

## **SUPPORTING STATEMENT**

### **UNIFORM BILLING FORM 1240-0019 (OWCP-04)**

This Information Collection Request would revise the currently approved ICR to incorporate proposed regulatory updates implementing the Black Lung Benefits Act, 30 U.S.C. 901 *et seq.*

#### **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.*, 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 725.715).

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 for institutional providers that use the UB-04 to ensure that they provide the information needed to evaluate their requests for payment. 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.**

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.**

The instructions for Form OWCP-04 have been designed to be computer generated and take advantage of the commonly accepted 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://webapps.dol.gov/libraryforms/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 A.2 above.**

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, 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-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 billing 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.**

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 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.**

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.

Concurrent with submission of this ICR, OWCP published a Notice of Proposed Rulemaking (NPRM) 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.**

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.**

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.**

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. Provide estimates of the hour burden of the collection of information.**

The following burden estimates for the three programs have been derived from data compiled during the latest complete year 2015; FECA: an estimated 4,788 respondents submit the OWCP-04; BLBA: an estimate 412 respondents submit the OWCP-04, and EE0ICPA: an estimated 877 respondents submit the OWCP-04, making the total number of respondents 6,077.

**FECA:** An estimated 4,788 respondents submit the OWCP-04, for a total number of responses under that program of 155,360. Of these, approximately 4,632 responses are submitted electronically and 150,728 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 17,667 hours ( $77 + 17590 = 17,667$ )  
Electronic ( $4,632 \times .0167 = 77$  hours)  
Manual ( $150,728 \times .1167 = 17,590$  hours)

**BLBA:** An estimated 412 respondents submit the OWCP-04, for a total number of responses under that program of 8,168. Of these, approximately 96 responses are submitted electronically and 8,072 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 944 hours ( $2 + 942 = 944$ )  
Electronic ( $96 \times .0167 = 2$  hour)  
Manual ( $8,072 \times .1167 = 942$  hours)

**EEOICPA:** An estimated 877 respondents will submit Form OWCP-04, for a total number of responses under that program of 27,442. Of these, approximately 31 responses are submitted electronically and 27,411 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 3200 hours ( $.52 + 3,199 = 3,200$ )  
Electronic ( $31 \times .0167 = .52$  hour)  
Manual ( $27,411 \times .1167 = 3,199$  hours)

**Total Burden hours: 21,811** ( $17,667 + 944 + 3,200$ )

Combining the burden hours for all three programs, Form OWCP-04 has a total respondent burden hour estimate of 21,811. The current mean wage rate for billing clerks (based on Bureau of Labor Statistics data, <https://www.bls.gov/oes/current/oes433021.htm>) is estimated to be \$17.45 per hour. Thus, the respondent cost estimate for this collection is \$380,602 ( $21,811 \times \$17.05 = \$380,602$ ).

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

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.**

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 \$ 8.45. Therefore, the contractor cost to process 155,360 forms for the FECA program will be \$1,312,792 (155,360 forms x \$8.45 forms = \$1,312,792).

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 \$345,112 ((80 x \$35,549/year) (GS 5, step 4 using (Salary Table 2016-RUS) x 10% = \$284,392; (12 x \$50,600/year) (GS 9, step 2 using Salary Table 2016-RUS) x 10% = \$60,720; (\$284,392 + 60,720 = \$345,112).

Total FECA processing and review costs: \$1,657,904  
(\$1,312,792+ \$345,112 =1,657,904).

**BLBA:** OWCP's contractor medical bill processing system also processes Forms OWCP-04 for the BLBA program at an average cost of \$ 8.45 per form. Therefore, the contractor cost to process the estimated 8,168 forms submitted for the BLBA program will be \$69,020(8,168 forms x 8.45/forms = \$69,020)

Total BLBA processing costs: \$69,020.

**EEOICPA:** OWCP's contractor medical bill processing system processes Forms OWCP-04 for EEOICPA program at an average cost of \$8.45 per form. Therefore, the contractor cost to process the estimated 27,442 forms submitted for the EEOICPA program will be \$ 231,885(27,442 forms x \$ 8.45/forms = \$231,885).

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 2016-DCB](#)) at \$123,406 yearly and an Assistant Payment Systems Manager (GS-13, step 4 using [Salary Table 2016-DCB](#)) at \$101,361 yearly. About 10% of



their time is attributable to this reviewing function, for a cost of \$22,477 ( $\$ 123,406 + \$ 101,361 = \$224,767 \times 10\% = \$22,477$  (rounded)).

Total EEOICPA Processing/Reviewing costs: ( $\$231,885 + \$22,477 = \$254,362$ ).

$\$1,657,904$  (FECA processing and reviewing costs), +  $\$69,020$  (BLBA processing cost), +  $\$254,362$  (EEOICPA processing and reviewing costs) = Total Federal Cost of  $\$1,981,286$ .

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

The Federal Cost and Burden hours have decreased due to the decrease in the number of forms submitted. In addition, the proposed BLBA rule continues the current information collection requirements but would change where the regulatory authorities are codified. This ICR updates the regulatory citation for the BLBA program's authority to collect the information.

**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 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.**

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.