

SUPPORTING STATEMENT

**HEALTH INSURANCE CLAIM FORM
1240-0044 (OWCP-1500)**

This ICR would revise the information collection to incorporate proposed regulatory updates to the existing approved Health Insurance information collection requirements.

A. Justification

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

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.* - administered by the Division of Federal Employees' Compensation (DFEC) Program; the Black Lung Benefits Act (BLBA), 30 U.S.C. 901 *et seq.*, - administered by the Division of Coal Miner Workers' Compensation (DCMWC) Program; and the Energy Employees Occupational Illness Compensation Program Act of 2000 (EEOICPA), 42 U.S.C. 7384 *et seq.* - administered by the Division of Energy Employees Occupational Illness Compensation (DEEOIC) Programs. All three of these statutes require that OWCP pay for medical treatment of beneficiaries; BLBA also requires that OWCP pay for medical examinations and related diagnostic services to determine eligibility for benefits under that statute. In order to determine whether billed amounts are appropriate, OWCP needs to identify the patient, the injury or illness that was treated or diagnosed, 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-1500 for medical bills submitted by certain physicians and other providers (20 CFR 10.801, 30.701, 725.405, 725.406, 725.701 and 725.704).

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.

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Form OWCP-1500 is used by OWCP and contractor bill payment staff to process bills for medical services provided by medical professionals other than medical services provided by hospitals, pharmacies and certain other medical providers. To consider the appropriateness of the requested payment in a timely fashion, it is essential that provider 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. Form OWCP-1500 therefore includes the standard billing form (Form CMS-1500) for medical professionals used by Centers for Medicare and Medicaid Services (CMS), Civilian Health and Medical Program for Uniform Services (CHAMPUS), Department of Veteran Affairs (DVA) and most private health insurance carriers. However, since OWCP only needs some of the information requested by the CMS-1500 to process bills submitted in the three programs, it does not require providers to respond fully to the CMS-1500 (see instructions for completing Form OWCP-1500).

For diagnostic services needed to determine claimant eligibility under the BLBA, OWCP staff complete the data elements relevant to claimant identification, and pre-code the medical procedures on the OWCP-1500 forms that are sent to the medical professionals who provide specific authorized services related to the benefit determination process. Information collected by these forms that relates to the actual services provided, the dates of services, fees, required medical reports and signatures is submitted by the medical provider.

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, OWCP is 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.

In accordance with the Government Paperwork Elimination Act, the

current Form OWCP-1500 is electronically interactive and is posted on the Internet at <http://webapps.dol.gov/libraryforms/go-us-dol-form.asp?FormNumber=385>. A provider may complete the form online, print out a paper copy and mail it to OWCP's medical billing contractor.

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 A.2 above.

The information requested through the Form OWCP-1500 is not duplicative of any information available elsewhere. The medical providers who use Form OWCP-1500 to bill the programs for their services are the only sources of the required information.

5. If the collection information impacts small businesses or other small entities, describe any methods used to minimize burden.

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-1500 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.

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.

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-1500 lends itself to multiple visits or services, the 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 circumstances required in the conduct of this information collection.

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.

Concurrent with submission of this ICR submission, OWCP issued a Notice of Proposed Rulemaking that provides a 60-day period for the public to comment on the proposed change to the collection of information. In addition, the NPRM instructed that comments on the information collections in the proposed rule could be sent directly to OMB during a 30-day period.

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

There are no gifts to respondents. Payments are only for medical services provided under the various acts.

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

All bill payment requests submitted on Form OWCP-1500 are fully protected under the Privacy Act in the following systems of records: DOL/GOVT-1 (for FECA); DOL/ESA-6 (for BLBA); DOL/ESA-49 (for EEOICPA).

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.

There are no questions of a sensitive nature (as described in paragraph 11 above) on this 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. Provide estimates of the hour burden of the collection of information.**

The following burden estimates for the three programs represent the mean value of data compiled during FY 2013 and FY 2014. DFEC: an estimated 52,826 respondents submit the OWCP-1500; DCMWC: an estimated 2,190 respondents submit the OWCP-1500; and DEEOIC: an estimated 3,907 respondents submit the OWCP-1500 making the total number of respondents 58,923.

DFEC: An estimated 52,826 respondents submit the OWCP-1500 for an estimated total number of responses under that program of 2,456,883. Of these, approximately 365,804 responses are submitted electronically and 2,091,079 responses are submitted manually. It is estimated that each of these responses will take approximately one minute to complete electronically and seven minutes to complete manually.

Total annual hour burden of 230,138 hours (6,109 + 244,029 = 230,138)

Electronic (365,804 x .0167 = 6109 hours)

Manual (2,091,079 x 0.1167 = 244,029 hours)

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DCMWC: An estimated 2,190 respondents submit the OWCP-1500 for an estimated total number of responses under that program of 58,755. Of these, approximately 253 responses are submitted electronically and 58,502 responses are submitted manually. It is estimated that each of these responses will take approximately one minute to complete electronically and seven minutes to complete manually.

Total annual hour burden of 6,831 hours ($4 + 6,827 = 6,831$)
Electronic ($253 \times 0.0167 = 4$ hours)
Manual ($58,502 \times 0.1167 = 6,827$ hours)

DEEOIC: An estimated 3,907 respondents will submit Form OWCP-1500 for an estimated total number of responses under that program of 261,396. Of these, approximately 61,620 responses are submitted electronically and 195,869 responses are submitted manually. It is estimated that each of these responses will take approximately one minute to complete electronically and seven minutes to complete manually.

Total annual hour burden of 23,904 hours ($1,046 + 22,858 = 23,904$)
Electronic ($61,620 \times 0.0167 = 1,046$ hours)
Manual ($195,869 \times 0.1167 = 22,858$ hours)

Combining the burden hours for all three programs, Form OWCP-1500 has a total respondent burden hour estimate of 260,873. The mean wage rate for billing clerks (based on Bureau of Labor Statistics data, <http://www.bls.gov/oes/current/oes433021.htm>) is estimated to be \$17.10 per hour. Thus, the respondent cost estimate for this collection is \$4,460,928.

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

The cost of completing and submitting bills using Form OWCP-1500 is included in the charges submitted by respondents for the services provided. Therefore, respondents experience no operation and maintenance costs.

14. Provide estimates of annualized cost to the Federal Government.

The estimated costs to the Federal government for collecting the information on Form OWCP-1500 are set out below:

Printing costs: There is no printing cost associated with Form OWCP-1500. 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.

Mailing costs: Physicians and other providers seeking payment under FECA, BLBA and EEOICPA may obtain copies of Form OWCP-1500 from various sources on the Internet. All forms are downloaded and computer-generated; for these forms, there are no distribution costs.

Processing/Reviewing costs:

DFEC: Under OWCP's contractor medical bill processing system, the contractor cost to process one Form OWCP-1500 is \$3.44. Therefore, the contractor cost to process 2,456,883 forms for the DFEC program will be \$8,451,678 (2,456,883 forms x \$3.44/form = \$8,451,678

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 DFEC program at the GS-5, step 4 level, and by 12 at the GS-9, step 2 level; approximately 5% of their time is required for this function. Thus, the cost to provide this review function is \$170,570(80 x \$35,140/year (GS 5, step 4 using Salary Table 2015-RUS) x 5% = \$140,560; 12 x \$50,016/year (GS 9, step 2 using Salary Table 2015-RUS) x 5% = \$30,010; \$140,560 + \$30,010 = \$170,570).

<http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2015/RUS.pdf>

Total DFEC processing/review costs: \$8,622,248.

DCMWC: OWCP's contractor medical bill processing system processes Forms OWCP-1500 for the DCMWC program at a cost of \$3.44 per form. Therefore, the contractor cost to process the estimated 58,755 forms submitted for the DCMWC program will be \$202,117 (58,755 forms x \$3.44/forms = \$202,117).

Total DCMWC processing/coding costs: \$202,117.

DEEOIC: OWCP's contractor medical bill processing system processes Forms OWCP-1500 for the DEEOIC program at a cost of \$3.44 per form. Therefore, the contractor cost to process the estimated 261,396 forms submitted for the DEEOIC program will be \$867,835 (261,396 forms x \$3.44/forms = \$899,202).

Two Federal employees in Washington, DC review all OWP-1500 forms under the DEEOIC program that suspend out of the bill processing system: a Payment Systems Manager (GS-14, step 5 using Salary Table 2015-DCB) at \$121,635 yearly and an Assistant Payment Systems Manager (GS-13, step 4 using Salary Table 2015-DCB) at \$102,932 yearly. About 40% of their time is attributable to this reviewing function, for a cost of \$86,870 ($\$121,635 + \$102,932 = \$224,567 \times 40\% = \$89,827$).

<http://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2015/DCB.pdf>

Total DEEOIC Processing/Reviewing costs: \$989,029.

Total Federal Cost: \$9,813,394. [$\$8,622,248$ (DFEC processing and reviewing costs) + $\$202,117$ (DCMWC coding and processing costs) + $\$989,029$ (DEEOIC processing and reviewing costs)]

15. Explain the reasons for any program changes or adjustments.

As the number of electronically submitted responses increase, the number of burden hours decreases. As a result, there is a net adjustment decrease of 61,965 hours ($322,838 - 260,873 = 61,965$).

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.

There are no plans to publish data collected on the form.

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.

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

18. Explain each exception to the certification statement in ROCIS.

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods

Statistical methods are not used in these collections of information.