

Supporting Statement for the CMS-43  
Application for Hospital Insurance Benefits 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 under the ESRD provisions of the law.

The Application for Hospital Insurance Benefits for Individuals with End Stage Renal Disease - CMS-43 was designed to capture all the information needed to make a Medicare entitlement determination.

B. Justification

1. Need and Legal Basis

The Social Security Act at § 226(A) (see attachment 1) and the Code of Federal Regulations at 42 CFR §406.13 (see attachment 2) outline the requirements for entitlement to Hospital Insurance (Part A) and Supplementary Medical Insurance (Part B) for individuals with ESRD.

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

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.

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 Part B) for individuals with ESRD. The CMS-43 is currently approved under OMB number 0938-0080.

The CMS-43 is an application for Medicare completed by a Social Security Administration (SSA) claims representative or field representative using information provided by the individual during an interview. 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 XVIII insured status and relationship requirements must be met in order to qualify for Medicare under the ESRD provisions. The form is not completed by CMS staff.

This form contains seventeen questions that must be answered to determine an individual's eligibility for and entitlement to Medicare based upon ESRD.

Items 1 - 3 request information necessary to identify the applicant (name, sex, date/place of birth, and Social Security number (SSN)). Under §205 of the Social Security Act, (the Act) the Commissioner of SSA shall assign SSNs to all individuals, including applicants for and recipients of benefits under any federally funded program (e.g. Social Security, Supplemental Security Income benefits and Medicare), aliens who are lawfully present in the U.S. and children. The SSA uses the SSN as the record identifier for applicants for or recipients of benefits under title II and title XVIII of the Act. Because CMS does not obtain or process applications for such benefits, it cannot assign an alternative identifier.

Item 4 requests citizenship or lawful presence information which is used by CMS to determine if Medicare can make payments on behalf of the individual.

Items 5 -7 request information about the individual's current condition and is used to determine the proper Part A and Part B entitlement dates. The dates of entitlement can be different depending upon whether the individual is dialyzing or has received a kidney transplant.

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

Items 9 -17 request information needed to determine insured status.

In order to be entitled to Part A under the ESRD provisions, an individual must be insured, that is, s/he must have worked the required amount of time under social security, the railroad retirement board (RRB) or as a government employee, or be the spouse or child of such an individual (REF: §226A(a)(1) of the Social Security Act). Under §205 of the Act, the Commissioner of SSA shall establish and maintain records of the amount

of wages paid to each individual and the amounts of self employment income. These earnings are maintained under the worker's SSN. The earnings determine an individual's (and/or his/her dependent's) eligibility for and the amount of Social Security benefits and Medicare.

Items 9 and 10 ask if the individual has filed an application for benefits and/or Medicare under social security or RRB. If the response is yes, the individual is asked to provide the SSN or railroad number under which the application was filed. The SSN and/or railroad number are needed to determine if entitlement to benefits/Medicare is pending or already exists. If entitlement is pending then development for insured status has been initiated. Since all records (title II and title XVIII) in SSA are established and maintained by SSN, that number must be requested to determine if entitlement exists or is pending.

Items 11 through 15 are completed if the individual is currently not entitled to benefits under social security or the RRB. Information about the individual's own work history is requested in order to determine if there is insured status based upon his/her own work record.

Items 16 and 17 are completed if the individual is not insured on his/her own work record, i.e. has not worked at least 1 and ½ years out of the last 3 years. In this case, the individual can use the insured status of a parent or spouse to establish entitlement to Part A (REF: §226A(a)(1)(C) of the Act). Item 16 is completed if the individual is or was married. The SSN of the spouse is required to determine if the spouse is insured. Since the work records under social security are SSN based, there isn't an alternative identifier that can be used by SSA to obtain earnings data. Item 17 is completed by individuals who are not insured on their own work record and are not and have never been married. Generally, this box is completed on behalf of a child. The SSNs of the parent(s) are required to determine if they are insured. As previously stated there are no alternative identifiers that can be used by SSA to determine earnings information.

If this information were not collected, it would be impossible to affect Medicare entitlement for individuals with ESRD.

### 3. Use of Information Technology

The data collected for entitlement to benefits is not collected by CMS but by SSA under an Interagency Agreement.

The information from the application is entered into the SSA Modernized Claims System. The information is compared electronically to the appropriate earnings information to determine insured status and/or prior

entitlement. Applications are processed and directly input into the SSA Master Beneficiary Record. The data is then passed to the CMS master record, the Enrollment Database and a CMS health insurance record showing entitlement is established, and when applicable, a Medicare card is issued.

This collection requires an original signature under a fraud statement.

This collection is not one of the applications currently designated for use of electronic signature.

Additionally, applications are taken from individuals 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. The burden is in the interview to solicit and clarify information that is collected electronically.

#### 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. Even if the individual has filed previously and entitlement has been denied or terminated, the prior information must be updated to ensure proper disposition of the new application.

If no prior filing has occurred, this information collection does not duplicate any other effort and the information cannot be obtained 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. 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 May 15, 2009 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 established procedures. 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. A copy of the information collected is provided to the applicant.

11. Sensitive Questions

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

12. Burden Estimates (Hours & Wages)

Approximately 60,000 respondents annually request enrollment in Medicare on a CMS-43. The average interview and completion time for the CMS-43 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 \$1,500 annually

Processing Costs:

Collection of data and processing is done by SSA claims and field representatives (average grade is GS 11, step 5) whose hourly rate of pay (without locality pay) is \$26.90 per hour. Thus, 25,989.6 burden hours (see item 12) multiplied by \$26.90 = \$699,120.

Total Federal Cost is \$700,620

15. Changes to Burden

The changes to the costs are due to adjustments. Our printing costs are lower as the last cost included printing a new version of the CMS-43 and

destroying all existing stock. The current printing costs represent the annual printing cost needed to maintain SSA's minimum stocking requirements.

The hourly rate of payment for the SSA representative collecting and processing the information has increased by \$1.82 from \$25.24 per hour to \$26.09 per hour.

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 and has remained unchanged for a number of years. To include an expiration date would result in having to discard a potentially large number of forms and reprint them for no reason other than a change in the expiration date.

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.