

**SUPPORTING STATEMENT  
FOR PAPERWORK REDUCTION ACT SUBMISSION**

***HEAL Program: Physician's Certification of Borrower's Total and Permanent Disability***

**A. Justification**

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a hard copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information, or you may provide a valid URL link or paste the applicable section<sup>1</sup>. Specify the review type of the collection (new, revision, extension, reinstatement with change, reinstatement without change). If revised, briefly specify the changes. If a rulemaking is involved, make note of the sections or changed sections, if applicable.

*Section 525 of the Consolidated Appropriations Act of 2014 transferred the collection of the HEAL program loans from the U.S. Department of Health and Human Services (HHS) to the U.S. Department of Education (Department). To fulfill this mandate, the Department requested and received the transfer of the OMB approved information collections from HHS to the Department. These forms were then updated to show the transfer to the Department and update the contact information. This was completed June 2014.*

*This is a request for an extension of OMB approval of information collection requirements associated with the forms of the Health Education Assistance Loan (HEAL) Program, Physician's Certification of Borrower's Total and Permanent Disability currently approved under OMB No. 1845-0124. The form is HEAL Form 539. 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 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 10 current loan holders of HEAL loans.*

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

*The Department 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 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*

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<sup>1</sup> Please limit pasted text to no longer than 3 paragraphs.

*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. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision of adopting this means of collection. Also describe any consideration given to using technology to reduce burden.

*While there is no regulatory or statutory prohibition regarding electronic collections of the form, electronic reporting is unfeasible 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, and a large majority of physicians do not have completely computerized medical records.*

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

*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. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden. A small entity may be (1) a small business which is deemed to be one that is independently owned and operated and that is not dominant in its field of operation; (2) a small organization that is any not-for-profit enterprise that is independently owned and operated and is not dominant in its field; or (3) a small government jurisdiction, which is a government of a city, county, town, township, school district, or special district with a population of less than 50,000.

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

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.

*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. Explain any special circumstances that would cause an information collection to be conducted in a manner:
  - requiring respondents to report information to the agency more often than quarterly;

- requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- requiring respondents to submit more than an original and two copies of any document;
- requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- in connection with a statistical survey, that is not designed to produce valid and reliable results than can be generalized to the universe of study;
- requiring the use of a statistical data classification that has not been reviewed and approved by OMB;
- that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or that unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

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

8. As applicable, state that the Department has published the 60 and 30 Federal Register notices as required by 5 CFR 1320.8(d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments. Specifically address comments received on cost and hour burden.

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instruction and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years – even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

*The Department will be requesting a 60 and 30 day public comment period. The 60 day notice was published in the Federal Register June 27,2016, Vol.81, No. 123 41529-41530. This is the 30-day public comment request. No comments were received from the public. Minor updates were made to the form. Numbers were added to each requested item in Sections I and III, and the word "name" was added to the parenthetical item in number 9 of Section II so it now reads "(borrower's name. . .)". These adjustments do not change the burden estimate.*

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees with meaningful justification.

*No payments or gifts will be provided to respondents.*

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or agency policy. If personally identifiable information (PII) is being collected, a Privacy Act statement should be included on the instrument. Please provide a citation for the Systems of Record Notice and the date a Privacy Impact Assessment was completed as indicated on the IC Data Form. A confidentiality statement with a legal citation that authorizes the pledge of confidentiality should be provided.<sup>2</sup> If the collection is subject to the Privacy Act, the Privacy Act statement is deemed sufficient with respect to confidentiality. If there is no expectation of confidentiality, simply state that the Department makes no pledge about the confidentiality of the data.

*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. 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.*

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. The justification should include the reasons why the agency considers the questions necessary, the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.

*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 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. 552a 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.*

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<sup>2</sup> Requests for this information are in accordance with the following ED and OMB policies: Privacy Act of 1974, OMB Circular A-108 – Privacy Act Implementation – Guidelines and Responsibilities, OMB Circular A-130 Appendix I – Federal Agency Responsibilities for Maintaining Records About Individuals, OMB M-03-22 – OMB Guidance for Implementing the Privacy Provisions of the E-Government Act of 2002, OMB M-06-15 – Safeguarding Personally Identifiable Information, OM:6-104 – Privacy Act of 1974 (Collection, Use and Protection of Personally Identifiable Information)



<b>TOTAL</b>	60		70		18		\$ 1,360
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**Basis for Burden Statement**

There are currently 10 holders in the HEAL program. The number of disability claims (25) 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 loan holder.

**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 \$ 1,300 (13 burden hours x \$100 = \$ 1,500); and (3) Holders - At a cost of \$20.00 per hour, the cost of the lenders time is \$60.00 (3 burden hours x \$20 per hour = \$60). Total cost to the respondents is \$1,360 (\$1,300 for physician time + \$60 for lenders time = 1,360).

13. Provide an estimate of the total annual cost burden to respondents or record keepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 and 14.)
- The cost estimate should be split into two components: (a) a total capital and start-up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of services component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include, among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and acquiring and maintaining record storage facilities.
  - If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.
  - Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government or (4) as part of customary and usual business or private practices. Also, these estimates should not include the hourly costs (i.e., the monetization of the hours) captured above in Item 12

Total Annualized Capital/Startup Cost : \$ 0  
Total Annual Costs (O&M) : \$ 375

Total Annualized Costs Requested : \$ 375

*For approximately 25 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. (25 cases x 2 respondents (lenders and physicians) x \$7.50 per case = \$375).*

14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.

*The estimated cost to the Federal Government is approximately \$11,139. 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 25 responses x 12 hours = 300 hours per year x \$37.13 per hour = \$11,139).*

15. Explain the reasons for any program changes or adjustments. Generally, adjustments in burden result from re-estimating burden and/or from economic phenomenon outside of an agency's control (e.g., correcting a burden estimate or an organic increase in the size of the reporting universe). Program changes result from a deliberate action that materially changes a collection of information and generally are result of new statute or an agency action (e.g., changing a form, revising regulations, redefining the respondent universe, etc.). Burden changes should be disaggregated by type of change (i.e., adjustment, program change due to new statute, and/or program change due to agency discretion), type of collection (new, revision, extension, reinstatement with change, reinstatement without change) and include totals for changes in burden hours, responses and costs (if applicable).

*We are requesting an extension to the OMB information collection 1845-0124. There have been no changes to the statute or regulations. We are now requesting 18 burden hours, a decrease of 5 burden hours from the current 23 burden hours. This decrease is due to the following program adjustments:*

*Borrower: The number of disability claims decreased from 30 to 25.*

*Loan/Holder: The number of HEAL loan holders decreased from 15 lenders to 10. The number of disability claims submitted decreased from 30 to 25.*

*Physician: The number of cases reviewed by physicians decreased from 30 to 25.*

16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection of information, completion of report, publication dates, and other actions.

*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. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

*The Department is not requesting such an exemption.*

18. Explain each exception to the certification statement identified in the Certification of Paperwork Reduction Act.

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