

National Medical Support Notice — Part B
OMB Number 1210-0113
OMB Expiration Date: 10/31/2022

**SUPPORTING STATEMENT FOR PAPERWORK REDUCTION ACT 1995:
NATIONAL MEDICAL SUPPORT NOTICE— PART B**

The Department of Labor, Employee Benefits Security Administration requests a revision to an existing collection. The Department is proposing to require that the addendum to Part B of the NMSN, previously only for those using e-NMSN, be included for all Part B notices. The changes to the form itself are generally formatting changes and additional spaces intended to facilitate completion of the notice and conform to similar changes made to Part A.

The Department is seeking approval of the current and revised notices to allow states time to transition to the new notices. There will be a one-year transition period where the currently approved version of the NMSN Part B notice (ICR Ref. No - 202102-1210-001) may still be used before respondents will be required to use the revised notice.

A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

Section 609(a) of the Employee Retirement Income Security Act of 1974, as amended (ERISA), requires group health plans to provide benefits pursuant to a “qualified medical child support order” (QMCSO). To help determine whether an order for support is a QMCSO, Congress enacted section 401 of the Child Support Performance and Incentive Act of 1998 (CSPIA). Section 401 of the CSPIA amended ERISA and the Social Security Act (SSA) imposed new requirements on both administrators of group health plans (Plan Administrators). It also imposed new requirements on the State agencies that enforce the programs under the Child Support Enforcement Program (Title IV-D of the SSA), which is administered by the Federal Office of Child Support Enforcement (OCSE) in the Department of Health and Human Services (HHS).

Pursuant to Section 401(a) of the CSPIA, the Department of Labor (the Department) and HHS jointly promulgated the National Medical Support Notice Final Rule on December 27, 2000 (65 FR 82128) (NMSN Regulation). The NMSN Regulation simplifies the issuance and processing of medical child support orders; standardizes communication between state agencies, employers, and Plan Administrators; and creates a uniform and streamlined process for enforcement of medical child support to ensure that all eligible children receive the health care coverage to which they are entitled.

The NMSN Regulation, codified at 29 CFR 2590.609-2, includes a model National

National Medical Support Notice — Part B
OMB Number 1210-0113
OMB Expiration Date: 10/31/2022

Medical Support Notice (NMSN) that is comprised of two parts: Part A is a notice from the state agency to the employer, entitled: “Notice to Withhold for Health Care Coverage;” and Part B is a notice from the employer to the Plan Administrator, entitled: “Medical Support Notice to Plan Administrator.” Both Parts have detailed instructions informing the recipient to whom responses are due depending on varying circumstances. This ICR addresses the Plan Administrator’s responsibilities under NMSN Regulation to complete Part B of the NMSN, the “Plan Administrator Response,” pursuant to the CSPIA and section 609(a)(5)(C) of Title I of ERISA.

2022 Changes

The Department is revising Part B of the NMSN. The Department is proposing to require that the addendum to Part B of the NMSN, previously only for those using e-NMSN, be included for all Part B notices.¹ The changes to the form itself are generally formatting changes and additional spaces intended to facilitate completion of the notice and conform to similar changes made to Part A. Specific changes include check boxes added to the Plan Administrator Response, expanded space on the Form to allow for the identification of up to eight children, and minor text edits for clarity. An addendum provides additional space to identify insurance provider information and to list the children that are no longer eligible for coverage because they are above the age at which dependents are eligible for coverage under the plan. Spaces are also added for email contact information for both the issuing agency and the plan administrator. Finally, Department add an instruction that the Plan Administrator Response must be returned to the child support agency that issued the Form, so as to avoid parties inadvertently providing the response to the Department of Labor.

- 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.**

State agencies issue the NMSN as a means of enforcing the health care coverage provisions in a child support order. The NMSN is a third-party disclosure that affects group health plans, employers who sponsor the group health plans, participants or employees who could be participants in the plans, children of such participants or employees (and, indirectly, their parent or guardian who is not the participant or employee), and state agencies that administer child support enforcement programs.

The “Plan Administrator Response” in Part B of the NMSN requires the Plan Administrator to provide information verifying whether the child is or will be receiving

¹ The Health and Human Services e-NMSN system is available for use to transmit NMSN orders electronically between employers, plan administrators, and states.

National Medical Support Notice — Part B
OMB Number 1210-0113
OMB Expiration Date: 10/31/2022

health care coverage from the group health plan. If enrollment has already occurred or can begin immediately, the Plan Administrator’s response in Part B serves as notice to the state agency, the participant (parent), the child (or their non-participant parent or guardian) and the employer that the child is or will begin receiving dependent health care coverage pursuant to the group health plan. When the child is eligible for more than one coverage option, the Administrator must first send the Part B response to the state agency so that the agency may choose one option. The Plan Administrator must also use the Part B response to notify all of the above-affected persons of any waiting period before enrollment of the child can occur.

When appropriate, the Plan Administrator must indicate on the notice why the NMSN is not a QMCSO, and notify all of the above-affected parties, except the employer, of the reasons for the determination. Because the regulation specifies that the NMSN is deemed a “Medical Child Support Order,” the Plan Administrator is limited to a finding of “not qualified” due to any one of the following: the notice lacks identification of the child or participant; unavailability of the employee or participant, or of their mailing address; or that a child named in the NMSN is over the age for dependent coverage.

2022 Changes

The Department is revising Part B of the NMSN. The Department is proposing to require that the addendum to Part B of the NMSN, previously only for those using e-NMSN, be included for all Part B notices.² The 2022 notice changes some formatting and adds additional spaces for clarifying information. The Plan Administrator Response received new check boxes, additional space for identifying children, and minor text edits. An addendum, which is new for those not using e-NMSN, was added to provide insurance provider information and identify children that had become age-ineligible for coverage under their plan. Contact information for the issuing agency and plan administrator was also added. Finally, clarifying instructions were added to assist filers in submitting the response to the correct agency.

- 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 for using information technology to reduce burden.**

Nothing in the statute or regulation prescribes how communication of information should take place, leaving the parties free to determine whether or not to use electronic means of

² The Health and Human Services e-NMSN system is available for use to transmit NMSN orders electronically between employers, plan administrators, and states.

National Medical Support Notice — Part B
OMB Number 1210-0113
OMB Expiration Date: 10/31/2022

communication, consistent with their capabilities, business practices, and mutual agreements.

The Health and Human Services e-NMSN system is available for use to transmit NMSN orders electronically between employers, plan administrators, and states. Its use is not required, but its use reduces costs, increase efficiency, and reduce paperwork.

In addition to the extent that the information collection is a third-party disclosure, respondents may use electronic methods of communication pursuant to the standards established in the Department's regulation at 29 C.F.R. § 2520.104b-1(c) concerning plans' use of electronic communication media to satisfy ERISA disclosure requirements. That regulation provides that plan sponsors and administrators may distribute notices to employees who have access to e-mail at the place of business. In addition, notices may be distributed electronically to employees or their family members who are beneficiaries if they have electronic access at their homes and give prior approval to this type of distribution. Part B of the "Instructions to the Plan Administrator" have been modified to clarify that the plan administrator may provide electronic notices to the custodial parent, child, and/or participant that are required pursuant to the NMSN, provided that the administrator complies with the Department's electronic disclosure regulations, at 29 CFR 2520.104b-1(c).

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 2 above.

This information collection standardizes an exchange of information that had already been taking place, before promulgation of the NMSN Regulation, in accordance with private agreements, federal and state statutes governing the inclusion of health care coverage in child support agreements, and ERISA, but which had frequently not functioned as intended prior to the implementation of this uniform process. As such, the collection of information pursuant to the NMSN constitutes a modification and improvement of information already available, but which had not been easily collected and distributed to interested persons.

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

The NMSN Regulation creates a standardized process to replace the varying processes that were already in place in 50 states and four protectorates. This information collection does not affect small businesses differently from large ones, except to the extent that the employer's size affects the probability of receiving a notice and the likelihood that an

National Medical Support Notice — Part B
OMB Number 1210-0113
OMB Expiration Date: 10/31/2022

employer will offer a group health plan. The NMSN Regulation simplifies, standardizes, and streamlines pre-existing processes and therefore reduces the burden of compliance for all affected parties, including small business or other small entities.

6. Describe the consequence to 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.

Development of a standardized notice was required by CSPIA. Only the information specified in the statute and considered necessary to implement coverage as intended under the statute has been made part of the NMSN. If this information collection were not conducted, previously existing inefficiencies in communications about child medical support orders between and among states, parents, employers, and group health plans would have likely continued. Specifically, children required under a divorce settlement agreement or a state-issued support order to be covered by the employer-sponsored health plan of a working parent would not be provided with coverage.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

- **requiring respondents to report information to the agency more often than quarterly;**
- **requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;**
- **requiring respondents to submit more than an original and two copies of any document;**
- **requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;**
- **in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;**
- **requiring the use of a statistical data classification that has not been reviewed and approved by OMB;**
- **that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or**
- **requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.**

National Medical Support Notice – Part B
OMB Number 1210-0113
OMB Expiration Date: 10/31/2022

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

- 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. Specifically address comments received on cost and hour burden.**

Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Consultation with representatives of those from whom information is to be obtained or those who must compile records should occur at least once every 3 years -- even if the collection of information activity is the same as in prior periods. There may be circumstances that may preclude consultation in a specific situation. These circumstances should be explained.

The Department's notice soliciting public comment and providing 60 days for that purpose as required by 5 CFR 1320.8(d) was published in the Federal Register on April 20, 2022 (87 FR 23570). Three comments were received on the revision of the NMSN Part B notice. The Department has addressed these comments. The Department's responses to the comments are in the chart included as a Supplementary Document in the ICR.

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

No payments or gifts were provided to respondent.

- 10. Describe any assurance of confidentiality provided to respondents and the basis for**

National Medical Support Notice — Part B
OMB Number 1210-0113
OMB Expiration Date: 10/31/2022

the assurance in statute, regulation, or agency policy.

There is no assurance of confidentiality provided to respondents.

- 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.

- 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 conduct special surveys to obtain information on which to base hour burden estimates. Consultation with a sample (fewer than 10) of potential respondents is desirable. If the hour burden on respondents is expected to vary widely because of differences in activity, size, or complexity, show the range of estimated hour burden, and explain the reasons for the variance. Generally, estimates should not include burden hours for customary and usual business practices.**
 - **If this request for approval covers more than one form, provide separate hour burden estimates for each form and aggregate the hour burdens in Item 13.**
 - **Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories. The cost of contracting out or paying outside parties for information collection activities should not be included here. Instead, this**

National Medical Support Notice — Part B
OMB Number 1210-0113
OMB Expiration Date: 10/31/2022

cost should be included in Item 14.

The Department's new requirement that the addendum to Part B of the NMSN be included for all Part B notices will increase the hour and cost burden compared to the currently approved version of the NMSN Part B notice. The Department now requires that the addendum to Part B of the NMSN, previously only for those using e-NMSN, be included for all Part B notices. The addendum provides additional space to identify insurance provider information and to list the children that are no longer eligible for coverage because they are above the age at which dependents are eligible for coverage under the plan. States may need to incur burden to program their system to add an addendum. The Department does not know which states may need to do additional work or the burden for the states to make the changes. The Department estimates that it would take 10 minutes per notice for a plan administrator, who was previously not using the e-NMSN, to provide the information in the addendum.

The Department has developed estimates of the number of NMSNs that will require responses from Plan Administrators under the NMSN Regulation, the number of responses, and the time required to respond, as described below. For purposes of this analysis, the Department has assumed that all NMSN responses will be prepared and distributed by Plan Administrators using their own resources. The burden of time spent in these activities is therefore accounted for as hour burden in this item 12. Additional costs are described in item 13, below.

The Office of Child Support Enforcement (CSE) in the Department of Health and Human Services (HHS) reports an estimated 4.9 million National Medical Support Notices (NMSNs) were sent. Based on Bureau of Labor Statistics (BLS) estimates, 4.1 million of these NMSNs would be sent to the private sector. Assuming that 52.4 percent of the individuals named in those NMSNs (the parent who is named as an employee of the employer) are no longer employed by the named employer, only 2 million NMSNs will relate to current employees of the employers to whom they were sent. Calculations based off the 2020 Medical Expenditures Panel Survey, Insurance Component (MEPS-IC)

National Medical Support Notice – Part B
OMB Number 1210-0113
OMB Expiration Date: 10/31/2022

further suggest that, given insurance offer and eligibility rates of firms that offer family health plans to their employees, only 69 percent of the 2 million NMSNs that relate to current employees, or 1.4 million NMSNs will be forwarded to 381,290 group health plans, whose Plan Administrators would then be required to make a Part B determination and respond as required in the Part B instructions.

It is assumed that all NMSNs sent to Plan Administrators will require 4 responses, that is, one response to each of the following parties: the issuing state agency, the employer, the non-employee/parent, and the employee/parent. However, certain NMSNs may require additional responses because the affected group health plan may offer multiple coverage options or impose a waiting period before coverage becomes effective. In either of those cases, the NMSN Regulation requires all parties must be separately notified. Based on the 2020 MEPS-IC, 73 percent of the annually issued NMSNs are expected to be sent to plans with multiple options and 81 percent are expected to be sent to plans with waiting periods. The Department assumes that a Plan Administrator will send only one additional response to a NMSN even if the group health plan has both a waiting period and multiple plan options, and so it is assumed that only 81 percent of the NMSNs will be affected by this requirement, increasing the annual number of Part B Plan administrator's responses by approximately 1 million to 2.4 million total.

The Department estimates that 97 percent of participants live in states that do not use the e-NMSN.³ Thus, the Department estimates the total annual hour burden to Plan Administrators preparing the addendum will be 397,033 hours.⁴ The equivalent cost of this hour burden, assuming a rate of \$55.23 per hour for administrative assistant time, is \$21,928,133.⁵

To help minimize burden on the states a transition period of one year is being provided where the current or the new versions of the notice can be used in order to allow states time to make needed changes.

Since preparing the response requires only filling out a form, photocopying said form, preparing envelopes and mailing the responses to the issuing agency, employer,

³ According to the Department of Health and Human Services, Virginia is the only state that uses the e-NMSN. Thus, $[324.5 \text{ million (total population)} - 8.3 \text{ million (Virginia population)}] / 324.5 \text{ million} = 97 \text{ percent}$. Source: Employee Benefits Security Administration. "Health Insurance Coverage Bulletin: Abstract of Auxiliary Data for the March 2020 Annual Social and Economic Supplement to the Current Population Survey." (Sept. 2021).

⁴ $2,455,874 \text{ notices} \times 0.97 \times 10 \text{ minutes} = 397,033 \text{ hours}$

⁵ $2,455,874 \text{ notices} \times 0.97 \times 10 \text{ minutes} \times \$55.23 = \$21,928,133$

National Medical Support Notice – Part B
OMB Number 1210-0113
OMB Expiration Date: 10/31/2022

employee/parent and non-employee/parent, it is believed those tasks will require 20 minutes of an administrative assistant’s time per response. Finally, it is assumed that all parties perform the necessary tasks themselves, rather than by paying fees for services.

The Department estimates the total annual hour burden to Plan Administrators preparing the response will be 818,625 hours.⁶ The equivalent cost of this hour burden, assuming a rate of \$55.23 per hour for administrative assistant time,⁷ is \$45,212,640.⁸

The total hour burden for this information collection is 1,215,658 hours with an equivalent cost of \$67,140,773.

Estimated Annualized Respondent Cost and Hour Burden

Activity	No. of Respondents	No. of Responses per Respondent	Total Responses	Average Burden (Hours)	Total Burden (Hours)	Hourly Wage Rate	Total Burden Cost
Notice	381,290	6.44	2,455,874	0.333	818,625	\$55.23	\$45,212,640
Addendum	381,290	6.25	2,382,198	0.16	397,033	\$55.23	\$21,928,133
Total	381,290	50.75 ⁹	19,352,287*	-	1,215,658	-	\$67,140,773

As discussed in Question 13, the total number of responses to NSMNs is 19,352,287 (2,455,874 + 2,382,198 notices x 4 copies).

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information. (Do not include the cost of any hour burden shown in Items 12 or 14).

Additional costs on both the states and the plan administrators attributable to the ICR arise from materials and mailings. The plan administrator sends the Part B notices to the

⁶ 2,455,874 notices x 20 minutes = 818,625 hours

⁷ Internal DOL calculation based on 2020 labor cost data. For a description of the Department’s methodology for calculating wage rates, see <https://www.dol.gov/sites/dolgov/files/EBSA/laws-and-regulations/rules-and-regulations/technical-appendices/labor-cost-inputs-used-in-ebsa-opr-ria-and-pra-burden-calculations-june-2019.pdf>.

⁸ 2,455,874 notices x 20 minutes x \$55.23 = \$45,212,640

⁹ 19,352,287 responses/ 381.290 = 50.75

National Medical Support Notice — Part B
OMB Number 1210-0113
OMB Expiration Date: 10/31/2022

state agency, the participant (parent), the child (or their non-participant parent or guardian) and the employer. Currently, one state uses the e-NMSN.

For states in which the parents/child or guardian will receive a notification via paper mailing, the Department estimates the total annual burden for distribution of Plan Administrator responses to NMSNs will be approximately \$3.2 million.¹⁰ This figure is derived by multiplying the assumed unit cost of \$0.63 for materials and mailing by the 9,823,496 paper responses¹¹ and the 52.5 percent sent via mail.

The Department estimates the total annual burden for distribution of Plan Administrator responses to the addendum will be approximately \$3.2 million.¹² This figure is derived by multiplying the assumed unit cost of \$0.63 for materials and mailing by the 9,823,496 responses, the 97 percent of participants living in states not using the e-NMSN, and the 52.5 percent sent via mail. Plan Administrators will mail the addendum annually.

The total cost burden for this information is \$6,400,769.

- 14. Provide estimates of annualized cost to the Federal government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operational expenses (such as equipment, overhead, printing, and support staff), and any other expense that would not have been incurred without this collection of information. Agencies also may aggregate cost estimates from Items 12, 13, and 14 in a single table.**

None. The cost of e-NMSN is accounted for by HHS.

- 15. Explain the reasons for any program changes or adjustments reporting in Items 13 or 14.**

The Department is proposing to require that the addendum to Part B of the NMSN, previously only for those using e-NMSN, be included for all Part B notices. The increase in hour and cost burden for this submission reflect the change being proposed by the Department that all plan administrators prepare and mail the addendum. The estimates also reflect updated wage rates, health insurance data, postage costs, and plan data. As a result, the number of responses increased by 8,805,916 the hour burden increased by 336,794 hours and cost burden by \$3,078,662. The changes to the form itself are generally formatting changes and additional spaces intended to facilitate completion of

¹⁰ 9,823,497 responses x 52.5 percent sent on paper x \$0.63 = \$3,249,121

¹¹ 2,455,874 notices x 4 copies = 9,823,496 paper responses

¹² 9,823,497 responses x 97 percent of participants living in states not using the e-NMSN x 52.5 percent sent on paper x 1 page x \$0.63 = \$3,151,648

National Medical Support Notice — Part B
OMB Number 1210-0113
OMB Expiration Date: 10/31/2022

the notice and conform to similar changes made to Part A.

- 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 of information, completion of report, publication dates, and other actions.**

Not applicable; results will not be published.

- 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.**

The OMB expiration date will be published in the Federal Register following OMB approval.

- 18. Explain each exception to the certification statement identified in Item 19.**

Not applicable; no exceptions to the certification statement.

B. COLLECTIONS OF INFORMATION EMPLOYING STATISTICAL METHODS

Not applicable.