

## Supporting Statement for OMB 2900-XXXX

HEC Form 200-1A, Veteran – Income Verification Response

HEC Form 220-1, Spouse – Income Verification Response

HEC Form 340-1 – Declaration of Representative

HEC Income Verification – Checklist

### A. JUSTIFICATION

- 1. Explain the circumstances that make the collection of information necessary. Identify legal or administrative requirements that necessitate the collection of information.**

Legal authority for this data collection is found under 38 USC, Part I, Chapter 5, Section 527 that authorizes the collection of data that will allow measurement and evaluation of the Department of Veterans Affairs Programs, the goal of which is improved health care for Veterans.

VHA Directive 1909 provides policy for the Income Verification (IV) Program. **AUTHORITY:** 38 United States Code (U.S.C.) 1722; 38 U.S.C. 5317.

Title 38 U.S.C. 1722 established eligibility assessment procedures, based on income levels, for determining whether nonservice-connected (NSC) Veterans and non-compensable zero percent service-connected (SC) Veterans, who have no other special eligibility are eligible to receive Department of Veterans Affairs (VA) health care at no cost. Title 26 U.S.C. 6103 (l)(7) of the Internal Revenue Code, and 38 U.S.C. 5317 establish authority for VA to verify Veterans' gross household income information against records maintained by the Internal Revenue Service (IRS) and Social Security Administration (SSA) when that information indicates the Veteran is eligible for cost-free VA health care.

The IV Program must adhere to stringent confidentiality guidelines set forth by IRS and SSA to ensure appropriate security and safeguarding of FTI. Information received from the income match activity cannot be shared with VA medical facilities. Any breach of security requirements may result in loss of VHA's matching agreements with IRS and SSA. Veteran requests for release of IV financial assessments and related information must be forwarded to HEC for processing.

In accordance with (IAW) VHA Directive 1909, it is VA policy that the Health Eligibility Center (HEC) is responsible for the Income Verification Program, i.e., verifying NSC and non-compensable zero percent SC Veterans' gross household income through computer matching activity with IRS and SSA. The social security numbers (SSNs) of all Veterans and their spouses identified in the financial assessment will be verified under the Social Security Number

Verification Information Exchange Agreement (IEA), between the SSA and VHA HEC, prior to income matching activity with IRS. If IRS and SSA income matching identifies discrepancies in the Veteran's self-reported gross household income information that potentially impacts eligibility for VA health care benefits, HEC must independently verify the IRS and SSA income data. If the Veteran's eligibility for VA health care benefits is changed as a result of the income verification process, HEC will transmit the updated eligibility information to those facilities that provided health services to the Veteran during the applicable income-reporting period. HEC's Income Verification Division (IVD) sends Veterans and spouses, individual letters to confirm income information reported by IRS and SSA. HEC does not change the Veteran's copay status until information supplied by IRS and SSA has been independently verified either by the Veteran or through appropriate due process procedures.

**2. Indicate how, by whom, and for what purposes the information is to be used; indicate actual use the agency has made of the information received from current collection.**

The HEC, IVD uses HEC Form 200-1A (Veteran's Income Verification Response) to collect income verification information, *as applicable*, from the Veteran by requesting the Veteran to verify the listed income on the form as reported to IVD by IRS/SSA, to select the appropriate option on the form relating to the household income, attest to out of pocket medical expenses, attest to sale of primary home real estate and attest to separation from spouse for the income year under the Income Verification Division's review. The Veteran's signature is required on page 2 of HEC Form 200-1A. If the Veteran has medical/health limitations that does not enable the Veteran to physically sign the form with a wet signature, the Veteran must mark an "X" to designate a signature; two witnesses must verify the "X" as the Veteran's signature. HEC, IVD will use the completed HEC Form 200-1A to assist in verifying the Veteran's correct gross household income to ensure the Veteran is placed in the correct priority group for health care. See Enclosure 1.

The HEC, IVD uses HEC Form 220-1 (Spouse's Income Verification Response) to collect income verification information, *as applicable*, from the Veteran's spouse by requesting the spouse to verify the listed income on the form as reported to IVD by IRS/SSA, report any additional income not reported by IRS/SSA and sign and date the form. If the spouse has medical/health limitations that does not enable the spouse to physically sign the form with a wet signature, the spouse must mark an "X" to designate a signature; two witnesses must verify the "X" as the Veteran's signature. HEC, IVD will use the completed HEC Form 220-1 to assist in verifying the Veteran's correct gross household income to ensure the Veteran is placed in the correct priority group for health care. See Enclosure 2.

The HEC, IVD uses the HEC Form 340-1 (Declaration of Representative) for the Veteran and the spouse (if applicable) to appoint a representative, authorizing HEC, IVD to release information to a designated appointee for a specific income year. Such information includes confidential federal tax information, other income, and medical benefits eligibility related information. The Veteran and spouse (if applicable) must sign and date the form. See Enclosure 3.

The HEC, IVD uses the HEC Income Verification – Additional Information Checklist to request from the Veteran any additional information needed to adjudicate the Income Verification case. The Veteran providing the requested information usually results in the best interest to the Veteran. See Enclosure 4.

- 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.**

Presently, data collection for HEC Form 200-1A, HEC Form 220-1, HEC Form 340-1 and the responses to the HEC IV Checklist cannot be accomplished via the web due to Federal Tax Information restrictions. Currently, there is no automated or electronic collection of this information.

- 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.**

The income information listed on HEC Forms 200-1A and 220-1 is received by HEC, IVD from the IRS/SSA through a computer matching agreement. The income figures for the Veteran and spouse are mailed to each of them separately for verification. These figures are duplicated in the Income Verification Matching (IVM) data base. If HEC IVD does not receive a response from the Veteran or spouse, the income information in the data base is considered correct and is used to adjudicate the IV case.

The HEC forms 200-1 and 220-1 and 220-1/2 are mailed to the Veteran and spouse respectively in separate envelopes as a way to for independently verify the income information received from IRS/SSA.

If the Veteran does not respond to the HEC Form 200-1A, included in the initial letter within 30 days, the form is also included in the Non-Response Letter mailed to the Veteran. The information on the form is used to adjudicate the Veteran's Income Verification case. The due process period for case adjudication is 75 days.

If the spouse does not respond to the initial HEC Form 220-1, there are no additional letters mailed.

The HEC Form 340-1 is mailed to the Veteran upon request to complete and return to HEC, IVD. It may also be mailed to the Veteran with a Response Confirmation Letter with Checklist.

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

These forms are used to assist in verification of an individual's gross household income; no small businesses or other small entities are impacted by the information collection.

- 6. Describe the consequences 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.**

If this information is not collected as needed annually from designated Veterans, it could result in the inability to place Veterans in the correct priority group for proper medical care and treatment. Additionally, VA may be responsive to the needs of Veterans if this information is not collected or is collected less frequently.

- 7. Explain any special circumstances that would cause an information collection to be conducted more often than quarterly or require respondents to prepare written responses to a collection of information in fewer than 30 days after receipt of it; submit more than an original and two copies of any document; 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 and require the use of a statistical data classification that has not been reviewed and approved by OMB.**

There are no such special circumstances.

- 8. If applicable, provide a copy and identify the date and page number of publication in the Federal Register of the sponsor'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 sponsor in responses to these comments. Specifically address comments received on cost and hour burden.**

The notice of Proposed Information Collection Activity was published in the Federal Register on January 26, 2017 (Vol. 86, Number 8566, Pages 8566-8567). There were no comments received in response to this notice.

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

Not applicable.

**10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulations, or agency policy.**

IAW HEC, IVD operating procedures, all HEC forms and documents returned to the HEC IVD as a response to requested information will be filed in the Veteran's/spouse's local HEC, IVD case folder. The case folder will be stamped in red ink with "Folder Contains Federal Tax Information." All case folders are secured in a locked file room or file cabinet, located in HEC, IVD.

IAW VHA Directive 1909, paragraph 4g, Release of Information, VA medical facility staff may respond to general inquiries about the IV process. Requests for information specific to Veterans' income verification activity cannot be discussed or shared; therefore, the Veteran must be referred to HEC's toll-free telephone number, 1-800-929-8387 (VETS) for a response. Inquiries from VA medical facility staff may be referred to HEC IVD staff.

In addition to HEC IVD operating procedures and VHA Directive 1909 release of information procedures, the following statement is printed on HEC Form 220-1:

**Privacy Act Information:** VA is asking you to provide the information on this form under Title 38, United States Code, sections 1710, 1712, and 1722 in order to determine your Veteran spouse's eligibility for medical benefits. The information you supply may be verified through a computer matching program. VA may disclose the information that you put on the form as permitted by law. VA may make "routine use" disclosure for: civil or criminal law enforcement, congressional communications, epidemiological or research studies, the collection of money owed to the United States, litigation in which the United States is a party or has an interest, the administration of VA programs and delivery of VA benefits, verification of identity and status, and personnel administration. You do not have to provide the information to VA, but if you do not, we will be unable to process your Veteran spouse's request and serve their medical needs. Failure to furnish the information will not have any effect on any other benefits to which your Veteran spouse may be entitled. If you give VA your Social Security Number, VA will use it to administer your Veteran spouse's VA benefits, to identify Veterans and persons claiming or receiving VA benefits and their records, and for other purposes authorized or required by law.

In addition to HEC IVD operating procedures and VHA Directive 1909 release of information procedures, the following two statements are printed on HEC Form 340-1:

*The VA is required to notify you that this information collection is in accordance with the clearance requirements of section 35074 of the Paperwork Reduction Act of 1995.*

*The execution of the form does not authorize the release of information other than that specifically described below. The information requested on this form is solicited under Title 38 and Title 26 U.S.C. and will authorize release of information you specify. Your disclosure of the information requested on this form is voluntary. However, if the information is not furnished, Department of Veterans Affairs will be unable to comply with the request.*

**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; include 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.**

The personal information requested on these forms is necessary to better serve the Veteran and for the effective delivery of health care. The form shows federal tax information for the Veteran and Veteran's spouse based on the computer matching agreement with IRS/SSA. The forms serve to validate that the information provided by IRS and SSA is accurate and reflect the gross household income for the Veteran and Veteran's spouse. The Veteran is informed of why then information is needed. The Veteran can refuse to respond to the request for information. HEC Form 200-1A and HEC Form 220-1 show financial information relative to a Veteran's gross household income, which may also be considered sensitive. This information is necessary to ensure that the Veteran is placed in the correct priority group for healthcare benefits.

**12. Estimate of the hour burden of the collection of information:**

**a. The number of respondents, frequency of responses, annual hour burden, and explanation for each form is reported as follows:**

HEC Form	Frequency of Mail Out	NO. of Veterans	x No. of Responses	x No. of Minutes to Complete Form		Number of Hours
HEC Form 200-1A	Mailed with Veterans' Initial Letters	178,002	1 = 178,002	30 = 5,340,060	÷ By 60 =	89,001
HEC Form 220-1	Mailed with Spouses' Initial Letters	85,590	1 = 85,590	20 = 1,711,800		28,530
HEC Form 340-1	Mailed to Veterans When Necessary	6,805	1 = 6,805	15 = 102,075		1,701
Checklist	Mailed to Veterans When Necessary	3,044	1 = 3,044	15 = 45,660		761

**b. 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 of OMB 83-I.**

See tables in subparagraph 12a above.

**c. Provide estimates of annual cost to respondents for the hour burdens for collections of information. 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.**

The estimated annual cost to respondents for collection of information based on the Bureau of Labor and Statistics rate is \$2,787,437. The Department of Veterans Affairs does not require any additional recordkeeping.

May 2015 National Occupational Employment and Wage Estimates United States:  
[http://www.bls.gov/oes/current/oes\\_nat.htm](http://www.bls.gov/oes/current/oes_nat.htm)

00-0000	All Occupations	total	137,896,660	0.1%	1000.000	\$17.40	\$23.23	\$48,320	0.1%
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A detailed cost to respondents is provided in the table below.

HEC Form	No. of Burden Hours	Estimated Cost to Respondents (\$24 per hour = Bureau of Labor & Statistics)	Estimated Annual Cost to Respondents
200-1A	89,001	x23.23	\$2,067,493
200-1	28,530	x23.23	\$662,752
340-1	1,701	x23.23	\$39,514
Checklist	761	X23.23	\$17,678
<b>Total</b>	<b>119,993</b>	<b>X23.23</b>	<b>2,787,437</b>

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

There is no capital, start-up, operation or maintenance costs. Cost estimates are not expected to vary widely. The only cost is that of the respondent's time. There is no anticipated recordkeeping burden.

**14. Provide estimates of annual cost to the Federal Government. Also, provide a description of the method used to estimate cost, which should include quantification of hours, operation 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.**

Average annual processing cost per form: \$0.90

HEC Form	No. of Forms Mailed Per Year	Cost per Form (0.90)	Annual Processing Cost
200-1A	178,002	x 0.90	\$160,201.8
200-1	85,590	x 0.90	\$77,031
340-1	6,805	x 0.90	\$6,124.5
Checklist	3,044	X 0.90	\$2,739.6
<b>Total</b>	<b>273,441</b>	<b>x0.90</b>	<b>\$246,097</b>

Direct cost associated with processing HEC Forms 200-1A, 220-1, 340-1, and Checklist. Cost includes staffing, supplies, postage, and maintenance of mailing equipment.

➤ Yearly operating cost for all HEC organizational form divided by the number of forms processed:

○  $(\$386,000 / 427,714 \text{ Forms}) = \$0.90 \text{ per HEC Form}$

➤ Number of HEC Forms 200-1A, 220-1, 340-1 and Checklist mailed in 2015 multiplied by the average processing cost per HEC Form:

○  $273,441 \text{ HEC Forms} \times \$0.90 = \$246,097.00$

The estimated annual cost for HEC Forms 200-1A, 220-1, 340-1 and Checklist to the Federal Government is **\$246,097.00**.

**15. Explain the reason for any program changes or adjustments reported in Items 13 or 14 of OMB 83-1.**

There were no program changes or adjustments reported in Items 13 or 14.

**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.**

VA HEC IVD does not intend to publish data collected.

**17. If seeking approval to omit the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.**

VA seeks to minimize the cost to itself of collecting, processing and using the information by not displaying the expiration date. VA seeks an exemption that waives the displaying of the expiration date on this VA Form. The VA Form may be reproduced by the respondents. Inclusion of the expiration date would place an unnecessary burden on the respondent (since they would find it necessary to obtain a newer version, while VA would have accepted the old one).

**18. Explain each exception to the certification statement identified in Item 19, "Certification for Paperwork Reduction Act Submissions," of OMB 83-I.**

There are no exceptions.