Supporting Statement for Paperwork Reduction Act Submissions

Revisions to the CMS-855 Medicare Enrollment Applications

A. BACKGROUND

The primary function of the Medicare enrollment application is to gather information from a provider or supplier that tells us who it is, whether it meets certain qualifications to be a health care provider or supplier, where it practices or renders its services, the identity of the owners of the enrolling entity, and information necessary to establish correct claims payments.

Goal of the Provider/Supplier Enrollment Application Revisions

There are two principal facets of this submission:

1. CMS-855B Revisions - CMS is revising the CMS-855B to incorporate changes adopted in CMS-1321-FC, "Revisions to Payment Policies and Five-Year Review of Relative Value Units Under the Physician Fee Schedule for CY 2007 and Other Changes to Payment Under Part B; Revisions to Ambulance Fee Schedule; Ambulatory Inflation Factor Update for CY 2007." Specifically, CMS is revising the CMS-855B to:

- Add instructions to Attachment 2 that explain the independent diagnostic testing facility (IDTF) liability insurance requirements in 42 CFR § 410.33(g)(6).
- Require that an IDTF submit copies of its comprehensive liability insurance policy in Section 17.
- List all of the new IDTF standards on a separate page in Attachment 2.
- Remove the supplier type "Voluntary Health/Charitable Agency" from Section 2A.

2. CMS-855A Revisions - Pursuant to Section 5006(c) of the Deficit Reduction Act (DRA) of 2005, the temporary suspension on the processing of Medicare provider enrollment applications (CMS-855As) for specialty hospitals ended August 8, 2006, the date the Secretary submitted the final report required under Section 5006(a) of the DRA. Though the suspension has been lifted, the Centers for Medicare & Medicaid Services (CMS) wishes to enhance its ability to identify whether a hospital qualifies as a "specialty hospital." To this end, CMS is proposing to revise the CMS-855A to include a specific box that specialty hospitals must check when completing the application. Instructions explaining the definition of a "specialty hospital" will also be added to the form.

CMS also requests two additional changes to the CMS-855A application:

1. Clarification of the term "primary practice location" in the instructions in Section 4 of the CMS-855A. This clarification does not change any data elements on the form.

2. Removal of the data element "Medicare Year-End Cost Report Date" in Section 2 of the CMS-855A, as this information is no longer needed.

JUSTIFICATION

1. *Need and Legal Basis*

Various sections of the Act and the Code of Federal Regulations require providers and suppliers to furnish information concerning the amounts due and the identification of individuals or entities that furnish medical services to beneficiaries before payment can be made.

- Sections 1814(a), 1815(a), and 1833(e) of the Act require the submission of information necessary to determine the amounts due to a provider or other person.
- Section 1842(r) of the Act requires us to establish a system for furnishing a unique identifier for each physician who furnishes services for which payment may be made. In order to do so, we need to collect information unique to that provider or supplier.
- Section 1842(u) of the Act requires us to deny billing privileges under Medicare to physicians and certain other health care professionals certified by a State Child Support Enforcement Agency as owing past-due child support.
- Section 1834(j) of the Act states that no payment may be made for items furnished by a supplier of durable medical equipment, prosthetics, and supplies (DMEPOS) unless that supplier obtains, and renews at such intervals as we may require, a billing number. In order to issue a billing number, we need to collect information unique to that supplier.
- Section 1866(j)(1)(C) of the Act requires us to consult with providers and suppliers of services before making changes in provider enrollment forms.
- The Balanced Budget Act of 1997 (BBA) (Public Law 105-33) section 4313, amended sections 1124(a)(1) and 1124A of the Act to require disclosure of both the Employer Identification Number (EIN) and Social Security Number (SSN) of each provider or supplier, each person with ownership or control interest in the provider or supplier, as well as any managing employees. The Secretary of Health and Human Services (the Secretary) signed and sent to the Congress a "Report to Congress on Steps Taken to Assure Confidentiality of Social Security Account Numbers as Required by the Balanced Budget Act" on January 26, 1999, with mandatory collection of SSNs and EINs effective on or about April 26, 1999.
- Section 31001(I) of the Debt Collection Improvement Act of 1996 (DCIA) (Public Law 104-134) amended 31 U.S.C. 7701 by adding paragraph (c) to require that any person or entity doing business with the Federal Government must provide their Tax Identification Number (TIN).
- We are authorized to collect information on the CMS-855 (Office of Management and Budget (OMB) approval number 0938-0685) to ensure that correct payments are made to providers and suppliers under the Medicare program as established by Title XVIII of the Act.

The Medicare Enrollment Application collects this information, including the information necessary to uniquely identify and enumerate the provider/supplier. Additional information

necessary to process claims accurately and timely is also collected on the CMS-855 application.

2. *Purpose and users of the information*

IDTFs that wish to enroll in the Medicare program must complete the CMS-855B enrollment application; hospitals and other certified providers that seek enrollment in Medicare must complete the CMS-855A application. The CMS-855 is submitted at the time the applicant first requests a Medicare billing number. The application is used by Medicare contractors to collect data to ensure the applicant has the necessary credentials to provide the health care services for which they intend to bill Medicare, including information that allows the Medicare contractor to correctly price, process and pay the applicant's claims. It also gathers information that allows Medicare contractors to ensure that the supplier is not sanctioned from the Medicare program, or debarred, suspended or excluded from any other Federal agency or program.

3. *Improved Information Techniques*

This collection lends itself to electronic collection methods. In the near future, CMS plans to make the enrollment application available through the CMS website to comply with the Government Paperwork Elimination Act. However, until CMS adopts an electronic signature standard, providers/suppliers will be required to submit a hard copy of the CMS-855 with an original signature.

4. *Duplication and Similar Information*

There is no duplicative information collection instrument or process.

5. *Small Business*

These revisions will affect small businesses. However, these businesses have always been required to provide CMS with substantially the same information in order to enroll in the Medicare program and for CMS to successfully process their claims.

6. *Less Frequent Collections*

This information is collected on an as needed basis. The information provided on the CMS-855 is necessary for enrollment in the Medicare program. It is essential to collect this information the first time a provider/supplier enrolls with a Medicare contractor so that CMS' contractors can ensure that the provider/supplier meets all statutory and regulatory requirements necessary for enrollment and that claims are paid correctly.

In addition, to ensure uniform data submissions, CMS requires that all changes to previously

submitted enrollment data be reported via the appropriate provider enrollment application.

7. *Special Circumstances*

There are no special circumstances associated with this collection.

8. *Federal Register Notice/Outside Consultation*

The 60-day Federal Register notice published on May 11, 2007.

As part of regulatory clearance process for CMS-1321-FC, CMS consulted the public regarding the implementation of performance standards for IDTFs.

9. *Payment/Gift to Respondents*

N/A.

10. *Confidentiality*

CMS will comply with all Privacy Act, Freedom of Information laws and regulations that apply to this collection. Privileged or confidential commercial or financial information is protected from public disclosure by Federal law 5 U.S.C. 522(b)(4) and Executive Order 12600.

11. *Sensitive Questions*

There are no sensitive questions associated with this collection.

12. *Burden Estimate (hours)*

The currently approved total annual hour burden for the respondents is approximately 1,000,000 hours. This is based on the following estimates:

HOURS ASSOCIATED WITH COMPLETING THE INITIAL ENROLLMENT APPLICATION:

CMS 855A – 5,000 respondents @ 6 hours each = 30,000 hours

CMS 855B – 10,000 respondents @ 6 hours each = 60,000 hours

CMS 855I – 50,000 respondents @ 4 hours each = 200,000 hours

CMS 855R – 100,000 respondents @ 15 minutes each = 25,000 hours

CMS 855S – 9,000 respondents @ 6 hours each = 54,000 hours

HOURS ASSOCIATED WITH REPORTING CHANGES OF ENROLLMENT INFORMATION:

All Enrollment applications – 232,000 respondents @ 90 minutes each = 348,000 hours

Medicare contractors and the National Supplier Clearinghouse combined currently process approximately 400,000 provider/supplier enrollment applications a year. This requirement is and will continue to be a cost of doing business with Medicare.

Cost to the respondents is calculated as follows based on the following assumptions:

- The CMS 855I and CMS 855R can be completed by administrative staff , and
- The CMS 855A, CMS 855B, and CMS 855S will most likely be complete by professional staff (attorney or accountant).

The cost per respondent per form has been determined using the follow wages:

- $20.00 per hour (administrative wage)
- $150.00 per hour (professional wage)

CMS 855A, CMS 855B, and CMS 855S = $900
CMS 855I = $80
CMS 855R = $5

However, we are adding the following burden based on revisions to the CMS-855-B and the CMS-855 A. The total annual hour burden for respondents is 1,503 hours and 20 minutes, $225,500. This is based on the following estimates.

Revisions to CMS-855B – 2,000 respondents per year @ .75 hours each = 1,500 hours

We believe that adding the new information collection to the CMS-855B will add an additional 45 minutes of burden. With approximately 6,000 IDTFs enrolled in the Medicare program, we estimate an increased burden of approximately 4,500 hours.

Cost to the respondents is calculated as follows based on the assumption that the CMS-855B will most likely be completed by professional staff (attorney or accountant).

- CMS-855B = $225,000 (1,500 hours * $150 per hour)

The cost per respondent per form has been determined using a wage of $150.00 per hour

(professional wage).

Revisions to CMS-855A adding the "specialty hospital" checkbox – 20 respondents per year @ 10 minutes each = 3 hours and 20 minutes

We believe that adding the new information collection to the CMS-855A will create an additional 10 minutes of burden. Cost to the respondents is calculated as follows based on the assumption that the CMS-855A will most likely be completed by professional staff (attorney or accountant).

- CMS-855A = $500 (3.33 hours * $150 per hour)

The cost per respondent per form has been determined using a wage of $150.00 per hour (professional wage).

Therefore, the total annual hour burden for respondents is 3 hours and 20 minutes and $500.

13. *Cost to Respondents (Capital)*

There are no capital costs associated with this collection.

14. *Cost to Federal Government*

There is no additional cost to the Federal government. Applications will be processed in the normal course of Federal duties.

15. *Changes in Burden/Program Changes*

The burden increased slightly based on the revisions to the CMS-855A and the CMS-855B. The new total annual burden associated with this information collection is approximately 1,001,503.33 hours.

16. *Publication/Tabulation*

N/A.

17. *Expiration Date*

We are planning on displaying the expiration date.

18. *Certification Statement*

There are no exceptions to item 19 of OMB Form 83-I.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

N/A.