

Supporting Statement for Collection of Medicare Advantage and Medicare Prescription Drug Disenrollment Requests

A. Background

The Center for Drug and Health Plan Choice is requesting a revision for OMB approval of 0938-0741 (CMS-R-257 Medicare Advantage Disenrollment Form). Specifically, this revision will:

- 1) Continue to allow Medicare beneficiaries to disenroll from Medicare Advantage plans by calling CMS' toll-free call center;
- 2) Continue to allow Medicare beneficiaries enrolled in Medicare Prescription Drug (Part D) Plans to request disenrollment from Medicare Prescription Drug Plans, and
- 3) Retire the CMS-R-257 Medicare Advantage Disenrollment Form given limited (zero) requests for the paper form since 2005.

Since 1998, CMS has provided beneficiaries with the ability to disenroll from Medicare Advantage organizations by calling our toll free number, 1-800-MEDICARE (TTY users call 1-877-486-2048). The Medicare Prescription Drug, Improvement, and Modernization Act (MMA) established Medicare Prescription Drug plans effective 1/1/06 and directed CMS to apply similar enrollment and disenrollment procedures to the new plans. Therefore, CMS amended its current telephone disenrollment process offered through 1-800-MEDICARE to include disenrollment requests from Medicare Prescription Drug plans.

Allowing beneficiaries to disenroll through Medicare's toll-free 1-800 line (1-800-MEDICARE) gives beneficiaries one more way to disenroll from their plan and allows them to disenroll through a neutral party. Furthermore, such a process affords Medicare customer service representatives the opportunity to counsel and advise beneficiaries of other available Medicare options as well as the consequences of disenrollment. The counseling option provides a unique, real-time opportunity to educate individuals of the possible consequences of disenrollment as well as the potential for the Part D late enrollment penalty if the individual does not have other creditable prescription drug coverage. Such an opportunity is not afforded to a beneficiary if he/she mails in a paper request. If it is determined that an individual does not intend to disenroll completely from a Part D plan, the 1-800 representative can assist the individual in selecting and enrolling into another Part D plan. If the disenrollment request is the appropriate option,

the representative follows an established verification process to verify the caller's identity before processing the disenrollment over the phone.

CMS has not received any requests for the CMS-R-257 form since 2005, and all disenrollment requests made to CMS have been processed via 1-800-MEDICARE. Therefore, we are also revising this information collection to retire the CMS-R-257 form. In those situations in which a beneficiary sends a written disenrollment request to the 1-800-MEDICARE call center, the call center sends notice to the individual that advises him/her to contact 1-800-MEDICARE to process their request.

B. Justification

1. Need and Legal Basis

Section 4001 of the Balanced Budget Act of 1997 amended the Social Security Act to add Section 1851(c)(1), which directed the Secretary to establish a procedure through which Medicare Advantage elections are made and changed. Section 101 of the Medicare Prescription Drug, Improvement, and Modernization Act (Public Law 108-173) amended the Social Security Act to include section 1860D-1(b)(1), which directed the Secretary to establish a procedure through which Medicare Prescription Drug Plan enrollments are made and changed and also stipulated that the Secretary use rules similar to those established for Medicare Advantage under §1851. The disenrollment process offered at 1-800-MEDICARE provides beneficiaries with the option of submitting a disenrollment request to a neutral third party, who then processes the disenrollment action as a change of enrollment. It also affords the opportunity to offer additional information on other Medicare health plan options.

2. Information Users

CMS personnel and/or contractors will be able to use the information collected in the disenrollment process to update the Medicare beneficiary's Health Insurance Master Record System in order to disenroll the beneficiary from a Medicare Advantage managed care plan or a Medicare prescription drug plan on a timely basis. The following pieces of information are collected from and/or confirmed with the beneficiary during this disenrollment process: the beneficiary's first and last name, Medicare number, date of birth, and address. In addition, the 1-800-Medicare representative will confirm that the individual is eligible to make a change during a valid enrollment period and the Medicare Advantage and

Prescription drug plan in which the individual is enrolled.

CMS will use the information collected to update the beneficiary's master record to show that the beneficiary is in the original Medicare program as well as to establish the presence or absence of Part D coverage.

CMS personnel and/or contractors will enter data elements from the telephone request into a video display terminal or similar device, which will transmit the elements electronically to the CMS headquarters in Baltimore to update the beneficiary's records. This is the most cost efficient use of technology to transmit pertinent information as quickly as possible. CMS will access this data to disenroll the beneficiary from the Medicare Advantage plan and/or from the Prescription Drug Plan.

3. Use of Information Technology

At this point, the collection of information from the beneficiary does involve a computer assisted phone interview. No other automated, electronic, mechanical, or other technological collection techniques or other forms of information technology are necessary.

4. Duplication of Efforts

There is no duplication of data. All data elements listed in Attachment A are necessary to insure a proper matching to the beneficiary's master record located at CMS headquarters.

5. Small Businesses

There is no significant impact on small business. The purpose of this process is to assist the beneficiary in disenrolling from a Medicare Advantage plan and/or from a Prescription Drug Plan promptly and efficiently.

6. Less Frequent Collection

It is necessary to collect the basic information each time a disenrollment is requested by an individual in order to process the disenrollment from a Medicare Advantage plan and/or from a Prescription Drug Plan.

7. Special Circumstances

No special circumstances are expected with the collection of this information.

8. Federal Register/Outside Consultation

A 60-day Federal Register notice was published on August 15, 2008.

We have previously consulted with beneficiaries to get their opinion on this disenrollment request mechanism and have incorporated their feedback.

9. Payments/Gifts to Respondents

No payment to respondents will be made. The data collected is the result of the beneficiary's voluntary disenrollment from a Medicare Advantage plan and/or from a Prescription Drug Plan.

10. Confidentiality

No assurances for confidentiality have been provided; however, beneficiary-specific data is protected by the Privacy Act.

11. Sensitive Questions

No questions of a sensitive nature will be asked.

12. Burden Estimate (Total Hours & Wages)

The estimated annual hour burden is 19,539.

This annual burden is based on 117,000 respondents (disenrollment requests) per year. Each request is estimated to take 10 minutes (0.167 hours) to complete. This provides an annual burden of 19,539 (117,000 x 0.167). Hourly wage for customer service contractor personnel is estimated at \$13/hour.

The figure of 117,000 respondents (disenrollment requests) is based on the number of actual disenrollments submitted to 1-800-MEDICARE for both Medicare Advantage and Medicare Prescription Drug Plans in calendar years 2006 and 2007.

It is estimated that this activity will cost \$254,007 (19,539 hours X \$13 per hour).

13. Capital Costs

No capital, start-up, or operational costs are anticipated for respondents or record keepers resulting from the collection of this information.

14. Cost to the Federal Government

The estimated annual cost to the Federal Government is \$254,007 based on revised estimates given the elimination of print forms and handling disenrollment requests through 1-800-MEDICARE.

The costs incurred by the Federal government include personnel. Personnel costs cover inputting the disenrollment request information into the computer at the time during the call with the beneficiary, as well as submission of the data to CMS central office. Hourly wages are based upon entry level and customer service contractor personnel.

Personnel

Number of disenrollment requests x number of hours per request x hourly wage

Customer service: $117,000 \times .167 \times \$13.00 = \$254,007$

Based on 117,000 annually: \$254,007

15. Program/Burden Changes

The changes in the overall costs are due to two factors:

- 1) The scope of the collection was expanded to include disenrollment requests from Medicare Prescription drug plans.
- 2) Use of the CMS R-257 form was eliminated (refer to Section A for the reasons for this elimination).

16. Publication and Tabulation Dates

The publication of this data is not intended for publication except as provided for in Section 1851(d)(4)(D)(i) of the Social Security Act.

17. Expiration Date

Not applicable given the information collection will no longer be collected through a paper based form (previously CMS-R-257).

18. Certification Statement

No exception to item 19 on OMB Form 83-I is requested.

C. Collection of Information Employing Statistical Methods

No formal data collection employing statistical methods will be done. CMS may conduct statistical analysis of the data after it is entered into the system to meet the requirements of Section 1851(d)(4)(D)(i) of the Social Security Act, as needed for research purposes.