**Supporting Statement**

**Children's Hospital Graduate Medical Education Payment Program**

**OMB Control No. 0915-0247**

**Terms of Clearance: None**

## A. Justification

### 1. Circumstances Making the Collection of Information Necessary

This is a request for an approval from the Office of Management and Budget (OMB) from the Health Resources Services Administration (HRSA) for the revision of the Children's Hospitals Graduate Medical Education (CHGME) Payment Program application package. The CHGME Payment Program package includes application forms, instructions and guidance. The authorizing legislation for the CHGME Payment Program is as follows: Healthcare Research and Quality Act of 1999 (Public Law 106-129), The Children's Health Act of 2000 (Public Law 106-310), Amendment to Section 340E of the Public Health Service Act (Public Law 108-490), and The Children's Hospital GME Support Reauthorization Act of 2006 (Public Law 109-307).

A notice announcing implementation of the CHGME Payment Program was published in the *Federal Register* on June 19, 2000. Subsequent *Federal Register* notices were published which proposed and finalized CHGME Payment Program methodologies and processes. The CHGME Payment Program's current application OMB approval will expire on June 30, 2014. The CHGME Payment Program application has been integrated in HRSA's Electronic Handbook (EHB) Grants Application system, requiring certain data fields previously reported by the hospitals to be revised, deleted or added. In addition, on September 30, 2013, CMS published revised cost report forms on their Web site, specifically form CMS 2552-10, Worksheet E-4, requiring modification of the data collection forms in the CHGME Payment Program application. Furthermore, the inclusion of forms and documentation requests used to collect data from the fiscal intermediaries that audit the children's hospitals as part of a contract with the CHGME program. These changes require OMB approval.

The Healthcare Research and Quality Act of 1999 (Public Law 106-129) amended the Public Health Service (PHS) Act to establish a new program to support graduate medical education (GME) in children's hospitals. The Children's Health Act of 2000 (Public Law 106-310) amended Public Law 106-129 with extension of Section 340E of the PHS Act authorizing the CHGME Payment Program through FY 2005. The Children's Hospital GME Support Reauthorization Act of 2006 (Public Law 109-307) amended the Children's Health Act of 2000 (Public Law 106-310) authorizing the CHGME Payment Program through FY 2011. Department of Health and Human Services appropriations for the CHGME Payment Program have exceeded

$2.5 billion since the CHGME Payment Program's inception in FY 2000.

The application package includes an introductory letter, overview of the CHGME Payment Program, information on the CHGME Payment Program application cycle and deadline requirements, application forms, hospital eligibility criteria, CHGME payment methodology, explanation of data needed by participating hospitals to complete the CHGME Payment Program application forms, information to assist hospitals in determining the number of resident full-time equivalents (FTEs) that can be claimed for CHGME Payment Program payment, instructions for completing the application forms, and references. In addition, screenshots of the cover letter, conversation record, and exhibits required to be submitted by auditors in the resident FTE assessment final report are included.

Below is a discussion of the application forms and accompanying guidance and instructions (items A through H) as well as documentation required by the CHGME fiscal intermediaries related to the audit of CHGME funded hospitals (items I through X) for which approval is requested. These include: 1) the collection of data directly related to the administration of the CHGME Payment Program; 2) the reporting of performance measures as required by the Government Performance and Results Act (GPRA) of 1993; and 3) the collection of data directly related to the audit of the information submitted by CHGME Payment Program funded hospitals including the reconciliation application and used for purposes of payment.

A. Application Cover Letter – This letter includes a brief description of the application submitted and an explanation of issues that may require attention, as well as a list of the documents included for review by CHGME Payment Program.

B. HRSA 99: Demographic and Contact Information - This form is used to identify the applicant hospital's Medicare Provider Number, Tax Identification Number, DUNS number, and the appropriate hospital liaisons for application processing and auditing purposes. This form is the initial part of each application.

C. HRSA 99-1: Determination of Weighted and Un-weighted Resident Full Time Equivalent (FTE) Counts - This form must be completed as a component of the application. Information will be requested on the hospital's number of resident FTE unweighted and weighted counts for the current, previous, penultimate and base (1996) MCR periods.

By statute [Section 340E(c)(1) of the Public Health Service Act (Direct Payments)], payments for direct expenses relating to the hospital's approved GME programs for a FY are equal to the product of (a) an updated national per resident amount for direct GME with wage adjustment and a labor share for each children's hospital's area applied to a standard wage-related portion, and (b) the average number of resident FTEs as determined under Section 1886(h)(4) of the Social Security Act (SSA).

In December 2003, the President signed the MMA of 2003 (also known as the Medicare Modernization Prescription Drug and Improvement Act of 2003), Public Law 108-173. §422 of the MMA, added Section 1886(h)(7) to the SSA. This provision reduced the 1996 Base Year

resident counts (the 1996 cap) for certain hospitals and redistributed those positions to other hospitals that applied for and received an increase to their 1996 Base Year Cap. Hereinafter, any decreases to a hospital's 1996 Base Year Cap as a result of §422 will be referred to as the "§422 Cap Reduction" and any increases to the 1996 Base Year Cap as a result of §422 will be referred to as the "§422 Cap Increase." Authority for implementing §422 of the MMA was delegated to the Centers for Medicare and Medicaid Services (CMS). Determinations made and implemented by CMS in response to §422 are final and not subject to appeal. Under the CHGME Payment Program statute, by incorporation of the SSA provisions, the HRSA must implement the counting law and rules of Medicare, which include those related to the implementation of §422 of the MMA.

In March 2010, the President signed the ACA of 2010 (also known as the Affordable Care Act of 2010), Public Law 111-148. §5503 of the ACA added Section 1886(h)(8)(F) to the SSA. This provision reduced the 1996 Base Year resident counts (the 1996 cap) for certain hospitals and redistributed those positions to other hospitals that applied for and received an increase to their 1996 Base Year Cap. Hereinafter, any decreases to a hospital's 1996 Base Year Cap as a result of §5503 will be referred to as the "§5503 Cap Reduction" and any increases to the 1996 Base Year Cap as a result of §5503 will be referred to as the "§5503 Cap Increase." Authority for implementing §5503 of the ACA was delegated to the Centers for Medicare and Medicaid Services (CMS). Determinations made and implemented by CMS in response to §5503 are final and not subject to appeal. Under the CHGME Payment Program statute, by incorporation of the SSA provisions, the HRSA must implement the counting law and rules of Medicare, which include those related to the implementation of §5503 of the ACA.

In September 2013, CMS finalized changes made to form CMS 2552-10, E-4 due to the ACA. The last revision to CMS' form 2552-10 that included changes affecting the CHGME Payment Program was released on September 30, 2013 (http://www.cms.gov/Research-Statistics-Data-and-Systems/Files-for-Order/CostReports/index.html?redirect=/costreports/). The data provided on this form is used by the children's hospitals to complete submission of the CHGME application. Specifically, changes made due to Section 5503 and 5506 affect the HRSA 99-1, which requests FTE resident count data from the children's hospitals. The order of the lines on the HRSA 99-1 has been rearranged to match the order of the lines requesting the same information on the CMS 2552-10, E-4. Section 5503 amended the Act to add a provision to redistribute medical residency positions that have been unfilled during a prior cost reporting period to other hospitals and to direct slots for training primary care physicians. Section 5506 pertains to preservation of caps from Redistribution of resident FTE caps from closed hospitals.

Public Law 106-310, Public Health Service Act sec. 340E(e)(3) states that the Secretary must determine any changes to the number of resident FTEs reported by a hospital in its (initial) application for CHGME Payment Program funding. The application form for determination of weighted and un-weighted resident FTE counts for the reconciliation application cycle is the same application form for the initial application cycle.

The resident FTE counts reported by children's hospitals in their reconciliation applications must be consistent with those reported by the CHGME FIs to be accepted by the Department.

Hospitals must report any changes to their resident FTE counts for those cost report years reflected in their initial applications. Prior to the end of each FY, the Department will determine the final amount due to each participating children's hospital based upon the reconciliation application cycle and will pay any balance due or recoup any overpayment made to/from each children's hospital.

D. HRSA 99-2: Determination of Indirect Medical Education Data Related to the Teaching of Residents - This form must be completed as a component of the application. Information will be requested on the hospital's number of inpatient days, number of inpatient discharges, number of available beds, case-mix index (CMI) and intern/resident to bed (IRB) ratio for the current, previous, penultimate and base (1996) MCR periods.

By statute [Section 340E(d) of the PHS Act (Indirect payments)], the Secretary must also determine the amounts of indirect medical education(IME)payments by taking into account factors identified in section 340E(d)(2)(A) of the PHS Act --- variations in case mix, and the number of resident FTEs in the hospital's approved GME training programs for a fiscal year.

As mentioned in section B above and as mandated in Public Law 106-310, Public Health Service Act Sec. 340E(e)(3), hospitals have an opportunity to correct the resident FTE counts submitted on the initial application form for IME during the reconciliation application cycle to determine the final amount payable to the hospital for the current fiscal year. These payments will be made after the Resident FTE Assessment Program and reconciliation of resident FTE counts by the children's hospitals have been completed.

E. HRSA 99-3: Certification - This is a certification form and not a form collecting information. Citations within this form have been updated and approved by the Office of General Counsel (OGC). By signing the certification statement, the applicant children's hospital agrees to adhere to all conditions listed and is aware that the hospital may be denied entry to or revoked from the CHGME Payment Program if any conditions are violated.

F. HRSA 99-4: Government Performance and Results Act (GPRA) Tables - This form is required for the collection of information per the GPRA Act of 1993, as well as §5504 of the ACA. It will be requested before the end of the FY when the reconciliation application cycle occurs and the HRSA 99-1 and HRSA 99-2 are resubmitted reflecting changes, if any, to the resident FTE counts reported by the children's hospitals in their initial applications for CHGME Payment Program funding.

§5504 of the ACA amended §1886(h)(4)(E) of the Act for direct GME purposes, effective July 1, 2010, to allow a hospital to count residents training in nonprovider settings if the residents are engaged in patient care activities and if the hospital incurs the costs of the stipends and fringe benefits of the resident during the time the residents spend in that setting. In addition, effective July 1, 2009, for direct GME purposes only, the time residents spend in certain nonpatient care activities that occur in a nonprovider setting that is primarily engaged in furnishing patient care may also be counted. Authority for implementing §5504 of the ACA was delegated to the CMS. Determinations made and implemented by CMS in response to §5504 are final and not subject to

appeal. Under the CHGME Payment Program statute, by incorporation of the SSA provisions, the HRSA must implement the counting law and rules of Medicare, which include those related to the implementation of §5504 of the ACA.

G. HRSA 99-5: Application Checklist - This form is checklist developed in response to numerous requests by participating children's hospitals to provide them with a checklist that they could use to ensure that their application for CHGME Payment Program funding was complete before submitting it to the CHGME Payment Program for consideration. The checklist identifies all required forms and supporting documentation, where appropriate, that an applicant children's hospital must submit to the CHGME Payment Program to be considered for funding.

H. CFO Form Letter – This letter includes a brief description of the application resubmitted with corrections and an explanation of changes made, as well as a list of the revised documents included for further review by CHGME Payment Program.

As stated above, Section 340E(e)(3) of the Public Health Service Act as amended implies that prior to the end of the fiscal year (i.e., September 30th) for which children's hospitals have applied for CHGME Payment Program funding, the Secretary must determine (reconcile) any changes to the resident FTE counts reported by a hospital in its initial application for the current fiscal year. This requirement is met in lieu of the OMB A-133 Requirement.

On October 22, 2003, the Secretary published a Federal Register Notice (Vol. 68, No. 204, page 60396) which established the Resident FTE Assessment Program to ensure this determination is made for resident FTE counts submitted by all children's hospitals applying for CHGME Payment Program support. This determination is done by conducting a comprehensive assessment of the resident FTE counts claimed by children's hospitals in their initial applications for CHGME Payment Program funding. Beginning in FY 2003, the CHGME Payment Program contracted with its own fiscal intermediaries (hereinafter CHGME FIs) to assess the resident FTE counts submitted by participating children's hospitals in their initial applications for CHGME Payment Program funding. This assessment of resident FTE counts is performed for all children's hospitals regardless of the type of Medicare cost report (MCR) filed. The following information, forms and supporting documentation are collected in accordance with this statute.

I. Resident FTE Assessment: Cover Letter – This letter includes a brief description of the audit that was performed and for which years, as well as a list of the documents included for review by CHGME Payment Program.

J. Resident FTE Assessment: Conversation Record – This summary of the actions taken during the audit, including the sampling technique used during reviews and details of which exhibits were submitted.

K. Exhibit C: CHGME FI Summary of Issues – This form details any issues encountered during the assessment that affected the audit process or the final resident FTE counts.

L. Exhibit F: CHGME FI Introductory Request Letter to Hospital - This letter introduces the

CHGME fiscal intermediary to the hospital and is a formal request to the hospital for documentation to support resident FTEs claimed on the hospital's initial application.

M. Exhibit N: Points for Future CHGME Auditors - This form facilitates continuity of communication from one CHGME fiscal intermediary to the next, and helps the Program and auditors track and follow up any issues with each hospital in a timely manner.

N. Exhibit O(1): CHGME FI Assessment Summary (Adjustment) – This form lists the reasons for any increases or decreases in resident FTE counts reported by the hospital and briefly explain the reason the adjustment occurred.

O. Exhibit O(2): CHGME HRSA 99-1 – This form compiles the resident FTE counts reported by the hospital, filed with CMS and audited by the CHGME fiscal intermediary.

P. Exhibit P(1): CHGME FI Adjustment Letter to the Hospital – This letter provides a summary of the resident FTE assessment findings to the respective children's hospitals.

Q. Exhibit P(2): CHGME Management Recommendation Letter to the Hospital - This letter is given to a hospital outlining certain conditions encountered during the audit and the recommended actions which to avoid similar CHGME Payment Program assessment findings during future audits.

R. Exhibit S: Final Medicare Administrative Contact (MAC) Letter/ "Top Memorandum" - This letter is sent to notify the MAC of the completion of the resident FTE assessment for each respective hospital and to provide a summary report of the audit findings**.**

S. Exhibit T: Reopening Request Letter to MAC – This letter requests the resident FTE assessment finding be incorporated into the Medicare process, where applicable.

T. Exhibit T(1): Reopening Request Letter to CHGME FI – This letter serves as a record for the CHGME fiscal intermediary of the request made to the MAC to incorporate resident FTE assessment findings into the Medicare process, where applicable.

U. Exhibit 1: Summary of GME Affiliation Agreement(s) – This workpaper reconciles the GME Affiliation Agreement(s) and summarizes calculations that support final counts reflected in HRSA 99-1.

V. Exhibit 2: Revised GME Affiliation Agreement(s) for an Aggregate Cap – Revised GME Affiliation Agreement(s) for an Aggregate Cap, if available, as well as the email confirmation receipt to CMS and proof of submission to the Medicare MAC.

W. Exhibit 3: Worksheet E-3, Part IV, if MCR was settled after hospital - Updated CMS Form 2552-10, Worksheet E-4 (formerly named Worksheet E-3, Part IV, and Worksheet E-3, Part VI),

if required.

X. Exhibit 4: MMA letter from CMS, must be included if hospital claims MMA – This letter is a copy of the letter sent to the provider by CMS informing the hospital of an increase and/or reduction in the resident FTE cap due to Section 422 of MMA, Section 5503 and 5506 of the ACA, if applicable.

**2. Purpose and Use of Information Collection**

HRSA will use the data to determine the amount of payments to each participating children's hospital. Administration of the CHGME Payment Program relies on the reporting and audit of the number of resident FTEs in applicant children's hospitals' training programs to determine the amount of direct and indirect expense payments to participating children's hospitals. Indirect expense payments will also be derived from a formula that requires the reporting of case mix index information, the number of inpatient discharges and the number of inpatient beds from participating children's hospitals.

Hospitals will be requested to submit information in an initial application for CHGME Payment Program funding which includes the number of resident FTEs trained by the hospital. Auditors will be requested to submit data on the number of full-time equivalent residents trained by the hospitals in an FTE resident assessment summary. An assessment of the hospital data ensures that appropriate CMS regulations and CHGME program guidelines are followed in determining which residents are eligible to be claimed for funding. The audit results impact final payments made by the CHGME Payment Program to all eligible hospitals.

Before the end of the fiscal year, participating hospitals will be required to complete a reconciliation application for CHGME Payment Program funding furnishing final numbers which will reflect any changes to the number of residents reported by a hospital in its initial application. Additionally, the GPRA of 1993 requires the collection of performance data from participating children's hospitals. These data will be requested when the final number of resident FTEs is reported before the end of the fiscal year.

**3. Use of Improved Information Technology and Burden Reduction**

The HRSA forms are currently available electronically via the EHB to allow for the submission of the applications from the children's hospitals. Review and assessment results are recorded electronically to increase efficiency and accuracy and to reduce costs.

**4. Efforts to Identify Duplication and Use of Similar Information**

Contract work was performed to specifically identify existing data sources and to determine their appropriateness for the administration of the CHGME Payment Program. The evaluation concluded that existing data are not currently collected by other entities for the reasons given below.

Prior to FY 2000, children's hospitals varied in the completeness and accuracy of the resident FTE count data they furnished to the CMS data systems, and only some of the eligible children's hospitals reported cost or resident FTE count data to CMS. The major issue for the CHGME Payment Program is the reporting of resident FTE data *according to Medicare rules*. The CHGME Payment Program requires the reporting of accurate past and current resident FTE count data under these rules, in order to make accurate payments for GME under the CHGME Payment Program.

Possible alternative data sources were reviewed (as described below) and found not to be satisfactory for the purpose of the CHGME Payment Program.

- The *American Board of Pediatrics* (ABP) collects FTE counts on most of the pediatric residents training in children's hospitals. However, the weighting factors used to determine the counts are significantly different from the Medicare rules that must be used by the CHGME Payment Program. Furthermore, the ABP collects information by programs rather than by hospitals, and it does not collect counts on FTEs of other specialties. Moreover, ABP data are unlikely to include residents who rotate into the children's hospital from programs in other hospitals.

- The Civilian Health and Medical Program of the Uniformed Services (CHAMPUS) obtains resident counts from some children's hospitals for the purpose of reimbursement. However, the weighting rules and reporting periods differ from that of the Medicare and CHGME Payment Program.

- The *Association of American Medical Colleges* (AAMC) uses the GME Track system, which supplants the resident count survey previously used by the American Medical Association and AAMC. The system requests resident numbers data from teaching hospitals and programs to be furnished between July and September each year. However, these numbers are not counted or weighted according to Medicare rules. Furthermore, the system does not produce accurate counts on a timely basis, as the counts can be modified as late as March of the following year.

Based upon the justification described in the three points above, the hospital may not want to certify such alternative counts as accurate, since they are not necessarily under the hospital's control and could be difficult for the hospital to verify.

**5. Impact on Small Businesses or Other Small Entities**

This project does not have a significant impact on small business or other small entities.

**6. Consequences of Collecting the Information Less Frequently**

The annual reporting of information is necessary to calculate payment amounts for the fiscal year. The number of resident FTEs, case mix, and utilization data are expected to change

annually. The audit and annual reporting of corrections to previously reported information is necessary to complete the statutorily dictated reconciliation process. GPRA also requires the annual reporting of performance data.

**7. Special Circumstances Relating to the Guidelines of 5CFR 1320.5**

This collection is consistent with the guidelines under 5 CFR 1320.5(d)(2).

**8. Comments in Response to the Federal Register Notice/Outside Consultation**

The notice required in 5 CFR 1320.8(d) was published in the Federal Register on February 11, 2014 (Vol. 79, No. 28, page 8194). No comments were received.

In February 2014, the following CHGME Payment Program participants reviewed the CHGME materials for the burden estimate, and for the clarity of instructions and forms:

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**9. Explanation of any Payment/Gift to Respondents**

There will be no remuneration of respondents.

**10. Assurance of Confidentiality Provided to Respondents**

No personal identifiers will be collected.

**11. Justification for Sensitive Questions**

There are no questions of a sensitive nature.

**12. Estimates of Annualized Hour and Cost Burden**

The estimated burden hours are reflected in the following table:

**12A. Estimated Annualized Burden Hours**

| Type of Respondent | Form Name | Number of Respondents | Number of Responses per Respondent | Average Burden per Response (in hours) | Total Burden Hours |
|---|---|---|---|---|---|
| Hospital | Application Cover Letter (Initial) | 60 | 1 | 0.33 | 19.8 |
| Hospital | Application Cover Letter (Reconciliation) | 60 | 1 | 0.33 | 19.8 |
| Hospital | HRSA 99 (Initial) | 60 | 1 | 0.33 | 19.8 |
| Hospital | HRSA 99 (Reconciliation) | 60 | 1 | 0.33 | 19.8 |
| Hospital | HRSA 99-1 (Initial) | 60 | 1 | 26.5 | 1,590 |
| Hospital | HRSA 99-1 (Reconciliation) | 60 | 1 | 6.5 | 390 |
| Auditor | HRSA 99-1 (Supplemental) (FTE Resident Assessment) | 30 | 1 | 3.67 | 110.1 |
| Hospital | HRSA 99-2 (Initial) | 60 | 1 | 11.33 | 679.8 |

| Type of Respondent | Form Name | Number of Respondents | Number of Responses per Respondent | Average Burden per Response (in hours) | Total Burden Hours |
|---|---|---|---|---|---|
| Hospital | HRSA 99-2 (Reconciliation) | 60 | 1 | 3.67 | 220.2 |
| Hospital | HRSA 99-4 (Reconciliation) | 60 | 1 | 12.5 | 750 |
| Hospital | HRSA 99-5 (Initial) | 60 | 1 | 0.33 | 19.8 |
| Hospital | HRSA 99-5 (Reconciliation) | 60 | 1 | 0.33 | 19.8 |
| Hospital | CFO Form Letter (Initial) | 60 | 1 | 0.33 | 19.8 |
| Hospital | CFO Form Letter (Reconciliation) | 60 | 1 | 0.33 | 19.8 |
| Auditor | FTE Resident Assessment Cover Letter (FTE Resident Assessment) | 30 | 1 | 0.33 | 9.9 |
| Auditor | Conversation Record (FTE Resident Assessment) | 30 | 1 | 3.67 | 110.1 |
| Auditor | Exhibit C (FTE Resident Assessment) | 30 | 1 | 3.67 | 110.1 |
| Auditor | Exhibit F (FTE Resident Assessment) | 30 | 1 | 3.67 | 110.1 |
| Auditor | Exhibit N (FTE Resident Assessment) | 30 | 1 | 3.67 | 110.1 |
| Auditor | Exhibit O(1) (FTE Resident Assessment) | 30 | 1 | 3.67 | 110.1 |
| Auditor | Exhibit O(2) (FTE Resident Assessment) | 30 | 1 | 26.5 | 795 |
| Auditor | Exhibit P (FTE Resident Assessment) | 30 | 1 | 3.67 | 110.1 |
| Auditor | Exhibit P(2) (FTE Resident Assessment) | 30 | 1 | 3.67 | 110.1 |
| Auditor | Exhibit S | 30 | 1 | 3.67 | 110.1 |

| Type of Respondent | Form Name | Number of Respondents | Number of Responses per Respondent | Average Burden per Response (in hours) | Total Burden Hours |
|---|---|---|---|---|---|
| | (FTE Resident Assessment) | | | | |
| Auditor | Exhibit T (FTE Resident Assessment) | 30 | 1 | 3.67 | 110.1 |
| Auditor | Exhibit T(1) (FTE Resident Assessment) | 30 | 1 | 3.67 | 110.1 |
| Auditor | Exhibit 1 (FTE Resident Assessment) | 30 | 1 | 0.33 | 9.9 |
| Hospital and Auditor | Exhibit 2 (Initial, Reconciliation and FTE Resident Assessment) | 90 | 1 | 0.33 | 29.7 |
| Hospital and Auditor | Exhibit 3 (Initial, Reconciliation and FTE Resident Assessment) | 90 | 1 | 0.33 | 29.7 |
| Hospital and Auditor | Exhibit 4 (Initial, Reconciliation and FTE Resident Assessment) | 90 | 1 | 0.33 | 29.7 |
| Total | - | 90 | - | - | 5,903.4 |

Basis for estimates:

Application Cover Letter - Each assigned hospital must complete and submit a cover letter with the submission of the initial application to the CHGME Payment Program. The number of respondents (60) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (0.33 hours) for an initial application are based upon program experience working with the hospitals and discussion with hospitals (60 hospitals x 1 application x 0.33 hours per response = 19.8 total burden hours).

The hours per response (0.33 hours) for the reconciliation application are based upon program experience working with the hospitals and discussions with the hospitals (60 hospitals x 1 reconciliation application x 0.33 hours per response = 19.8 total burden hours).

HRSA 99: Demographic and Contact Information - Each eligible hospital must complete and

submit a HRSA 99 to apply for annual funding under the CHGME Payment Program. The number of respondents (60) completing the form is based on responses from hospitals which will likely complete the HRSA 99 biannually. The hours per response (0.33 hours) for an initial application are based upon program experience working with the hospitals and discussion with hospitals (60 hospitals x 1 initial application x 0.33 hours per response = 19.8 total burden hours).

The hours per response (0.33 hours) for the reconciliation application are based upon program experience working with the hospitals and discussions with the hospitals (60 hospitals x 1 reconciliation application x 0.33 hours per response = 19.8 total burden hours).

HRSA 99-1: Determination of Weighted and Un-weighted Resident FTE Counts - Each eligible hospital must complete and submit a HRSA 99-1 to apply for annual funding under the CHGME Payment Program. The number of respondents (60) completing the form is based on responses from hospitals which will likely complete the HRSA 99-1 biannually. The hours per response (26.5 hours) for an initial application are based upon program experience working with the hospitals and discussion with hospitals (60 hospitals x 1 initial application x 26.5 hours per response = 1,590 total burden hours).

The hours per response (6.5 hours) for the reconciliation application are based upon program experience working with the hospitals and discussions with the hospitals (60 hospitals x 1 reconciliation application x 6.5 hours per response = 390 total burden hours).

HRSA 99-2: Determination of Indirect Medical Education Data Related to the Teaching of Residents - Each eligible hospital must complete and submit a HRSA 99-2 to apply for annual funding under the CHGME Payment Program. The number of respondents (60) completing the form is based on responses from hospitals which will likely complete the HRSA 99-2 biannually. The hours per response (11.33 hours) for an initial application are based upon program experience working with the hospitals and discussion with hospitals (60 hospitals x 1 initial application x 11.33 hours per response = 679.8 total burden hours).

The hours per response (3.67 hours) for the reconciliation application are based upon program experience working with the hospitals and discussions with the hospitals (60 hospitals x 1 reconciliation application x 3.67 hours per response = 220.2 total burden hours).

HRSA 99-4: Government Performance and Results Act Tables - Under the GPRA of 1993 and as part of the annual application requirements, each eligible hospital must complete and submit a HRSA 99-4. The number of respondents (60) completing the form is based on responses from hospitals which will likely complete the HRSA 99-4 annually. The hours per response (12.5 hours) are based upon program experience working with the hospitals and discussion with hospitals (60 hospitals x 1 reconciliation application x 12.5 hours per response = 750 total burden hours).

HRSA 99-5: Application Checklist - Each eligible hospital must complete and submit a HRSA 99-5 to apply for annual funding under the CHGME Payment Program. The number of

respondents (60) completing the form is based on responses from hospital which will likely complete the HRSA 99-5 biannually. The hours per response (.33 hours) for an initial application are based upon program experience working with the hospitals and discussion with hospitals (60 hospitals x 1 initial application x .33 hours per response = 19.8 total burden hours).

The hours per response (.33 hours) for the reconciliation application are based upon program experience working with the hospitals and discussions with the hospitals (60 hospitals x 1 reconciliation application x .33 hours per response = 19.8 total burden hours).

CFO Form Letter - Each eligible hospital must complete and submit a CFO form letter with the revised applications submitted to the CHGME Payment Program for all audited hospitals. The number of respondents (60) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (0.33 hours) for an initial application are based upon program experience working with the hospitals and discussion with hospitals (60 hospitals x 1 application x 0.33 hours per response = 19.8 total burden hours).

The hours per response (0.33 hours) for the reconciliation application are based upon program experience working with the hospitals and discussions with the hospitals (60 hospitals x 1 reconciliation application x 0.33 hours per response = 19.8 total burden hours).

Resident FTE Assessment: Cover Letter - Each assigned auditor must complete and submit a cover letter with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (30) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (0.33 hours) for an initial application are based upon program experience working with the auditors and discussion with auditors (30 auditors x 1 resident FTE Assessment x 0.33 hours per response = 9.9 total burden hours).

Resident FTE Assessment: Conversation Record - Each assigned auditor must complete and submit a conversation record with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (30) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (3.67 hours) for an initial application are based upon program experience working with the auditors and discussion with auditors (30 auditors x 1 resident FTE Assessment x 3.67 hours per response = 110.1 total burden hours).

Exhibit C: CHGME FI Summary of Issues - Each assigned auditor must complete and submit a summary of issues with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (30) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (3.67 hours) for an initial application are based upon program experience working with the auditors and discussion with auditors (30 auditors x 1 resident FTE Assessment x 3.67 hours per response = 110.1 total burden hours).

Exhibit F: CHGME FI Introductory Request Letter to Hospital - Each assigned auditor must include a copy of the introductory request letter to the hospital with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (30) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (3.67 hours) for an initial application are based upon program experience working with the auditors and discussion with auditors (30 auditors x 1 resident FTE Assessment x 3.67 hours per response = 110.1 total burden hours).

Exhibit N: Points for Future CHGME Auditors - Each assigned auditor must complete and submit a document which includes points for future CHGME auditors with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (30) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (3.67 hours) for an initial application are based upon program experience working with the auditors and discussion with auditors (30 auditors x 1 resident FTE Assessment x 3.67 hours per response = 110.1 total burden hours).

Exhibit O(1): CHGME FI Assessment Summary (Adjustment) - Each assigned auditor must complete and submit an Exhibit O(1) with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (30) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (3.67 hours) for an initial application are based upon program experience working with the auditors and discussion with auditors (30 auditors x 1 resident FTE Assessment x 3.67 hours per response = 110.1 total burden hours).

Exhibit O(2): CHGME HRSA 99-1 - Each assigned auditor must complete and submit an Exhibit O(2) with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (30) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (26.5 hours) for an initial application are based upon program experience working with the auditors and discussion with auditors (30 auditors x 1 resident FTE Assessment x 26.5 hours per response = 795 total burden hours).

Exhibit P(1): CHGME FI Adjustment Letter to the Hospital - Each assigned auditor must include a copy of the CHGME FI adjustment letter to the hospital with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (30) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (3.67 hours) for an initial application are based upon program experience working with the auditors and discussion with auditors (30 auditors x 1 resident FTE Assessment x 3.67 hours per response = 110.1 total burden hours).

Exhibit P(2): CHGME Management Recommendation Letter to the Hospital - Each assigned

auditor must include a copy of the CHGME management recommendation letter to the hospital with the resident FTE assessment reported to the CHGME Payment Program for audited hospitals (if applicable). The number of respondents (30) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (3.67 hours) for an initial application are based upon program experience working with the auditors and discussion with auditors (30 auditors x 1 resident FTE Assessment x 3.67 hours per response = 110.1 total burden hours).

Exhibit S: Final Medicare Administrative Contact (MAC) Letter/ "Top Memorandum" - Each assigned auditor must include a copy of the "Top Memorandum" sent to the MAC with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (30) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (3.67 hours) for an initial application are based upon program experience working with the auditors and discussion with auditors (30 auditors x 1 resident FTE Assessment x 3.67 hours per response = 110.1 total burden hours).

Exhibit T: Reopening Request Letter to MAC - Each assigned auditor must include a copy of the reopening request letter to the MAC with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (30) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (3.67 hours) for an initial application are based upon program experience working with the auditors and discussion with auditors (30 auditors x 1 resident FTE Assessment x 3.67 hours per response = 110.1 total burden hours).

Exhibit T(1): Reopening Request Letter to CHGME FI - Each assigned auditor must include a copy of the Reopening Request Letter to CHGME FI with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (30) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (3.67 hours) for an initial application are based upon program experience working with the auditors and discussion with auditors (30 auditors x 1 resident FTE Assessment x 3.67 hours per response = 110.1 total burden hours).

Exhibit 1: Summary of GME Affiliation Agreement(s) - Each assigned auditor must complete and submit a current copy of the summary of GME affiliation agreement (s) with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (30) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (0.33 hours) for an initial application are based upon program experience working with the auditors and discussion with auditors (30 auditors x 1 resident FTE Assessment x 0.33 hours per response = 9.9 total burden hours).

Exhibit 2: Revised GME Affiliation Agreement(s) for an Aggregate Cap - Each assigned hospital and auditor must submit a current copy of the hospital's affiliation agreement(s) for the current year, prior year, penultimate years and base year with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (90) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (0.33 hours) for an initial application are based upon program experience working with the hospitals and auditors and discussion with both parties (90 hospitals and auditors x 1 resident FTE Assessment x 0.33 hours per response = 29.7 total burden hours).

Exhibit 3: Worksheet E-4 (formally known as Worksheet E-3, Part IV) - Each assigned hospital and auditor must submit a copy of the Worksheet E-4 (formally known as Worksheet E-3, Part IV) for the current year, prior year, penultimate years and base year with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (90) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (0.33 hours) for an initial application are based upon program experience working with the hospitals and auditors and discussion with both parties (90 hospitals and auditors x 1 resident FTE Assessment x 0.33 hours per response = 29.7 total burden hours).

Exhibit 4: MMA letter from CMS, must be included if hospital claims MMA - Each assigned auditor must submit a current copy of the MMA letter from CMS, Section 5503 letter from CMS and other correspondence from CMS that affect the resident FTE counts reported with the resident FTE assessment reported to the CHGME Payment Program for all audited hospitals. The number of respondents (90) completing the form is based on the number of CHGME fiscal intermediaries assigned to perform audits for the children's hospitals receiving funding. The hours per response (0.33 hours) for an initial application are based upon program experience working with the hospitals and auditors and discussion with both parties (90 hospitals and auditors x 1 resident FTE Assessment x 0.33 hours per response = 29.7 total burden hours).

**12B. Estimated Annualized Burden Costs**

| Type of Respondent | Number of Responses per Respondent | Total Burden Hours | Wage Rate ($/hr) | Total Hour Cost ($) |
|---|---|---|---|---|
| Hospital | 1 | 19.8 | $61 | $1,207.80 |
| Hospital | 1 | 19.8 | $61 | $1,207.80 |
| Hospital | 1 | 19.8 | $61 | $1,207.80 |
| Hospital | 1 | 19.8 | $61 | $1,207.80 |
| Hospital | 1 | 1,590.0 | $61 | $96,990.00 |
| Hospital | 1 | 390.0 | $61 | $23,790.00 |
| Auditor | 1 | 110.1 | $61 | $6,716.10 |
| Hospital | 1 | 679.8 | $61 | $41,467.80 |
| Hospital | 1 | 220.2 | $61 | $13,432.20 |
| Hospital | 1 | 750.0 | $61 | $45,750.00 |

| | | | | |
|---|---|---|---|---|
| Hospital | 1 | 19.8 | $61 | $1,207.80 |
| Hospital | 1 | 19.8 | $61 | $1,207.80 |
| Hospital | 1 | 19.8 | $61 | $1,207.80 |
| Hospital | 1 | 19.8 | $61 | $1,207.80 |
| Auditor | 1 | 9.9 | $61 | $603.90 |
| Auditor | 1 | 110.1 | $61 | $6,716.10 |
| Auditor | 1 | 110.1 | $61 | $6,716.10 |
| Auditor | 1 | 110.1 | $61 | $6,716.10 |
| Auditor | 1 | 110.1 | $61 | $6,716.10 |
| Auditor | 1 | 110.1 | $61 | $6,716.10 |
| Auditor | 1 | 795.0 | $61 | $48,495.00 |
| Auditor | 1 | 110.1 | $61 | $6,716.10 |
| Auditor | 1 | 110.1 | $61 | $6,716.10 |
| Auditor | 1 | 110.1 | $61 | $6,716.10 |
| Auditor | 1 | 110.1 | $61 | $6,716.10 |
| Auditor | 1 | 110.1 | $61 | $6,716.10 |
| Auditor | 1 | 9.9 | $61 | $603.90 |
| Hospital and Auditor | 1 | 29.7 | $61 | $1,811.70 |
| Hospital and Auditor | 1 | 29.7 | $61 | $1,811.70 |
| Hospital and Auditor | 1 | 29.7 | $61 | $1,811.70 |
| Total | - | 5,903.4 | - | $360,107.4 |

Basis for Hour Costs:

Hospital finance staff and CHGME fiscal intermediaries are expected to complete the application forms for CHGME Payment Program funding. It has been estimated that an average wage rate for financial managers is $61.00 per hour. This estimate is based on National Occupational Employment Statistics provided by the Bureau of Labor Statistics: http://www.bls.gov/oes/current/oes113031.htm.

This is estimated to take a total of 5,903.4 hours, at a cost of $61.00 per hour (5,903.4 hours x $61.00 per hour = $360,107.4). The estimated cost for completing the applications forms has gone down due to increased experience by staff in filling out the forms as well as electronic automation of the process. Total hour costs are estimated at $360,107.4.

**13. Estimates of other Total Annual Cost Burden to Respondents or Recordkeeping/Capital Costs**

Capital costs and start-up costs are minimal since implementation of the program occurred in FY 2000. Furthermore, there are no operational or maintenance costs.

**14. Annualized Cost to Federal Government**

The cost to the Federal Government is relative to the review and audit of two applications (1 initial application and 1 reconciliation application) and one FTE assessment per hospital. The revised costs to the Federal Government are estimated to be **$8566.20** as follows:

Federal Staff Time

$ Review incoming applications from the children's hospitals and resident FTE assessment final reports from auditors to (1) ensure application packages are complete and (2) include all required forms, signatures, and supporting documentation.

[GS13/1 @ $43.09/hour X 60 applications X 15 minutes (.25 hours)

per application. **$646.35**

$ Audit complete applications from the children's hospitals and resident FTE assessment final reports from CHGME fiscal intermediaries to ensure that (1) the forms were completed in accordance with stated guidance and instructions and (2) data reported is logical and consistent with supporting documentation and information previously reported to the CHGME Payment Program. Communicate with hospitals and CHGME FIs, as needed, to resolve discrepancies.

[GS13/1 @ $43.09/hour X 60 applications X 2 hours per application] **$5,170.80**

**$** Data entry of children's hospitals finalized/approved applications.

[GS13/1 @ $43.09/hour X 60 applications X 30 minutes (.50 hours)

per application. **$1,292.70**

**$** Notification of award to hospitals, assurance of invoice for payment and other required documentation, and rechecking of appropriate payment amount for DME and IME payments to hospitals:

[GS13/1 @ $43.09/hour X 60 applications X 15 minutes (.25 hours)

per application. **$646.35**

**$** Fiscal services management, staff, and computer support.

$6.75/obligation X 60 hospitals X 2 obligations/transactions [2 transactions per hospital (1 @ initial application and 1 @ reconciliation application)]. This figure does not include additional obligations/transactions that may occur if the Department/Agency makes payments to participating children's hospitals while operating under a continuing

resolution. In FY2006, the Department made four (4) payments to each participating hospital while operating under continuing resolution funding from October 2005 through January 2006. The costs incurred equaled $1,620.00 ($6.75/obligation X 60 hospitals X 4 obligations/transactions).

This cost has decreased due to the streamlining of the payment process with the utilization of the Payment Management System (PMS).

**$ 810.00**

***Note:** Children's Hospitals grant payments for both direct and indirect graduate medical education payments were made available through the Grant Payment Management System (PMS) as of July 2009. CHGME direct and indirect graduate medical education payments, were previously wired electronically to a bank account specified by the institution. The PMS is a centralized grants payment and cash management system, operated by the HHS Program Support Center (PSC), Division of Payment Management (DPM). The PMS accomplishes all payment-related activities for HHS grants from the time of award through closeout. Under this system, recipients (children's hospitals participating in the CHGME Payment Program) are responsible for drawing down their monthly allotted payments and complying with all rules, regulations, and policies associated with the PMS.

Children's hospitals have to draw down their own monthly funds following terms and conditions specified by a Notice of Grant Award (NGA). The NGA replaced the notice of award letters and vouchers that were previously sent by the program. These NGA's are sent via email to contacts at the facilities that have the authority to draw down the monthly funds. The NGAs are sent by staff in the Division of Grants Management and not by CHGME Payment Program staff.

**15. <u>Explanation for Program Changes or Adjustments</u>**

In the previous information collection request there was an estimated total of 3,729.6 burden hours. We are now requesting a total of 5,903.4 hours, which is an increase of 2173.8 burden hours.

The increase in total burden hours results from minor revisions made to the CHGME Payment Program application forms to accommodate changes required by the Affordable Care Act, in particular revisions implemented related to the CMS Form 2552-10, which is used as part of the CHGME Payment Program application.

In addition, increase in total burden hours results from the addition of the forms and documentation used to collect data from the fiscal intermediaries that audit the children's hospitals as part of a contract the CHGME program currently has to assess the FTE resident counts reported by the children's hospitals and used to calculate payment. The information requested in not a new requirement for the fiscal intermediaries and has been a part of the CHGME application process, particularly with reconciliation requirements, for over ten years. However the CHGME program now understands although the data is a deliverable within the

contract approval is needed to collect the data.

Furthermore, the CHGME application is integrated with HRSA's EHB system which requires adjustments to certain data fields to comply with system requirements and HRSA's standards for all grant programs functioning within the EHB.

**16. Plans for Tabulation, Publication, and Project Time Schedule**

Publication of information and data are not currently planned. Data will be analyzed for internal administrative purposes and for tracking the performance indicators.

**17. Reason(s) Display of OMB Expiration Date is Inappropriate**

The expiration date will be displayed.

**18. Exceptions to Certification for Paperwork Reduction Act Submissions**

This fully complies with the guidelines set forth in 5 CFR 1320.9. The certifications are included in the package.