

**Supporting Statement For
OMB Clearance**

Insurance Match

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Prepared by:

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement
370 L'Enfant Promenade S.W.
Washington, DC 20447

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SUPPORTING STATEMENT:

PART A – JUSTIFICATION

Part A of the Supporting Statement for this information collection, Insurance Match, addresses the 18 points outlined in Part A of 5 CFR 1320.

A. JUSTIFICATION

1. Circumstances Necessitating Data Collection

The Deficit Reduction Act of 2005 amended Section 452 of the Social Security Act (the Act) to authorize the Secretary of Health and Human Services, through the Federal Parent Locator Service (FPLS), to conduct comparisons of information concerning individuals owing past-due child support with information maintained by insurance companies (or their agents) concerning insurance claims, settlements, awards, and payments (hereinafter referred to as “claims”). 42 U.S.C. 652(l)(to be redesignated (m)). The phrase “insurers or their agents” includes State agencies administering workers’ compensation programs, the U.S. Department of Labor in its capacity as administrator of the Federal workers’ compensation program, and an entity maintaining a centralized repository of claims data on behalf of insurers.

The purpose of the law authorizing the Secretary to conduct comparisons with insurance information is to increase the collection of past-due child support by State Child Support Enforcement (CSE) agencies providing services to families pursuant to Title IV, Part D, of the Act.

The Federal Office of Child Support Enforcement (OCSE), which operates the FPLS in accordance with section 453(a)(1) of the Act , is charged with designing, developing, and implementing an efficient, cost-effective, and centralized comparison to identify insurance claims payable to individuals owing past-due support and to furnish the results of the comparison to CSE agencies responsible for collecting past-due support from the individuals.

The information collection described in this notice is necessary to enable OCSE to conduct the comparison authorized by the Act.

2. How, By Whom, and For What Purpose Information Is To Be Used

2.1 How the information is to be used

A CSE agency will designate to OCSE those individuals owing past-due support who are eligible for the insurance match.

OCSE will use the information collected from insurers or their agents to implement the recent law by conducting a comparison, through the FPLS, of information concerning insurance claims with information provided by CSE agencies.

Alternatively, OCSE may transmit to an insurer or its agent information concerning individuals owing past-due support who are eligible for the insurance match, as designated by a CSE agency. The insurer or its agent will conduct the information

comparison and provide the results of the comparison to OCSE. OCSE will transmit the results through the Federal Case Registry (FCR) component of the FPLS to the CSE agency responsible for collecting past-due support from the individual.

2.2 By whom the information is to be used

OCSE will use the information provided by insurers or their agents concerning insurance claims to conduct a comparison of such information with information concerning individuals owing past-due support. CSE agencies will use the information resulting from the comparisons to collect past-due support from claims that would otherwise be payable to such individuals.

2.3 For what purpose the information is to be used

The information collected from insurers or their agents will be used by OCSE for the purpose of conducting the information comparison authorized by law. CSE agencies will use the results of the comparison for the purpose of collecting past-due child support from claims that would otherwise be payable to such individuals.

3. Use of Information Technology

The FPLS serves as the information technology that will be used to transmit information from OCSE to insurers or their agents, as well as from insurers or their agents to OCSE. The results of the information comparison will be transmitted to CSE agencies via the FCR component of the FPLS using CONNECT:Direct, to ensure the security of the information.

4. Efforts to Avoid Duplication

State CSE agencies and insurers can participate in the OCSE and other insurance matching programs without concern of duplicating matched data. The OCSE insurance match system has been designed to prevent the distribution of duplicate matched data to States. States participating in the OCSE insurance match system and other matching programs may elect not to receive matched data from a State specified insurance data source. When OCSE receives data from the State specified insurance data source, matched data will not be distributed to the State, preventing the duplication of matched data.

5. Efforts to Minimize Impact on Small Entities

OCSE minimizes the impact on small entities by offering insurers three methods for conducting the insurance comparison: (1) OCSE sends a file to the respondent insurer or agent containing approximately five million individuals who owe past-due support; (2) the respondent insurer or agent sends claims information to OCSE to conduct the match; and (3) prior to paying an insurance claim, the respondent insurer or agent uses a web application to determine if the claimant owes past-due child support. For those

respondents unable to process the file containing approximately five million individuals owing past-due support, respondents may opt to use one of the other options mentioned above. There is no cost to the respondent for participating in the information comparison.

6. Consequences if Data Collection Is Not Conducted

If the data collection is not conducted, the implementation of the law authorizing the insurance comparison cannot occur. Thus, information concerning insurance claims payable to individuals owing past-due support will not be readily available to approximately 50% of the CSE agencies. Failure to realize the optimal collection of past-due child support is the key consequence if the data collection is not conducted.

7. Special Circumstances

Participation in the insurance comparison is voluntary for respondent insurers or their agents. OCSE is also providing flexibility to respondents participating in the information comparison. For example, respondents may submit data to OCSE as frequently as they choose, as long as they do so at least monthly. Also, respondents are not currently required to use a standard record layout when submitting data to OCSE. OCSE will map data provided by respondents into a standard input format (SIF). The SIF (with required data elements identified), and the OCSE Inquiry File may be found in Appendix A.

8. Publication of Public Notice

A notice was published in the Federal Register on September 4, 2007 at FR Volume 72, Number 170, page 5068, which allowed for a 60-day comment period for the public to submit in writing any comments about this information collection. No comments were received.

9. Provision of Payment or Gift to Respondents

Since participation in the information comparison by respondent insurers or their agents is not mandated by law, OCSE may provide reimbursement to respondents to obtain the insurance claims data. The amount of the reimbursement will be determined on a case-by-case basis, to be negotiated between OCSE and the respondent.

10. Assurances of Confidentiality

The Secretary of HHS is required by law to establish and implement safeguards to restrict access to and use of confidential information to authorized persons. 42 U.S.C. 653(m). In addition, each State must have in effect safeguards, applicable to all confidential information handled by the CSE agency, that are designed to protect the privacy rights of the parties. 42 U.S.C. 654(26). All State data is transmitted over secure and dedicated lines to the FPLS.

11. Questions of a Sensitive Nature

An individual's Social Security number (SSN) is a key to conducting the comparison of information concerning individuals owing past-due support with information maintained by insurers or their agents concerning insurance claims. Use of the SSN enhances the accuracy of the information resulting from the information comparison, increasing the probability that the insurance claim match is correctly associated with the individual owing past-due child support.

12. Estimates of Respondents' Hour Burden and Costs

OCSE estimates that 15 respondents will participate in the insurance match in the first eighteen months of implementation. OCSE consulted a sample of respondents to obtain estimated burden hours. Burden hours were calculated by taking a random sample of three respondents, which are the agencies administering the workers' compensation program in California, Missouri, and Massachusetts, that are currently conducting comparisons of information with their State CSE agencies. These workers' compensation agencies indicated to OCSE that the estimated hour burden in processing the insurance file averages 30 minutes per file (or .5 hours). The information provided by the respondents was used for the calculation in Table 12.1 below.

Table 12.1

| Instrument | Number of Respondents | Number of Responses per Respondent | Average Burden Hours Per Response | Total Burden Hours |
|--|------------------------------|---|--|---------------------------|
| Components of an Insurance Match Agreement | 15 | 1 | .5 hours | 8 hours* |
| Insurance Match File | 15 | 52 | .5 hours | 390 hours |

Estimated Total Annual Burden Hours: 398*

* Figures have been rounded up.

Since the comparison of information concerning insurance claims and information concerning individuals owing past-due support is optional for insurers, the frequency of matching will be determined by the respondent, but must occur at least monthly. The estimates provided above were calculated by OCSE using a weekly frequency for matching with the respondents. Therefore, there will be 52 responses per respondent. In addition, OCSE projects the data exchange to be less burdensome for those entities that choose to send claims data to OCSE.

The agreement governing the comparison of information between OCSE and a respondent will be completed only once by the prospective respondent prior to the first information comparison. Burden hours for completing the “Components of an Insurance Match Agreement” were estimated based on the hours estimated to complete the “MSFIDM Election Form” as a part of PRA package 0970-0196.

13. Estimate of Annual Cost Burden to Respondents

Table 13.1

| Instrument | Total Annual Capital/Startup Costs | Annual Operation and Maintenance |
|----------------------|---|---|
| Insurance Match File | \$5,082 | \$288 |

Three State CSE agencies were polled for estimated costs associated with the match. One of the three State CSE agencies, Wisconsin’s workers’ compensation agency, responded with estimated costs. Initial set up for the project is estimated at: \$5,082. This was determined by multiplying 55 hours by \$77 per hour to get \$4,235. An additional \$847 for automation of security was also included in the cost.

The annual operation and maintenance cost estimate is \$288. It was estimated that conducting the match would incur two hours a year to resolve problems, at a cost of \$144 per hour.

14. Estimate of Annualized Cost to the Federal Government

The estimated annualized cost to the Federal Government is \$352,000. This includes Federal salaries of \$45,000 and contractor costs of \$307,000.

15. Program Burden Changes or Adjustments

Not applicable as this is a new information collection.

16. Plans for Analysis and Publication

The results of the information comparison, in aggregate form and without personal identifiers, will be analyzed and published annually in the Child Support Enforcement Annual Report to Congress. The information is not planned for statistical use.

17. Display of Expiration Date

Not applicable.

18. Exception to the “Certification for Paperwork Reduction Act Submissions”

Not applicable to the new process.

SUPPORTING STATEMENT:

**PART B – COLLECTION OF INFORMATION EMPLOYING
STATISTICAL METHODS**

The information collection requirements outlined in this report do not employ the use of statistical methods.

APPENDIX A: OCSE Insurance Match Standard Input File Detail Record

APPENDIX B: Components of an Insurance Match Agreement