

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 mandates 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 information necessary for making Part D subsidy eligibility determinations.

2. Description of Collection

SSA uses Form SSA-1020, and the Internet version, i1020, to obtain income and resource information from Medicare beneficiaries to make a subsidy decision. The respondents are Medicare beneficiaries or applicants applying for 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 31 percent of respondents use the electronic version, and 12 percent complete the information during a field-office interview.

4. Why We Cannot Use Duplicate Information

The nature of the information we collect and the manner in which we collect 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 MMA. Because we only collect this 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

The 60-day advance Federal Register Notice published on November 22, 2017, at 82 FR 55707, and we received no public comments. The 30-day FRN published on February 1, 2018 at 83 FR 4722. If we receive any comments in response to this Notice, we will forward them to OMB.

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

Modality of Completion	Number of Responses	Frequency of Response	Average Burden per Response (minutes)	Estimated Total Annual Burden (hours)
SSA-1020 (paper application form)	531,715	1	30	265,858
i1020 (online application)	346,642	1	25	144,434
Field office interview	108,194	1	30	54,097
Totals	986,551			464,389

The total burden for this ICR is **464,389** hours. We based these figures on current management data information. We did not calculate a separate cost burden.

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 is approximately \$2,163,411. This estimate accounts for costs from the following areas: (1) designing, printing, and distributing the form; (2) SSA employee (e.g., field office, 800 number, DDS staff) information collection and processing time; and (3) systems development,

updating, and maintenance costs.

- 15. Program Changes or Adjustments to the Information Collection Request**
When we last cleared this IC in 2015, the burden was 503,974 hours. However, we are currently reporting a burden of 464,389 hours. This change stems from a decrease in the number of responses from Medicare beneficiaries applying for Extra Help from 1,054,985 to 986,551.
- 16. Plans for Publication of Results of Information Collection**
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.