

Supporting Statement for Skilled Nursing Facility (SNF)  
Minimum Data Set (MDS) 3.0 Nursing Home and Swing Bed Prospective Payment  
System (PPS) Item Sets (NP, NO/SO, NS, NOD, NSD) and  
Supporting Regulations in 42 CFR 413.337, 413.343, 424.32 and 483.20  
CMS-10387, OMB 0938-1140

## **Background**

We are requesting a revision of resident assessment information that Skilled Nursing Facilities (SNFs) are required to submit as described at 42 CFR 413.343 and 483.20 in the manner necessary to administer the payment rate methodology described in 42 CFR 413.337. Item sets comprised of a subset of resident assessment information have been developed for use by SNFs to satisfy Medicare payment requirements under the RUG-IV payment system. The burden associated with this is the SNF staff time required to complete and transmit the MDS payment item sets, specifically the required scheduled Prospective Payment System (PPS) assessments (NP) , the required unscheduled PPS Change of Therapy (COT) and End of Therapy (EOT) Other Medicare Related Assessment (OMRA) (NO/SO), and the optional Start of Therapy (SOT) OMRA (NS) as well as the COT/EOT combined with discharge (NOD) and the SOT combined with discharge (NSD). OMB Control Number (OCN) 0938-1140) was originally effective with the establishment of the COT OMRA (NO/SO PPS Form) which was implemented in FY 2011.

The OCN recently lapsed due to administrative issues. As explained above, the OCN was originally established for the NO/SO PPS form only. In 2013, we presented a revision of this OMB control number to include all of the PPS assessments named above. The package was reinstated in 2017; however, the supporting statement and burden estimates inadvertently addressed the 2011 version and this was brought to our attention only after the package was reinstated. The purpose of this revision is to correctly address all of the forms that are associated with this OCN and to ensure that all burden estimates are reported accurately based on the number of forms included.

Although the total number of payment items between the various item sets used for PPS assessments, which are listed above, may vary, the NO/SO item set contains the maximum number of payment related items. The NP and NOD item sets include the same number of payment items as the NO/NS item set and the NS and NSD item sets include fewer items since the assessment determines payment for a smaller subset of payment groups. Additionally, the non-payment items used for quality and care planning purposes vary between item sets. The NO/SO form was used as a proxy for the NP, NS, NOD and NSD Item sets inasmuch as it included all MDS payment items which were required to be considered under PRA.

### **A. Justification**

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

Pursuant to sections 4204(b) and 4214(d) of OBRA 1987, the current requirements related to the submission and retention of resident assessment data are not subject to the Paperwork Reduction Act (PRA), but it has been determined that requirements for SNF staff performing, encoding and transmitting patient assessment data for the 5<sup>th</sup>, 14<sup>th</sup>, 30<sup>th</sup>, 60<sup>th</sup> and 90<sup>th</sup> days of the covered Part A stay and to address payment changes at the end of therapy, start of therapy and when there is a change in reimbursable therapy minutes (RTM) as calculated over a seven-day span based on an Assessment Reference Date (ARD), necessary to administer the payment rate methodology described in 413.337, are subject to the PRA.

OMB reviewed and concurred with revision to the SNF MDS Item Sets. The OMB number is 0938-1140, and the expiration date was January 31, 2015. This allowed this package to include the other PPS Item Sets (specifically the NP, NS, NOD and NSD Item Sets) as well as the NO/SO Item set. When we presented NO/SO for PRA consideration, the form was used as a proxy for the NP, NS, NOD and NSD Item sets inasmuch as it included all MDS payment items which were required to be considered under PRA.

The package lapsed due to administrative issues. As explained above, the OCN was originally established for the NO/SO PPS form only. In 2013, we presented a revision of this OMB control number to include all of the PPS assessments named above. The package was reinstated in 2017; however, the supporting statement and burden estimates inadvertently addressed the 2011 version of package and it was only after it was reinstated that this was brought to our attention. The purpose of this revision is to correctly address all of the forms that are associated with this OMB Control Number and to ensure that all burden estimates are reported accurately based on the number of forms included.

## 2. Information Users

CMS uses the MDS 3.0 PPS Item Set data to reimburse skilled nursing facilities for SNF-level care furnished to Medicare beneficiaries.

## 3. Improved Information Technology

CMS has developed customized software that allows skilled nursing facilities to encode, store and transmit MDS 3.0 data. The software is available free of charge, and CMS provides customer support for software and transmission problems encountered by the providers.

## 4. Duplication of Similar Information

The data required for reimbursement are not currently available from any other source.

## 5. Small Entities

As part of our PRA analysis for an extension of our existing approval, we considered whether the change impacts a significant number of small entities. In this filing we utilized the instructions that pertain to the Paperwork Reduction Act Submission Worksheet, Part II to determine the number of small entities. Specifically, a small entity can be defined as a small organization that is any not-for-profit enterprise that is independently owned and operated and is not dominant in its field. Data indicate that in 2016 23% of the total SNF number were non-profit. This equates to 3,590 non-profit SNFs.

#### 6. Collection Frequency

Under the RUG-IV payment system we need to collect this information at the required frequency (i.e., at scheduled time periods throughout the SNF Part A stay; that is, approximately on Days 5, 14, 30, 60, and 90 as well as at unscheduled time periods throughout the SNF Part A stay; that is when therapy starts, when therapy ends, and when there is a change in reimbursable therapy minutes (RTM) over a seven-day span based on the Assessment Reference Date (ARD) in order to calculate payment under the SNF PPS.

#### 7. Special Circumstances

The information must be collected at periodic intervals throughout a skilled nursing facility inpatient admission, and is used to calculate the skilled nursing facility's payment rate.

#### 8. Federal Register Notice/Outside Consultation

The 60-day Federal Register notice published on July 21, 2015 (80 FR 43091). The 30-day Federal Register notice published on October 2, 2015 (80 FR 59781). No comments were received during the comment period.

#### 9. Payment/Gift to Respondent

There were no gifts and no payment to respondents.

#### 10. Confidentiality

To address concerns about confidentiality of resident data, we provide that a facility and a State may not release resident-identifiable information to the public, and may not release the information to an agent or contractor without certain safeguards (42 CFR 483.20(f)(5) and 483.315(j)).

#### 11. Sensitive Questions

There are no sensitive questions.

12. Burden Estimate (Total Hours & Wages)

As required under Section 1888(e)(7) of the Act, skilled nursing facilities must be reimbursed under the SNF PPS. We have updated the MDS burden estimates on skilled nursing facilities. The hourly burden estimate for each assessment has not changed. We have used FY 2016 data to calculate the frequency and numbers of assessments completed. Any burden estimate changes between FY 2013 and now reflect the frequency with which the assessments are completed. This includes all of the updated wage and SNF demographic data.

a. MDS 3.0 PPS Item Sets Preparation, Encoding and Transmission Time

According to the On-Line Certification and Survey Provider Enhanced Reports (CASPER) there were 15,447 skilled nursing facilities certified to participate in the Medicare program during FY 2016. In that time 6,563,344 PPS Assessments were completed for purposes of payment.

According to the On-Line Survey and Certification System (OSCAR), there were approximately 15,447 skilled nursing facilities in FY 2016. Based on our analysis of claims submitted during FY 2016 from a query of the SNF Standard Analytic File (SAF), we determined that during this time 6,563,344 PPS Assessments were completed for purposes of payment. As determined by the aforementioned claims analysis, and the number of SNFs, as determined by the aforementioned OSCAR query, we calculated that the average per facility number of PPS Assessments completed (rounded to the nearest whole number) is 425 assessments per year. We anticipate an average of 425 PPS assessments to be completed per year going forward.

Based on improved understanding of the MDS 3.0 and after discussions with clinicians, we estimate that it will take 40 minutes (0.6667 hours) to collect the information necessary for coding a PPS Assessment, 10 minutes (0.1667 hours) to code the responses, and 1 minutes (0.0167 hours) to transmit the results, or a total of 51 minutes (.85 hours) to complete a single PPS Assessment.

The total estimated hours for MDS 3.0 PPS Assessment preparation, coding and transmission per facility are 361.2925 hours/year (283.3475 + 70.8475 + 7.0975). The total estimated hours for MDS 3.0 PPS Assessment preparation and coding across all facilities are 5,580,885 hours/year (4,376,869 + 1,094,381 + 109,635) the break-out for each component of these estimates is shown below.

**MDS 3.0 PPS Item Set Preparation:**

Average No. of Assessments Reporting	Completion Time	Completion Time per facility per year	Number of Respondents	Total Annual Hour Burden Across all Facilities per year
425 Per Respondent/year	0.6667 hours	283.3475 hours/year	15,447	4,376,869 hours/year

**MDS 3.0 PPS Item Set Coding:**

Average No. of Assessments Reporting	Completion Time	Completion Time per facility per year	Number of Respondents	Total Annual Hour Burden Across all Facilities per year
425 Per Respondent/year	0.1667 hours	70.8475 hours/year	15,447	1,094,381 hours/year

**MDS 3.0 PPS Item Set Transmission:**

Average No. of Assessments Reporting	Completion Time	Completion Time per facility per year	Number of Respondents	Total Annual Hour Burden Across all Facilities per year
425 Per Respondent/year	0.0167 hours	7.0975 hours/year	15,447	109,635 hours/year

a. Estimated Costs Associated with the MDS 3.0 PPS Items

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 deriving these figures, we accounted for Registered Nurses (RNs) and Data Operators at an adjusted rate of \$68.28/hr and \$38.88/hr, respectively. For preparation functions, we used Registered Nurse wages of \$34.14, and added 100 percent of the mean hourly wage to account for fringe and overhead benefits, which calculates to \$68.28, or \$1.14 per minute. For coding functions we calculated a blended rate of \$53.58/hour; this was the average of the adjusted hourly rates for RNs (\$68.28/hour) and health information technicians (\$38.88/hour). The blended rate calculates to \$0.89 per minute. The blended rate of RN and data operator wages reflects the fact that SNF providers have historically used both RN and support staff for the data entry function. For transmission personnel, we used health information technician wages of \$19.44 per hour, and added 100 percent of the mean hourly wage to account for fringe and overhead benefits which calculates to \$38.88 or \$0.65 per minute.

Projected Annual Cost Burden Under RUG IV PPS System

MDS Function	Total Minutes Per Respondent	Per Minute Loaded \$ Rate	Estimated Cost Per Respondent per Assessment	Annual Cost Burden [(425 Assessments per year * # of facilities * cost per Assessment)]
Preparation	40	\$1.14	\$45.60	\$299,362,860
Coding	10	\$0.89	\$8.90	\$58,428,277
Transmission	1	\$0.65	\$0.65	\$4,267,233
<b>TOTAL</b>	<b>51</b>		<b>\$55.15</b>	<b>\$362,058,370</b>

There were 15,447 skilled nursing facilities which sought reimbursement under the year-to-date projected SNF PPS during FY 2016. Under the current RUG IV Payment

System, the cost per facility would be \$23,439 (\$362,058,370/15,447 facilities), assuming 425 MDS PPS Assessments per facility per year.

b. Basic Requirements for all claims

In evaluating the impact of billing changes in the HCFA-1500 common claim form, approved under OMB number 0938-0008, our long-standing policy is to focus on changes in billing volume. Under the SNF PPS, there will be no change in billing volume for skilled nursing facilities.

13. Capital Costs (Maintenance of Capital Costs)

Facilities are currently required to collect, compile, and transmit MDS data. Therefore, there are no capital costs. Any other cost can be considered a cost of doing business.

14. Cost to Federal Government

There are no additional costs to the Federal Government.

15. Program Changes

The following describes this iteration's nonsubstantive changes, consisting of two corrections and one adjustment.

*Correction #1*

Our most recent information collection request (approved on February 6, 2017) had inadvertently excluded and burden that was approved on January 15, 2014.

The January 2014 information collection request added the NP, NS, NOD, and NSD assessments. While the February 2017 request included the all of correct instruments, the Supporting Statement inadvertently set out text specific to the original request, namely the NO/SO PPS assessment. The Supporting Statement incorrectly omitted the previously approved text related to the NP, NS, NOD, and NSD assessments.

This nonsubstantive iteration corrects those omissions by including the previously approved (January 2014) burden and by adding the previously approved text (also January 2014) related to the NP, NS, NOD, and NSD assessments.

*Correction #2*

The February 2017 Supporting Statement's burden estimates do not match the figures in the ROCIS burden table.

This nonsubstantive iteration corrects the ROCIS table's data entry errors so they mirror what was in the Supporting Statement.

## Adjustment

Based on more recent data, this nonsubstantive iteration adjusts:

- The number of respondents by +2.
- The number of responses (per respondent) by +8.
- The number of responses (total) by +160,357.
- The number of hours (total) by -917,808.

## Summary of Changes

The following figures reconcile this iterations nonsubstantive changes which culminate in our final burden estimates.

<b>Respondents</b>	
Jan 15, 2014 (Supporting Statement)	15,376
Feb 6, 2017 (Supporting Statement)	15,445
Correction #1	n/a
<i>Subtotal</i>	15,445
Feb 6, 2017 (ROCIS burden)	15,421
Correction #2	+24 (15,445 – 15,421)
<i>Subtotal</i>	15,445 (15,421 + 24)
Adjustment	+2
<b>Final Estimate</b>	<b>15,447 (15,445 + 2)</b>

<b>Number of Responses (Assessments) Per Facility</b>	
Jan 15, 2014 (Supporting Statement)	416
Feb 6, 2017 (Supporting Statement)	45
Correction #1	+371
<i>Subtotal</i>	416 (45 + 371)
Feb 6, 2017 (ROCIS burden)	44
Correction #2	+1 (45 – 44)
<i>Subtotal</i>	417 (416 + 1)
Adjustment	+8
<b>Final Estimate</b>	<b>425 (417 +8)</b>

<b>Responses (Total)</b>	
Jan. 15, 2014 (Supporting Statement)	6,392,971
Feb 6, 2017 (Supporting Statement)	688,540
Correction #1	+5,704,431
<i>Subtotal</i>	6,392,971
Feb 6, 2017 (ROCIS burden)	678,524
Correction #2	+10,016 (688,540 – 678,524)
<i>Subtotal</i>	6,402,987 (6,392,971 + 10,016)
Adjustment	+160,357
<b>Final Estimate</b>	<b>6,563,344</b>

<b>Time Per Response</b>			
	Preparation	Coding	Transmission

Jan. 15, 2014 (Supporting Statement)	0.8333	0.1667	0.0333
Feb 6, 2017 (Supporting Statement)	0.6667	0.1667	0.0167
Correction #1	none (n/a)	none (n/a)	none (n/a)
Correction #2	none (n/a)	none (n/a)	none (n/a)
Adjustment	none (n/a)	none (n/a)	none (n/a)
<b>Final Estimate</b>	<b>0.6667</b>	<b>0.1667</b>	<b>0.0167</b>

<b>Total Hours (annual)</b>	
Jan 15, 2014 (Supporting Statement)	6,608,971
Feb 6, 2017 (Supporting Statement)	590,841
Correction #1	+6,018,130
<i>Subtotal</i>	<i>6,608,971 (590,841 + 6,018,130)</i>
Feb 6, 2017 (ROCIS burden)	701,119
Correction #2	-110,278 (590,841 - 701,119)
<i>Subtotal</i>	<i>6,498,693 (6,608,971 - 110,278)</i>
Adjustment	-917,808
<b>Final Estimate*</b>	<b>5,580,885</b>

\*The Jan 15, 2014, information collection request estimated 6,392,971 assessments. This nonsubstantive change request corrects and adjusts the number of assessments to 6,563,344 (+170,373).

16. Publication and Tabulation Dates

Not applicable.

17. Expiration Date

With respect to the OMB approval, CMS does not object to the displaying of the expiration date.

18. Certification Statement

There are no exceptions.

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

Not applicable.