

**Supporting Statement For
OMB Clearance**

**Insurance Match
0970-0342**

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Prepared by:

U.S. Department of Health and Human Services
Administration for Children and Families
Office of Child Support Enforcement
330 C Street, SW
Washington, DC 20201

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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 enforcement agencies (hereinafter, “states”) collect past-due support from noncustodial parents. State and insurer participation in the Insurance Match program is voluntary. There are eight states that have specific mandates for insurers to report claims, and the program assists with meeting these mandates.

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 insurers to help states collect past-due support for families by comparing noncustodial parents active on the OCSE Debtor File to individuals eligible to receive a payment from an insurance claim, settlement, award, or payment (hereinafter, “claim”).

The information collection activities associated with the Insurance Match program are authorized by 42 U.S.C. § 652(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 with a child support debt with information insurers (or their agents) maintain 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 with a child support debt 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 parents 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 80 FR17909, April 2, 2015.

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

- 1.) An insurer submits information concerning claims, settlements, awards, and payments to OCSE. OCSE compares the information with parents who owe past-due support.

- 2.) OCSE sends a file containing information about parents who owe past-due support to the insurer or their agent to compare with their claims, settlements, awards, and payments. The insurer or their agent sends the matches to OCSE.

State WC agencies and the U.S. Department of Labor 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 Federal Case Registry (FCR) using Managed File Transfer (MFT), formerly known as CyberFusion Integration, or states can download files via the Child Support Portal.

States use the match results to determine the next step, such as sending a lien, levy, or an income withholding order based on the state's laws and policies.

3. Use of Improved Technology and Burden Reduction

The FPLS infrastructure that supports the Insurance Match program is technologically based. Insurers, their agents, the the Insurance Services Office, Inc (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 submit their information for comparison and/or compare their individual claims against the OCSE Debtor File via the Child Support Portal (OMB #0970-0370) prior to making a payment. In addition, they may transmit data via an input file using MFT or Secure File Transfer Protocol (SFTP).

States receive comparison results through the FCR by MFT transmission or through the Child Support Portal, resulting in minimum effort and resources.

The Child Support Portal process for insurers provides insurers a secure, real-time, and efficient process for reporting of payment information about 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 12 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 eliminates duplication.

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

5. Impact on Small Businesses or Other Small Entities

OCSE minimizes the impact to respondents by providing a variety of low-cost matching options including using the Child Support Portal. This flexibility provides small businesses with different options depending on their technological ability.

6. Consequences of Collecting the Information Less Frequently

OCSE encourages the submission of information for comparison occurs 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 to the noncustodial parent. Some insurers participate in order to meet a specific state requirement, which may require a frequency less often than monthly.

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

Information is requested from respondents 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 82 FR1 26106 on June 6, 2017. The notice provided a 60-day comment period for the public to submit any comments about this information collection. No comments 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 enforcement 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). As stated in Section 2. herein, the information is maintained by OCSE in the Debtor File system of records,

and referenced in the System of Records Notice (SORN) OCSE Debtor File, last published at 80 FR17909, April 2, 2015.

11. Justification for Sensitive Questions

OCSE is required by law to operate the FPLS for the primary purpose of assisting states establish, modify, and enforce child support orders. Collection of sensitive information, such as an individual's Social Security number (SSN), is necessary to ensure states identify the correct individual.

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 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 a child support debt.

12. Estimates of Annualized Burden Hours and Costs

OCSE estimates 111 respondents will participate in the Insurance Match program over the next three years. Estimates are based on recent usage and the number of new participants due to additional states requiring a data match and a change in one state's participation in CSLN. In addition, new respondents are expected to report additional types of claims, such as life insurance and annuities.

Table 12.1 Estimated Burden

Information Collection	Number of Respondents	Number of Responses per Respondent	Average Burden Hours per Response	Total Burden Hours
Insurance Match File: Monthly Reporting Electronically	22	12	.08333 ¹	22
Insurance Match File: Weekly Reporting Electronically	7	52	.08333	30
Insurance Match File: Daily Reporting Electronically	2	251	.08333	42
Insurance Match File: Daily Reporting Manually	80	251	0.1 ²	2,008
Total				2,102

Estimated Total Annual Burden Hours: 2,102

The comparison of insurance claims information with information pertaining to individuals owing a child support debt occurs daily, weekly, or monthly. The estimates were calculated using the multiple frequencies to find the annual burden estimate.

Table 12.2 Participant's Cost for Hour Burden

¹ Participants who report electronically estimated it takes 5 minutes. For hourly calculation, use 5/60.

² Participants who report manually through the Child Support Portal estimated it takes 6 minutes. For hourly calculation, use 6/60.

Information Collection	Average Annualized Cost per Respondent³	Total Annualized Cost⁴
Insurance Match File: Monthly Reporting Electronically	\$25.53	\$561.66
Insurance Match File: Weekly Reporting Electronically	\$110.63	\$774.41
Insurance Match File: Daily Reporting Electronically	\$534.00	\$1,068.00
Match File: Daily Reporting Manually	\$640.80	\$51,264.00
Total		\$53,668.07

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

Respondents use systems already in place to provide information, so there is no capital or start-up cost burden to respondents. There are also no incremental costs associated with collecting this information.

There are no ongoing operations and maintenance costs for respondents for the Standard Input File Detail Record (information collection tool); OCSE bears all of the maintenance costs.

14. Annualized Cost to the Federal Government

The annualized cost to the federal government for the insurance match program is \$989,289 including reimbursement to ISO for the costs it incurs to conduct the information comparison and return matches to OCSE. Per the terms of a contract between OCSE and ISO, OCSE pays ISO an agreed upon per match cost, which currently averages \$7.28 per match and total costs may increase or decrease depending on the volume of matches ISO returns. The remaining costs include federal salaries, contractor costs, and other system costs.

The estimated annualized cost to the federal government is \$989,289.

³ Average Annualized Cost per Respondent was calculated by multiplying the burden hours by and the 2016 U.S. Bureau of Labor Statistics rate for Computer User Support Specialists of \$25.53, and then dividing by the number of respondents.

⁴ Total Annualized Cost was calculated by multiplying the number of respondents by the Average Annualized Cost per Respondent.

15. Explanation for Program Changes or Adjustments

There was a burden hour adjustment from the previous approval, from 168 hours to 2,102 hours. This adjustment is due to the estimated increase in the number of new Insurance Match program respondents from 28 to 111. The average burden hour has reduced due to an increase in technology allowing respondents to gather and share electronic data quickly. Current estimates are reduced to an average of 5 minutes for automated electronic reporting and 6 minutes for manual reporting through the Child Support Portal.

The OCSE INSURANCE MATCH STANDARD INPUT FILE DETAIL RECORD (SIF) was updated to incorporate the 'Plain Language' principals. These updates made the document visually inviting, logically organized, and understandable on the first reading. This resulted in improved customer satisfaction, allowing customers to find what they need faster and easier. Changes were made to standardize the field definitions and include additional values in one field: the Insurance Product Claim Type. These changes provide the ability to increase the number of respondents and properly identify insurance claim types and will have no impact on the individual respondent's burden. In addition, three optional fields were added to existing filler fields: Claim Adjuster Name, Claim Adjuster Phone, and National Association of Insurance Commissioners NAIC code. These were added to capture existing data ISO shares with OCSE, which other respondents rarely use, resulting in a negligible impact on the burden.

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.

SUPPORTING STATEMENT:

**PART B – COLLECTION OF INFORMATION EMPLOYING
STATISTICAL METHODS**

The information collection requirements outlined in this report do not employ the use of statistical methods.