

## **SUPPORTING STATEMENT**

### **UNIFORM BILLING FORM (OWCP-04)**

**OMB NO. 1215-0176**

**1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collections. Attach a copy of the appropriate section of each statute and of each regulation mandating or authorizing the collection of information**

1. The Office of Workers' Compensation Programs (OWCP) is the agency responsible for administration of the Federal Employees' Compensation Act (FECA), 5 U.S.C. 8101 *et seq.*, the Black Lung Benefits Act (BLBA), 30 U.S.C. 901 *et seq.*, and the Energy Employees Occupational Illness Compensation Program Act of 2000 (EEOICPA), 42 U.S.C. 7384 *et seq.* All three of these statutes require that OWCP pay for medical treatment of beneficiaries; this medical treatment can include inpatient/outpatient hospital services, as well as services provided by nursing homes and skilled nursing facilities. In order to determine whether billed amounts are appropriate, OWCP needs to identify the patient, the specific services that were rendered and their relationship to the work-related injury or illness. The regulations implementing these statutes require the use of Form OWCP-04 or UB-04 for the submission of medical bills from institutional providers (20 CFR 10.801, 30.701, 725.405, 725.406, 725.701 and 725.704).

The Uniform Billing Form, also known as the paper UB-04, has been approved by the American Hospital Association, the Centers for Medicare and Medicaid Services, the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS), by various other government health care programs, and by the private sector, to request payment to institutional providers of medical services. The paper UB-04 has been designed by the National Uniform Billing Committee and is neither a government-printed form nor distributed by OWCP; OWCP has, however, developed detailed instructions to ensure that it obtains the information it needs to consider requests for payment from institutional providers using this form. Form OWCP-04 or the paper UB-04 is an ideal billing instrument for the provider community that services FECA, BLBA and EEOICPA beneficiaries because of its familiarity, its common use, and its acceptance by both government and private health service payers.

**2. Indicate how, by whom, and for what purpose the information**

**is to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.**

2. Form OWCP-04 is used by OWCP and contractor bill payment staff to process bills for medical services provided by hospitals and other institutional medical providers. To ensure that OWCP is able to consider the appropriateness of the requested payment in a timely fashion, it is essential that bills be submitted on a standard form that will capture the critical data elements needed to evaluate the bill, such as procedure and diagnosis codes. To do this, Form OWCP-04 therefore includes the Uniform Billing Form (UB-04) used by CMS, CHAMPUS, DVA and private health insurance carriers as its first page. However, since OWCP only needs some of the information requested by the UB-04 to process the medical bills submitted in the three programs, it does not require providers to respond fully to the UB-04 (see instructions for completing Form OWCP-04).

There are now standardized specifications for the electronic transmission of Form OWCP-04 data elements that are commonly used by the great majority of hospitals for billing other government programs such as Medicare and many private third-party payers.

The Internal Revenue Service requires the reporting of payments to specific providers in excess of \$600 in any one year, making it necessary to obtain the provider's tax identification number for each bill. If the provider's tax identification number and social security number (SSN) are the same, we are required to obtain the SSN to meet IRS reporting requirements.

**3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.**

3. The instructions for Form OWCP-04 have been designed to be computer generated and take advantage of the common acceptability of Form UB-04. Use of this standard billing form keeps paperwork burden on the public at a minimum level since it lends itself to automation, provides information necessary to process payment of a bill, and is in a format that is acceptable to both government and private sector payers.

Form OWCP-04 which is fillable and printable appears on the Internet for downloading at <http://www.dol.gov/library/forms/go-us-dol-form.asp?FormNumber=387> OWCP now has the capability of accepting electronic transmission of Form OWCP-04 billings directly from certain hospitals and transmits all bills it receives electronically for inpatient services to another government facility for particular processing services through the use of a clearing house. Clearing houses act as the intermediary between providers and third-party payers for the electronic exchange of data.

**4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.**

4. Form OWCP-04 is used by OWCP to obtain information necessary to appropriately process payments for medical services provided under each program. Duplicate information is not obtained since the three programs service distinct populations. Other Federal agencies (CHAMPUS and CMS) request similar information but the populations serviced are not the same; therefore, no duplication of information is expected.

**5. If the collection information impacts small businesses or other small entities (Item 5 of 014B Form 83-1), describe any methods used to minimize burden**

5. This information collection has been streamlined to obtain the necessary information for OWCP's bill processing system while imposing the minimum burden on respondents. Form OWCP-04 does not impose additional burdens on small businesses or other small entities because providing billing information in this format is part of a medical provider's usual business practices.

Efforts to minimize burden on providers include requiring the use of a standard bill form that is readily available and accepted by many users, that facilitates automated bill processing, and that uses standard coding language for identification of conditions treated and services provided. Additionally, the three programs provide detailed instructions for completion of the OWCP-04 in program provider manuals that are distributed to all providers enrolled in the programs, as well as opportunities for providers to attend workshops conducted by OWCP's medical bill processing contractor. The National Uniform Billing Committee evaluates the use of paper Form UB-04 periodically and initiates changes when

appropriate.

**6. Describe the consequence of Federal program or policy activities if the collection is not conducted or is conducted less frequently, as well as any technical or legal obstacles to reducing burden.**

6. Please refer to Nos. 1 and 2 on page 1. The information required is the minimum needed to meet the bill processing needs of the three programs and is in a widely recognized standard format. Appropriate payment for the medical services provided by law to eligible claimants cannot be made by OWCP and contractor bill payment staff without the information collected. Frequency of data collection is based on how often the provider requests payment for covered services it has rendered. Because Form OWCP-04 is a summary billing form and lends itself to multiple visits or services, the actual number of times the form is filed with OWCP varies with the number of times during any period that the provider decides to submit billing. Less frequent collection of data would result in delayed payment to providers.

**7. Explain any special circumstance that would cause an information collection to be conducted in a manner.**

7. There are no special circumstances for the collection of this information.

**8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the agency's notice, required by 5 CFR 1320.8 (d), soliciting comments on the information collection prior to submission to OMB. Summarize public comments received in response to that notice and describe actions taken by the agency in response to these comments.**

8. The National Uniform Billing Committee has been established to develop and revise the forms used by hospital provider types. This Committee consults with users and third-party payers to meet the needs of both groups. The Committee includes representatives from the Federal government (CMS and CHAMPUS), private industry (the American Hospital Association) and third-party payers like Blue Cross/Blue Shield. OWCP and other interested groups can attend open meetings, petition for changes, and request a hearing on issues. The Committee routinely meets to discuss and resolve issues.

A Federal Register notice inviting public comment was published on June 23, 2009. No comments were received.

**9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees**

9. The only payment OWCP makes to respondents is for medical services they have provided under the three programs; no gifts or other forms of remuneration are made.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulations, or agency policy.**

10. All bill payment requests that are submitted on Form OWCP-04 are fully protected by the Privacy Act in the following systems of records: DOL/GOVT-1 (FECA); DOL/ESA-6 (BLBA); DOL/ESA-49 (EEOICPA). A Privacy Act Statement is included on the form.

**11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. This justification should include the reasons why the agency considers the questions necessary; the specific uses to be made of the information, the explanation to be given to persons from whom the information is requested, and any steps to be taken to obtain their consent.**

11. There are no questions of a sensitive nature on the form.

**12. Provide estimates of the hour burden of the collection of information. The statement should:**

- Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. Unless directed to do so, agencies should not make special surveys to obtain information on which to base burden estimates. Consultation with a sample of potential respondents is desirable. If the burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated burden and explain the reason for the variance. Generally, estimates should not include burden hours for customary and usual business practices. If the request for approval is for more than one form, provide separate burden

estimates for each form and aggregate the hour burdens in Item 13 of OMB Form 83-1.

- Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this cost should be included in Item 14

12. The following burden estimates for the three programs have been derived from data compiled during the latest complete fiscal year—FY 2009; FECA: an estimated 4,566 respondents submit the OWCP-04 four times a year; BLBA: an estimate 491 respondents submit the OWCP-04 four times a year, and EEOICPA: an estimated 424 respondents submit the OWCP-04 four times a year, which is an estimated number of times respondents will submit this multi-purpose in a year, making the total number of respondents 5,481.

**FECA:** An estimated 4,566 respondents submit the OWCP-04 four times yearly, for a total number of responses under that program of 18,264. It is estimated that each of these responses will take approximately seven minutes to complete, for an annual hour burden of 2,131 hours. ( $18,264 \times 0.1167 = 2,131.41$  hours) or 2,131 rounded.

**BLBA:** An estimated 491 respondents submit the OWCP-04 four times yearly, for a total number of responses under that program of 1,964. It is estimated that each of these responses will take approximately seven minutes to complete, for an annual hour burden of 229 hours ( $1,964 \times 0.1167 = 229.20$  hours) or 229 rounded.

**EEOICPA:** An estimated 424 respondents will submit Form OWCP-04 four times yearly, for a total number of responses under that program of 1,696. It is estimated that each of these responses will take about seven minutes to complete, for an annual hour burden of 198 hours ( $1,696 \times 0.1167 = 197.92$  hours) or 198 rounded.

**FECA 2,131 + BLBA 229 + EEOICPA 198 = 2,558.**

Combining the burden hours for all three programs, Form OWCP-04 has a total respondent burden hour estimate of 2,558. The current mean wage rate for billing clerks (based on Bureau of Labor Statistics data) is estimated to be \$15.44 per hour. Thus, the respondent cost estimate for this collection is \$39,496 ( $2,558 \times \$15.44 = 39,495.52$ ) or \$39,496 rounded.

**13. Annual Costs to Respondents (capital/start-up & operation and maintenance).**

13. The cost of completing billing forms is included in the charges submitted by respondents for medical services provided. Therefore, no operation and maintenance costs are experienced by respondents.

**14. Provide estimates of annualized cost to the Federal government**

14. The estimated costs to the Federal government for collecting the information on Form OWCP-04 are set out below:

**Printing/Mailing costs:** There are no printing or mailing costs associated with Form OWCP-04. The instructions for filling out the portions of the form that is required for OWCP's billing processes are included in the program provider manuals that are available to and/or disseminated by the servicing contractor to all providers in the programs. When needed, updates are issued in the form of bulletins to the programs' provider community. Printing and mailing costs for provider manuals and bulletins are built into the contract that OWCP has with the contractor that provides billing support services to the three programs.

**Processing/Reviewing costs:**

**FECA:** Under OWCP's contractor medical bill processing system, the average contractor cost to process one Form

OWCP-04 is \$6.95. Therefore, the contractor cost to process 18,264 forms for the FECA program will be \$126,935 (18,264 forms x \$6.95 forms = \$126,934.8) or \$126,935 rounded.

Bills that suspend out of the contractor medical bill processing system and require manual review are examined by 80 bill resolution clerks and coding specialists employed by the FECA program at the GS-5, step 4 level, and by 12 at the GS-9, step 2 level; approximately 10% of their time is required for this function. Thus, the cost to provide this review function is \$328,607 (80 x \$33,849/year) (GS 5, step 4 using Salary Table 2009-RUS) x 10% = \$270,792; 12 x \$48,179/year (GS 9, step 2 using Salary Table 2009-RUS) x 10% = \$57,815; (\$270,792 + \$57,815 = \$328,607).

Total FECA processing and review costs: \$455,542.

**BLBA:** OWCP's contractor medical bill processing system also processes Forms OWCP-04 for the BLBA program at an average cost of \$6.95 per form. Therefore, the contractor cost to process the estimated 1,964 forms submitted for the BLBA program will be \$13,650 (1,964 forms x \$6.95/forms = \$13,649.8) or \$13,650 rounded.

Total BLBA processing costs: \$13,650.

**EEOICPA:** OWCP's contractor medical bill processing system processes Forms OWCP-04 for EEOICPA program at an average cost of \$6.95 per form. Therefore, the contractor cost to process the estimated 1,696 forms submitted for the EEOICPA program will be \$11,787 (1696 forms x \$6.95/forms = \$11,787.20) or \$11,787 rounded.

Two Federal employees in Washington, DC review all OWCP-04 forms under the EEOICPA program that suspend out of the bill processing system: a Payment Systems Manager (GS-14, step 5 using Salary Table 2009-DCB) at \$116,419 yearly and an Assistant Payment Systems Manager (GS-13, step 4 using Salary Table 2009-DCB) at \$95,620 yearly. About 10% of their time is attributable to this reviewing function, for a cost of \$21,204 (\$116,419 + \$95,620 = \$212,039 x 10% = \$21,203.9) or \$21,204 rounded.

Total EEOICPA Processing/Reviewing costs: \$32,991.

\$455,542 (FECA processing and reviewing costs), + \$13,650 (BLBA processing cost), + \$32,991.1(EEOICPA processing and reviewing costs) = Total Federal Cost of \$502,183.

**15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of the OMB Form 83-I.**

15. As further enhancements of electronic recordkeeping and bill processing capabilities occurs, the number of burden hours for each individual use of the OWCP-04 decreases. Many of the data fields on the OWCP-04 are generated in electronic systems already used by hospitals and other institutional medical providers for patient billing, inventories, and bookkeeping. As a result, this reduces the burden hours for any one use of the form. Also, as noted above in No. 12 on page four, actual use of Form OWCP-04 in the EEOICPA program has been less than was originally estimated in 2001. For these reasons, there is a net adjustment decrease of -985 hours.

**16. For collections of information whose results will be published, outline plans for tabulation and publication. Address any complex analytical techniques that will be used. Provide the time schedule for the entire project, including beginning and ending dates of the collection information, completion of report, publication dates, and other actions.**

16. There are no plans to publish data collected on the OWCP-04.

**17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

17. This information collection request does not seek a waiver from the requirement to display the expiration date.

**18. Collections of Information Employing Statistical Methods: Explain each exception to the certification statement identified in Item "Certification for Paperwork Reduction Act Submissions," of OMB Form 83-I.**

18. There are no exceptions to the certification statement.