

Supporting Statement for Paperwork Reduction Act Submissions
Provider Agreement –CMS Form 1561 and 1561A
And Supporting Regulations at 42 CFR Part 489 and 491

A. Background

Providers applying to participate in the Medicare program are required to agree to provide services in accordance with Federal requirements. This provider agreement is essential for the Centers for Medicare and Medicaid Services (CMS) to ensure that applicants to the Medicare program are in compliance with all applicable Federal requirements. Applicants will be required to sign the completed form and provide operational information to CMS to assure they continue to meet all Federal requirements following their approval.

B. Justification

1. Need and Legal Basis

For the CMS-1561, Section 1866 of the Social Security Act and 42 CFR Part 489 provide guidance to ensure that all applicants to the Medicare program are in compliance with the Social Security Act and CFR.

For the CMS-1561A, Section 1861 of the Social Security Act and 42 CFR Part 491 provide guidance to ensure that all applicants to the Medicare program are in compliance with the Social Security Act and CFR.

2. Information Users

This collection will be used by CMS to verify that the information to which each applicant has attested is true and meets Medicare and other Federal and State requirements pertinent for participation in the Medicare program.

3. Improved Information Technology

This collection does not lend itself to electronic submission at this time.

4. Duplication of Similar Information

There is no duplication of similar information.

5. Small Businesses

Small businesses are not affected by this collection.

6. Less Frequent Collection

This information will be collected to prevent fraud and abuse in the Medicare program and to assure that providers understand they must comply with all Federal requirements even after they are approved for Medicare participation. If the information were collected less frequently, CMS would not have the necessary information to ensure that only reputable entities become or remain Medicare providers. The presence of fraudulent and abusive entities in the Medicare program diverts resources from the Medicare Trust Funds that are needed to reimburse scrupulous providers with legitimate claims for medical care provided to Medicare beneficiaries.

7. Special Circumstances

There are no special circumstances pertaining to this collection.

8. Federal Register Notice/Outside Consultation

A 60-day Federal Register notice was published on 4/13/2007, attached. No comments were received.

9. Payments/Gifts to Respondents

There will be no payment or gifts provided to respondents, except for reimbursement for collections via normal reimbursement procedures.

10. Confidentiality

We make no pledges of confidentiality.

11. Sensitive Questions

There are no questions of a sensitive nature.

12. Burden Estimate (Total Hours and Wages)

It takes about 5 minutes to review and sign the CMS-1561. There are approximately 3,000 new providers/Changes of Ownership (CHOWs) completing the CMS-1561 yearly.

New Providers/CHOWs	3,000
Hours to Complete Form	<u>x 5 minutes</u>
Estimated Burden	250 hours

It would take about 5 minutes to review and sign the CMS-1561A. There are approximately 300 new providers/Changes of Ownership (CHOWs) completing the CMS-1561A yearly.

New Providers/CHOWs	300
Hours to Complete Form	<u>x 5 minutes</u>
Estimated Burden	25 hours

13. Capital Costs

There are no capital costs associated with this collection.

14. Costs to the Federal Government

The CMS Regional Offices are responsible for approving the CMS Forms-1561 and 1561A. Counter signing these forms would follow a review of the provider file for a new Medicare applicant or for a change of ownership in which the agreement is assigned to the new owner. The amount for completion of forms was calculated using average salary of \$25.00/hour for a Regional Office reviewer, it would take 30 minutes to review file and the Federal cost is 12.50 hours times the average number of annual new and CHOW provider agreements (3300). The annual printing cost in FY 2003 \$ 400 and FY 2004 \$140

15. Changes in Program/Burden

There are no program or burden changes.

16. Publication and Tabulation Dates

There are no publication and/or tabulation dates.

17. Expiration Date

CMS does not want to display the expiration date, as it would result in the potential destruction of too many blank forms. This form is used continuously

18. Certification Statement

There are no exceptions to the certification statement.

C. Collection of Information Employing Statistical Methods

These information collection requirements do not employ statistical methods.