

## **Supporting Statement for the Business Proposal Forms for Quality Improvement Organizations (QIO) - PART A**

### **A. Background**

In 1982, Congress modified requirements for medical peer review in the Medicare program and passed the “Peer Review Improvement Act” of 1982. This legislation was enacted as part of the Tax Equity and Fiscal Responsibility Act of 1982 (P.L. 97-248), which authorizes the establishment of Quality Control Peer Review Organizations (PROs), currently known as Quality Improvement Organizations (QIOs). The QIO program was designed, as described in 42 CFR parts 475, 476, 478, and 480, to redirect and enhance cost-effectiveness of Medicare peer review.

Prior to the inception of the QIO business proposal forms, cost elements were not categorized in a manner that was satisfactory for contract negotiations. Our objective in providing this package is to standardize the way in which proposed costs are presented to the Centers for Medicare and Medicaid Services (CMS). With well-defined cost centers and line items, proposals can be evaluated in a more efficient manner to determine reasonableness and appropriateness for contract award.

With this submission, CMS is requesting an extension of the following forms, which were approved for previous QIO solicitations and will be utilized in future announcements. Copies of these forms and instructions are attached to this request.

#### **CMS Form 718 BP - Quality Improvement Organization Business Proposal Summary**

This form summarizes the offeror’s proposed costs for the 5-year CMS Medicare Review Contract and CMS’s recommended costs.

#### **CMS Form 719 BP - Quality Improvement Organization Business Proposal**

This form provides the offeror’s proposed costs by contract task or activity. The form provides a detailed breakdown of the offeror’s total 5-year cost proposal for the CMS Medicare Review Contract.

#### **CMS Form 720 BP - Fringe Benefit Proposal**

This form provides the details of the fringe benefit costs proposed on CMS Form 719 BP. The form furnishes the total fringe benefit costs for the CMS Medicare Review Contract.

#### **CMS Form 721 BP - Indirect and Other Direct Cost**

This form provides the details for the indirect and other direct costs proposed on CMS Form 719 BP. The form furnishes the total indirect/other direct costs for the CMS Medicare Review Contract.

**CMS Form SUM - Staffing Proposal Summary**

This form summarizes the offeror's labor cost information in the various categories needed to analyze the 5-year costs that the offeror proposes for the CMS Medicare Review Contract.

**CMS Form STAFFING - Personnel Loading Chart**

This form consolidates the information previously provided by 4 forms for each of the four categories of personnel (Professional, Information Systems, Corporate Management, and Support Staff) for the offeror's cost information. The format provides a high level of detail as costs are entered by individual positions and tasks. This format is needed to properly analyze the 5-year labor costs that the offeror proposes for the CMS Medicare Review Contract.

**CMS Form SC 1 - Subcontracts Proposal, Physician Reviewers and Physician Advisors**

This form provides cost details regarding the physician reviewers/advisors that will be used for the CMS Medicare Review Contract.

**CMS Form SC 2 - Subcontracts Proposal, Other Consultants and Other Subcontractors**

This form provides cost details regarding subcontractors, other than physician reviewers/advisors, who will be used for the CMS Medicare Review Contract.

**CMS Form QIO ODC - Other Direct Costs**

This form provides further details for the other direct costs proposed on CMS Form 21 BP. The form furnishes the other direct costs separated by the various categories for the CMS Medicare Review Contract.

**CMS Form Other Beneficiary Protection Supplemental - Beneficiary Protection Supplemental Information.**

This form furnishes the other beneficiary protection supplemental information separated by the various categories within this theme area for the CMS Medicare Review Contract.

**CMS Form Travel Detail - QIO Travel Detail**

This form details travel costs for the CMS Medicare Review Contract.

## **B. Justification**

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

The purpose of the QIO business proposal forms is to standardize QIO business proposals in response to the QIO Request for Proposals (RFPs). These business forms contain well-defined cost centers and line items to allow CMS to review and evaluate proposed costs.

### **2. Information Users**

The standardized data provided by the QIO business proposal forms is solely used by CMS to independently review and evaluate specific elements of the Offeror's proposed costs to determine whether the elements are realistic for the work to be performed; reflect a clear understanding of the scope of work; are consistent with the Offeror's technical proposal; and determine if the proposed costs are reasonably economical and efficient.

### **3. Use of Information Technology**

All current QIOs have computer capability for data generation, and will be required to use such capability to submit data to CMS electronically. The electronic collection of this information eases the burden to CMS staff when compiling and summarizing this information.

### **4. Duplication of Efforts**

These are the only forms used by CMS to collect this data. They do not duplicate any other data.

### **5. Small Businesses**

This does not affect small businesses.

### **6. Less Frequent Collection**

The data requested on the forms is collected once every 5 years.

### **7. Special Circumstances**

There are no special circumstances associated with this collection. This information

collection is consistent with guidelines at 5 CFR 1320.5.

8. Federal Register/Outside Consultation

The 60-day Federal Register notice published on  
The 30-day Federal Register notice published on

9. Payments/Gifts to Respondents

There are no payments or gifts associated with this information collection; however, there is a potential for contract award and payments will be associated with the negotiated agreement between the awardee and CMS (post- award).

10. Confidentiality

We do not pledge confidentiality.

11. Sensitive Questions

There are no questions of a sensitive nature.

12. Burden Estimates (Hours & Wages)

The information requested is required from respondents every 5 years to negotiate, renew, or award contracts. Offerors furnish this information in response to a Request for Proposal. For purposes of burden estimates, it is estimated that there will be approximately 58 respondents to a Request for Proposal.

The annualized burden for each respondent of requested information is 40 hours. This is derived as follows:

<b>Form</b>	<b>Learning About the Form</b>	<b>Preparing One Set of the Forms</b>
Form 718 BP	Learning about Form 718 BP: .25 hours.	Preparing one set of Form 718 BP: 0.4 hours.
Form 719 BP	Learning about Form 719 BP: .25 hours.	Preparing one set of Form 719 BP: 3.3 hours.

Form 720 BP	Learning about Form 720 BP: .25 hours.	Preparing one set of Form 720 BP: 1.7 hours.
Form 721 BP	Learning about Form 721 BP: .25 hours.	Preparing one set of Form 721 BP: 1.7 hours.
Staffing Form	Learning about the Staffing Form: .50 hours.	Preparing one set of the Staffing Form: 12.5 hours.
Form SC 1	Learning about Form SC 1: .25 hours.	Preparing one set of Form SC 1: 3.3 hours.
Form SC 2	Learning about Form SC 2: .50 hours.	Preparing one set of Form SC 2: 3.3 hours.
Staffing Summary Form	Learning about the Staffing Summary Form: .25 hours.	Preparing one set of the Staffing Summary Form: 0.4 hours.
ODC Form	Learning about the ODC Form: .25 hours.	Preparing one set of the ODC Form: 3.3 hours.
Travel Detail Form	Learning about the Travel Detail Form: .25 hours.	Preparing one set of the Travel Detail Form: 3.3 hours.
BFCC Supplemental Schedule Form	Learning about the BFCC Supplemental Schedule Form: .25 hours.	Preparing one set of the BFCC Supplemental Schedule Form: 3.3 hours.
<b>Totals:</b>	Total hours learning about the forms: 3.25 hours.	Total hours preparing one set of the forms: 36.75 hours.

Hours estimated for one set of forms: 40.0 hours.

Total hours for preparing forms: 36.75 hours.

Plus 3.25 hours learning about the forms.

Equals a total annual burden per response of 40 hours.

Times 58 respondents equals 2,320 total hours.

On average, the hourly salary rate for a person that would complete these forms, using the calculations of the Bureau of Labor and Statistics ([Financial analyst salary](#)) for a financial analyst, is \$39.22. Adding a 100% for fringe yields a rate of \$78.53. Therefore, the total cost would be \$182,190.

13. Capital Costs

The QIOs will not have any capital costs associated with this information collection that they would not have without this requirement.

14. Cost for Federal Government

Once received, the forms are reviewed by a GS-12 federal employee for approximately eight hours; yielding a labor cost of \$331 (utilizing the current hourly rates reported by the [Office of Personnel Management](#)).

15. Changes to Burden

The number of estimated respondents has decreased from 185 to 58. The burden hours have decreased from 9,250 to 2,320. Additionally, hard copies are no longer submitted, everything is done electronically and decreases the burden hours for assembling and sending information to CMS.

16. Publication/Tabulation Dates

There are no publication and tabulation dates associated with this collection.

17. Expiration Date

18. Certification Statement

CMS will display the OMB expiration date on the instructions.

There is no exception to the certification statement