

CMS-10114, OMB-0938-0931
Supporting Statement For Paperwork Reduction Act
Submissions

A. Background

The adoption by the Secretary of HHS of the standard unique health identifier for health care providers is a requirement of the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The unique identifier is to be used on standard transactions and may be used for other lawful purposes in the health care system. The CMS Final Rule published on January 23, 2004 adopts the National Provider Identifier (NPI) as the standard unique health identifier for health care providers. Health care providers that are covered entities under HIPAA must apply for and use NPIs in standard transactions. Other health care providers are eligible for NPIs but are not required by regulation to apply for them or use them. Health care providers began applying for NPIs on May 23, 2005.

The National Provider Identifier Application and Update Form is used by health care providers to apply for NPIs and furnish updates to the information they supplied on their initial applications. The form is also used to deactivate their NPIs if necessary. The original form was approved in February 2005 and has been in use since May 23, 2005. The revised form was approved in November 2008 and in March 2012. The form is being revised, which is the reason for this submittal. The form is available on paper or can be completed via a web-based process. Health care providers can mail a paper application, complete the application via the web-based process via the National Plan and Provider Enumeration System (NPPES), or have a trusted organization submit the application on their behalf via the Electronic File Interchange (EFI) process.

An NPI is expected to last for the “life” of the health care provider (i.e., until the death of an individual or until the dissolution of an organization); therefore, a health care provider applies for an NPI only one time. A health care provider that is a covered entity must furnish updates to the information given in the application whenever changes occur to those data. Updates can be mailed or submitted electronically.

The paper application form is sent via mail to the Enumerator, which is the organization operating under a federal contract. The Enumerator uses the NPPES to process the application and generate the NPI.

B. Justification

1. Need and Legal Basis

HIPAA mandated the adoption of a standard unique health identifier for all health care providers. This identifier would be used by health care providers to identify themselves in the standard transactions specified by HIPAA. The NPI was adopted as this standard by regulation on January 23, 2004. HIPAA mandated that covered entities use this standard on those transactions no later than the compliance date. The compliance date for all covered entities except small health plans is May 23, 2007. For small health plans, it is May 23, 2008. Covered entities are health plans, health care clearing houses, and those health care providers who transmit any data in electronic form in connection with a transaction for which the Secretary has adopted a standard. The regulation also requires that covered health care providers who have been assigned NPIs provide updates to the data that were initially collected in order to assign the NPI.

The NPI Application/Update form has been revised to provide additional guidance on how to accurately complete the form. This collection includes clarification on information that is required on applications/changes. Minor changes on the application/update form include adding a 'Subpart' check box in the Other Name section and a revision within the PRA Disclosure Statement. This collection also includes changes to the instructions.

2. **Information Users**

Information about health care providers is needed in order to uniquely identify them so they can be assigned unique NPIs. If they are not uniquely identified, the same health care provider could be assigned more than one NPI. The NPPES captures the information from the application form, uniquely identifies the health care provider, and assigns it an NPI.

Information collected from the health care providers in order to be assigned NPIs and the updates to that information are stored and maintained in the NPPES. The information will be used in accordance with the System of Records Notice and the NPPES Data Dissemination Notice.

3. **Use of Information Technology**

The NPPES offers the capability for health care providers to submit electronic applications and updates. We have a web-based application for providers and an upload file capability (aka EFI) for approved provider organizations that helps to facilitate the enumeration process. More than 80% of the applications/updates are conducted electronically.

4. **Duplication of Efforts**

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

modified to capture the information on this form.

5. **Small Businesses**

N/A

6. **Less Frequent Collection**

The application for an NPI is a one-time collection. The regulation also mandates that covered health care providers notify the Enumerator of changes to their NPPES data within 30 days of the change.

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 12, 2014.

9. **Payments/Gifts To Respondents**

N/A

10. **Confidentiality**

CMS will comply with all privacy Freedom of Information laws and regulations that apply to this collection.

11. **Sensitive Questions**

There are no sensitive questions associated with this information.

12. **Burden Estimate (Total Hours & Wages)**

Application for an NPI is considered to be a one-time action: an NPI is considered a permanent identifier for a health care provider. Health care providers began applying for NPIs on May 23, 2005. Covered health care provider must obtain their NPIs by the compliance date of May 23, 2007.

The NPI Final Rule estimates that approximately 12.6 percent of existing health care providers will need to complete and submit the NPI application/update form in a given year to notify NPPES of any changes to their NPPES data. Below are our estimates for the annual burden hours associated with these requirements.

Applications for NPIs: Estimated Annualized Burden

Since applying for an NPI is a one-time burden on a health care provider, the burden associated with the revised NPI Application/Update Form would apply only to new health care providers that are covered entities. For the estimated annualized burden, we use the number of new health care providers that come into the business every year. The number of new covered health care providers is 1.56 percent of the number of existing health care providers in the previous year. We estimate approximately 67,080 new health care providers (1.56% of the 4.3 million total health care providers previously enumerated) will apply for their NPI. The number of health care providers will increase by 1.56 percent annually. This is not a “net” percentage; it represents strictly the percentage of new health care providers coming into business annually.

We estimate it will take 20 minutes to complete the application/update form to apply for an NPI. We estimate an hourly rate of \$14.40 for office staff to complete the application/update form on behalf of a provider.

67,080 Total covered health care providers x 20 (minutes per application) / 60 (minutes per hour)
= 22,360 Annual Burden Hours at a cost of \$321,984 (total).

Updates of NPPES data: Estimated Annualized Burden

The number of health care providers needing to update their data in any year is a percentage of the number of health care providers. Of the existing health care providers, we estimate that 12.6 percent of covered health care providers would need to furnish updates in a given year. A health care provider that is a covered entity that does not have changes to its NPI data would not furnish updates and would, therefore, experience no burden. We estimate that roughly one-third of the 4.3 million providers are covered providers required to provide updates in a given year. We also estimate it will take 10 minutes to complete the application/update form to update a provider’s NPPES data. We estimate an hourly rate of \$14.40 for office staff to complete the application/update form.

4,300,000 Approximate Number of Providers with an NPI (based on 4.3 million providers) x .126 (percentage requiring updates in any given year -12.6%) = 541,800 x 10 (minutes per update application)/60 (minutes per hour = 90,300 Annual Burden Hours at a cost of \$1,300,320 (Total).

13. Capital Costs

There are no capital costs associated with this collection.

14. **Cost to the Federal Government**

There are no additional costs to the federal government.

15. **Changes to Burden**

With the implementation of this collection, we believe that there will be an increase in burden. The increased burden is due to the increase in the number of updates to existing health care provider's records that will take place. Also in any given year, it could be an increase or decrease in the number of new health care providers. We expect to enumerate new health care providers and process updates (including deactivations) to existing health care provider's records with this collection.

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16. **Publication/Tabulation Dates**

N/A

17. **Expiration Date**

We will display the expiration date. The form will be revised to add the expiration date.

18. **Certification Statement**

There are no exceptions to the certification statement.