

# ***Supporting Statement for Paperwork Reduction Act Submissions***

## ***Annual Report of Physician-Owned Hospital Ownership and/or Investment Interest***

### **A. BACKGROUND**

The primary function of the Annual Report of Physician-Owned Hospital Ownership and/or Investment Interest (CMS 855POH) is to gather information from a physician-owned hospital that reports to Medicare specific ownership, investment and managerial information to determine whether the physician-owned hospital meets specific information that identifies of the owners of the hospital and other information necessary to meet the reporting requirements establish per the Affordable Care Act Ownership Disclosure Provisions.

On March 23, 2010, the President signed into law H.R. 3590, the Patient Protection and Affordable Care Act (ACA), Public Law 111-148. The law established a number of important payment safeguard provisions involving the reporting of certain information by Medicare providers and suppliers, including Section 6001 which requires Medicare hospitals to report whether they have any physician owners including immediately family members of the physician.

Currently the CMS 855A captures basic ownership/managerial information on providers. The CMS 855A was revised in July 2011 and a specific attachment designed to capture physician-owned hospital ownership and investment interest data was added to the form. The attachment is being removed from the CMS 855A application because the annual reporting requirement for physician-owned hospitals is not required for Medicare enrollment processing. This physician-owned hospital data collection is mandated to be reported on an annual basis. Additionally, the ACA prohibits the expansion of current physician-owned hospitals and banned the establishment of new ones making the CMS 855A the improper method to collect this required annual report.

CMS is requesting the physician-owned hospital ownership and/or investment interest information previously collected in Attachment 1 of the CMS 855A enrollment application to become a stand-alone form with a unique OMB number for the following reasons:

1. The physician-owned data collection has a small targeted audience of approximately 140 physician-owned hospitals nationwide.
2. The physician-owned data collection is required annually, as noted above.
3. The data required under section 6001 is more specific than the data currently collected on the CMS-855A provider enrollment application.
4. The data is not required for Medicare provider enrollment purposes.

## **B. JUSTIFICATION**

### *1. Need and Legal Basis*

Various sections of the Act and the Code of Federal Regulations require providers and suppliers to furnish information concerning the identification of individuals that own entities that furnish medical services to beneficiaries.

- Section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 requires us to consult with providers and suppliers of services before making changes in provider/supplier information collection forms.
- The Balanced Budget Act of 1997 (BBA) (Public Law 105-33) section 4313, amended sections 1124(a)(1) and 1124A of the Act to require disclosure of both the Employer Identification Number (EIN) and Social Security Number (SSN) of each provider or supplier, each person with ownership or control interest in the provider or supplier, as well as any managing employees. The Secretary of Health and Human Services (the Secretary) signed and sent to the Congress a “Report to Congress on Steps Taken to Assure Confidentiality of Social Security Account Numbers as Required by the Balanced Budget Act” on January 26, 1999, with mandatory collection of SSNs and EINs effective on or about April 26, 1999.
- 42 USC 1395nn, which outlines the rules concerning limitations on certain physician referrals and self-referrals (Stark Law).
- Section 31001(I) of the Debt Collection Improvement Act of 1996 (DCIA) (Public Law 104-134) amended 31 U.S.C. 7701 by adding paragraph (c) to require that any person or entity doing business with the Federal Government provide their Tax Identification Number (TIN).
- Section 508 of the Rehabilitation Act of 1973, as incorporated with the Americans with Disabilities Act of 2005 requires all Federal electronic and information technology to be accessible to people with disabilities, including employees and members of the public.
- We were previously authorized to collect information on the Form CMS 855 (Office of Management and Budget (OMB) approval number 0938-0685) to ensure Medicare met the Physician-Owned Hospital ownership reporting requirements.

### *2. Purpose and users of the information*

The Annual Report of Physician-Owned Hospital Ownership and/or Investment Interest (CMS 855POH) captures physician-owned hospital ownership and investment interest data. It includes information that allows the Medicare to meet the physician-owned hospital data collection as mandated to be reported on an annual basis.

### *3. Improved Information Techniques*

This collection currently does not lend itself to electronic collection methods on an annual basis. The completion of this report will be a manual process and submitted when the hospital submits its year-end cost report.

### *4. Duplication and Similar Information*

There is no duplicative information collection instrument or process. This information will be furnished in addition to, and not in lieu of, that which is currently provided in the CMS-855A.

#### 5. *Small Business*

The data collection does not affect small businesses.

#### *Less Frequent Collections*

This information is collected on an annual basis per section 6001 of the Patient Protection and Affordable Care Act (ACA).

#### 6. *Special Circumstances*

There are no special circumstances associated with this collection.

#### 7. *Federal Register Notice/Outside Consultation*

The 60-day Federal Register notice published on May 10, 2013.

#### 8. *Payment/Gift to Respondents*

N/A.

#### 9. *Confidentiality*

CMS will comply with all Privacy Act, Freedom of Information laws and regulations that apply to this collection. Privileged or confidential commercial or financial information is protected from public disclosure by Federal law 5 U.S.C. 522(b)(4) and Executive Order 12600.

#### 10. *Sensitive Questions*

There are no sensitive questions associated with this collection.

#### 11. *Burden Estimate (hours and cost)*

In calculating the cost, we used the following assumptions:

- It is estimated it will take the respondent 1 hour to complete this report.
- It is assumed the respondent will use a paid Professional (attorney or accountant) to complete this report: the cost is estimated at \$150.00 per hour.

CMS is requesting approval for burden costs as follows:

For annual burden hours:	140 hours (1 hr. per response X 140 respondents)
For annual burden cost:	\$21,000 (\$150 X 140 physician-owned hospitals)

12. *Cost to Respondents (Capital)*

There are no capital costs associated with this collection.

13. *Cost to Federal Government*

There is no additional cost to the Federal government. These reports will be processed in the normal course of Federal duties.

14. *Changes in Burden/Program Changes*

CMS is seeking approval of a burden estimate based on our current data. CMS estimates the total burden hours for this information collection to be 140 hours. CMS estimates the total cost burden for this information collection to be \$21,000.

15. *Publication/Tabulation*

N/A.

16. *Expiration Date*

We are planning on displaying the expiration date.

17. *Certification Statement*

There are no exceptions to item 19 of OMB Form 83-I.

**B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS**

N/A.