

Supporting Statement for the CMS-43  
Application for Hospital Insurance Benefits Medicare for  
Individuals with End Stage Renal Disease and  
Supporting Regulations in 42 CFR 406.7 and 406.13

A. Background

Effective July 1, 1973, individuals with End Stage Renal Disease (ESRD) became entitled to Medicare. Because this entitlement has a different set of requirements, the existing applications for Medicare were not sufficient to capture the information needed to determine Medicare entitlement based on End Stage Renal Disease (ESRD).

The CMS-43 was designed to capture all the information needed to make a Medicare ESRD entitlement determination.

B. Justification

1. Need and Legal Basis

Section 226(A) (see attachment 1) of the Social Security Act and Section 42 CFR 406.13 of the Code of Federal Regulations (see attachment 2) outline the requirements for entitlement to Medicare Part A (hospital insurance [HI]) and Part B (supplementary medical insurance [SMI]) for individuals with End Stage Renal Disease (ESRD).

Section 42 CFR 406.7 of the Code of Federal Regulations (see attachment 3) lists the CMS-43 as the application to be used by individuals applying for Medicare under the ESRD provisions of the Act.

The form CMS-43 (attachment 4) elicits the information that the Social Security Administration (SSA) and the Centers for Medicare & Medicaid Services (CMS) need to determine entitlement to Medicare based on the ESRD requirements of the law and regulations.

2. Information Users

The CMS-43 is used (in conjunction with the CMS-2728) to establish entitlement to and enrollment in Medicare Part A and/or Part B for beneficiaries with ESRD under Title XVIII of the Act. The CMS-43 is currently approved under OMB number 0938-0080.

The CMS-43 is completed by the individual with Social Security Administration (SSA) field office (FO) claims representative or field representative assistance. The application follows the application questions and requirements used by SSA. This is done not only for consistency purposes, but because certain Title II and Title XVII insured status, relationship and residence requirements must be met in order to qualify for Medicare under the ESRD provisions.

This form has not been revised since 1981. A number of changes that have already been made in other CMS and SSA applications are not reflected in this application. We have also corrected the title of the application as the term Chronic Renal Disease is arcane. End Stage Renal Disease is the accepted term for this illness and is the one used in the legislation. These updates are being made to the CMS -43 in conjunction with the current Paperwork Reduction Act approval process. We have also added additional information about Medicare coverage to the body of the application to help the individual understand what ESRD Medicare covers.

This form contains seventeen questions that must be answered to determine eligibility.

Items 1-3 request information necessary to identify the applicant (name, sex, date/place of birth, and Social Security number).

Item 4 requests citizenship or lawful presence information which is necessary to establish whether an individual must be lawfully present in the United States to receive this coverage.

Items 5-7 request information about the individual's current condition and are used to determine the proper Part A and Part B start dates.

Item 8 provides information about and solicits a Part B election.

Items 8-16 requests information needed to determine insured status, and relationship for Medicare entitlement as an individual must either have worked under Social Security or if they have not worked be the spouse or a child of an individual who has worked under Social Security.

The form is completed by the individual with assistance from an SSA field office (FO) claims or field representative. Applications are processed in the FO and directly input into the SSA Master Beneficiary Record (MBR). The data is then passed to the CMS master record, the Enrollment Database (EDB). A health insurance record showing entitlement/enrollment is

established, and if applicable, a Medicare card is issued.

If this information were not collected, it would be impossible to affect entitlement/enrollment for individuals under the ESRD provisions of the Social Security Act and subsequently process Medicare claims for them.

### 3. Use of Information Technology

The information on this form is also collected in an online environment. It is entered directly into the SSA Modernized Claims System (MCS). (This system uses online data input screens to capture the data supplied by the applicant.) Paper applications are printed because they must have an original signature under a fraud statement.

CMS and SSA are looking at the use of electronic signatures and are using them on some of their applications. This collection is not one of the applications currently designated for use of electronic signature.

Additionally, applications are taken from applicants in situations where the online system is not available. Even when a paper application is taken, the data is subsequently entered into the online system to facilitate adjudication and data transfer. The electronically collected data is adjudicated online and the data used to establish SSA and CMS master records. The SSA and CMS records communicate with each other through electronic data interchange. .

All data, whether initially collected on paper or online, is stored electronically and transferred to the SSA and CMS master records upon adjudication. The paper application and proofs of entitlement are kept on file along with the award certificate (which is a printout of the online system) for a prescribed length of time and then destroyed. The electronic data is retained.

Although technology is used in the collection, processing and storage of the data, the burden is not reduced by the use of technology.

### 4. Duplication of Efforts

Items 9 and 10 on the form request information pertaining to previous applications for benefits. It is elicited to ensure that a previous claim has not already been filed and, if it has, to ensure that the proper action will be taken by SSA.

If no duplication in filing has occurred, this information is not available from any other source.

5. Small Business

Use of this form does not involve small businesses.

6. Less Frequent Collection

This information is collected once, at the time the individual files for Medicare under the ESRD provisions of the Act. If this information is not collected, the applicant cannot establish entitlement to Medicare. Because there is a legal requirement to apply for benefits either on paper or electronically, the burden cannot be minimized.

7. Special Circumstances

The collection of this information is consistent with the guidelines in 5 CFR 1320.6. There are no special circumstances.

8. Federal Register/Outside Consultations

The 60 day Federal Register notice was published on \_\_\_\_\_, attached.

The gathering of this information is a necessary part of the Medicare entitlement process. This form was developed in 1972 and has undergone only minor alterations since then. Appropriate comments were solicited at that time. There have been no problems associated with the use of this form or the procedures established. Since the data is collected only once, there is no need for ongoing consultations.

9. Payments/Gift to Respondents

There are no payments/gifts to respondents.

10. Confidentiality

The information collected is protected under the provisions of the Privacy Act.

11. Sensitive Questions

There are no questions of a sensitive nature asked on this form.

12. Burden Estimate

Approximately 60,000 respondents annually request enrollment in Medicare on a CMS-43. The average interview and completion time for the CMS-43 is the form is 26 minutes based upon actual experience. (The completion time is the same whether the application is taken on paper or in an electronic environment because the time is spent soliciting the information rather than completing the form.)

The burden is computed as follows:

There are 60,000 respondents taking 26 minutes per response. Using the multiplier provided in Part II of the Paperwork Reduction Act Submission worksheet the total burden hours are 25,989.6.

While there may be some cost to the respondents, individuals who complete this form can be of any age. Thus there are individuals completing this form who are working currently, may not be working currently or never worked. There is no appropriate wage category to use to annualize any cost to the respondent for 26 minutes.

13. Capital Costs

There are no additional costs. SSA is the record keeper and the collection and storage of this data represents no additional cost. It is part of their normal claims activity.

14. Cost to Federal Government

Printing Costs:

The printing cost associated with the CMS-43 is \$3,890.

Processing Costs:

Interviews are conducted by SSA FO claims and field representatives (average grade is GS 11, step 5) whose hourly rate of pay (without locality pay) is \$25.08 per hour. Thus, 25,989.6 burden hours (see item 12) multiplied by \$25.08 = \$651,819.

Total Federal Cost is \$655,709.

15. Program/Burden Changes

The changes to the costs item 14 occurred because printing costs increased because CMS is printing new versions of the CMS-43 and destroying all existing stock.

Additionally there was an error in the computation of the hourly rate of payment for SSA employees who take and process the CMS-43. The last submission overestimated the hourly rate at \$25.24. Based upon the rate obtained from the OPM tables, then hourly rate should be \$25.08. This lessens the processing costs.

When taken together, the burden costs for this submission will decrease by \$2,211.

16. Publication/Tabulation Data

This information is not published or tabulated.

17. Expiration Date

CMS would like an exemption from displaying the expiration date as this form is used on a continuing basis. To include an expiration date would result in having to discard a potentially large number of forms.

18. Certification Statement

There are no exceptions to the certification statement.

C. Collection of Information Employing Statistical Methods

There have been no statistical methods employed in this collection.