SUPPORTING STATEMENT FOR FORM SSA-1020
APPLICATION FOR HELP WITH MEDICARE PRESCRIPTION DRUG PLAN COSTS

20 CFR 418.3101

OMB No. 0960-0696

A. Justification

1. The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) established a new Medicare Part D program for voluntary prescription drug coverage of premium, deductible, and co-payment costs for certain low-income individuals. The MMA mandated that subsidies be provided for individuals who qualify for the program and who meet eligibility criteria for help with premium, deductible, and/or co-payment costs. Section *1860D-14* of the *Social Security Act*, as codified in *20 CFR 418.3101* of the *Code of Federal Regulations*, discusses the subsidy eligibility criteria.

   SSA uses form SSA-1020, the Application for Help with Medicare Prescription Drug Plan Costs, to collect information that will be used in making Part D subsidy eligibility determinations. This Information Collection Request (ICR) is for form SSA-1020 and its electronic equivalent, the i1020.

2. SSA uses form SSA-1020/i1020 to collect the information it needs to determine eligibility for the Medicare Part D subsidy program.

3. An electronic version of form SSA-1020, the i1020, was developed under the impetus of the Agency's Government Paperwork Elimination Act plan. Approximately 20% of Medicare Part D subsidy applications are completed via the i1020.

4. The nature of the information being collected and the manner in which it is collected precludes duplication. There is no other collection instrument used by SSA that collects data similar to that collected here.

5. This collection does not impact small businesses or other small entities.

6. If the information collection were not conducted, SSA would have no means of gathering the information needed to make eligibility decisions for the Medicare Part D subsidy program, and therefore could not distribute Medicare Part D subsidies. This would cause SSA to be in violation of the MMA's requirement to administer Medicare Part D subsidies to eligible individuals. Because the information is only collected once (during the initial application process), the information collection cannot be conducted less frequently.

   There are no technical or legal obstacles that prevent burden reduction.

7. There are no special circumstances that would cause this information collection to be conducted in a manner inconsistent with 5 CFR 1320.5.

8. The 60-day advance Federal Register Notice was published on September 14, 2007, at 72 FR 52594, and no public comments were received. The 30-day Federal Register Notice was published at November 30, 2007, at 72 FR 67776. We will submit any public comments we receive in response to the 30-day Notice to OMB.

9. SSA provides no payment or gifts to respondents.

10. The information requested is protected and held confidential in accordance with 42 U.S.C. 1306, 20 CFR 401 and 402, 5 U.S.C. 552 (Freedom of Information Act), 5 U.S.C. 552a (Privacy Act of 1974), and OMB Circular No. A-130.

11. The information collection does not contain any questions of a sensitive nature.

12. See below for this ICR's burden data. The total burden is reflected as burden hours, and no separate cost burden has been calculated. Please **note** that the number of respondents completing the SSA-1020 is less, and the number of users completing the electronic i1020 version is greater, than the numbers reported in the Federal Register Notice. Since publishing the Notices, we received last-minute updated reports on percentage breakdowns for paper vs. electronic usage, which accounts for different numbers.

	Number of Respondents	**Frequency of Response**	**Average Burden Per Response (minutes)**	**Estimated Annual Burden (hours)**
SSA-1020 (paper application form)	2,340,888	1	35	1,365,518
i1020 (online equivalent)	585,222	1	45	438,917
Totals	**2,926,110**	-	-	**1,804,435 hours**

13. There is no known cost burden to the respondents.

14. The annual cost to the Federal Government for this collection is approximately $497,600. This estimate is a projection of the costs for printing and distributing the forms.

15. The public reporting burden for this collection has decreased by 2,612,232 hours since the form was initially cleared. This decrease is due to the significant drop in the number of respondents, which can be attributed to: 1) the large number of people who already signed up during the initial rollout of the Medicare Part D program and 2) fewer mailings to potential respondents than in previous years.

16. The results of the information collected will not be published.

17. For the **paper SSA-1020**, OMB has granted SSA an exemption from the requirement that the expiration date for OMB approval be printed on its program forms. SSA produces millions of public-use forms, many of which have a life cycle longer than that of an OMB approval. SSA does not periodically revise and reprint its public-use forms (e.g., on an annual basis). This exemption was granted so that otherwise useable editions of forms would not be taken out of circulation because the expiration date had been reached. In addition, Government waste has been avoided because stocks of forms will not have to be destroyed and reprinted. For the electronic **i1020**, we are not requesting an exemption from displaying the OMB expiration date.

18. SSA is not requesting an exception to the certification requirements at 5 CFR 1320.9 and related provisions at 5 CFR 1320.8(b)(3).

B. Collections of Information Employing Statistical Methods

Statistical methods are not used for this information collection.