

**Supporting Statement Part A  
Hospice Facility Cost Report  
CMS-1984-14, OCN 0938-0758**

**Background**

CMS is requesting the Office of Management and Budget (OMB) review and approve revisions made to the Hospice Facility Cost Report Form CMS-1984-14 which replaces the existing Form CMS-1984-99. The forms are revised in accordance with the statutory requirement for hospice payment reform in section 3132 of the Patient Protection and Affordable Care Act (ACA), enacted March 23, 2010. Additionally, the forms are revised to incorporate data previously reported on the Provider Cost Report Reimbursement Questionnaire, Form CMS-339.

Below is a summary of the revisions to the cost reporting forms.

- Included Worksheet S-2 to incorporate data previously reported on the Provider Cost Report Reimbursement Questionnaire, Form CMS-339.
- Modified Worksheet A to separately identify general service costs.
- Modified Worksheets A-1 through A-4 to identify direct patient care services by level of care.
- Modified Worksheets B and B-1 to separately identify costs by level of care.
- Renamed Worksheet D as Worksheet C.
- Renamed Worksheet G as Worksheet F.

**A. Justification**

1. Need and Legal Basis

Providers of services participating in the Medicare program are required under sections 1815(a), 1833(e), and 1861(v)(1)(A) of the Social Security Act (42 U.S.C. 1395g) to submit annual information to achieve settlement of costs for health care services rendered to Medicare beneficiaries. Section 4441(b) of the Balanced Budget Act (BBA) requires that, Medicare certified hospice programs must file such cost data, as the Secretary determines necessary, for each fiscal year beginning on or after October 1, 1998. In accordance with 42 CFR 413.24, providers are required to file their cost reports on an annual basis on or before the last day of the fifth month following the close of the period covered by the cost report.

Section 413.20 states that the principles of cost reimbursement require that providers maintain sufficient financial records and statistical data for proper determination of cost payable under the program. Cost reports are required from providers on an annual basis with reporting periods based on the provider's accounting year.

Section 413.24 states that providers receiving payment on the basis of reimbursable cost must provide adequate cost data. This must be based on their financial and statistical records

which must be capable of verification by qualified auditors. The cost data must be based on an approved method of cost finding and on the accrual basis of accounting.

## 2. Information Users

In accordance with §§ 1815(a), 1833(e), and 1861(v)(1)(A) of the Social Security Act, providers of service in the Medicare program are required to submit annual information to achieve reimbursement for health care services rendered to Medicare beneficiaries. In addition, 42 CFR 413.20(b) sets forth that cost reports will be required from providers on an annual basis. Such cost reports are required to be filed with the provider's Medicare contractor. The functions of the Medicare contractor are described in § 1816 of the Social Security Act.

Section 3132 of the Patient Protection and Affordable Care Act requires that CMS collect appropriate data and information to facilitate hospice payment reform.

## 3. Use of Information Technology

Consideration has been given to the reduction of burden by the use of improved information technology to report required cost data. For cost reporting periods ending on or after December 31, 2004, hospice providers are required by 42 CFR § 413.24(f)(4) to submit cost reports in a standardized electronic format. In addition, effective with cost reporting periods beginning on or after **October 1, 2014**, the Form CMS-1984-14 has been revised to electronically collect information previously reported on the Form CMS-339, a paper form.

## 4. Duplication of Efforts

This information collection is a unique form that does not duplicate any other information collection. This form specifically provides for the reimbursement methodology that is unique to hospice facilities. No other existing form can be modified for this purpose.

## 5. Small Businesses

This form has been designed with a view towards minimizing the reporting burden for small businesses. The form is collected as infrequently as possible (annually) and only those data items necessary to determine the appropriate reimbursement rates are required.

## 6. Less Frequent Collection

The CMS-1984-14 is used by hospice facilities to annually report specific items of operating costs and statistical information. The form is not used to effect cost settlements, however, the information is used for data analysis. If the information was collected less frequently, it could result in higher reimbursement costs in the hospice program. If the information were collected less frequently, CMS would be out of compliance with Section 4441(b) of the BBA and with Section 3132 of the Patient Protection and Affordable Care Act.

7. Special Circumstances

This information collection complies with all general information collection guidelines as described in 5 CFR § 1320.6.

8. Federal Register/Outside Consultation

The 60-day Federal Register notice published on April 29, 2013 (78 FR 25089). Comments were received. A summary of the comments and our response has been attached to this PRA package. CMS notes that the burden estimates that were set out in the 60-day notice have not been revised as a result of the public comments.

9. Payments/Gifts to Respondents

There is no payment or gift to respondents.

10. Confidentiality

Confidentiality is not pledged. Medicare cost reports (MCR) are subject to disclosure under the Freedom of Information Act.

11. Sensitive Questions

There are no questions of a sensitive nature.

12. Burden Estimates (Hours & Wages)

Number of hospice facilities (as of 4/4/2013)	2,751
Hours burden per facility	188
Total hours burden (2,751 facilities x 188 hours)	517,188
Standard rate	\$20.00
Total respondent cost estimate	<u>\$10,343,760</u>

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

Annual cost to Medicare Contractors:

Annual costs incurred are related to processing information contained on the forms by Medicare. Medicare contractors' handling costs are based on estimates provided by the Office of Financial Management. \$412,650

Annual cost to CMS:

Total CMS processing cost is from the HCRIS Budget: 42,000

Total Federal Cost \$454,650

15. Changes to Burden

The total burden for the new Form CMS-1984-14 is estimated to be 517,188 hours and \$10,343,760. This is an increase of 111,860 hours and \$2,237,200. The changes to the burden are a result of:

- On a per respondent basis, revisions to the MCR to facilitate hospice payment reform resulted in an increase in burden of 10 hours.
- On a per respondent basis, incorporating the Form CMS-339 into the revised MCR resulted in an increase in burden of 2 hours for this information collection. (However, the overall burden to the provider decreased by 14 hours as a result of eliminating the paper Form CMS-339, for which the burden was estimated at 16 hours.)
- The estimated number of respondents increased by 448 (from 2,303 as of June 21, 2010 to 2,751 as of April 4, 2013).

16. Publication/Tabulation Dates

There are no publication plans for the data.

17. Expiration Date

We request an exemption from displaying the expiration date since the forms change infrequently and are used on a continuing basis.

18. Certification Statement

There are no exceptions to the certification statement identified in Item 19 OMB Form 83-1.

**B. Statistical Methods**

There are no statistical methods employed in this collection.