

Supporting Statement Part A
Request for Employment Information
CMS-R-297/CMS-L564, OMB 0938-0787

Background

CMS is requesting to extend a currently approved collection under 0938-0787. This form is used by the Social Security Administration (SSA) to obtain information from employers regarding whether a Medicare beneficiary's coverage under a group health plan is based on current employment status. This form is available in both English and Spanish.

A. Justification

1. Need and Legal Basis

Section 1837(i) of the Social Security Act (the Act) provides for a special enrollment period (SEP) for individuals who delay enrolling in Medicare Part B because they are covered by a group health plan based on their own or a spouse's current employment status. Disabled individuals with Medicare may also delay enrollment because they have large group health plan coverage based on their own or a family member's current employment status. When these individuals apply for Medicare Part B, they must provide proof that the group health plan coverage is (or was) based on current employment status. Form CMS-R-297 provides this proof so that SSA can determine eligibility for the SEP. Individuals eligible for the SEP can enroll in Part B without incurring a late enrollment penalty. Individuals may also use this form to prove that they have group health plan coverage based on current employment status to have an assessed Medicare late enrollment penalty reduced.

2. Information Users

The Social Security Administration uses this information to determine whether an individual meets the requirements for a special enrollment period and/or late enrollment penalty reduction.

3. Use of Information Technology

The form is available online via Medicare.gov and CMS.gov for individuals who are requesting the SEP to obtain and submit to their employer for completion. The employer must complete and sign the form, and submit it to the individual to accompany their enrollment or late enrollment penalty reduction request. The information on the completed form is reviewed manually by SSA. Thus, the collection of this information does not involve the use of information technology.

4. Duplication of Efforts

The collection of this information does not duplicate any other effort.

More specifically, the information provided to the IRS is related to minimum essential coverage and is not the same thing as Group Health Plan coverage. The form specifically gathers information that is not collected in other areas regarding: when the person (or spouse or family member) was hired, when the employment ended, when the GHP coverage started, and when the GHP coverage ended. And, in some cases, when the employer and GHP met certain other criteria to meet parameters for the SEP, as outlined in law. Both of these date ranges and the other information are needed to determine eligibility for the SEP.

5. Small Businesses

Small businesses are not affected by the collection of this information.

6. Less Frequent Collection

This information is collected only as needed. Less frequent collection would adversely affect beneficiaries eligible for a special enrollment period or late enrollment penalty reduction since they are only allowed to enroll using the SEP if the employer verifies group health plan coverage based on current employment status.

7. Special Circumstances

There are no special circumstances that would require an information collection to be conducted in a manner that requires respondents to:

- Report information to the agency more often than quarterly;
- Prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Submit more than an original and two copies of any document;
- Retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- Collect data in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study,
- Use a statistical data classification that has not been reviewed and approved by OMB;
- Include 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 which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- Submit proprietary trade secret, 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.

8. Federal Register/Outside Consultation

The 60-day notice published in the Federal Register on July 25, 2016 (81 FR 48424). No comments were received.

9. Payments/Gifts to Respondents

This form provides the evidence necessary to determine eligibility for the SEP, which permit enrollment without a late enrollment penalty, or for a reduction of an assessed late enrollment penalty, as permitted by law. There are no payments or gifts to respondents.

10. Confidentiality

The information collected is used only by SSA for the purpose of determining a beneficiary’s eligibility for a special enrollment period and/or premium surcharge reduction. Both CMS and SSA are responsible for ensuring that all PII remains confidential.

The completed form is never provided to CMS, rather it is stored with SSA.

11. Sensitive Questions

There are no sensitive questions associated with this collection. Specifically, the collection does not solicit questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

12. Burden Estimates (Hours & Wages)

12.1. *Wage Estimates*

To derive average employer costs, we used data from the U.S. Bureau of Labor Statistics’ (BLS) National Occupational Employment and Wage Estimates (http://www.bls.gov/oes/current/oes_nat.htm). According to the most recent BLS wage data (May 2015), the mean hourly wage for the category “Human Resources Workers” is \$30.42/hr. We believe this is the most appropriate category. The following table presents the mean hourly wage, the cost of fringe benefits (calculated at 100 percent of salary), and the adjusted hourly wage for such an employed individual.

Bureau of Labor Statistics (BLS) Occupation Title	BLS Occupation Code	Mean Hourly Wage (\$/hr)	Fringe Benefit (\$/hr)	Adjusted Hourly Wage (\$/hr)
Human Resources Workers	13-1070	30.42	30.42	60.84

As indicated, we are adjusting our employee hourly wage estimates by a factor of 100 percent. This is necessarily a rough adjustment, both because fringe benefits and overhead costs vary

significantly from employer to employer, and because methods of estimating these costs vary widely from study to study. Nonetheless, there is no practical alternative and we believe that doubling the hourly wage to estimate total cost is a reasonably accurate estimation method.

12.2. Burden Estimates

Section A on the Request for Employment Information Form (Applicants)

Section A is to be completed by the applicant. There are seven fields that the applicant must complete. They are as follows:

Item 1: Requests the applicant to fill in the name of the employer. This needed so that SSA can verify with the employer that said employee was working during the time indicated.

Item 2: Requests the date that the applicant is filling out the Request for Employment Information form.

Item 3: Requests the employer's address.

Items 4 and 5: Requests the applicant's name and Social Security number so that SSA and CMS can identify the individual.

Items 6: Requests the employee's name. This name may be the same as Item 1 if the applicant is also the employee. However, the name may differ from Item 1 if the applicant is getting group health plan coverage through a spouse or family member. Enrollment in Part B can be established through a spouse or family member, therefore the employee's name is needed to identify the relationship between the applicant and the employee.

Item 7: Requests the employee's Social Security Number. This may be the same as the applicant's SSN or different if the applicant is receiving GHP through a spouse or family member. Enrollment in Part B can be established through a spouse or family member, therefore the employee's SSN is needed to identify the person through whom coverage to Part B will be established.

The burden is computed as follows:

Annually, there are approximately 15,000 applicants who use form CMS-L564 (CMS-R-297). Based on the limited information requested for completion by the applicant on the form, we estimate that it takes an applicant on average 5 minutes to complete Section A.

In aggregate, the burden for 15,000 applicants to complete the form is 1,250 hours ((15,000 x 0.0833 (5 minutes) = 1,249.50 hours).

While there may be some cost to applicants, 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 BLS wage categories for these individuals. When considering the above, we are using the August 2016 (released on September 2, 2016) average hourly rate for production or nonsupervisory workers on nonfarm payrolls of \$25.73/hr to determine respondent costs. (See The Employment Situation (USDLE-16-1771 at <http://www.bls.gov/news.release/pdf/empst.pdf>).

The estimated cost is \$32,163 (1,250 hours x \$25.73/hr = \$32,162.50).

Section B on the Request for Employment Information Form (Employers)

Section B is to be completed by the employer.

Item 1 through 4: Requests if the applicant was covered under an employer group health plan and if so, if the coverage has ended and when. SSA requires this information to determine eligibility for the SEP.

Item 5: Requests the employer to fill out the dates the employee worked for their company or if they are currently still employed. SSA requires this information to determine eligibility for the SEP.

Item 6: Requests information regarding larger group health plans coverage for a disabled applicant. Specifically, SSA needs to know the timeframe that the large group health plan was primary payer to determine eligibility for the SEP.

Under the section called “For Hours Bank Arrangements ONLY” there are three fields that need to be filled out by the employer if the applicant was covered under an Hours Bank Arrangement.

Item 1: Provides if the applicant was covered under an Hours Bank Arrangement.

Item 2: Determines if the applicant has hours remaining in reserve.

Item 3: Indicates the date in which reserved hours ended or will be used.

The burden is computed as follows:

We also estimate the approximate number of responses to be 15,000 for employers, who complete the requested information related to the applicant’s employment and employer-sponsored healthcare coverage. We estimate it will take 15 minutes for the employer to complete Section B.

In aggregate, the burden for 15,000 employer respondents to complete the forms in 15

minutes per response is 3,750 hours ((15,000 x 0.25 (15 minutes)) = 3,750 total burden hours).

The estimated cost is \$228,150 (3,750 hours x \$60.84/hr = \$228,150).

12.3. Information Collection Instruments and Supporting Documents

- Request for Employment Information

The form is available online in both English and Spanish at <https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-Items/CMS009718.html?DLPage=19&DLEntries=10&DLSort=0&DLSortDir=ascending>. It also can be obtained in hard copy by contacting the Social Security Administration (SSA). The Form includes instructions for completion.

Policies for SSA to process a received form are outlined in HI 00805.295 (Evidence of GHP or LGHP Coverage Based on Current Employment Status) at <https://secure.ssa.gov/apps10/poms.nsf/lrx/0600805295> and HI 00805.340 (Exhibit of Form CMS (L564 Request for Employment Information) at <https://secure.ssa.gov/apps10/poms.nsf/lrx/0600805340>.

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

We estimate it will take the federal government employee 5 minutes to review and record the collected data.

It is calculated that the burden hours for 15,000 responses to be reviewed and recorded in 5 minutes per response to be 1,250 total hours ((15,000 x 0.0833 (5 minutes)) = 1,249.50 total burden hours).

To derive average costs, we used data from the Office of Personnel Management 2016 General Schedule (GS) Locality Pay Table for all salary estimates (https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/16Tables/html/GS_h.aspx). We estimate that the average government employee at SSA to receive and record the collected data to be a Grade 11, Step 1 (GS-11-1) – which we believe is the most appropriate level for a SSA field office representative.

As the processing of this form occurs at the national level and not just one geographic location, we estimated the salary using the national base general schedule. Such an hourly wage is \$24.83/hr or \$51,811 annually. Therefore the total cost to the government to complete the annual volume of responses is \$31,025 (1,250 hours x \$24.83/hr = \$31,025.08).

15. Program and Burden Changes

Costs have been adjusted to account for more recent wage data. Otherwise, this iteration does not propose any additional adjustments nor does it propose any program changes.

The currently approved form sets out a placeholder for the form's expiration date while this iteration sets out the current date of 9/2016. This is a nonsubstantive change.

16. Publication/Tabulation Dates

None

17. Expiration Date

The form displays the expiration date next to the OMB control number.

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.