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), Pub Law 108-173,* established the Medicare Part D program, which provides voluntary prescription drug coverage for premium, deductible, and co-payment costs to individuals with limited income and resources. The *MMA* requires the Government to subsidize individuals who qualify for the program and meet eligibility criteria for assistance 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 (FI) 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, and *20 CFR 418.3420* of the *Code of Federal Regulations* authorize us to collect this information.

2. Description of Collection

Medicare Part D provides discount prescription drugs, but beneficiaries usually pay certain premiums, deductibles, and copayments. Individuals with low income and limited resources can apply for subsidies to cover their Part D premiums by submitting the SSA-1020 (OMB Control No. 0960-0696). This subsidy is also known as "Extra Help." SSA does not regularly request additional documentation from applicants beyond the requested allegations they provide on the SSA-1020. However, SSA verifies income and resource allegations against IRS and other external data obtained during the verification stage of the determination process. The agency typically obtains data that is 1-2 years old. If applicants disagree with the agency data, SSA may request evidence in accordance with agency verification policies.

SSA conducts quality reviews of randomly selected Extra Help applications under the Medicare Quality Review System (OMB No. 0960-0707) to determine if subsidy applicants or recipients qualify, or continue to qualify, for the subsidy. As part of the quality review, SSA verifies recipients' reported financial accounts, as discussed in section *20 CFR 418.3420* of the *Code of Federal Regulations*. To complete this verification, SSA obtains authorization from claimants to contact their FI and 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.

After SSA randomly selects an Extra Help claimant, SSA sends a Notice of Appointment and then mails the SSA-4640 for the claimant to complete the consent portion of the form. The claimant mails the completed form back to SSA. SSA then sends the form to all financial institutions the agency has on record for the claimant.

We identified the following psychological costs based on the requirements for this information collection:

<u>Psychological Cost #1:</u>

- **Requirement for Program:** We request personal financial information about the recipient on the SSA-4640 so that we can determine whether the recipient qualifies, or continues to qualify, for the subsidy.

- **Psychological Cost:** The recipient may perceive the information request for financial disclosure to impact negatively on their eligibility for the subsidy. This sometimes causes the claimant to be uncooperative during our reviews.

We understand these psychological costs may cause respondents to delay their completion of the information collection or cause them to abandon the information collection entirely. However, we require claimants to fully complete this collection to meet the eligibility criteria for the subsidy, under the Medicare Quality Review System. Therefore, we have taken this potential psychological cost into account when calculating our burden in #12 below.

Respondents are Medicare Part D program subsidy applicants or claimants, and their financial institutions.

3. Use of Information Technology to Collect the Information

Currently, SSA sends the paper SSA-4640 to the randomly selected claimants, initializing the need for this information collection. We send the form with a pre-addressed, stamped envelope for respondents to send back to SSA via mail. At this time, we have no management information data showing that respondents submit the form back to us in any other way.

SSA is unable to create an Internet version of this information collection, as we require signatures and authorizations from two parties (the subsidy claimant and the FI) on the same form. We will reassess this ability if and when there are technological advances that would allow 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 our current systems (including Upload Documents, OMB No. 0960-0830) do not allow for multiple signatures from different parties on the same form. Given the high volume of forms we are coordinating for electronic submission, and the more urgent nature of some of our higher volume forms, we ultimately decided not to prioritize this ICR for electronic submission at this time. When we are able to schedule this form for electronic submission, and we have technology in place that allows for multiple signatures from different parties, we will submit a Change Request to OMB to request approval prior to implementation.

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 respondent completing both forms.

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-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 27, 2026, at 91 FR 22569, and we received no public comments. The 30-day FRN published on June 26, 2026, at 91 FR 38748. 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 development 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 4*2 U.S.C. 1306*, *20 CFR 401* and 4*02, 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:

Method of Completion	Number of Respondents	Frequency of Response	Average Burden Per Response (minutes)	Estimated Total Annual Burden (hours)	Average Theoretical Hourly Cost Amount (dollars)*	Total Annual Opportunity Cost (dollars)**
Medicare Part D Subsidy Applicants	5,000	1	10	833	$14.27*	$11,887**
Financial Institutions	5,000	1	10	833	$45.78*	$38,135**
Totals	**10,000**			**1,666**		**$50,022****

* We based this figure on average disability payments based on SSA's current FY 2026 data (Effect of COLA on Average Social Security Benefits), and the average Health Practitioners and Technical Occupations hourly wages as reported by Bureau of Labor Statistics data (Occupational Employment and Wage Statistics).

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.

We did not include travel time as per our current management information data, respondents who complete the paper forms return them to us via mail only. Should this change in the future, we will include the language and chart for travel time to a field office.

We do not have any recorded learning costs for this information collection, as the respondents learn about it when we issue the form, and SSA technicians walk them through the process at that time. We included the burden for the walk-through in the overall burden shown in the chart above.

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 learning about the program; receiving notices as needed; reading and understanding instructions; gathering the data and documents needed; answering the questions and completing the information collection instrument; scheduling any necessary appointment or required phone call; consulting with any third parties (as needed); and waiting to speak with SSA employees (as needed). Based on our current management information data, the current burden information we provided is accurate. 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 **$50,022**. 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 **$12,611**. 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	$541
Distribution, Shipping, and Material Costs for the Form	Distribution + Shipping + Material Cost	$1,850
SSA Employee (e.g., field office, 800 number, DDS staff) Information Collection and Processing Time	GS-9 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*
Total		**$12,611**

* 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 we often do bulk mailings, and cannot track the cost for a single mailing. In addition, 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. Also, 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**
There are no changes to the public reporting 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**
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. <u>Collections of Information Employing Statistical Methods</u>

SSA does not use statistical methods for this information collection.