Supporting Statement for the CMS-1763
Request for Termination of Premium Hospital and/or
Supplementary Medical Insurance and
Supporting Regulations in 42 CFR 406.28 and 407.27

A. Background

The Social Security Act (the Act) allows a Medicare enrollee to voluntarily terminate Supplementary Medical Insurance (Part B) and/or the premium Hospital Insurance (premium-Part A) coverage by filing a written request with the Centers for Medicare & Medicaid Services (CMS) or the Social Security Administration (SSA). The Act also stipulates when coverage will end based upon the date the request was filed.

Because Medicare is recognized as a valuable protection against the high cost of medical and hospital bills, when an individual wishes to voluntarily terminate Part B and/or premium Part A, CMS and SSA requests the reason that an individual wishes to terminate coverage to ensure that the individual understands the ramifications of the decision.

The Request for Termination of Premium Hospital and/or Supplementary Medical Insurance – CMS-1763 provides a standardized form to satisfy the requirements of law as well as allowing both agencies to protect the individual from an inappropriate decision.

B. Justification

1. Need and Legal Basis

The Social Security Act at §1838 (b) (1) (attachment 1) and §1818A (c) (2) (B) (attachment 2) and the Code of Federal Regulations at 42 CFR §406.28 (a) (attachment 3) and §407.27 (c) (attachment 4) require that a Medicare enrollee wishing to voluntarily terminate Part B and/or premium Part A coverage file a written request with CMS or SSA The statute and regulations also specify when coverage ends based upon the date the request for termination is filed. The form CMS-1763 (attachment 5) was developed to comply with these requirements.

2. Information Users

The CMS-1763 provides CMS and SSA with the enrollee's request for termination of Part B and/or premium Part A coverage. The CMS -1763 is currently approved under OMB number 0938-0025.

The CMS-1763 is completed by an SSA claims or field representative using information provided by the Medicare enrollee during an interview. The purpose of the form is to provide to the enrollee a standardized format to request termination of Part B and/or premium Part A coverage, explain why (s)he wishes to terminate such coverage and to acknowledge that the ramifications of the decision are understood. The form is not completed by CMS staff.

If this data is not collected in writing, neither CMS nor SSA would know that an enrollee wanted to terminate their Medicare coverage, when to effectuate the termination of coverage and if the enrollee understood the ramifications of that decision. Additionally, there would be no record of the request in the event there was a dispute about the termination of coverage.

The form itself consists of 5 items that are necessary to identify the enrollee and the type coverage being terminated; provide the date the coverage will end; and obtain the enrollee's reason for the request for termination of coverage.

The first item requests the name of the enrollee so SSA and CMS can identify the individual.
The second item requests the Medicare Claim Number. This identifies the record upon which the enrollee's Medicare coverage was established. The Medicare Claim Number was assigned by SSA based upon the filing of an application for Social Security benefits and/or Medicare. The Medicare claim number contains the social security number (SSN) of the enrollee or the number holder of the record where Medicare coverage was established. SSNs are assigned in accordance with §205 of the Act.
The third item requests the name of the person making the request if it is other than the enrollee. SSA can, under certain circumstances, establish a representative payee for a beneficiary. If the enrollee has a representative payee their name would appear here.
The fourth item identifies the coverage (Part B and/or premium Part A) the enrollee wants to terminate.
The fifth item provides the date (month, day and year) that the coverage will

end.
The last item requests the enrollee's reason for termination of coverage.

3. Use of Information Technology

The information collected on this form is not collected by CMS but by SSA under an Interagency Agreement.

There is no electronic method of capturing the enrollee's request and reason for termination of coverage or their acknowledgement of the ramifications of their action. After completing the form SSA electronically enters the termination information into their Post Entitlement Online System (POS). This input will automatically update the SSA Master Beneficiary Record. The data is then passed to the CMS master record, the Enrollment Database and when applicable, a revised Medicare card is issued. The SSA and CMS records communicate with each other through electronic data interchange.

The signed request is scanned into the SSA Paperless process where it is stored electronically and can be retrieved for documentation if the termination action is questioned. The paper form is kept for a prescribed length of time and then destroyed. The electronic data is retained.

This collection requires an original signature.

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

Although technology is used in the 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 the information collected on the form

4. Duplication of Efforts

The collection of this information does not duplicate any other effort. Even if the enrollee previously terminated Part B and/or premium Part A and is now requesting termination of a new period of coverage, the information must be updated to ensure proper disposal of the new request.
This information is not available from any other source.

5. Small Business

Use of this form does not involve small business.

6. Less Frequent Collection

This information is collected when a beneficiary wishes to terminate Part B and/or premium Part A coverage. See item 2 for consequences of not collecting this information. If this collection is not performed, the enrollee cannot request termination of their Medicare coverage. Since the statute permits an enrollee to terminate Part B and/or premium Part A coverage and specifies how such a request must be made, 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 Notices/Outside Consultants

The 60 day Federal Register notice was published on May 15, 2009.

The gathering of this information is required in order for an enrollee to terminate Part B and/or premium Part A coverage. This form was developed in 1966. Appropriate comments were solicited at that time. There have been no problems associated with the use of this form or the procedures established. Since the information is collected only once, there is no need for ongoing consultations.

9. Payments/Gifts 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 executed form can be provided to the enrollee upon request

11. Sensitive Questions

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

12. Burden Estimate (Hours & Wages)

There are approximately 14,000 respondents annually who request termination on a CMS-1763. The average interview, completion and data transmission time is 25 minutes based upon actual experience.

The burden is computed as follows:
14,000 respondents taking 25 minutes per response. Using the multiplier provided in Part II of the Paperwork Reduction Act Submission worksheet the total burden hours are 5,831.

While there may be some cost to the respondents, there are individuals completing this form who are working currently, may not be working currently or have never worked. There is no appropriate wage category to use to annualize any cost to respondents for 25 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-1763 is $800.00 annually.

Processing Costs:
Collection and processing of the information is done by SSA claims and field representatives (GS 11, Step 5) whose annual salary, without locality pay, is $26.90 per hour. Thus 5,831 burden hours (see item 12) multiplied by $26.90 = $156,853.90

Total Federal Cost is $157,653.90.

15. Changes to Burden

The changes to the costs are due to adjustments. Our printing costs which represent the annual printing cost needed to maintain SSA's minimum stocking requirement, have increased since the last approval.

The hourly rate of payment for the SSA representatives collecting and processing the information has increased by $1.82 from $25.24 per hour to $26.90 per hour. This increase has been slightly offset by the decrease in the burden hours resulting from the change in the way the hours are computed since the last approval.

16. Publication and Tabulation

The information is not published or tabulated.

17. Display of Information

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 to change the expiration date.

18. Certification Statement

There are no exceptions to the certification statement.

C. Collections of Information Employing Statistical Methods

There have been no statistical methods employed in this collection.