

**Supporting Statement for  
Redetermination of Eligibility for Extra Help  
With Medicare Prescription Drug Plan Costs  
Forms SSA-1026-REDE  
(Social Security Administration Review of Your Eligibility for Extra  
Help)  
And  
SSA-1026-SCE  
(Social Security Administration Reporting a Change That May Affect  
Your Extra Help)  
20 CFR 418.3125  
OMB No. 0960-0723**

**A. Justification**

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

Section 1860D-14(a)(3)(A)(iv)(I) of the *Medicare Modernization Act (MMA) of 2003*, as codified in Section 418.3125 of the *Code of Federal Regulations*, requires the Social Security Administration (SSA) to conduct low-income subsidy eligibility redeterminations for recipients of the Medicare Prescription Drug Plan (Part D) subsidy. SSA needs forms to collect information from subsidy recipients so we can: (1) determine if a subsidy redetermination is necessary, and (2) conduct the actual redetermination. The agency uses Forms SSA-1026-REDE and SSA-1026-SCE for these purposes.

**2. Description of Collection**

Medicare Part D subsidy recipients undergo an eligibility redetermination under two potential circumstances. Below is a description of these scenarios and the forms SSA uses to collect the necessary information. This information collection is mandatory for respondents who wish to continue their Medicare Part D subsidy. Most often, the respondents either mail in the form, or SSA employees collect this information via personal interviews with the recipients.

**SSA-1026-REDE (Social Security Administration Review of Your Eligibility for Extra Help)**

Form SSA-1026-REDE is a cyclical redetermination form SSA sends to certain Medicare Part D subsidy recipients whom the system automatically selects based on particular profile and selection criteria. Specifically, these are individuals who: (1) became entitled to the Medicare Part D subsidy during the past 12 months; (2) were eligible for the Part D subsidy for more than 12 months; or (3) reported a change in income, resources, or household size (all factors which could affect subsidy amounts). The recipients return the form to the Wilkes-Barre Direct Operations Center. Recipients may also complete the form in person or by telephone with any SSA field office. Either an SSA field office employee or the Wilkes-Barre Direct Operations Center Subsidy Appeal Unit in the Office of

Earnings and International Operations adjudicate the form in the Medicare Application Processing System (MAPS).

**SSA-1026-SCE (Social Security Administration -- Reporting a Change That May Affect Your Extra Help)**

SSA uses Form SSA-1026-SCE to conduct subsidy eligibility redeterminations for Part D subsidy beneficiaries who report a potentially subsidy-changing event, including the following: (1) marriage; (2) spousal separation; (3) divorce; (4) annulment of a marriage; (5) spousal death; or (6) moving back in with one's spouse following a separation. SSA sends the form to Medicare Part D subsidy recipients who have contacted SSA to self-report one of these events.

When SSA mails these forms to recipients, SSA includes a *Resource and Income Summary* form. This insert lists the subsidy-eligible individual's income and resource types; income and resources amounts; and the household size on record. This information comes from (1) SSA's records, and (2) the information subsidy recipients provided on their original applications. SSA asks the subsidy recipient undergoing a redetermination to refer to the *Resource and Income Summary* when completing the SSA-1026. Recipients are instructed to mail the completed return form to the Wilkes-Barre Direct Operations Center. Recipients may also complete the form in person or by telephone with any SSA field office. Either an SSA field office employee or the Wilkes-Barre Direct Operations Center Subsidy Appeal Unit in the Office of Earnings and International Operations adjudicate the form in the Medicare Application Processing System (MAPS).

The respondents are current recipients of the Medicare Part D low-income subsidy who will undergo an eligibility redetermination.

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

In accordance with the agency's Government Paperwork Elimination Act plan, SSA created Intranet versions of the SSA-1026 forms. Based on our data, we estimate approximately 31% of respondents under this OMB number use the electronic version. In addition, a PDF version of Form SSA-1026 is available on SSA's website for viewing purposes only. The respondents can complete the paper form, or a field office representative completes the form during an in-office or telephone interview, and enters the information in SSA's Intranet application system. This collection does not currently have a fully public-facing Internet version, as we prioritized other information collections for full electronic conversions. As per our 4/3/20 conversation with OIRA, we welcome OIRA to join our conversations with OMB on IT Mods; however, as our IT Mod programming is an ongoing project, we cannot provide timelines for when we will be able to make any particular ICR available via the Internet. We will convert existing ICRs to full electronic versions depending on how they fall within our overall IT Mod schema, but this is unconnected to the PRA approval lifecycle.

**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 SSA did not collect this information, we would have no means of conducting mandatory annual redeterminations; periodic subsidy eligibility redeterminations; or subsidy eligibility redeterminations for those reporting subsidy-changing events, which would be in violation of the relevant provisions of the MMA. Because we collect this 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 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 January 2, 2021 at 86 FR 667, and we received no public comments. The 30-day FRN published on March 12, 2021 at 86 FR 14170. 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**

Please see the burden chart below:

Modality of Completion	Number of Respondents	Frequenc y of Response	Average Burden per Response (minutes)	Estimated Total Annual Burden (hours)	Average Theoretical Hourly Cost Amount (dollars)*	Average Wait Time in Field Office (minutes)*	Total Annual Opportunity Cost (dollars)****
SSA-1026-REDE	120,220	1	18	36,066	\$25.72*		\$927,618****
SSA-1026-SCE	3,462	1	18	1,039	\$25.72*		\$26,723****

REDE Field Office Interview	50,879	1	18	15,264	\$25.72*	24**	\$916,033***
SCE Field Office Interview	4,441	1	18	1,332	\$25.72*	24**	\$79,948***
<b>Totals</b>	<b>179,002</b>			<b>53,701</b>			<b>\$1,950,322***</b>

\* We based this figure on average U.S. citizen’s hourly salary, as reported by Bureau of Labor Statistics data ([https://www.bls.gov/oes/current/oes\\_nat.htm](https://www.bls.gov/oes/current/oes_nat.htm)).

\*\* We based this figure on the average FY 2020 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)****
55,320	1	30	27,660	\$711,415

\*\*\*\* 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 opportunity cost estimates in the paragraph below.

The total burden for this ICR is **53,701** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$2,661,737**. SSA does not charge respondents to complete our applications. 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 the 18 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.

**13. Annual Cost to the Respondents (Other)**

This collection does not impose a known cost burden on the respondents.

**14. Annual Cost to the Federal Government**

The annual cost to the Federal Government is approximately \$5,087,780. This estimate accounts for costs from the following areas:

<b>Description of Cost Factor</b>	<b>Methodology for Estimating Cost</b>	<b>Cost in Dollars*</b>
Designing and Printing the Form	Design Cost + Printing Cost	\$1,970
Distributing, Shipping, and Material Costs for the Form	Distribution + Shipping + Material Cost	\$348,125
SSA Employee (e.g., field office, 800 number, DDS staff) Information Collection and Processing Time	GS-9 employee x # of responses x processing time	\$4,731,905
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	\$5,780
Quantifiable IT Costs	Any additional IT costs	\$0
<b>Total</b>		<b>\$5,087,780</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. It is difficult for us to break down the cost for processing a single form, as field office 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 47,176 hours. However, we are currently reporting a burden of 53,701 hours. This change stems from an increase in the number of responses from 157,254 to 179,002. 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.

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

SSA will not publish the results of this information collection.

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

OMB granted SSA an exemption from the requirement to print the OMB approval date on its program forms. SSA produces millions of public-use forms, many of which have a life cycle longer than that 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 that we would not have to destroy stocks of otherwise useable forms with expired OMB approval dates, avoiding Government waste.

**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.