

Supporting Statement Part A
Application for Enrollment in Medicare Part B (Medical Insurance)
CMS-40B, OMB 0938-1230

Background

Medicare Part B is a voluntary program, financed from premium payments by enrollees, together with contributions from funds appropriated by the Federal government. The Social Security Act (the Act) at section 226(a) provides that individuals who are age 65 or older and eligible for, or entitled to, Social Security or Railroad Retirement Board (RRB) benefits shall be entitled to premium-free Part A upon filing an application for such benefits. Section 1836 of the Act permits individuals with Medicare premium-free Part A to enroll in Part B.

Form CMS-40B is used by individuals who want to enroll in Part B. Such individuals enroll in Medicare Part B during their initial enrollment period IEP, the general enrollment period (GEP), which occurs from January through March each year, or during certain special enrollment periods (SEP)

Form CMS-40B provides a standardized means to determine the eligibility criteria for enrollment in Part B, as outlined in law. Information that is collected on Form CMS-40B (and the Spanish version CMS-40B-SP) is used by the Social Security Administration (SSA) – the Centers for Medicare & Medicaid Services’ agent for processing Medicare enrollments.

In this 2023 iteration, there are substantive changes to the CMS-40B form. The form has been updated to improve the user’s experience. This includes adding clarifying questions so that respondents can make clear enrollment choices. These questions will also allow technicians to enroll respondents more efficiently. The same questions are asked on the currently approved CMS-18-F-5 “Application for Medicare Part A (Hospital Insurance)” (OMB 0938-0251).

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In addition, we have adjusted the burden based on improved methods of estimating the number of respondents.

A. Justification

1. Need and Legal Basis

Section 1836 of the Act, and regulations at 42 CFR 407.10, provide the eligibility

requirements for enrollment in Part B. Under the regulations, individuals may also enroll in Medicare Part B by signing a statement requesting Part B, if eligible for enrollment at that time. Individuals use the standardized Form CMS-40B to request enrollment.

The CMS-40B (and the CMS-40B-SP) collects the information that SSA needs to determine eligibility for and process enrollments into Part B.

2. Information Users

The CMS-40B provides the necessary information to determine eligibility and to process the beneficiary's request for enrollment for Medicare Part B coverage. This form is only used for enrollment by beneficiaries who already have Part A, but not Part B.

Form CMS-40B is completed by the person with Medicare or occasionally by an SSA representative using information provided by the Medicare enrollee during an in-person interview. The form is owned by CMS, but not completed by CMS staff. SSA processes Medicare enrollments on behalf of CMS.

3. Use of Information Technology

The form CMS-40B is available on the internet (<https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS40B-E.pdf>). Form CMS-40B-SP is also available on the internet (<https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/Downloads/CMS40B-S.pdf>). Individuals complete the form and submit it to SSA for processing. Individuals may also contact SSA to make their requests. An SSA representative will assist an individual unable to complete the form independently. The information completed on the form is reviewed manually by SSA.

4. Duplication of Efforts

This information does not duplicate any other effort, as the person with Medicare must initiate the request for enrollment into Part B coverage. Use of this form is the initial request by the individual. Even if the individual previously had and dropped Medicare Part B, the information must be updated to ensure proper disposition of the new request.

This information is not available from any other source.

5. Small Businesses

Small businesses are not affected by the collection of this information.

6. Less Frequent Collection

This information is collected only as needed, and only when an existing Medicare

beneficiary requests to enroll in Part B. Each individual respondent uses the form one time when he or she submits the request to enroll in Part B. If this information is not collected, the individual cannot enroll in Part B. Since the statute permits enrollment and specific data is necessary to determine eligibility, the burden cannot be minimized.

7. 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.

8. Federal Register Notice/Outside Consultation

Federal Register Notice

The 60-day Federal Register Notice published in the Federal Register on TBD (FR).

9. Payment/Gift to Respondents

There are no payments or gifts provided to respondents.

10. Confidentiality

This collection will be used solely by SSA for the purpose of determining a beneficiary's eligibility Medicare Part B. Both CMS and SSA are responsible for ensuring that all personally identifiable information (PII) remains confidential.

The completed form is not provided to CMS, rather it is stored with SSA.

11. Sensitive Questions

There are no sensitive questions associated with this collection. Specifically, the collection does not solicit questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

12. Burden Estimate (Hours & Wages)

Wage Estimates

To derive average costs for individuals we used data from the U.S. Bureau of Labor Statistics' May 2022 National Occupational Employment and Wage Estimates for our salary estimate (www.bls.gov/oes/current/oes_nat.htm). We believe that the burden will be addressed under All Occupations (occupation code 00-0000) at \$29.76/hr.

We are not adjusting this figure for fringe benefits and overhead since the individuals' activities would occur outside the scope of their employment.

Burden Estimates

We estimate that there are approximately 1,132,000 respondents annually requesting enrollment in Part B using the paper CMS-40B. This estimate is based on data from the CMS Enrollment and Eligibility Medicare Online (ELMO) for the calendar year 2022 and considerations of the enrollment policies and processes which result in Part B coverage starting after Part A. Many of these alternate processes provide Part B coverage without completion of a Form CMS-40B, such as State effectuated Part B enrollments, Initial Enrollment Period enrollments whereby the law requires delays in Part B coverage, written requests not using the CMS-40B, etc.

The average completion time for the paper CMS-40B is 10 minutes (.17 hours). The time is increased from 15 minutes to 20 minutes to account for the additional questions related to eligibility. In aggregate we estimate an annual burden of 192,440 hours (1,132,000 respondents x 0.17 hours/response) at a cost of \$5,727,014 (192,440x \$29.76/hr) or \$5.06 per beneficiary (\$5,727,014/ 1,132,000 respondents).

Collection of Information Instruments and Instruction/Guidance Documents

- Application for Enrollment in Medicare Part B (Medical Insurance)

The application form consists of eight items that are necessary to identify the enrollee and process the request.

Item 1: Requests the Medicare Number of the applicant including the Beneficiary Identification Code.

Item 2: Requests the name of the applicant.

Items 3, 4 and 5: Request the applicant's full mailing address, including state and zip. code and the applicant's phone number including area code

Item 6: Asks the applicant if they wish to sign up for Medicare Part B (Medical Insurance) to confirm the individual's intent to enroll in Part B coverage.

Item 7: Requests information about prior and current health care coverage. SSA uses this information to determine the start date of Part B and surcharge amount, if any, when individuals are requesting Part B during the Special Enrollment Period (SEP).

Item 8: Requests information about enrollments based on employer request or requirement. This can be used to determine if an individual is eligible for an SEP.

Item 9: Is an area for the applicant to provide any remarks or comments on the form to clarify information provided on the enrollment application.

Items 10 and 11: Request the signature of the applicant and the date the application was signed. If the application is signed by mark (X), a witness who knows the applicant must supply the following information in items 12 through 14:

Items 12 and 13: Request the signature of the witness, as well as the date the witness signed the application.

Item 14: Requests the address of the witness.

Item 12

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

Printing Costs

The form is not pre-printed, but made available to SSA representatives to print and provide to the individual upon request. SSA representatives also have the ability to provide the CMS-40B via text or email to save both time and cost. We estimate that ten percent of the individuals requesting enrollment are mailed a CMS-40B via mail. We estimate that the cost for both the printing of the form and the cost of the envelope to mail the form is \$0.15 each. The printing cost associated with the Form CMS-40B is \$6,000 annually based on a quantity of 113,200 (10% of the total responses). ($1,132,000 \times 10\% = 113,200$. $113,200 \times \$0.15 = \$16,980$)

Mailing Costs

We estimate that approximately ten percent of the requests for Medicare Part B enrollment require mailing of a paper form (approximately 113,200 of the total respondents). The cost to send the form first class mail is \$0.66 each, based on the current rate of postage set by the United States Postal Service (<https://www.usps.com/business/prices.htm>).

The cost burden for the mailing is computed as follows:

There are 113,200 pieces totaling \$0.66 per piece. ($1,132,000 \times 10\% = 113,200$. Therefore, the cost to the government for mailing is \$74,712 ($113,200 \times \$0.66 = \$74,712$ total cost).

Processing Costs

Based on the information collected on the form, we estimate it takes the federal government employee 10 minutes to review and record the collected data (process the enrollment).

The burden is computed as follows:

It is calculated that the burden hours for 1,132,000 responses to be reviewed and recorded in 10 minutes per response to be 192,440 total hours. ($1,132,000 \times .17 \text{ hours (10 minutes)} = 192,440 \text{ total burden hours}$)

To derive average costs, we used data from the Office of Personnel Management 2023 General Schedule (GS) Locality Pay Table for all salary estimates (https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/23Tables/html/GS_h.aspx). We estimate that the average government employee at SSA to receive and record the collected data be a Grade 11, Step 5 (GS-11-5) – which we believe is the most appropriate level for a SSA representative to derive the costs to process this form.

As the processing of this form occurs at the national level and not just one geographic location, we estimated the salary using the national base general schedule. Such an hourly wage is \$32.21 or \$67,227 annually. Therefore, the total cost to the government to complete review and processing of the annual volume of responses is \$6,198,492 (192,440 hours x \$32.21/hr).

TOTAL COST

The total federal cost including printing, mailing and processing costs is \$6,290,184 [\$16,980 (printing) + \$74,712 (mailing) + \$6,198,492 (employee salary)].

15. Changes to Burden

In this 2023 iteration, the estimated number of respondents increased from 400,000 to 1,113,200. The federal government burden hours increased from 33,320 hour to 192,440 hours. This change is due to the improved data from the CMS Enrollment and Eligibility Medicare Online (ELMO) and factored considerations of the enrollment policies and processes which permit enrollment in Part B without the use of Form CMS-40B. We estimated a 5 minute increase in federal employee review and recordation time, to account for the new questions that were added. . The increase is due to the increase in respondents and the increase in federal employee review time as a result of the new questions that were added.

The burden of federal government costs increased from the 2020 approved submission as a result of the factors mentioned above and the increase in wage for a federal employee GS 11-, step 5 from 28.42/hr in 2020 to \$32.21 in 2023.

The burden also increased due to increases in mailing costs and wages.

16. Publication/Tabulation Dates

This information is not published or tabulated.

17. Expiration Date

The form displays the expiration date next to the OMB control number.

18. Certification Statement

There are no exceptions to the certification statement.

B. Collection of Information Employing Statistical Methods

Not applicable. There are no statistical methods.