

**Supporting Statement For  
OMB Clearance**

**Insurance Match  
0970-0342**

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## **A. JUSTIFICATION**

### **1. Circumstances Making the Collection of Information Necessary**

The information collection for the Insurance Match program is necessary to help state child support agencies (hereinafter, “states”) collect past-due child support from eligible noncustodial parents.

The Insurance Match program is a cooperative effort between states, insurers, and the federal Office of Child Support Enforcement (OCSE). Using an efficient, secure, and cost-effective automated matching process, OCSE works with participating insurers to help states collect past-due support for families by comparing delinquent noncustodial parents active on the OCSE Debtor File against individuals eligible to receive a payment from an insurance claim, settlement, award, or payment (hereinafter, “claim”). State and insurer participation in the Insurance Match program is voluntary.

The information collection activities associated with the Insurance Match program are authorized by: 42 U.S.C. § 652(l) (to be redesignated (m)) which authorizes the Secretary of the U.S. Department 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 insurers (or their agents) concerning insurance claims.

### **2. Purpose and Use of the Information Collection**

#### **2.1 For What Purpose the Information Is to Be Used**

The information collected for the Insurance Match program is used to identify noncustodial parents owing past-due child support who may be eligible to receive payments from insurance claims. The results of the information comparison are used for collecting past-due child support from delinquent obligors and, as appropriate, current support.

#### **2.2 By Whom and How the Information Is to Be Used**

States are required to submit information pertaining to individuals owing past-due child support to OCSE (OMB #0970-0161). This information is maintained in the system of records OCSE Debtor File, last published at 76 FR 560, January 5, 2011.

OCSE and participating insurers or their agents may select the following information comparison options:

- 1.) Insurers send OCSE claims information. OCSE matches those claims against eligible noncustodial parents on the OCSE Debtor File.
- 2.) OCSE sends noncustodial parent information from the OCSE Debtor File to the

Insurance Services Offices (ISO). ISO compares claim information to the OCSE Debtor File and returns matches to OCSE.

- 3.) Insurers submit their information for comparison and/or compare their individual claims against the OCSE Debtor File via the FPLS Portal (OMB #0970–0370) prior to making a payment.

State workers' compensation (WC) agencies also submit claims information to OCSE to conduct the information comparison to the OCSE Debtor File.

OCSE returns the matched results to states through the FCR using Managed File Transfer (MFT), formerly known as CyberFusion Integration, or states can download files via the FPLS Portal.

States use the match results to take action in their collection of past-due child support from noncustodial parents who would otherwise receive claim payments.

### **3. Use of Improved Technology and Burden Reduction**

The FPLS infrastructure that supports the Insurance Match program is technologically based. Insurers, their agents, ISO, and WC agencies have information that is valuable in helping states collect past due support. To provide maximum value, OCSE developed a variety of comparison options for states and insurers to use.

Insurers and WC agencies may transmit data via the FPLS portal over the internet or in an input file using MFT, Secure File Transfer Protocol, or other mutually agreed upon secure transmission methods.

States receive comparison results through the FCR either by MFT transmission or through the FPLS portal, resulting in minimum effort and resources.

OCSE's implementation of the FPLS portal also minimizes participant burden. The process for insurers using the portal provides secure, timely and efficient reporting of payment information about eligible claimants.

### **4. Efforts to Identify Duplication and Use of Similar Information**

The Insurance Match program was designed to identify and prevent distribution of duplicate information. The system has the capability of maintaining 13 months of information comparison results. As each comparison is conducted and the results are created, the system identifies records that were previously sent to states and pulls those duplicates to avoid duplication.

The Child Support Lien Network (CSLN) is an organization that collects similar noncustodial parent information from states, and claims data from insurers; however, the CSLN is a fee-for-service program, unlike participation in the Insurance Match program. States must become a member of the consortium and pay a fee to receive matches through CSLN.

## **5. Impact on Small Businesses or Other Small Entities**

OCSE minimizes the impact on small business and other entities by reimbursing reasonable start-up costs to participate in the Insurance Match program. OCSE also reduces impact by providing a variety of low-cost matching options including using the FPLS portal.

## **6. Consequences of Collecting the Information Less Frequently**

OCSE requires the submission of information for comparison occur at least monthly for new claims. Collecting the information and conducting the comparison less frequently negatively impacts the states' ability to take action against eligible noncustodial parents before claims payments are made.

## **7. Special Circumstances Relating to the Guidelines of 5 CFR 1320.5**

Information is requested from participants monthly rather than quarterly to give states the opportunity to optimize collections.

## **8. Comments in Response to the Federal Register Notice and Efforts to Consult Outside the Agency**

A notice of the information collection was published at 79 FR 13656 on March 11, 2014. The notice provided a 60-day comment period for the public to submit any comments about this information collection. No comments were received.

## **9. Explanation of Any Payment or Gift to Respondents**

Federal law provides that the costs incurred by a state or federal agency in providing information to OCSE shall be reimbursed by OCSE in an amount that OCSE determines to be reasonable payment for the information exchange (this amount shall not include payment for the costs of obtaining, compiling, or maintaining the information). State WC agencies seek, and OCSE will provide, reasonable reimbursement to offset costs to participate in the Insurance Match program. 42 U.S.C. § 653(e)(2). OCSE provides payment to ISO according to terms set forth between OCSE and ISO to transmit claim information for comparison.

## **10. Assurance of Confidentiality Provided to Respondents**

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 state child support agency, that are designed to protect the privacy rights of the parties. 42 U.S.C. § 654(26). All information to conduct the comparison and the results are transmitted over secure and dedicated lines to the FPLS or other mutually agreed upon secure transmission methods in accordance with requirements outlined in 42 U.S.C. § 653(m).

## 11. Justification for Sensitive Questions

OCSE is required by law to operate the FPLS for the primary purpose of helping states. Sensitive information, if any, is justified because states are required to obtain sensitive information pertaining to the establishment of parentage and the establishment, modification, and enforcement of support obligations.

The information collected for the Insurance Match program includes personally identifiable information and it is used in accordance with 42 U.S.C. § 653(m) and OCSE policies. An individual's Social Security number (SSN) is vital for conducting the information comparison. Using the SSN significantly increases the probability that the insurance claim information comparison result is correctly associated with the noncustodial parent owing past-due child support.

## 12. Estimates of Annualized Burden Hours and Costs

There are 28 participants currently participating in the Insurance Match program. They represent the ISO, 21 state WC agencies and 6 insurers submitting information directly to OCSE.

OCSE estimates 28 participants will participate in the Insurance Match program over the next three years. OCSE received the information to calculate the estimated burden hours from four participants, including workers' compensation agencies in Wisconsin, Illinois, and Michigan and the ISO, which represents over 800 insurance companies that participate in the Insurance Match program. These participants indicated to OCSE that the estimated hour burden in processing the insurance file averages 30 minutes (or .5 hours).

Table 12.1 Estimated Burden

<b>Instrument</b>	<b>Number of Respondents</b>	<b>Number of Responses per Respondent</b>	<b>Average Burden Hours Per Response</b>	<b>Total Burden Hours</b>
Insurance Match File	28	12	.5 hours	168 hours

### **Estimated Total Annual Burden Hours: 168**

The comparison of insurance claims information with information pertaining to individuals owing past-due support occurs at least monthly. The estimates were calculated using a monthly frequency (12 responses per year) to find the annual burden estimate.

Table 12.2 Participant’s Cost for Hour Burden

<b>Reporting Requirement</b>	<b>Average Annualized Cost Per Respondent<sup>1</sup></b>	<b>Total Annualized Cost<sup>2</sup></b>
Insurance Match File	\$270.17	\$7,564.76

### 13. Estimate of Other Total Annual Cost Burden to Respondents and Record Keepers

Based on the information provided by the South Dakota and Pennsylvania WC agencies, the estimated average annual operation and maintenance cost per respondent is \$60, making the operation and maintenance costs for all 28 participants approximately \$1,680. There are no capital costs; therefore, the estimated total of other annual costs for all participants is \$1,680.

### 14. Annualized Cost to the Federal Government

The annualized cost to the federal government was adjusted from the previous PRA submission to include reimbursement to ISO for the costs they incur to conduct the information comparison and return matches to OCSE. Per the terms of a contract between OCSE and ISO, OCSE will pay ISO an agreed upon per match cost, which currently averages \$671,726 annually; however, that average may increase or decrease depending on the volume of matches ISO returns. The remaining \$196,582 in costs includes federal salaries and contractor costs.

**The estimated annualized cost to the federal government is \$868,308.**

### 15. Explanation for Program Changes or Adjustments

There was a burden hour adjustment from the previous approval, from 143 hours to 168 hours. This adjustment is due to an increase in the number of new Insurance Match program participants and the removal of the U.S. DOL as a burden-impacted respondent. The change from 22 to 28 respondents increased the estimated total costs for respondents, which was adjusted from \$3,520 to \$9,245.

<sup>1</sup> Average Annualized Cost per Respondent was calculated by multiplying the burden hours by averaging the hourly cost provided by South Dakota and the US Bureau of Labor Statistics equaling \$45.03 and then dividing by the number of participants. Total annual number of responses is 336 a year (28\*12). Cost Per response = \$27.51416 ( \$7564.76/336 + \$1680/336).

<sup>2</sup> Total Annualized Cost was calculated by multiplying the number of participants by the Average Annualized Cost per Respondent.

The addition of the FPLS portal constitutes a program change to this information collection request. There is no impact on the burden hour per response to the respondents because the burden for using this option equals that of the other options.

**16. Plans for Tabulation and Publication and Project Time Schedule**

The results of the information comparison, in aggregate form and without personal identifiers, will be analyzed and reported annually in the Child Support Enforcement Annual Report to Congress.

**17. Reason(s) Display of OMB Expiration Date is Inappropriate**

Not applicable.

**18. Exceptions to Certification for Paperwork Reduction Act Submissions**

Not applicable.