

Supporting Statement for Paperwork Reduction Act Submissions

*CMS-10114 - The National Provider Identifier Application/Update Form Revision
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 a minimal revision to the application. The application removed the check box for “Same as Mailing” in the Practice Location Information section so the Practice Location section must be completed on a Change of Information submission if the provider wants the address changed. The reason for this change is many providers will mark the box as “same as mailing address” but then fill in a different address than the mailing address, which causes confusion

as to which address is the practice location address. No data fields were added.

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, (110th 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.

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

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.

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.

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. However, the burden is minimal.

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 June 8, 2020 (85 FR 35095). No comments were received. A 30-day Notice published in the Federal Register on November 5, 2020 (85 FR 70633).

9. **Payments/Gifts to Respondents**

There are no payments or gifts to the respondents as a result of completing this form.

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 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 NPES. 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 2019. 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 404,128 applications for initial NPIs in 2019 using the CMS-10114.
- There were 591,914 applications for changes of information in initial NPI information in 2019 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.
- There are three types of collection: electronic, paper, and EFI (which is also electronic but takes a different format). Each type of collection will be counted in the burden hours.
- Completion of the CMS-10114 takes 0.17 hours (10 minutes) for initial applications and updates of application information.

CMS estimates the new total burden hours for this information collection to be 169,327 hours. These figures are calculated based on when/why and how long it takes a respondent to complete and submit this application (CMS-10114). The figures are reflected below and in the calculations in Part II of the 83 Worksheets.

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

HOURS ASSOCIATED WITH COMPLETING THE INITIAL CMS-10114 APPLICATION:

- A. 397,138 respondents completing the initial application form to receive their initial NPI via NPES Web
- B. 5,499 respondents completing the initial application form to receive their initial NPI via CMS-10114 paper application
- C. 1,491 respondents completing the initial application form to receive their initial NPIs via NPES Web using EFI process

| Collection Types (INITIAL CMS- 10114 Application) | Respondents/Responses | Time (hours) | Total hours |
|--|------------------------------|---------------------|--------------------|
| NPPES WEB | 397,138 | 0.17 | 67,513 hours |
| Paper Application | 5,499 | 0.17 | 935 hours |
| NPPES Web using EFI process | 1,491 | 0.17 | 253 hours |
| TOTAL | 404,128 Respondents | | 68,701 hours |

TOTAL FOR INITIAL APPLICATIONS = 404,128 respondents @ 68,701 hours for initial applications using the CMS-10114

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

- A. 505,321 respondents completing the application form to update their initial NPI information via NPPES Web
- B. 13,462 respondents completing the application form to update their initial NPI information via CMS-10114 paper application
- C. 73,131 respondents completing the application form to update their initial NPI information via NPPES Web using EFI process

| Collection Types (Updates CMS- 10114 Application) | Respondents/Responses | Time (hours) | Total hours |
|--|------------------------------|---------------------|--------------------|
| NPPES WEB | 505,321 | 0.17 | 85,905 hours |
| Paper Application | 13,462 | 0.17 | 2,289 hours |
| NPPES Web using EFI process | 73,131 | 0.17 | 12,432 hours |
| TOTAL | 591,914 Respondents | | 100,626 hours |

TOTAL FOR APPLICATION UPDATES = 591,914 respondents @ 100,626 hours for updates to their initial NPI information using the CMS-10114

FINAL HOUR BURDEN TOTAL FOR INITIAL APPLICATIONS AND UPDATES OF

INFORMATION USING THE CMS-10114 IN TOTAL:

Subtotal 1 = 404,128 respondents @ 68,701 hours for initial applications using the CMS-10114

Subtotal 2 = 591,914 respondents @ 100,626 hours for updates to their initial NPI information using the CMS-10114

FINAL TOTAL = 996,042 respondents @ 169,327 hours for initial and updated applications 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 NPDES. 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 2019, as calculated in the burden hour section of this statement. The new figures are exact and therefore more accurate than prior estimates. 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 2019 (see 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."

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

- There were 404,128 applications for initial NPIs in 2019 using the CMS-10114, as computed above, (number 12A).
- There were 591,914 applications for updates in initial NPI information in 2019 using the CMS-10114, as computed above (number 12A).
- 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).
- There are three types of collection: electronic, paper, and EFI (which is also electronic but takes a different format). Each type of collection will be counted in the burden costs.
- Completion of the CMS-10114 takes 0.17 hours (10 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.
- CMS adjusts the employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and overhead costs vary significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. Nonetheless, there is no practical alternative and we believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.
- 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 2019, the mean hourly wage for the general category of "Office and Administrative Support Occupations" is \$19.73 per hour (see http://www.bls.gov/oes/current/oes_nat.htm#43-0000). With fringe benefits and overhead, the total hourly rate is \$39.46.
 - The most recent wage data provided by the BLS for May 2019 (see 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 \$49.26. With fringe benefits and overhead, the total hourly rate is \$98.52.
- Based on the information above, CMS has split the cost burden as follows:
 - Office and administrative support workers complete the application in approximately 8 minutes, or 0.135 hours, and
 - Health diagnosing and treating practitioners review and sign the application in approximately 2 minutes, or 0.035 hours.

CMS estimates the new total burden cost for this information collection to be \$8,745,248.78. These figures are calculated based on when/why and how long it takes a respondent to complete and submit this application (CMS-10114) as well as who is completing and signing the application. The figures are reflected below and in the calculations in Part II of the 83 Worksheets.

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

COSTS ASSOCIATED WITH COMPLETING THE INITIAL CMS-10114 APPLICATION:

- A. 397,138 respondents completing the initial application form to receive their initial NPI via NPPES Web

0.135 hours (8 minutes) x \$39.46 = \$5.33 per application completed by office and administrative support workers

0.035 hours (2 minutes) x \$98.52 = \$3.45 per application reviewed and signed by Health Diagnosing

and Treating Practitioners

Subtotal 1 = \$5.33 + \$3.45 = \$8.78 per application

Total 1: 397,138 respondents x \$8.78 per application = \$3,486,871.64 annually for completion of initial NPI applications via NPPES Web

B. 5,499 respondents completing the initial application form to receive their initial NPI via CMS-10114 paper application

0.135 hours (8 minutes) x \$39.46 = \$5.33 per application completed by office and administrative support workers

0.035 hours (2 minutes) x \$98.52 = \$3.45 per application reviewed and signed by Health Diagnosing and Treating Practitioners

Subtotal 1 = \$5.33 + \$3.45 = \$8.78 per application

Total 2: 5,499 respondents x \$8.78 per application = 48,281.22 annually for completion of initial NPI applications via CMS-10114 paper application

C. 1,491 respondents completing the initial application form to receive their initial NPIs via NPPES Web using EFI process

0.135 hours (8 minutes) x \$39.46 = \$5.33 per application completed by office and administrative support workers

0.035 hours (2 minutes) x \$98.52 = \$3.45 per application reviewed and signed by Health Diagnosing and Treating Practitioners

Subtotal 1 = \$5.33 + \$3.45 = \$8.78 per application

Total 3: 1,491 respondents x \$8.78 per application = 13,091.00 annually for completion of initial NPI applications via NPPES Web using EFI process

TOTAL FOR INITIAL APPLICATIONS:

Total 1 + Total 2 + Total 3 = \$3,486,871.64 + \$48,281.22 + \$13,091.00 = \$3,548,243.86 total cost for all initial applications using the CMS-10114

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

- A. 505,321 respondents completing the application form to update their initial NPI information via NPPES Web

0.135 hours (8 minutes) x \$39.46 = \$5.33 per application completed by office and administrative support workers

0.035 hours (2 minutes) x \$98.52 = \$3.45 per application reviewed and signed by Health Diagnosing and Treating Practitioners

Subtotal 1 = \$5.33 + \$3.45 = \$8.78 per application

Total 1: 505,321 respondents x \$8.78 per application = \$4,436,718.38 annually for completion of updates to initial information via NPPES Web

- B. 13,462 respondents completing the application form to update their initial NPI information CMS-10114 paper application

0.135 hours (8 minutes) x \$39.46 = \$5.33 per application completed by office and administrative support workers

0.035 hours (2 minutes) x \$98.52 = \$3.45 per application reviewed and signed by Health Diagnosing and Treating Practitioners

Subtotal 1 = \$5.33 + \$3.45 = \$8.78 per application

Total 2: 13,462 respondents x \$8.78 per application = \$118,196.36 annually for completion of updates to initial information via CMS-10114 paper application

- C. 73,131 respondents completing the application form to update their initial NPI information via NPPES Web using EFI process

0.135 hours (8 minutes) x \$39.46 = \$5.33 per application completed by office and administrative

support workers

0.035 hours (2 minutes) x \$98.52 = \$3.45 per application reviewed and signed by Health Diagnosing and Treating Practitioners

Subtotal 1 = \$5.33 + \$3.45 = \$8.78 per application

Total 3: 73,131 respondents x \$8.78 per application = \$642,090.18 annually for completion of updates to initial information via NPES Web using EFI process

TOTAL FOR UPDATES TO INFORMATION TO INITIAL APPLICATIONS:

Total 1 + Total 2 + Total 3 = \$4,436,718.38 + \$118,196.36 + \$642,090.18 = \$5,197,004.92 total cost for updates to information to initial applications using the CMS-10114

FINAL COST BURDEN TOTAL FOR INITIAL APPLICATIONS AND UPDATES OF INFORMATION USING THE CMS-10114 IN TOTAL:

Subtotal 1 = 404,128 respondents @ \$3,548,243.86 total cost for all initial applications using the CMS-10114

Subtotal 2 = 591,914 respondents @ \$5,197,004.92 total cost for updates to information to initial applications using the CMS-10114

FINAL TOTAL = 996,042 respondents @ \$8,745,248.78 for initial and updated applications using the CMS-10114

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 the NPES 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 new estimates for completing the CMS-10114 (The National Provider Identifier

Application/Update Form) for initial applications and reporting updates in initial application are taken directly from the actual applications processed for calendar year 2019 in NPPES and therefore more accurate than the prior estimates. In addition, CMS assessed (via NPPES) how many providers are currently using the CMS-10114 to update their initial application information. Those assessed providers were added to the current burden estimates. This decreased the number of respondents by 477,143 (1,473,185 to 996,042). In addition, the prior burden was based on an application completion time of .24 hours (20 minutes); however, the completion time has been reduced to .17 hours (10 minutes). The reduction in completion time reduced the burden hours by 312,911 hours (from 482,238 to 169,327).

16. **Publication/Tabulation Dates**

There are no plans to publish the outcome of the data collection.

17. **Expiration Date**

The expiration date is displayed 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.