

preparation time) outweighing the costs of implementation for most providers.

In conclusion, we have determined that this proposed rule would not have a significant effect on SNF and HHA costs because these providers would not be required to collect any additional data beyond that which the regulations currently specify; cost reporting software is available at no cost from HCFA to any provider that requests it; most SNFs and HHAs have some type of computer equipment through which they currently prepare electronic cost reports; and a waiver of the electronic cost reporting requirement would be available to providers for whom the requirement would impose a financial hardship. SNFs and HHAs would only be affected to the extent that, absent a waiver, all would be required to submit cost reports in a standardized electronic format to their intermediary. A provider that does not comply with the provisions of this rule, as specified in the preamble, would be subject to sections 1815(a) and 1833(e) of the Act, which provide that no payments will be made to a provider unless it has furnished the information requested by the Secretary that is needed to determine the amount of payments due the provider under Medicare.

We welcome comments on the effect of the electronic cost reporting requirement, its benefits or disadvantages, the proposed implementation date, and issues related to the waiver process.

In accordance with the provisions of Executive Order 12866, this regulation was reviewed by the Office of Management and Budget (OMB).

IV. Collection of Information Requirements

Under the Paperwork Reduction Act of 1995, agencies are required to provide 60-day notice in the Federal Register and solicit public comment before a collection of information requirement is submitted to the Office of Management and Budget (OMB) for review and approval. In order to fairly evaluate whether an information collection should be approved by OMB, section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 requires that we solicit comment on the following issues:

- Whether the information collection is necessary and useful to carry out the proper functions of the agency;
- The accuracy of the agency's estimate of the information collection burden;
- The quality, utility, and clarity of the information to be collected; and
- Recommendations to minimize the information collection burden on the

affected public, including automated collection techniques.

Therefore, we are soliciting public comment on each of these issues for the information collection requirements discussed below.

As discussed in detail above, this proposed rule would require that SNFs and HHAs submit cost reports in a standardized electronic format for cost reporting periods beginning on or after October 1, 1995. That is, providers would be required to file a diskette containing the required cost report data in a standardized electronic format. We believe that this requirement would reduce the paperwork and information collection burden for those SNFs and HHAs that currently do not submit electronically prepared cost reports. Specifically, we estimate that the number of hours each provider would save by submitting an electronically prepared cost report instead of manually preparing, and photocopying, the cost report would be an average of 9 hours for each affected SNF and 4.5 hours for each affected HHA. Assuming that approximately 25 percent of all SNFs and HHAs would be affected, that is roughly 3,000 SNFs and 2,000 HHAs, we estimate that SNFs would save approximately 27,000 hours per year completing cost reports, and HHAs would save about 9,000 hours per year.

We note that the overall information collection and recordkeeping burden associated with filing SNF costs reports has been approved by OMB through January 1998 (OMB approval number 0938-0463). Additionally, OMB has approved the information collection burden for HHA cost reports through October 1997 (approval number 0938-0022). We would not require SNFs and HHAs to report any information on the electronic cost report that is not already required in the Medicare cost reports currently submitted by these providers.

The information collection and recordkeeping requirements contained in § 413.24 are not effective until they have been approved by OMB. A notice will be published in the Federal Register when approval is obtained. Organizations and individuals that wish to submit comments on the information and recordkeeping requirements set forth in § 413.24 should direct them to the OMB official whose name appears in the ADDRESSES section of this preamble.

V. Response to Comments

Because of the large number of items of correspondence we normally receive on Federal Register documents published for comment, we are not able to acknowledge or respond to them individually. We will consider all

comments we receive by the date and time specified in the "DATES" section of this preamble, and, if we proceed with a subsequent document, we will respond to the comments in the preamble to that document.

List of Subjects in 42 CFR Part 413

Health facilities, Kidney diseases, Medicare, Puerto Rico, Reporting and recordkeeping requirements.

42 CFR part 413 is amended as set forth below:

PART 413—PRINCIPLES OF REASONABLE COST REIMBURSEMENT; PAYMENT FOR END-STAGE RENAL DISEASE SERVICES

1. The authority citation for part 413 continues to read as follows:

Authority: Secs. 1102, 1861(v)(1)(A), and 1871 of the Social Security Act (42 U.S.C. 1302, 1395x(v)(1)(A), and 1395hh).

2. Section 413.24 is amended by redesignating existing paragraphs (f)(4)(i) through (f)(4)(iv) as paragraphs (f)(4)(ii) through (f)(4)(v); adding a new paragraph (f)(4)(i); and revising redesignated paragraphs (f)(4)(ii) through (f)(4)(v) to read as follows:

§ 413.24 Adequate cost data and cost finding.

* * * * *

(f) *Cost reports.* * * *

(4) *Electronic submission of cost reports.* (i) As used in this paragraph, *provider* means a hospital, skilled nursing facility, or home health agency.

(ii) Effective for cost reporting periods beginning on or after October 1, 1989, for hospitals and cost reporting periods beginning on or after October 1, 1995, for skilled nursing facilities and home health agencies, a provider is required to submit cost reports in a standardized electronic format. The provider's electronic program must be capable of producing the HCFA standardized output file in a form that can be read by the fiscal intermediary's automated system. This electronic file, which must contain the input data required to complete the cost report and the data required to pass specified edits, is forwarded to the fiscal intermediary for processing through its system.

(iii) The fiscal intermediary stores the provider's as-filed electronic cost report and may not alter that file for any reason. The fiscal intermediary makes a "working copy" of the as-filed electronic cost report to be used, as necessary, throughout the settlement process (that is, desk review, processing audit adjustments, final settlement, etc). The provider's electronic program must