DRA Section 5006 Survey
Instructions and Supplemental Questions

Introduction

Section 5006 of the Deficit Reduction Act of 2005 (DRA), enacted February 8, 2006, directs the Secretary of the Department of Health and Human Services (HHS) to develop a strategic and implementing plan concerning whether returns on physician investments in specialty hospitals are proportional to physician investment; whether the investment is a bona fide investment; and whether the Secretary should require annual disclosure of investment information. In addition, the DRA requires the Secretary to consider the provision of care by specialty hospitals to: (a) Medicaid patients; (b) patients receiving medical assistance under a State demonstration project approved under title XI of the Social Security Act; and (c) patients receiving charity care.

The Centers for Medicare & Medicaid Services (CMS) has concluded that it is necessary to secure additional information on each component of the plan. The attached survey is designed to collect information to supplement the data that CMS already has. The attached survey is being sent to both specialty hospitals and their competitor general acute care hospitals.

The information collected from this survey instrument will be used in preparing the final report mandated under section 5006 of the DRA, and may be shared with other federal agencies and with Congressional committees. Wherever possible, we intend that information in the final report will be presented in an aggregate, rather than in a facility-specific manner. We do not intend to present individual-specific information in the final report. Moreover, we are prevented by the Trade Secrets Act, 18 U.S.C. § 1905, from releasing to the public confidential business information, except to the extent permitted by law. We intend to protect from public disclosure, to the fullest extent permitted by Exemption 6 of the Freedom of Information Act, 5 U.S.C. § 552(b)(6), any individual-specific information collected.

Survey Instructions/Definitions

Please submit information electronically where possible, and do not attach documents unless otherwise requested in the survey instrument. If a particular question does not apply to you, please mark N/A in that column.

1. For purposes of the survey instrument, “Hospital” is synonymous with Hospital entity, i.e., the corporation or other legal entity through which the hospital operates.

2. For purposes of any question pertaining to physician ownership/investment, we would prefer that the last name, first name and Medicare UPIN be supplied; however, in the alternative, we will accept a hospital created identifier (e.g. Physician 1,

Physician 2). The same identifier must be employed throughout the survey instrument.

3. Ownership or investment interest includes both a direct or an indirect interest, and is is defined in 42 C.F.R. § 411.354(b).

4. For purposes of any question pertaining to the financial relationship between a physician and the Hospital or entity or individual, "physician" shall include each immediate family member of the physician, as defined in 42 C.F.R. § 411.351.

5. For purposes of the survey instrument, common control exists if an individual or entity has the power, directly or indirectly, to influence or direct the actions or policies of another individual or entity

6. In Worksheet 2, please specify the number of inpatient staffed beds and average daily census using the information available from the latest submitted Medicare cost report.

6A. For purposes of Worksheet 3, Columns 10 through 12, please provide compensation arrangement information for both physician investor and non-investor physicians (e.g. a physician who has a compensation arrangement with a community hospital).

7. For purposes of Worksheet 2, a hospital that has (or projects), based upon DRG/MDC and type (medical/surgical), that 45% or more of its inpatient discharges fall (or will fall) within MDC-8 should be considered a orthopedic specialty hospital. A hospital that has (or projects), based upon DRG/MDC and type (medical/surgical), that 45% or more of its inpatient discharges fall (or will fall) within MDC-5, should be considered a cardiac hospital. A hospital that has (or projects), that 45% or more of its inpatient discharges fall (or will fall) within DRG/MDC type surgical, should be considered a surgical hospital. All other non-specialty hospitals should insert the appropriate type of hospital, based upon its Medicare certification.

8. For purposes of Worksheet 7, "contractual allowance" is the difference between the amount of money a hospital agrees to accept from a patient or third party payer and the charges for those services.

9. For purposes of the survey instrument, "charity care" is defined as medical treatment furnished to hospital patients provided with no expectation of receiving payment for all or a portion of the care provided (i.e., a discount or other allowance may constitute charity care). Bad debts are not to be included as charity care.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is **0938-0995**. The time required to complete this information collection is estimated to average **4 hours** per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

10. For purposes of Worksheet 7 (Financial Data), please use charges. Please note specific directions in this section regarding computing charity care using cost-to-charge ratios.

Supplemental Items and Questions

On a separate sheet, please provide the following information:

1. Please provide an organizational chart showing the Hospital and any entities that are related to the Hospital through common ownership or control, and provide addresses for such entities. (For example, if entity A has an ownership interest in the Hospital and entity B has an ownership interest in entity A, you should include both entity A and entity B.) Please provide a narrative explanation of how such entities are related to the hospital, and if applicable, to each other. For any such entity that is related to the Hospital, please provide the names and UPINs (if applicable) of any physician owners of such entity. Please also include any publicly held companies (their names only).

2. If the Hospital knows that a physician owner of the Hospital has ownership interest in another medical or business entity, please identify the physician and the entity. (For example, if physician A has an ownership interest in the Hospital and also has an ownership interest in the entity that owns the building in which the Hospital rents space, the Hospital should report Physician A's ownership interest in the entity that owns the building.)

3. Does the Hospital or any of the physician owners/investors currently submit investment information to the State(s) in which Hospital entity does business and/or is incorporated or organized? If so, please indicate what data elements are required to be reported, the frequency for reporting, and the source of such requirements. In lieu of listing the data elements that are reported, you may attach a copy of a blank reporting form.

4. If the Hospital or physician owners/investors currently are not subject to any State reporting requirement concerning hospital ownership, would the Hospital entity agree to provide updated ownership/investment information to HHS on an annual basis, such as names and identifying numbers of physician owners/investors and percent of ownership or amount of investment, and rate of return on investment. If your answer is qualified, based on the use of the information, please inform us of what you would consider to be permissible reasons for collecting and using the data.

5. If Congress were to mandate, or if HHS were otherwise to impose, an annual reporting requirement, what information do you believe should be captured?

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Submission of Section 5006 Survey

After completion of the attached spreadsheet and supplemental questions, please email your responses to CMS SECTION_5006@www.cms.hhs.gov. In addition, please mail a signed and certified copy of these responses to Jacqueline Proctor, at the Centers for Medicare & Medicaid Services, 7500 Security Boulevard, Mailstop C4-25-02, Baltimore, Maryland 21244-1850. The certification should be signed by the chief executive officer, chief financial officer, or a comparable officer of the Hospital.

The certification statement should read as follows:

I, (insert name), do hereby certify that the attached responses to the DRA Section 5006 Survey, are true and correct, to the best of my belief and knowledge.

Thank you for your anticipated participation in this survey.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is **0938-0995**. The time required to complete this information collection is estimated to average **4 hours** per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.