

**SUPPORTING STATEMENT FOR FORM SSA-1020
APPLICATION FOR EXTRA 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 would be available 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 the information necessary for making Part D subsidy eligibility determinations. The current Information Collection Request (ICR) is for a revised version of form SSA-1020 and its electronic equivalent, the i1020. We are creating this revised version, which we will first use in January 2010, to comply with the provisions of Public Law 110-275, the Medicare Improvements for Patients and Providers Act of 2008. The respondents for this form are applicants for the Medicare Part D subsidy.

2. SSA uses information from form SSA-1020/i1020 to determine eligibility for the Medicare Part D subsidy program.
3. We created an electronic version of form SSA-1020, the i1020, under the Agency's Government Paperwork Elimination Act plan. Approximately 24% of Medicare Part D subsidy applicants use an online i1020 to apply.
4. The nature of the information SSA is collecting and the manner in which we are collecting it preclude duplication. SSA does not use another collection instrument to obtain similar data.
5. This collection does not affect small businesses or other small entities.
6. If SSA did not conduct this information collection, the agency 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. If we did not use this new version beginning in 2010, we

would be in violation of P.L. 110-275. Because we only collect the information once (during the initial application process), we cannot use the form less frequently.

There are no technical or legal obstacles to burden reduction.

7. There are no special circumstances that would cause SSA to conduct this information collection in a manner inconsistent with 5 CFR 1320.5.
8. SSA published the 60-day Federal Register Notice on October 28, 2008, at 73 FR 64004. We received several public comments in response to this Notice (see attached Addendum). We published the 30-day Federal Register Notice on December 29, 2008, at 73 FR 79537. If we receive any public comments in response to the 30-day Notice, we will forward them to OMB.

NOTE: Please note that in the 30-day Federal Register Notice, we mistakenly reported the response time for the i1020 as 45 minutes. This was an error; the burden is actually 25 minutes, which we reported for the first FRN and in the chart below.

SSA consulted with multiple Medicare advocacy groups in 2004, when we originally developed this form. SSA also consulted with the advocates in the revision of the form.

9. SSA provides no payment or gifts to respondents.
10. SSA protects and holds confidential the information we are requesting 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. The chart below presents the number of respondents, response time, and estimated annual burden for form SSA-1020 and the i1020. The estimated total burden represents burden hours, and we did not calculate a separate cost burden.

	Number of Respondents	Frequency of Response	Average Burden Per Response (minutes)	Estimated Annual Burden (hours)
SSA-1020 (paper application form)	560,000	1	30	280,000
i1020 (online)	240,000	1	25	100,000

application)				
Field office interview	200,000	1	30	100,000
Totals	1,000,000			480,000

13. There is no known cost burden to the respondents.
14. The annual cost to the Federal Government for this collection is approximately \$112,150. This estimate is a projection of the costs for printing and distributing the forms. Cost associated with collecting and processing in-office interviews is approximately \$ 3.4 million and \$300,000 for Internet applications. The total cost for this collection is **\$3,812,150**.
15. The public reporting burden for this collection decreased from 1,804,435 to 480,000 hours, a total decrease of -1,324,435 hours. This decrease is due primarily to a -1,926,110-person drop in the number of respondents (2,926,110 to 1,000,000), which we attribute to a high number of people who signed up during the initial rollout of the Medicare Part D program (resulting in lower numbers of applicants now). Because of the removal of several questions (see attached Addendum), the completion time for both forms decreased, also contributing to the burden reduction.
16. SSA will not publish the results of the information collection.
17. For the **paper SSA-1020**, OMB exempted SSA from the requirement to print the OMB approval expiration date. 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). OMB granted this exemption so SSA would not have to destroy stocks of otherwise useable editions of forms with expired OMB approval dates, avoiding Government waste. 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

SSA does not use statistical methods for this information collection.