

Supporting Statement for Paperwork Reduction Act Submission  
Appointment of Representative and Supporting Regulations in 42 CFR 405.910  
CMS-1696 (0938-0950)

**Background**

This application requests re-approval of an information collection associated with regulations that permit individuals or entities to appoint representatives to exercise their rights to appeal an initial determination. These regulations are described below.

**A. Justification**

1. The authority for collecting this information is under 42 CFR 405.910 (a) of the Medicare claims appeal procedures.

An appointment of representative must:

- be in writing;
- be signed and dated by both the party and individual agreeing to be the representative;
- provide a statement appointing the representative to act on behalf of the party, and in the case of a beneficiary, authorize the adjudicator to release personally identifiable health information;
- include a written explanation of the purpose and scope of the representation;
- contain the party's and appointed representative's name, phone number, and address;
- provide the beneficiary's Medicare health insurance claim number, if applicable. When the represented party is not a beneficiary, a unique identifier (such as the National Provider Identifier or plan number) is requested);
- include the appointed representative's professional status or relationship to the party; and
- be filed with the entity processing the party's initial determination or appeal.

2. Information Users

This form would be completed by beneficiaries, providers and suppliers, and any party who wish to appoint a representative to assist them with their initial determinations and filing appeals.

3. Use of Information Technology

There is no provision for alternative uses of information technology.

To comply with the Government Paperwork Elimination Act (GPEA), you must

also include the following information in this section:

Is this collection currently available for completion electronically? No

Does this collection require a signature from the respondent(s)? Yes

If CMS had the capability of accepting electronic signature(s), could this collection be made available electronically? No, currently, many Medicare contractors and health plans do not have the ability to receive forms electronically. Because the form requires the signature of the respondent and the respondent's prospective representative, this form currently cannot be made available for electronic submission.

If this collection isn't currently electronic but will be made electronic in the future, please give a date (month & year) as to when this will be available electronically and explain why it can't be done sooner. Not applicable.

If this collection cannot be made electronic or if it isn't cost beneficial to make it electronic, please explain. This collection requires a signature from both the respondent and the respondent's prospective representative and therefore cannot currently be made electronic.

4. Duplication of Efforts

The CMS-1696 does not duplicate any existing information collection.

5. Small Businesses

This collection does not have a significant economic impact on a substantial number of small entities.

6. Less Frequent Collection

This form is submitted on an as needed basis, therefore we cannot conduct this collection less frequently.

7. Special Circumstances

In an effort to minimize costs, the Spanish version is not included in this package but will be added as a nonsubstantive change after OMB approval.

This information collection is in accordance with the guidelines in 5 CFR 1320.6.

8. Federal Register/Outside Consultation

The 60-day Federal Register notice published on May 8, 2015 (80 FR 26568). No comments were received.

9. Payments/Gifts to Respondents

We do not plan to provide any payment or gifts to respondents.

## 10. Confidentiality

Beneficiaries who choose to appoint a representative are required by regulation (42 CFR 405.910 (c)(5)) to provide their Medicare Health Insurance Claim Number on the AOR form. Contractors collect and maintain this information for CMS under the provisions of the Privacy Act.

## 11. Sensitive Questions

There are no questions of a sensitive nature associated with this request.

## 12. Burden Estimates (Hours & Wages)

We must estimate the burden for the Appointment of Representative (AOR) form because we do not maintain data on the use of appointed representatives. Therefore, our estimates are derived from anecdotal information.

Our estimates are limited to beneficiary appeals involving appointed representatives. Providers and suppliers rarely invoke the use of appointed representatives, and when they do, it is most often during the higher levels of the appeals process. Providers and suppliers are required to submit requests for initial determinations electronically, often employing a billing service to handle the accounts. Therefore, we believe that providers and suppliers are likely to use the AOR form for initial determinations in limited circumstances.

We believe that when parties appoint representatives, they generally do so at the start of the appeals process. For FY 2013, 4,073,960 requests for first level appeals were received (this figure is obtained from the CROWD [Contractor Reporting of Operational & Workload Data] system used by contractors to report workload statistics to CMS). We estimate that in 10% of all appeals (407,396) appellants will appoint a representative.

Since we have developed the optional standardized form, we estimate that it should take approximately 15 minutes to supply the information needed to comply with the requirements for a valid Appointment of Representative.

### **Providers/Suppliers**

We estimate that 90% of all AOR forms will be completed by providers or suppliers. As noted previously, providers and suppliers are likely to use a billing service to file claims and appeals. We also estimate that the AOR form would most likely be prepared by a staff person with professional skills at the GS-9, Step1 level with an hourly salary of \$20.32/hr, so we computed the wage burden as follows:

90% multiplied by total of all Appointment of Representatives (0.9 multiplied by 407,396) = 366,656 AORs completed by providers or suppliers annually

Burden Hours = (366,656 provider or supplier AORs multiplied by 15 minutes to complete form) = 5,499,840 total minutes

Burden Hours = (5,499,840 total minutes) divided by 60 minutes per hour = **Total Number Burden Hours = 91,664**

GS-9 (Step 1) hourly rate 2015 = \$20.32/hr

Total Burden Hours x Hourly Rate = 91,664 multiplied by \$20.32/hr = \$1,862,612 wage burden

### **Beneficiaries**

The remaining 10% of the AOR forms filled out would be completed by beneficiaries and would have no wage burden associated with their completion. However, the following is a breakdown of the burden hours associated with the portion of forms completed by beneficiaries:

10% multiplied by Total of all Appointment of Representatives (0.1 multiplied by 407,396) = **40,740 AORs completed by beneficiaries annually**

Burden Hours = (40,740 beneficiary AORs multiplied by 15 minutes to complete form) = 611,100 total minutes

Total Burden Hours = (611,085 total minutes) divided by 60 minutes per hour = **Total Burden Hours = 10,185**

### 13. Capital Costs

There are no capital costs associated with this collection.

### 14. Cost to Federal Government

There is no cost to the Federal Government for this collection.

### 15. Changes to Burden

The form contains nonsubstantive changes that are identified in this package's Crosswalk and Track Change (Redline/Strikeout) documents.

The burden hours are computed based on relevant available data for Medicare appeals, and those figures are updated annually. Current appeals data indicates that the number of first level appeals has increased since 2011. While the total time to complete the form has not changed, the hourly burden estimates have increased for all respondents due to a greater number of appeals being filed.

Our cost estimate has increased, due to an increase in wages since the last collection.

There are no capital costs or costs to the Federal Government associated with the information collected using this form.

16. Publication/Tabulation Dates

The standardized form will be published on the Internet; however, no aggregate or individual data will be tabulated from them.

17. Expiration Date

We are not requesting exemption.

18. Certification Statement

There are no exceptions to the certification statement.

**B. Collection of Information Employing Statistical Methods**

The use of statistical methods does not apply for purposes of this form.