

Supporting Statement – Part A  
Hospital Notices: IM / DND  
(CMS-10065/66; OMB #0938-1019)

## BACKGROUND

The Centers for Medicare & Medicaid Services (CMS) requests an extension of the Office of Management and Budget (OMB) currently approved Medicare notices: the Important Message from Medicare (IM) and the Detailed Notice of Discharge (DND).

This information collection applies to beneficiaries in Original Medicare and enrollees in Medicare health plans. The purpose of the IM is to inform beneficiaries and enrollees of their rights as hospital inpatients and how to request a discharge appeal by a Quality Improvement Organization (QIO) and how to file a request. Consistent with 42 CFR 405.1205 for Original Medicare and 422.620 for Medicare health plans, hospitals must provide the initial IM within 2 calendar days of admission. A follow-up copy of the signed IM is given no more than 2 calendar days before discharge. The follow-up copy is not required if the first IM is provided within 2 calendar days of discharge.

In accordance with 42 CFR 405.1206 for Original Medicare and 422.622 for Medicare health plans, if a beneficiary/enrollee appeals the discharge decision, the beneficiary/enrollee and the QIO must receive a detailed explanation of the reasons services should end. This detailed explanation is provided to the beneficiary/enrollee using the DND, the second notice included in this extension package.

We are not making any changes to this package's requirements or any information collection/reporting instruments or instructions.

We are proposing several changes that have no impact on our requirements or burden estimates. The CMS Office of Communications (OC) streamlined all sections of the notices, updating the layout and wording using plain language to comport with research and current practices. These changes do not impact or change the information being collected, or the currently approved per response estimates, but the total burden estimates have been updated with more recent annual response data. Our currently approved per response estimates are unchanged.

The changes made to this form were completed by the CMS OC to promote plain language in order to increase accessibility and reduce health disparities. OC supplied the following information on how their design and language decisions used in this form are research-based:

*The Office of Communications recommendations are soundly based on research-based best practices in plain language and information design. Along with decades of research in cognitive science and behavioral economics, we draw from a wealth of research data specific to CMS programs. We've been conducting consumer research with the patients, caregivers, providers and partners who interact with CMS*

*programs for more than 20 years, and we use feedback from this research to make sure our information and products are clear and easy to use. Consumer testing is ongoing, and we iteratively refine language and design standards as our audiences and their information needs evolve. We work to apply the same research-based standards across all products and channels to make sure our language, messaging and branding are consistent.*

## A. JUSTIFICATION

### 1. NEED AND LEGAL BASIS

Section 1866(a)(1)(M) of the Social Security Act (the Act) sets forth the requirements that hospitals notify beneficiaries in inpatient hospital settings of their rights, including their right to appeal a discharge. The authority for the right to a discharge appeal is set forth at Sections 1869(c)(3)(C)(iii)(III) and 1154(a) of the Act.

The IM and DND fulfil the following regulatory requirements:

- §405.1205 (b) – For all Medicare beneficiaries, hospitals must deliver valid, written notice of a beneficiary's rights as a hospital inpatient, including discharge appeal rights. The hospital must use a standardized notice, as specified by CMS. This is satisfied by IM delivery.
- §405.1206(e)(1) – When a QIO notifies a hospital that a beneficiary has requested an expedited discharge, the hospital must deliver a detailed notice to the beneficiary as soon as possible but no later than noon of the day after the QIO's notification. This is satisfied by DND delivery.

Additionally, 42 CFR 417.600(b) provides that Medicare health plans must follow these same discharge appeal notification procedures for their enrollees in the covered hospitals:

- §422.620(b) – For all Medicare Advantage enrollees, hospitals must deliver valid, written notice of an enrollee's rights as a hospital inpatient including discharge appeal rights. The hospital must use a standardized notice, as specified by CMS. This is satisfied by IM delivery.
- §422.622(e)(1) – When the QIO notifies an MA organization that an enrollee has requested an immediate QIO review, the MA organization must, directly or by delegation, deliver a detailed notice to the enrollee as soon as possible, but no later than noon of the day after the QIO's notification. This is satisfied by DND delivery.

### 2. INFORMATION USERS

Hospitals must deliver a hard copy of the IM to beneficiaries/enrollees at the time of admission, and a follow-up copy of the signed IM must be delivered at or near the

time of discharge depending on the length of the hospital stay and timing of first IM delivery.

The beneficiary must be given a paper copy of the signed IM to keep, regardless of whether a paper or electronic version is delivered and whether the signature is digitally captured or manually signed.

If the beneficiary/enrollee decides to appeal, the hospital will deliver a DND to the QIO and beneficiary/enrollee, detailing the rationale for the discharge decision.

### 3. USE OF INFORMATION TECHNOLOGY

A hospital may deliver an IM that is viewed on an electronic screen before signing. A beneficiary/enrollee must be given the option of requesting paper rather than electronic issuance if that is what the beneficiary/enrollee prefers. Regardless of whether a paper or electronic version is delivered, and whether the signature is digitally captured or manually penned, the beneficiary/enrollee must be given a paper copy of the signed IM to keep.

In cases where the beneficiary/enrollee has a representative who is not physically present, hospitals are permitted to deliver the IM by telephone as long as a hard copy is delivered to the representative.

### 4. DUPLICATION OF EFFORTS

The requirement that hospitals supply beneficiaries/enrollees in hospitals with advance notice of service discharges does not duplicate any other effort and the information cannot be obtained from any other source.

### 5. SMALL BUSINESSES

These requirements will not adversely affect small businesses.

### 6. LESS FREQUENT COLLECTION

Consumer research supports providing information close to the time an individual needs to make a decision. In the case of an individual receiving hospital services, he or she needs to decide whether the services continue to be medically necessary. (Providing the information other than during the receipt of services would significantly reduce the effectiveness.) In addition, providing the notice two days in advance of coverage ending decreases potential financial liability in the event the beneficiary/enrollee wants to appeal. Providing advance notices to less than 100% of all individuals who are facing service discharges would not afford all beneficiaries/enrollees equal protection of their rights.

## 7. SPECIAL CIRCUMSTANCES

There are no special circumstances to report. No statistical methods will be employed. The regulations at §422.1202(b) and §422.624(c) require that the completed IMs be timely delivered to beneficiaries/enrollees or their representatives. For Medicare enrollees, hospitals are required to deliver the IM on behalf of the plan. Note: CMS holds the Medicare health plan responsible for delivery of all notices, and compliance with the regulations governing this activity.

## 8. FEDERAL REGISTER NOTICE/OUTSIDE CONSULTATION

The 60-day notice published in the Federal Register on 09/12/2025 (90 FR 44193). During the 60-day comment period, one comment was received expressing support for CMS initiatives to ensure beneficiary comprehension of notices. This comment did not result in any changes to the collection. Responses to the public comments may be found in the CMS Response to Public Comments document.

The 30-day notice published in the Federal Register on 12/11/2025 (90 FR 57473).

## 9. PAYMENTS/GIFTS TO RESPONDENT

No payments or gifts are provided to respondents for their participation or involvement within the collection of information.

## 10. CONFIDENTIALITY

Not applicable; CMS does not collect information. The hospital and plan will maintain records of the notices, but those records do not become part of a federal system of records.

## 11. SENSITIVE QUESTIONS

Not applicable. We do not ask any questions of the beneficiaries or enrollees.

## 12. BURDEN ESTIMATES

### Annual Burden Estimates

- The total hourly burden for the IM is: 4,216,667 hours
- The total hourly burden for the DND is: 97,156 hours
- The total wage burden for the IM is: \$379,500,000

- The total wage burden for the DND is: \$8,744,040

In CY 2023, there were 5,995 inpatient hospitals which includes 1,368 critical access hospitals and approximately 15.8 million discharges from Medicare inpatient hospitals.

Accordingly, we estimate that 15.8 million initial IMs were delivered that year<sup>1</sup>.

We estimate that approximately 60%, or 9.5 million of these beneficiaries, would have also received the follow-up copy of the initial IM<sup>2</sup>.

Consequently, we estimate that hospitals delivered a total of 25.3 million initial and follow-up IMs to Medicare beneficiaries/enrollees (15.8 million+ 9.5 million) in 2023.

In 2023, Medicare beneficiaries/enrollees requested 97,156 discharge appeals<sup>3</sup>.

Because the DND is only required for beneficiaries/enrollees requesting a discharge appeal, we know that in 2023, 97,156 DNDs were delivered.

To arrive at the hourly and wage burdens we made the following assumptions and calculations for the individual notices:

#### IM hourly burden

Delivering the 25.3 million IMs to beneficiaries/enrollees results in a total annualized burden of 4,216,667 hours (10 minutes x 25.3 million IMs/60 minutes).

#### DND hourly burden

Delivering the 97,156 DNDs to beneficiaries/enrollees results in a total annualized burden of 97,156 hours (1 hour x 97,156 DNDs).

#### Wages

To derive average costs, we used data from the [U.S. Bureau of Labor Statistics' May 2024 National Occupational Employment and Wage Estimates](#) for all salary estimates.

In this regard, the following table presents the median hourly wage, the cost of fringe benefits (calculated at 100 percent of salary), and the adjusted hourly wage.

Table 1: Cost Estimates

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1 CMS Program Use & Payments/Data.cms.gov

2 There are no quantifiable data on follow-up IM delivery. With prior PRA submissions, we estimated that the follow-up IM was likely delivered to 60% of beneficiaries/enrollees receiving an initial copy of the IM. The public has been invited to comment on this approach and the resulting estimate, in prior PRA comment periods. However, no comments were received on the assumption, and we have never received any suggested alternative estimates. Thus, we will continue to use this methodology with this package submission. <sup>3</sup> From the QIO Dashboard from 3/1/2024 - 2/28/2025.

Occupation Title	Occupation Code	Median Hourly Wage (\$/hr.)	Fringe Benefit (\$/hr.)	Adjusted Hourly Wage (\$/hr.)
Registered nurse	29-1141	\$45.00	\$45.00	\$90.00

As indicated, we are adjusting our employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and overhead costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. Nonetheless, there is no practical alternative, and we believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

#### IM wage burden

The cost of IM delivery is \$15.00 per notice ( $\$90.00 \times 10 \text{ minutes} / 60 \text{ minutes}$ ). Thus, we estimate a total wage burden of \$379,500,000 for the IM ( $\$15.00 \times 25.3 \text{ million IMs}$ ).

#### DND wage burden

The cost of DND delivery is \$90.00 per notice ( $\$90.00 \times 1 \text{ hour}$ ). Thus, we estimate a total wage burden of \$8,744,040 for the DND ( $\$90.00 \times 97,156 \text{ DNDs}$ ).

### 13. CAPITAL COSTS

There are no capital costs associated with this collection.

### 14. COST TO FEDERAL GOVERNMENT

The cost to the Federal government is on a triennial basis and is associated with the preparation and release of the IM and DND and includes the time it takes the employee to complete the PRA process, another employee to create a translated version, and posting the documents to CMS.gov.

The analysis and preparation of the PRA package and the subsequent release of documents is performed by CMS employees. The average salary of the employees who would be completing this task, which includes the locality pay adjustment for the area of Washington-Baltimore-Arlington, is listed in the table below. See [OPM 2025 General Schedule \(GS\) Locality Pay Tables](#). We estimate that on average it

takes a CMS employee 24 hours to perform these activities and the triennial cost to the Federal government to be \$1,572.00.

<b>Employee</b>	<b>Hourly Wage</b>	<b>Number of Hours</b>	<b>Triennial Cost to Government</b>
GS-13, Step 5	\$65.48	24	\$1,572.00
			<b>Total:</b> \$1572.00

The annualized cost to the Federal government is \$524 (\$1,572/3).

#### 15. CHANGES TO BURDEN

We estimate that hospitals and CAHs will deliver approximately 25.4 million notices, annually (25.3 million IMs + 97,156 DNDs). This represents an increase of around 11 million from our last collection. This is due to our recent capacity to capture Medicare Advantage data in addition to Original Medicare. There are no associated policy changes, but solely the ability to fully account for the existing burden.

The cost per response is now \$15.00 for the IM and \$90.00 for the DND, based on an adjusted hourly salary rate of \$90.00.

Previously, it was \$13.26 for the IM and \$79.56 for the DND based on an hourly salary rate of \$79.56. This is due to updated wage index numbers.

#### 16. PUBLICATION AND TABULATION DATES

These notices will be published online at <https://www.cms.gov/medicare/formsnotices/beneficiary-notices-initiative> however, no aggregate or individual data will be tabulated from the notices.

#### 17. EXPIRATION DATE

CMS will display the expiration date and OMB control number at the bottom of all forms and instructions.

#### 18. CERTIFICATION STATEMENT

No exception to any section of the I-83 is requested.