

**Supporting Statement for Form SSA-44,
Medicare Income-Related Monthly Adjustment Amount – Life-Changing Event
20 CFR 418.1205, .1255, .1265 and
Proposed 20 CFR 418.2205, .2255, .2265
OMB No. 0960-NEW**

A. Justification

1. Introduction/Authoring Laws and Regulations

Section 1860D-13(a), added by section 3308 of the *Patient Protection and Affordable Care Act (Affordable Care Act)*, and Section 1839(i) of the *Social Security Act*, as codified by Title 20 of the *Code of Federal Regulations (CFR) Part 418*, mandate reductions in the Federal Medicare Part B and prescription drug coverage subsidies. This results in higher premiums for those with Medicare Part B and prescription drug coverage with income above a specific threshold. The amount of the premium subsidy reduction is an income-related monthly adjustment amount, or IRMAA.

A Medicare beneficiary who experiences a significant life-changing event (LCE) and a subsequent reduction in income can report these circumstances to SSA and receive a reduction in or elimination of IRMAA. The Medicare Part B regulations requiring a life-changing event for use of a more recent taxable year are in Subpart B of *20 CFR Part 418*. The proposed parallel regulations for Medicare prescription drug coverage will be in Subpart C of *20 CFR Part 418*. Because of the January 1, 2011 effective date of section 3308 of *Public Law (Pub.L.) 111-148, the Affordable Care Act*, the proposed regulations for Subpart C will need to be effective upon publication.

SSA will send out IRMAA-specific notices to the public just after the weekend of November 20, 2010 showing their 2011 Medicare rates. Those notices could arrive in the mail as early as November 22, 2010 and explain how beneficiaries can provide new information for SSA to consider for the 2011 IRMAA calculation. If beneficiaries wish to report a life-changing event affecting their 2011 IRMAA using a form, the SSA-44 will need to be available on the Internet to do so. Consequently, we are requesting OMB to approve the revised form prior by November 22, 2010.

2. Description of Collection

The Centers for Medicare & Medicaid Services in the Department of Health and Human Services is responsible for determining the amounts of Medicare Part B monthly premiums, the national base beneficiary premium for prescription drug coverage, and the monthly income-related adjustment amounts. The Social Security Administration (SSA) is responsible for several aspects of the premium collection process. As part of this process, SSA's role includes:

- 1) Determining which Medicare Part B and prescription drug coverage recipients are subject to IRMAA based on Federal tax return information from the Internal Revenue Service (IRS);
- 2) Determining when to apply an IRMAA amount;

- 3) Accepting information from recipients that updates or clarifies the tax data provided by IRS; and
- 4) Making new initial IRMAA determinations based on significant life-changing events (LCE) when there is a reduction in income.

Since SSA determines IRMAA based on past IRS tax data, it is possible recipients' financial situations may have changed due to a significant LCE and SSA's IRMAA determination would no longer be accurate. Our regulations at 20 CFR 418.1205 and proposed 20 CFR 418.2205 specify the LCEs. SSA uses form SSA-44, the Medicare Income-Related Monthly Adjustment Amount – Life-Changing Event, to collect information from Medicare recipients about an LCE that could affect their IRMAA.

SSA defines a relevant LCE as: 1) marriage, 2) divorce/annulment, 3) spousal death, 4) work stoppage, 5) work reduction, 6) loss of income due to property loss, 7) loss of pension income, and 8) receipt of a one-time employer's (or former employer's) settlement payment.

Beneficiaries may choose to contact an SSA office directly or to access form SSA-44 through the internet to request the use of a more recent taxable year to determine their IRMAA because of a significant LCE. SSA uses the information collected on form SSA-44 to determine if the initial IRS tax data used for the beneficiary needs to change. If the agency determines the LCE warrants the use of a more recent taxable year to determine IRMAA, we will use the information to make a new initial determination. The respondents are Medicare Part B and prescription drug coverage enrollees with modified adjusted gross income over a high-income threshold who experience one of the eight significant LCEs cited in #2 of this document.

3. Use of Information Technology to Collect the Information

Form SSA-44 has two modalities: 1) an online-only PDF respondents can print, complete, and mail to SSA and 2) a field-office interview, during which SSA employees enter the data electronically during an interview. More than three-quarters of respondents choose the field-office interview option.

4. Why We Cannot Use Duplicate Information

Due to changes in the statute, we are unable to use the previous form used to collect similar data since the form was specific to Medicare Part B. We are requesting to replace that SSA-44, OMB no. 0960-0735 upon clearance of the new proposed form SSA-44.

5. Minimizing Burden on Small Respondents

This collection does not affect small businesses or other small entities.

6. Consequence of Not Collecting Information or Collecting it Less Frequently

If SSA did not collect this information, we would not be able to allow Medicare enrollees with prescription drug coverage or Part B who have experienced significant LCEs to report such events. This would put SSA in violation of the Medicare Prescription Drug, Improvement and Modernization Act of 2003 (*Pub.L. 108-173*), the *Affordable Care Act (Pub.L. 111-148)*, and relevant regulations. Since SSA collects this information on an as needed basis, we cannot collect it

less frequently. There are no technical or legal obstacles to burden reduction.

7. Special Circumstances

There are no special circumstances that would cause us to collect this information in a manner inconsistent with 5 CFR 1320.5.

8. Solicitation of Public Comment and Other Consultations with the Public

SSA published an emergency Federal Register notice on November 17, 2010 at 75 FR 70341. SSA did not consult members of the public in the maintenance of this form.

9. Payment or Gifts to Respondents

SSA does not provide payments or gifts to the respondents.

10. Assurances of Confidentiality

SSA protects and holds confidential the information it collects in accordance with 42 U.S.C. 1306, 20 CFR Parts 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. Justification for Sensitive Questions

The information collection does not contain any questions of a sensitive nature.

12. Estimates of Public Reporting Burden

Method of Information Collection	Number of Respondents	Frequency of Response	Average Burden Per Response (minutes)	Estimated Annual Burden (hours)
Personal Interview (SSA field office)	147,000	1	30	73,500
Paper Form (mailed)	39,000	1	45	29,250
Totals	186,000	-	-	102,750

The total burden for this ICR is 102,750 hours. This figure represents burden hours, and we did not calculate a separate cost burden.

13. Annual Cost to the Respondents (Other)

This collection does not impose a known cost burden on the respondents.

14. Annual Cost to Federal Government

The annual cost to the Federal Government for this collection is approximately \$8,500,000. This estimate is a projection of the costs for printing the collection instrument and for collecting the information through field-office interviews.

15. Program Changes or Adjustments to the Information Collection Request

This new information collection will increase the public reporting burden by 102,750 hours.

16. Plans for Publication Information Collection Results

SSA will not publish the results of the information collection.

17. Displaying the OMB Approval Expiration Date

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).

18. Exceptions to Certification Statement

Since this is a PDF-only form, SSA is not requesting an exemption from the OMB requirement to print the OMB expiration date on the form.

B. Collections of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.