

Supporting Statement, Part A  
Detailed Notice of Discharge (DND) and Supporting Regulations  
Contained in 42 CFR 405.1206 and 422.622  
CMS 10066, OMB 0938-1019

## **Background**

The DND meets the requirements of our Notification of Hospital Discharge Appeal Rights final rule (November 27, 2006; 71 FR 68708). The rule set forth requirements for hospitals to deliver a DND to beneficiaries who request a Quality Improvement Organization (QIO) review of a discharge decision. Hospitals and Medicare Advantage (MA) organizations are affected by this rule.

The DND has been minimally changed with this submission to include language informing beneficiaries of their rights under Section 504 of the Rehabilitation Act of 1973 (Section 504), by alerting the beneficiary to CMS's nondiscrimination practices and the availability of alternate forms of this notice if needed. There are no substantive changes to the DND form and instructions.

### **A. Justification**

#### **1. Need and Legal Basis**

The authority for the right to an expedited determination is set forth at §1869(c)(3)(C)(iii)(III) and §1154(a) of the Social Security Act.

42 CFR 405.1206 and 422.622 – When a QIO notifies a hospital or MA organization that a beneficiary/enrollee has requested an expedited determination, the hospital or MA organization must deliver a DND to the beneficiary/enrollee as soon as possible but no later than noon of the day after the QIO's notification.

#### **2. Information Users**

A beneficiary/enrollee who wishes to appeal a determination by a Medicare health plan (for a managed care enrollee) or hospital (for an original Medicare beneficiary) that inpatient care is no longer necessary may request QIO review of the determination. On the date the QIO receives the beneficiary's/enrollee's request, it must notify the plan and hospital that the beneficiary/enrollee has filed a request for an expedited determination. The plan or hospital, in turn, must deliver a DND to the enrollee/beneficiary.

#### **3. Improved Information Technology**

Hospitals and MA organizations must deliver a hard copy of the DND whenever beneficiaries or enrollees request a review of the discharge decision by a QIO. There is no provision for alternative uses of information technology for the detailed notice, although hospitals may store a copy of the notice electronically.

4. Duplication of Similar Information

None.

5. Small Business

All hospitals are expected to give the DND 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

The DND is given on an as-needed basis as described under 2, above.

7. Special Circumstances\_

There are no special circumstances that would require an information collection to be conducted in a manner that requires respondents to:

- Report information to the agency more often than quarterly;
- Prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Submit more than an original and two copies of any document;
- Retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- Collect data in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study;
- Use a statistical data classification that has not been reviewed and approved by OMB;
- Include a pledge of confidentiality that is not supported by authority established in statute or regulation that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- Submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

8. Federal Register Notice/ Outside Consultation

The 60-day notice published in the Federal Register on November 27, 2015 (80 FR 74112). No comments were received.

9. Payment/ Gift to Respondent

We do not plan to provide any 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 Estimates

Wages

To derive average costs, we used data from the U.S. Bureau of Labor Statistics' May 2015 National Occupational Employment and Wage Estimates for all salary estimates ([http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm)). In this regard, the following table presents the mean hourly wage, the cost of fringe benefits (calculated at 100 percent of salary), and the adjusted hourly wage.

Occupation Title	Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefit (\$/hr)	Adjusted Hourly Wage (\$/hr)
Other Healthcare Practitioners and Technical Occupations	29-9000	29.72	29.72	59.44

As indicated, we are adjusting our employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and overhead costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. Nonetheless, there is no practical

alternative and we believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

### Burden Estimates

According to 2014 Medicare CMS statistics published online by the U.S. Department of Health and Human Services (See: [2015 CMS Statistics](#), Tables II.1 and V.6), there were approximately 14.8 million Medicare hospital discharges and 6,142 hospitals participating in Medicare that potentially would need to issue the notice.

The DND is required whenever a beneficiary requests a discharge appeal; thus, we can accurately determine the number of DNDs delivered by using QIO inpatient hospital appeals data. We collected calendar year 2013 QIO data from the Case Review Information System (CRIS), which is the results tracking system for all QIOs. In 2015, 13,523 fee-for-service (FFS) Medicare beneficiaries and 8,992 Medicare Advantage (MA) beneficiaries requested a QIO review of their inpatient hospital discharge decision for a total of 22,515 appeal requests requiring DND delivery in 2013.

Based on the above, we can deduce that 0.1521% of hospital discharges require DND delivery ( $22,515 \text{ appeal requests} \div 14.8 \text{ million inpatient discharges}$ ). In addition, we estimate that each hospital would deliver an average of 3.67 notices annually ( $22,515 \text{ appeal requests} \div 6,142 \text{ hospitals}$ ).

The regulation set forth at 42 CFR 405.1206(b) requires any beneficiary wishing to exercise the right to an expedited determination to submit a request, in writing or by telephone, to the QIO that has an agreement with the hospital. Section 405.1206(e) requires hospitals to deliver a DND to the beneficiary and to make available to the QIO (and to the beneficiary upon request) a copy of that notice and any necessary supporting documentation. As specified in 42 CFR 422.622(e), Medicare health plans are required to deliver the DND to the enrollee and to make a copy of that notice and any necessary supporting documentation available to the QIO (and to the enrollee upon request).

Similar to the currently approved PRA submission, we continue to estimate that the preparation of the DND and the patient's case file for the QIO will take approximately 1 hour. We also estimate that the notice would be prepared by other healthcare practitioners and technical occupations with an adjusted salary of \$59.44/hr.

Based on the above, we can surmise the DND--

- Yields an annual burden of 22,515 hours

- (22,515 appeal requests x 1 hour);
- Costs \$59.44 per notice (\$59.44 hourly wage x 1 hour to complete the form);
- Total annual cost is \$1,338,292 (22,515 hours x \$59.44);
- On average, costs for each hospital are \$218.14 (3.67 notices per hospital/per year (per section 12) x \$59.44 hourly wage).

### 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. Changes to Burden Estimates

The non-substantive changes to the form will have little effect on burden for all users. The Section 504 requirement was in effect with the prior notice, and including standard CMS language to advise the beneficiary of CMS's nondiscrimination policies and the availability of alternate forms of this notice is not expected to greatly change respondent burden associated with the DND.

In addition, there are minor and expected differences in the hospital and QIO data used in this submission from the data used in the last PRA submission. These minor differences can be attributed to program and population variability and result in minimal change in the burden estimates.

The number of Medicare inpatient hospitals has **decreased by 27 facilities**.

Since our 2013 PRA submission, the number of Medicare hospital discharges have **increased by 2.4 million**, from 12.4 million to 14.8 million; thus, the increase in discharge appeal requests by **9,663** is likely due to program growth and increased utilization of inpatient hospitalizations. This increase in the number of appeals requests results in a **9,663 hour increase in the annual hour burden** (22,515 current hour burden estimate - 12,852 hour burden estimate in 2013).

The annual cost burden of \$1,338,292 (22,515 hours x \$59.44 adjusted hourly wage) is \$952,732 more than the estimated burden of \$385,560 included in the prior submission. This significant increase is due to the

wage adjustment which accounts for fringe benefits and overhead costs.

Combining this slight decrease in respondents (-27) with the increase in annual discharge appeals requests and the adjusted wages causes an increased burden per respondent of \$155.74 (\$218.14 per respondent with this submission - \$62.40 per respondent with the prior submission).

16. Publication and Tabulation Dates

The blank notices will be posted on the Internet. No aggregate or individual data will be tabulated from the completed forms.

17. Expiration Date

We are not requesting an exemption.

18. Certification Statement

There are no exceptions to the certification statement.

**B. Collection of Information Employing Statistical Methods**

There are no statistical methods associated with this collection.