

Supporting Statement Part A  
Application for Enrollment in Medicare  
The Medical Insurance Program  
CMS-40B, OCN 0938-New

**Background**

On July 30, 1965, P.L. 89-97 created Title XVIII of the Social Security Act. Title XVIII established the Hospital Insurance program (also referred to as Part A) and the Supplementary Medical Insurance (SMI) program (also referred to as Part B). This form is used to establish enrollment in the SMI program. Information that is collected on the form CMS-40B (and the Spanish version CMS-40B-SP) is the form used by individuals who wish to enroll in Part B.

**A. Justification**

1. Need and Legal Basis

Section 1836 of the Social Security Act (the Act), and CMS regulations at 42 CFR §407.10, provide the eligibility requirements for enrollment in Part B for individuals age 65 and older. The individual must be a resident of the United States, and either a U.S. citizen or an alien lawfully admitted for permanent residence who has lived in the U.S. continually for 5 years.

42 CFR §407.11 lists the CMS-40B as the application to be used by individuals who wish to apply for SMI.

Section 1840 of the Act and 42 CFR §408.40(a)(1) require that the Part B premium be deducted from social security benefits, railroad retirement benefits, or civil service annuities if the individual is receiving such benefits. The statute also permits the Part B premium to be deducted from the spouse's benefit or annuity, as applicable.

The CMS-40B (and the CMS-40B-SP) elicits the information that the Social Security Administration (SSA) (on behalf of Centers for Medicare & Medicaid Services) needs to determine eligibility and enrollment in Part B and to allow for the deduction of a beneficiary's Part B premium from the individual's or a spouse's benefit or annuity.

2. Information Users

The CMS-40B (and the CMS-40B-SP) is used to establish entitlement to and enrollment in SMI for beneficiaries who already have Part A, but not Part B.

The CMS-40B solicits the information that is used to determine enrollment for individuals who meet the requirements in §1836 of the Act as well as the entitlement of

the applicant or a spouse regarding a benefit or annuity paid by the Social Security Administration (SSA) or the Office of Personnel Management for premium deduction purposes. SSA will use the information collected on the CMS-40B to establish Part B enrollment.

There are eight fields that must be answered by the applicant.

Item 1: Requests the Social Security Claim Number of the applicant including the Beneficiary Identification Code

Item 2: Asks the applicant if they wish to sign up for Medicare Part B (Medical Insurance)

Item 3: Request the name of the applicant

Items 4, 5 and 6: Requests the applicant's full mailing address including state and zip code and the applicant's phone number including area code

Item 7 and 8: Request the signature of the applicant and the date the application was signed

If the application is signed by mark (X), a witness who knows the applicant must supply the following information in items 9 through 11:

Item 9 and 10: Requests the signature of the witness, as well as the date the witness signed the application

Item 11: Requests the address of the witness

Item 12: Is an area for the applicant to provide any remarks or comments on the form to clarify information provided on the enrollment application

3. Use of Information Technology

The collection of this information does not involve the use of information technology.

4. Duplication of Efforts

This information does not duplicate any other effort.

5. Small Businesses

Small businesses are not affected by this collection.

6. Less Frequent Collection

This information is collected once, for each individual respondent, at the time the individual files for Part B of Medicare. If this information is not collected, the applicant cannot establish entitlement to Part B. Because there is a legal requirement to apply for benefits either on paper or electronically, the burden cannot be minimized.

7. Special Circumstances

There are no special circumstances involved with the collection of this information.

8. Federal Register Notice/Outside Consultation

The 60-day Federal Register notice published on October 23, 2013 (78 FR 63208). No comments were received; however changes were made subsequent to the 60-day notice as a result of internal review. The changes correct inadvertent typographical errors and are not substantive and have no impact on our burden estimates. Specifically, the changes consist of:

<b>Section on Submitted Form (CMS-40B)</b>	<b>Type of Change</b>	<b>Rationale for Change</b>
Page 1- introduction	Combine: 5 <sup>th</sup> and 6 <sup>th</sup> bullet	To correct typographical error
Page 2 (Spanish version only)	Capitalize some words and add opening parenthetical in #3	To correct typographical errors

The form was developed in consultation with the Social Security Administration to ensure smooth operational implementation and that all necessary data elements are collected in the revised form to permit the determination of Part B eligibility.

9. Payment/Gift To Respondents

There were no payments or gifts provided to respondents.

10. Confidentiality

This collection will be used solely by SSA for the purpose of determining a beneficiary's eligibility Medicare Part B.

11. Sensitive Questions

There are no sensitive questions.

12. Burden Estimate (Hours & Wages)

Currently, there are approximately 200,000 respondents annually requesting enrollment in Part B using the paper CMS-40B. The average completion time for the paper CMS-40B is 15 minutes.

The burden is computed as follows:

There are 200,000 respondents taking 15 minutes per response.  $200,000 \times 0.25$  (15 minutes) = 50,000 total burden hours.

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 never worked. There is no appropriate wage category to use to annualize any cost to the respondent for 15 minutes.

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

We estimate it takes a SSA Field Office representative (average grade is GS-11, step 5) whose 2013 hourly rate of pay (without locality pay) is \$27.31, five minutes to input the information from this form into their system. The 2013 GS-11 hourly rate of \$27.31 x .0833 hours (5 minutes) x 200,000 (number of forms) = \$454,984.60.

15. Changes to Burden

Not applicable. This is a new collection.

16. Publication/Tabulation Dates

None

17. Expiration Date

CMS would like to display an expiration date.

18. Certification Statement

There are no exceptions to the certification statement.

**B. Collection of Information Employing Statistical Methods**

Not applicable. There are no statistical methods.