

Supporting Statement for Paperwork Reduction Act Submissions

Medicare Enrollment Application – Physician and Non-Physician Practitioners - CMS 855I

A. BACKGROUND

The primary function of the CMS 855I Medicare Enrollment Application is to gather information from a supplier that tells us who they are, whether they meet certain qualifications to be a health care supplier, where they render their services, the identity of individuals that manage their practice, and information necessary to establish the correct claims payment. The goal of periodically evaluating and revising the CMS 855I enrollment application is to simplify and clarify the information collection without jeopardizing our need to collect specific information.

Goals of the Provider/Supplier Enrollment Application Revisions

CMS is revising the CMS-855 Medicare Enrollment Applications Package (OMB No. 0938-0685) to remove the CMS-855I application from its collection. CMS has found that the regulations governing the enrollment requirements for physicians and non-physician practitioners occur at intervals separate from the other provider and supplier types reimbursed by Medicare. Consequently, CMS may need to revise and submit the CMS 855I enrollment application for OMB approval at intervals separate the other enrollment applications under OMB No. 0938-0685 which include the CMS 855A, CMS 855B, CMS 855I and CMS 855R enrollment applications. The ability to revise the CMS 855I 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 855I 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 855I from the collective enrollment application package.

At this time CMS is also using this opportunity to make minor editorial and clerical corrections to the CMS 855I to simplify and clarify the current data collection and to remove obsolete questions. The Sections and Sub-Sections within the form are also being re-numbered and re-sequenced to create a more logical flow of the data collect. In addition, in response to previous public comments, CMS is adding a data collection for revalidation address. With the exception of collecting a revalidation address (only if it differs from other addresses currently collected), there is no new data collection in this revision package.

JUSTIFICATION

1. Need and Legal Basis

Various sections of the Social Security Act (Act), the United States Code (U.S.C.), Code of Federal Regulations (CFR) and the Internal Revenue Code (Code) require providers and suppliers to furnish information concerning the identification of individuals or entities that

furnish medical supplies and 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, supplier or other person.
- Section 1866(b)(2)(D) and 1842(h)(8) of the Act require denial of enrollment (directly or indirectly) of persons convicted of a felony for a period not less than 10 years from the date of conviction.
- Section 1866(j) of the Act requires the revalidation of all provider and supplier enrollment data every five years.
- 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.
- Section 501(c) of the Code requires each Medicare provider/supplier to report information about its proprietary/non-profit structure for tax withholding.
- Section 3402(t) of the Code requires the collection of information necessary to withhold 3% of payments for tax withholding from Medicare providers/suppliers.
- 31 U.S.C. 7701 (c) requires that any person or entity doing business with the Federal Government must provide their Tax Identification Number (TIN).
- 42 CFR Section 424.500 requires all providers and suppliers to enroll in Medicare to obtain and maintain Medicare billing privileges.
- CMS is authorized to collect information on the form CMS 855I (Office of Management and Budget (OMB) approval number 0938-0685) to ensure that correct payments are made to physicians and non-physician practitioners under the Medicare program as established by Title XVIII of the Act.

The revised CMS 855I Enrollment Application collects this information, including the information necessary to uniquely identify and enumerate the practitioner. Additional information necessary to process claims accurately and timely is also collected on the physician and non-physician practitioner enrollment application.

2. Purpose and users of the information

Health care practitioners who wish to enroll in the Medicare program must complete the CMS 855I enrollment application. It is submitted at the time the applicant first requests a Medicare billing number. The application is used by the Medicare Administrative Contractor (MAC), to collect data to assure the applicant has the necessary professional and/or business credentials to provide the health care services for which they intend to bill Medicare including information that allows the MAC to correctly price, process and pay the applicant's claims. It also gathers information that allows the MAC to ensure that the practitioner 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 and is currently available through the

CMS website. However, until CMS adopts an electronic signature standard, practitioners will be required to submit a hard copy of the CMS-855I certification page with an original signature.

4. *Duplication and Similar Information*

There is no duplicative information collection instrument or process.

5. *Small Business*

This form 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-855I is necessary for initial enrollment in the Medicare program. It is essential to collect this information the first time a practitioner enrolls with a Medicare Administrative Contractor so that the MAC can ensure that the practitioner meets all statutory and regulatory requirements necessary for enrollment and that claims are paid correctly.

This information is also regularly collected every five years for revalidation of enrollment information as required by Section 1866(j) of the Act.

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 January 30, 2012.

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 for the CMS 855I is unknown. The hour burden for the CMS 855I is included in the total hour burden of 842,810 approved for OMB No 0938-0685. The prior burden hour estimate is low because it was calculated using a different set of parameters. For example, although CMS never implemented this process, the previous revalidation burden was calculated at 0.5 hours per respondent because respondents were to be given a copy of their completed CMS 855 form to verify that the information was correct, make any necessary updates and sign and return the application. Today's operating procedures for revalidation require the respondent to fully complete the CMS 855 application. CMS has a web-based process for revalidation which could potentially reduce the overall burden but at this time it is not widely used enough to reduce the current estimated burden. In addition, with the implementation CMS 6028-FC, all Medicare providers and suppliers are required to revalidate their enrollment information by March, 2015 and every 5 years thereafter. Therefore, 20% of all physician and non-physician practitioners must revalidate their Medicare enrollment annually.

For this proposed revision of the CMS 855I, CMS has recalculated the estimated burden hours. CMS believes this recalculation is necessary because over the years of numerous revisions to this data collection tool, the number of affected users, actual data collected and the collection methods have changed significantly. CMS believes these new burden hours more accurately reflect the current burden for the individual practitioner community when completing this proposed revision of the CMS 855I. CMS is basing the new burden amounts on data compiled from the MACs for FY 2010. The new estimates are lower than the prior estimates based on better data on the practitioner community in addition to less data being collected and clearer instructions.

CMS estimates the new total burden hours for this information collection to be 824,000 hours. This estimate is being calculated based on why/when a supplier must complete and submit this enrollment application (CMS 855I). It is further estimated that 20% of respondents use paid professionals to complete the CMS 855I and therefore are not subject to the hour burden. This estimate is reflected below and in the calculations in Part II of the 83 Worksheet.

The hour burden to the respondents is calculated based on the following assumptions:

- Only 80% of all submitted CMS 855I applications will be completed by the individual practitioner (respondent). For these individuals completion of the CMS 855I is a routine business function.
- The other 20% will be completed by professional staff (attorney or accountant) and therefore carry no hour burden to the respondent.

CMS is requesting approval of the revised number of burden hours as follows:

Hours associated with completing the initial enrollment applications:

45,000 potential / 36,000 actual respondents @ 4 hours for each application = 144,000 hours

Hours associated with completing the revalidation of enrollment information:

200,000 potential / 160,000 actual respondents @ 4 hours for information reporting = 640,000 hours

Hours associated with reporting changes of enrollment information:

100,000 potential / 80,000 actual respondents @ .5 hours for change of info reporting = 40,000 hours

B. Paperwork Burden Estimate (cost)

CMS estimates the new total cost burden for this information collection to be \$30,900,000. This estimate is being calculated based on whether the practitioner (respondent) or a paid professional complete and submit this enrollment application (CMS 855I). It is further estimated that 80% of respondents complete the CMS 855I themselves and therefore are not subject to the cost burden. This estimate is reflected below and in the calculations in Part II of the 83 Worksheet. CMS is reducing the currently approved cost burden as follows:

The cost burden to the respondents is calculated based on the following assumptions:

- 80% of all submitted CMS 855I applications will be completed by the individual practitioner (respondent). For these individuals completion of the CMS 855I is a routine business function.
- The other 20% will be completed by professional staff (attorney or accountant)
- The current average professional wage is \$150.00 per hour:

For initial enrollments and reactivations:	\$5,400,000 (\$600 X 9,000 applications)
For periodic revalidation of enrollment information:	\$24,000,000 (\$600 X 40,000 applications)
For reporting changes of information:	\$1,500,000 (\$ 75 X 20,000 applications)

Additionally, CMS believes that with the instruction clarifications, practitioners will find the CMS 855I application form less complicated and therefore less timely and costly.

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 currently approved total annual hour burden for the respondents for the CMS 855I is unknown. The hour burden for the CMS 855I is included in the total hour burden of 842,810 approved for OMB No 0938-0685, as explained above. Therefore CMS is seeking approval of new burden estimates based on current data collection information. CMS estimates the new total burden hours for this information collection to be 824,000 hours. CMS estimates the new total cost burden for this information collection to be \$30,900,000.

Publication/Tabulation

N/A

16. *Expiration Date*

We are planning on displaying the expiration date.

17. *Certification Statement*

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

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

N/A