Supporting Statement – Part A

Supporting Regulations contained in 42 CFR Part 424, Subpart C for the

American Dental Association (ADA) Dental Claim Form

CMS - 10883

# **A. Background**

The ADA Dental Claim form and corresponding HIPAA-compliant electronic transaction, known as the 837D, are used widely in the US dental industry to submit claims for health or dental insurance reimbursement. Medicare has traditionally accepted the Professional (CMS-1500/837P transaction) and Institutional (UB04/837I transaction) claims to provide payment for Medicare-covered services[[1]](#footnote-1). The Centers for Medicare & Medicaid Services (CMS) now plans to allow providers to submit Medicare-covered dental services on the dental claim form, a similar information collection as the already-approved professional and institutional claim forms.

The Medicare program covers certain dental services when they are inextricably linked to a covered medical service. Beginning in Calendar Year (CY) 2023, CMS issued policy clarifications as part of its annual Medicare Physician Fee Schedule (MPFS) Rule that further define when dental services are inextricably linked to a covered medical service. Additional clarifications were included in the CY2024 MPFS final rule[[2]](#footnote-2). CMS further established a process by which the agency will consider clinical evidence for future policy clarification consideration. CMS anticipates that these regulatory policy clarifications will result in more dental provider participation in the Medicare program. As a result, the Agency’s General Counsel has advised that CMS should begin to accept dental claim formats to remain in compliance with the Health Insurance Portability and Accountability Act (HIPAA) (P.L. 104-191). Therefore, CMS through its Part B Medicare Administrative Contractors (MACs) will begin accepting and processing claims submitted by dental providers on the ADA Dental Claim form and HIPAA-standard electronic format equivalent (837D).

CMS is requesting approval of this new information collection request (Request for a new OMB Control Number) for the ADA Dental Claim form and corresponding HIPAA-compliant electronic transaction known as the 837D.

# **B. Justification**

## Need and Legal Basis

The basic authorities which allow providers of service to bill for services on behalf of the beneficiary are section 1812[[3]](#footnote-3) (42 USC 1395d) [[4]](#footnote-4) and 1833[[5]](#footnote-5) (2) (B) (42 USC 1395l)[[6]](#footnote-6) of the Social Security Act. Also, section 1835[[7]](#footnote-7) of the Act (42 USC 1395n)[[8]](#footnote-8) requires that payment for services furnished to an individual may be made to providers of services only when a written request for payment is filed in such form as the Secretary may prescribe by regulations. Section 42 CFR 424.5(a)(5)[[9]](#footnote-9) requires providers of services to submit a claim for payment prior to any Medicare reimbursement. Submission of information on the ADA Dental Claim Form and associated HIPAA-standard 837D transaction format permits Medicare Part B MACs to receive consistent data for proper benefit payment.

## Information Users

The ADA Dental Claim Form will be used to deliver information from dental providers to CMS for CMS to reimburse for provided dental services. Medicare Part B MACs will use the data collected on the ADA dental form to determine the proper amount of reimbursement for Part B dental services provided to Medicare beneficiaries.

## Use of Information Technology

The ADA developed the Dental Claim Form, which according to the ADA, "...provides a common format for reporting dental services to a patient's dental benefit plan. ADA policy promotes use and acceptance of the most current version of the ADA Dental Claim Form by dentists and payers." CMS did not develop nor participate in the development of the form.

Electronic data interchange is a technology alternative to the submission of paper claim forms. All the data collected by the ADA Dental Claim Form can also be collected electronically. The electronic equivalent to the ADA dental claim form is the ANSI X12N 837 Dental claim (837D), which further reduces costs and increases efficiency for dental providers.

## Duplication of Efforts

There are no duplicative efforts to capture the information found on these forms.

## Small Businesses

There is no significant impact on small business.

## Less Frequent Collection

Providers rely on insurance payments on a continual basis to operate and provide care. Consequently, there is no coherent or beneficial approach regarding the submitting of claims on a less frequent basis; the frequency with which providers submit insurance claims is solely at the providers discretion, with Medicare timely filing limits (usually within 1 year of the service being provided). Without the collection of this information, claims for reimbursement relating to the provision of Part B Medicare benefits could not be acted upon. This would result in a nationwide paralysis of the operation of the Federal Government’s Part B Medicare coverage of dental services inextricably linked to covered medical services, inflicting a severe administrative burden and financial hardship on dental providers as well as beneficiaries.

## Special Circumstances

There are no special circumstances that would require an information collection to be conducted in a manner that requires respondents to:

• Report information to the agency more often than quarterly;

• Prepare a written response to a collection of information in fewer than 30 days after receipt of it;

• Submit more than an original and two copies of any document;

• Retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;

• Collect data in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study,

• Use a statistical data classification that has not been reviewed and approved by OMB;

• Include a pledge of confidentiality that is not supported by authority established in statute or regulation that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or

• Submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

## Federal Register/Outside Consultation

The 60-day Federal Register Notice published in the Federal Register to TBD

The 30-day Federal Register Notice was published the Federal Register to TBD

## Payments/Gifts to Respondents

The ADA Dental Claim Form can be used to receive payment for the provision of health care services or supplies. The services represented on the form must meet Medicare coverage and payment policies before payment can be made.

## Confidentiality

Privacy Act requirements have already been addressed under a Notice Systems of Record entitled "Medicare Multi-Carrier Claims System (MCS)" system number 09-70-0501, HHS/CMS/OIS. Note that OIS has been renamed to the Office of Information Technology (OIT).

## Sensitive Questions

This data collection does not ask questions of a sensitive nature.

## Burden Estimates (Hours & Wages)

To derive average costs, we used data from the U.S. Bureau of Labor Statistics’ May 2022 National Occupational Employment and Wage Estimates for all salary estimates (<https://www.bls.gov/oes/current/oes439041.htm>). In this regard, the following table presents the mean hourly wage, the cost of fringe benefits, and the adjusted hourly wage.

| Occupational  Title | Occupation  Code | Mean Hourly Wage ($/hour) | Fringe Benefit  ($/hour) | Adjusted Hourly Wage ($/hour) |
| --- | --- | --- | --- | --- |
| Insurance Claims and Policy Processing Clerks | 43-9041 | $23.00 | $23.00 | $46.00 |

Estimated Annual Burden Hours

According to the CY2024 Medicare Physician Schedule Final Rule, CMS expects to receive up to 360,000 claims for dental services. These claims may be 1500, UB04, or the ADA Dental Claim forms. For maximum estimating purposes, we assumed receipt of 360,000 claims resulting in an estimate of 50,000 paper claims (annually) based on 14% of paper claims submitters throughout the entire dental industry.

| **Dental Claim Data** | **Total Number of Claims** | **Percentage** | **Time to Process Claim** | **Total Burden Hours** |
| --- | --- | --- | --- | --- |
| Billed on Paper | 50,000 | 14% | 15 minutes | 12,500 hours |
| Billed Electronically | 310,000 | 86% | 1 minute | 5,167 hours |
| **Total** | 360,000 | Intentionally Blank | Intentionally Blank | 17,667 hours |

Medicare does not furnish forms to physicians and suppliers. Physicians and suppliers must purchase the forms. The ADA Dental Claim Form costs on average $0.25 per claim[[10]](#footnote-10). Medicare does not reimburse providers for their mailing and handling costs. This costs physicians and suppliers $0.63 a claim[[11]](#footnote-11).

| **Dental Claim Data** | **Total Number of Claims** | **Total Hours to Process the Claims** | **Mean Hourly Wage** | **Fringe Benefit** | **Adjusted Hourly Wag**e | **Annual Labor Costs** |
| --- | --- | --- | --- | --- | --- | --- |
| Billed on Paper | 50,000 | 12,500 | $23.00 | $23.00 | $46.00 | $575,000 |

Labor Costs

Cost of Mailing Forms

| **Mail Forms** | **Number of Claims** | **Cost of Claim for Forms and Mailing** | **Annual Cost for Forms and Mailing** |
| --- | --- | --- | --- |
| Paper | 50,000 | \*($0.88) | $44,000 |

\* This figure was calculated by adding $0.25 per claim cost to an average mailing cost of $0.63 ($0.25 + $0.63).

Cost Estimate to Process Dental Claim Forms

| **Dental Claim Data** | **Total Number of Claims** | **Labor Cost**  (Including fringe and overhead | **Cost of Claim Forms and Mailing** | **Total Annual Cost to Process Dental Paper Claims** |
| --- | --- | --- | --- | --- |
| Billed on Paper | 50,000 | $575,000 | $44,000 | $619,000 |

## Capital Costs

There are no capital or operational costs associated with this collection.

## Cost to Federal Government

The calculations for OIT employees’ hourly salary were obtained from the OPM website[[12]](#footnote-12), with an   additional 100% to account for fringe benefits.

Hourly Wage: $64.62 + 100% fringe benefits = $129.24 per hour.

| **Task** | **Estimated Cost** |
| --- | --- |
| Acquiring and Preparing the Required Data and Oversight | Intentionally Blank |
| 1 GS-13: 1 x $129.24 x 20 hours | $2,584.80 |
| **Total Costs to Government** | **$2,584.80** |

## Changes to Burden

This is a new information collection request.

## Publication/Tabulation Dates

The purpose of this data collection is payment to providers for Medicare dental services rendered. We do not employ statistical methods to collect this information, but rather all Medicare dental providers generate this billing information subsequent to the delivery of services. Generalized claims data is made public by CMS.

## Expiration Date

The ADA Dental Claim Form is maintained by the American Dental Association. The form is clearly marked that it was approved by the ADA.

The ADA Dental Claim Form is used widely throughout the industry by commercial, state Medicaid, workers’ compensation insurance plans, in addition to federal health plans. While OMB approval is needed for the form to be used by federal programs, it is not necessary for other health plans that use the form.  Requiring the OMB control number and expiration date on the ADA Dental Claim Form would impact a large sector of non-federal health plan users of the form. OMB does not require an expiration date on the other claim forms (1500 and UB04) that CMS collects and uses throughout the healthcare insurance industry.

Regardless of how frequently they are used, any user of the ADA Dental Claim Form could be required to purchase new forms with the OMB expiration date included on it. Purchases of new forms would be required every three years with each OMB renewal because of an updated expiration date only, which would be a financial burden on providers.

The supportive information stated here attests that CMS is requesting the ADA Dental Claim Form be exempt from requiring an expiration date.

## Certification Statement

There are no exceptions to the certification statement.

1. Approved under OMB control number 0938-1197; Title: Health Insurance Common Claims Form and Supporting Regulations at 42 CFR Part 424, Subpart C (CMS-1500 and CMS-1490S and approved under OMB control number 0938-0997; Title: Medicare Uniform Institutional Provider Bill and Supporting Regulations in 42 CFR 424.5 (CMS-1450). [↑](#footnote-ref-1)
2. CY23 Rule: <https://www.federalregister.gov/documents/2022/11/18/2022-23873/medicare-and-medicaid-programs-cy-2023-payment-policies-under-the-physician-fee-schedule-and-other> and CY24 Rule: <https://www.federalregister.gov/documents/2023/11/16/2023-24184/medicare-and-medicaid-programs-cy-2024-payment-policies-under-the-physician-fee-schedule-and-other> [↑](#footnote-ref-2)
3. https://www.ssa.gov/OP\_Home/ssact/title18/1812.htm [↑](#footnote-ref-3)
4. [https://www.govinfo.gov/content/pkg/USCODE-2021-title42/pdf/USCODE-2021-title42-chap7-subchapXVIII- partA-sec1395d.pdf](https://www.govinfo.gov/content/pkg/USCODE-2021-title42/pdf/USCODE-2021-title42-chap7-subchapXVIII-%20%20%20%20%20partA-sec1395d.pdf) [↑](#footnote-ref-4)
5. <https://www.ssa.gov/OP_Home/ssact/title18/1833.htm> [↑](#footnote-ref-5)
6. <https://www.govinfo.gov/content/pkg/USCODE-2021-title42/pdf/USCODE-2021-title42-chap7-subchapXVIII-partA-sec1395i.pdf> [↑](#footnote-ref-6)
7. https://www.ssa.gov/OP\_Home/ssact/title18/1835.htm [↑](#footnote-ref-7)
8. <https://www.govinfo.gov/content/pkg/USCODE-2021-title42/pdf/USCODE-2021-title42-chap7-subchapXVIII-partB-sec1395n.pdf> [↑](#footnote-ref-8)
9. https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-B/part-424/subpart-A/section-424.5 [↑](#footnote-ref-9)
10. ADAStore.org [↑](#footnote-ref-10)
11. United States Postal Service [↑](#footnote-ref-11)
12. 12 <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2023/DCB.pdf> [↑](#footnote-ref-12)