

Supporting Statement for Form SSA-1020/i1020
Application for Extra Help with
Medicare Prescription Drug Plan Costs
OMB No. 0960-0696

A. Justification

1. Introduction/Authoring Laws and Regulations

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) established a Medicare Part D program for voluntary prescription drug coverage of premium, deductible, and co-payment costs for certain low-income individuals. The MMA mandated that subsidies would be available for individuals who qualify for the program and who meet eligibility criteria for help with premium, deductible, and co-payment costs. Section 1860D-14 of the Social Security Act, as codified in 20 CFR 418.3101 of the Code of Federal Regulations, discusses the subsidy eligibility criteria.

SSA uses Form SSA-1020, the Application for Extra Help with Medicare Prescription Drug Plan Costs, to collect the information necessary for making Part D subsidy eligibility determinations. The respondents for this information collection are applicants for the Medicare Part D subsidy.

2. Description of Collection

SSA uses SSA-1020/i1020 to obtain income and resource information from Medicare beneficiaries to make a subsidy decision. The respondents to this information collection are Medicare beneficiaries applying for the Part D low-income subsidy.

3. Use of Information Technology to Collect the Information

In accordance with the agency's Government Paperwork Elimination Act plan, SSA created an Internet version of Form SSA-1020, the i1020. Based on our data, we estimate approximately 27 percent of respondents use the electronic version, and 21 percent of respondents complete information during a field-office interview.

4. Why We Cannot Use Duplicate Information

The nature of the information we are collecting and the manner in which we are collecting it preclude duplication. SSA does not use another collection instrument to obtain similar data.

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 we did not use form SSA-1020, the public would not have an opportunity to apply for the low-income subsidy, and SSA would have no means of making an eligibility decision. We would also be in violation of our administrative duties under the Medicare Modernization Act. Because we only collect the information once, 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 SSA to conduct this information collection in a manner inconsistent with 5 *CFR* 1320.5.

- 8. Solicitation of Public Comment and Other Consultations with the Public**
 SSA published the 60-day advance Federal Register Notice on September 25, 2014 at 79 FR 57650, and SSA received no public comments. We published the 30-day advance Federal Register Notice on December 15, 2014 at 79 FR 74154. If we receive any public comments regarding the 30-day Notice, we will forward them to OMB. SSA had no outside consultations with members of the public.

- 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* 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**
 The total burden for this information collection request is 503,974 hours. This chart below represents the estimated total burden hours and we did not calculate a separate cost burden.

Modality of Completion	Number of Responses	Average Burden per Response (minutes)	Estimated Total Annual Burden (hours)
SSA-1020 (paper applications form)	617,070	30	308,535
i1020 (online application)	282,228	25	117,595
Field office interview	155,687	30	77,844

Totals	1,054,985		503,974
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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 the SSA-1020 is approximately \$4,787,108. This estimate includes \$2,892,397 for printing and distribution and \$1,894,711 for collection and processing of in-office interviews for the form.

The estimated cost to the Federal Government to collect the information for i1020 is negligible. Because the cost of maintaining the system which collects this information is accounted for within the cost of maintaining all of SSA's automated systems, it is not possible to calculate the cost associated with just one Internet application.

15. Program Changes or Adjustments to the Information Collection Request

When we last cleared this IC in 2012, the burden was 671,921 hours. However, we are currently reporting a burden of 503,974 hours. This change stems from a decrease in the number of Medicare beneficiaries applying for Extra Help.

16. Plans for Publication Information Collection Results

SSA will not publish the results of the information collection.

17. Displaying the OMB Approval Expiration Date

OMB granted SSA an exemption from the requirement to print the OMB expiration date on the paper SSA-1020 form. SSA produces millions of public-use forms with life cycles exceeding those of an OMB approval. Since SSA does not periodically revise and reprint its public-use forms (e.g., on an annual basis), OMB granted this exemption so SSA would not have to destroy stocks of otherwise useable forms with expired OMB approval dates, avoiding Government waste.

SSA is not requesting an exception to the requirement to display the OMB approval expiration date on the internet version of the SSA-1020.

18. Exceptions to Certification Statement

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).

B. Collections of Information Employing Statistical Methods

SSA does not use statistical methods for this information collection.