

# ***Supporting Statement for Paperwork Reduction Act Submissions***

## PECOS Security Consent Form

### **A. Background**

The primary function of the Medicare enrollment application is to obtain information about the provider or supplier and whether the provider or supplier meets Federal and/or State qualifications to participate in the Medicare program. In addition, the Medicare enrollment application gathers information regarding the provider or supplier's practice location, the identity of the owners of the enrolling organization, and information necessary to establish the correct claims payment.

In establishing a web based application process, we allow providers and suppliers the ability to enroll in the Medicare program via the Internet. For these applicants, no security consent form is needed to enroll or make a change in their Medicare enrollment information. These applicants receive complete access to their own enrollments through the web based version of the Provider Enrollment, Chain and Ownership System (PECOS).

In order to allow a provider or supplier to delegate the Medicare credentialing process to another individual or organization, it is necessary to establish a Security Consent Form for those providers and suppliers who choose to have another individual or organization access their enrollment information and complete enrollments on their behalf. These users could consist of administrative staff, independent contractors, or credentialing departments and are represented as a User group. User groups and its members must request access to enrollment data through a Security Consent Form. The security consent form replicates business service agreements between Medicare applicants and organizations providing enrollment services.

We are proposing two different versions of the Security Consent Form. The form, once signed, mailed and approved, grants a user group or its member's access to all current and future enrollment data for the Medicare provider. The user group administrator, within the user group, assigns to each member of the group, a security role that will define their levels of functionality within PECOS via the web for an individual or organization.

### **B. 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 of services and suppliers 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 Form HCFA 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 Health Care Provider/Supplier 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 provider/supplier enrollment application.

## 2. Information Users

The information on the Security Consent Form will be used by the CMS External User Services (EUS) to establish a relationship between the applicant and a user group. The user group will be able to create and have access to an applicant’s enrollment information.

## 3. Use of Information Technology

The Security Consent Form is used by Medicare applicants to grant a user group and its associated users access to and administrative rights over all current and future enrollment data for the Medicare provider. PECOS via the web will generate the Security Consent Form with the relevant data printed on the form. The Medicare applicant is required to verify, sign and mail the Security Consent Form to the EUS.

4. Duplication of Efforts

There is no duplicative information collection instrument or process.

5. Small Businesses

These forms will affect small businesses; however, these businesses have always been required to complete and submit substantially the same information in order to enroll or make a change in their Medicare enrollment information.

6. Less Frequent Collection

This information is collected on an as needed basis. The information provided on these forms 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 process the provider/supplier claims in a timely and accurate manner.

7. Special Circumstances

There are no special circumstances associated with this collection.

8. Federal Register/Outside Consultation

The 60-day Federal Register notice published on March 23, 2007.

We received two public comments in response to the 60-day FR notice. Copies of the comments and our responses to the comments are attached.

9. Payments/Gifts to Respondents

There are no payments or gifts to respondents.

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 questions of a sensitive nature associated with these requirements.

12. Burden Estimates (Hours & Wages)

With the implementation of the new electronic web-based enrollment process, we calculate the total annual hour burden for the respondents to complete the security consent form is approximately 44,000 hours. This assumes that approximately 90 percent of individuals (i.e., physicians, non-physician practitioners) and 50 percent of organization providers and suppliers will use an entity other than themselves to complete their Medicare enrollment application and to submit updates.

The number of respondents is based on the information associated with OMB number 0938-0685 and the estimated time to verify, sign and mail the security consent form is 15 minutes.

HOURS ASSOCIATED WITH COMPLETING THE SECURITY CONSENT FORM:

INDIVIDUALS

<u>CMS 855I</u> – 75,000 respondents x 90% =	67,500 respondents
<u>CMS 855R</u> – 100,000 respondents x 90%	= 90,000 respondents
<u>Total CMS 855I and 855R</u>	= 157,500 respondents
157,500 respondents @ 15 minutes each	= 39,375 hours

ORGANIZATIONS

<u>CMS 855A</u> – 5,000 respondents x 50%	= 2,500 respondents
<u>CMS 855B</u> – 35,000 respondents x 50%	= 17,500 respondents
<u>Total CMS 855A and 855B</u>	= 20,000 respondents
20,000 respondents @ 15 minutes each	= 5,000 hours

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 and CMS 855B 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 and CMS 855B = \$37.50

CMS 855I and CMS 855R = \$5

13. Capital Costs

There are no capital costs to the respondents.

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 to Burden

This is a new information collection. However, upon approval by OMB, CMS will adjust the burden estimate associated with OMB number 0938-0685. Based on the implementation of the new electronic web-based enrollment process (PECOS), we will reduce the burden associated with the paper based enrollment process that is approved under 0938-0685.. Previously, we estimated that annual hour burden associated with this information collection would be approximately 1,000,000 hours. However, once PECOS via the web is fully implemented, we believe that burden associated with this collection will be reduced by more than 625,000 hours to approximately 371,500 hours.

16. Publication/Tabulation Dates

N/A

17. Expiration Date

We will not display the expiration date.

18. Certification Statement

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

C. Collections of Information Employing Statistical Methods

N/A