Supporting Statement for Medicare Part D Subsidies
20 CFR 418.3625(c), 418.3645, 418.3665(a), and 418.3670
OMB No. 0960-0702

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, which provides voluntary prescription drug coverage for Medicare recipients. The MMA also established a low-income subsidy (LIS) Extra Help program for those individuals who qualify for Medicare Part D and meet eligibility criteria for help with premium, deductible, and co-payment costs. The Social Security Administration (SSA) administers the LIS program. The MMA requires SSA to make initial LIS eligibility determinations, LIS eligibility redeterminations, and provide a process for appealing SSA LIS determinations.

Section 1860D-14 of the *Social Security Act (Act)* describes Medicare Part D LIS requirements. When applicants or their personal representatives file a LIS application with SSA they complete an *Application for Extra Help with Medicare Prescription Drug Plan Costs,* paper Form SSA-1020 or Internet application i1020. SSA uses paper Form SSA-1020 and the Internet i1020 to collect information necessary for making Medicare Part D low-income subsidy eligibility determinations. Applicants or their personal representatives may also apply for LIS with SSA technicians either through in-person or telephone interviews. SSA documents information applicants or their personal representatives provide on LIS forms in the Medicare Application Processing System, reviews the information, and sends a subsidy award, pre-decisional, or denial notice to the individual at his or her last known address. We capture additional information regarding SSA initial LIS application information collection under OMB control number 0960-0696, Application for Extra Help with Medicare Prescription Drug Plan Costs, Form SSA-1020/i1020.

When SSA approves an initial LIS application, recipients undergo eligibility redeterminations under two potential circumstances. SSA uses paper Forms SSA-1026-SCE and SSA 1026-REDE to process changes in circumstances which the applicants or their personal representatives reported and to conduct cyclical low-income subsidy redeterminations which Section *1860D-14(a)(3)(A)(iv)(I)* of the *Medicare Modernization Act (MMA) of 2003* required , as codified in Section *418.3125* of the *Code of Federal Regulations*. For more information on SSA subsidy redetermination information collection see OMB control number 0960-0723, Supporting Statement for Redetermination of Eligibility/Reporting a Change that May Affect Your Eligibility for Extra Help With Medicare Prescription Drug Plan Costs.

When an applicant appears to be ineligible for a Medicare Part D low-income subsidy (LIS), the Social Security Administration (SSA) sends a pre-decisional notice before sending a denial notice. The LIS pre-decisional notice includes the basis for the proposed denial, lists any additional information SSA needs, and allows 10 days from the date of

the notice for the respondent to rebut or request and receive additional information on the proposed action. Since the LIS pre-decisional notice is only an advance notice of proposed action, it does not include formal appeal language. SSA automatically generates a LIS denial notice when an applicant or their personal representative does not contact SSA within 20 days of receiving a pre-decisional notice, or if a response to the pre-decisional notice does not change SSA's determination. LIS award and denial notices are formal determinations that include appeal rights and information about how to request an appeal. Applicants or their personal representatives may request an appeal within 60 days after the date they receive a formal determination notice.

The appeal process for subsidy determinations consists of one formal SSA administrative step. An applicant or their personal representative can choose a telephone hearing or an informal case review. Both telephone hearings and informal case reviews are the same level of the administrative appeal. When an applicant or their personal representative requests a LIS appeal, SSA conducts an administrative review of the case based on information in the file and any additional information the individual or his or her personal representative provides. If an individual is dissatisfied with SSA's final decision, he or she may file an action in Federal district court. We capture additional information about SSA subsidy appeal information collection under OMB control number 0960-0695, Appeal of Determination for Extra Help with Medicare Prescription Drug Costs, Form SSA-1021. SSA collects information under this OMB control in accordance with regulation sections *20 CFR 418.3625(c), 418.3645, 418.3665(a), and 418.3670*. These regulations pertain to the SSA subsidy appeal scheduling and review process.

2. Description of Collection

SSA uses the information the following our regulation sections request (in combination with other information) to determine eligibility for the Medicare Part D low-income subsidy; to process eligibility redeterminations; and to enable determination appeals. A description of the specific information collection requirements for each of the four sections follows:

418.3625(c) – One may request a change in date or time for an administrative review hearing, but must provide a reason for doing so, and must provide alternative dates or times.

418.3645 – One may object to the person who will be conducting the administrative review hearing by notifying SSA at the earliest opportunity.

418.3665(a) – One may withdraw a request for administrative review at any time before SSA mails the notice of the decision.

418.3670 – Within 60 days of receiving the dismissal notice, one may ask SSA to vacate the dismissal of a request for administrative review and show good cause why we should not dismiss the request.

SSA employees collect this information only when an applicant contacts SSA to make one of these four requests regarding his or her administrative review hearing. An applicant can make these requests in person or by phone, fax, or mail; however, we note that respondents typically submit requests via phone, fax, or mail.

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

Psychological Cost #1:

- **Requirement for Program:** When a respondent receives a LIS denial, the regulations cited above place requirements on the respondent to submit information or requests in writing to SSA within 60 days of receiving the denial.
- **Psychological Cost:** Both the denial and the time constraint for the reply may cause the respondent anxiety. In addition, the respondent may not understand what they need to send to SSA under these regulations, which could cause stress and may cause the respondent concern over whether SSA will deny them LIS or Medicare benefits.

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 full completion of this collection to receive benefits. Therefore, we have taken this potential psychological cost into account when calculating our burden in #12 below.

The respondents are applicants for the low-income subsidy program who are awaiting an administrative review hearing and have submitted one or more of the requests shown above.

3. Use of Information Technology to Collect the Information

As stated above, an applicant can make these requests regarding their administrative review hearing in person or by phone, fax, or mail. We cannot accept these requests via email, as respondents do not have a secure way to submit their personal information through email. As per our current management information (MI) data, most respondents choose to submit this information via phone, mail, or fax. We do not currently have MI data showing any respondent submitting these requests in person. SSA employees electronically record the information in the Case Processing and Management System in all instances. SSA is unable to create an Internet version of this information collection, as this information collection request pertains to regulation sections and does not have a specific information collection instrument. 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 or electronically.

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 conduct the information collection these regulation sections require, SSA would have no means of carrying out the Medicare Part D subsidy provisions of the MMA. Because we only collect this information when a specific situation arises (ex: applying for the subsidy; appealing a decision; requesting an administrative hearing), 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 June 26, 2026, at 91 FR 38753, and we received no public comments. The 30-day FRN published on August 27, 2026, at 91 FR 55418. 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 *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

Some of the information we collect may be of a sensitive nature. However, this information is necessary to fulfill applicants' requests and to proceed with the administrative review hearing process. We only collect this information after an applicant initiates contact with SSA to make one of the above listed requests.

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 Cost Amount (dollars)***	**Total Annual Opportunity Cost (dollars) ****

418.3625(c)	60	1	5	5	$14.27*	$71**
418.3645	6	1	5	1	$14.27*	$14**
418.3665(a)	120	1	5	10	$14.27*	$143**
418.3670[+]	1	1	1	1	$14.27*	$14**
Total	**187**			**16**		**$242****

[+] Regulation section 418.3670 could be used at any time; however, we currently have no data showing usage over the past three years; therefore, we are including a 1-hour placeholder burden in case respondents submit information under this section.

** We based this figure on the average disability payments based on SSA's current FY 2026 data (Effect of COLA on Average Social Security Benefits),

*** This figure does not represent actual costs that SSA is imposing on individuals; rather, these are theoretical opportunity costs for the additional time respondents will spend to complete the information collection. **There is no actual charge to respondents to complete the information collection**.

Note: We did not include travel time as no forms are associated with this information collection, rather these are the regulations which allow SSA to determine eligibility for the Medicare Part D low-income subsidy, to process eligibility redetermination and to enable determination appeals, and per our current MI data respondents submit their requests to us via telephone, mail, or fax. While we accept responses in person, our MI data shows that respondents do not choose this option.

Note: We do not have any recorded learning costs for this information collection, as there are no forms associated with this information collection, and the regulation section explain the necessary information and how to submit it to SSA. We have included our learning costs for reading the regulation citations in the burdens listed 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 **5, or 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 **16** burden hours (reflecting SSA management information data), which results in an associated theoretical (not actual) opportunity cost financial burden of **$228**. 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 **$40,552**. 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	$0*
Distribution, 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	$33,740
Full-Time Equivalent Costs	Out of pocket costs + Other expenses for providing this service	$2,200
Systems Development, Updating, and Maintenance	GS-9 employee x man hours for development, updating, maintenance	$4,612
Quantifiable IT Costs	Any additional IT costs	$0*
Total		**$40,552**

* 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. 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 cleared this ICR in 2023, the burden was **29** hours. However, we are currently reporting a burden of **16** hours. The decrease in burden is due to a decrease in the number of respondents requesting administrative review, and may also be due to the impact of the Inflation Reduction Act (IRA) of 2022 which resulted in more individuals being eligible for full subsidy and consequently not opting to file appeals.

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.