

Supporting Statement – Part A

Supporting Statement For Paperwork Reduction Act Submissions: Electronic Submission of Medicare GME Affiliation Agreements

A. Background

Existing regulations at § 413.75(b) permit hospitals that share residents to elect to form a Medicare GME affiliated group if they are in the same or contiguous urban or rural areas, if they are under common ownership, or if they are jointly listed as program sponsors or major participating institutions in the same program. The purpose of a Medicare GME affiliated group is to provide flexibility to hospitals in structuring rotations under an aggregate FTE resident cap when they share residents. The existing regulations at § 413.79(f)(1) specify that each hospital in a Medicare GME affiliated group must submit a Medicare GME affiliation agreement (as defined under § 413.75(b)) to the Medicare fiscal intermediary (FI) or MAC servicing the hospital and send a copy to CMS' Central Office no later than July 1 of the residency program year during which the Medicare GME affiliation agreement will be in effect.

In the FY2011 Inpatient Prospective Payment System final rule, we allowed hospitals to electronically submit the copy of the affiliation agreement that is required to be sent to the CMS Central Office. The electronic submission process would consist of either an email mailbox or a Web site where hospitals would submit their Medicare GME affiliation agreements to the CMS Central Office to a designated online mailbox. We stated that a copy of the Medicare GME affiliation agreement would need to be received through the electronic system no later than 11:59 p.m. on July 1 of each academic year. We also said that the electronic affiliation agreement would need to be submitted either as a scanned copy or a Portable Document Format (PDF) version of that hard copy agreement or in another electronic format that cannot be subject to manipulation. This requirement will also enable CMS to ensure that the agreements are signed and dated as required in the regulations at § 413.75. Under this policy, hospitals would have the option to continue to submit a hard copy of its affiliation agreement to the CMS Central Office. In addition, each FI or MAC would continue to have the authority to specify its requirements for submission of the Medicare GME affiliation agreement by hospitals that are part of the affiliation.

B. Justification

1. Need and Legal Basis

Sections 1886(h)(4)(F) and 1886(d)(5)(B)(v) of the Act establish limits on the number of allopathic and osteopathic FTE residents that hospitals may count for purposes of calculating direct GME payments and the IME adjustment. In addition, under the authority granted by section 1886(h)(4)(H)(ii) of the Act, the Secretary issued regulations on May 12, 1998 (63 FR

26358) to allow institutions that are members of the same Medicare GME affiliated group to elect to apply their direct GME and IME FTE resident caps based on the aggregate cap of all hospitals that are part of a Medicare GME affiliation group. Under those regulations, specified at § 413.79(f) for direct GME and at § 412.105(f)(1)(vi) for IME, hospitals that are part of the same Medicare GME affiliated group are permitted to adjust each hospital's caps to reflect the rotation of residents among affiliated hospitals during an academic year. Under § 413.75(b), a Medicare GME affiliated group may be formed by two or more hospitals if: (1) The hospitals are located in the same urban or rural area or in a contiguous area and have a shared rotational arrangement as specified at § 413.79(f)(2); (2) the hospitals are not located in the same or in a contiguous area, but have a shared rotational arrangement and they are jointly listed as the sponsor, primary clinical site, or major participating institution for one or more programs as these terms are used in the most recent publication of the *Graduate Medical Education Directory*, or as the sponsor or is listed under "affiliations and outside rotations" for one or more programs in *Opportunities, Directory of Osteopathic Post-Doctoral Education Programs*; or (3) effective beginning July 1, 2003, two or more hospitals are under common ownership and have a shared rotational arrangement under § 413.79(f)(2).

2. Information Users

CMS analysts will use the information contained in electronic affiliation agreements as documentation of the existence of Medicare GME affiliations, and to verify that the affiliations being formed by teaching hospitals for the purposes of sharing their Medicare GME FTE cap slots are valid according to CMS regulations. CMS will also use these affiliation agreements as reference materials when potential issues involving specific affiliations arise. While we have used hard copies of affiliation agreements for those same purposes up until this point, we are proposing this electronic submission process in order to expedite and ease the process of retrieving, analyzing and evaluating affiliation agreements.

3. Use of Information Technology

This collection of information has not used any technological collection techniques in the past. To date, CMS has only accepted signed hard copies of Medicare GME affiliation agreements that are received through the mail. Facsimile (FAX) and other electronic submissions of affiliation agreements have not been acceptable means of transmission of affiliation agreements to CMS Central Office. We are now allowing the collection of this information to be completely electronic, which includes permission for hospital to submit the affiliation agreement information electronically. We have proposed this electronic submission process because we have received numerous inquiries regarding the possibility of submitting the Medicare GME affiliation agreement electronically over the last several years. The increasing frequency of these inquiries and our concerns regarding environmental and paperwork reduction have prompted us to reconsider our procedure for hospitals to submit Medicare GME affiliation agreements to the CMS Central Office. Accordingly, we are changing our policy to provide for electronic submission of the affiliation agreement that is required to be sent to the CMS Central Office.

4. Duplication of Efforts

This information collection does not duplicate any other effort and the information cannot be obtained from any other source.

5. Small Businesses

N/A.

6. Less Frequent Collection

Our regulations state that hospitals that want to share Medicare GME FTE cap slots must submit an affiliation agreement to the CMS fiscal intermediary or MAC servicing the hospital, and send a copy to the CMS Central Office, no later than July 1 of the residency program year during which the Medicare GME affiliation agreement will be in effect. Therefore, this information collection must occur annually.

7. Special Circumstances

N/A.

8. Federal Register/Outside Consultation

This change in policy was proposed in the FY2011 Inpatient Prospective Payment System proposed Rule, which was published in the Federal Register on May 4, 2010 (75 FR 23852). The change in policy was finalized in the corresponding final rule, which went on the display at the Office of the Federal Register on July 30, 2010, and which is scheduled for publication in the Federal Register on August 13, 2010.

9. Payments/Gifts to Respondents

N/A.

10. Confidentiality

N/A.

11. Sensitive Questions

N/A.

12. Burden Estimates (Hours & Wages)

The burden associated with this requirement is the time and effort that would be required for a new hospital to develop and submit the Medicare GME affiliation agreement, to submit it the agreement to its FI or MAC, and to submit a copy to CMS. We anticipate receiving between 100 and 150 GME affiliation agreements annually. For the purposes of our information collection request, we estimate that we will receive 125 agreements annually. We estimate that it will take 1 hour (60 minutes) for a hospital to develop a GME affiliation agreement or to follow the format provided by CMS. Therefore, the total annual burden associated with developing the affiliation agreement is 125 hours (125 agreements x 1 hour).

We estimate that it will take each hospital an additional 15 minutes to submit a hard copy of the affiliation agreement to its FI or MAC. Accordingly, the total annual burden associated with submitting a hard copy of the affiliation agreement is 31 hours (125 agreements x 0.25 hours). Finally, we estimate that it will take each hospital 5 minutes to submit an electronic copy of its GME affiliation agreement to CMS. The total annual burden associated with submitting the agreement electronically would therefore be 10 hours (125 agreements x 0.08 hours). Please note that these estimates are based on a hospital developing its affiliation agreement in the form of the two-page sample agreement that CMS provides to hospitals upon request. Some facilities submit additional information along with their affiliation agreements that is not required. In sum, the total annual burden associated with all of the requirements in this section is 166 hours (125 hours + 31 hours + 10 hours).

The information for the various items that are included in affiliation agreements may be compiled by personnel at different levels of pay (clerk, lawyer, medical staff, etc.) Based on wage data from the Bureau of Labor Statistics, we are using an average salary of \$32.42/hour to calculate the cost of developing and submitting an affiliation agreement. We also are including 20% of that salary for fringe benefits, which results in a total average salary of \$40/hour. The cost of developing and submitting one affiliation agreement, which would take 1 hour and 20 minutes (1 hour + 15 minutes + 5 minutes) would therefore be \$53 (\$40 x 1.33 hours). Accordingly, the total cost associated with this requirement is \$6,625 (\$53.00 x 125 agreements).

13. Capital Costs

We estimate that there are minimal to no capital costs to respondents or record keepers that would result from this collection of information.

14. Cost to Federal Government

As a result of implementing this electronic submission process for Medicare GME affiliation agreements, we estimate that there will be an annual cost of \$25,000 to the Federal government. We obtained this figure from the CMS contact for the contractor who would maintain the database of electronically submitted affiliation agreements, and as such we do not have a description of the method used to estimate that cost. This CMS contact also related that the cost of implementing the electronic submission process in its first year would be

approximately \$165,000.

15. Changes to Burden

This is a new information collection request.

16. Publication/Tabulation Dates

N/A.

17. Expiration Date

This collection does not lend itself to the displaying of an expiration date.

18. Certification Statement

N/A.