

Information Comparison with Insurance Data

**OMB Information Collection Request
0970 - 0342**

Supporting Statement Part A - Justification September 2023

Type of Request: Revision

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

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 Services (OCSS), states, insurers, and third-party administrators or agents. The information collected for the Insurance Match is necessary to help state child support agencies (“CSAs”) collect past-due support from noncustodial parents.

To facilitate the Insurance Match, OCSS 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 OCSS Debtor File (OMB #0970-0161, Federal Tax Refund Offset, Administrative Offset, and Passport Denial) to identify obligors who owe past-due support. State workers’ compensation agencies and the U.S. Department of Labor also provide OCSS with claim information for collecting past-due child support from noncustodial parents.

State agency and insurer participation in the Insurance Match program is voluntary; however, 13 states 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(a)(9) and (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 approval request is for a revision of a currently approved information collection. An explanation of changes is provided under item #15.

2. Purpose and Use of the Information Collection

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

OCSS compares insurance claim information to information in the Debtor File and forwards “match” results, if any, to the CSA. CSAs 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 obligor 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 OCSS. OCSS compares the information on the insurer’s file to the Debtor File.
- 2.) OCSS 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 OCSS.

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, OCSS 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 OCSS for comparison using Managed File Transfer (MFT) – a secure electronic transmission process, upload a file, or compare an individual claimant or beneficiary information against the OCSS Debtor File via the Child Support Portal (“Portal”) (OMB #0970–0370) prior to making a claim payment. The Portal process for insurers provides a secure, real-time, efficient process to report payment information about claimants.

OCSS also uses technology to minimize CSAs’ 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 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 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

OCSS 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

OCSS 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), OCSS published a notice in the Federal Register at 88 FR 43356 on July 7, 2023. The notice announced OCSS's intention to seek OMB approval of this information collection activity and provided 60-days for the public to submit comments. OCSS did not receive comments.

9. Explanation of Any Payment or Gift to Respondents

In accordance with 42 U.S.C. § 653(e)(2), OCSS provides reasonable reimbursement to state or federal agencies to offset costs to provide OCSS with the information needed to participate in the Insurance Match program. The reimbursement excludes costs for obtaining, compiling, or maintaining the information. OCSS also provides payment to the Insurance Services Office (ISO) according to terms set forth between OCSS 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 services 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 FR 17909 on April 2, 2015, and partially revised at 83 FR 6591 on February 14, 2018, and at 87 FR 3550 on January 24, 2022.

11. Justification for Sensitive Questions

OCSS is required to operate the FPLS to assist states with establishing, modifying, and enforcing child support orders. 42 U.S.C. § 653. Collecting 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 OCSS 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 obligor with past-due child support.

12. Estimates of Annualized Burden Hours and Costs

OCSS estimates 165 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: Quarterly Reporting Electronically	1	4	0.083	0.33	\$55.66	\$18.37
Insurance Match File: Monthly Reporting Electronically	26	12	0.083 ¹	25.90	\$55.66	\$1,441.59
Insurance Match File: Weekly Reporting Electronically	19	52	0.083	82.00	\$55.66	\$4,564.12
Insurance Match File: Daily Reporting Electronically	1	251	0.083	20.83	\$55.66	\$1,159.40
Insurance Match File: Daily Reporting Manually	118	251	0.1 ²	2,961.80	\$55.66	\$164,853.79
Estimated Total Annual Burden Hours				3,090.86		\$172,037.27

OCSS calculated the cost to respondents using the Bureau of Labor and Statistics (BLS) job code for Computer Support Specialists [15-1232] and wage data from May 2022, which is \$27.83 per hour. The change in wage rate resulted in an increase in the total annualized cost from the previous approval. To account for fringe benefits and overhead, OCSS multiplied the hourly rate by two, or \$55.66. (<https://www.bls.gov/oes/current/oes151232.htm>)

The estimated annualized cost to respondents for the hour burden is \$172,037.27 (3,090.86 hours multiplied by \$55.66).

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

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.

File Detail Record (information collection tool); OCSS 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 \$2,730,382, including ISO reimbursement for the costs incurred to conduct the information comparison and return matches to OCSS. Per the terms of a contract between OCSS and ISO, OCSS pays \$9.93 for each match. Total ISO payments may increase or decrease depending on the volume of matches ISO returns. The remaining costs include federal salaries, contractor, and other system costs.

15. Explanation for Program Changes or Adjustments

The Insurance Match instruments underwent minor edits to replace “Office of Child Support enforcement (OCSE)” with “Office of Child Support Services (OCSS)”. These adjustments constitute a program change but do not impact the burden.

The burden hour increased since the previous approval, from 2,817.21 hours to 3,090.86 hours. This adjustment is the result of an increase in the number of new Insurance Match program respondents from 145 to 165 and adding a burden estimate for quarterly reporting respondents. The estimated average amount of time for each response is unchanged.

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 as part of the U.S. Department of Health and Human Services’ 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.