

Supporting Statement Part A
Medicare Request for Employment Information
(CMS-R-297/CMS-L564, OMB 0938-0787)

Background

On July 30, 1965, P.L. 89-97 created Title XVIII of the Social Security Act. Title XVIII established the hospital insurance program (also referred to as Part A) and the supplementary medical insurance (SMI) program (also referred to as Part B).

Part B is a voluntary program and is financed from premium payments by enrollees together with contributions from funds appropriated by the Federal government. All individuals aged 65 or older who are entitled to Part A can enroll in Part B. There are some individuals, age 65 and over who are not entitled to or eligible for premium-free Part A. These individuals may, however, pay a premium for Part A and/or enroll in Part B only.

The form CMS-L564, also referred to as CMS-R-297, is used in conjunction with form CMS-40-B, Application for Supplementary Medical Insurance, during an individual's special enrollment period (SEP). Completed by an employer, the CMS-L564 provides proof of an applicant's employer group health coverage. The Social Security Administration (SSA) uses the form to obtain information from employers regarding whether a Medicare beneficiary's coverage under a group health plan is based on current employment status. This form is available in both English and Spanish.

This 2024 iteration is an extension that does not propose any program changes. Several non-program changes have been proposed. First, to reduce possible confusion, the form will only be numbered CMS-L564 and no longer as CMS-R-297. The form is known internally and externally as the CMS-L564. Secondly, an Office of Communications plain language review suggested the specification of adding the 'Medicare' to the title; therefore, the form's title has been updated to *Medicare Request for Employment Information* instead of *Request for Employment Information*. In the previous renewal package, we estimated that 15,000 applicants used the CMS-L564. The estimate of 15,000 was created by CMS, as CMS-L564 enrollment data was unavailable from SSA. For this 2024 iteration, enrollment data from SSA is available. SSA reports that 594,998 applicants used the form in the 2023 calendar year.

A. Justification

1. Need and Legal Basis

Section 1837(i) of the Social Security Act (the Act) provides for a SEP for individuals who delay enrolling in Medicare Part B because they are covered by a group health plan based on their own or a spouse's current employment status. Disabled individuals with Medicare may also delay enrollment because they have large group health plan coverage based on their own

or a family member's current employment status. When these individuals apply for Medicare Part B, they must provide proof that the group health plan coverage is (or was) based on current employment status. Form CMS L564 provides this proof so that SSA can determine eligibility for the SEP. Individuals eligible for the SEP can enroll in Part B without incurring a late enrollment penalty (LEP). Individuals may also use this form to prove that their group health plan coverage is based on current employment status and to have the assessed Medicare LEP reduced.

2. Information Users

The Social Security Administration uses this information to determine whether an individual meets the requirements for an SEP and/or LEP reduction.

3. Use of Information Technology

The form is available online via Medicare.gov and CMS.gov for individuals who are requesting the SEP or an LEP reduction to obtain and submit to their employer for completion. The employer must complete and sign the form and submit it to the individual to accompany their SEP or LEP reduction request. The information on the completed form is reviewed manually by SSA. Thus, the collection of this information does not involve the use of information technology.

4. Duplication of Efforts

The collection of this information does not duplicate any other effort.

More specifically, the information provided to the IRS is related to minimum essential coverage and is not the same thing as Group Health Plan (GHP) coverage. The form specifically gathers information that is not collected in other areas including, but not limited to: when the person (or spouse or family member) was hired, when the employment ended, when the GHP coverage started, and when the GHP coverage ended. The information is needed to determine eligibility for the SEP.

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. Less frequent collection would adversely affect beneficiary's eligibility for an SEP or LEP reduction since they're only allowed to enroll using the SEP if the employer verifies group health plan coverage based on current employment status.

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/Outside Consultation

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

9. Payments/Gifts to Respondents

This form provides the evidence necessary to determine eligibility for the SEP, which permits enrollment without a late enrollment penalty, or for a reduction of an assessed late enrollment penalty, as permitted by law. There are no payments or gifts to respondents.

10. Confidentiality

The information collected is used only by SSA for the purpose of determining a beneficiary's eligibility for a special enrollment period and/or premium surcharge reduction. Both CMS and SSA are responsible for ensuring that all PII remains confidential.

The completed form is never 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 Estimates (Hours & Wages)

Section A on the Medicare Request for Employment Information Form (Applicants)

The applicant completes Section A by filling in seven fields. They are as follows:

Item 1: Requests the applicant to fill in the name of the employer. This is needed so that SSA can verify with the employer that said employee was working during the time indicated.

Item 2: Requests the date that the applicant is filling out the Medicare Request for Employment Information form.

Item 3: Requests the employer's address.

Items 4 and 5: Requests the applicant's name and Social Security number so that SSA and CMS can identify the individual.

Items 6: Requests the employee's name. This name may be the same as Item 4 if the applicant is also the employee. However, the name may differ from Item 4 if the applicant is getting group health plan coverage through a spouse or family member. Enrollment in Part B can be established through a spouse or family member; therefore, the employee's name is needed to identify the relationship between the applicant and the employee.

Item 7: Requests the employee's Social Security Number (SSN). This may be the same as the applicant's SSN or different if the applicant is receiving GHP coverage through a spouse or family member. Enrollment in Part B can be established through a spouse or family member; therefore, the employee's SSN is needed to identify the person through whom coverage to Part B will be established.

Wage Estimates (Claimant)

The burden is computed as follows:

Annually, there are approximately 594,998 applicants who use form CMS-L564. Based on the limited information requested for completion by the applicant on the form, we estimate that it takes an applicant on average 5 minutes to complete Section A.

In aggregate, the burden for 594,998 applicants to complete the form is 49,563 hours (594,998 x 0.08 (5 minutes) = 47,600 hours).

To derive average costs for individuals, we used data from the U.S. Bureau of Labor

Statistics' May 2023 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 the median hourly wage of \$23.11 since the group of individual respondents varies widely from working and nonworking individuals and by respondent age, location, years of employment, and educational attainment, etc.

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 (Claimant)

There are approximately 594,998 applicants who use Form CMS-L564. Based on the information requested for completion by the applicant on the form, we estimate that it takes an applicant on average 5 minutes (.08 hrs) to complete.

The burden is computed as follows:

We estimate an annual burden of 47,600 hours (594,998 respondents x 0.08 hours = 47,600 hours) at a cost of \$1,100,036 (47,600 hr x \$23.11) or \$1.85 per respondent (\$1,100,036 /594,998 respondents).

| Number of applications | Time required | Total Annual Burden | Wage Cost | Total Cost |
|------------------------|-----------------|---------------------|-----------|-------------|
| 594,998 | 0.08(5 minutes) | 47,600 hours | \$23.11 | \$1,100,036 |

Section B on the Medicare Request for Employment Information Form (Employers)

The employer completes Section B.

Item 1 through 4: Requests if the applicant was covered under an employer group health plan and if so, if the coverage has ended and when. SSA requires this information to determine eligibility for the SEP.

Item 5: Requests the employer to fill out the dates the employee worked for their company or if they are currently still employed. SSA requires this information to determine eligibility for the SEP.

Item 6: Requests information regarding larger group health plans coverage for a disabled applicant. Specifically, SSA needs to know the timeframe that the large group health plan was primary payer to determine eligibility for the SEP.

Under the section called “For Hours Bank Arrangements ONLY” there are three fields that need to be filled out by the employer if the applicant was covered under an Hours Bank Arrangement.

Item 1: Provides if the applicant was covered under an Hours Bank Arrangement.

Item 2: Determines if the applicant has hours remaining in reserve.

Item 3: Indicates the date in which reserved hours ended or will be used.

Wage Estimates (Employer)

The burden is computed as follows:

We also estimate the approximate number of responses to be 594,998 for employers, who complete the requested information related to the applicant’s employment and employer-sponsored healthcare coverage. We estimate it will take 15 minutes for the employer to complete Section B.

In aggregate, the burden for 594,998 employer respondents to complete the forms in 15 minutes per response is 148,749.50 hours ($594,998 \times 0.25$ (15 minutes)) = 148,749.50 total burden hours.

To derive average costs for individuals, we used data from the U.S. Bureau of Labor Statistics’ May 2023 National Occupational Employment and Wage Estimates for our salary estimate (<https://www.bls.gov/oes/current/oes131141.htm>). We believe that the burden will be addressed under Compensation, Benefits, and Job Analysis Specialist (occupation code 13-1141) at \$35.83. We calculated fringe benefits at \$35.83 for a total wage of \$71.66.

Burden Estimates (Employer)

There are approximately 594,998 employers who use Form CMS-L564. Based on the information requested for completion by the applicant on the form, we estimate that it takes an applicant on average 15 minutes (.25 hrs) to complete

The estimated cost is \$10,659,389 ($148,749.50 \times \$71.66 = \$10,659,389.17$).

We estimate an annual burden of 148,749.50 hours ($594,998 \text{ respondents} \times 0.25 \text{ hours} = 148,749.50 \text{ hours}$) at a cost of \$10,659,389.17 ($148,749.50 \text{ hours} \times \71.66) or \$17.92 per respondent ($\$10,659,389.17 / 594,998 \text{ respondents}$).

| Number of applications | Time required | Total Annual Burden | Wage Cost | Total Cost |
|------------------------|-------------------|---------------------|-----------|-----------------|
| 594,998 | 0.25 (15 minutes) | 148,749.50 hours | \$35.83 | \$10,659,389.17 |

12.3. Information Collection Instruments and Supporting Documents

- Medicare Request for Employment Information

The form is available online in both English and Spanish at <https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-Items/CMS009718.html?DLPage=19&DLEntries=10&DLSort=0&DLSortDir=ascending>. It also can be obtained in hard copy by contacting the Social Security Administration (SSA). The Form includes instructions for completion. Policies for SSA to process a received form are outlined in HI 00805.295 (Evidence of GHP or LGHP Coverage Based on Current Employment Status) at <http://policynet.ba.ssa.gov/poms.nsf/lrx/0600805295>

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

We estimate it will take the federal government employee 5 minutes to review and record the collected data.

It is calculated that the burden hours for 594,998 responses to be reviewed and recorded in 5 minutes per response to be 47,600 total hours (594,998 x 0.08 (5 minutes)) = 47,600 total burden hours.

To derive average costs, we used data from the Office of Personnel Management 2024 General Schedule (GS) Locality Pay Table for all salary estimates (<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2024/general-schedule>). We estimate that the average government employee at SSA to receive and record the collected data to be a Grade 11, Step 1 (GS-11-1) – which we believe is the most appropriate level for a SSA field office representative.

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 \$29.76 or \$62,107 annually. Therefore, the total cost to the government to complete

the annual volume of responses is \$1,416,576 (47,600 hours x \$29.76/hr= \$1,416,576).

We estimate an annual burden of 47,600 hours (594,998 respondents x 0.08 hours = 47,600 hours) at a cost of \$1,416,576 (47,600 hr x \$29.76) or \$2.38 per respondent (\$1,416,576/594,998 respondents).

| Number of applications | Time required | Total Annual Burden | Wage Cost | Total Cost |
|------------------------|------------------|---------------------|-----------|-------------|
| 594,998 | 0.08 (5 minutes) | 47,600 hours | \$29.76 | \$1,416,576 |

15. Program and Burden Changes

Costs have been adjusted to account for more recent wage data. CMS' burden estimates have increased due to improved enrollment data provided by the Social Security Administration's Office of Income Security Programs. The data provided an increase of 579,998, a significant increase from the 2023 approved submission. CMS used internal estimates for the 2023 submission. The estimate for the current submission is based on the CMS-L564 volume for the 2023 calendar year.

Additionally, the CMS-L564 has been redesigned to mirror the format of other recently updated Medicare Part A and B enrollment forms. Per the Office of Communications' (OC) plain language suggestion, the title is being updated to specify that this request for retirement benefit information is a Medicare request. The current form title is *Request for Employment*. The new title will be ***Medicare Request for Employment Information***. A privacy statement has been added to the form--going forward, all renewed Medicare part A and B forms will include a privacy statement. The step-by-step instructions have been removed per OC's suggestion, as they do not provide additional information. Subsequently, the form's page count has been reduced from three pages to two pages.

This is a non-substantive change.

16. Publication/Tabulation Dates

There are no plans to publish or tabulate the information collected.

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.

19. Collection of Information Employing Statistical Methods

Not applicable. There are no statistical methods.