

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

## *CMS-855 Medicare Enrollment Applications Package Revision*

### **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-855S Removal - CMS is revising the CMS-855 Medicare Enrollment Applications Package (OMB No. 0938-0685) to remove the CMS-855S application from its collection. CMS has found that the regulations governing the standards required of suppliers of durable medical equipment, prosthetics, orthotics and supplies (DMEPOS) are revised and increased more frequently than the other provider types reimbursed by Medicare. Consequently, CMS must revise the CMS 855S application for DMEPOS suppliers more often than the CMS 855A, CMS 855B, CMS 855I and CMS 855R enrollment applications. The ability to revise the CMS 855S separately from the other CMS 855 enrollment applications will lessen the burden on both CMS and OMB as well as the public during the Federal Register notice period, as only one subset of suppliers will be effected by CMS 855S revisions. CMS intends to maintain the continuity of the CMS 855 enrollment applications by using the same formats and lay-out of the current CMS 855 enrollment applications, regardless of the separation of the CMS 855S from this collective enrollment application package.
2. Redefining the CMS-855 Medicare Enrollment Applications Package – As CMS is revising the CMS-855 Medicare Enrollment Applications Package (OMB No. 0938-0685) to remove the CMS-855S application from its collection, CMS is also seeking to redefine the CMS-855 Medicare Enrollment Applications Package (OMB No. 0938-0685) to include the CMS 855A, CMS 855B, CMS 855I and CMS 855R enrollment applications. CMS believes the inclusion of the CMS 855A, CMS 855B, CMS 855I and CMS 855R as a distinct group will aid both CMS and OMB in making changes that effect all Medicare providers while maintaining the enrollment application design. In addition, the providers served by these four enrollment applications tend to be interrelated, often sharing requirements as new and revised Medicare regulations are issued. Including these four CMS 855 enrollment applications as a distinct group will allow both provider-specific and Medicare-encompassing revisions to be completed in a single package, lessening the burden on CMS, OMB and the provider types these applications represent.

## **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 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*

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*

The removal of the CMS 855S from this package will not affect small businesses.

## *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 July 3, 2008..

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 1,001,503.3 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  
20 specialty hospital respondents @ 0.03 hours each = 3.3 hours

CMS 855B – 10,000 respondents @ 6 hours each = 60,000 hours  
2,000 IDTF respondents @ 0.75 hours each = 4,500 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

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 decreasing the following burden based on the removal of the CMS-855S. The revised total annual hour burden for respondents is 785,702.3 hours. This is based on subtracting the following estimates:

CMS 855S Hours Associated With Completing The Initial Enrollment Application:  
9,000 respondents @ 6 hours each = **54,000 hours**

CMS 855S Hours Associated with Reporting Changes of Enrollment Information:  
36,667 revalidation of enrollment information respondents @ 90 minutes each = **55,000.5 hours**  
+  
34,500 changes of enrollment information respondents @ 30 minutes each = **17,000 hours**  
+  
11,600 changes of enrollment information respondents @ 90 minutes each = **17,400 hours**  
+  
36,667 revalidation of enrollment information respondents + 11,600 changes of enrollment information respondents = 48,267 respondents @ 90 minutes each = **72,400.5 hours**

The National Supplier Clearinghouse currently processes approximately 80,500 supplier enrollment applications a year.

### 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 decreased based on the subtraction of the hours associated with the CMS 855S. The new total annual burden associated with this information collection is approximately 785,702 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.