

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Centers for Medicare & Medicaid Services**

**[CMS-6029-N]**

**RIN 0938-AQ99**

**Medicare, Medicaid, and Children's Health Insurance Programs; Provider Enrollment  
Application Fee Amount for 2011**

**AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.**

**ACTION: Notice**

**SUMMARY:** This notice announces the \$505 calendar year (CY) 2011 application fee for institutional providers that are: initially enrolling in the Medicare, program; revalidating their Medicare enrollment; or adding a new Medicare practice location. These institutional providers and suppliers are required to submit the 2011 fee amount with any enrollment applications submitted on or after March 25, 2011 and on or before December 31, 2011. Similarly, beginning March 25, 2011 prospective or re-enrolling Medicaid or CHIP providers must submit the applicable application fee unless: (1) the provider is an individual physician or nonphysician practitioner; or (2) the provider is enrolled in Title XVIII of the Act or another State's title XIX or XXI plan and has paid the application fee to a Medicare contractor or another State.

**EFFECTIVE DATE: This notice is effective on [Insert date of publication in the Federal Register].**

**FOR FURTHER INFORMATION CONTACT:**

Frank Whelan, (410) 786-1302 for Medicare enrollment issues.

Claudia Simonson, (312) 353-2115 for Medicaid and CHIP enrollment issues.

**SUPPLEMENTARY INFORMATION:**

## I. Background

In the February 2, 2011 **Federal Register** (76 FR 5862) we published a final rule with comment period entitled: "Medicare, Medicaid, and Children's Health Insurance Programs; Additional Screening Requirements, Application Fees, Temporary Enrollment Moratoria, Payment Suspensions and Compliance Plans for Providers and Suppliers". This final rule with comment finalized, among other things, provisions related to the submission of application fees as part of the Medicare, Medicaid and Children's Health Insurance Program (CHIP) provider enrollment processes. Specifically, and as stated in 42 CFR 424.514, institutional providers and suppliers that are: initially enrolling in the Medicare program; revalidating their Medicare enrollment; or adding a new Medicare practice location, will be required to submit an application fee beginning March 25, 2011 with any enrollment application. We will adjust the amount of the fee annually for inflation. Institutional providers are defined at §424.502 as--

Any provider or supplier that submits a paper Medicare enrollment application using the CMS-855A, CMS-855B (not including physician and non-physician practitioner organizations), CMS-855S or associated Internet-based PECOS enrollment application.

Similarly, as stated in 42 CFR 455.460, beginning March 25, 2011 prospective or re-enrolling Medicaid or CHIP providers must submit the applicable application fee unless: (1) the provider is an individual physician or nonphysician practitioner; or (2) the provider is enrolled in Title XVIII of the Act or another State's title XIX or XXI plan and has paid the application fee to a Medicare contractor or another State.

The February 2, 2011 final rule with comment period contains additional information

about the entities that must submit an application fee, the purpose of the fee, and the process of obtaining a hardship exception or a waiver for Medicaid providers.

## II. Provisions of the Notice

The application fee amount for the period on or after March 25, 2011 and on or before December 31, 2011 will be \$505. This figure was calculated in accordance with the following:

- Section 1866(j)(2)(C)(i)(I) of the Social Security Act (the Act) established a \$500 application fee for providers and suppliers in calendar year (CY) 2010.
- In 42 CFR 424.514(d)(2) of our regulations, and consistent with section 1866(j)(2)(C)(i)(II) of the Act, we stated that for CY 2011 and for subsequent years, the fee will be adjusted by the percentage change in the consumer price index (CPI) for all urban consumers (all items; United States city average) for the 12-month period ending with June of the previous year.
- As stated in the Regulatory Impact Analysis section of the February 2, 2011 final rule with comment period (76 FR 5955) the CPI-U increase for the 12-month period ending with June of the previous year is 1.0 percent, based on data obtained from the Bureau of Labor Statistics. This results in an application fee for the CY 2011 of \$505 (or, \$500 X 1.01).

We will provide additional information to institutional providers on how the application fee can be submitted. Institutional providers are reminded that they can submit a hardship exception request in the event they believe that it is appropriate; additional information on the hardship exception is available in the February 2, 2011 final rule with comment period.

The application fee for calendar year 2012 will be published in the **Federal Register** later this year.

### **III. Collection of Information Requirements**

This document does not impose information collection and recordkeeping requirements. Consequently, it need not be reviewed by the Office of Management and Budget under the authority of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35). However, it does reference previously approved information collections. As stated in Section I of this notice, the forms CMS-855(A and B) and the CMS-855(S) are approved under OMB control numbers 0938-0685 and 0938-1057.

### **IV. Regulatory Impact Statement**

We have examined the impact of this notice as required by Executive Order 12866 on Regulatory Planning and Review (September 30, 1993), Executive Order 13563 on Improving Regulation and Regulatory Review (February 2, 2011), the Regulatory Flexibility Act (RFA) (September 19, 1980, Pub. L. 96-354), section 1102(b) of the Social Security Act, section 202 of the Unfunded Mandates Reform Act of 1995 (March 22, 1995; Pub. L. 104-4), Executive Order 13132 on Federalism (August 4, 1999) and the Congressional Review Act (5 U.S.C. 804(2)). Executive Orders 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). A regulatory impact analysis (RIA) must be prepared for major rules with economically significant effects (\$100 million or more in any 1 year).

In the regulatory impact analysis section of the February 2, 2011 published final rule with comment (76 FR 5862), we estimated the total costs for institutional providers and suppliers in application fees for each CYs from 2011 through 2015. For 2011 – and based on an application

fee of \$505 – we projected in Tables 11 and 12 (76 FR 5955 through 5956) a total cost of \$46,160,030 for Medicare providers and suppliers (or 91,406 providers and suppliers x \$505). For Medicaid providers, the estimated total cost for 2011 - as indicated in Tables 13 and 14 (76 FR 5957) – was \$9,519,755 (or 18,851 providers x \$505).

We are retaining these estimates for purposes of this notice. Thus, we project the total cost in application fees for Medicare and Medicaid providers and suppliers in CY 2011 to be \$55,679,785.

This notice does not reach the economic threshold and thus is not considered a major rule.

The RFA requires agencies to analyze options for regulatory relief of small entities. For purposes of the RFA, small entities include small businesses, nonprofit organizations, and small governmental jurisdictions. Most hospitals and most other providers and suppliers are small entities, either by nonprofit status or by having revenues of \$7.0 million to \$34.5 million in any 1 year. Individuals and States are not included in the definition of a small entity. We are not preparing an analysis for the RFA because we have determined, and the Secretary certifies, that this notice will not have a significant economic impact on a substantial number of small entities.

In addition, section 1102(b) of the Act requires us to prepare a regulatory impact analysis if a rule may have a significant impact on the operations of a substantial number of small rural hospitals. This analysis must conform to the provisions of section 604 of the RFA. For purposes of section 1102(b) of the Act, we define a small rural hospital as a hospital that is located outside of a Metropolitan Statistical Area for Medicare payment regulations and has fewer than 100 beds.

We are not preparing an analysis for section 1102(b) of the Act because we have determined, and the Secretary certifies, that this notice will not have a significant impact on the operations of

a substantial number of small rural hospitals.

Section 202 of the Unfunded Mandates Reform Act of 1995 also requires that agencies assess anticipated costs and benefits before issuing any rule whose mandates require spending in any 1 year of \$100 million in 1995 dollars, updated annually for inflation. In 2011, that threshold is approximately \$136 million. This notice will have no consequential effect on State, local, or tribal governments or on the private sector.

Executive Order 13132 establishes certain requirements that an agency must meet when it promulgates a proposed rule (and subsequent final rule) that imposes substantial direct requirement costs on State and local governments, preempts State law, or otherwise has Federalism implications. Since this regulation does not impose any costs on State or local governments, the requirements of Executive Order 13132 are not applicable.

In accordance with the provisions of Executive Order 12866, this notice was not reviewed by the Office of Management and Budget.

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(Catalog of Federal Domestic Assistance Program No. 93.778, Medical Assistance Program and Catalog of Federal Domestic Assistance Program No. 93.773, Medicare--Hospital Insurance; and Program No. 93.774, Medicare--Supplementary Medical Insurance Program)

Dated: March 16, 2011

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**Donald M. Berwick,**  
Administrator,  
Centers for Medicare & Medicaid Services.

**BILLING CODE: 4120-01-P**

**[FR Doc. 2011-6813 Filed 03/22/2011 at 8:45 am; Publication Date: 03/23/2011]**