

Supporting Statement Part A
Application for Hospital Insurance and
Supporting Regulations in 42 CFR 406.6, 406.7, 406.10, 406.11 and 406.20
CMS-18F5, OCN 0938-0251

BACKGROUND

Individuals who are entitled to retirement or disability benefits under Social Security or Railroad Retirement Board (RRB) benefits are automatically entitled Medicare Hospital Insurance (Part A) when they attain age 65 or reach the 25th month of disability benefit entitlement. These individuals do not file a separate application for Part A because their application for Social Security or RRB benefits is also an application for Part A.

Individuals who are not entitled to or eligible for RRB or SSA benefits must apply for Part A. This group includes individuals who defer filing an application for monthly benefits, individuals who are transitionally insured, government employees who pay only the Hospital Insurance portion of the Federal Insurance Contributions Act tax and individuals eligible for Premium Part A for the Working Disabled.

The Application for Hospital Insurance (CMS-18F5 and CMS-18F5-SP) was designed to capture all the information needed to make a determination of an individual's entitlement to Part A.

A. JUSTIFICATION

1. Need and Legal Basis

The Social Security Act at §226(a), §227, 1818 and §1818A and the Code of Federal Regulations at 42 CFR §406.10, §406.11 and §406.20 outline the requirements for entitlement to Medicare Hospital Insurance (Part A).

Federal regulations at 42 CFR §406.6 specifies the individuals who must file an application for Part A and those who need not file and application for Part A. 42 CFR §406.7 lists the CMS-18F5 as the application to be used by individuals applying for Part A.

The form CMS-18F5 and the Spanish version the CMS-18F5 SP elicit the information that the Social Security Administration (SSA) and the Centers for Medicare & Medicaid Services (CMS) need to determine entitlement to Part A and Supplementary Medical Insurance (Part B).

2. Information Users

The CMS-18F5 is used to establish entitlement to Part A and enrollment Part B for beneficiaries that must file an application. The CMS-18F5 (and CMS-18F5 SP) is currently approved under OMB No. 0938-0251.

The CMS-18 F5 is completed with assistance from a Social Security Administration (SSA) field office (FO) claims representative or field representative using information provided by the applicant during an interview. The application follows the questions and requirements used by SSA on their own applications. This is done not only for consistency purposes but because certain title II and title XVIII insured status, relationship and residency requirements must be met in order to qualify for Part A Hospital (and Part B). The form is not completed by CMS staff.

The form contains seventeen questions that must be answered to determine an individual's eligibility for Medicare.

Items 1 – 3 request information to identify the applicant name, sex, date/place of birth and Social Security number (SSN). The applicant's SSN is requested to allow SSA to access their earnings systems to determine if the applicant is eligible for or entitled to premium-free Part A.

Item 4 asks if the applicant has ever filed an application for Social Security benefits, Part A or Part B. If the response is yes, the individual is asked to provide the name and SSN under which the application was filed. Since all records (title II and title XVIII) in SSA are established and maintained by SSN, that number must be requested to determine if entitlement previously existed, currently exists or is pending.

Items 5 – 8 request information needed to determine insured status.

In order to be entitled to free Part A an individual must be insured, that is, s/he must have worked the required amount of time under social security, the railroad retirement board (RRB) or as a government employee or be the aged spouse of such an individual who is at least 62 years of age. In this case, the individual can use the insured status of a spouse to establish entitlement to Part A (REF: §226(a)(1) of the ACT). Under §205 of the Act, the Commissioner of Social Security shall establish and maintain records of the amount of wages paid to each individual and the amounts of self employment income. These earnings are maintained under the worker's SSN. The earnings determine an individual's (or his/her dependent's) eligibility to benefits and Medicare.

Item 5 requests military information for periods before SSA began crediting military service as earnings. SSA will credit earnings for this period if they are needed to determine an individual's (or his/her dependent's) eligibility to benefits and Medicare. (REF §229 of the Act)

Item 6 requests railroad work information to determine if insured status is met based on that employment, RRB work credits can also be added to work credits earned under social security to meet the insured status requirement. This information is also used to determine whether SSA or RRB has jurisdiction of the Part A entitlement.

Item 7 requests information about work covered under a foreign social security system. Foreign earnings can be used for insured status for or increase the amount of a title II benefit. They cannot be used to provide quarters of coverage for free Part A (REF: §233(c)(3)).

Item 8 requests the individual's own earning information.

Items 9 and 10 request citizenship and residency information and are used in conjunction with item 18 when it is determined that the individual does not meet the insured status requirements for free Part A and is requesting enrollment in premium Part A (REF: §1818 of the Act).

Item 11 and 13 request marital and spousal information and are completed in conjunction with the request for information in items 5 -8. SSA will use the spousal information and SSN to determine if the spouse is insured and is age 62. As previously stated, there are no alternative identifiers that SSA can use to determine earnings information.

Item 11 requests information about the individual's current marriage (if any) and item 12 requests the same information about prior marriages.

Item 13 requests information about any railroad employment, railroad pension or annuitant to determine if insured status can be met using the spouse's RRB earnings.

Item 14 requests information on the individual or their spouse's civilian employment with the Federal Government. This information is needed to screen out individuals who may be precluded from entitlement because they are covered under the Federal Employees Health Benefits Act of 1959.

Item 15 solicits an enrollment request for premium Part A if the individual is determined not to be eligible for free Part A.

Item 16 solicits an enrollment request for Medicare supplementary medical insurance (Part B) when filed during an applicable enrollment period.

Item 17 requests Federal Civil Service Retirement Act annuity information about the applicant and/or their spouse. This is for the purpose of deducting Part B premiums from an annuity paid by the Office of Personnel Management. (REF: §1840(d)(1))

3. Use of Information Technology

The data collected for entitlement to benefits is not collected by CMS but by SSA under an Interagency Agreement. The collection of this information generally does not involve the use of information technology. However, the SSA claims representative may input the information directly into their systems while personally interviewing the applicant at the local field office.

The information from this application is entered directly into the SSA Modernized Claim System. The information is compared electronically to the appropriate earnings information to determine insured status and/or prior entitlement. Applications are processed and directly input

into the SSA Master Beneficiary Record. The data is then passed to the CMS master record, the Enrollment Database and a CMS health insurance record is established, and where applicable a Medicare card is issued.

This collection requires an original signature under a fraud statement, whether the collection of information is completed on paper or entered by a SSA representative during an in-person interview.

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

Additionally, applications are taken from individuals in situations where the online system is not available. Even when a paper application is taken, the data is subsequently entered in to the online system to facilitate adjudication and data transfer. The electronically collected data is adjudicated online and the data is used to establish SSA and CMS master records. The SSA and CMS systems communicate with each other through electronic data exchange.

All data, whether collected on paper or online, is stored electronically and transferred to the SSA and CMS master records upon adjudication. The paper application and proofs of entitlement are kept on file along with the award certificate for a prescribed length of time and then destroyed. The electronic data is retained.

Although technology is used in the collection, 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 information that is collected for the application.

4. Duplication of Efforts

Item 4 on the form requests information pertaining to previous applications for benefits. It is elicited to ensure that a previous claim has not already been filed and, if it has, to ensure that the proper action will be taken by SSA. Even if the individual had filed previously and entitlement has been denied or terminated, the prior information must be updated to ensure proper disposition of the new application.

If no duplication in filing has occurred, this information does not duplicate any other effort and the information cannot be obtained from any other source.

5. Small Business

The use of this form does not involve small businesses.

6. Less Frequent Collection

This information is collected once, at the time the individual files for Hospital Insurance (Part A) of Medicare. If this information is not collected, the applicant cannot establish entitlement to

Part A. Because there is a legal requirement to apply for benefits either on paper or electronically, the burden cannot be minimized.

7. Special Circumstance

This collection is consistent with guidelines in 5 CFR 1320.6. There are no special circumstances.

8. Federal Register/Outside Consultation

The 60 day notice published in the Federal Register on December 6, 2013 (78 FR 73545). No comments were received.

The gathering of this information is a necessary part of the Medicare entitlement process. This form was developed in 1965 and has undergone only minor revisions since then. 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 data is collected only once, there is no need for ongoing consultations.

9. Payments/Gifts to Respondents

There are no payments/gifts made to respondents.

10. Confidentiality

The information collected is protected under provisions of the Privacy Act. A copy of the information collected is provided to the applicant.

11. Sensitive Questions

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

12. Burden Estimate

Approximately 50,000 respondents annually request enrollment into Medicare on a CMS-18F5. The average interview and completion time for the CMS-18F5 is 15 minutes based upon actual experience. (The completion time is the same whether the application is taken on paper or via in-person interview (electronic collection) at a local Social Security field office because the time is spent soliciting the information rather than completing the form.)

The burden is computed as follows:

There are 50,000 respondents taking 15 minutes per response. $50,000 \times 0.25$ (15 minutes) = 12,500 total burden hours.

While there may be some cost to respondents, individuals completing this form can be of any age (though most are 65 or older). Thus, there are individuals completing this form who are working currently, may not be working currently or never worked. There are no appropriate wage categories to use to annualize any cost to the respondents for 15 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 the Federal Government

Printing Costs:

The printing cost associated with the CMS-18F5 is \$2,053.

Processing Costs:

Collection of data and processing is done by SSA claims and field representatives (average grade is GS 11, step 5) whose annual salary (without locality pay) is \$27.31 per hour. The approximate number of respondents is 50,000. We estimate it takes a SSA claims and/or field representative 15 minutes to manage/input the information on this form. The 2013 GS-11, step 5 hourly rate of \$27.31 x 0.25 hours (15 minutes) x 50,000 (number of forms) = \$341,375.00

The total Federal cost is \$343,428.00.

15. Program/ Burden Changes

The changes in burden are to correct miscalculation in the response time from the prior submission. The prior package indicated that 15 minutes was 0.2499 minutes, however, the proper calculation should be 0.25 minutes. When multiplied by the number of forms (50,000), there was an increase in 5 burden hours annually. This slight increase in burden hours when calculated to determine the annual cost burden resulted in an increase of \$136.55.

Since the last submission in 2010, there have been no increases in printing costs or the hourly rate of payment for the SSA representative collecting and processing the information.

16. Publication and Tabulation Data

This information is not published or tabulated.

17. Expiration Dates

CMS would like an exemption from displaying the expiration date as this form is used on a continuing basis and printed in batch for use by SSA. To include an expiration date would result

in CMS having to needlessly destroy forms.

18. Certification Statement

There are no exceptions to the certification statement.

B. COLLECTION OF INFORMATION EMPLOYING STATISTICAL METHODS

There have been no statistical methods employed in this collection.