

**DEPARTMENT OF HEALTH AND HUMAN SERVICES****Health Care Financing Administration**

[Document Identifier: HCFA-R-269]

**Agency Information Collection Activities: Submission for OMB Review; Comment Request**

In compliance with the requirement of section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995, the Health Care Financing Administration (HCFA), Department of Health and Human Services, has submitted to the Office of Management and Budget (OMB) the following proposal for the collection of information. Interested persons are invited to send comments regarding the burden estimate or any other aspect of this collection of information, including any of the following subjects: (1) the necessity and utility of the proposed information collection for the proper performance of the agency's functions; (2) the accuracy of the estimated burden; (3) ways to enhance the quality, utility, and clarity of the information to be collected; and (4) the use of automated collection techniques or other forms of information technology to minimize the information collection burden.

**Type of Information Collection Request:** Extension of a currently approved collection;

**Title of Information Collection:** Evaluation of Competitive Bidding Demonstration for Durable Medical Equipment (DME) and Prosthetics, Orthotics, and Supplies (POS)—Data Collection Plan for Baseline Beneficiary Surveys, Oxygen Consumer Survey, Medical Equipment and Supplies Consumer Survey and Supporting Statute Section 4319 of the Balanced Budget Act of 1997;

**Form No.:** HCFA-R-0269;

**Use:** Section 4319 of the Balanced Budget Act (BBA) mandates HCFA to implement demonstration projects under which competitive acquisition areas are established for contract award purposes for the furnishing of Part B items and services, except for physician's services. The first of these demonstration projects implements competitive bidding of certain categories of durable medical equipment, prosthetics, orthotics, and supplies (DMEPOS). Under the law, suppliers can receive payments from Medicare for items and services covered by the demonstration only if their bids are competitive in terms of quality and price. Each demonstration project may be conducted in up to three metropolitan areas for a three year

period. Authority for the demonstration expires on December 31, 2002. The schedule for the demonstration anticipates about a six month period between mailing the bidding forms to potential bidders and the start of payments for DMEPOS under the demonstration. HCFA intends to operate the demonstration in two rounds, the first of two years, and the second of one year. HCFA has announced that it intends to operate its first demonstration in Polk County, Florida, which is the Lakeland-Winter Haven Metropolitan Area.

This evaluation is necessary to determine whether access to care, quality of care, and diversity of product selection are affected by the competitive bidding demonstration. Although secondary data will be used wherever possible in the evaluation, primary data from beneficiaries themselves is required in order to gain an understanding of changes in their level of satisfaction and in the quality and selection of the medical equipment.

The purpose of the data collection plan is to describe the baseline data collection procedures and the plan for analyzing the data to be collected.

The baseline beneficiary surveys will take place March 1999 to May 1999, prior to the competitive bidding demonstration. We will sample beneficiaries from claims summaries provided by the durable medical equipment regional carrier (DMERC). The sample will be stratified into two groups: beneficiaries who use oxygen and beneficiaries who are non-oxygen users, i.e., users of the other four product categories covered by the demonstration (hospital beds, enteral nutrition, urological supplies, and surgical dressings) but not oxygen. To draw a comparison, we will sample in both the demonstration site (Polk County, Florida) and a comparison site (Brevard County, Florida) that matches Polk County on characteristics such as number of Medicare beneficiaries and DME/POS utilization.

The research questions to be addressed by the surveys focus on access, quality, product selection, and satisfaction with products and services. Our collection process will include fielding the survey for oxygen users and the survey for non-oxygen users before the demonstration begins and again after the new demonstration prices have been put into effect. The same data collection process will be followed in the comparison site (Brevard County). In the analysis of the data, we will also control for socioeconomic factors. This will allow us to separate the effects of the

demonstration from beneficiary-or site-specific effects.

Information collected in the beneficiary survey will be used by the University of Wisconsin-Madison (UW-M), Research Triangle Institute (RTI), and Northwestern University (NU) to evaluate the Competitive Bidding Demonstration for DME and POS. Results of the evaluation will be presented to HCFA and to Congress, who will use the results to determine whether the demonstration should be extended to other sites. The information that these surveys will provide about access, quality, and product selection will be very important to the future of competitive bidding within the Medicare program. This is the first Medicare demonstration that allows competitive bidding for services and equipment provided to beneficiaries. A negative impact on access, quality, or product selection would have significant implications for the future of competitive bidding within the Medicare program.

**Frequency:** Annually;

**Affected Public:** Individuals or Households;

**Number of Respondents:** 2,560;

**Total Annual Responses:** 2,560;

**Total Annual Hours:** 724.

To obtain copies of the supporting statement for the proposed paperwork collections referenced above, access HCFA's WEB SITE ADDRESS at <http://www.hcfa.gov/regs/prdact95.htm>, or E-mail your request, including your address and phone number, to [Paperwork@hcfa.gov](mailto:Paperwork@hcfa.gov), or call the Reports Clearance Office on (410) 786-1326. Written comments and recommendations for the proposed information collections must be mailed within 30 days of this notice directly to the OMB Desk Officer designated at the following address: OMB Human Resources and Housing Branch, Attention: Allison Eydt, New Executive Office Building, Room 10235, Washington, DC 20503.

Dated: May 20, 1999.

**John P. Burke III,**

*HCFA Reports Clearance Officer, HCFA, Office of Information Services, Security and Standards Group, Division of HCFA Enterprise Standards.*

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