

## **SUPPORTING STATEMENT**

### **HEALTH INSURANCE CLAIM FORM 1240-0044 (OWCP-1500)**

This Information Collection Request is looking to extend the currently approved ICR to incorporate regulatory updates implementing the Energy Employees Occupational Illness Compensation Program Act of 2000 (EEOICPA), 42 U.S.C. 7384.

#### **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 - administered by the Division of Federal Employees' Compensation Program; the Black Lung Benefits Act (BLBA), 30 U.S.C. 901 - administered by the Division of Coal Miner Workers' Compensation Program; and the Energy Employees Occupational Illness Compensation Program Act of 2000 (EEOICPA), 42 U.S.C. 7384 administered by the Division of Energy Employees Occupational Illness Compensation Programs. All three of these statutes require that OWCP pay for medical treatment of beneficiaries; BLBA also requires that OWCP pay for medical examinations and related diagnostic services to determine eligibility for benefits under that statute. In order to determine whether billed amounts are appropriate, OWCP needs to identify the patient, the injury or illness that was treated or diagnosed, 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-1500 for medical bills submitted by certain physicians and other providers (20 CFR 10.801, 20 CFR 725.704, 30.701, 725.405, 725.406(e), 725.701 and 725.715).

**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-1500 is used by OWCP and contractor bill payment staff to process bills for medical services provided by medical professionals other than medical services provided by hospitals, pharmacies and certain other medical providers. To consider the appropriateness of the requested payment in a timely fashion, it is essential that provider 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. Form OWCP-1500 therefore includes the standard billing form (Form CMS-1500) for medical professionals used by Centers for Medicare and Medicaid Services, Tricare, Department of Veteran Affairs and most private health insurance carriers. However, since OWCP only needs some of the information requested by the CMS-1500 to

process bills submitted in the three programs, it does not require providers to respond fully to the CMS-1500 (see instructions for completing Form OWCP-1500).

For diagnostic services needed to determine claimant eligibility under the BLBA, OWCP staff complete the data elements relevant to claimant identification, and pre-code the medical procedures on the OWCP-1500 forms that are sent to the medical professionals who provide specific authorized services related to the benefit determination process. Information collected by these forms that relates to the actual services provided, the dates of services, fees, required medical reports and signatures is submitted by the medical provider.

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, OWCP is 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.**

In accordance with the Government Paperwork Elimination Act, the current Form OWCP-1500 is electronically interactive and is posted on the Internet at <https://www.dol.gov/owcp/dfec/regs/compliance/OWCP-1500.pdf> and <https://owcpmed.dol.gov/>. A provider may complete and submit the form online or print out a paper copy and mail it to OWCP's medical billing contractor. An estimated 22 percent of responses will be filed electronically based on the mean value of data compiled during FY2015 through FY2017 according to OWCP and Contractor bill payment staff that processes the Form OWCP-1500.

**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.**

The information requested through Form OWCP-1500 is not duplicative of any information available elsewhere. The medical providers who use Form OWCP-1500 to bill the programs for their services are the only sources of the required information.

**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-1500 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.

**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.**

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-1500 lends itself to multiple visits or services, the 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.

- **Explain any special circumstances required in the conduct of this information collection, 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 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.**

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. 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.**

A Federal Register notice inviting public comment was published on February 9, 2021 (86 FR 8804). No public comments were received.

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

There are no gifts to respondents. Payments are only for medical services provided under the various acts.

**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 submitted on Form OWCP-1500 are fully protected under the Privacy Act in the following systems of records: DOL/GOVT-1 (for FECA), 81 FR 25776 (Apr. 29, 2016); DOL/OWCP-2 (for BLBA), 81 FR 25858 (Apr. 29, 2016); and DOL/OWCP-11 (for EEOICPA), 81 FR 25868 (Apr. 29, 2016). 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 (as described in paragraph 11 above) on this 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. If this request for approval covers more than one form, provide separate hour burden estimates for each form.

- 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 cost should be included in Item 14.

#### 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 |
|---------------|--------------------|---------------------------------|------------------|------------------------|----------------------|------------------|-------------------|
| OWCP-1500     | 57,099             | 59.217009                       | 3,381,232        | 7/60                   | 394,477              | \$18.08          | \$7,124,255       |
| <b>Totals</b> | <b>57,099</b>      |                                 | <b>3,381,232</b> |                        | <b>394,477</b>       |                  | <b>\$7124,255</b> |

The mean wage rate for billing clerks (based on Bureau of Labor Statistics data, <http://www.bls.gov/oes/current/oes433021.htm>) is estimated to be \$18.06 per hour. Thus, the respondent cost estimate for this collection is \$7,124,255. 394,477 hours x \$18.06 = \$7,124,255.

**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 and 14).**

- The cost estimate should be split into two components: (a) a total capital and start up cost component (annualized over its expected useful life); and (b) a total operation and maintenance and purchase of service component. The estimates should take into account costs associated with generating, maintaining, and disclosing or providing the information. Include descriptions of methods used to estimate major cost factors including system and technology acquisition, expected useful life of capital equipment, the discount rate(s), and the time period over which costs will be incurred. Capital and start-up costs include,

**among other items, preparations for collecting information such as purchasing computers and software; monitoring, sampling, drilling and testing equipment; and record storage facilities.**

- **If cost estimates are expected to vary widely, agencies should present ranges of cost burdens and explain the reasons for the variance. The cost of purchasing or contracting out information collection services should be a part of this cost burden estimate. In developing cost burden estimates, agencies may consult with a sample of respondents (fewer than 10), utilize the 60-day pre-OMB submission public comment process and use existing economic or regulatory impact analysis associated with the rulemaking containing the information collection, as appropriate.**
- **Generally, estimates should not include purchases of equipment or services, or portions thereof, made: (1) prior to October 1, 1995, (2) to achieve regulatory compliance with requirements not associated with the information collection, (3) for reasons other than to provide information or keep records for the government, or (4) as part of customary and usual business or private practices.**

The cost of completing and submitting bills using Form OWCP-1500 is included in the charges submitted by respondents for the services provided. Therefore, respondents experience no operation and maintenance costs.

**14. Provide estimates of the 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), 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 into a single table.**

The estimated costs to the Federal government for collecting the information on Form OWCP-1500 are set out below:

**Printing costs:** There is no printing cost associated with Form OWCP-1500. 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.

**Mailing costs:** Physicians and other providers seeking payment under FECA, BLBA and EEOICPA may obtain copies of Form OWCP-1500 from various sources on the Internet. All forms are downloaded and computer-generated; for these forms, there are no distribution costs.

**Processing/Reviewing costs:**

**FECA:** Under OWCP's contractor medical bill processing system, the contractor cost to process one Form OWCP-1500 is \$3.44. Therefore, the contractor cost to process 2,949,986 forms for the FECA program will be \$10,147,952 (2,949,986 forms x \$3.44/form = \$10,147,952)

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 5% of their time is required for this function. Thus, the cost to provide this review function is \$3,103,360(80 x \$38,792/year (GS 5, step 4 using Salary Table 2017-RUS)) x 5% = \$155,168; 662,568 (12 x \$55,214/year (GS 9, step 2 using Salary Table 2017-RUS)) x 5% = \$33,128; \$155,168 + \$33,128 = \$188,296).

<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/RUS.pdf>

Total FECA processing/review costs: \$10,336,248 (\$10,147,952 + \$188,296).

**BLBA:** OWCP's contractor medical bill processing system processes Forms OWCP-1500 for the BLBA program at a cost of \$3.44 per form. Therefore, the contractor cost to process the estimated 69,084 forms submitted for the DCMWC program will be \$237,649 (69,084 forms x \$3.44/forms = \$237,649).

Three Federal employees in Washington, DC review all OWCP-1500 forms under the BLBA program that suspend out of the bill processing system: a Payment Systems Manager (GS-14, step 7 using Salary Table 2021-DCB) at \$147,034 yearly, an Assistant Payment System Manager (GS-13, step 9 using Salary Table 2021-DCB) at \$131,341 yearly, and a Claims Examiner (GS-11, step 10 using Salary Table 2021-DCB) at \$94,581 yearly.

Approximately 2% of the Payment Systems Manager's time is attributable to this reviewing function. Approximately 40% of the Assistant Payment System Manager's time is attributable to this reviewing function. Approximately 50% of the Claims Examiner's cost is attributable to this reviewing function. The total time attributable to this reviewing function is \$102,768 (\$147,034 x 2% = \$2,941) (\$131,341 x 40% = \$52,536) (\$94,581 x 50% = \$47,291)

<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/DCB.pdf>

Total BLBA Processing/Reviewing costs: \$340,417 (\$237,649 + \$102,768).

**EEOICPA:** OWCP's contractor medical bill processing system processes Forms OWCP-1500 for the EEOICPA program at a cost of \$3.44 per form. Therefore, the contractor cost to process the estimated 362,162 forms submitted for the EEOICPA program will be \$1,245,837 (362,162 forms x \$3.44/forms = \$1,245,837).

Two Federal employees in Washington, DC review all OWCP-1500 forms under the EEOICPA program that suspend out of the bill processing system: a Payment Systems Manager (GS-14, step 5 using Salary Table 2021-DCB) at \$138,866 yearly and an Assistant Payment Systems Manager (GS-13, step 4 using Salary Table 2021-DCB) at \$114,059 yearly. About 40% of their time is attributable to this reviewing function, for a cost of \$92,493 ( $\$138,866 + \$114,059 = \$252,925 \times 40\% = \$101,170$ ).

<https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2021/DCB.pdf>

Total EEOICPA Processing/Reviewing costs: \$1,347,007 ( $\$1,245,837 + \$101,170$ ).

**Total Federal Cost:** \$12,023,672. [ $\$10,336,248$  (FECA processing and reviewing costs) +  $\$340,417$  (BLBA coding and processing costs) +  $\$1,347,007$  (EEOICPA processing and reviewing costs)]

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

The annual time burden increased from 321,455 to 394,477. The burden change is a result of an adjustment made to prior burden calculations.

**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 form.

**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.

