

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

## *CMS-855O Medicare Registration Application Package Revision*

### **A. BACKGROUND**

The primary function of the CMS 855O is to gather information from a physician or non-physician practitioner that tells us who it is and whether the physician or non-physician practitioner meets certain qualifications to be registered in the Medicare program as being eligible to order and refer Medicare beneficiaries to Medicare approved providers and suppliers.

There are two principal facets of this submission:

1. Change the title of the CMS-855O to “Medicare Registration Application” – In July 2011, CMS implemented the use of a new CMS-855 Medicare Enrollment Application (CMS 855O – Medicare Enrollment Application for Ordering and Referring Physicians and Non-physician Practitioners). The Patient Protection and Affordable Care Act (PPACA), section 6405 – “Physicians Who Order Items or Services Required to be Medicare Enrolled Physicians or Eligible Professionals” (regulation CMS 6010-F), contains a requirement for certain physicians and non-physician practitioners to enroll in the Medicare program for the sole purpose of ordering or referring items or services for Medicare beneficiaries. The ordering and referring data field on the CMS 1500 claims submission form requires identifying the ordering or referring physician or non-physician practitioner when appropriate. Without an ordering or referring physician or non-physician practitioner, specific types of claims submitted by Medicare enrolled and approved providers and suppliers are rejected by Medicare Administrative Contractors (MAC) as required by Medicare regulation. Therefore, if an ordering or referring physician or non-physician practitioner is not registered as eligible to order and refer in the Medicare program, but orders or refers his/her patients to a Medicare provider or supplier, the claim submitted by the Medicare provider or supplier for the given ordered or referred service is automatically rejected by the MAC. The submission and approval of a completed CMS 855O will get the physician or non-physician practitioner registered in the Medicare program as being eligible to order and refer Medicare beneficiaries. Once registered, the physician or non-physician practitioner will be eligible to order and refer beneficiaries to Medicare approved providers and suppliers. This new Medicare application form allows physicians and non-physician practitioners who do not provide services to Medicare beneficiaries to be registered in the Medicare program without having to supply all the data required for the submission of Medicare claims. It also allows the Medicare program to identify ordering and referring physicians and non-physician practitioners without having to validate the amount of data necessary to determine claims payment eligibility (such as banking information), while continuing to identify the physician’s and non-physician practitioner’s credentials as valid for ordering and referring purposes. Since the physicians and non-physician practitioners submitting this application are not enrolling in Medicare to submit claims but are only registering

with Medicare as eligible to order and refer, CMS believes changing the title from Medicare “Enrollment” Application to Medicare “Registration” Application better captures the actual purpose of this form.

2. Corrections to the content of the CMS 855O - Where appropriate, CMS has changed all references to enrollment or enrolling to registration and registering and Medicare billing number to National Provider Identifier. CMS also added a check box to allow physicians and non-physician practitioners to withdraw from the ordering and referring registry. A section to collect information on professional certifications was added for those practitioners who are not professionally licensed. Editorial and formatting corrections were made in response to prior comments received during the approval of the current version of this application. Other minor editorial and formatting corrections were made to better clarify the purpose of this application.

## **JUSTIFICATION**

### *1. Need and Legal Basis*

Various sections of the Act and the Code of Federal Regulations require suppliers to furnish information concerning the identification of individuals that order and refer 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 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.
- Social Security Act, section 6401 - Provider Screening and Other Enrollment Requirements under Medicare, Medicaid, and CHIP.
- Patient Protection and Affordable Care Act (PPACA), section 6405 – “Physicians Who Order Items or Services Required to be Medicare Enrolled Physicians or Eligible Professionals” (regulation CMS 6010-F), contains a requirement for certain physicians and non-physician practitioners to enroll in the Medicare program for the sole purpose of

ordering or referring items or services for Medicare beneficiaries.

- Section 508 of the Rehabilitation Act of 1973, as incorporated with the Americans with Disabilities Act of 2005 requires all Federal electronic and information technology to be accessible to people with disabilities, including employees and members of the public.
- We are authorized to collect information on the CMS-855O (Office of Management and Budget (OMB) approval number 0938-1135) to register suppliers under the Medicare program as established by Title XVIII of the Act.

This Medicare Registration Application collects this information, including the information necessary to uniquely identify and enumerate the provider/supplier.

## *2. Purpose and users of the information*

The CMS-855O is submitted at the time the applicant first requests registration in Medicare for the sole purpose of ordering and referring Medicare beneficiaries to providers and suppliers who are credentialed to provide the health care services for which they intend to bill Medicare. The application is used by Medicare contractors to collect data to ensure the applicant has the necessary credentials to order and refer Medicare beneficiaries to providers and suppliers who are credentialed to provide the health care services for which they intend to bill Medicare, including information that allows Medicare contractors to ensure that the physician 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. The Provider Enrollment, Chain and Ownership System (PECOS) is a secure, intelligent and interactive national data storage system maintained and housed within the CMS Data Center with limited user access through strict CMS systems access protocols. Access to the data maintained in PECOS is limited to CMS and Medicare contractor employees responsible for provider/supplier enrollment activities. The data stored in PECOS mirrors the data collected on the CMS 855s (Medicare Enrollment Applications) and is maintained indefinitely as both historical and current information. CMS also supports an internet based provider/supplier CMS 855 enrollment platform which allows the provider/supplier to complete an online CMS 855 enrollment application, transmit it to the Medicare contractor database for processing and then the data is transferred from the Medicare contractor processing database into PECOS by the Medicare contractor. Periodically CMS will require adjustment to the format of the CMS 855 form (either paper, electronic or both) for clarity or to improve form design. These adjustments do not alter the current OMB data collection approval.

The CMS 855O application is available through the CMS website to comply with the Government Paperwork Elimination Act. However, until CMS adopts an electronic signature standard, providers will be required to submit a hard copy signature page of the CMS-855O with an original signature.

#### 4. *Duplication and Similar Information*

There is no duplicative information collection instrument or process.

#### 5. *Small Business*

The CMS 855O is not completed by small businesses and therefore will not affect small businesses.

#### 6. *Less Frequent Collections*

This information is collected on an as needed basis. The information provided on the CMS-855O is necessary for identification of certain physician and non-physician practitioners in the Medicare program. It is essential to collect this information for all ordering/referring physicians and non-physician practitioners to ensure each applicant has the necessary credentials to order and refer Medicare beneficiaries to Medicare approved providers/suppliers. In addition, Medicare contractors must ensure that the ordering/referring physician or non-physician practitioner meets all statutory and regulatory requirements and are properly credentialed.

To ensure uniform data submissions, CMS requires that all changes to previously submitted registration data be reported via this registration 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 September 30, 2011.

#### 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)*

#### HOURS ASSOCIATED WITH COMPLETING THE INITIAL CMS 8550 REGISTRATION APPLICATION

CMS 8550 – 40,000 respondents @ 0.5 hour each = 20,000 hours

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

- The CMS 8550 can be completed by administrative staff and reviewed and signed by professional staff, and
- The record keeping burden is included in the time determined for completion by administrative staff.

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)

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

- \$8.35 (administrative wage for 25 minutes)
- \$12.50 (professional wage for 5 minutes)

CMS 8550 = \$20.85

#### HOURS ASSOCIATED WITH REPORTING CHANGES OF REGISTRATION INFORMATION:

CMS 8550 – 8,000 respondents @ 0.5 hours each = 4,000 hours

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

- The CMS 8550 can be completed by administrative staff and reviewed and signed by professional staff, and
- The record keeping burden is included in the time determined for completion by administrative staff.

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)

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

- \$8.35 (administrative wage for 25 minutes)
- \$12.50 (professional wage for 5 minutes)

CMS 8550 = \$20.85

HOURS ASSOCIATED WITH REPORTING A VOLUNTARY WITHDRAW OF REGISTRAION INFORMATION:

CMS 855O – 500 respondents @ 0.25 hours each = 125 hours

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

- The CMS 855O can be completed by administrative staff and reviewed and signed by professional staff, and
- The record keeping burden is included in the time determined for completion by administrative staff.

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)

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

- \$3.35 (administrative wage for 10 minutes)
- \$12.50 (professional wage for 5 minutes)

CMS 8550 = \$15.85

13. *Cost to Respondents (Capital)*

There are no capital costs associated with this collection.

14. *Cost to Federal Government*

Medicare contractors currently process approximately 400,000 provider/supplier enrollment applications a year. This number includes the 48,500 CMS 855O applications referenced above. This requirement is and will continue to be a cost of doing business with Medicare.

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 decrease is based on a re-evaluation of the actual time necessary to complete the CMS 855O. The new total annual burden associated with this information collection is approximately 24,125 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.