

Information Comparison with Insurance Data

**OMB Information Collection Request
0970 - 0342**

Supporting Statement Part A - Justification

November 2020

Submitted By:
Office of Child Support Enforcement
Administration for Children and Families
U.S. Department of Health and Human Services

SUPPORTING STATEMENT A - JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary

The Information Comparison with Insurance Data Match (“Insurance Match”) program is a cooperative effort between the federal Office of Child Support Enforcement (OCSE), states, insurers, and third-party administrators or agents. The information that is collected for the Insurance Match is necessary to help state child support enforcement agencies (“state agencies”) collect past-due support from noncustodial parents.

To facilitate the Insurance Match, OCSE uses a centralized, efficient, secure, and cost-effective automated process that compares information about individuals who may receive a payment from an insurance claim, settlement, or award (“claim”) with information in the OCSE Debtor File (OMB #0970-0161, Federal Tax Refund Offset, Administrative Offset, and Passport Denial) to identify noncustodial parents who owe past-due support. State workers’ compensation agencies and the U.S. Department of Labor also provide OCSE with claim information for use with collecting past-due child support from noncustodial parents.

State agency and insurer participation in the Insurance Match program is voluntary; however, there are 12 states that have specific mandates for insurers to report claims. The Insurance Match program assists with meeting these state mandates.

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 (HHS), through the Federal Parent Locator Service (FPLS), to conduct comparisons of information concerning individuals with a child support debt with information that insurers (or their agents) maintain concerning insurance claims.

This request is for a revision of a currently approved information collection. Changes since the previous approval pertain to an increase in the burden due to an increase in the number of participating insurers. The information collection instruments have not changed.

2. Purpose and Use of the Information Collection

The purpose of the Insurance Match information collection is to identify noncustodial parents with a child support debt who may be eligible to receive payments from insurance claims.

OCSE compares insurance claim information to information in the Debtor File and forwards “match” results, if any, to the state agency. State agencies use the match results to implement collection procedures in accordance with the states’ laws and policies, such

as imposing a lien, levy, or an income withholding order on the wages of the non-custodial parent with past-due child support.

Participating insurers or their agents may select the following information comparison options:

- 1.) An insurer submits a file containing information concerning claims, settlements, awards, and payments to OCSE. OCSE compares the information on the insurer's file to the Debtor File.
- 2.) OCSE sends an extract file containing information from the Debtor File to the insurer or their agent to compare with their claims, settlements, awards, and payments. The insurer or their agent returns the matches to OCSE.

3. Use of Improved Technology and Burden Reduction

The FPLS technology-based infrastructure that supports the Insurance Match program minimizes the burden to participate in the program. To provide an incentive for participation and ease the burden for insurers, OCSE developed several options for insurers to share claim data. Each option provides different technical and business advantages. Insurers may submit their information in an input file to OCSE for the comparison using Managed File Transfer (MFT) – a secure electronic transmission process, upload a file, or compare an individual claimant or beneficiary information against the OCSE Debtor File via the Child Support Portal (“Portal”) (OMB #0970–0370 Child Support Portal Registration) prior to making a claim payment. The Portal process for insurers provides a secure, real-time, efficient process to report payment information about claimants.

OCSE also uses technology to minimize state agencies' burden to participate. States receive comparison results through the Federal Case Registry (OMB # 0970-0421) by MFT transmission or through the Portal.

4. Efforts to Identify Duplication and Use of Similar Information

The Insurance Match program has the capability to maintain 12 months of information comparison results, and it is designed to identify and prevent distribution of duplicate information. As each comparison is conducted and the results are created, the program identifies the initial match, updated claim data, and duplicative data. Records that were previously sent to states are eliminated, which helps states to prioritize actions and avoid duplications in their case workload.

All states participate in the Insurance Match program. States may also join the Child Support Lien Network, which is an organization that collects similar noncustodial parent debt information from states and claims information from insurers. States that are members of the Child Support Lien Network pay fees to receive matches from the

organization.

5. Impact on Small Businesses or Other Small Entities

OCSE minimizes the impact on small business respondents by providing a variety of low-cost matching options, including using the Portal. This flexibility provides small businesses with different options depending on their technical capability. Insurers with a small claim volume or a lack of technical resources to program automated data processes may use the Portal because it requires no programming and minimal resources to register. The Portal also does not limit the number of registrants an insurer may have, and it supports small business needs by immediately providing information to the insurer about individuals with past-due child support.

6. Consequences of Collecting the Information Less Frequently

OCSE encourages Insurance Match participants to submit information for comparison at least monthly; however, some comparisons occur daily or weekly. Collecting the information and conducting the comparisons less frequently decreases the state's opportunity to intercept and apply claim payments toward past-due support before they are made to the noncustodial parent by the insurer.

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

Information is requested from respondents at least 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

In accordance with the Paperwork Reduction Act of 1995 (Pub. L. 104-13) and Office of Management and Budget (OMB) regulations at 5 CFR Part 1320 (60 FR 44978, August 29, 1995), OCSE published a notice in the Federal Register at 85 FR 27745 on May 11, 2020. The notice announced OCSE's intention to seek OMB approval of, and provided a 60-day comment period for the public to submit any comments about, this information collection activity. OCSE did not receive comments.

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 a reasonable payment for the information exchange (this amount shall not include payment for the costs of obtaining, compiling, or maintaining the information). State worker's compensation 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 the Insurance Services Office (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 individuals (42 U.S.C. § 654(26)). All files for the Insurance Match program 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). The information is maintained in the OCSE Debtor File system of records, last published at 80 FR17909, April 2, 2015, and partially revised at 83 FR 6591, Feb. 14, 2018.

11. Justification for Sensitive Questions

OCSE is required by law to operate the FPLS for the primary purpose of assisting states in establishing, modifying, and enforcing 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 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 with past-due child support.

12. Estimates of Annualized Burden Hours and Costs

OCSE estimates 145 respondents will participate in the Insurance Match program over the next three years. Estimates are based on recent usage and an increase in the number of new participants because additional states are requiring data matches.

The comparison of insurance claims information to information pertaining to individuals with past-due child support occurs daily, weekly, or monthly. The following are annual burden estimates for each frequency and submission type.

Table 12.1 Estimated Annual Burden

Information Collection Instrument	Number of Respondents	Number of Responses per Respondent	Average Burden Hours per Response	Total Annual Burden Hours	Average Hourly Wage	Annual Cost
Insurance Match File: Monthly Reporting Electronically	26	12	0.083 ¹	25.90	\$50.26	\$1,301.73
Insurance Match File: Weekly Reporting Electronically	9	52	0.083	38.84	\$50.26	\$1,952.10
Insurance Match File: Daily Reporting Electronically	2	251	0.083	41.67	\$50.26	\$2,094.33
Insurance Match File: Daily Reporting Manually	108	251	0.1 ²	2,710.80	\$50.26	\$136,244.81
Estimated Total Annual Burden Hours				2,817.21		\$141,592.97

The job code for computer use support specialists is 15-1232, with an hourly wage of \$25.13 per hour. The hourly rate estimate is derived from the most current Bureau of Labor Statistics figures (<https://www.bls.gov/oes/current/oes151232.htm>) and now includes fringe benefits and overhead, which resulted in an increase in the total annualized cost from the previous approval. To account for fringe benefits and overhead, OCSE multiplied the hourly rate by two, or \$50.26.

The estimated annualized cost to respondents for the hour burden is 2,817.21 hours times \$50.26 or \$141,592.97.

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.

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 no incremental costs associated with collecting this information, and neither insurers nor states incur any costs to participate in the Insurance Match program.

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 \$1,254,610 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 \$9.02 per match. Total ISO payments may increase or decrease depending on the volume of matches ISO returns. The remaining costs include federal salaries, contractor costs, and other system costs.

15. Explanation for Program Changes or Adjustments

The burden hour increased since the previous approval, from 2,102 hours to 2,817.21 hours. This adjustment is the result of an increase in the number of new Insurance Match program respondents from 111 to 145. The estimated average amount of time for each response is unchanged.

There are no program changes.

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 in the Office of 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.