October 6, 2008

The Honorable Max Baucus
Chairman
The Honorable Charles E. Grassley
Ranking Minority Member
Committee on Finance
United States Senate

The Honorable Charles B. Rangel
Chairman
The Honorable Jim McCrery
Ranking Minority Member
Committee on Ways and Means
House of Representatives

Subject: Department of Health and Human Services, Centers for Medicare and
Medicaid Services: Medicare Program; Part A Premium for Calendar Year
2009 for the Uninsured Aged and for Certain Disabled Individuals Who Have
Exhausted Other Entitlement

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a
major rule promulgated by the Department of Health and Human Services, Centers
for Medicare and Medicaid Services (CMS), entitled “Medicare Program; Part A
Premium for Calendar Year 2009 for the Uninsured Aged and for Certain Disabled
Individuals Who Have Exhausted Other Entitlement” (RIN: 0938-AP04). We received
the rule on September 19, 2008. It was published in the Federal Register as a notice

The notice announces Medicare’s Hospital Insurance (Part A) premium for
uninsured enrollees in calendar year (CY) 2009. This premium is to be paid by
enrollees age 65 and over who are not otherwise eligible for benefits under Medicare
Part A and by certain disabled individuals who have exhausted other entitlement.

The monthly Part A premium for the 12 months beginning January 1, 2009, for these
individuals will be $443. The reduced premium for certain other individuals will be
$244.
Enclosed is our assessment of the CMS's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that CMS complied with the applicable requirements.

If you have any questions about this report or wish to contact GAO officials responsible for the evaluation work relating to the subject matter of the rule, please contact Michael R. Volpe, Assistant General Counsel, at (202) 512-8236.

signed

Robert J. Cramer
Associate General Counsel

Enclosure

cc: Ann Stallion
    Program Manager
    Department of Health and Human Services
REPORT UNDER 5 U.S.C. § 801(a)(2)(A) ON A MAJOR RULE
ISSUED BY THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES,
CENTERS FOR MEDICARE AND MEDICAID SERVICES
ENTITLED
"MEDICARE PROGRAM; PART A PREMIUM FOR CALENDAR YEAR 2009
FOR THE UNINSURED AGED AND FOR CERTAIN DISABLED INDIVIDUALS
WHO HAVE EXHAUSTED OTHER ENTITLEMENT"
(RIN: 0938-AP04)

(i) Cost-benefit analysis

CMS estimates that the aggregate cost to enrollees paying the premiums will be
about $142 million in calendar year 2009 over the amount paid in 2008.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605,
607, and 609

CMS has determined that the notice will not have a significant economic impact on a
substantial number of small entities or on the operations of a substantial number of
small rural hospitals.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform

CMS has determined that the notice has no consequential effect on state, local, or
tribal governments or on the private sector.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

CMS published a general notice and waived notice and comment rulemaking
because the premium is dictated by a statutory formula.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The notice does not contain any information collections that are subject to review by
the Office of Management and Budget (OMB) under the Paperwork Reduction Act.
Statutory authorization for the rule

The notice is issued pursuant to the authority contained in section 1818 of the Social Security Act (42 U.S.C. 1395i-2).

Executive Order No. 12,866

The notice was deemed economically significant under Executive Order No. 12,866 and was reviewed by OMB.

Executive Order No. 13,132 (Federalism)

CMS has determined that the notice does not have federalism implications.