

**SUPPORTING STATEMENT FOR 2900-0091
VA FORM 10-10EZ APPLICATION FOR HEALTH BENEFITS,
10-10EZR HEALTH BENEFITS RENEWAL FORM,
10-10HS REQUEST FOR HARDSHIP DETERMINATION**

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary. Identify legal or administrative requirements that necessitate the collection of information.

This is a burden change to a previously approved data collection for Information Collection 2900-0091.

Title 38 U.S.C. Chapter 17 authorizes VA to provide hospital care, medical services, domiciliary care and nursing home care to eligible veterans. Title 38 U.S.C. § 1705 requires VA to design, establish and operate a system of annual patient enrollment in accordance with a series of stipulated priorities. A consequence of this is that many groups of veterans who are in a lower priority group (veterans with disabilities rated as 0% non compensable service-connected seeking treatment for other than their service-connected conditions, veterans exposed to a toxic substance, radiation, or environmental hazard and nonservice-connected veterans) may request that they be allowed to be income tested in order to gain a higher priority. Title 38 U.S.C. § 1705 also places veterans awarded the Medal of Honor or recipient of the Purple Heart in Priority Group 3 if not already enrolled in a higher priority group. Title 38 U.S.C. § 1722 establishes eligibility assessment procedures for cost-free VA medical care, based on income levels, which determines whether nonservice-connected and 0% service-connected noncompensable veterans are able to defray the necessary expenses of care for nonservice-connected conditions. Veterans may also decline or cancel their VA enrollment from VA's health care system,- Title 38 CFR Section 17.36 (d) (5) (i) requires a Veteran to submit "... to a VA Medical Center or to the VA Health Eligibility Center, 2957 Clairmont Road, NE., Suite 200, Atlanta, Georgia 30329-1647, a signed and dated document stating that the Veteran no longer wishes to be enrolled." When a veteran's income exceeds VA's income threshold but has changed due to a loss of job or loss of income, to avoid a hardship, an enrolled veteran may apply to VA for consideration of a change in financial circumstances by submitting VA Form 10-10HS, Request for Hardship Determination, to their local VA health care facility. When the veteran projects that his or her attributable income for the current calendar year would be substantially below the applicable income thresholds, the veteran would be considered unable to defray the expenses of care and VA may exempt the veteran from the requirement to pay copayments for hospital or outpatient care. Title 38 U.S.C. § 1722A establishes the eligibility assessment procedures, based on income levels, for determining veterans' eligibility for cost-free medications and Title 38 U.S.C. § 1710B defines the procedures for establishing eligibility for cost-free long-term care benefits. Title 38 U.S.C § 1729 authorizes VA to recover from veterans' health insurance carriers the cost of care furnished for their nonservice-connected conditions. VA is also required to identify veterans who agree to make VA medical care co-payments and whose family incomes are below the "low-income" limits for their geographical area set by the U.S. Department of Housing and Urban Development (HUD) for public housing benefits. VA Form 10-10EZ complies with OMB Directive 15, which sets minimum standards for the collection of race and ethnicity.

Title 38 U.S.C. 111(c) (1) authorizes the Secretary to deduct an amount from the amount otherwise payable to a veteran for each one-way trip. Section 111(c) (4) states the Secretary may waive the travel deductible when it would cause the beneficiary severe financial hardship. VA's medical regulation 38 C.F.R. § 70.31(c) authorizes the Secretary to waive the deductible if the beneficiary:

- (1) Is in receipt of a VA pension;

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(2) Has income for the year prior to the year in which application is made pursuant to § 70.20 that does not exceed the household income threshold determined under 38 U.S.C. 1722(a); or

(3) Has circumstances in the year the application is made pursuant to § 70.20 that cause his or her projected income not to exceed the household income threshold determined under 38 U.S.C. 1722(a).

When there is a change in a beneficiary's household income information, 38 C.F.R. § 70.31(e) requires a beneficiary granted a waiver to promptly inform VA of any household income status change during the waiver period that results in the beneficiary no longer meeting the terms of paragraph § 70.31(c).

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

VA Form 10-10EZ collects information only from new applicants for VA medical care, nursing home, domiciliary, dental benefits, and new enrollees in the VA health care system. VA Form 10-10EZ is also used to establish the system of records, 24VA19 "Patient Medical Record – VA". VA Form 10-10EZR, Health Benefits Renewal Form, is used to collect data from those veterans who wish to update their application data. Additionally, to qualify for waiver of the beneficiary travel deductible, a veteran must request verbally or in writing to be exempted. VA information collection currently authorizes VA to collect financial information from nonservice-connected veterans and veterans rated 0% non compensable service-connected, and for medication copay purposes, veterans rated 10 to 40% service-connected. Since VA does not collect financial information from veterans rated 50% service-connected or greater, this change would authorize VA to collect this information in order to establish their eligibility for waiver of the beneficiary travel deductible. VA Form 10-10HS collects information only from veterans who are in a copay required status for hospital care and medical services, but due to a loss of income project their income for the current year will be substantially below the VA means test threshold.

The data collected on these four forms is used by VA administrative personnel to:

- Establish basic eligibility for VA benefits through collection of military service data
- Enroll veterans into the VA health care system
- Establish/update an individual's eligibility for health services covered by authorities other than 38 U.S.C. § 1710, including but not limited to nursing home, dental and domiciliary care.
- Establish/update eligibility for cost-free health care, priority for enrollment in the VA health care system, long-term care, mileage reimbursement and prescription co-payment exemption,
- Identify/update a veteran's employment information and third party health insurance to facilitate recovery of the cost of medical care furnished for treatment of nonservice-connected conditions,
- Determine/update a veteran's marital status, next of kin and designee as well as demographic information, such as address, and telephone numbers.
- Determine/update a veteran's financial information to determine if they qualify for a waiver of the beneficiary travel deductible or medication copay exemption.

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- Disenroll a veteran from VA's health care system.
- Determine if a veteran has a financial hardship and is unable to defray the expenses of care.

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

VA Form 10-10EZ is available both as a paper document and on-line in a fillable, savable and printable Intra and Internet format that can be electronically submitted. The paper document was initially implemented April 1998 and the electronic application went on-line November 2000. The VA Form 10-10EZR electronic version went on-line in August 2011 and is available in paper form and on-line Intra and Internet documents in a fillable, savable and editable format. Applicants wishing to update their application data via 10-10EZR can submit their completed form electronically to their local VA facility for processing or via mail, FAX, or by hand.

Electronic submission of VA Form 10-10EZ and 10-10EZR currently allows VA health care facilities to directly load veteran application data into its computer system (VistA). This reduces VA personnel workload while expediting the veteran's application for benefits. In addition, once the veteran's information is in VistA, any VA facility the veteran visits has the ability to retrieve the veteran's information electronically, thereby eliminating the need for the veteran to provide the information multiple times.

These forms meet the basic provisions and intent of the Government Paperwork Elimination Act (GPEA) because the applicant can complete them on-line. Whether the data is collected electronically or by paper, it is loaded into the facility's local VistA system.

VHA implemented Veterans Financial Assessment (VFA) in March 2014, whereby Veterans in Priority Group 5 do not have to submit an annual health benefits renewal form (10-10EZR) if they want VHA to automatically retrieve their financial information from Internal Revenue Service (IRS) and Social Security Administration (SSA), thereby reducing the burden on the Veteran.

4. Describe effort 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 burden on the public for these forms has been kept to a minimum with the solicitation of only essential information.

VA Form 10-10EZ is primarily used to collect veteran information during the initial application process. There is no similar information elsewhere within VA data banks. VA Form 10-10EZR collects only that information subject to change. The data collected by VA Form 10-10EZR is limited to demographics, employment, health insurance and financial information essential for the effective delivery of health care or for determining the veteran's eligibility for care. VA has discontinued use of the VA Form 10-10EZ to collect updated veteran information. This further eliminates the collection of needless and duplicative information from veterans. VA Form 10-10EZ continues to be used to collect veterans' initial application for VA health care benefits.

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Once the VA Form 10-10EZ or 10-10EZR information is collected, it is electronically submitted to the Health Eligibility Center (HEC) in Atlanta, Georgia, and is automatically shared with all VA health care facilities involved in the veteran's care. Additionally, VA health care facilities that have not previously provided the veteran care, can query the last VA health care facility that provided the veteran care as well as the HEC database to obtain information. Changes to a veteran's compensation and pension award information are automatically sent to HEC by Veterans Benefits Administration (VBA). This information is used to update the determination of the veteran's eligibility for health care benefits and priority for enrollment in the VA health care system. This prevents redundant questioning of veterans and improves the accuracy and consistency of veteran data in VHA's information systems.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

This collection does not impact small business 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. VA Form 10-10EZ is an application for health care benefits. It is completed when a veteran initially applies for health care benefits or enrollment in the VA health care system. VA's failure to collect information would:

(1) Not allow veterans to enroll into the VA health care enrollment system.

(2) Restrict VA's ability to determine certain veterans' eligibility for VA health care benefits when the determination is income based.

(3) Prevent VA from recovering the cost of care from a veteran's third party health insurer when care is provided for a nonservice-connected disability.

(4) Prevent VA from collecting information necessary for health care management and consents.

(5) Restrict VA's ability to determine certain veterans' eligibility for waiver of the beneficiary travel deductible or medication copay exemption when the determination is income based.

b. The VA Form 10-10EZR is used only to collect updated demographic/financial information. Failure to use this form would result in an increased burden on the public as all items on the VA Form 10-10EZ would need to be completed every time there was a change in the veteran's personal data.

(1) VA implemented this form to collect veterans' personal information that is subject to change, such as address, health insurance coverage, and financial information. This reduces the respondent burden by eliminating those questions that do not require update.

(2) Nonservice-connected veterans and 0% non compensable service-connected veterans must submit their previous calendar year's household financial information annually to reestablish their

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eligibility for enrollment, co-payment exemption, etc. Other updated information is collected to better serve the veteran and delivery of health care.

c. The VA Form 10-10HS is used to determine based on current years income projections if a veteran has a financial hardship and is unable to defray the expenses of care. Failure to use this form may negatively impact a veteran's enrollment and/or copay status.

7. Explain any special circumstances that would cause an information collection to be conducted more often than quarterly or require respondents to prepare written responses 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; 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 and require the use of a statistical data classification that has not been reviewed and approved by OMB.

There are no such special circumstances.

8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the sponsor's notice, 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 sponsor in responses to these comments. Specifically address comments received on cost and hour burden.

The notice of Proposed Information Collection Activity was published in the Federal Register on February 1, 2017 (Vol. 82, Number 8971, Pages 8971 through 8972). We received no comments in response to this notice.

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

No payment or gift is provided to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulations, or agency policy.

Respondents are informed that the information collected will become part of the Consolidated Health Record that complies with the Privacy Act of 1974. These forms are part of the system of records identified as 24VA19 "Patient Medical Record – VA" as set forth in the Compilation of Privacy Act Issuances via online GPO access at <http://www.gpoaccess.gov/privacyact/index.html>.

VA realizes that information requested by the on-line 10-10EZ and 10-10EZR is sensitive. In addition to the routine security measures, information from the applicant's computer to the VA is protected using Secure Sockets Layer (SSL) encryption. This is handled by most browsers, and is widely accepted as protection for Internet information transmission. Information received by VA is immediately moved behind a "firewall" into the protected internal VA environment. Information does not stay on Internet servers. VA firewalls and servers are regularly updated and monitored to further protect the systems from inappropriate access.

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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; include 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 personal information asked on these forms is necessary to better serve the veteran and for the effective delivery of health care. The form collects the applicant's race and ethnicity to assist in the analysis of health outcomes and other health data. The applicant is informed of why we need the information and can refuse to provide it if the patient so chooses. VA Forms 10-10EZ, 10-10EZR, and 10-10HS collect financial information relative to a veteran's household income, assets and net worth, which may also be considered sensitive. This information is necessary to make a determination of the individual's ability to defray the cost of needed health care related benefits.

12. Estimate of the hour burden of the collection of information:

a. The total number of annual respondents for this data collection is 1,017,000 and the total annual burden is 455,750 hours.

(1) Veterans wishing to enroll in the VA health care system are required to complete VA Form 10-10EZ. This number of respondents is estimated at 500,000 annually. This is based on the yearly number of new veterans applying for enrollment in the VA health care enrollment system. The time estimated to complete each form is 30 minutes.

$$500,000 \text{ initial applications} \times 30 \text{ minutes}/60 = 250,000 \text{ hours}$$

(2) Veterans wishing to update their financial and demographic information in the VA healthcare system are required to complete VA Form 10-10EZR. This number is estimated at 1.6 million annually based on FY14 information. However, in CY14 VA introduced enhanced system changes which automates this annual requirement through electronic data matching with the IRS and SSA, lessening this reporting burden. Based on this capacity, it is estimated that only twenty percent of veterans will actually provide updates, inclusive of veterans who will provide this for purposes of claiming a waiver of beneficiary travel deductibles (e.g. veterans who are service-connected 50% or more). The total average burden for each VA Form 10-10EZR is 24 minutes.

$$510,000 \text{ respondents} \times 24 \text{ minutes}/60 = 204,000 \text{ hours}$$

(3) Veterans wishing to apply for a financial hardship are required to complete VA Form 10-10HS. The annual respondents for this group of users are estimated at 7,000 and the total burden is 1750 hours. This is based on the yearly number of veteran applying for a financial hardship. The time estimated to complete each 10-10HS form is 15 minutes.

$$7,000 \text{ respondents} \times 15 \text{ minutes}/60 = 1750 \text{ hours}$$

b. If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13 of OMB 83-I.

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c. Provide estimates of annual cost to respondents for the hour burdens for collections of information. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14.

Legally, respondents may not pay a person or business for assistance in completing the information collection and a person or business may not accept payment for assisting a respondent in completing the information collection. Therefore, there are no expected overhead costs for completing the information collection. VHA estimates the total cost to all respondents to be \$10,874,195 (455,750 burden hours x \$23.86 per hour).

May 2016 National Occupational Employment and Wage Estimates United States:
https://www.bls.gov/oes/current/oes_nat.htm#00-0000

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).

- a. There is no capital, start-up, operation or maintenance costs.
- b. Cost estimates are not expected to vary widely. The only cost is that for the time of the respondent.
- c. There is no anticipated recordkeeping burden.

14. Provide estimates of annual cost to the Federal Government.

- a. The total cost to the Federal Government for this data collection is \$4,263,550.00.
- b. VA Form 10-10EZ

Maintenance of online form & population of database	\$ 75,000
Printing Storage/Distribution of paper form	\$ 20,000
Follow-on maintenance for online site	\$ 35,000
Follow-on maintenance for placing data into VistA	\$ 5,000
500,000 x 15 minutes / 60 x \$18.60 (GS 5/5) per hour	\$2,325,000
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Estimate of annual cost to the federal government	\$2,460,000

- c. VA Form 10-10EZR

Maintenance of online form	\$ 35,000
Printing / Storage / Distribution	\$ 40,000
Follow-on maintenance for online site	\$ 35,000
Follow-on maintenance for placing data into VistA	\$ 5,000
510,000 x10 minutes / 60 x \$18.60 (GS 5/5) per hour	\$1,581,000
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Estimate of annual cost to the federal government	\$1,696,000

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d. VA Form 10-10HS

Maintenance of online form	\$ 35,000
Printing / Storage / Distribution	\$ 20,000
Follow-on maintenance for online site	\$ 15,000
Follow-on maintenance for placing data into VistA	5,000
<u>7,000 x 15 minutes / 60 x \$18.60 (GS 5/5) per hour</u>	<u>\$ 32,550</u>
Estimate of annual cost to the federal government	\$ 107,550

15. Explain the reason for any program changes or adjustments reported in Items 13 or 14 of OMB 83-I

The reduction in burden is due to the relaxation of financial reporting burden collected on 10-10EZ and 10-10EZR. The 10-10 EZ had a reduction of 15 minutes, due to removal of questions that are not required to make an enrollment decision. Additionally, VA has adjusted the time required to complete the VA Form 10-10EZ based on information received from Veterans completing the Enrollee survey on their experiences in applying for VA health care using the previously approved VA Form 10-10EZ. Despite this form being longer than the July 2013 approved version, 24.3% of the respondents indicated the application took less than 15 minutes to complete, 47.8% reported 15 and 30 minutes and 21% between 30 and 45 minutes. The respondent total for initial applications was reduced by 203,440.

The financial reporting requirements for the 10-10EZR have been removed. It is now optional. The respondent total for 10-10EZR updates is estimated to reduce by 691,500, based enhanced system changes, which automates this annual requirement through electronic data matching with the Internal Revenue Service and Social Security Administration. It is estimated that only twenty percent of veterans will actually provide updates.

The 10-10HS respondent total has doubled, from 3500 to 7000. The burden total remains at 15 minutes.

Adjustments were made to the GS 5/5 pay per hour processing. The time for processing 10-10EZ was reduced from 45 minutes to 15 minutes. Processing 10-10EZR was reduced from 24 minutes to 10 minutes, but the quantity increased by 10,000. Form 10-10HS quantity was reduced from 50,000 to 7,000 for processing at 15 minutes.

The declaration statements in Forms 10-10EZR, 10-10EC, and 10-10d have been changed to read as follows: "I declare under penalty of perjury that the foregoing is true and accurate to the best of my knowledge. I understand that any materially false, fictitious, or fraudulent statement or representation made knowingly is punishable by a fine and/or imprisonment pursuant to title 18, United States Code, Sections 287 and 1001."

The definition of "spouse" has been changed to read as follows: "SPOUSE: If you are certifying that a person is your spouse for the purpose of VA benefits, your marriage must be recognized by the place where you and/or your spouse resided at the time of marriage, or where you and/or your spouse reside when you file your claim (or at a later date when you become eligible for benefits) (38 U.S.C. 103(c)). Additional guidance on when VA recognizes marriages is available at <http://www.va.gov/opa/marriage/>."

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This change has been made in light of the Supreme Court's recent ruling in the *Windsor* case, striking down the federal Defense of Marriage Act.

Finally, the forms have been modified to include expiration date placeholders in accordance with OMB guidelines.

16. For collections of information whose results will be published, outline plans for tabulation and publication.

There are no plans to publish the results of the information collected.

17. If seeking approval to omit the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

VA does not seek approval to omit the expiration date.

18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB 83-I.

There are no exceptions.

B. Employing Statistical Methods.

This data collection does not employ statistical method.