

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

*The National Provider Identifier Application/Update Form Revision  
CMS-10114/OMB control number: 0938-0931*

## **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 application form was approved in February 2005 and has been in use since May 23, 2005. 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. The Enumerator uses the NPPES to process the application and generate the NPI. NPPES is the Medicare contractor tasked with issuing NPIs, and maintaining and storing NPI data.

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 reason for this submittal is minimal revisions to the application and instructions. Instructions on how to complete the application were in the back of the form itself and were moved to the front of the application to provide guidance to the provider to read prior to completing the form. No data fields were added. Redundancy in data collection and data fields unnecessary for processing were removed.

## **B. Justification**

### **1. Need and Legal Basis**

Various sections of the Act and the Code of Federal Regulations require providers who provide health care to furnish information concerning their identification, whether individuals or organizations for use in receiving a standard unique health identifier.

- Title II of the Health Insurance Portability and Accountability Act of 1996 (HIPAA); Public Law 104-191, (110<sup>th</sup> Congress – 2007 - 2009), known as the Administrative Simplification (AS) provisions, requires the establishment of national standards for national identifiers for providers, health insurance plans, and employers.
- CMS–0045–F: HIPAA Administrative Simplification: Standard Unique Health Identifier for Health Care Providers, establishes the standard for a unique health identifier for health care providers for use in the health care system and announces the adoption of the National Provider Identifier (NPI) as that standard.
- Under 45 CFR. section 162.410(a)(1) through (a)(6) Implementation Specifications: Health Care Providers, states a health care provider must obtain, by application if necessary, an NPI and must use the NPI it obtained to identify itself on all standard transactions where its provider identifier is required..
- Sections 1124(a)(1) and 1124A of the Act require disclosure of both the Employer Identification Number (EIN) and Social Security Number (SSN) of each 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 applications.
- 31 U.S.C. section 7701(c) requires that any person or entity doing business with the federal government must provide their Tax Identification Number (TIN).
- Section 3004(b)(1) of the Public Health Service Act (PHSA) requires the Secretary to adopt an initial set of standards, implementation guidance, and certification criteria and associated standards and implementation specifications will be used to test and certify complete EHRs and EHR modules in order to make it possible for eligible professionals and eligible hospitals to adopt and implement Certified EHR Technology.
- Federal law 5 U.S.C. 522(b)(4) requires privileged or confidential commercial or financial information protection from public disclosure.
- Executive Order 12600 requires the pre-disclosure of notification procedures for confidential commercial information.
- 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-10114 (Office of Management and Budget (OMB) approval number 0938-0931) to allow health care professionals to apply for a National Provider Identifier (NPI) and to use it to update the initial information of said NPI.

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

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. CMS wants NPPES to be national provider directory where the patients, providers and other stakeholders can access all the necessary provider information in one place.

The CMS-10114 is submitted when the applicant requests an NPI, or updates the information linked to the applicant's NPI. 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.

NPPES captures Medicaid numbers. As of May 15, 2017, NPPES does not ask the users to enter Medicare numbers as CMS can provide that information. NPPES stores these numbers in their database and also makes them available for CMS, NPPES contractor employees responsible for provider NPI processing, and the providers who have NPI files in NPPES. The license numbers that come through paper applications are validated against state licensing websites. All the license numbers are captured and stored in the NPPES database. Social Security Numbers (SSN) are validated against the Social Security Administration database (SSA) and only the valid entries are allowed to proceed in the process of getting an NPI. International Tax Identification Numbers (ITINs) are not validated. However, if a user enters ITIN, additional forms of identification (e.g., driver's license, passport or birth certificate) are required. Both ITINs and SSNs are captured in the NPPES database and disseminated only to approved CMS stakeholders. Mailing address, practice location address and contact information is captured to contact the provider. Taxonomy information is captured to identify the specialty of the provider. The information obtained is to help prevent fraud by allowing vetting of the providers as well as to ensure a provider gets one and only one NPI.

The application is used by the NPPES contractor to collect data ensures that the applicant has the necessary information for unique identification. 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. CMS requires an applicant to have an NPI prior to applying for a Medicare billing number.

### 3. **Use of Information Technology**

This collection lends itself to electronic collection methods and is currently available through the NPPES website. The NPPES website is a secure, intelligent and interactive national data storage system maintained and housed at the Virtual Data Center (VDC) hosted by the Companion Data Services (CDS), which is the company that maintains CMS' Data Centers. It has limited user access through strict CMS systems access protocols. Access to the data maintained in NPPES is limited to CMS, NPPES contractor employees responsible for provider NPI processing, and the providers who have NPI files in NPPES. These providers only have access to their own files. The data stored in NPPES mirrors the data collected on the CMS-10114 (National Provider Identifier (NPI) Application/Update Form) and is maintained indefinitely as both historical and current information. NPPES also supports an Internet-based provider/supplier platform which allows the provider/supplier to complete an online CMS-10114 application and transmit it to the NPPES contractor database for processing, including an upload file capability (also known as EFI submission) for approved provider organizations that helps to facilitate the enumeration process. NPPES has also adopted an electronic signature standard. However, providers also have the choice to submit a paper application. Periodically, CMS will require adjustment to the format of the CMS-10114 form (either paper, electronic or both) for clarity or to improve form design. These adjustments do not alter the current OMB data collection approval.

### 4. **Duplication of Efforts**

There is no duplicative information collection instrument or process.

### 5. **Small Businesses**

The NPI is required of all health care providers so it will affect small businesses.

### 6. **Less Frequent Collection**

After the application for an initial NPI, this information is collected on an as needed basis as the regulation also mandates that health care providers notify NPPES of updates to their NPI data within 30 days of the update.

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 July 17, 2017 (82 FR 32708). A 30-day notice published October 26, 2017 (82 FR 49611). No comments were received. No additional outside consultation was sought.

9. **Payments/Gifts to Respondents**

No payments or gifts will be provided to respondents.

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.

The SORN title is National Plan and Provider Enumeration System (NPPES), number 09-70-0555.

11. **Sensitive Questions**

There are no sensitive questions associated with this information.

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

A. Burden Estimate (hours)

For this proposed revision of the CMS-10114, CMS has recalculated the prior revision's estimated burden hours. CMS believes this recalculation is necessary for this data collection tool because the number of affected users, reasons to collect the data, and the collection methods have changed. CMS believes these new burden hours accurately reflects the current burden for the purposes of this application when completing this proposed revision of the CMS-10114. CMS is basing the new burden amounts on data compiled from NPPES. The new estimates for completing the CMS-10114 (The National Provider Identifier Application/Update Form) for initial application and reporting updates in application information (including deactivations) are taken directly from the actual

applications processed for calendar year 2016. The new figures are exact and therefore more accurate than prior estimates.

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

- There were 313,175 applications for initial NPIs in 2016 using the CMS-10114.
- There were 1,105,170 applications for updates in initial NPI information in 2016 using the CMS-10114.
- Deactivations are not typical and must complete the same actions as updates of information on the CMS-10114 application and therefore are being counted as updates of information for the purpose of this burden estimate.  
Completion of the CMS-10114 takes 0.34 hours (20 minutes) for initial applications and updates of application information.

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

HOURS ASSOCIATED WITH COMPLETING THE INITIAL CMS-10114 APPLICATION:

313,175 respondents completing the initial application form to receive their initial NPI via NPES Web, CMS-10114 paper application, and NPES Web using EFI process

TOTAL FOR INITIAL APPLICATIONS = 313,175 respondents x 0.34 hours @ 106,475.5 hours for initial applications using the CMS-10114

HOURS ASSOCIATED WITH COMPLETING UPDATES OF CMS-10114 APPLICATION INFORMATION:

1,105,170 respondents completing the application form to update their initial NPI information via NPES Web, CMS-10114 paper application, and NPES Web using EFI process.

TOTAL FOR APPLICATION UPDATES = 1,105,170 respondents x 0.34 hours = 375,757.80 hours for updates to their initial NPI information using the CMS-10114.

B. Burden Estimate (costs)

For this proposed revision of the CMS-10114, CMS has recalculated the prior revision's estimated burden costs. CMS believes this recalculation is necessary for this data collection tool because the number of affected users, reasons to collect the data, the collection methods, and the time it takes per

response have changed. CMS believes these new burden costs accurately reflects the current burden for the purposes of this application when completing this proposed revision of the CMS-10114. CMS is basing the new burden amounts on data compiled from NPPEs. The new estimates for completing the CMS-10114 (The National Provider Identifier Application/Update Form) for initial application and reporting updates in application information (including deactivations) are taken directly from the actual applications processed for calendar year 2016, as calculated in the burden hour section of this statement. The new figures are exact and therefore more accurate than prior estimates. CMS contacted the NPI contractor, NPPEs, to determine how the application was typically completed (by administrative staff and office workers, reviewed and signed by the health diagnosing and treating practitioners). In addition, NPPEs indicated that the burden for initial enrollments and updates to enrollment information were identical, as the same data fields on the instrument must be completed for either use of the form. Furthermore, CMS used the hourly wage calculations which were taken from the most recent wage data provided by the Bureau of Labor Statistics (BLS) for May 2016 (see [http://www.bls.gov/oes/current/oes\\_nat.htm#43-0000](http://www.bls.gov/oes/current/oes_nat.htm#43-0000)), indicating the mean hourly wage for the general categories of "Office and Administrative Support Occupations" and "Health Diagnosing and Treating Practitioners." All wage rates have been inflated by 100% to account for fringe benefits.

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

- There were 313,175 applications for initial NPIs in 2016 using the CMS-10114.
- There were 1,105,170 applications for updates in initial NPI information in 2016 using the CMS-10114.
- Deactivations are not typical and must complete the same actions as updates of information on the CMS-10114 application and therefore are being counted as updates of information for the purpose of this cost estimate (as in the hour burden section).
- Completion of the CMS-10114 takes 0.34 hours (20 minutes) for initial applications and updates of application information.
- Cost to the respondents is calculated as follows based on the following assumptions:
  - The CMS-10114 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 application was determined using as follows:
  - The most recent wage data provided by the Bureau of Labor Statistics (BLS) for May 2016, the mean hourly wage for the general category of "Office and Administrative Support Occupations" is \$16.31 per hour (see [http://www.bls.gov/oes/current/oes\\_nat.htm#43-0000](http://www.bls.gov/oes/current/oes_nat.htm#43-0000)). With fringe benefits and overhead, the total hourly rate is \$32.62.
  - The most recent wage data provided by the BLS for May 2016 (see [http://www.bls.gov/oes/current/oes\\_nat.htm#43-0000](http://www.bls.gov/oes/current/oes_nat.htm#43-0000)), the mean hourly wage for the general category of "Health Diagnosing and Treating Practitioners" is \$47.51. With fringe benefits and overhead, the total hourly rate is \$95.02.

- Based on the information above, CMS has split the cost burden as follows:
  - Office and administrative support workers complete the application in approximately 16 minutes, or 0.27 hours, and
  - Health diagnosing and treating practitioners review and sign the application in approximately 4 minutes, or 0.07 hours.

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

**COSTS ASSOCIATED WITH COMPLETING THE INITIAL CMS-10114 APPLICATION:**

313,175 respondents completing the initial application form to receive their initial NPI via NPPES Web, CMS-10114 paper application, and NPPES Web using EFI process

0.27 hours (16 minutes) x \$32.62 = \$8.81 per application completed by office and administrative support workers

0.07 hours (4 minutes) x \$95.02 = \$6.65 per application reviewed and signed by Health Diagnosing and Treating Practitioners

Subtotal = \$8.81 + 6.65 = \$15.46 per application

Total – 313,175 respondents x \$15.46 per application = \$4,841,685.50 annually for completion of initial NPI applications using the CMS-10114.

**COSTS ASSOCIATED WITH COMPLETING UPDATES OF CMS-10114 APPLICATION INFORMATION:**

1,105,170 respondents completing the application form to update their initial NPI information via NPPES Web, CMS-10114 paper application, and NPPES Web using EFI process.

**Table 1 - Summary of Burden Hours and Costs**

Regulation Section(s)	OMB Control No.	Number of Respondents	Number of Responses	Burden per Response (hours)	Total Annual Burden (hours)	Hourly Labor Cost of Reporting (\$) includes 100% fringe benefits	Total Cost (\$)



Initial Enrollments  NPI Application /Update Form  (CMS-10114)	0938-0931	313,175	313,175 per year	0.07 hours by Health Diagnosing and Treating Practitioners  0.27 hours by office and administrative support workers	106,476 hours	Health Diagnosing and Treating Practitioners at \$95.02 per hour  office and administrative support workers at \$32.24 per hour	\$4,841,686
Updates to Initial Enrollments  NPI Application /Update Form  (CMS-10114)	0938-0931	1,105,170	1,105,170 per year	0.07 hours by Health Diagnosing and Treating Practitioners  0.27 hours by office and administrative support workers	375,758 hours	Health Diagnosing and Treating Practitioners at \$95.02 per hour  office and administrative support workers at \$32.24 per hour	\$17,085,928
<b>3-year total</b>	<b>0938-0931</b>	<b>939,525 for initial enrollments</b>  <b>3,315,510 for updates of information</b>	<b>939,525 for initial enrollments</b>  <b>3,315,510 for updates of information</b>	<b>0.34 hours</b>	<b>319,428 hours for initial enrollments</b>  <b>1,127,274 hours for updates of information</b>	<b>Health Diagnosing and Treating Practitioners at \$95.02 per hour</b>  <b>office and administrative support workers at \$32.24 per hour</b>	<b>\$14,525,058 for initial enrollments</b>  <b>\$51,257,784 for updates of information</b>

13. Capital Costs

There are no capital costs associated with this collection.

#### 14. **Cost to the Federal Government**

The application form revisions will not result in any additional cost to the federal government because the application revisions are designed for better flow and to reduce the burden on the provider and the contractor. In addition, the NPPEs contractor is already processing this number of applications from individuals and organizations who are completing the NPI application to obtain their NPI or to update their NPI information. Applications will continue to be processed in the normal course of Federal duties.

#### 15. **Changes to Burden**

The total burden is 482,238 hours. Overall, the burden hours increased by a total of 279,278 hours (from 202,960 to 482,238). This is attributed to both the increased number of respondents and the increased time allotted per response.

The number of respondents increased by 809,465 (from 608,880 to 1,418,345). This increase comes as a result of using more reliable data compiled from the National Provider Identifier Application (NPPEs). The new estimates for completing the NPPEs are now taken directly from the actual applications processed for calendar year 2016 in NPPEs and are more accurate than the prior estimates. Previously, CMS relied solely on best guess estimates when estimating respondents.

The existing figures are approximately 5 years out of date. Prior burden was based on different timing estimates as to how long it takes to complete the application. Previously, CMS estimated five minutes to complete the application. Based on updated data, CMS has increased the application completion time by 15 minutes (from 5 to 20 minutes) in order for each respondent to read the instructions, review Privacy Act Statement and complete the application. The time increase per respondent resulted in a burden hour increase of 202,366 hours (.25 hours x 809,464 respondents).

In total, the annual cost has increased by \$19,695,310 (from \$1,622,304 to \$21,297,614). Bureau of Labor Statistics (BLS) for May 2016, greatly increased the mean hourly wage for the general categories of "Office and Administrative Support Occupations" and "Health Diagnosing and Treating Practitioners" since the last review of this application form in 2014. The prior estimates did not include costs for "Health Diagnosing and Treating Practitioners" to review and sign the application, which increased the cost per application.

#### 16. **Publication/Tabulation Dates**

Results from this data collection will not be published.

17. **Expiration Date**

The expiration date will display on the right hand top corner of the instructions on page one as well as the top right hand corner of the form itself on page 3.