

Supporting Statement for Paperwork Reduction Act Submissions

Electronic Funds Transfers Authorization Agreement - CMS 588

A. BACKGROUND

The primary function of the Electronic Funds Transfer Authorization Agreement (CMS 588) is to gather information from a provider/supplier to establish an electronic payment process.

The legal authority to collect this information is found in Section 1815(a) of the Social Security Act. This section provides authority for the Secretary of Health and Human Services to pay providers/suppliers of Medicare services. Under 31 U.S.C. 3332(f)(1), all Federal payments, including Medicare payments to providers and suppliers, shall be made by electronic funds transfer. 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).

Goal of the Provider/Supplier Enrollment Application Revisions

The goal of evaluating and revising the CMS 588 agreement is to renew the data collection. Due to previous revisions (2006 and 2009), this form is user friendly and concise. Only two minor revisions for systems requirements will be made at this time, specifically adding a street address line for the location of the financial institution and adding an additional National Provider Identification (NPI) number collection field for those providers/suppliers who have more than one NPI.

JUSTIFICATION

1. Need and Legal Basis

The Social Security Act (Act) and the United States Code (U.S.C.) require providers/suppliers to furnish financial institution information concerning electronic payment to individuals or entities that submit Medicare claims for reimbursement.

- 1815(a) of the Act requires the submission of information necessary to determine the amounts due to a provider, supplier or other person.
- 31 U.S.C. section 3332(f)(1) requires all Federal payments, including Medicare payments to providers and suppliers, to be made by electronic funds transfer.
- 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).
- CMS is authorized to collect information on the form CMS 588 (Office of Management and Budget (OMB) approval number 0938-0626) to ensure that payments are made correctly to providers/suppliers under the Medicare program as established by Title XVIII of the Act.

2. Purpose and users of the information

Health care providers and suppliers who wish to enroll in the Medicare program must complete the CMS 588 EFT Authorization Agreement. It is submitted at the time the applicant first requests a

Medicare billing number and again to report changes to previously submitted electronic payment information, (e.g. change in financial institution). The authorization agreement is collected by the MAC and forwarded to the claims department at the time of initial enrollment. If changes are reported after the initial agreement has been submitted, providers/suppliers update the agreement and send it directly to the MAC.

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 Electronic Funds Transfers Authorization Agreement in PECOS mirrors the data collected on the paper CMS 588 (Electronic Funds Transfers Authorization Agreement) and is linked to the Medicare Administrative Contractors (MACs) upon submission of an initial Medicare application. CMS supports an internet based provider/supplier CMS 588 agreement platform which allows the provider/supplier to complete an online CMS 588 at the time of its initial enrollment application and transmit it to the MAC database for processing. Periodically CMS will require adjustment to the format of the CMS 588 agreement (both paper and electronic) for clarity or to improve form design. These adjustments do not alter the current OMB data collection approval.

PECOS began linking the Electronic Funds Transfers Authorization Agreement to the MACs, in 2011 in compliance with the Government Paperwork Elimination Act. CMS adopted an electronic signature standard valid for the initial Medicare enrollment applications. This electronic signature is also valid for the initial reporting of the Electronic Funds Transfers Authorization Agreement. Providers/suppliers may submit a hard copy signature page of the CMS 588 with an original signature if they wish. Any updates to the Electronic Funds Transfers Authorization Agreement are required to be on paper and mailed directly to the MAC.

4. Duplication and Similar Information

There is no existing data similar to that contained in the form. Therefore, the data captured on this form is not duplicated through any other public information collection. No similar data can be modified to capture the information on this form.

5. Small Business

These forms will affect small businesses; however, these businesses have always been required to provide CMS with this information in order CMS to successfully process their claims.

6. Less Frequent Collections

The information provided on the CMS-855S is necessary for initial 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 supplier meets all statutory and regulatory requirements necessary for payment of claims.

This information is also updated as changes occur. Updating information of financial institution data is the responsibility of the provider/supplier.

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 March 1, 2013.

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 format of the form (revised 2006, renewed 2009) takes less time to complete than its predecessors. We were very generous with the estimate of burden at that time and believed it continued to adequately address the prior renewal. The annualized reporting burden estimate associated with this form was calculated as follows:

The cost per respondent per form was determined using the follow wage:

- \$ 20.00 per hour (administrative wage)

100,000 providers/suppliers x 1 hour reporting burden = 100,000 hours

100,000 hours x \$20/hr wage = \$2,000,000

During the previous collection requests, CMS did not have adequate data to distinguish between burden at the time of initial enrollment and change of information. Therefore, previous collections did not include the burden for changes of information.

A. Paperwork Burden Estimate (hours)

For this proposed revision of the CMS 588, CMS has recalculated the estimated burden hours. CMS believes this is necessary because over the years the information technology used to estimate this data has been greatly improved. Because of this improved data technology, CMS has better estimates of the numbers of affected users and actual data collected. The collection methods have

also changed significantly. CMS believes these new burden hours more accurately reflect the current burden for the provider/supplier community when completing this revision of the CMS 588. CMS is basing the new burden amounts on data compiled from the MACs for FY 2011 and FY 2012. These new estimates are significantly lower than the prior estimates due to the above mentioned improved technology.

CMS estimates the new total burden hours for this information collection to be a total of 23,500 hours. This estimate is being calculated based on when/why a provider/ supplier must complete and submit this authorization agreement. This total estimate is separated and reflected below and in the calculations in Part II of the 83 Worksheets.

CMS is reducing the currently approved number of burden hours as follows:

Hours associated with completing the initial enrollment application:

92,500 respondents @ 0.25 hours for each application = 23,125 hours

Hours associated with reporting changes of enrollment information:

1,500 respondents @ 0.25 hours for change of information reporting = 375 hours

B. Paperwork Burden Estimate (cost)

It is further estimated that respondents complete the agreement within the completion of their initial enrollment into the Medicare program and therefore are not subject to the cost burden. Updating financial information is considered a cost of doing business and proposes no additional cost burden to the provider/supplier, therefore, CMS estimates there will be no cost burden to the respondents. This estimate is reflected in the calculations in Part II of the 83 Worksheets.

13. Cost to Respondents (Capital)

There is no capital cost 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 technology estimation. The new total annual burden associated with this information collection is approximately 23,125 hours for initial enrollments and 375 hours for changes of information, for a total of 23,500 hours. The total individual burden associated with this information collection is approximately 1/4 hours per application. There is no additional cost burden to the provider/supplier.

16. Publication/Tabulation

N/A

17. Expiration Date

We will not be displaying an 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