

SUPPORTING STATEMENT - PART A

Applicant for TRICARE-Provider Status: Corporation Services Provider – 0720-0020

1. Need for the Information Collection

The Code of Federal Regulations (CFR), Part 199.6, along with the TRICARE/CHAMPUS Policy Manual, 6010.47-M, and Operations Manual, 6010.49-M, establish the specific requirements for institutional and professional providers currently recognized for payment under the program. These requirements have been used to ensure that providers possess licensing or other credentials and/or meet recognized standards unique to their provider status, profession, or field of medicine. However, since the CFR and policy provisions were first established, the manner in which medical services are delivered has changed. TRICARE/CHAMPUS - beneficiaries, like other health care consumers, now have access to a wide array of health care delivery systems which are not currently recognized or reimbursed under the TRICARE/CHAMPUS program.

On March 10, 1999, the Department of Defense published a final rule in the Federal Register that established a fourth class of TRICARE/CHAMPUS provider consisting of freestanding corporations and foundations that render principally professional, ambulatory or in-home care and technical diagnostic procedures. The specific types of providers who fall within this category include: 1) physician-directed clinics (radiation therapy clinics and cardiac rehabilitation programs); 2) cardiac catheterization clinics; 3) freestanding sleep disorder diagnostic centers; 4) independent physiological laboratories; 5) freestanding kidney dialysis centers; 6) freestanding magnetic resonance imaging centers; 7) Comprehensive Outpatient Rehabilitation Facilities (CORPS); and 8) Home Health Agencies (HHAs). However, coverage will only be extended for those professional services which would otherwise be allowed except for an individual provider's affiliation with a freestanding corporate entity. Coverage will not be allowed for additional overhead costs not recognized under the TRICARE/CHAMPUS professional reimbursement system or for individual professionals who are not recognized by TRICARE/CHAMPUS as authorized providers in their own right. The final rule simply establishes the authority for authorization of Corporate Services Providers under TRICARE/CHAMPUS and is not a part of the information collection process.

This information collection requirement is necessary to ensure that the conditions are met for authorization as a TRICARE/CHAMPUS Corporate Service Provider; i.e., the provider:

- 1) is a corporation or a foundation, but not a professional corporation or professional association;
- 2) provides services and related supplies of a type rendered by TRICARE/CHAMPUS individual professional providers or diagnostic technical services;
- 3) is approved for Medicare payment, or when Medicare approval status is not required, is accredited by a qualified accreditation organization; and
- 4) has entered into a participation agreement approved by Director, TRICARE Management Activity. In a corporation, the parties in the agreement are free from personal

liability, but this would be a problem for a corporation formed by professionals, if they formed the corporation in order to absolve themselves of responsibility for their professional actions (malpractice).

2. Use of the Information

TRICARE/CHAMPUS is a health benefits entitlement program for the dependents of active duty Uniformed Services members and deceased sponsors, and Uniformed Services retirees and their dependents. The information collection instrument, DD Form 3030, Corporate Services Provider Application for TRICARE Provider Status, is for use by TRICARE/CHAMPUS and its contractors. Currently, Providers obtain the Corporate Services Provider application from the TRICARE Policy Manual 6010.57-M, Addendum D. Providers can also obtain the application from the DoD Forms Website as a fill and print PDF. Providers will complete all sections of the form, print and sign it and mail the application to the Managed Care Support Contractor. Respondents are freestanding corporations and foundations seeking authorization under the TRICARE/CHAMPUS program to provide otherwise covered professional services to eligible TRICARE/CHAMPUS beneficiaries. Under the final amendment provisions, corporate service providers can receive authorization under the TRICARE/CHAMPUS program as long as there is evidence on the information collection instrument of their continuing eligibility to receive reimbursement from Medicare. The Corporate Service Providers will also be required to enter into a participation agreement with TRICARE/CHAMPUS to ensure that they agree to the coverage and reimbursement provisions established under the new provider category; e.g., that they accept the CHAMPUS Maximum Allowable Charge (CMAC) as payment in full for all professional services and that no other overhead charges be allowed except for services and supplies of a type rendered by TRICARE/CHAMPUS individual professional providers or diagnostic technical services in the direct care of the patient.

TRICARE/CHAMPUS managed care support contractors have the responsibility of verifying that providers meet TRICARE/CHAMPUS authorization criteria. Verification involves collecting and reviewing copies of the provider's licenses, certificates, accreditation documentation, etc. If the criteria are met, the provider is added to the contractor's computer list of CHAMPUS-authorized providers. The documentation and information are collected: 1) when a provider requests permission to become a TRICARE/CHAMPUS provider; 2) when a claim is filled for care received from a provider who is not listed in the contractor's computer listing of certified providers, or 3) when a formerly TRICARE/CHAMPUS-certified provider requests reinstatement. The information collected on the Corporate Services Provider application form (i.e., the information collection form for which TRICARE/CHAMPUS is seeking approval) will be used by the contractor in determining whether the provider meets the criteria for authorization under the TRICARE/CHAMPUS program. The information collection form is simplistic in design to minimize the administrative burden on both the contractors and those corporate entities qualifying for authorization under the new Corporate Services Provider category. The authorization status of a provider will be maintained on an electronic file (i.e., a computer listing of all authorized providers) that will facilitate the efficient adjudication and

reimbursement of all future claims submitted by an authorized provider.

To reduce the reporting burden to a minimum, TRICARE/CHAMPUS has carefully selected the information requested of respondents. Reliance on Medicare approval for payment -or when Medicare approved status is not required, accreditation organization as defined by the attached amendment -has been found to be administratively expeditious and cost effective for both TRICARE/CHAMPUS and providers qualifying for authorization under the new provider category.

The authorization process will also be streamlined (simplified) in that the individual authorization of professional providers employed by or under contract with a corporate entity will not be required under the information collection requirements. While authorization of all individuals offers the greatest protection for the program and TRICARE/CHAMPUS beneficiaries by ensuring all individuals meet established TRICARE/CHAMPUS criteria, it is a very expensive and time-consuming requirement for the contractors, not to mention the administrative burden placed on providers. The preferred alternative is to place the responsibility for ensuring all individuals meet TRICARE/CHAMPUS requirements on the corporate service entity. This assurance is further strengthened by requiring Medicare certification as a condition of authorization under the program since Medicare also relies on the delegation of certification of individual professional and allied health providers to the corporate entity. Although the actual provider of care will still have to be identified on the claim form, verification of the qualifications of employed and/or contracted individual providers will not be required by the contractors.

3. Use of Information Technology

Responses are not collected electronically. The application form and instructions are currently provided in the TRICARE Policy Manual 6010.57-M. A new DD form has been created and is accessible on the DoD Forms Website at (<https://www.esd.whs.mil/Portals/54/Documents/DD/forms/dd/dd3030.pdf>) as a fill and print PDF pending OMB approval.

The following documents may be viewed electronically at www.tricare.osd.mil which will facilitate the respondents' understanding of the authorization process (i.e., the conditions for coverage/authorization along with the specifics of the application process): TRICARE Policy Manual, Chapter 11.2.3 and 2.4. TRICARE Policy Manual, Addendum D.

4. Non-duplication

The information obtained through this collection is unique and is not already available for use or adaptation from another cleared source.

5. Burden on Small Businesses

The information collection includes small business; e.g., physician-directed clinics (radiation therapy clinics and cardiac rehabilitation programs); cardiac catheterization

clinics; freestanding sleep disorder diagnostic centers; independent physiological laboratories; freestanding kidney dialysis centers; freestanding magnetic resonance imaging centers; Comprehensive Outpatient Rehabilitation Facilities (CORPS); and Home Health Agencies (HHAs). The data required to be submitted on the collection form is the same for each provider. The data collection form is simplistic in design to minimize administrative burden on the *TRICARE/CHAMPUS* contractors and providers (i.e., only essential information is requested). The requested information should be readily available to the respondents.

6. Less Frequent Collection

Without the collection of information, contractors cannot determine if a provider meets TRICARE/CHAMPUS requirements for authorization as a Corporate Services Provider. If a contractor is unable to verify that a provider meets TRICARE/CHAMPUS requirements, it will be unable to reimburse the provider for otherwise covered health care services. All requested information is readily available to the respondents. No further reduction in the information collection requirements is possible for authorization of these small businesses.

7. Paperwork Reduction Act Guidelines

This collection of information does not require collection to be conducted in a manner inconsistent with the guidelines delineated in 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

Part A: PUBLIC NOTICE

A 60-Day Federal Register Notice for the collection published on Tuesday, June 25, 2019. The 60-Day FRN citation is 84 FRN 29852.

A 30-Day Federal Register Notice for the collection published on Thursday, August 29, 2019. The 30-Day FRN citation is 84 FRN 45475.

Part B: CONSULTATION

No additional consultation apart from soliciting public comments through the 60-Day Federal Register Noticed was conducted for this submission.

9. Gifts or Payment

No payments or gifts are being offered to respondents as an incentive to participate in the collection.

10. Confidentiality

A Privacy Act Statement is not required for this collection because we are not requesting individuals to furnish personal information for a system of records.

A System of Record Notice (SORN) is not required for this collection because records are not retrievable by PII.

A Privacy Impact Assessment (PIA) is not required for this collection because PII is not being collected electronically.

Records will be maintained in accordance with the following approved disposition schedule:

- Subject: Certification of Institutional Providers of Healthcare Cases Files
- Disposition: Temporary. Cut off at the end of the calendar year in which final action was taken. Destroy 5 years after cutoff.
- OSD RDS File Number: 911-06.1
- NARA Authority: NC1-330-81-008, item 911-06.1

11. Sensitive Questions

No questions considered sensitive are being asked in this collection.

12. Respondent Burden and its Labor Costs

a. Estimation of Respondent Burden

1. DD Form 3030, Corporate Services Provider Application for Tricare Provider Status

- a. Number of Respondents: 335
- b. Number of Responses Per Respondent: 1
- c. Number of Total Annual Responses: 335
- d. Response Time: 20 minutes
- e. Respondent Burden Hours: 112 hours

2. Total Submission Burden

- a. Total Number of Respondents: 335
- b. Total Number of Annual Responses: 335
- c. Total Respondent Burden Hours: 112 hours

b. Labor Cost of Respondent Burden

1. DD Form 3030, Corporate Services Provider Application for Tricare Provider Status

- a. Number of Total Annual Responses: 335
- b. Response Time: 20 minutes
- c. Respondent Hourly Wage: \$18.69

- d. Labor Burden per Response: \$6.23
- e. Total Labor Burden: \$2,087.00

2. Overall Labor Burden

- a. Total Number of Annual Responses: 335
- b. Total Labor Burden: \$2,087.00

The Respondent hourly wage was determined by using the Department of Labor Wage Website (<http://www.dol.gov/dol/topic/wages/index.htm>)

13. Respondent Costs Other Than Burden Hour Costs

Other facility/office costs include filling out and returning the Corporate Services Provider form. This includes costs for copying, filing, handling and postage. The facility/office charges have been estimated at \$10 per respondent.

Total Non-Labor Facility/Office Costs...\$3,000 (300 respondents x \$10 per facility)

14. Cost to the Federal Government

a. Labor Cost to the Federal Government

1. DD Form 3030, Corporate Services Provider Application for Tricare Provider Status

- a. Number of Total Annual Responses: 335
- b. Processing Time per Response: 1 hours
- c. Hourly Wage of Worker(s) Processing Responses: \$31.40
- d. Cost to Process Each Response: \$31.40
- e. Total Cost to Process Responses: \$\$10,519

2. Overall Labor Burden to Federal Government

- a. Total Number of Annual Responses: 335
- b. Total Labor Burden: \$10,519

b. Operational and Maintenance Costs

- a. Equipment: \$0
- b. Printing: \$0
- c. Postage: \$0
- d. Software Purchases: \$0
- e. Licensing Costs: \$0
- f. Other: \$0
- g. Total: \$0.00

1. Total Operational and Maintenance Costs: \$0.00
2. Total Labor Cost to the Federal Government: \$10,519.00
3. Total Cost to the Federal Government: \$10,519.00

15. Reasons for Change in Burden

The burden has increased since the previous approval due to an increase in hourly wages and the total number of responses received.

16. Publication of Results

The results of this information collection will not be published.

17. Non-Display of OMB Expiration Date

We are not seeking approval to omit the display of the expiration date of the OMB approval on the collection instrument.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

We are not requesting any exemptions to the provisions stated in 5 CFR 1320.9.