

when initially enrolling or when resubmitting enrollment information to obtain and maintain a Medicare billing number. We are not preparing a rural impact statement since we have determined, and certify, that we do not expect this rule to impose any additional burden or otherwise significantly impact the operations of a substantial number of small rural hospitals. By default, due to their smaller size, the burden to small rural hospitals would actually be less than the average provider.

There are currently about 1.2 million providers (hospitals, home health agencies, rural health clinics, skilled nursing facilities, etc.) and suppliers (physicians, nurses, ambulance

companies, clinical laboratories, durable medical equipment suppliers, etc.) enrolled in the Medicare program. In addition, about 74,000 new providers and suppliers apply to enroll in Medicare each year. Listed below is the current estimated annual burden on the affected public in both hours and dollars.

#### 1. Estimated Costs for Completion of CMS 855 Forms for Initial Enrollment

##### Assumptions:

a. The monetary cost to the respondents is calculated as follows based on the following assumptions:

- The CMS 855I and CMS 855R will be completed by clerical staff (secretary), and

- The CMS 855A, CMS 855B, and CMS 855S will be completed by professional staff (attorney or accountant).

##### b. Estimated Cost per Form

The monetary cost to the respondent to complete and submit the necessary CMS 855 form is:

- \$600 for the CMS 855A, CMS 855B, and CMS 855S
- \$60 for the CMS 855I, and
- \$3 for the CMS 855R

c. Estimated Hourly Wage for Staff Completing Forms. The cost per respondent per form has been determined using the following wages:

- \$12.00 per hour (clerical wage)
- \$75.00 per hour (professional wage)

#### CURRENT ESTIMATED HOURS FOR COMPLETION OF CMS 855 FORMS FOR INITIAL NEW ENROLLMENTS

| CMS form number                                   | Estimated number of respondents | Estimated time for completion per respondent | Total number of hours for completion | Total costs in dollars (million) |
|---|---------------------------------|--|--------------------------------------|----------------------------------|
| 855A .....  | 5,000                           | 8 Hours .....                                | 40,000                               | \$3                              |
| 855B .....  | 10,000                          | 8 Hours .....                                | 80,000                               | \$6                              |
| 855I .....  | 50,000                          | 5 Hours .....                                | 250,000                              | \$3                              |
| 855R .....  | 100,000                         | 15 Minutes .....                             | 25,000                               | \$3                              |
| 855S .....  | 9,000                           | 8 Hours .....                                | 72,000                               | \$5.4                            |
| Total Estimated Hourly and Financial Burden ..... |                                 |  | 467,000                              | \$17.7                           |

The estimated number of respondents is based on current Medicare contractor workload reports.

#### 2. Completing Forms to Report Changes to Enrollment Information

The hourly burden and monetary cost estimate for this activity for all forms is:

- 100,000 respondents X 1 hour each = 100,000 hours

Average cost per respondent = \$420

Total cost for all respondents = \$42 million

#### 3. Completing Forms to Re-Certify Enrollment Information (3 yr cycle)

The hourly burden and monetary cost estimate for this activity for all forms is:

- 330,000 respondents X 2 hours each = 660,000 hours
- Average cost per respondent = \$40

Total cost for all respondents = \$13.2 million

Based on the above, the estimated current total annual hour burden for all classes of providers (hospitals, home health agencies, rural health clinics, skilled nursing facilities, etc.) and suppliers (physicians, nurses, ambulance companies, clinical laboratories, durable medical equipment suppliers, etc.) is 1,227,000 hours.

Based on the above, the estimated current annual monetary burden for all classes of providers (hospitals, home

health agencies, rural health clinics, skilled nursing facilities, etc.) and suppliers (physicians, nurses, ambulance companies, clinical laboratories durable medical equipment suppliers, etc.) is \$32.9 million. The 1997 revenue receipts for all classes of providers and suppliers is \$913.7 billion. The cost of obtaining and maintaining billing privileges in the Medicare program on average is less than 1 percent of the total revenue.

Although it is possible that a few entities may be significantly affected by these proposed rules, we do not expect that a substantial number of affected entities will experience a significant increase in the reporting burden; therefore, the Secretary certifies that this rule is not expected to impose any additional burden or otherwise significantly impact a substantial number of small entities. We also invite comments on our impact analysis and regulatory flexibility analysis.

#### C. Alternatives Considered

Since this proposed rule is a codification of our current policies on provider and supplier enrollment, with the exception of imposing a cyclical revalidation process, we did not seek alternatives to this process. However, the current process was reviewed and, when possible, proposed or made that

would reduce the current burden, such as the time frame for reporting changes.

Although we do not expect this rule to have a significant economic impact, we are revising the requirements for reporting changes to the provider or supplier's enrollment information to reduce the current burden. Currently, providers and suppliers must report any changes to their enrollment information within 30-days. We are proposing to change this requirement to 90-days (or quarterly). We considered retaining the current requirement but determined the 30-day timeframe as too stringent in light of the rapid changes seen in today's health care industry. This change is expected to reduce the administrative burden for the providers, suppliers, our contractors, and us.

In accordance with the provisions of Executive Order 12866, this rule was reviewed by OMB.

#### VIII. Response to Comments

Because of the large number of items of correspondence we normally receive on **Federal Register** documents published for comment, we are not able to acknowledge or respond to them individually. We will consider all comments we receive by the date and time specified in the **DATES** section of this preamble, and, if we proceed with a subsequent document, we will