

Supporting Statement for Form SSA-4640
Authorization for the Social Security Administration to
Obtain Account Records from a Financial Institution and
Request for Records (Medicare)
20 CFR 418.3420
OMB No. 0960-0729

A. Justification

1. Introduction/Authoring Laws and Regulations

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA) established the Medicare Part D program for voluntary prescription drug coverage of premium, deductible, and co-payment costs for individuals with limited income and resources. The MMA mandates that the Government provide subsidies for those individuals who qualify for the program, and who meet eligibility criteria for help with premium, deductible, or co-payment costs. The Social Security Administration (SSA) uses the SSA-4640, Authorization for the Social Security Administration to Obtain Account Records from a Financial Institution and Request for Records (Medicare) to verify whether applicants and claimants meet eligibility criteria. Section 1860D-14(a)(3) of the Social Security Act, as amended, allows us to collect this information.

2. Description of Collection

While Medicare Part D provides for discount prescription drugs, beneficiaries usually pay certain premiums, deductibles, and copayments. Individuals with low income and limited resources can apply, via the SSA-1020 (OMB Control No. 0960-0696), for full or partial subsidies to cover their Part D premiums, to pay a reduced or no deductible, or to be responsible for smaller copayments. This is also known as “Extra Help.” SSA does not regularly request additional documentation from applicants beyond the allegations provided on the SSA-1020. However, SSA does verify income and resource allegations against IRS and other external data obtained during the verification stage of the determination process. Data obtained by the agency is typically 1-2 years old. If the applicant disagrees with the agency data, SSA may request evidence in accordance with agency verification policies.

To determine if subsidy applicants or recipients qualify, or continue to qualify, for the subsidy, SSA conducts quality reviews of randomly selected Extra Help applications under the Medicare Quality Review System (OMB No. 0960-0707). As part of the quality review, SSA verifies claimants’ reported financial accounts as discussed in section 20 CFR 418.3420 of the *Code of Federal Regulations*. To complete this verification, SSA needs to obtain authorization from claimants to contact their financial institutions (FI) to verify the reported account balances. SSA uses Form SSA-4640 to: (1) obtain the individual’s consent to verify balances of FI accounts; and (2) obtain verification of such balances from the FI. The respondents are subsidy applicants or claimants and their FI.

After randomly selecting an Extra Help claimant, SSA sends a Notice of Appointment to them, then mails them the SSA-4640 for completion of the consent portions of the form. The claimant then mails the form back to SSA. SSA then sends the form to all financial institutions the agency has on record for the claimant.

3. Use of Information Technology to Collect the Information

SSA is unable to create an Internet version of this information collection, as we require written signatures and authorizations from two parties (the subsidy claimant and the FI) on the same form. We will reassess this ability if and when technological advances are created that would allow for us to make this collection available via the Internet. In addition, we evaluated this collection for conversion to a submittable PDF, and found it is not suitable for that process either, as we require written signatures and authorizations from two parties on the same form.

4. Why We Cannot Use Duplicate Information

The nature of the information we collect and the manner in which we collect it preclude duplication. Although SSA uses a similar form (SSA-4641, Authorization for The Social Security Administration to Obtain Account Records from a Financial Institution and Request for Records, OMB No. 0960-0293) to obtain FI data for the Supplemental Security Income (SSI) program, that form is specific to the needs of the SSI program. The SSA-4641 (0960-0293) requests more detailed information than needed for the low-income Medicare subsidy (e.g., monthly account balances). Further, we automatically deem eligible-SSI individuals the low-income subsidy, so there is no danger of the same beneficiary completing both forms.

5. Minimizing Burden on Small Respondents

This collection does not significantly 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-4640, we would be unable to verify an individual's eligibility, or continuing eligibility, under the Medicare Quality Review System. Because we only collect this information as needed, 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 April 28, 2021 at 86 FR 22510, and we received no public comments. The 30-day FRN published on August 20, 2021 at 86 FR 46897. 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 payment 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

This 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	Frequency of Response	Average Burden Per Response (minutes)	Estimated Total Annual Burden (hours)	Average Theoretical Hourly Cost (dollars)*	Total Annual Opportunity Cost (dollars)**
Medicare Part D Subsidy Applicants	5,000	1	10	833	\$10.95*	\$9,121**
Financial Institutions	5,000	1	10	833	\$37.56*	\$31,287**
Totals	10,000			1,666		\$40,408**

* We based these figures on the average DI payments based on SSA's current FY 2021 data (<https://www.ssa.gov/legislation/2021FactSheet.pdf>), and the average Business and Financial operations occupations, as reported by Bureau of Labor Statistics data (<https://www.bls.gov/oes/current/oes130000.htm>).

** 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.**

The total burden for this ICR is **1,666** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **\$40,408**. 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 1 and 4 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 Federal Government

The annual cost to the Federal Government is approximately \$10,682. 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	\$462
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-12 employee x # of responses x processing time	\$10,220
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	\$0
Quantifiable IT Costs	Any additional IT costs	\$0
Other	[Component may add as needed]	\$0
Total		\$10,682

* 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 2018, the burden was 416 hours. However, we are currently reporting a burden of 1,666 hours. This change stems from an increase in the completion time from 1 and 4 minutes to 10 minutes. After review, we determined the form takes longer than previously reported, which is reflected in the increase in completion time and the resulting change in burden. These figures represent current Management Information data.

16. Plans for Publication Information Collection Results

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 its program forms. 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.

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.