

## SUPPORTING STATEMENT - PART A

### Implementation of the Military Health System Modified Payment and Waiver Program

#### 1. Need for the Information Collection

Section 716 of the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 (FY2023 NDAA), "Improvements to Processes to Reduce Financial Harm Caused to Civilians for Care Provided at Military Medical Treatment Facilities," substantially amended section 1079b of title 10, United States Code. With the objective of preventing serious financial harm, the amended statute mandates that the Department of Defense (DoD) apply a sliding scale or catastrophic waiver discount to medical bills of eligible civilian patients who are not entitled beneficiaries of DoD's Military Health System (MHS), but who receive healthcare at DoD military medical treatment facilities (MTFs). The amended statute also grants the Director of the Defense Health Agency discretionary authority to grant waivers to medical bills in certain instances. To fulfill the requirements of Section 716, the DoD is implementing the MHS Modified Payment and Waiver Program (MPWP).

The MHS MPWP offers civilian (non-beneficiary) patients the opportunity to apply for the sliding scale/catastrophic waiver discounts and to demonstrate their eligibility for the discounts and/or waiver.

These information collections will assist the DoD in determining the eligibility of an individual for discounts to their medical bill and/or a waiver of their medical bill.

These forms are associated with proposed rule, "Medical Billing for Healthcare Services Provided by Department of Defense Military Medical Treatment Facilities to Civilian Non-Beneficiaries" (RIN 0720-AB87).

a. DD Form 3201, "Request for Medical Debt Discount, Military Health System Modified Payment and Waiver Program": This information collection will assist the Department of Defense (DoD) in determining the eligibility of an individual for the MHS MPWP.

b. DD Form 3201-1, "Request for Medical Debt Waiver, Military Health System Modified Payment and Waiver Program": The 10 U.S.C. 1079b statute grants the Director of the Defense Health Agency with discretionary authority to grant waivers to medical bills in certain instances. Accordingly, the DD Form 3201-1 may be used by non-beneficiary patients to apply for a waiver.

#### 2. Use of the Information

The DoD will use the information collected to determine a patient's eligibility for a discount and/or waiver of their accounts via the MHS MPWP.

a. DD Form 3201: This information is collected by MTF administrative support staff, including but not limited to, admissions clerks, billing staff, financial counselors, patient registration and scheduling clerks, and clinic staff, from non-beneficiaries at the time of

admission and/or outpatient visit to the MTF (i.e., at point of service) or within 90 days of receiving the MTF's medical bill. The patient (respondent) fills out the DD Form 3201, "Request for Medical Debt Discount, Military Health System Modified Payment and Waiver Program," manually, on paper, or electronically.

Once the form is completed by the patient, manually or electronically, it will be submitted by the patient to the address stated on the patient's invoice, along with supporting documents requested on the DD Form 3201 (such as the patient's last two paystubs). Using the information provided on the form, the billing office will enter the patient's household income, size of household, and amount of the medical bill into the MHS MPWP calculator in order to determine whether the patient is eligible for a discount. If the patient is eligible, the billing office will generate an adjusted medical bill and send it to the patient. If the patient is not eligible, the billing office will send written correspondence to the patient, informing them that they are not eligible for the discount program and of their right to reapply should their financial circumstances change (see attached sample memo). Processing of the application will be annotated on the last page of the application. The application will be filed in the billing office's official records.

For patients that are determined to be eligible for the MHS MPWP discounts, the patient will be required to repay any remaining balances by installment. If they default on payments, their account will be transferred to collections at the Department of the Treasury's Cross-Servicing Next Generation (CSNG) on the 121<sup>st</sup> day of delinquency. When transferring the account to CSNG, the patient's Social Security Number (SSN) and address will be relayed to CSNG.

b. DD Form 3201-1: For patients who are approved for waivers (not discounts) under the Director of the Defense Health Agency's discretionary authority, the waived amount, along with the patient's SSN and address, will be relayed to the IRS.

### 3. Use of Information Technology

We anticipate that applicants to the MHS MPWP will complete their applications electronically at least 95 percent of the time.

### 4. Non-duplication

The information obtained through this collection is unique and is not already available for use or adaptation from another cleared source.

### 5. Burden on Small Businesses

This information collection does not impose a significant economic impact on a substantial number of small businesses or entities.

### 6. Less Frequent Collection

Civilian non-beneficiary patients who are provided care at MTFs and face financial hardship stemming from their MTF medical bill may apply for the MHS MPWP for up to 90 days after receiving their medical bill. Since this is a new program, we cannot predict how many applications we will receive nor their actual frequency, however, based on experience, over 8,000 civilian non-beneficiaries are treated annually at MTFs, therefore we anticipate information collection occurring weekly.

7. Paperwork Reduction Act Guidelines

This collection of information does not require 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

The Department is providing notice and soliciting comments for this information collection via the notice of proposed rulemaking for the associated proposed rule, “Medical Billing for Healthcare Services Provided by Department of Defense Military Medical Treatment Facilities to Civilian Non-Beneficiaries” (RIN 0720-AB87).

Part B: CONSULTATION

No additional consultation apart from soliciting public comments through the Federal Register has been conducted for this submission.

9. Gifts or Payment

No payments or gifts are being offered to respondents as an incentive to participate in the collection.

10. Confidentiality

A Privacy Act Statement is located at the top of the DD Form 3201 and DD Form 3201-1.

The following SORN is associated with this collection:

- EDTMA 04, “Medical/Dental Claim History Files,” (October 27, 2015, 80 FR 65720). <https://dpcl.d.defense.gov/Privacy/SORNsIndex/DOD-wide-SORN-Article-View/Article/570707/edtma-04/>

The following PIA is associated with this collection:

- Defense Healthcare Management System Modernization Electronic Health Record (DHMSM EHR)/MHS GENESIS,

<https://health.mil/Reference-Center/Forms/2019/09/30/PIA-Summary-DHMSM-EHR>

## Records Retention and Disposition Schedule:

FILE NUMBER: 911-01

FILE TITLE: TRICARE Contractor Claims Records

FILE DESCRIPTION: These files consist of any record acquired or used by the fiscal intermediary and/or contractor in the development and processing of TRICARE CHAMPVA claims. These records include but are not limited to: claims (TRICARE claims or other forms approved by TRICARE) receipts (itemized statements); medical reports (operative or daily nursing notes, lab results, etc.) authorization forms; non-availability statements; certifications of eligibility; double coverage information; completed third party liability (guardianship); peer reviews and other correspondence that support payments to beneficiaries, physicians, and other suppliers of service under TRICARE. Includes the following database:

- TRICARE Latin America and Canada (TLAC) Claims Database Master File: Information system used for analyzing claims processed by Defense Health Agency (formerly TRICARE). Included are claim receipts, medical reports, authorization forms, non-availability statements, certifications of eligibility, double coverage information, completed third party liability, peer reviews and other correspondence that support payment to beneficiaries, physicians, and other suppliers of service.
- Third Party Outpatient Collection System (TPOCS): Information system that enables the collection, tracking, and reporting of data required for the outpatient billing process. Records include Employer Information (i.e. name, address, policyholder POC); Insurance Policy data (i.e. policy number, group number, group name, effective date, policy category, insurance company, insurance type, policy holder, drug coverage data); Accounting data (i.e. control number, transaction code, debit amount, credit amount, check number, Batch posting number, balance, patient identification, patient name, encounter date, comments, entry date, follow-up date).

DISPOSITION: Temporary. Cut off at end of the calendar year in which received. Destroy 10 years after cutoff.

AUTHORITY: DAA-0330-2014-0014-0001”

## 11. Sensitive Questions

The following questions of a sensitive nature are being asked:

- Collection of Social Security Number (to include only the last four digits)
- Personal Financial Information

The collection of this sensitive information is required for IRS reporting and for debt collection activities.

A Social Security Number Justification Memo is included as part of this package and applies only to the DD Form 3201 as DD Form 3201-1 does not collection Social Security Number.

## 12. Respondent Burden and its Labor Costs

For the DD Forms 3201 and 3201-1:

Part A: ESTIMATION OF RESPONDENT BURDEN			
1)	Collection Instrument:	DD Form 3201	DD Form 3201-1
a)	Number of Respondents:	2160	1080
b)	Number of Responses Per Respondent:	1	1
c)	Number of Total Annual Responses:	2160	1080
d)	Response Time: (minutes)	4	4
e)	Respondent Burden Hours:	144	72
2)	Total Submission Burden		
a)	Total Number of Respondents:	2160	1080
b)	Total Number of Annual Responses:	2160	1080
c)	Total Respondent Burden Hours:	144	72
Notes			
DD form 3201: Approximately 8,000 civilian non-beneficiary patients are treated at DoD MTFs annually. The U.S. Census Bureau estimates that 27 percent of Americans are uninsured. Based on that estimate, we anticipate that 2,160 (or 27 percent of 8,000) patients will not have insurance and may face serious financial harm stemming from MTF medical bills. We anticipate that those uninsured individuals will apply for the MHS MPWP each year.			
DD Form 3201-1: Of the 2,160 anticipated applicants to the MHS MPWP program, we anticipate that most will receive a substantially discounted medical bill. However, this estimate is prepared with a worst-case scenario in which half of the applicants desire to apply for a waiver.			

Part B: LABOR COST OF RESPONDENT BURDEN			
1)	Collection Instrument:	DD Form 3201	DD Form 3201-1
a)	Number of Total Annual Responses:	2160	1080
b)	Response Time: (minutes)	4	4
c)	Respondent Hourly Wage:	\$ 33.58	33.58
d)	Labor Burden per Response:	\$ 2.239	\$ 2.239
e)	Total Labor Burden:	\$ 4,835.52	\$ 2,417.76
2)	Overall Labor Burden		
a)	Total Number of Annual Responses:	2160	1080
b)	Total Labor Burden:	\$ 4,835.52	\$ 2,417.76
Notes			
Source: <a href="http://www.bls.gov/web/empsit/cesesummary.htm">http://www.bls.gov/web/empsit/cesesummary.htm</a> (Bureau of Labor Statistics national average hourly wage for all employees June 2023)			

13. Respondent Costs Other Than Burden Hour Costs

RESPONDENT COSTS OTHER THAN BURDEN HOUR COSTS		
Annualized costs include: Costs for respondents to mail the completed forms	DD Form 3201	DD Form 3201-1
Stamp cost:	\$ 0.66	\$ 0.66
Respondents:	2160	1080
Total Stamp Costs:	\$ 1,425.60	\$ 712.80
Envelope cost:	\$ 0.24	\$ 0.24
Total Envelope Costs:	\$ 518.40	\$ 259.20
TOTAL COSTS:	\$ 1,944.00	\$ 972.00
Notes		
Source: United States Postal Service, <a href="https://store.usps.com/store/results/shipping-supplies/_/N-7d0v8v#content">https://store.usps.com/store/results/shipping-supplies/_/N-7d0v8v#content</a>		

14. Cost to the Federal Government

Part A: LABOR COST TO THE FEDERAL GOVERNMENT			
1)	Collection Instrument:	DD Form 3201	DD Form 3201-1
a)	Number of Total Annual Responses:	2160	1080
b)	Processing Time per Response: (minutes)	10	4
c)	Hourly Wage of Worker(s) Processing Responses:	\$ 17.28	\$ 17.28
d)	Cost to Process Each Response:	\$ 2.88	\$ 1.152
e)	Total Cost to Process Responses:	\$ 6,220.80	\$ 1,244.16
2)	Overall Labor Burden to the Federal Government		
a)	Total Number of Annual Responses:	2160	1080
b)	Total Labor Burden:	\$ 6,220.80	\$ 1,244.16
Notes			
Source: 2023 GS Pay Scale at GS-06, Step 1 ( <a href="https://federaljobs.net/salarybase/#Base_Rate_Chart">https://federaljobs.net/salarybase/#Base_Rate_Chart</a> )			

Part B. OPERATIONAL AND MAINTENANCE COSTS			
1)	Cost Categories	DD Form 3201	DD Form 3201-1
a)	Equipment:	\$ -	\$ -
b)	Printing: \$0.15 (printing adjusted medical bills)	\$ 324.00	\$ 162.00
c)	Postage: \$0.66	\$ 1,425.60	\$ 712.80

d)	Software Purchases:	\$ -	\$ -
e)	Licensing Costs:	\$ -	\$ -
f)	Other (Envelope): \$0.24	\$ 518.40	\$ 259.20
2)	Total Operational and Maintenance Cost	\$ 2,268.00	\$ 1,134.00
Notes			
Source: Printing per page cost ( <a href="https://www.ecfr.gov/current/title-32/subtitle-A/chapter-I/subchapter-N/part-286/subpart-E/section-286.12">https://www.ecfr.gov/current/title-32/subtitle-A/chapter-I/subchapter-N/part-286/subpart-E/section-286.12</a> ). Postage costs: United States Postal Service, <a href="https://store.usps.com/store/results/shipping-supplies/_/N-7d0v8v#content">https://store.usps.com/store/results/shipping-supplies/_/N-7d0v8v#content</a> .			

Part C: TOTAL COST TO THE FEDERAL GOVERNMENT			
		DD Form 3201	DD Form 3201-1
1)	Total Labor Cost to the Federal Government:	\$ 6,220.80	\$ 1,244.16
2)	Total Operational and Maintenance Costs:	\$ 2,268.00	\$ 1,134.00
3)	Total Cost to the Federal Government:	\$ 8,488.80	\$ 2,378.16

15. Reasons for Change in Burden

This is a new collection with a new associated burden.

16. Publication of Results

The results of this information collection will not be published.

17. Non-Display of OMB Expiration Date

We are not seeking approval to omit the display of the expiration date of the OMB approval on the collection instrument.

18. Exceptions to "Certification for Paperwork Reduction Submissions"

We are not requesting any exemptions to the provisions stated in 5 CFR 1320.9.