

Supporting Statement A

Medicare/Medicaid Psychiatric Hospital Survey Data And Supporting Regulations (CMS-724)

A. Background

We are requesting an extension of this collection, which is currently approved under OMB control number 0938-0378.

The form CMS-724 is used to collect data prior to and after the survey of psychiatric hospitals. Section 1 of the CMS-724 form is completed by the psychiatric hospital staff prior to the survey. The information in section 1 assists CMS in program planning and evaluation of survey needs.

Section 2 of the CMS-724 form is completed by the survey team after completion of the survey. This information includes: (1) the start date of the survey; (2) the end date of the survey; (3) the type of survey performed; (4) the composition of the survey team; (5) the total number of surveyors on site; and (6) a certification of the survey findings.

B. Justification

1. Need and Legal Basis

The Medicare/Medicaid health Insurance Program is authorized by Title XVIII and XIX of the Social Security Act (the Act). This program provides reimbursement for the medical care of the aged, disabled persons and individuals whose income is insufficient to meet the cost of necessary medical services. Sections 1864, 1819(d), 1919(d), and 1102 of the Act require that facilities meet standards specified by the Secretary, DHHS, in order to be certified for Medicare/Medicaid reimbursement.

Statutory authority for surveys of psychiatric hospitals is found at Title XVIII, Section 1864 of the Act. This section recognizes psychiatric hospitals as Medicare providers and allows the Secretary to establish conditions of participation and to use State agencies under contract to assist in determining compliance with these conditions of participation. The special conditions of participation applicable to psychiatric hospitals are found in 42 CFR Parts 482.60, 482.61, and 482.62.

To determine compliance with conditions of participation, the Secretary has authorized the States, through contracts, to conduct surveys of health care providers. Medicare's approval or disapproval is based on a provider's or supplier's compliance or noncompliance with the health and safety requirements published in regulations.

The information collected on the CMS-724 form assists CMS in maintaining an accurate database on providers participating in the Medicare psychiatric hospital program.

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2. Information Users

The information collected on this form is used by CMS in evaluating the Medicare psychiatric hospital program. This form is also used for audit purposes; determining patient population and characteristics of the hospital.

3. Use of Information Technology

Respondents are encouraged to take advantage of any technological resources available to them.

4. Duplication of Efforts

This data collection form does not duplicate any of other information collection, are specific to the psychiatric hospital program, and cannot be obtained from any other source.

This survey form is the only standardized mechanism available for the surveyor/State agency to record the requested data.

5. Small Businesses

This form does not impact small businesses.

6. Less Frequent Collection

Submission of this form depends on the frequency of surveys performed. The frequency of surveys for psychiatric hospitals depends on survey finding levels. The basic requirement is that this form CMS-724 is submitted for every survey conducted.

7. Special Circumstances

There are no special circumstances.

8. Federal Register/Outside Consultation

The 60-day Federal Register notice published on February 4, 2021. The 60 day public comment period ends on April 5, 2021.

The 30-day Federal Register notice published on _____, 2021.

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9. Payments/Gifts to Respondents

There are no payments/gifts given to respondents.

10. Confidentiality

We make no pledges of confidentiality.

11. Sensitive Questions

There are no questions of a sensitive nature on these forms.

12. Burden Estimates (Hours & Wages)

There are currently an average of 574 accredited psychiatric hospitals in the U.S. Psychiatric hospitals are surveyed every 3 years. This equates to 191 psychiatric hospitals being surveyed each year. We estimate that the survey of a psychiatric hospital takes approximately 3 days (24 hours).

The CMS-724 form has two sections. Section 1 is completed by the psychiatric hospital staff prior to the survey. This information is used by the SA to determine the composition of the survey team and the number of surveyors required to survey that facility. We estimate that it would take the hospital staff approximately **15 minutes** to complete Part 1 of the CMS-724 form.

Part 2 of the CMS-724 form is completed by the psychiatric hospital survey team after completion of the survey of the psychiatric hospital. The survey team must complete the survey of the psychiatric hospital in order to gather the information required to complete the CMS-724 form. Also, each surveyors that participates in the survey of the psychiatric hospital must sign the CMS-724 to certify the following:

“I certify that I have reviewed each Condition of Participation and Related Standards for Psychiatric Hospitals, and unless indicated on the CMS-2567, the Facility was found to be in compliance with the Conditions and/or Standards.”

We estimate that it would take **15 minutes** for the psychiatric survey team to fill in the required information in Part 2 of the CMS-724 form and sign it.

Based on the information above, we estimate that the total time burden required for completion of *each CMS 724 form* would be **30 minutes**.

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As stated above, there are currently, 574 psychiatric hospitals in the U.S. There are 191 psychiatric hospitals surveyed each year. Therefore, we estimate that the total annual time burden for the completion of the CMS-724 forms *across all psychiatric hospitals* to be surveyed each year would be **96 hours**.

- 191 psych hospitals surveyed/years x 0.5 hour = 95.5 hours per year

Most surveyors are Registered Nurses (RNs). According to the U.S. Bureau of Labor Statistics, the mean hourly wage for an RN is \$37.24 (See: <https://www.bls.gov/oes/current/oes291141.htm>). This wage, adjusted for the employer's overhead and fringe benefits would be \$74.48.

We estimate that the cost burden associated with the completion of *each* CMS-724 form would be **\$37.24**.

- 0.5 hour x \$74.48 = \$37.24

We further estimate that the total annual cost burden *across all* CMS-724 forms completed per year would be **\$7,150.08**.

- \$74.48 x 96 hours = \$7,150.08

13. Capital Costs

There are no capital costs associated with this collection.

14. Cost to Federal Government

There are no additional cost to the Federal Government.

15. Changes to Burden

The total annual time burden associated with this collection has increased from 75 hours to 96 hours. This is an increase of 21 hours per year. However, the total annual cost burden has decreased from \$9,450 to \$7,150. This is a decrease in the annual cost burden of \$2,300.

We believe that the increase in annual burden hours is due to a change in the number of annual responses, which increased from 150 to 191.

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We further believe that the decrease in the annual cost burden is attributable to a change in the wage rate used in our burden calculation. In the previous PRA package, the wage rate used to calculate the cost burden was \$126.00 per hour, which was stated to be the current wage rate for a surveyor. However, we are not able to verify this information, and believe that this wage rate it be incorrect and too high.

In the current PRA package, we have used a revised hourly wage of \$74.48. We made this change because most surveyors are Registered Nurses (RNs) and therefore, the wage rate used for a surveyor should be based on the wage rate for an RN.

According to the U.S. Bureau of Labor Statistics, the mean hourly wage for an RN is \$37.24. (See: <https://www.bls.gov/oes/current/oes291141.htm>). This wage, adjusted for the employer's overhead and fringe benefits would be \$74.48. This is a decrease in the hourly wage rate in the amount of \$51.62.

16. Publication/Tabulation Dates

There are no publication or tabulation dates.

17. Expiration Date

CMS will display the expiration date on the CMS-724 form.

18. Certification Statement

There are no exceptions to the certification statements.