

**Supporting Statement For The  
Outpatient Rehabilitation Facility, Community Mental Health Center Cost Report  
And Supporting Regulations in 42 CFR 413.20 and 413.24  
FORM CMS-2088-92, OCN 0938-0037**

**BACKGROUND**

CMS is requesting the Office of Management and Budget (OMB) review and approve this extension request for Form CMS-2088-92, the Outpatient Rehabilitation Community Mental Health Center (CMHC) Cost Report. These cost reports are filed annually by freestanding CMHC providers participating in the Medicare program to effect year end cost settlement for services provided to Medicare beneficiaries.

Providers receiving Medicare reimbursement must provide adequate cost data based on financial and statistical records that can be verified by qualified auditors. The data collected from these cost reports will be used to calculate current levels of Medicare reimbursement.

**B. JUSTIFICATION**

1. Need and Legal Basis

Providers of services participating in the Medicare program are required under sections 1815(a) and 1861(v)(1)(A) of the Social Security Act (42 USC 1395g) to submit annual information to achieve settlement of costs for health care services rendered to Medicare beneficiaries. In addition, regulations at 42 CFR 413.20 and 413.24 require adequate cost data and cost reports from providers on an annual basis.

The CMS-2088-92 cost report is needed to determine reimbursable cost due to or due from providers furnishing medical services to Medicare beneficiaries.

2. Information Users

The cost reports are required to be filed with the provider's Medicare Administrative Contractor (MAC). The functions of the MAC are described in section 1816 of the Social Security Act.

The MAC uses the cost report to calculate the provider's cost to charge ratios used to compute outlier payments and to determine a provider's final cost settlement by comparing the provider's interim payments received to the reasonable cost for the fiscal period covered by the cost report.

The collection of data is a secondary function of the cost report. The data is used by CMS to support program operations, payment refinement activities, and to make Medicare Trust Fund projections.

The data submitted on the Medicare cost report is also used by CMS and other stakeholders

to analyze a myriad of health care measures on a national level. These other stakeholders include OMB, the Congressional Budget Office, Medicare Payment Advisory Commission, Congress, researchers, universities, and other interested parties.

3. Use of Information Technology

CMHCs are required to submit Medicare cost reports electronically for cost reporting periods ending on or after March 31, 2005. Although providers are still required to submit a paper signed attestation page, CMS is exploring methods to transmit the signed attestation electronically to eliminate the paper submission.

4. Duplication of Efforts

This information collection does not duplicate any other effort and the information cannot be obtained from any other source.

5. Small Businesses

These cost reporting forms have been designed with a view towards minimizing the reporting burden for small CMHCs. Supplemental worksheets are completed by the CMHC on an as-needed basis. Providers with low program utilization, as defined in 42 CFR 413.24(h), may not be required to complete certain worksheets of Form CMS-2088-92.

6. Less Frequent Collection

If CMHCs are not required to file the cost report, the Secretary will be unable to determine whether proper payments are being made under Medicare. A provider who fails to file a cost report by the statutory due date is notified that interim payments will be reduced, suspended or deemed overpayments.

7. Special Circumstances

This information collection complies with all general information collection guidelines in 5 CFR 1320.6, without the existence of special circumstances.

8. Federal Register / Outside Consultation

The 60 day Federal Register notice published on October 23, 2013 (78 FR 63208). No comments were received.

9. Payments/Gifts to Respondents

There are no payments or gifts to respondents.

10. Confidentiality

Confidentiality is not assured. Medicare cost reports are subject to disclosure under the Freedom of Information Act.

11. Sensitive Questions

There are no questions of a sensitive nature.

12. Burden Estimates (Hours and Wages)

a. Hours:

Approximately, 540 free-standing CMHCs file this cost report. It will take an average time of 10 hours for the CMHCs that fill out the regular cost report to complete it, for a total of 5,400 hours (540 CMHCs X 10 hours). The total national reporting burden for the CMHC cost report will be 5,400 hours annually.

The record keeping burden is estimated at 90 hours for each of the 540 respondents, resulting in a record keeping burden of 48,600 hours.

Resulting total hours of burden is 54,000.

b. Cost:

The respondent cost is calculated as the number of hours of paperwork burden (5,400) times the standard rate of \$15.00 per hour. Thus, the respondent cost is \$81,000.

13.	The CMHC cost report is submitted annually. CMS estimates the cost reporting burden: (90 hours record keeping, 10 hours reporting)	100 hours
14.	The number of respondents:	<u>540</u>
	Total burden hours:	54,000 hours
	The annual cost per hour:	<u>\$20</u>
	The total annual burden cost:	\$1,080,000

Annual cost to the MACs: Annual costs incurred are related to processing information contained on the forms, particularly associated with achieving settlements. Processing costs are based on estimates provided by the Office of Financial Management. \$1,620,000  
(20 hours x \$150.00/ hour x 540 respondents)

<u>Annual cost to CMS: Total CMS processing cost (HCRIS Budget)</u>	<u>\$42,000</u>
<u>Total Federal Cost:</u>	\$1,662,000

15. Changes to Burden

There are no program changes. The burden estimate has been adjusted to account for a decrease in the number of respondents, from 596 to 540.

16. Publication/Tabulation Dates

The data submitted on the cost report is not published or tabulated.

17. Expiration Date

CMS would like an exemption from displaying the expiration date as these forms are used on a continuing basis and change infrequently.

18. Certification Statement

There are no exceptions to the certification statement.

**B. STATISTICAL METHODS**

There are no statistical methods employed in this collection.