Supporting Statement for CMS-1957
Social Security Office (SSO) Report of State Buy-In Problem

A. Background

This is a request for OMB reapproval of the CMS-1957, SSO Report of State Buy-In Problems. The form was previously approved through July 31, 2009, under OMB No. 0938-0035. Under the State Buy-In Program, States sign an agreement with the Department of Health and Human Services to enroll low income individuals in Medicare and pay their premiums. The purpose of 'buy-in' is to assure that Medicaid is the payer of last resort by permitting a State to provide Medicare protection to certain groups of needy individuals, as part of the State's total assistance plan. State Buy-in also has the effect of transferring some medical costs for this population from the Medicaid program, which is partially State funded to the Medicare program, which is funded by the federal government and individual premiums. Generally, States buy-in for individuals who meet the eligibility requirements for Medicare and are cash recipients or deemed cash recipients, categorically needy under Medicaid. States may also include individuals who are not recipients of cash assistance but are eligible for Medical Assistance Only and federally approved as part of the State's Medicaid plan.

B. Justification

1. Need and Legal Basis

The statutory authority for the State Buy-in program is Section 1843 of the Social Security Act, amended thru 1989, (Attachment 1). Under Section 1843, States can enter into an agreement to provide Medicare protection to individuals who are members of a buy-in coverage group, as specified in the State's Buy-in agreement.

The Code of Federal Regulations at 42 CFR 407.40 (Attachment 2) provides for States to enroll in Medicare and pay the premiums for all eligible members under a buy-in coverage group. Individuals enrolled in Medicare under the buy-in program must be eligible for Medicare and a covered member of a buy-in group.

The day to day operations of the State Buy-in program is accomplished through the automated data exchange process previously established between the Social Security Administration, Medicaid State Agencies, and CMS. When problems arise which cannot be resolved though the normal data exchange process, clerical actions are required. The CMS-1957, "SSO Report of State Buy-In Problem" (Attachment 3) is used in reporting these problems. The CMS-1957 is the only standardized form that is available for communication between the Social

Security District Offices, the Medicaid State Agencies and CMS for the resolution of beneficiary complaints and inquiries regarding State buy-in.

2. Information Users

In most instances, the SSO becomes aware of a problem through a beneficiary complaint. The majority of buy-in problems are reported by a Social Security District Office or by a Medicaid State Agency. However, other CMS components, regional offices, Medicare intermediaries and carriers also report buy-in problems.

A buy-in problem usually involves one or more of the following:

1. A request to accrete or delete an individual from the buy-in rolls.

2. A request to adjust the accretion and/or deletion date(s) annotated to the Medicare record.

3. A complaint of duplicate billing – the State is paying the Medicare premiums while the premiums are being deducted from his/her social security check.

4. A complaint that an individual enrolled in the buy-in program is also being directly for the Medicare premiums.

5. A request to refund Medicare premiums paid by the individual, while the individual was an eligible member of a covered group.

6. A complaint that a Medicare claim was denied due to no Medicare coverage while the individual was an eligible member of a covered group.

7. A complaint that an individual received a Medicare termination notice while an eligible member of a covered group.

8. An allegation that the individual is no longer eligible for buy-in. However, no premium deduction or direct bill status indicated on the record, as appropriate.

The CMS-1957 is used in the resolution of beneficiary complaints regarding the State Buy-in Program. The instructions for completing the CMS-1957 are posted on SSA PolicyNet HI 00815.088, Servicing DO/BO Processing of CMS-1957 (Attachment 4). The SSO completes Part 1 and Part 2 of the form and forwards the form to the State Medicaid Agency for additional information, if necessary. The form is returned to the

SSO for final review of the State data. The SSO forwards the form to CMS Central Office if the Third Party Master File and related records need correction.

The CMS-1957 is designed as a cover letter to accumulate information necessary in resolving buy-in problem cases, program cases. The CMS-1957 is described below:

Identifying information is provided at the top portion of the form. This includes a "to" and "from" block; beneficiary level-identification block: name; Medicare claim number, social security number, welfare number, State and county of residence, sex, date of birth, and mailing address. The SSO may need to contact the State Medicaid Agency in order to complete the identification block.

Part 1, "Report of Problem by SSO" and Part 2, "SSI Status at SSO" (if applicable) is completed by the Social Security District Office. This section describes the beneficiary's problem.

Part 3, "Report of Buy-In status by Welfare Department" and Part 4, "Information from the State's records and/or actions being taken by State" is completed by the State Medicaid Agency. These sections are used for verifying buy-in eligibility. After verifying the buy in status, the form is signed by an appropriate State Medicaid Agency staff then the form is dated and returned to the appropriate SSO. The form is sent to CMS Central Office for resolution.

Beneficiary problems and concerns related to the State Buy-in program cannot be officially documented without the use of CMS-1957 form. This form facilitates the coordination of efforts between the SSA, State Medicaid Agencies and CMS in the resolution of a beneficiary's State buy-in problem.

3. Improved Information Technology

The CMS-1957 is completed once for each beneficiary record and does not lend itself to computerization. There are situations that arise which require signatures along with supporting documentation to be attached to the form. This form and the supporting documentation may need to be passed through several agencies. This process cannot be preformed electronically.

4. Duplication

There is no duplication of work in resolving a buy-in program.. Each problem is unique to the individual record. The information provided on the CMS-1957 is unique to the individual beneficiary.

5. Small Businesses

This form is not completed by small business, but rather State and Federal Agencies.

6. Less Frequent Collection

This form is completed as needed when a beneficiary experiences a State buy-in problem.

7. Special Circumstances

There are no special circumstances.

8. Federal Register/Outside Consultation

The 60-day Federal Register notice published on August 28, 2009.

9. Payment/Gift To Respondents

There are no payments/gifts to respondents.

10. Confidentiality

While there are no assurances of confidentiality provided, the information is used only within the health insurance program.

11. Sensitive Questions

There are no questions of a sensitive nature associated with this form.

12. Burden Estimate (Hours & Wages)

There are approximately 5,200 forms completed and submitted to CMS for resolution annually. It is assumed that each form represents a beneficiary making a complaint. Therefore, 5,200 beneficiaries provided information to SSO District Offices.

The SSO completes Part 1 and Part 2 of the form by compiling and documenting information provided by the beneficiary. The average interview and completion time for the CMS-1957 is 20 minutes.

The form may be forwarded to the State Medicaid Agency for verification of the buy-in status and returned to the SSO. The two sections completed by the State Medicaid Agencies are merely check boxes. Contacts in the State Medicaid

Agencies estimate that this part of the form can be completed in 15 minutes.

The burden is computed as follows:

SSO Beneficiary Interview:
5,200 beneficiary interviews multiplied by 20 minutes (1/3 hr)
=1,716 hours

State Medicaid Agency:
400 State Medicaid Agency responses multiplied by 15 minutes (1/4 hr)
= 100 hours

Total burden = 1716 hours + 400 hours= 1816 hours

SSO Beneficiary Interview:
Based on the standard hourly rate of $22.38, GS-7, step 5 multiplied by 1,716 hours:

= $38,404.08

Medicaid State Agency:
Based on the standard hourly rate of $15.00 multiplied by 100 hours
= $1,500

13. Capital Costs

There are no capital costs.

14. Annual Cost to Federal Government

Printing Costs:

No printing costs currently incurred.

Processing Costs:

Social Security District Office
Service Representatives document beneficiary complaints on the CMS-1957. Cost is computed as follows: GS-7, step 5, hourly rate of $22.38 multiplied by 1,716 hours = $38, 404.08

Total Federal Cost is $38, 404.08

15. Program Changes

The number of respondents decreased since the last time this information collection was submitted for OMB approval. We have adjusted the burden accordingly.

16. Publication and Tabulation Data

This information is not published or tabulated.

17. Display of Expiration Date

No expiration date currently exists on the form and we are seeking approval to not display an expiration date on the form. Neither the form, nor the information requested, changes from renewal to renewal. The requirement to include an expiration date, would necessitate the destruction of "in stock" forms with old dates. This would represent an increased cost to the Government for reprinting new forms.

18. Certification

There are no exceptions to the certification statement.

C. Collections of Information Employing Statistical Methods

This section does not apply because statistical methods were not used in developing this collection.