Supporting Statement for the Important Message from Medicare Contained in 42 CFR §405.1205 and §422.620

Introduction

This application requests an extension of an existing collection, 0938-0692, the Important Message from Medicare (IM), Form CMS-R-193, which is associated with final rule CMS-4105-F, [Medicare Program; Notification of Hospital Discharge Appeal Rights]. The final rule, implemented on July 2,

2007, set forth new requirements for how hospitals must notify Medicare beneficiaries who are hospital inpatients about their hospital discharge rights. Notice is required both for original Medicare beneficiaries and for beneficiaries enrolled in Medicare Advantage (MA) plans and other Medicare health plans subject to the MA regulations. The IM was last approved for renewal by the Office of Management and Budget (OMB) in 2007 and expires on July 31, 2013.

A. Background

The IM continues to meet the requirements of final rule CMS-4105-F and section 1866(a)(1)(M) of the Social Security Act, including a statement of patients’ rights, information about when a beneficiary will and will not be liable for charges for a continued stay in a hospital, and a detailed description of the QIO review process. The IM must be signed by the beneficiary (or representative, if applicable) to indicate that he or she comprehends its contents, and the hospital must retain a copy of the signed notice. The IM includes language emphasizing the importance of discussing discharge planning issues with physicians, plans, or hospital personnel to minimize the potential for disputes.

The IM is required to be given within 2 calendar days of admission, and depending on the length of stay, hospitals also may have to provide beneficiaries with a copy of the signed IM within 2 calendar days of discharge. Follow-up notice is not required if delivery of the original IM falls within 2 calendar days of discharge.

There are no changes to the IM form and instructions for this extension package.

B. Justification

1. Need and Legal Basis

Requirements that hospitals notify beneficiaries in inpatient hospital settings of their rights, including their discharge appeal rights, are referenced in Section 1866(a)(1)(M) of the Social Security Act (the Act). The authority for the right to an expedited determination is set forth at Sections 1869(c)(3)(C)(iii)(III) and 1154(a)of the Act.

42 CFR §405.1205 and 42 CFR §422.620 – The hospital must deliver valid, written notice (the IM) of a beneficiary’s rights as a hospital inpatient, including discharge appeal rights, within 2 calendar days of admission. A follow-up copy of the signed IM is given again as far as possible in advance of discharge, but no more than 2 calendar days before.

Follow-up notice is not required if the admission IM is provided within 2 calendar days of discharge.

2. Information Users

According to the 2011 Medicare CMS statistics published online by the

U.S. Department of Health and Human Services, Tables V.1 and VI.2, there were 6169 hospitals participating in Medicare that would need to issue IM notices for approximately12.4 million inpatient discharges in 2010. All of

these inpatients would have received the initial IM. We estimate that

approximately 60%, or 7.44 million of these beneficiaries, would have also received the follow-up copy of the signed IM at or near discharge. Delivery of the initial IM added to delivery of the follow-up copy of the IM results in a total of 19.84 million IM notices delivered annually.

The number of annual responses listed in our initial PRA submission was based on issuance of the initial IM only and used a 15 minute notice delivery time estimate. This 15 minute estimate compensated for the exclusion of the number of follow up IMs delivered in calculating the annual response estimate. We included issuance of both the initial IM and the follow up copy of the IM in our annual response calculation with our last submission to more accurately reflect incidence of delivery and will continue this approach with this submission. Additional details are provided under section 12., the burden estimate portion of this statement. Based on CMS Statistics for 2010, we estimate the number of hospitals potentially delivering the IM to be 6169 respondents delivering 19.84

million notices which would average 3216 responses annually per respondent.

3. Improved Information Technology

Hospitals must deliver a hard copy of the IM to beneficiaries or enrollees at the time of admission, and a copy of the signed IM must be delivered at

or near the time of discharge. Hospitals may store the signed copy of the

IM electronically if electronic medical records are maintained.

If a hospital elects to issue an IM that is viewed on an electronic screen before signing, the beneficiary must be given the option of requesting paper issuance instead of electronic if that’s what the beneficiary prefers. Also, regardless of whether a paper or electronic version is issued and regardless of whether the signature is digitally captured or manually penned, the beneficiary must be given a paper copy of the signed IM.

In cases where the beneficiary has a representative who is not physically available, hospitals are permitted to give the IM by telephone with a follow-up hard copy delivered to the representative.

4. Duplication of Similar Information

None.

5. Small Business

All hospitals are expected to give the IM in relevant situations. The requirement does not impose any greater burden on small businesses than on large businesses since there is no difference in the information collected.

6. Less Frequent Collection

None.

7. Special Circumstances

The regulations at 42 CFR §405.1205(b) and 42 CFR §422.620(b) require that the notices be validly delivered to either beneficiaries or, in circumstances where a beneficiary is unable to understand the notice, to their representatives.

8. Federal Register Notice/Outside Consultation

The IM was published several times as a *Federal Register* notice and was last published on April 19, 2010. No comments were received during the last publication.

A 60-day *Federal Register* notice will be published on March 6, 2013

(78 FR 14555). 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 will not provide 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

By statute, the IM must be provided to all Medicare beneficiaries. The initial PRA submission for this notice calculated the burden associated with delivery of the IM as 15 minutes per notice. This estimate was derived by combining the estimated delivery of the initial IM with the delivery of the follow up IM into one response and one delivery.

With our last PRA submission and this submission, we are using a more accurate estimate of minutes per notice. Estimates are calculated by multiplying the minutes per response with each type of delivery by the number of IM’s issued for each (see section 2.) to determine the annual minutes of response.

Initial IM: 12 minutes multiplied by 12,400,000 IMs = 148,800,000 minutes

Follow up IM: 3 minutes multiplied by 7,440,000 IMs = 22,320,000 minutes

Dividing the above total of 171,120,000 minutes annually for IM response time by 19,840,000, the total number of IMs issued annually, yields an IM response time of 8.625 minutes per notice, which we have rounded to 9 minutes.

Based on the 9 minute response time and annual frequency of responses, the annual hour burden is estimated to be 2,976,000. The cost per response is approximately $4.50 based on an hourly salary rate of $30 and the 9 minute response estimate. Since our expectation is that the DND notices will be prepared by a staff person with professional skills of at least

the GS-12- Step 1 level (at least an hourly salary of $28.88 per Office of Personnel Management (OPM) website at: [www.opm.gov](http://www.opm.gov/)), we will use the same $30 hourly wage as we used in our last PRA submission. By multiplying the annual responses by $4.50, the annual cost burden estimate is $89,280,000.

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 IM is an existing collection. The total annual hour burden has increased due the number of annual inpatient hospitalizations increasing by 100,000. With this increase in inpatient hospitalizations, the estimated annual number of responses has increased by 160,000 annually. Consequently, there is an increase in the annual cost burden estimate from $88.28 million to $89.56 million.

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.