

**Supporting Statement Part A for Paperwork Reduction Act (PRA) Submissions**  
PRA for Notification of MACs and CMS of Co-Located Medicare Providers  
OMB#0938-0897; CMS-10088

**A. Background**

Many long-term care hospitals (LTCHs) are co-located with other Medicare providers (acute care hospitals, inpatient rehabilitation facilities (IRFs), skilled nursing facilities (SNFs), inpatient psychiatric facilities (IPFs)), which could lead to potential gaming of the Medicare system based on inappropriate patient shifting. In regulations at 42 CFR 412.22(e)(3) and (h)(6) CMS requires LTCHs to notify Medicare Administrative Contractors (MACs) and CMS of co-located providers.

**B. Justification**

1. Need and Legal Basis

Many LTCHs are co-located with other Medicare providers (acute care hospitals, IRFs, SNFs, psychiatric facilities), which could lead to potential gaming of the Medicare system based on patient shifting. Under the regulations, CMS requires LTCHs to notify MACs and CMS of co-located providers.

2. Information Users

This co-location information will allow MACs and CMS to be able to track patient movement between LTCHs and other co-located inpatient providers which will allow CMS to identify and modify policy to limit payment abuse as needed.

3. Use of Information Technology

CMS is requiring that MACs monitor co-location among their LTCHs but has not established any format for information storage.

4. Duplication of Efforts

These information collections do not duplicate any other effort and the information cannot be obtained from any other source.

5. Small Businesses

This does not have a significant economic impact on small businesses.

6. Less Frequent Collection

LTCHs are required to report their present co-located status with information describing the facilities with which they are co-located. If this status changes, i.e., another hospital is built adjacent to the LTCH, the LTCH is required to notify its MAC and CMS in writing prior to the end of the cost reporting period. Specific payment policies will be difficult to monitor and enforce without collection of this data. Reducing or eliminating this collection would contradict the regulation.

7. Special Circumstances

There are no special circumstances.

8. Federal Register/Outside Consultation

The 60-day Federal Register notice published on September 17, 2019(84FR48933). The 30-day Federal Register Notice Published on December 17, 2019(84FR68936) with no comments received.

9. Payments/Gifts to Respondents

There are no payments or gifts to respondents.

10. Confidentiality

We pledge confidentiality to the extent provided by law.

11. Sensitive Questions

There are no questions of a sensitive nature.

12. Burden Estimates (Hours & Wages)

The requirement regarding collection of information at §412.22 concerning a LTCH's (or a LTCH satellite's) notification to its MAC and CMS of its co-located status is needed in order for Medicare to appropriately pay co-located hospitals-within-hospitals (HwHs) and satellites. Under §§412.22(e)(3) and (h)(6), an LTCH or a satellite of an LTCH that occupies space in a building used by another hospital, or in one or more entire buildings located on the same campus as buildings used by another hospital must notify its MAC and CMS in writing of its co-location within 60 days of its first cost reporting period that began on or after October 1, 2002.

We estimate that the burden associated with this provision is the time it would take for an LTCH or a satellite of an LTCH to prepare and submit its notification to its MAC and CMS. At this time, we estimate that 25 LTCHs and satellites of LTCHs will take 15 minutes each to comply with these provisions for a total burden of 6.25 hours. The time estimate for preparation of an attestation is based upon the professional judgment of staff members at the Centers for Medicare and Medicaid

Services. We believe that an administrative assistant will be sending the written notification. Based on the most recent Bureau of Labor and Statistics Occupational and Employment Data (May 2018) at [https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.htm) for Category 43-6010 for the position of Secretaries and Administrative Assistants, the mean hourly wage for an administrative assistant is \$ 20.34. We have added 100 percent for fringe and overhead benefits, which calculates to \$40.68 per hour. We estimate the total annual cost is \$254.25 (6.25 hours x \$40.68 per hour).

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

The reporting requirements do not entail any costs to the Federal Government.

15. Changes to Burden

There are no changes to burden.

16. Publication/Tabulation Dates

MACs and CMS Regional Offices keep records on co-located LTCHs for which they are responsible.

17. Expiration Date

There is no collection data instrument used in the collection of this information. However, upon receiving OMB approval, CMS will publish a notice in the Federal Register to inform the public of both the approval as well as the expiration date.

18. Certification Statement

There are no exceptions to the certification statement.