

SUPPORTING STATEMENT – PART A

Third Party Collection Program (Insurance Information) – 0720-0055

A. JUSTIFICATION

1. Need for the Information Collection

Pursuant to 10 USC § 1095 (“*Health care services incurred on behalf of covered beneficiaries: collection from third-party payers*”) and 32 CFR § 220.2 (“*Statutory obligation of third party payer to pay*”), DoD is authorized to collect from third party payers “reasonable charges” for the cost of inpatient and outpatient services rendered at military treatment facilities (MTFs) to military retirees, all dependents, and other eligible beneficiaries who have private health insurance. Also, 10 USC §§ 1079b(a) (“*Procedures for charging fees for care provided to civilians; retention and use of fees collected*”) and 1085 (“*Medical and dental care from another executive department: reimbursement*”) authorize DoD to collect from civilians (or their insurers) the cost of trauma or other medical care provided to them and from other federal agencies the average cost of health care provided to their beneficiaries at DoD MTFs. In order for DoD to perform such collections, 10 USC § 1095(k)(1) (“*Health care services incurred on behalf of covered beneficiaries: collection from third-party payers*”) and 32 CFR § 220.9 (“*Rights and obligations of beneficiaries*”) establish a statutory obligation for eligible beneficiaries to provide DoD with other health insurance (OHI) information. 32 CFR § 220.2(d) (“*Assignment of benefits or other submission by beneficiary not necessary*”) requires that the form be available to third-party payers upon request. For civilian non-beneficiary and interagency patients, DD Form 2569 is necessary and serves as an assignment of benefits, approval to submit claims to payers on behalf of the patient and authorization to release medical information. Copies of the referenced statutes and regulations are attached.

In addition, with this license renewal request, DoD is adding a new question number 7 in order to capture more robust OHI information from eligible beneficiaries who might also be Veterans Affairs (VA) eligible beneficiaries. If the patient is eligible for VA benefits the question captures necessary claims information (e.g., billing point of contact, claims address) to determine whether claims can be submitted to the VA for payment.

2. Use of the Information

This information will be collected by military treatment facility (MTF) administrative support staff -- including but not limited to, admissions clerks, patient registration and scheduling clerks, and clinic staff -- from beneficiaries and non-beneficiaries at the time of admission and/or outpatient visit to the MTF (i.e., at point of service) or as soon as practical thereafter. The patient fills out the DD Form 2569 manually or electronically, certifying whether they are eligible for VA benefits and/or have OHI. It is the primary and most accurate source of this information, will help the local MTF determine the proper third party payer to bill for medical care provided to beneficiaries, and facilitates the collection of reasonable charges from third party and other payers.

3. Use of Information Technology

In addition to collecting the information on a paper DD Form 2569, MTF Commanders and Resource Management may, but are not required, purchase current technology (e.g., electronic signature pad) to collect the information electronically. This electronic signature pad interfaces with

the e2569 module in the Armed Forces Billing and Collections Utilization Solution (ABACUS), and any future financial and/or billing solutions to collect and store patient OHI electronically. Currently ABACUS is in its startup phase and use of the electronic signature pads is estimated to be 20%. DHA expects the use of the pads to grow to 40% over the next year. Also, the information collected on this form will be entered into the Composite Health Care System (CHCS) database or future financial and/or billing system, which must be updated on a regular basis to ensure that the information is current and accurate. The form itself will serve as documentation that the requirements of the law have been satisfied. Since the information requested is readily available to the respondent, DHA feels the completion of the form is not unduly burdensome.

4. Non-duplication

The self-reported information collected on the DD Form 2569 at the patient's point of service and which must be the most current and complete patient OHI is not available elsewhere. Self-reported OHI information is not being collected by any other agency or component nor is it currently available in any other format. This form has simplified and standardized the process for collecting the required information. Duplication of information to be collected has been eliminated.

5. Burden on Small Business

None of the respondents are small businesses or other small entities. All respondents are individuals who are required to provide the information requested by statute, 10 USC 1095, and its supporting regulations 32 CFR 220.9.6.

6. Less Frequent Collection

Beneficiaries and civilian non-beneficiary patients who are provided care at MTFs generally update health care coverage on an annual basis at the beginning of the calendar year. Thus, the current frequency for this information collection is annually, or on occasion (when information changes). Data cannot be collected on a less frequent basis. Currently, this form is the most comprehensive, complete and reliable means of identifying potential third party payers, and this information must be collected each time a beneficiary or non-beneficiary is provided medical care in the MTF, or at least annually, because insurance can be purchased or canceled at any time. It is crucial to collect the most up-to-date information on insurance payers at the patient's point of service; reimbursement revenue will significantly decrease if this information is not collected.

7. Paperwork Reduction Act Guidelines

There are no special circumstances that require the collection to be conducted in a manner inconsistent with the guidelines delineated in 5 CFR 1320.5(d)(2).

8. Consultation and Public Comments

Part A: PUBLIC NOTICE

A 60-day notice published in the Federal Register on January 29, 2016 (81 FR 5013). The public comment period closed on March 29, 2016, and no comments were received.

A 30-Day notice published in the Federal Register on June 30, 2016 (81 FR 42692).

Part B: CONSULTATION:

This is a form to collection other health insurance coverage information from individuals. The individual is the best source to provide the information at the point he/she is provided service. Also he/she is required to provide it by statute, 10 USC 1095, and its supporting regulation 32 CFR 220.9.

9. Gifts or Payment

No gifts or payment will be provided to the respondents.

10. Confidentiality

DoD is HIPAA compliant and works to safeguard Personally Identifiable Information (PII) and report any instances where PII is revealed. MTF staff that collect and use this information for health care claims billing and collection purposes receive DoD Privacy Act and HIPAA training annually.

In accordance with 5 USC 552a(b) of the Privacy Act, respondents are assured that their information will only be used for routine purposes of billings and collections.

DoD Information System	SORN ID Number and Title
Defense Enrollment Eligibility Reporting System (DEERS)	DMDC 02 DoD-DEERS (November 04, 2015, 80 FR 68304). Copy available at http://dpcl.dod.mil/Privacy/SORNsIndex/DODwideSORNArticleView/tabid/6797/Article/627618/dmdc-02-dod.aspx
Composite Health Care System (CHCS)	Defense Health Agency EDHA 07, "Military Health Information System" (November 18, 2013, 78 FR 69076). Copy available at http://dpcl.dod.mil/Privacy/SORNsIndex/DODwideSORNArticleView/tabid/6797/Article/570672/edha-07.aspx
Armed Forces Billing and Collection Utilization Solution (ABACUS)	Defense Health Agency EDHA 12, "Third Party Collection System (November 18, 2013, 78 FR 69076). Copy available at http://dpcl.dod.mil/Privacy/SORNsIndex/DODwideSORNArticleView/tabid/6797/Article/570677/edha-12.aspx

* PIAs for the above 3 DoD Information Systems will be provided separately.

Records Retention and Disposition Schedule: Close out at the calendar year in which received. Destroy 10 year(s) after cut off (DAA-0330-2014-0014-0002).

11. Sensitive Questions

Along with other required HIPAA standard data transaction elements, the patient’s social security number (SSN) is collected as required by 32 CFR 220.9. Also, it the most common way health care payers uniquely identify their beneficiaries and coordinate benefits. The patient’s SSN is required to ensure accurate identification of patients and the billable services and insurance claims related to them. The form contains no other questions of a sensitive nature. An SSN Justification Memo is provided separately.

12. Respondent Burden, and its Labor Costs

a. Estimation of Respondent Burden

Estimation of Respondent Burden Hours					
	Number of Respondents	Number of Responses per Respondent	Number of Total Annual Responses	Response Time (Amount of time needed to complete the collection instrument)	Respondent Burden Hours (Total Annual Responses multiplied by Response Time) Please compute these into hours)
Collection Instrument: DD Form 2569	3,900,000	1.5	5,850,000	4 minutes	390,000
Total	3,900,000	1.5	5,850,000	4 minutes	390,000

b. Labor Cost of Respondent Burden

Labor Cost of Respondent Burden					
	Number of Responses	Response Time per Response	Respondent Hourly Wage	Labor Burden per Response (Response Time multiplied by Respondent Hourly Wage)	Total Labor Burden (Number of Respondents multiplied by Response Time multiplied by Respondent

					Hourly Wage)
Collection Instrument: DD Form 2569	5,850,000	4 minutes	\$25.53/hr	\$1.70	\$9,956,700
Total	5,850,000.00	4 minutes	\$25.53/hr	\$1.70	\$9,956,700.00

- o **Source** <http://www.bls.gov/web/empsit/ceseesummary.htm> (Bureau of Labor Statistics national average hourly wage for all employees April 2016)

13. Respondent Costs Other Than Burden Hour Costs

- There are no capital nor start-up costs associated with this information collection.
- There are no operation and maintenance costs associated with this information collection, including no postage costs. The form is completed in person at the MTF when patient comes in for medical service.

14. Cost to the Federal Government

Labor Cost to the Federal Government		
	Collection Instrument #1	Total
Number of Responses	5,850,000	5,850,000
Processing Time Per Response (in hours)	5 minutes	5 minutes
Hourly Wage of Worker(s) Processing Responses	\$15.10 (2016 GS-6 base rate)	\$15.10
Cost to Process Each Response (Processing Time Per Response multiplied by Hourly Wage of Worker(s) Processing Responses)	\$1.26	\$1.26
Total Cost to Process	\$7,371,000.00	\$7,371,000.00

Responses (Cost to Process Each Response multiplied by Number of Responses)		
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- ***There are 3,900,000 respondents. However, they must update their health insurance information by resubmitting the form if their health insurance information changes during the year. We estimate that half of the 3,900,000 respondents (1,950,000) update their health insurance forms during the year for a total of 5,850,000 responses received by the government each year.***

Operational and Maintenance Costs						
Equipment	Printing	Postage	Software Purchases	Licensing Costs	Other	Total
	\$0.06/completed form * 1,170,000 (# electronic forms received that may be printed)					\$70,200.00

- ***We estimate that 20% of the responses received (5,850,000) may be submitted electronically and thus printed by the government.***

Total Cost to the Federal Government		
Operational and Maintenance Costs	Labor Cost to the Federal Government	Total Cost (O&M Costs + Labor Cost)
\$70,200.00	\$7,371,000.00	\$7,441,200.00

15. Reasons for Change in Burden

Average burden per response has been increased by 1 minute as adding new question #7 to identify Veterans Affairs (VA) patients will slightly increase the time spent filling out the DD Form 2569.

16. Publication of Results

The information collected will not be published as a DoD publication or for a publication external to DoD.

17. Non-Display of OMB Expiration Date

Approval not to display the expiration date is not being sought.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

No exception to the Certification Statement is requested.