

Supporting Statement for the Application for Hospital Insurance CMS-18F5 and Supporting Regulations in 42 CFR 406.6, 406.7, 406.10, 406.11 and 406.20

A. BACKGROUND

Most individuals become entitled to hospital insurance (Part A) benefits when they attain age 65 or the 25th month of disability and are entitled to monthly Social Security (SSA) benefits or are a Qualified Railroad Retirement beneficiary (QRRB). They need not file a separate application for Medicare because their application for benefits is also an application for Medicare.

Individuals who do not qualify for hospital insurance based on entitlement to RRB or SSA benefits must apply for hospital insurance. This group includes the aged spouses of age 62 insured individuals, individuals who met special insured and transitional insured provision of the original Medicare Act (P.L. 89-97) government employees who pay only the Medicare portion of the Federal Insurance Contributions Act (FICA) tax and individuals entitled to premium hospital insurance for the working disabled.

The CMS-18F5 was designed to capture all the information needed to make a determination of an individual's entitlement to hospital insurance (Part A).

B. JUSTIFICATION

1. Need and Legal Basis

Sections 226 (a) (see attachment 1), 227 (see attachment 2) and 1818A (see attachment 3) of the Social Security Act and Sections 42 CFR 406.10 (see attachment 4), 406.11 (see attachment 5) and 406.20 of the Code of Federal Regulations (see attachment 6) outline the requirements for entitlement to Medicare hospital insurance (Part A).

Sections 42 CFR 406.6 of the Code of Federal Regulations (see attachment 7) provides information about which individuals need to file an application for Part A and who does not. Section 42 CFR 406.7 of the Code of Federal Regulations (see attachment 8) lists the CMS-18F5 as the application to be used by individuals applying for Part A of Medicare.

The form CMS-18F5 (see attachment 9) and the Spanish version the HCFA-18F5 SP (see attachment 10) elicit the information that the Social Security Administration (SSA) and the Centers for Medicare & Medicaid Services (CMS) need to determine entitlement to Medicare Part A based on the requirements of law and regulations.

2. Information Users

The CMS-18F5 is used to establish entitlement to and enrollment in Part A of Medicare for beneficiaries who are not automatically entitled to Medicare Part A under Title XVIII of the Social Security Act and must file an application. The CMS-18F5 (and HCFA-18F5 SP) is currently approved under OMB No. 0938-0251.

The CMS-18 F5 is completed by the applicant with assistance from a Social Security Administration (SSA) field office (FO) claims representative or field representative. The CMS-18F5 follows the application questions and requirements used by SSA. This is done not only for consistency purposes but because certain Title II insured status, relationship and residency requirements must met in order to qualify for Medicare Part A under Title XVIII.

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

Items 1 and 2 request information necessary to identify the applicant (name, sex and Social Security number).

Item 3 requests birth information necessary to ascertain correct age and citizenship of the applicant.

Item 4 requests information on prior claims filed with SSA in order to determine potential or existing entitlement under Title II or Medicare under a different claim number. It also provides the information to document prior disability entitlement for working disabled beneficiaries.

Item 5 requests military information that could allow SSA to credit earnings and quarters of coverage for Title II benefits and Part A entitlement for the applicant.

Item 6 requests railroad work information to determine if there is possible Part A entitlement based on this work. If applicable, Part A would then be the jurisdiction of the Railroad Retirement Board (RRB) rather than SSA. RRB work credits can also be added to work under social security to count toward a Title II entitlement.

Item 7 requests information about work covered under a foreign social security system to determine if credit can be given to the applicant for foreign employment. Foreign earnings can be used to grant quarters of coverage for insured status for or increase the amount of a Title II benefit. It cannot be used to provide quarters of coverage for free Part A.

Item 8 requests earning information necessary to determine insured status.

Items 9 and 10 request residency and citizenship. These are requirements for entitlement to Part A in certain situations.

Item 11 through 12 request marital and spousal information. The information is used to determine if an applicant is entitled to Part A based upon the relationship requirements of the Social Security Act. The information may also serve as a lead for soliciting a claim for Part A from the spouse.

Item 13 requests the possible railroad employment of a spouse to determine whether there is entitlement to Part A based upon the spouse's RRB earnings.

Item 14 requests information on civilian employment with the Federal Government by the applicant or their spouse. This information is needed to screen out individuals who may be precluded from entitlement because they are covered under the Federal Employees Health Benefits Act of 1959.

Item 15 solicits an enrollment request for Premium-HI. An applicant who is determined to be ineligible for free Part A under Title II or Title XVIII of the Act can, under certain conditions, enroll in premium-Part A.

Item 16 solicits an enrollment request for Medicare supplementary medical insurance (Part B) when filed during an applicable enrollment period.

Item 17 requests Federal Civil Service Retirement Act annuity information on the applicant and/or their spouse. This is for the purpose of deducting Part B premiums from an annuity paid by the Office of Personnel Management.

Completed applications are processed in the SSA 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 entitle individuals who are not eligible for benefits under the Social Security or Railroad Retirement Acts and subsequently process the 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 Claim System. (This system uses online data input screens to capture the data supplied by the applicant.) Paper applications are printed because SSA must have the applicant's original signature under a fraud statement. Additionally, paper applications are taken in situations where the online system is not available.

When a paper application is taken, the data is subsequently entered in to the online system to facilitate adjudication and data transfer. The electronically collected data is adjudicated online and the data is used to establish SSA and CMS master records. The SSA and CMS systems communicate with each other through electronic data exchange.

All data, whether 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 also a printout from 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

Item 4 on the form requests information pertaining to previous applications for benefits. This information 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

The 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 Part A of Medicare. If this information is not collected, the applicant cannot establish entitlement to Medicare. Because applicants must apply for

benefits in some written form, the burden cannot be minimized.

7. Special Circumstance

This collection is consistent with guidelines in 5 CFR 1320.6. There are no special circumstances.

8. Federal Register/Outside Consultation

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 1965 and has undergone only minor revisions 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.

9. Payments/Gifts to Respondents

There are no payments made to respondents.

10. Confidentiality

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

11. Sensitive Questions

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

12. Burden Estimate

There approximately 50,000 respondents annually request enrollment into Medicare on a CMS-18F5. The average interview and completion time for the CMS-18F5 is 15 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 completed as follows:
50,000 respondents multiplied by the hour cost burden (from item 11 of Part II of the Paperwork Reduction Act Submission Worksheet) of .2499 minutes per response = 12,495 hours.

There is no cost to the respondents. Applicants are usually not working and do not have sufficient work coverage to be entitled to an SSA or RRB

benefit. For those few applicants who may be employed at the time they apply, there are no appropriate wage categories to use to annualize any cost to them for the 15 minutes.

13. Capital Costs

None.

14. Cost to the Federal Government

Printing Costs:

The printing cost associated with the CMS-18F5 is \$1,955.

Processing Costs:

Interviews are conducted by SSA FO claims and field representatives (average grade is GS 11, step 5) whose annual salary, without locality pay (based upon current OPM tables) is \$25.08 per hour. Thus, 12,495 burden hours (see item 12) multiplied by \$25.08 per hour = \$313,374.60

The total Federal cost is \$315,329.60

15. Program/ Burden Changes

The changes in burden cost are due to the increase in salary for the SSA representatives who conduct the interviews. There was a change of reduction of 5 total burden hours due to the change in the computation method but that was negligible.

16. Publication and Tabulation Data

This information is not published or tabulated.

17. Expiration Dates

CMS would like an exemption from displaying the expiration as this form is used on a continuing basis. To include an expiration date would result in CMS having to continually destroy 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.