Supporting Statement for Paperwork Reduction Act Submissions

Electronic Funds Transfer (EFT) Authorization Agreement

CMS-588/OMB Control No. 0938-0626

A. BACKGROUND

The primary function of the Electronic Funds Transfer (EFT) Authorization Agreement (Form CMS-588) is to gather information from a provider/supplier to establish an electronic payment process. This Paperwork Reduction Act (PRA) submission requests: (1) the renewal of this data collection (the current version expires in November 2026); and (2) a number of revisions to the Form CMS-588. These revisions are addressed in the attached spreadsheet but can be summarized as follows:

- Revising the form instructions for clarity
- Revising one of the EFT enrollment types from "Group" to "Organization"
- Adding "Revalidation" as a reason for submission and providing a checkbox
- Updating "Chain Home Office number" to "Chain Home Office ID"
- Removing language relating to PO Boxes for Account Holder Street Addresses
- Correcting typographic errors
- Removing redundant Medicare Identification Number fields
- Removing "optional" from the Financial Institution's Telephone Number, Financial Institution's Contact Person, and Authorized/Delegated Official E-mail Address fields
- Updating the form revision date.

B. JUSTIFICATION

1. Need and Legal Basis

As identified below, the Social Security Act (Act), the Code of Federal Regulations (CFR), 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.

- 42 CFR Part 424, subpart P states the requirements for enrollment, periodic resubmission and certification of enrollment information for revalidation, and timely reporting of updates and changes to enrollment information. These requirements apply to all providers and suppliers, who must meet and maintain these enrollment requirements to bill the Medicare program.
- 31 U.S.C. section 3332(f)(1) requires all Federal payments, including Medicare payments to providers and suppliers, to be made by EFT.
- 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).
- Sections 1814(a), 1815(a), and 1833(e) of the Act require the submission of information necessary to determine the amounts due to a provider or other person.
- Section 1104 of the Affordable Care Act (ACA) added the EFT transaction to the list of electronic health care transactions for which the HHS Secretary must adopt a standard under HIPAA.

- Section 10109 of the ACA required the development of standards for financial and administrative transactions. To this end, in January 2012, HHS issued an Interim Final Rule with Comment (IFC) adopting CMS-0024-IFC: Administrative Simplification: Adoption of Standards for Health Care Electronic Funds Transfers (EFTs) and Remittance Advice (01/10/12). These standards must be used for electronic claim payment initiation by all health plans that conduct healthcare EFT.
- Executive Order 12600 requires the pre-disclosure of notification procedures for confidential commercial information.

2. Information Users

Health care providers and suppliers who wish to enroll in the Medicare program must complete the Form CMS-588 to be paid for claims electronically. CMS no longer issues paper checks. EFT is required for payment of claims. It is submitted when a provider/supplier (1) seeks to initially enroll in Medicare and (2) reports changes to previously submitted EFT data (e.g. change in financial institution). The authorization agreement is collected by the Medicare Administrative Contractors (MACs) and forwarded to the financial departments of the MAC at the time of initial enrollment.

The collection and verification of this information protects our beneficiaries from illegitimate health care providers/suppliers. These procedures also protect the Medicare Trust Funds against fraud. It gathers information that allow Medicare contractors to ensure that the provider or supplier is using a legitimate banking institution. This is sole instrument used for this purpose.

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 PECOS data is restricted to CMS and the MACs. Providers/ suppliers ca n submit a Form CMS- 5 88 either: (i) electronically via PECOS, or (ii) via pa per.

4. Duplication and Similar Information

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

A Medicare billing number is required of all health care providers/suppliers who wish to submit claims to Medicare for payment. The Form CMS-588 therefore affects small businesses that seek a care billing number because claims are paid electronically. However, these businesses have long been required to provide CMS with EFT data in order to enroll in the Medicare program and to have their claims and payments accurately processed.

6. Less Frequent Collections

The information provided on the Form CMS-588 is necessary upon initial enrollment in Medicare (as well as when there is any change to the provider or supplier's existing

enrollment data) so that the MACs can ensure proper electronic payment to the provider/supplier.

7. Special Circumstances

There are no special circumstances associated with this collection.

8. Federal Register Notice/Outside Consultation

A 60-day Notice was published in the Federal Register on August 12, 2026 (91 FR 52057). No comments were received in response to the 60-day FR Notice.

A 30-day FR Notice published on November 11, 2026 (91 FR 73250).

No outside consultation was sought.

9. Payment/Gift to Respondents

As stated, the primary function of the Form CMS-588 is to gather information from a provider/supplier to establish an electronic payment process. The respondents who complete this form will, upon approval, be able to receive payment for Medicare services via EFT directly into the respondents' bank accounts.

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 Provider Enrollment, Chain and Ownership System (PECOS), number 09-70-0532.

11. Sensitive Questions

There are no sensitive questions associated with this collection.

12. Burden Estimate (hours)

A. Paperwork Burden Estimate (hours)

For this Form CMS-588 renewal and revision our estimates are based on the following:

- Per PECOS data, 38,205 initial Form CMS-588s submitted per year.
- Per PECOS data, 21,457 Form CMS-588 changes of information submitted per year.

- It takes the provider/supplier approximately 0.8 hours to complete an initial Form CMS-588. Of the 0.8-hour estimate:
  - Office staff (specifically, the Bureau of Labor Statistics (BLS) wage category of "Office and Administrative Support Occupations") will spend 0.65 hours completing the Form CMS-588.
  - The provider/supplier (using the BLS wage category of "Health Diagnosing and Treating Practitioners") will spend 0.15 hours reviewing and signing the form.

- It takes the provider/supplier approximately 0.5 hours to complete a Form CMS-588 change of information. Of the 0.5-hour estimate:
  - Office staff ("Office and Administrative Support Occupations") will spend 0.4 hours completing the Form CMS-588.
  - The provider/supplier ("Health Diagnosing and Treating Practitioners") will spend 0.1 hours reviewing and signing the form.

As explained in section 12(B) below, we estimate the total burden hours for this information collection to be a total of 41,293 hours.

Hours associated with completing an initial Form CMS-588

38,205 total respondents @ 0.8 hours for each application = 30,564 hours

Hours associated with completing a Form CMS-588 change of information

21,457 total respondents @ 0.5 hours for each application = 10,729 hours

B. Paperwork Burden Estimate (cost)

The May 2024 BLS National Occupational Employment and Wage Estimates for all salary estimates (https://www.bls.gov/oes/tables.htm) are listed in Table 1. CMS adjusted the employee hourly wage estimates by a factor of 100 percent for fringe benefits and overhead.

Table 1 - Wage Rate Data

Occupational Title	Occupational Code	Mean Hourly Wage Rate ($/hr)	Fringe Benefits and Overhead ($/hr)	Adjusted Hourly Wage ($/hour)
Health Diagnosing and Treating Practitioners	29-1000	$61.80	$61.80	$123.60
Office and Administrative Support Occupations	43-0000	$24.12	$24.12	$48.24

Table 2 – Summary of Annual and 3-Year 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 ($)	Total Cost ($)
Initial Form CMS-588	0938-0626	38,205	38,205	0.15 hours* by Health Diagnosing and Treating Practitioners 0.65 hours by Office and Administrative Support Occupations	30,564	Health Diagnosing and Treating Practitioners at $61.80 per hour Office and Administrative Support Occupations at $24.12 per hour	$1,906,277

				0.8 hours total		$62.37 total per hour including 100% fringe benefits	
Form CMS-588 Change of Information	0938-0626	21,457	21,457	0.1 hours by Health Diagnosing and Treating Practitioners 0.4 hour by Office and Administrative Support Occupations 0.5 hours total	10,729	Health Diagnosing and Treating Practitioners at $61.80 per hour Office and Administrative Support Occupations at $24.12 per hour $63.31 total per hour including 100% fringe benefits	$679,243
Annual Total	0938-0626	59,662	59,662	N/A	41,293	N/A	$2,585,519
3-year total	**0938-0626**	**178,986 Respondents**	**178,986 Responses**	**Varies**	**123,878**	**Varies**	**$7,756,558**

13. Cost to Respondents (Capital)

There are no capital costs associated with this collection.

14. Cost to Federal Government

The cost to the Federal government will mostly involve: (1) the PRA process (e.g., preparing the PRA package); (2) posting the revised form documents to CMS.gov; (3) performing outreach as needed; and (4) responding to inquiries. CMS employees will perform these tasks. The hourly wage of said employee is at a GS-13, Step 5 level (Washington/Baltimore/Arlington locality), or $66.14. (See https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/26Tables/html/DCB_h.aspx). We estimate that the foregoing tasks will take a total of 25 hours. This results in a total cost of $1,654.

15. Changes in Burden/Program Changes

Burden has decreased by 14,744 hours (from 56,037 to 41,293 hours). According to the PECOS system, there was a decrease of 23,145 respondents (82,807 to 59,662).

This Section 15 outlines the annual burden changes from our 2023 OMB-approved estimates:

Table 3 – Annual Burden Changes from 2023 OMB-Approved Annual Estimates

Data Element	Currently Approved Burden	2026 Estimates	Net Change
Number of Respondents: Initial Form CMS-588	48,779	38,205	- 10,574

Number of Respondents: Form CMS-588 Changes	34,028	21,457	- 12,571
Number of Responses: Initial Form CMS-588	48,779	38,205	- 10,574
Number of Responses: Form CMS-588 Changes	34,028	21,457	- 12,571
Per Application Hour Burden: Initial Form CMS-588	0.8	0.8	0
Per Application Hour Burden: Form CMS-588 Changes	0.5	0.5	0
Total Hour Burden: Initial Form CMS-588	39,023	30,564	- 8,459
Total Hour Burden: Form CMS-588 Changes	17,014	10,729	- 6,286
Total Cost Burden: Initial Form CMS-588	$1,690,476	$1,906,277	+ $215,801
Total Cost Burden: Form CMS-588 Changes	$467,545	$679,243	+ $211,698

16. Publication/Tabulation

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

17. Expiration Date

The expiration date will be displayed on the top, right-hand corner of page 1 of the CMS-588 application.