

Supplier Number Application (HCFA-192 Form) to the National Supplier Clearinghouse (NSC). The NSC distributes applications, verifies the data, issues numbers to approved suppliers, and maintains a national supplier file. The DMEPOS supplier must obtain a supplier number from the NSC before the DMERC will accept a claim. If the DMEPOS supplier attempts to file a claim before obtaining a supplier number the DMERC will reject the claim.

Under this final rule, in order to obtain a Medicare supplier number, a DMEPOS supplier will be required to meet, and to certify that it meets, the supplier standards found in the new § 424.57 as discussed in section II. of this rule. The DMEPOS supplier standards found in the new § 424.57 include the supplier standards that are in the existing § 424.57, and also the standards cited in section 1834(j)(1)(B)(ii) (I) through (III) of the Act.

The DMEPOS supplier's certification that supplier standards are met must be completed before a supplier number will be issued by the NSC. The DMEPOS supplier is accountable to complete the application accurately. Any deliberate misrepresentation or concealment of material information may subject the DMEPOS supplier to liability under civil and criminal laws. Every three years the DMEPOS supplier is required to recertify that it continues to meet the DMEPOS supplier standards.

## II. Provisions of the Final Regulation

Section 131 of the Social Security Act Amendments of 1994 (SSA '94, Pub. L. 103-432, enacted on October 31, 1994), added a new subsection (j) to section 1834 of the Act. Section 1834(j)(1)(B)(i) of the Act requires that for medical equipment and supplies furnished on or after October 31, 1994, and before January 1, 1996, the supplier must meet the current standards established in § 424.57. Section 1834(j)(1)(B)(ii) of the Act requires that for medical equipment and supplies furnished on or after January 1, 1996, the supplier must meet revised standards issued by the Secretary, after consultation with representatives of suppliers of medical equipment and supplies, carriers, and consumers.

As a result of SSA '94, we are establishing additional DMEPOS supplier standards by revising paragraph (c) of § 424.57 of the regulations. The revised standards include all of the standards that are in the existing § 424.57 and those standards specifically required by

section 1834(j)(1)(B)(ii) (I) through (III) of the Act.

Beginning January 1, 1996, a supplier will be required to meet, and to certify that it meets, the existing standards discussed in section C. of this rule, and also the following additional standards. The supplier must—

- (1) Comply with all applicable State and Federal licensure and regulatory requirements;
- (2) Maintain a physical facility on an appropriate site; and
- (3) Have proof of appropriate liability insurance.

We are issuing this final rule to incorporate those standards that Congress has explicitly identified and indicated should be used beginning January 1, 1996. In addition, our existing regulatory standards have already been subject to the notice and comment process, and both the public and the industry are familiar with those standards. Congress did not indicate any intention to relax those standards. Rather, we believe Congress' intent is to strengthen these standards to protect Medicare beneficiaries. This final rule will provide a base level of protection that will enable us to continue to process applications of individuals and entities who seek to become suppliers, and will provide a basis to revoke the numbers of suppliers who do not fulfill those standards according to our regulations at § 405.874.

The statute also gives the Secretary the authority to establish additional standards besides those included in the existing § 424.57 and those standards specifically cited in section 1834(j)(1)(B)(ii) (I) through (III). As directed by the statute, we have contacted or consulted with representatives of suppliers, carriers, and consumers concerning the need for additional supplier standards. These meetings were productive and we have received numerous comments that suggest that additional standards may be necessary in certain areas. We are currently considering these comments as we develop a proposed rule that would set forth additional substantive supplier standards. At this time, however, we are retaining our existing standards and only adding those standards specifically cited from section 1834(j) of the Act.

## III. Collection of Information Requirements

Under the Paperwork Reduction Act of 1995, agencies are required to provide a 60-day notice in the Federal Register and solicit public comment before a collection of information requirement is submitted to the Office of Management

and Budget (OMB) for review and approval. In order to fairly evaluate whether an information collection should be approved by OMB, section 3506(c)(2)(A) of the Paperwork Reduction Act of 1995 requires that we solicit comment on the following issues:

- Whether the information collection is necessary and useful to carry out the proper functions of the agency;
- The accuracy of the agency's estimate of the information collection burden;
- The quality, utility, and clarity of the information to be collected; and
- Recommendations to minimize the information collection burden on the affected public, including automated collection techniques. Therefore, we are soliciting public comment on each of these issues for the information collection requirements discussed below.

The following sections of this document contain information collection requirements as described below:

The information collection requirements in § 424.57 ("Special payment rules for items furnished by DMEPOS suppliers and issuance of DMEPOS supplier billing numbers"), in paragraph (c)(7), arise as a result of requiring all DMEPOS suppliers to give a copy of the DMEPOS supplier standards to each Medicare beneficiary with whom they do business. The National Supplier Clearinghouse will supply a copy to each enrolled supplier which may be photocopied. We estimate the public reporting burden for this collection of information to average approximately 20 minutes per year, including photocopying and handing out the standards, which totals approximately 46,200 hours.

The information collection requirements in § 424.57(c)(8) cross refers to § 420.206 ("Disclosure of persons having ownership, financial, or control interest") concern the information necessary for disclosure of ownership and control and the identities of managing employees. The respondents who will provide the information will be the DMEPOS suppliers. Public reporting burden for this collection of information is estimated to be 140,000 hours. We estimate that 140,000 suppliers will complete the information which is estimated at one hour per supplier.

We have submitted a copy of this final rule with comment period to OMB for its review of the information collection requirements in § 424.57(c) (7) and (8). These requirements are not effective until they have been approved by OMB. A notice will be published in the