**Supporting Statement Part A**
**Request for Termination of Premium Hospital and/or**
**Supplementary Medical Insurance and**
**Supporting Statute and Regulations**
**CMS-1763, OMB 0938-0025**

## Background

*The CMS Form "Request for Termination of Premium Hospital and/or Supplementary Medical Insurance" supports sections 1818(c)(5), 1818A(c)(2)(B) and 1838(b)(1) of the Social Security Act (the Act) and corresponding regulations at 42 CFR §§ 406.28 and 407.27.*

Medicare Part B and premium-Part A are voluntary programs and are financed from premium payments by enrollees together with contributions from funds appropriated by the Federal government. Sections 1818(c)(5), 1818A(c)(2)(B) and 1838(b)(1) of the Act allows a Medicare enrollee to voluntarily terminate Supplementary Medical Insurance (Part B) and/or the premium Hospital Insurance (premium-Part A) coverage by filing a written request. These statutory provisions were codified at 42 CFR 406.28 and 407.27.

Because Medicare is recognized as a valuable protection against the high cost of medical and hospital bills, when an individual wishes to voluntarily terminate Part B and/or premium Part A, the enrollee is requested to provide the reason they wish to terminate coverage to permit an opportunity for the Centers for Medicare & Medicaid Services (CMS), through its delegated agent for processing Medicare enrollments and disenrollments -- the Social Security Administration (SSA) -- to ensure that the individual understands the ramifications of the decision.

The Request for Termination of Premium Hospital and/or Supplementary Medical Insurance (Form CMS-1763) provides a standardized means to satisfy the requirements of law, as well as allow both agencies to protect the individual from an inappropriate decision.

The 2020 submission saw a marginal increase in the burden due to a less than 10% increase in the number of respondents and the updated wage information for a federal government employee.

## A. Justification

1. Need and Legal Basis

Sections 1818(c)(5), 1818A(c)(2)(B) and 1838(b)(1) of the Act and corresponding regulations at 42 CFR 406.28(a) and 407.27(c) require that a Medicare enrollee wishing to voluntarily terminate Part B and/or premium Part A coverage file a written request with CMS or SSA. The statute and regulations also specify when coverage ends based upon the date the request for termination is filed.

Form CMS-1763 collects the information necessary to process Medicare enrollment terminations.

2. Information Users

Form CMS-1763 provides the necessary information to process the enrollee's request for termination of Part B and/or premium Part A coverage.

The form is completed by either the person with Medicare (i.e., the enrollee) or an SSA representative using information provided by the Medicare enrollee during an in-person interview. The form is owned by CMS, but not completed by CMS staff. SSA processes Medicare enrollments and disenrollments on behalf of CMS.

3. Use of Information Technology

Although the preferred method of data collection is an in-person interview with an SSA representative, the Form CMS-1763 can be found on the Internet via SSA's official website: https://secure.ssa.gov/apps10/poms/images/Other/G-CMS-1763.pdf. Additionally, the form will be available for download at cms.gov. Individuals may complete the form and submit it to SSA for processing. Individuals may also contact SSA to make their requests. In such cases, SSA will conduct the in-person interview via telephone, and if the individual still wants to terminate the coverage, mail the form to the individual. We estimate that half the termination requests are received via telephone. SSA reviews the information completed on the form manually. Thus, the collection of this information does not involve the use of information technology.

4. Duplication of Efforts

The collection of this information does not duplicate any other effort, as the Medicare enrollee must initiate the request for voluntary termination of his or her coverage. Use of this form is the initial request by the enrollee. Even if the enrollee previously terminated Part B and/or premium Part A and is now requesting termination of a new period of coverage, the information must be updated to ensure proper disposal of the new request.

This information is not available from any other source.

5. Small Business

Small businesses are not affected by the collection of this information.

6. Less Frequent Collection

This information is collected only as needed and only when a beneficiary requests to terminate Part B and/or premium Part A coverage for a period of current Medicare enrollment. If this information is not collected, the enrollee cannot have his or her enrollment terminated as permitted by law. Since the statute allows for Part B and/or premium Part A termination and specifies how such a request must be made, the burden cannot be minimized.

7. Special Circumstances

There are no special circumstances that would require an information collection to be conducted in a manner that requires respondents to:

- Report information to the agency more often than quarterly;
- Prepare a written response to a collection of information in fewer than 30 days after receipt of it;
- Submit more than an original and two copies of any document;
- Retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;
- Collect data in connection with a statistical survey that is not designed to produce valid and reliable results that can be generalized to the universe of study,
- Use a statistical data classification that has not been reviewed and approved by OMB;
- Include a pledge of confidentiality that is not supported by authority established in statute or regulation that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or
- Submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

8. Federal Register Notices/Outside Consultants

The 60-day Federal Register notice published in the Federal Register on TBD (86 FR TBD).

9. Payments/Gifts to Respondents

Once an individual's coverage is terminated, premiums for future coverage are no longer required. The individual will be refunded for any premiums paid in advance, for months of coverage that occur after the termination is effective, as permitted by law. There are no payments or gifts to respondents.

10. Confidentiality

The information collected is used only by SSA for the purpose of processing a request for Medicare enrollment termination. Both CMS and SSA are responsible for ensuring that all personally identifiable information (PII) remains confidential.

The completed form is never provided to CMS; rather it is stored with SSA.

11. Sensitive Questions

There are no sensitive questions associated with this collection. Specifically, the collection does not solicit questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

12. Burden Estimate (Hours & Wages)

*Burden Estimates*

There are approximately 114,215 respondents annually who request termination on Form CMS-1763. The data represent the most current information based on voluntary terminations of Medicare coverage for Part B and premium Part A since January 1, 2019, via the CMS Medicare Beneficiary Database (MBD).

Based on the information requested for completion by the respondent on the form, we estimate that it takes a respondent on average 5 minutes to complete, apart from the in-person interview. However, the in-person interview with SSA may take on average 10 minutes to complete, based on actual experience. As the in-person or telephonic interview is the preferred method to collect this information, and it has the longest duration, we derived the burden based on this method.

The hourly burden for respondents is computed as follows:

There are 114,215 respondents taking 10 minutes per response. 114,215 x 0.167 (10 minutes) = 19,074 total burden hours.

While there may be some cost to the respondents, there are individuals completing this form who are working currently, may not be working currently or have never worked. There is no appropriate wage category to use to annualize any cost to respondents for 10 minutes. Therefore, the estimated cost is $0.

*Information Collection Instruments and Supporting Documents*

- Request for Termination of Premium Hospital and/or Supplementary Medical Insurance

The form can be obtained in English via CMS's website at https://www.cms.gov/Medicare/CMS-Forms/CMS-Forms/CMS-Forms-Items/CMS017353 or in hard copy by contacting the SSA. Further, SSA assists those who speak other languages, or those unable to complete the form independently, via an in-person interview.

The form consists of seven items that are necessary to identify the enrollee, the type coverage being terminated, and other information necessary to process the request.

Item 1: Requests the name of the enrollee to identify the individual.

Item 2: Requests the Medicare Claim Number. This identifies the record upon which the enrollee's Medicare coverage was established and confirms identification of the individual for which the enrollment termination will be processed.

Item 3: Requests the name of the person making the request if it is other than the Medicare enrollee. SSA can, under certain circumstances, establish a representative payee for a beneficiary. Such individuals have the ability to make adjustments to the Social Security and/or Medicare benefits on behalf of the person with Medicare. If the enrollee has a representative payee, the name of that person would appear here. When this field is completed by a representative payee, SSA will accept the change made on behalf of the Medicare enrollee.

Item 4: Identifies the coverage (Hospital Insurance/Supplementary Medical Insurance) that the enrollee wants to terminate.

Item 5a and b: Provides the date (month, day and year) that Supplementary Medical Insurance and/or Hospital Insurance will end.

Item 6: Requests the enrollee's reason for termination of coverage. Voluntary termination requests are processed by SSA and input into SSA's system of record for all Social Security and Medicare beneficiaries, the Master Beneficiary Record (MBR). The disenrollment data is then passed to CMS' master record for Medicare beneficiaries, the Enrollment Database (EDB). When applicable, a revised Medicare card is issued.

Item 7a and b: Requests the signature and address of the enrollee.

The collection of this information makes it possible to terminate Medicare enrollment for individuals.

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

*Processing Costs*

Based on the information requested for completion by the respondent on the form, we estimate that it takes the Federal government employee 5 minutes to review and record the collected data, apart from the in-person interview. However, the in-person interview with SSA may take on average 10 minutes to complete. As the in-person or telephonic interview is the preferred method to collect this information, we derived the burden based on this method and added the 5 minutes to process the received request, for a total of 15 minutes.

We estimate it will take the federal government employee 15 minutes to complete the interview, review and record the collected data.

It is calculated that the burden hours for 114,215 responses to be reviewed and recorded in 15 minutes per response to be 28,554 total hours (114,215 x 0.25 (15 minutes) = 28,554 total burden hours).

To derive average costs, we used data from the Office of Personnel Management 2020 General

Schedule (GS) Locality Pay Table for all salary estimates (https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2020/GS.pdf ). We estimate that the average government employee at SSA to conduct the interview in-person or over the telephone will range between a Grade 9, Step 5 (GS-9-5) and a Grade 11, Step 5 (GS-11-5). As the employee grades vary, we estimate that a Grade 11, Step 1 (GS-11-1) is the most appropriate level for a SSA representative to derive the average costs to process this form.

As the processing of this form occurs at the national level and not just one geographic location, we estimated the salary using the national base general schedule. Such an hourly wage is $26.45/hr or $55,204 annually. Therefore the total cost to the government to complete the annual volume of responses is $633,018 (28,554 hours x $26.45/hr = $755,253.30, which we've rounded to $755,253).

15. Changes to Burden

The burden from the 2017 approved submission increased in cost from $665,338 to $755,253 for federal government costs – a change of $89,915. The hourly burden from the 2017 approved submission increased from 25,250 hours to 28,554 to hours -- a change of 3,304. The change is due to a marginal increase from the 2017 submission to the 2020 submission and a slight increase in the salary of a government employee at SSA.

16. Publication and Tabulation

The information is not published or tabulated.

17. Display of Information

The form displays the expiration date next to the OMB control number.

18. Certification Statement

There are no exceptions to the certification statement.

**B. Collections of Information Employing Statistical Methods**

There have been no statistical methods employed in this collection.