requested, to ensure prompt resolution of the complaint.

7. Consistency with the Guidelines in 5 CFR 1320.5(d)(2)

As a result of the 1987 changes to the regulations, facilities are no longer routinely required to maintain records for more than 3 years. Previously, they were required to maintain records until the Department conducted an audit, which was often much longer than 3 years. With the adoption of the substantial compliance process, however, audits have been conducted on schedule. Because auditors are given several months to complete audits on a group of facilities, and the audit covers a 2-year calendar period, facilities are generally required to maintain records for slightly longer than 2 years (see 42 CFR 124.510(a)). Also, in case of a lawsuit or other problem, the records may have to be retained for longer than 3 years.

Facilities certified under the migrant health centers, community health centers, and National Health Service Corps sites compliance alternative must maintain the records required by their grants under section 330 or 329 or their agreement under section 334 of the PHS Act for such period of time as the grant agreements may require.

8. Consultation Outside the Agency

The notice required in 5 CFR 1320.8(d) was published in the Federal Register on February 13, 2012. No comments were received.

We contacted three grantees, who provided updated information on burden estimates (see A.12 for more discussion of their responses). They had no suggestions for improving the form. The contact persons at the facilities were:

Ms. Susan Balester
Business Operations Coordinator
Our Island Home
East Creek Road

Nantucket, Massachusetts
508-325-5354

Mr. Axel A. Ramos
Corporate Director of Accounts
Jersey City Medical Center
One Herman Boulevard
Secaucus, New Jersey
201-770-3709

Ms. Lisa Cramer
Administrator
Greene Rural Health Center
1017 Jackson Avenue
Leakesville, Mississippi
601-394-2371

9. Remuneration of Respondents

Respondents will receive no remuneration.

10. Assurance of Confidentiality

The Privacy Act does not apply because these information collection requirements do not include collection of information on individuals; all information is aggregated to the facility level.

11. Questions of a Sensitive Nature

No questions of a sensitive nature are involved.

12. Estimate of Annualized Hour Burden

The following estimates of burden per response (except those regarding complaints and the compliance alternatives, which are based on program experience and averages projected over a 3-year period) are based on comments from the facilities referenced in section 8. The average salaries from the study were inflated by 10 percent from the last OMB submission and rounded to approximate the rate of inflation.

The burden estimates shown below are based on the following estimates of the average number of facilities in each category over the next 3 years:

Total reporting facilities with remaining obligations: 108

Alternatives
Public Facility

Certified	32
Will be certified	4
Small Obligation	
Certified	0
Will be certified	0
Charitable Facility Compliance	
Certified	13
Will be certified	0
Total Alternatives	49
Facilities that will not be under a compliance alternative	63
Facilities who must file Form 710	10

ESTIMATE OF INFORMATION COLLECTION BURDEN

Type of Requirement and Regulatory Citation	No. of Respondents	Responses per Respondent	Total Responses	Hours per Response	Total Hour Burden	Wage Rate	Total Hour Cost
<i>Disclosure Burden (42 CFR)</i>							
Published Notices (124.504(a))	63	1	63	0.75	47.25	\$19.03	\$899.17
Individual Notices (124.504(c))	63	1	63	43.6	2,746.8	\$19.03	\$52,271.60
Determinations of Eligibility (124.507)	63	99	6,237	0.75	4,677.75	\$36.61	\$171,252.43
SUBTOTAL DISCLOSURE BURDEN			6,363		7,471.8		\$224,423.20
<i>Reporting</i>							
Uncompensated Services Report -- HRSA-710 Form (124.509(a))	10	1	10	11.0	110	\$19.03	\$2,093.30
Application for Compliance Alternatives:							

Type of Requirement and Regulatory Citation	No. of Responses	Responses per Respondent	Total Responses	Hours per Response	Total Hour Burden	Wage Rate	Total Hour Cost
Public Facilities (124.513)	4	1	4	6.0	24	\$46.86	\$1,124.64
Small Obligation Facilities (124.514(c))	0	0	0	0	0	0	\$0
Charitable Facilities (124.516(c))	0	0	0	0	0	0	\$0
Annual Certification for Compliance Alternatives:							
Public Facilities (124.509(b))	32	1	32	0.5	16	\$46.86	\$749.76
Charitable Facilities (124.509(b))	13	1	13	0.5	6.5	\$46.86	\$304.59
Small Obligation Facilities (124.509(c))	0	0	0	0.5	0	\$46.86	\$0
Complaint Information (124.511(a))							
Individuals	10	1	10	0.25	2.5	\$46.86	\$117.15
Facilities	10	1	10	0.5	5	\$46.86	\$234.30
SUBTOTAL REPORTING BURDEN	118*		78		164		\$4,623.74

*Each facility may have one or more reporting and notification requirements. The total of 118 includes the 63 Disclosure Burden, the 45 Annual Certification for Compliance Alternatives, and the 10 Complaints from Individuals.

<i>Record keeping Requirements</i>	Number of Record keepers	Hours per Year	Total Hour Burden	Wage Rate	Total Hour Cost
Non-alternative Facilities (124.510(a))	33	50	1,650	\$19.03	\$31,399.50
Unrestricted Availability (124.510(b))	30	50	1,500	\$19.03	\$28,545

SUBTOTAL RECORDKEEPING BURDEN	63	100	3,150		\$59,944.5 0
<u>TOTAL ANNUAL BURDEN</u>	181	6,441	<u>10,785.8</u>		

Basis for Estimates:

DISCLOSURE/NOTIFICATION

To update the burden estimates for the three notification requirements, program staff contacted three facilities. The distribution of all non-alternative Hill-Burton facilities is as follows: 36 percent are general hospitals and 64 percent are nursing homes or other types. Of the three facilities contacted, two were general hospitals, and one was a nursing home. The facilities provided estimates of burden for the three notification activities, completing the Uncompensated Services Report, and the record keeping burden (discussed later). A weighted average of the estimates was produced and rounded to arrive at the estimates presented in the table.

Published Notices (42 CFR 124.504(a)): The 63 non-alternative and unrestricted availability facilities are required to publish in a newspaper information about the availability of uncompensated services. Publication of this notice is estimated to require 0.75 person-hours/facility each year. (63 facilities x 0.75 hours per facility = 47.25 hours)

Individual Notices (42 CFR 124.504(c)): The 63 non-alternative and unrestricted availability facilities are required to provide individual notice of the availability of uncompensated services to each person who seeks services, which is estimated to require 43.6 person-hours/facility each year. (63 facilities x 43.6 hours per facility = 2,746.8 hours)

Determinations of Eligibility (42 CFR 124.507): The 63 non-alternative and unrestricted availability facilities are also required to prepare determinations of eligibility for each person applying for uncompensated care, which is estimated to require an average of 0.75 person-hours per determination. A review of program data showed that there is an average of 99 determinations per facility per year. (63 facilities x 99 determinations/facility x 0.75 hours/determination = 4,677.75 hours)

Annual Disclosure/Notification Burden = 7,471.8 hours.

REPORTING BURDEN

Reporting Level of Uncompensated Services, HRSA-710 Form (42 CFR 124.509(a)): Facilities are now required to submit the HRSA Form 710: (1) if they believe they have completed their obligation; or (2) if the DHF requests the form to document compliance.

About 10 facilities would file a Form 710 each year. Each form requires 11 person-hours to complete for a total annual burden of 110 hours. (10 facilities x 11 hours = 110)

Application for Compliance Alternatives for:

Public Facilities (42 CFR 124.513(c)): Based on past experience, 4 facilities are expected to apply for certification under the Public Facility Compliance Alternative. Each application will require 6 hours, for a total annual burden of 24 hours (4 facilities x 6 hours/facility = 24 hours);

Small Obligation Facilities (42 CFR 124.514(c)): Based on recent program experience, no facilities are expected to apply under this alternative.

Charitable Facilities (42 CFR 124.516(c)): Based on recent program experience, no facilities are expected to apply under this alternative.

Annual Certification for:

Public Facilities (42 CFR 124.509(b)): Based on past experience and a projected 3 year average, 32 facilities are expected to submit their annual certification of continued compliance under the public facility compliance alternative. Each submission will require about 0.5 hours to complete, for a total of 16.0 hours. (32 facilities x .5 hours = 16.0 hours);

Charitable Facilities (42 CFR 124.509(b)): Based on past experience and a projected 3 year average, 13 facilities are expected to submit their annual certification of continued compliance under the charitable facility compliance alternative. Each submission will require about 0.5 hours to complete, for a total of 6.5 hours. (13 facilities x .5 hours = 6.5 hours);

Small Obligation Facilities (42 CFR 124.509(c)): Based on past experience and a projected 3-year average, no facility is expected to be certified under the Small Obligation Compliance Alternative. It will require about 0.5 hours to complete an annual certification, for a total of 0 hour (0 facility x .5 hours = 0.0 hour).

Complaint Information (42 CFR 124.511(a)): Based on program experience, 10 individuals are expected to file complaints, which will require 0.25 hrs. The facility's response will require about 0.5 hours. Thus, the burden to individuals is 2.5 hours per year (10 individuals x 0.25 hours = 2.5 hours) and the burden to the facilities is 5 hour per year (10 facilities x 0.5 hours = 5 hours);

Annual Reporting Burden = 164

RECORDKEEPING

Recordkeeping for non-alternative facilities (42 CFR 124.510(a)): The 33 non-alternative facilities must maintain records of the amount of uncompensated care

provided. This activity requires about 50 person hours per facility each year, for a total of 1,650 hours (33 facilities x 50 hours/facility = 1,650 hours). NOTE: With the exception of the unrestricted availability compliance alternative, those facilities which are certified under one of the compliance alternatives have no recordkeeping burden.

Recordkeeping for unrestricted availability compliance alternative (42CFR 124.510 (a)): The 30 unrestricted availability compliance alternative facilities must maintain records of the amount of uncompensated care provided. This activity requires about 50 person hours per facility each year, for a total of 1,500 hours. (30 facilities x 50 hours/facility = 1,500 hours).

$$\text{Annual Recordkeeping Burden} = 1,650 + 1,500 = 3,150$$

The Total Annual Burden is (7471.8 + 164 + 3,150) = 10785.8 hours.

13. Estimates of Annualized Cost to Respondents

There are no capital or start up costs. Purchase of computers, testing equipment, etc., is not needed. Also, there are no operations and maintenance costs that would be required beyond normal staff time.

14. Estimates of Annualized Cost to the Federal Government

An estimated ten percent of 1 FTE at the GS 12 level are needed to review and process applications, certifications, and complaints received for this program at an estimated cost of \$7,407 annually.

Total cost to the Federal Government for 3 years : \$22,221

15. Changes in Burden

Currently, there are 14,678.6 total reporting and recordkeeping burden hours in the OMB inventory. The program is requesting 10,785.8 hours, a decrease of 3,892.8 hours. The decrease is largely due to the facilities having completed their responding requirements.

Program Adjustments:

There are three program adjustments. First, the number of facilities with remaining obligations has dropped because a number of facilities have completed their service obligations. With the addition of the unrestricted availability compliance alternative, published in 2001, a large number of Title VI facilities were certified under the compliance alternative which added to the overall decrease in the number of obligated facilities. Second, the estimate of the number of complaints expected each year has been revised based on recent experience. Third, the burden per facility has been revised for some other activities, based on calls to three facilities.

16. Time Schedule, Publication and Analysis Plans

There are no plans to publish the results of the information, collected in this report.

17. Exemption for Display of Expiration Date

No exemptions are requested.

18. Certification

The information collection fully complies with 5 CFR 1320.9. The required certifications are attached.