

that do not meet the current QA CoP, may encounter an increased burden in the short-term because resources would have to be devoted to the development of a QAPI program that covers the complexity and scope of the particular hospital's services. Based upon information that we do possess, small and rural hospitals may be the least prepared and may experience an increased burden in implementation of a QAPI program. However, even in the situations where the proposed requirements could result in some immediate costs to an individual hospital (that is, the development and utilization of performance measures to be used in their QAPI program), we believe the changes the hospital would

make would produce real but difficult to estimate long-term economic benefits to the hospital, such as cost-effective performance practices or higher patient satisfaction that could lead to increased business for the hospital. Additionally, as hospitals are encouraged to choose projects that reflect the scope of their services, it will become increasingly difficult to quantify the burden of data collection. As QAPI projects vary within each hospital and amongst all hospitals, so will the quantity of and the time required for data collection. Overall, we believe that the benefits of complying with the QAPI CoP will outweigh any associated burden.

For the sake of quantitative analysis, we have based our figures on all

hospitals having to develop or update their QAPI program. The projected training time for staff is expected to cost an average hospital allocating a group of 10 clinicians with various duties and responsibilities, approximately \$840 based on a average hourly rate of \$28 per hour (3 hours x \$28 per hour x 10 clinicians = \$840). We have proposed 12 hours of training for the QAPI coordinator, which is projected to cost \$360, based on a average salary of \$30 per hour (12 hours x \$30 per hour x 1 coordinator). The total hourly burden for each hospital is projected to be 42 hours (3 hours x 10 staff) and (12 hours x 1 coordinator).

Hours/ Estimated salary/Number of hospitals	Annual burden hours	Annual cost estimate
10 clinicians x 6,069 hospitals x 3 hours x \$28 per hour	182,070	\$5,097,960
1 coordinator x 6,069 hospitals x 12 hours x \$30 per hour	72,828	2,184,840
Subtotal	254,898	7.3 million

We estimate that the burden associated with updating and in some instances, writing the internal policies would be an average of 8 hours annually. If the updating or writing of the internal policies is done by the nurse coordinator, we estimate the cost at \$240 a year (8 hours X 30 per hour). However, we believe that this figure may be much lower, since many hospitals have existing internal quality improvement programs.

Hours/ Estimated salary/ Number of hospitals	Annual cost estimate
1 coordinator x \$30 per hour x 8 hours x 6,069 hos- pitals	\$1,456,560

We also note that the following factors may also affect the costs of updating and writing of the internal policies:

- *Additional Staff Costs.* Examples of these costs include— (1) physician or other professional staff reviewing the internal policies; and (2) clerical staff providing typing, printing, or copying support.

- *Staff Training Costs.* Staff may need additional training to write, update or review the hospital's internal policies.

- *Printing and Copying Costs.* These costs are dependent upon the magnitude of the hospital's changes to its internal policies and the number of copies of the policy that are made available to staff.

Policy development is necessary to patient health and safety because the by-laws provide the framework within which all patient care services are furnished. The initial development of the by-laws will take approximately 2.5 hours. Not more than 2 hospitals a year become certified under Medicare and Medicaid.

Requirement	Number of hospitals	Annual hours per hospital	Annual burden hours
Policy Development	6,069	8	48,552

Hours/Estimated salary/Number of hospitals	Annual burden hours	Annual cost estimate
2.5 hours x 2 hospitals	5
5 physicians x .40 hours each x \$65 per hour x 2 hospitals	\$260.00
1 clerical x .50 hours x \$6 per hour x 2 hospitals	6.00
Subtotals	5	266.00

2. Effect on Beneficiaries

The Federal Government plays many important roles that affect the quality of healthcare Americans receive. In fact, the Federal Government is the largest purchaser and provider of healthcare services in the United States. Our goal is to improve the care delivered by

providers and purchased on behalf of Federal beneficiaries, and to facilitate hospitals in developing the infrastructure needed to improve their hospital services. The implementation of the QAPI CoP will benefit and protect not only Medicare and Medicaid beneficiaries, but all patients receiving

care in any of the approximately 6,100 Medicare-participating hospitals (that is, short-term, psychiatric, rehabilitation, long-term, children's, and alcohol-drug), including small rural hospitals. We believe the patient will benefit from the hospital establishing a QAPI program, making quality of care and patient safety