

## **Supporting Statement**

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

**OMB Control No. 0915-0247**

#### **Revision**

**Terms of Clearance: None**

#### **Justification**

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

This is a request for continued approval from the Office of Management and Budget (OMB) submitted by 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, guidance and authorizing legislation. The CHGME Payment Program's current OMB approval will expire on June 30, 2017.

The CHGME Payment Program was enacted by Public Law 106-129, and most recently reauthorized by the Children's Hospital GME Support Reauthorization Act of 2013 (Public Law 113-98) to provide Federal support for graduate medical education (GME) to freestanding children's hospitals. The legislation indicates that eligible children's hospitals receive payments for both direct and indirect medical education.

In addition, 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 fiscal intermediaries (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 fiscal year (FY), the Department determines the final amount due to each participating children's hospital based upon the reconciliation application cycle and pays any balance due or recoups any overpayment made to/from each children's hospital.

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 Children's Hospital GME Support Reauthorization Act of 2013 included a provision to allow newly qualified children's hospitals to apply for CHGME Payment Program funding. The CHGME Payment Program application forms have been revised to accommodate the new statute. These changes require OMB approval.

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, the cover letter, conversation record, and exhibits required to be submitted by auditors in the FTE resident assessment final report are included.

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

HRSA uses 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 are also 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 are requested to submit information in an initial application for CHGME Payment Program funding which includes the number of FTE residents trained by the hospital. Auditors are 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 are required to complete a reconciliation application for CHGME Payment Program funding furnishing final numbers which reflect any changes to the number of residents reported by a hospital in its initial application. Additionally, the Government Performance and Results Act (GPRA) of 1993 requires the collection of performance data from participating children's hospitals. These data are requested when the final number of resident FTEs is reported before the end of the fiscal year.

Below is a discussion of the application forms and accompanying guidance and instructions as well as documentation required by the CHGME FIs related to the audit of CHGME funded hospitals for which approval is requested. These include the following: 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 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.

### **Application Forms for Use by CHGME Participating Hospitals**

Application Cover Letter (Initial and Reconciliation) – 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.

HRSA 99 (Initial and Reconciliation): 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.

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

HRSA 99-1 (Reconciliation): Determination of Weighted and Un-weighted Resident Full Time Equivalent (FTE) Counts - This form must be completed as a component of the reconciliation application. Information is 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 FTE residents as determined under Section 1886(h)(4) of the Social Security Act (SSA).

HRSA 99-2 (Initial): Determination of Indirect Medical Education Data Related to the Teaching of Residents - This form must be completed as a component of the initial application. Information is 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.

HRSA 99-2 (Reconciliation): Determination of Indirect Medical Education Data Related to the Teaching of Residents - This form must be completed as a component of the reconciliation application. Information is 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.

HRSA 99-4 (Reconciliation): Government Performance and Results Act (GPRA) Tables - This form is required for the collection of information per the GPRA of 1993, as well as §5504 of the Affordable Care Act of 2010 (ACA). It is 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.

HRSA 99-5 (Initial and Reconciliation): Application Checklist - This form is a 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.

CFO Form Letter (Initial and Reconciliation) – 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.

Exhibit 2 (Initial and Reconciliation): 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.

Exhibit 3 (Initial and Reconciliation): 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.

Exhibit 4 (Initial and Reconciliation): 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.

### **FTE Assessment Forms for Use by CHGME Fiscal Intermediaries**

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.

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

FTE Resident Assessment Cover Letter (FTE Resident Assessment) – 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 the CHGME Payment Program.

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

Exhibit C (FTE Resident Assessment): 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.

Exhibit F (FTE Resident Assessment): 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.

Exhibit N (FTE Resident Assessment): 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 on any issues with each hospital in a timely manner.

Exhibit O(1) (FTE Resident Assessment): 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.

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

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

Exhibit P(2) (FTE Resident Assessment): 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.

Exhibit S (FTE Resident Assessment): 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.

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

Exhibit T(1) (FTE Resident Assessment): 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.

Exhibit 1 (FTE Resident Assessment): 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.

Exhibit 2 (FTE Resident Assessment): 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.

Exhibit 3 (FTE Resident Assessment): 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.

Exhibit 4 (FTE Resident Assessment): 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.

**1The following section describes the revisions to forms included in the previously approved OMB clearance package:**

HRSA 99-1 (Initial): Determination of Weighted and Un-weighted Resident Full Time Equivalent (FTE) Counts - Add additional description to Line 4.06, 5.06 and 6.06. The current description is, “FTE adjusted cap”. The new description will be, “FTE adjusted cap or 2013 CHGME Reauthorization cap due to Public Law 113–98.”

HRSA 99-1 (Reconciliation): Determination of Weighted and Un-weighted Resident Full Time Equivalent (FTE) Counts - Add additional description to Line 4.06, 5.06 and 6.06. The current description is, “FTE adjusted cap”. The new description will be, “FTE adjusted cap or 2013 CHGME Reauthorization cap due to Public Law 113–98.”

HRSA 99-1 (Supplemental) (FTE Resident Assessment): Determination of Weighted and Un-weighted Resident Full Time Equivalent (FTE) Counts - Add additional description to Line 4.06, 5.06 and 6.06. The current description is, “FTE adjusted cap”. The new description will be, “FTE adjusted cap or 2013 CHGME Reauthorization cap due to Public Law 113–98.”

HRSA 99-5 (Initial and Reconciliation): Application Checklist - Remove Payment Information check box (Applicable only to (1) hospitals, which have not previously participated in the CHGME Program and (2) hospitals in which financial institution information has changed since submission of its last application). This is no longer needed since hospitals’ financial information is electronically communicated to the Payment Management System through the EHB.

**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 resident 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 June 21, 2016 (Vol. 81, No. 119, page 40320). No comments were received.

In April 2016, the following CHGME Payment Program participants reviewed the CHGME materials for the burden estimate and for the clarity of instructions and forms:

1. Laura Lynch  
Reimbursement Manager  
University of South Alabama Hospitals  
SHAC 3202  
Mobile, Alabama 36688  
Phone: 251-405-5364  
Fax: 251-434-3533
  
2. Terry Oertel, MBA  
Manager, Government Contracting  
Children's Hospital & Research Center Oakland  
Oakland, CA 94609  
Phone: 510-428-3483  
Fax: 510-601-3922
  
3. Janet McCarthy, CPA  
Manager, Cost Reporting and Provider Enrollment  
Children's Hospitals and Clinics of Minnesota  
Revenue Manager Dept.  
Internal Mail Stop 35-121A  
2919 Centre Pointe Drive  
Roseville, MN 55113  
Phone: 651-855-2312  
Fax: 651-855-2310

4. Donna Yordanoff, CPA, FACFE, MBA, CGMA  
 Senior Consultant  
 Senior Government Initiatives  
 Blue Cross Blue Shield Association  
 225 North Michigan Avenue  
 Chicago, IL 60601  
 Phone: 312-297-6279  
 Fax: 312-297-6363

**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**

<b>Form Name</b>	<b>Number of Respondents</b>	<b>Number of Responses per Respondent</b>	<b>Total Responses</b>	<b>Average Burden per Response (in hours)</b>	<b>Total Burden Hours</b>
Application Cover Letter (Initial and Reconciliation)	60	2	120	0.33	39.6
HRSA 99	60	2	120	0.33	39.6

<b>Form Name</b>	<b>Number of Respondents</b>	<b>Number of Responses per Respondent</b>	<b>Total Responses</b>	<b>Average Burden per Response (in hours)</b>	<b>Total Burden Hours</b>
(Initial and Reconciliation)					
HRSA 99-1 (Initial)	60	1	60	26.5	1,590
HRSA 99-1 (Reconciliation)	60	1	60	6.5	390
HRSA 99-1 (Supplemental (FTE Resident Assessment)	30	2	60	3.67	220.2
HRSA 99-2 (Initial)	60	1	60	11.33	679.8
HRSA 99-2 (Reconciliation)	60	1	60	3.67	220.2
HRSA 99-4 (Reconciliation)	60	1	60	12.5	750
HRSA 99-5 (Initial and Reconciliation)	60	2	120	1.55	186
CFO Form Letter	60	2	120	0.33	39.6

<b>Form Name</b>	<b>Number of Respondents</b>	<b>Number of Responses per Respondent</b>	<b>Total Responses</b>	<b>Average Burden per Response (in hours)</b>	<b>Total Burden Hours</b>
(Initial and Reconciliation)					
Exhibit 2 (Initial and Reconciliation)	60	2	120	0.33	39.6
Exhibit 3 (Initial and Reconciliation)	60	2	120	0.33	39.6
Exhibit 4 (Initial and Reconciliation)	60	2	120	0.33	39.6
FTE Resident Assessment Cover Letter (FTE Resident Assessment)	30	2	60	0.33	19.8
Conversation Record (FTE Resident Assessment)	30	2	60	3.67	220.2

<b>Form Name</b>	<b>Number of Respondents</b>	<b>Number of Responses per Respondent</b>	<b>Total Responses</b>	<b>Average Burden per Response (in hours)</b>	<b>Total Burden Hours</b>
Exhibit C (FTE Resident Assessment)	30	2	60	3.67	220.2
Exhibit F (FTE Resident Assessment)	30	2	60	3.67	220.2
Exhibit N (FTE Resident Assessment)	30	2	60	3.67	220.2
Exhibit O(1) (FTE Resident Assessment)	30	2	60	3.67	220.2
Exhibit O(2) (FTE Resident Assessment)	30	2	60	26.5	1590
Exhibit P (FTE Resident Assessment)	30	2	60	3.67	220.2
Exhibit P(2) (FTE Resident Assessment)	30	2	60	3.67	220.2

<b>Form Name</b>	<b>Number of Respondents</b>	<b>Number of Responses per Respondent</b>	<b>Total Responses</b>	<b>Average Burden per Response (in hours)</b>	<b>Total Burden Hours</b>
Assessment)					
Exhibit S (FTE Resident Assessment)	30	2	60	3.67	220.2
Exhibit T (FTE Resident Assessment)	30	2	60	3.67	220.2
Exhibit T(1) (FTE Resident Assessment)	30	2	60	3.67	220.2
Exhibit 1 (FTE Resident Assessment)	30	2	60	0.33	19.8
Exhibit 2 (FTE Resident Assessment)	30	2	60	0.33	19.8
Exhibit 3 (FTE Resident Assessment)	30	2	60	0.33	19.8
Exhibit 4	30	2	60	0.33	19.8

<b>Form Name</b>	<b>Number of Respondents</b>	<b>Number of Responses per Respondent</b>	<b>Total Responses</b>	<b>Average Burden per Response (in hours)</b>	<b>Total Burden Hours</b>
(FTE Resident Assessment)					
Total	*90	-	*90	-	8164.80

\* The total is 90 because the same hospitals and auditors are completing the forms.

Basis for estimates:

**Hospital Respondents**

Application Cover Letter (Initial and Reconciliation) - Each participating hospital must complete and submit a cover letter with the submission of the application to the CHGME Payment Program. The number of respondents (60) submitting the letter is based on responses from hospitals which complete the CHGME application semiannually.

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).

A total of 39.6 burden hours (2 responses per hospital x 19.8) for initial and reconciliation application.

HRSA 99 (Initial and Reconciliation): Demographic and Contact Information - Each participating 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 complete the HRSA 99 semiannually.

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).

A total of 39.6 burden hours (2 responses per hospital x 19.8) for initial and reconciliation application.

HRSA 99-1 (Initial) and HRSA 99-1 (Reconciliation): Determination of Weighted and Un-weighted Resident FTE Counts - Each participating 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 complete the HRSA 99-1 semiannually.

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).

A total of 1980 burden hours (2 responses per hospital) for initial and reconciliation application.

HRSA 99-2 (Initial) and HRSA 99-2 (Reconciliation): Determination of Indirect Medical Education Data Related to the Teaching of Residents - Each participating 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 complete the HRSA 99-2 semiannually.

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).

A total of 900 burden hours (2 responses per hospital) for initial and reconciliation application.

HRSA 99-4 (Reconciliation): Government Performance and Results Act Tables - Under the GPRA of 1993 and as part of the annual application requirements, each participating hospital must complete and submit a HRSA 99-4. The number of respondents (60) completing the form is based on responses from hospitals which 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 (Initial and Reconciliation): Application Checklist - Each participating 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 hospitals which complete the HRSA 99-5 semiannually.

The hours per response (1.55 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 1.55 hours per response = 93 total burden hours).

The hours per response (1.55 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 1.55 hours per response = 93 total burden hours).

A total of 186 burden hours (2 responses per hospital x 93) for initial and reconciliation application.

CFO Form Letter (Initial and Reconciliation) - Each participating 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) submitting the letter is based on responses from hospitals which complete the CHGME application semiannually. 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).

A total of 39.6 burden hours (2 responses per hospital x 19.8) for initial and reconciliation application.

Exhibit 2 (Initial and Reconciliation): Revised GME Affiliation Agreement(s) for an Aggregate Cap - Each participating hospital 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 CHGME initial and reconciliation application. The number of respondents (60) completing the form is based on the number of children's hospitals participating in the CHGME Payment Program.

The hours per response (0.33 hours) for an initial application are based upon program experience working with the hospitals and discussion with the 60 hospitals x 0.33 hours x 2 responses = 39.6 total burden hours).

Exhibit 3 (Initial and Reconciliation): Worksheet E-4 (formally known as Worksheet E-3, Part IV) - Each participating hospital 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

CHGME initial and reconciliation application. The number of respondents (60) completing the form is based on the number of children's hospitals participating in the CHGME Payment Program.

The hours per response (0.33 hours) for an initial application are based upon program experience working with the hospitals and discussion with the 60 hospitals x 0.33 hours x 2 responses = 39.6 total burden hours).

Exhibit 4 (Initial and Reconciliation): MMA letter from CMS, must be included if hospital claims MMA - Each participating hospital 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 CHGME initial and reconciliation application. The number of respondents (60) completing the form is based on the number of children's hospitals participating in the CHGME Payment Program.

The hours per response (0.33 hours) for an initial application are based upon program experience working with the hospitals and discussion with the 60 hospitals x 0.33 hours x 2 responses = 39.6 total burden hours).

### **Auditor Respondents**

HRSA 99-1 (Supplemental) (FTE Resident Assessment): Determination of Weighted and Un-weighted Resident FTE Counts - Each auditor must complete and submit a HRSA 99-1 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 FTE resident assessments x 3.67 hours per response = 220.2 total burden hours).

A total of 220.2 burden hours (2 responses per auditor) for the FTE resident assessment.

FTE Resident Assessment Cover Letter (FTE Resident Assessment) - Each 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 resident FTE Assessment x 0.33 hours per response = 19.8 total burden hours).

Conversation Record (FTE Resident Assessment): - 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 resident FTE Assessment x 3.67 hours per response = 220.2 total burden hours).

Exhibit C (FTE Resident Assessment): CHGME FI Summary of Issues - Each 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 resident FTE Assessment x 3.67 hours per response = 220.2 total burden hours).

Exhibit F (FTE Resident Assessment): CHGME FI Introductory Request Letter to Hospital - Each 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 resident FTE Assessment x 3.67 hours per response = 220.2 total burden hours).

Exhibit N (FTE Resident Assessment): Points for Future CHGME Auditors - Each 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 resident FTE Assessment x 3.67 hours per response = 220.2 total burden hours).

Exhibit O(1) (FTE Resident Assessment): CHGME FI Assessment Summary (Adjustment) - Each 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 resident FTE Assessment x 3.67 hours per response = 220.2 total burden hours).

Exhibit O(2) (FTE Resident Assessment): CHGME HRSA 99-1 - Each 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 resident FTE Assessment x 26.5 hours per response = 1590 total burden hours).

Exhibit P (FTE Resident Assessment): CHGME FI Adjustment Letter to the Hospital - Each 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 resident FTE Assessment x 3.67 hours per response = 220.2 total burden hours).

Exhibit P(2) (FTE Resident Assessment): CHGME Management Recommendation Letter to the Hospital - Each 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 resident FTE Assessment x 3.67 hours per response = 220.2 total burden hours).

Exhibit S (FTE Resident Assessment): Final Medicare Administrative Contact (MAC) Letter/ "Top Memorandum" - Each 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 resident FTE Assessment x 3.67 hours per response = 220.2 total burden hours).

Exhibit T (FTE Resident Assessment): Reopening Request Letter to MAC - Each 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 resident FTE Assessment x 3.67 hours per response = 220.2 total burden hours).

Exhibit T(1) (FTE Resident Assessment): Reopening Request Letter to CHGME FI - Each 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 resident FTE Assessment x 3.67 hours per response = 220.2 total burden hours).

Exhibit 1 (FTE Resident Assessment): Summary of GME Affiliation Agreement(s) - Each 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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 resident FTE Assessment x 0.33 hours per response = 19.8 total burden hours).

Exhibit 2 (FTE Resident Assessment): Revised GME Affiliation Agreement(s) for an Aggregate Cap - Each 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 (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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 FTE resident assessments x 0.33 hours per response = 19.8 total burden hours).

Exhibit 3 (FTE Resident Assessment): Worksheet E-4 (formally known as Worksheet E-3, Part

IV) - Each 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 (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) are based upon program experience with the FTE resident assessment and discussion with the auditors (30 auditors x 2 FTE resident assessments x 0.33 hours per response = 19.8 total burden hours).

Exhibit 4 (FTE Resident Assessment): MMA letter from CMS, must be included if hospital claims MMA - Each 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 (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 with the FTE resident assessment and discussion with the auditors (30 hospitals and auditors x 2 FTE resident assessment x 0.33 hours per response = 19.8 total burden hours).

**12B. Estimated Annualized Burden Costs**

Type of Respondent	Number of Responses per Respondent	Total Burden Hours	Wage Rate (\$/hr.)	Total Hour Costs (\$)
Hospital	2	39.6	\$64.58	\$2,557.37
Hospital	2	39.6	\$64.58	\$2,557.37
Hospital	1	1,590	\$64.58	\$102,682.20
Hospital	1	390	\$64.58	\$25,186.20
Auditor	2	220.2	\$64.58	\$14,220.52
Hospital	1	679.8	\$64.58	\$43,901.48
Hospital	1	220.2	\$64.58	\$14,220.52
Hospital	1	750	\$64.58	\$48,435
Hospital	2	186	\$64.58	\$12,011.88
Hospital	2	39.6	\$64.58	\$2,557.37
Hospital	2	39.6	\$64.58	\$2,557.37
Hospital	2	39.6	\$64.58	\$2,557.37
Hospital	2	39.6	\$64.58	\$2,557.37
Auditor	2	19.8	\$64.58	\$1,278.68
Auditor	2	220.2	\$64.58	\$14,220.52
Auditor	2	220.2	\$64.58	\$14,220.52
Auditor	2	220.2	\$64.58	\$14,220.52
Auditor	2	220.2	\$64.58	\$14,220.52

Type of Respondent	Number of Responses per Respondent	Total Burden Hours	Wage Rate (\$/hr.)	Total Hour Costs (\$)
Auditor	2	220.2	\$64.58	\$14,220.52
Auditor	2	1590	\$64.58	\$102,682.20
Auditor	2	220.2	\$64.58	\$14,220.52
Auditor	2	220.2	\$64.58	\$14,220.52
Auditor	2	220.2	\$64.58	\$14,220.52
Auditor	2	220.2	\$64.58	\$14,220.52
Auditor	2	220.2	\$64.58	\$14,220.52
Auditor	2	19.8	\$64.58	\$1,278.68
Auditor	2	19.8	\$64.58	\$1,278.68
Auditor	2	19.8	\$64.58	\$1,278.68
Auditor	2	19.8	\$64.58	\$1,278.68
Total	-	8164.8	-	\$527,282.78

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 \$64.58 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 8164.80 hours, at a cost of \$64.58 per hour (8164.80 hours x \$64.58 per hour = \$527,282.78). The estimated cost for completing the applications forms has increased due to the adjustment in the number of responses per auditor. Total hour costs are estimated at \$527,282.78.

**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 **\$20,815.25** as follows:

Federal Staff Time

\$ Review incoming initial application and reconciliation application 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 (includes locality payment for Washington DC metropolitan area) @ \$44.15/hour X 60 applications/assessments X 3 reviews X 15 minutes (.25 hours) per application.]

**\$1986.75**

\$ Audit complete initial and reconciliation 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 @ \$44.15/hour X 60 applications/assessments X 3 reviews X 2 hours per application]

**\$15,894**

\$ 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 @ \$44.15/hour X 60 applications/assessments X 2 reviews X 15 minutes (.25 hours) per application.]

**\$1,324.50**

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

\$6.71/obligation X 60 hospitals X 4 obligations/transactions. 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 FY2015, the Department made monthly payments to each participating hospital in four (4) obligations/transactions.

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

**\$ 1610.00**

**\*Note:** CHGME Payment Program 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 (NoA). The NoA replaced the notice of award letters and vouchers that were previously sent by the program. These NoA's are sent via email to contacts at the facilities that have the authority to draw down the monthly funds. The NoA's are sent by staff in the Division of Grants Management and not by CHGME Payment Program staff.

#### **15. Explanation for Program Changes or Adjustments**

In the previous information collection request there was an estimated total of 5903.40 burden hours. We are now requesting a total of 8164.80 hours, which is an increase of 2261.40 burden hours.

The increase in total burden hours results from an adjustment to the number of responses per auditor. The number of responses per auditor in the previous OMB clearance documents was given as one (1). The number of responses has been revised to two (2), since there are an estimated sixty (60) hospitals that are included in the FTE resident assessments, which calculates to two (2) responses per thirty (30) auditors.

In addition, due to feed-back received from outside consultation (children's hospitals), the estimated average burden hours per response for the HRSA 99-5 form have increased from 0.33 to 1.55.

Although the number of responses per auditor has increased, the number of burden hours attributed to each form (with the exception of the HRSA 99-5 form as explained above) has not changed from the previous OMB clearance documents submitted.

#### **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.