

# Supporting Statement A

## Health Education Assistance Loan (HEAL) Program Physician's Certification of Borrower's Total and Permanent Disability Form

OMB Control No. 0915-0204

### A. Justification

#### 1. Circumstances of Information Collection

This is a request for extension of Office of Management and Budget approval of the HEAL form, Physician's Certification of Borrower's Total and Permanent Disability, (Form HRSA-539), currently approved under OMB Number 0915-0204, which expires 8/31/2013. HRSA-539 is authorized by 42 U.S.C. 292m, section 714 of the Public Health Service (PHS) Act and §60.39 of the governing regulations. A borrower and the borrower's physician must complete this form. The borrower then submits the form and additional information to the lending institution (or current holder of the loan) who in turn forwards the form and additional information to the Secretary for consideration of discharge of the borrower's HEAL loans.

The HEAL program, governed by sections 701-720 of the PHS Act, as amended by the Health Professions Education Amendments of 1992 (Pub. L. 102-408), provided federally insured loans to students in schools of allopathic medicine, osteopathic medicine, dentistry, veterinary medicine, optometry, podiatric medicine, pharmacy, public health, allied health, or chiropractic, and graduate students in health administration or clinical psychology. Lenders, such as banks, savings and loan associations, credit unions, pension funds, State agencies, HEAL schools, and insurance companies, made HEAL loans which were insured by the Federal Government against loss due to borrowers' death, disability, bankruptcy, and default. The basic purpose of the program was to assure the availability of funds for loans to eligible students who needed to borrow money to pay for their educational costs.

The form provides a uniform format for borrowers and lenders to use when submitting a disability claim. The information submitted on the form is necessary to protect the financial interest of the Federal Government and to assure proper program administration by 15 current loan holders of HEAL loans.

#### 2. Purpose and Use of Information Collection

The information collected on the certification and disability form is essential for proper administration of the HEAL program. The PHS, under a Contract of Insurance, insured loans

made by lending institutions against default, death, disability, and bankruptcy. Sections 60.39 and 60.40 of the HEAL regulations require that the HEAL loan holders report specific disability information, along with a physician's certification and supporting medical records, that the HEAL borrower meets the total and permanent disability provisions. This information is submitted to the Division of Student Loans and Scholarships who evaluates the documentation for completeness. Complete documentation is then forwarded to the Medical Review Board for determination.

The PHS uses this form to obtain precise information about the disability claim which includes the following: 1) the borrower's consent to release medical records to the Department of Health and Human Services and to the lender of the borrower's HEAL loans, 2) pertinent information supplied by the certifying physician, 3) the physician's certification that the borrower is unable to engage in any substantial gainful activity because of a medically determinable impairment that is expected to continue for a long and indefinite period of time or to result in death; and (4) information from the lender on the unpaid balance of the loan. Failure to submit the required documentation will result in a disability claim not being honored.

### **3. Use of Improved Information Technology**

Electronic reporting is infeasible for several reasons:

- The form requires two signatures and must be accompanied by medical records. Most respondents do not have all needed documentation in an electronic format.
- A large majority of physicians do not have completely computerized medical records.

### **4. Efforts to Identify Duplication**

The information requested on the form only pertains to a disability claim applicant and is available only from the borrower, the borrower's physician, and the HEAL loan holder.

### **5. Involvement of Small Entities**

This information collection does not involve small businesses or other small entities.

### **6. Consequences if Information Collected Less Frequently**

A disability claim can be considered only if it is requested by the borrower and certified by the borrower's physician prior to submission to the Secretary. Prompt submission of this claim is in the best interest of the disabled HEAL borrower.

### **7. Consistency with the Guidelines in 5 CFR 1320.5(d)(2)**

This information collection fully complies with the guidelines in 5 CFR 1320.5(d)(2).

## **8. Consultation Outside the Agency**

The notice required by 5 CFR 1320.8(d) was published in the *Federal Register* on March 28, 2013 (Vol. 78, No. 60, pages 18988-18989). No comments were received.

In April 2013, the HEAL program staff contacted three representatives for review and comment on the clarity of the forms and burden hours required to complete them. The burden estimate to complete the forms by the lender and borrower was reported as accurate and there were not any unresolved issues. Changes cited by lenders regarding estimates of burden for the physician were adopted.

The following persons were contacted regarding the use of this form:

### Lenders

Ms. Kathryn Noone  
Manager, Guarantor Relations and Compliance  
SLMA-Loan Servicing Center  
220 Lasley Avenue  
Hanover Industrial Estates  
Wilkes-Barre, PA 18706  
(570) 821-4578

Ms. Patricia Walton  
Servicing Supervisor  
American Education Services  
Pennsylvania Higher Education  
Assistance Agency  
1200 N Seventh Street, 3<sup>rd</sup> Floor  
Harrisburg, PA 17102-1444  
(717) 720-3218

### Medical Review Board

LCDR Brandon Fuhrman  
c/o Debra Stowe  
Federal Occupational Health  
4350 Montgomery Avenue  
Suite 950  
Bethesda, Maryland 20814  
(301) 594-4209

## **9. Remuneration of Respondents**

Respondents will not be remunerated.

#### **10. Assurance of Confidentiality Provided to Respondents**

The Privacy Act of 1974 (5 U.S.C. 522a) requires an agency to provide notification to individuals who supply information. The required Privacy Act notification is provided to the HEAL disability applicant on the form. The records associated with this information collection are protected by the Family Educational Rights and Privacy Act. This system contains information about individuals who have received HEAL loans and who are delinquent on loan repayments. Due to the serious medical condition of these borrowers who have been determined to be totally and permanently disabled with no future of being gainfully employed, any further invasion of their privacy is usually deemed unwarranted. Upon approval of their disability claim, the Department of Health and Human Services returns all medical documentation, including HRSA Form-539, to the lender for disposition back to the borrower and physician.

#### **11. Justification for Sensitive Questions**

The physician's certification of borrower's total and permanent disability includes data that are sensitive in nature (e.g., detailed information about the borrower's disability such as diagnosis of present medical condition, current medications, rehabilitation plans, and prognosis). The collection of the specific information is necessary to protect the financial interest of the Federal Government (the guaranteed loan liability amount is approximately \$494 million (as of 9/30/2012) including principal and interest). The regulations require that this information be submitted to properly determine if the borrower's disability claim should be honored by the Federal Government and the borrower discharged from repayment of the loan.

Section 7(b) of the Privacy Act of 1974 (U.S.C. 522a Note) requires that when any Federal, State, or local government agency requests an individual to disclose his or her social security account number (SSN), the individual must also be advised whether that disclosure is mandatory or voluntary, by what statutory or other authority the SSN is solicited, and what uses will be made of it.

The HEAL application contains the following statement regarding the SSN: "Disclosure of the applicant's SSN is mandatory for participation in the HEAL Program as provided for by Section 4 of the Debt Collection Act of 1982 (26 U.S.C. 6103 Note)". Applicants are advised that failure to provide his/her SSN will result in the denial of the individual to participate in the HEAL Program. The SSN is used to verify the identity of the HEAL applicant and as an account number (identifier) throughout the life of the loan to record necessary data accurately. As an identifier, the SSN is used in program activities such as the following: determining program

eligibility; certifying school attendance and student status; determining eligibility for deferment or repayment; determining eligibility for forbearance, disability, or death claims, and for tracing and collecting in cases of delinquent or defaulted loans.

**12. Estimates of Annualized Hour and Cost Burden**

The estimated hour burden and hour costs are as follows:

Type of Respondent	Number of Respondents	Responses Per Respondent	Total Number of Responses	Burden per Hour Response	Total Burden Hours	Wage Rate	Total Hour Cost
HRSA-539 Form							
Borrower	30	1	30	5 minutes	2.5	\$ 0	\$ 0
Physician	30	1	30	30 minutes	15	\$ 100	\$ 1,500
Loan Holder	15	2	30	10 minutes	5	\$ 20	\$ 100
<b>TOTAL</b>	75		90		22.5		\$ 1,600

**Basis for Burden Statement**

There are currently 15 holders in the HEAL program. The number of disability claims (30) is based on recent program experience and comments from the borrowers and lenders. The form is estimated to require 5 minutes per borrower, 30 minutes per physician, and 10 minutes per lender.

**Basis for Hour Costs**

The estimated annualized cost to the respondents is based on the following:

(1) Borrowers - no cost; they are unemployed because of disability; (2) Physicians - At a cost of \$100.00 per hour, the cost of the physicians time is \$ 1,500 (15 burden hours x \$100 = \$ 1,500); and (3) Holders - At a cost of \$20.00 per hour, the cost of the lenders time is \$100.00 (5 burden hours x \$20 per hour = \$100). Total cost to the respondents is \$1,600 (\$1,500 for physician time + \$100 for lenders time = 1,600).

**13. Estimate of Annualized Cost Burden to Respondents**

Capital and Startup Costs: None. This activity requires only a photocopier which would be available for normal business practices.

Maintenance and Operating Costs: For approximately 30 disability cases a year, it costs the lenders and physicians each approximately \$5.25 per case for photocopying client medical

records and \$2.25 per case for mailing the form and medical information. (30 cases x 2 respondents (lenders and physicians) x \$7.50 per case = \$450).

#### **14. Annualized Costs to Federal Government**

The estimated cost to the Federal Government is approximately \$12,823. This cost includes the cost of reviewing the information submitted on the proposed form, which is approximately the salary of a GS-12 Federal employee for 12 hours per form (average 30 responses x 12 hours = 360 hours per year x \$35.62 per hour = \$12,823).

#### **15. Explanation for Program Changes or Adjustments**

There are 57 burden hours currently in the OMB Inventory for 0915-0204. We are now requesting 22 hours, a decrease of 35 burden hours. This decrease is due to the following program adjustments:

Borrower: The number of disability claims decreased from 75 to 30. This accounts for a 225 minute decrease. (45 fewer claims x 5 minutes per claim = -225 minutes).

Loan/Holder: The number of lenders holding HEAL loans increased from 13 lenders to 15 lenders. The number of disability claims submitted decreased from 75 to 30. This represents a burden decrease of 450 minutes. (45 fewer claims x 10 minutes per claim = -450 minutes).

Physician: The number of cases reviewed by physicians decreased from 75 to 30. This represents a burden decrease of 22.5 hours (45 fewer claims x 22.5 minutes = -22.5 burden hours).

#### **16. Plans for Tabulation, Publication, and Project Time Schedule**

No plans for tabulation of this information will be made with the exception that the outcome of the disability request will be published as part of a total for disability claims in the HEAL Annual Report and used in appropriation material reported to Congress.

#### **17. Reason(s) Display of OMB Expiration Date is Inappropriate**

No exemption is requested.

#### **18. Exceptions to Certification for Paperwork Reduction Act Submissions**

This information collection fully complies with the guidelines set forth in 5 CFR 1320.9.