

**Supporting Statement for Form SSA-44**  
**Medicare Income-Related Monthly**  
**Adjustment Amount – Life-Changing Event**  
**20 CFR 418.1205, 418.1255, 418.1265, 418.2205, 418.2255, 418.2265**  
**OMB No. 0960-0784**

**A. Justification**

**1. Introduction/Authoring Laws and Regulations**

Sections 1860D-13(a) and Section 1839(i) of the *Social Security Act*, as codified in the *Code of Federal Regulations*, 20 CFR 418, mandate reductions in the Federal Medicare Part B and prescription drug coverage subsidies. This results in higher premiums for those with Medicare Part B and prescription drug coverage with income above a specific threshold. The amount of the premium subsidy reduction is an income-related monthly adjustment amount, or IRMAA.

A Medicare beneficiary who experiences a significant life-changing event (LCE) and a subsequent reduction in income can report these circumstances to SSA and receive a reduction in or elimination of IRMAA. SSA defines a relevant LCE as: 1) marriage, 2) divorce or annulment, 3) spousal death, 4) work stoppage, 5) work reduction, 6) loss of income due to property loss, 7) loss of pension income, and 8) receipt of a one-time employer's (or former employer's) settlement payment.

The Medicare Part B regulations requiring a life-changing event for use of a more recent taxable year are in Subpart B of 20 CFR Part 418. The parallel regulations for Medicare prescription drug coverage are in Subpart C of 20 CFR Part 418. Our regulations at 20 CFR 418.1205 and 20 CFR 418.2205 specify the LCEs.

**2. Description of Collection**

The Centers for Medicare & Medicaid Services in the Department of Health and Human Services is responsible for determining the amounts of Medicare Part B monthly premiums, the national base beneficiary premium for prescription drug coverage, and the monthly income-related adjustment amounts. SSA is responsible for several aspects of the premium collection process. As part of this process, SSA's role includes:

- 1) Determining which Medicare Part B and prescription drug coverage recipients are subject to IRMAA based on Federal tax return information from the Internal Revenue Service (IRS);
- 2) Determining when to apply an IRMAA amount;
- 3) Accepting information from recipients that updates or clarifies the tax data provided by IRS; and.
- 4) Making new initial IRMAA determinations based on a significant LCE when there is a reduction in income.

SSA determines IRMAA based on past IRS tax data. On an annual basis, the IRS provides SSA the modified adjusted gross income (MAGI) for all Medicare beneficiaries based off their most recent tax return filings. For individuals or joint-filing couples whose income is above the high-income threshold, in most circumstances SSA will immediately apply the IRMAA premium subsidy reduction via deduction from the beneficiary's monthly Social Security benefits. It will also send a notice to the beneficiary explaining the amount of the premium subsidy reduction, the reason(s) for the reduction, and instructions on how to request a review of the reduction. As discussed below, the instructions provide options for submitting the information collection either through scheduling a field office in-person interview or through mailing in the form (with documentation) to local Social Security Field office.

Because the IRMAA is based on up-to two-year old tax information (for example, 2016 tax filing information may be used for applying an IRMAA in 2018), it is possible recipients' financial situations may have changed due to a significant LCE and SSA's IRMAA determination would no longer be accurate. SSA uses Form SSA-44, the Medicare Income-Related Monthly Adjustment Amount – Life-Changing Event, to collect information from Medicare recipients about an LCE that could affect their IRMAA.

SSA uses the information collected on Form SSA-44 to determine if the initial IRS tax data used for the beneficiary needs to change. If the agency determines the LCE warrants the use of a more recent taxable year to determine IRMAA, we will use the information to make a new initial determination. The respondents are Medicare Part B and prescription drug coverage enrollees with modified adjusted gross income over a high-income threshold who experience one of the eight significant LCEs cited above.

**3. Use of Information Technology to Collect the Information**

SSA created an Intranet version of Form SSA-44 through Modernized Claim System (MCS), which allows SSA personnel to enter responses into the MCS during an in-person interview with the beneficiary. Based on our data, we estimate approximately 70% of respondents under this OMB number use the electronic version through a personal interview with field office representatives. This information collection does not allow for electronic submission as described by GPEA. SSA intends to implement a submittable PDF version of the SSA-44 later this year.

**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 SSA did not collect this information, we would be unable to allow Medicare enrollees with prescription drug coverage or Part B who have experienced significant LCEs to report such

events. Because we collect the information on an as needed basis, 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 us to collect this information 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 July 29, 2020, at 85 FR 45723, and we received no public comments. The 30-day FRN published on September 25, 2020 at 85 FR 60509. If we receive any comments in response to this Notice, we will forward them to OMB. We did not consult with the public in the revision of this form.

**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 Parts 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**

<b>Modality of Completion</b>	<b>Number of Respondents</b>	<b>Frequency of Response</b>	<b>Average Burden per Response (minutes)</b>	<b>Estimated Total Annual Burden (hours)</b>	<b>Average Theoretical Hourly Cost Amount (dollars)*</b>	<b>Average Wait Time in Field Office (minutes) **</b>	<b>Total Annual Opportunity Cost (dollars) ***</b>
Personal Interview (SSA field office)	178,840	1	30	89,420	\$31.48*	24**	\$5,066,895***
SSA-44	76,645	1	45	57,484	\$31.48*	0	\$1,809,596***
<b>Totals</b>	<b>255,485</b>			<b>146,904</b>			<b>\$6,876,491***</b>

\* We based these figures on average U.S. citizen’s hourly salary, as reported by Bureau of Labor Statistics data (<https://www.bls.gov/oes/current/oes434199.htm>).

\*\* We based this figure on the average FY 2024 wait times for field offices, based on SSA’s current management information data.

\*\*\* This figure does not represent actual costs that SSA is imposing on recipients of Social Security payments to complete this application; rather, these are theoretical opportunity costs for

the additional time respondents will spend to complete the application. **There is no actual charge to respondents to complete the application.**

In addition, OMB’s Office of Information and Regulatory Affairs is requiring SSA to use a rough estimate of a 30-minute, one-way, drive time in our calculations of the time burden for this collection. OIRA based their estimation on a spatial analysis of SSA’s current field office locations and the location of the average population centers based on census tract information, which likely represents a 13.97-mile driving distance for one-way travel. We depict this on the chart below:

Total Number of Respondents Who Visit a Field Office	Frequency of Response	Average One-Way Travel Time to a Field Office (minutes)	Estimated Total Travel Time to a Field Office (hours)	Total Annual Opportunity Cost for Travel Time (dollars)****
178,840	1	30	89,420	\$2,814,942****

\*\*\*\*We based this dollar amount on the Average Theoretical Hourly Cost Amount in dollars shown on the burden chart above.

Per OIRA, we include this travel time burden estimate under the 5 CFR 1320.8(a)(4), which requires us to provide “time, effort, or financial resources expended by persons [for]... transmitting, or otherwise disclosing the information,” as well as 5 CFR 1320.8(b)(3)(iii) which requires us to estimate “the average burden collection...to the extent practicable.” SSA notes that we do not obtain or maintain any data on travel times to a field office, nor do we have any data which shows that the average respondent drives to a field office, rather than using any other mode of transport. SSA also acknowledges that respondents’ mode of travel and, therefore, travel times vary widely dependent on region, mode of travel, and actual proximity to a field office.

NOTE: We included the total opportunity cost estimate from this chart in our calculations when showing the total time and opportunity cost estimates in the paragraph below.

We base our burden estimates on current management information data, which includes data from actual interviews, as well as from years of conducting this information collection. Per our management information data, we believe that 10 minutes accurately shows the average burden per response for reading the instructions, gathering the facts, and answering the questions. Based on our current management information data, the current burden information we provided is accurate. The total burden for this collection instrument is **146,904** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$9,691,433**. SSA does not charge respondents to complete our applications.

### **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 **\$244,079,109**. This estimate accounts for costs from the following areas:

Description of Cost Factor	Methodology for Estimating Cost	Cost in Dollars*
Designing and Printing the Form	Design Cost + Printing Cost	\$359.17
Distributing, Shipping, and Material Costs for the Form	Distribution + Shipping + Material Cost	\$0
SSA Employee (e.g., field office, 800 number, DDS staff) Information Collection and Processing Time	GS-9 employee x # of responses x processing time	\$242,710,750
Full-Time Equivalent Costs	Out of pocket costs + Other expenses for providing this service	\$0
Systems Development, Updating, and Maintenance	GS-9 employee x man hours for development, updating, maintenance	\$1,368,000
Quantifiable IT Costs	Any additional IT costs	\$0
Other	[Component may add as needed]	\$0
<b>Total</b>		<b>\$244,079,109</b>

\* We have inserted a \$0 amount for cost factors that do not apply to this collection.

SSA is unable to break down the costs to the Federal government further than we already have. First, since we work with almost every US citizen, we often do bulk mailings, and cannot track the cost for a single mailing. In addition, it is difficult for us to break down the cost for processing a single form, as field office and State Disability Determination Services staff often help respondents fill out several forms at once, and the time it takes to do so can vary greatly per respondent. As well, because so many employees have a hand in each aspect of our forms, we use an estimated average hourly wage, based on the wage of our average field office employee (GS-9) for these calculations. However, we have calculated these costs as accurately as possible based on the information we collect for creating, updating, and maintaining these information collections.

#### 15. Program Changes or Adjustments to the Information Collection Request

When we last cleared this IC in 2017, the burden was 115,311 hours. However, we are currently reporting a burden of 146,904 hours. This change stems an increase in the number of responses from 200,540 to 255,485. There is no change to the burden time per response. Although the number of responses changed, SSA did not take any actions to cause this change. These figures represent current Management Information data.

\* Note: The total burden reflected in ROCIS is **307,860**, while the burden cited in #12 of the Supporting Statement is **146,904**. This discrepancy is because the ROCIS burden reflects the following components: field office waiting time + a rough estimate of a 30-minute, one-way, drive burden. In contrast, the chart in #12 of the Supporting Statement reflects actual burden.

**16. Plans for Publication Information Collection Results**

SSA will not publish the results of the information collection.

**17. Displaying the OMB Approval Expiration Date**

SSA is not requesting an exception to the requirement to display an expiration date.

**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.