

Supporting Statement Part A
Request for Enrollment in Supplementary Medical Insurance (SMI) and Supporting
Regulations in 42 CFR 407.10, 407.11 and 408.40(a)(2)
(CMS-4040, OMB 0938-0245)

Background

This 2025 iteration is a re-instatement with changes that does not propose any program changes.

On July 30, 1965, P.L. 89-97 created Title XVIII of the Social Security Act. Title XVIII established the hospital insurance program (also referred to as Part A) and the supplementary medical insurance (SMI) program (also referred to as Part B).

The Social Security Act at section 226(a) provides that individuals who are age 65 or older and eligible for, or entitled to, Social Security or Railroad Retirement Board (RRB) benefits shall be entitled to premium-free Part A upon filing an application for such benefits.

Part B is a voluntary program and is financed from premium payments by enrollees together with contributions from funds appropriated by the Federal government. All individuals age 65 or older who are entitled to Part A can enroll in Part B. There are some individuals, age 65 and over who are not entitled to or eligible for premium-free Part A. These individuals may, however, enroll in Part B only.

The form CMS-4040 is the form used by individuals who wish to enroll in Part B only.

Per the Office of Communication's plain language suggestion, the titled has been updated to *Request for Enrollment in Medicare Part B (Medical Insurance)*, from *Request for Enrollment in Supplementary Medical Insurance*. The burden increased by a marginal percent.

The form was updated to add the optional collection of email addresses. In response to SSA technician's feedback, the form now includes a question that allows the applicant to select a Medicare start date. CMS' Office of Communications provided feedback on the form design and the layout of the questions. The form was redesigned to give the applicant's a more user friendly experience. No additional changes were made and the burden was not impacted by the changes.

A. Justification

1. Need and Legal Basis

Section 1836 of the Social Security Act, and CMS regulations at 42 CFR 407.10, provide the eligibility requirements for enrollment in Part B for individuals aged 65 and older who are not entitled to premium-free Part A. The individual must be a resident of the United States, and either

a U.S. Citizen or an alien lawfully admitted for permanent residence that has lived in the US continually for 5 years.

CMS regulations at 42 CFR 407.11 state that forms to apply for SMI are available through CMS and SSA.

Section 1840(d)(1) of the Social Security Act and 42 CFR 408.40(a)(2) requires that the Part B premium be deducted from a Federal Civil Service Retirement Act annuity if the individual is receiving such benefits. The statute also permits the Part B premium of a spouse to be deducted from the individual's annuity.

The CMS-4040 (and the CMS-4040 SP) elicits the information that the Social Security Administration (SSA) and Centers for Medicare & Medicaid Services (CMS) need to determine entitlement to Part B and to allow for the deduction of a beneficiary's Part B premium from his/her spouse's annuity.

2. Information Users

The CMS-4040 (and the CMS-4040 SP) is used to establish entitlement to and enrollment in Medicare Part B for beneficiaries who file for Part B only.

The CMS-4040 solicits the information that is used to determine entitlement for individuals who meet the requirements in section 1836 as well as the entitlement of the applicant or their spouses to an annuity paid by OPM for premium deduction purposes. The application follows the application questions and requirements used by SSA. This is done not only for consistency purposes but to comply with other Title II and Title XVIII requirements because eligibility to Title II benefits and free Part A under Title XVIII must be ruled out in order to qualify for enrollment in Part B only.

The form provides an explanation of Part B premium payments to ensure the applicant understands a premium is due for Part B enrollment.

There are 13 fields that must be answered to determine eligibility and premium deductions.

- Name
- Sex
- Social Security number is requested to allow SSA to access their earnings system to determine if the applicant is eligible for or entitled to premium-free Part A
- Date of birth
- Place of birth and record of birth
- Phone number
- Email address (optional)

- Information on prior claims filed with SSA to determine potential or existing entitlement under Title II or Title XVIII under a different claim number.
- Citizenship and residency information pertinent to the requirement that the applicant be either a citizen, or an alien, lawfully admitted for permanent residence who has resided in the U.S. continuously for 5 years before the first month of entitlement.
- Federal Civil Service Retirement Act annuity information on the applicant or their spouse for the purpose of deducting SMI premiums from the annuity paid by the Office of Personnel Management. One of the questions asks for the Civil Service Annuity number (CSA). If a CSA number is not available the SSN is requested as an alternate identifier.
- Space for additional remarks.
- Signature, date signed, and current address.
- Witness name, signature, and date signed.

If this information were not collected, it would be impossible to establish entitlement/enrollment for individuals not covered under Title II of the Social Security Act and subsequently process Medicare claims for them.

3. Use of Information Technology

Although the preferred method of data collection is an in-person interview with an SSA representative, the form CMS-4040 is available on the internet via CMS.gov. Individuals may complete the form and submit it to SSA for processing via U.S. mail or fax. During the in-person interview the form is completed by the applicant with assistance from an SSA representative. Applications are processed and directly input into the SSA Master Beneficiary Record (MBR). The data is then passed to the CMS master record, the Enrollment Database (EDB). A health insurance record showing entitlement/enrollment is established, and if applicable, a Medicare card is issued.

4. Duplication of Efforts

Item 3 requests information pertaining to previous applications for benefits. It is elicited to ensure that a previous claim has not already been filed and, if it has, to ensure that the proper action will be taken by SSA.

If no duplication in filing has occurred, this information is not available from any other source.

5. Small Businesses

Use of this form does not involve small businesses.

6. Less Frequent Collection

This information is collected once, for each individual respondent, at the time the individual files for Part B of Medicare. If this information is not collected, the applicant cannot establish entitlement to Part B. Because there is a legal requirement to apply for benefits either on paper or electronically, 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/Outside Consultations

The 60-day notice published in the Federal Register on 10/30/2024 (89 FR 86340).
No comments were received during the comment period.

The 30-day notice published in the Federal Register on TBD (90 FR).

9. Payments/Gift to Respondents

There are no payments/gifts to respondents.

10. Confidentiality

The information collected is used only by SSA for the purpose of determining a beneficiary's eligibility for a Medicare part B. Both CMS and SSA are responsible for ensuring that all 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 and Wages)

Wage Estimates

To derive average costs for individuals, we used data from the U.S. Bureau of Labor Statistics' May 2023 National Occupational Employment and Wage Estimates for our salary estimate (www.bls.gov/oes/current/oes_nat.htm). We believe that the burden will be addressed under All Occupations (occupation code 00-0000) at \$23.11/hr since the group of individual respondents varies widely from working and nonworking individuals and by respondent age, location, years of employment, and educational attainment, etc.

We are not adjusting this figure for fringe benefits and overhead since the individuals' activities would occur outside the scope of their employment.

Burden Estimates

There are approximately 48,642 applicants who use Form CMS-4040. The data represents the most current information based on new Medicare enrollments for Part B only from January 1-December 31, 2023, via Enrollment and Eligibility Medicare Online (ELMO). Based on the information requested for completion by the applicant on the form, we estimate that it takes an applicant on average 15 (.25 hrs) minutes to complete.

The burden is computed as follows:

We estimate an annual burden of 12,161 hours (48,642 respondents x 0.25 hours) at a cost of \$281,041 (12,161 hr x \$23.11/hr) or \$5.78 per respondent (\$281,041/48,642 respondents).

Number of applications	Time required	Total burden hours	Wage costs	Total cost
48,642	15 mins (0.25 hours)	12,161	\$23.11/hr	\$281,041

12.2. Information Collection Instruments and Supporting Documents

- Request for Enrollment in Supplementary Medical Insurance (CMS-4040)

The form can be obtained in hard copy by contacting the Social Security Administration (SSA).

13. Capital Costs

There are no capital costs.

14. Cost to Federal Government

Processing Costs

We estimate it will take the federal government employee 15 minutes to review and record the information into the form.

The burden is computed as follows:

It is calculated that the burden hours for 48,642 responses to be reviewed and recorded in 15 minutes per response to be 12,161 total hours (48,642 x .25 [15 minutes/response]).

We estimate that the average government employee at SSA to receive and record the collected data to be a Grade 11, Step 5 (GS-11/5)- which we believe is the most appropriate level for a SSA representative. To derive average costs, we used data from the Office of Personnel Management 2024 General Schedule (GS) Locality Pay Table for all salary estimates (https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salarytables/24Tables/html/GS_h.aspx).

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 \$33.73 or \$70,387 annually. Therefore, the total cost to the government to complete the annual volume of responses is \$410,191 (12,161 hours x \$33.73/hr).

Number of applications	Time required	Total burden hours	Wage costs	Total cost
48,642	15 mins (0.25 hours)	12,161	\$33.73/hr	\$410,191

15. Changes to Burden

The burden from CMS's 2023 approved submission increased in cost from \$324,955 to \$410,191 for federal government costs – an increase of \$85,236. The hourly burden from the 2023 approved submission increased from 10,503 hours to 12,161 hours – an increase of 1,658 hours. This change in burden is due to the increase in respondents and an increase in the federal employee's wages. The number of respondents newly enrolling in Medicare can vary due to the number of individuals that become eligible yearly.

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16. Publication/Tabulation Dates

This information is not published or tabulated.

17. Expiration Date

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

18. Certification Statement

There are no exceptions to the certification statement.

B. Collection of Information Employing Statistical Methods

There have been no statistical methods employed in this collection.