

**COMPUTER MATCHING AGREEMENT
BETWEEN
DEPARTMENT OF DEFENSE, DEFENSE MANPOWER DATA CENTER, STATE
PUBLIC ASSISTANCE AGENCIES, AND
DEPARTMENT OF HEALTH AND HUMAN SERVICES, ADMINISTRATION FOR
CHILDREN AND FAMILIES
FOR VERIFICATION OF CONTINUED ELIGIBILITY FOR BENEFITS THROUGH
THE PUBLIC ASSISTANCE REPORTING INFORMATION SYSTEM (PARIS)
PROGRAM**

**DoD-DMDC No. 86
Projected Effective Date: September 30, 2021**

I. PURPOSE, LEGAL AUTHORITY, AND DEFINITIONS

A. Purpose

Since 1993, the Administration for Children and Families (ACF) within the Department of Health and Human Services (HHS) has worked with State Public Assistance Agencies (SPAAs) and other Federal agencies to identify information-sharing opportunities and to develop and coordinate information-sharing projects which have proven useful in verifying the income of individuals receiving public assistance. In this regard, Congress recognized ACF's successful efforts by enacting Pub. L. 110-379, which amended section 1903(r) of the Social Security Act (the Act) to require States to maintain eligibility determination systems which provide data matching through the Public Assistance Reporting Information System (PARIS) or a successor system. The provision, which is now codified at 42 U.S.C. § 1396b(r), took effect on October 1, 2009.

This agreement re-establishes an existing PARIS matching program between the Defense Manpower Data Center (DMDC) within the Department of Defense (DoD) as the source agency conducting the matches; ACF as the facilitating agency; and each participating SPAA as a non-Federal agency providing data for matching and receiving match results. The purpose of this matching program is to identify individual public assistance clients receiving both (1) Federal compensation or pension benefits and (2) public assistance benefits under Federal programs administered by the states. The matching program is also intended to verify the clients' declarations of income circumstances, as required to determine their eligibility for public assistance benefits. Each participating SPAA will provide DMDC with finder files containing identifying and other data about public assistance applicants or recipients (hereafter referred to as "eligible public assistance clients," or "clients"), which DMDC will match against DoD military and civilian pay files, military retired pay files, and military survivor pay files. (Office of Personnel Management (OPM) civilian retired and survivor pay files will not be used.) DMDC will return matched data to the SPAA, which the SPAA will use to verify individuals' continued eligibility to receive public assistance benefits and, if ineligible, to take such action as may be authorized by law and regulation to ensure fair and equitable treatment in the delivery of and benefits attributable to funds provided by the Federal Government.

This matching agreement sets forth the responsibility of DMDC and the SPAA with respect to

the information exchanged pursuant to this agreement and the responsibility of ACF with respect to facilitating the information exchanges. ACF, in its role as match facilitator, will support each SPAA's efforts to ensure appropriate participation in this matching program and compliance with this agreement's terms by assisting with drafting the necessary agreements and helping arrange signatures to the agreements. Because ACF is not a source or recipient of the data used in this matching program, the HHS Data Integrity Board (DIB) may review, but is not required to approve, this matching program.

This agreement supersedes all existing data exchange agreements or memoranda of understanding between DMDC, SPAAs, and ACF concerning the exchange of data between DMDC and SPAAs, facilitated by ACF, for the purpose of identifying individuals receiving Federal compensation and/or pension payments and payments pursuant to state-administered Federal benefit programs.

B. Legal/Statutory Authority

The legal authority for conducting the matching program is in sections 402, 1137, and 1903(r) of the Social Security Act (the Act), 42 U.S.C. §§ 602, 1320b-7, and 1396b(r).

This agreement is executed to comply with the Privacy Act of 1974, as amended (5 U.S.C. § 552a); and regulations and guidance promulgated thereunder, including OMB Circular No. A-108, "Federal Agency Responsibilities for Review, Reporting, and Publication under the Privacy Act," published at 81 FR 94424 (Dec. 23, 2016); OMB Circular A-130, "Managing Information as a Strategic Resource," published at 61 FR 49689 (July 15, 2016); and OMB guidance pertaining to computer matching, including: "Privacy Act of 1974: Final Guidance Interpreting the Provisions of Public Law 100-503, the Computer Matching and Privacy Protection act of 1988," published at 54 FR 25818 (June 19, 1989). The Privacy Act at 5 U.S.C. § 552a(b)(3) authorizes a Federal agency to disclose information about an individual that is maintained in a system of records, without the individual's prior written consent, when the disclosure is pursuant to a routine use published in a System of Records Notice (SORN) as required by 5 U.S.C. § 552a(e)(4)(D). A published routine use in the applicable DoD system of records notice (SORN) authorizes the disclosures of DoD information that DMDC will make to SPAAs under this agreement.

C. Definitions

- **ACF:** Administration for Children and Families, a component of HHS.
- **CMA: Computer Matching Agreement:** a written agreement between the source agency and the recipient agency (or non-Federal agency) specifying the terms of the matching program.
- **DIB:** Data Integrity Board.
- **HHS:** U.S. Department of Health and Human Services.
- **DMDC:** Defense Manpower Data Center, a component of DoD.

- **DoD:** Department of Defense.
- **Facilitating Agency:** Administration for Children and Families (ACF), a component of HHS.
- **Matching Program:** As defined in the Privacy Act at 5 U.S.C. § 552a(a)(8).
- **Non-Federal Agency:** Each respective SPAA is a non-Federal agency, as defined in the Privacy Act at 5 U.S.C. § 552a(a)(10), which will receive match results from a Department of Defense (DoD) system of records in this matching program.
- **OMB:** Office of Management and Budget.
- **OPM:** Office of Personnel Management.
- **PARIS:** Public Assistance Reporting Information System.
- **Public Assistance:** State-administered Federal benefit programs, including Temporary Assistance for Needy Families (TANF), Medicaid, and the Supplemental Nutrition Assistance Program (SNAP), formerly known as Food Stamps, administered by the U.S. Department of Agriculture.
- **Privacy Act:** The Privacy Act of 1974, as amended, 5 U.S.C. §552a.
- **Source Agency:** The Department of Defense (DoD) is the source agency, as defined by the Privacy Act at 5 U.S.C. § 552a(a)(11), which will disclose match results to each SPAA from a DoD system of records in this matching program.
- **System of Records:** As defined in the Privacy Act at 5 U.S.C. § 552a(a)(5), a system of records is a group of any records under the control of any agency¹ from which information is retrieved by the name of the individual or by some identifying number, symbol, or other identifying particular assigned to the individual.
- **System of Records Notice (SORN):** A notice published in the Federal Register as required by 5 U.S.C. § 552a(e)(4) notifying the public of the existence and character of a new or modified system of records.
- **SNAP:** See “Public Assistance”.
- **SPAAs:** State Public Assistance Agencies participating in this matching program (potential participants listed in Attachment 1).
- **SSN:** Social Security Number.
- **TANF:** See “Public Assistance”.

¹ “Agency” is defined in the Privacy Act at 5 U.S.C. § 552a(a)(1) as meaning agency as defined in the Federal Freedom of Information Act (FOIA) statute at 5 U.S.C. § 552(e) (now § 552(f)), which includes Federal but not State agencies. Specifically, it includes any executive department, military department, Government corporation, Government controlled corporation, or other establishment in the executive branch of the Government (including the Executive Office of the President), or any independent regulatory agency.

II. JUSTIFICATION AND ANTICIPATED RESULTS

A. Cost Benefit Analysis

The cost benefit analysis (Attachment 2) conducted for the PARIS matching programs (consisting of this matching program using DoD data, a related matching program using Department of Veterans Affairs (VA) data, and the interstate data matching program) demonstrates that the matching programs are likely to be cost effective and provides additional qualitative benefits supporting Data Integrity Board approval. See analysis for details.²

B. Other Supporting Justifications

States must verify client circumstances when determining their eligibility for public assistance benefits. The parties to this agreement determined a computer matching program is the most efficient, expeditious, and effective means of obtaining and processing the necessary information to identify individuals who may be ineligible for public assistance benefits (i.e., to verify client declarations of income circumstances). The principal alternative to using a computer matching program for identifying such individuals is to conduct a manual comparison of all DoD pay/retirement/survivor pay files with SPAA records of those individuals currently receiving public assistance under a State-administered Federal benefit program. Conducting a manual match, however, would clearly impose a considerable administrative burden, constitute a greater intrusion of the individual's privacy, and result in additional delay in the eventual recovery of any outstanding debts. By contrast, when using computer matching, the information on successful matches (hits) can be provided within thirty (30) days of receipt of an electronic file of SPAA beneficiaries.

The 2001 Government Accountability Office (GAO) report, Paris Project Can Help States Reduce Improper Payment Benefit Payments (GAO-01-923), projects that if states include Temporary Assistance for Needy Families (TANF), Medicaid and SNAP activities in their matching projects, the gross savings will result in a savings-to-cost ratio of 11:1 (GAO 01-935, pp. 14, 15). All savings are in program dollars, because there is no cost paid by the states to either ACF or DMDC to participate in the matching program.

III. RECORDS DESCRIPTION

A. System of Records

The DoD data provided to SPAAs in this matching program will be disclosed from the system of records identified as DMDC 01, titled "Defense Manpower Data Center Data Base," last

² The estimated State benefits of the PARIS matching programs are based on a 2007 cost-benefit analysis undertaken by HHS/ACF to assess the potential impact of PARIS on state programs system-wide. Although a similar systemic study has not been conducted since, ACF estimates that the current benefits of PARIS are at least as large as the 2007 estimate, in part because of the expansion of the program—in the 2007 analysis there were 40 states participating in PARIS and today all 50 states, the District of Columbia and Puerto Rico participate in PARIS. Costs have been updated with current estimates.

published in full at 84 FR 6383 (Feb. 27, 2019)³, and modified at 84 FR 8698 (Mar. 11, 2019)⁴ and 84 FR 15605 (April 16, 2019)⁵. Routine use “16,” was added in the March 11, 2019 modification and authorizes DMDC’s disclosures of match results to the SPAAs.

B. Number of Records Involved

The DMDC data files in 2019 and 2020 averaged per match approximately 9.0 million records of active duty and retired military members for that two-year period, including the Reserve and National Guard, and active and retired non-postal Federal civilian employees. Employee or retiree records may include information on benefits payable to employee or retiree dependents and/or survivors. During the same two-year period, SPAAs submitted an average of approximately 66.0 million records for matching per match. Similar quantities are anticipated in 2021-23.

C. Specified Data Elements Used in the Match

Each participating SPAA will send DMDC an electronic finder file of information about eligible public assistance clients by established secure portal. The finder files will contain data elements of the client's name, SSN, date of birth, address, gender, marital status, information regarding the specific public assistance benefit being received, and such other data as considered necessary (see “PARIS State Input Record Format”⁶).

DMDC will match the data provided by the SPAA against the DMDC data files, using all nine digits of the SSN. DMDC will then send the resulting "hits" or matches to the SPAA in a reply file by established secure portal. Match results provided to the SPAA will contain data elements of the individual's name; SSN; active or retired status; if active, military service or employing agency name; current work or home address; and such other data as considered necessary (see Attachment 3).

D. Frequency of Data Exchanges

Matching will be conducted when this agreement is effective and thereafter no less frequently than quarterly (anticipated to occur during the first year in November, February, May, and August). On a quarterly basis, one or more of the SPAAs may elect not to participate in a scheduled match.

E. Projected Start and Completion Dates

Projected Effective Date: September 30, 2021

Projected Expiration Date: March 30, 2023 (March 30, 2024, if renewed for one year)

³ <https://www.federalregister.gov/documents/2019/02/27/2019-03390/privacy-act-of-1974-system-of-records>

⁴ <https://www.federalregister.gov/documents/2019/03/11/2019-04372/privacy-act-of-1974-system-of-records>

⁵ <https://www.federalregister.gov/documents/2019/04/16/2019-07531/privacy-act-of-1974-system-of-records>

⁶ <https://www.acf.hhs.gov/paris/state-input-record-format>

IV. NOTICE PROCEDURES

A. Individual Notice

The Privacy Act at 5 U.S.C. § 552a(o)(1)(D) requires an agency to implement procedures for providing individualized notice at the time of application, and periodically thereafter, to applicants for and recipients of financial assistance or payments under Federal benefit programs. The SPAAs will notify all individuals applying for public assistance benefits that the information provided on the application is subject to computer matching with other agencies. The SPAAs will accomplish this by way of a notice included in their application forms or, when necessary, by providing separate handouts containing appropriate language. The SPAAs will provide subsequent notice to their respective benefit recipients by notifying each recipient of the computer matching at the time of completion of a redetermination for eligibility. Since 1988, the application for Federal civilian employment has included a notice advising the applicant that records of Federal civilian employees are subject to computer matching.

B. Constructive Notice

Any deficiencies in providing direct notice of the matching program to affected individuals as provided in paragraph A above are ameliorated by the indirect or constructive notice afforded to record subjects by (1) DoD's publication in the Federal Register of the routine use in the applicable DMDC SORN, as required by subsection (e)(11) of the Privacy Act, and (2) the publication of the matching notice as required by subsection (e)(12) of the Privacy Act, announcing this matching program.

V. VERIFICATION PROCEDURES AND OPPORTUNITY TO CONTEST FINDINGS

A. Independent Investigation

1. The SPAA agrees that the occurrence of a match is not conclusive evidence that the identified Federal personnel are in fact the individuals receiving public assistance benefits, but rather are merely an indication that further examination is warranted.
2. The SPAA is responsible for verifying and determining if the data in the DMDC reply file is consistent with the data in SPAA public assistance files and for resolving any discrepancies or inconsistencies as to positive identification on an individual basis.
3. The SPAA will screen the initial data in the reply file to verify whether the matched individual is, in fact, the public assistance recipient. The SPAA will do this by separately comparing the "hit" file with the SPAA public assistance files to verify the individual's identity and will conduct independent inquiries to resolve questionable identities.

4. Any discrepancies or inconsistencies in SPAA files, based on information furnished by DMDC or developed as the result of the match, will be independently investigated and verified by the SPAA before the SPAA takes any adverse action against the individual.

B. Due Process and Opportunity to Contest

1. Before taking any adverse action based on the information received from the match, the SPAA agrees to provide written notice with specific details to each individual against whom the SPAA decides adverse action may be necessary.
2. Written notices provided by the SPAA will inform the individual that the SPAA received information from DMDC indicating that the individual is receiving a Federal salary/payment/benefit, which may result in either an adjustment or termination of the individual's public assistance benefit; the possible initiation of collection action for any overpayment; and/or possible other administrative/judicial action as authorized by Federal and/or State law or regulation. The notice must clearly explain the information in the agency's possession, its relevance to the individual's eligibility or benefit, and what action the agency will take in the event the individual fails to respond to the letter.
3. If the SPAA intends to reduce, suspend, terminate or deny benefits as a result of information provided from the match, the SPAA must provide notice and the opportunity to respond at a hearing in accordance with 42 CFR 431.200-250 for the Medicaid Program, 7 CFR 273.15 for the Supplemental Nutrition Assistance Program, and state-established procedures for the TANF Program.
4. Written notices provided by the SPAA to each public assistance recipient who may be the subject of adverse action will advise the recipient that the recipient has thirty (30) days in which to respond to the information being provided by the SPAA. However, where relevant program statute(s) or regulation(s) establish a time period more than thirty (30) days for an individual to respond to a notice proposing an adverse action, the SPAA may substitute such other time period. In addition, each individual who may be the subject of adverse action will be further advised by the SPAA that unless a response is received within thirty (30) days from the date on which the written notice was mailed or otherwise provided to the individual (or within the longer specified time period provided by program statute(s) or regulation(s)), the SPAA will infer that the information provided to the individual is accurate and correct and will take appropriate action. Appropriate action may include adjustment to, or termination of, the public assistance benefit; initiation of action to collect any overpayments made; and/or possible instituting of administrative and/or judicial action against the individual.
5. The SPAA will make all final determinations and take such action as is considered warranted and appropriate.

VI. RETENTION AND DISPOSITION OF MATCHED RECORDS

The electronic files provided as part of the matching program will remain the property of the agency furnishing the files and will be destroyed after the matching program is completed and in any event no later than six (6) months after furnishing the electronic file. Destruction will be accomplished by electronic erasure, degaussing, or other means of destruction appropriate to digital records.

A. DoD Retention of Records.

SPAA data received by DMDC to conduct matching will be retained by DMDC for six months. DMDC will retain the reply file (matching hits) of the matching activity for six months.

B. SPAA Retention of Records.

The SPAA will retain the reply file received from DMDC only for the time period required for any processing related to the matching program and then destroy the records unless the information must be retained in an individual's file to meet evidentiary requirements. -In the latter instance, the SPAA will retire identifiable records in accordance with State law or regulation. Information about individuals verified as "non-hits" (i.e., record subjects who are not both Federal compensation/pension beneficiaries and public assistance beneficiaries) will be destroyed immediately upon such verification.

VII. SECURITY AND PRIVACY REQUIREMENTS AND PROCEDURES

A. Requirements Applicable to DoD's Safeguarding of SPAAs' Records

SPAAs' records are governed by separate security and privacy requirements which are likely to vary by State. DMDC agrees to adhere to the following security and privacy safeguards and procedures in the handling of SPAA-provided data in the execution of this agreement:

1. DMDC shall establish appropriate administrative, technical, and physical safeguards to ensure the security and confidentiality of records; to protect against any anticipated threats or hazards to their security or integrity, which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom information is maintained.
2. DMDC will transmit data only through secure means, e.g., secure file transfer protocols, virtual private networks, secure socket layers, symmetric key encryption or other generally recognized means of securing data transmissions.
3. DMDC will limit access to the records matched and to any records created by the match will be restricted only to authorized employees and officials requiring them to perform their official duties in connection with the uses of the information

authorized in this agreement.

4. DMDC will store records matched and any records created by the match in an area that is physically safe from access by unauthorized persons during duty hours, as well as non-duty hours or when not in use, to include ensuring the removal of any data from the work site for official purposes (e.g., telework, working from a residence, etc.) is only accomplished in accordance with agency procedures to protect the data (e.g., password protocols, encryption, etc.) if the portable devices storing the data (e.g., laptop hard drives, CDs, disks, etc.) are lost, stolen, or otherwise compromised.
5. DMDC will transport and process the records matched and any records created by the match under the immediate supervision and control of authorized personnel in a manner to protect the confidentiality of the records, and in such a manner to prevent unauthorized persons from retrieving any such records by means of computer, remote terminal or other means.
6. DMDC will ensure all personnel with access to the records matched and to any records created by the match will receive notification of the confidential nature of the information and the potential for civil and criminal sanctions for noncompliance with security and privacy safeguards.
7. DMDC agrees to notify the affected SPAA and HHS in the event of any actual or suspected loss, theft, or compromise (breach) of any SPAA PII related to this agreement. DMDC also agrees to report information security incidents, where the confidentiality, integrity, or availability of a DMDC system that contains information exchanged under this agreement is affected, to the National Cybersecurity and Communications Integration Center/United States Computer Emergency Readiness Team (NCCIC/US-CERT) with the required data elements, as well as any other available information in accordance with relevant DoD policies.
8. If DMDC experiences an actual or potential breach of PII, it will notify the SPAA Systems Security Contact named in Section XIII of this agreement. If DoD is unable to speak with the SPAA Systems Security Contact within one hour, or if for some other reason notifying the SPAA Systems Security Contact is not practicable (e.g., it is outside of the normal business hours), DoD will contact the SPAA Program Contact provided on the SPAA signature page. DMDC will also report such incidents to ACF, via email to paris@acf.hhs.gov, for situational awareness purposes. No PII will included in any incident reports provided to ACF.

B. Requirements Applicable to SPAAs' Safeguarding of DoD's Records and Records from other SPAAs.

1. The SPAA agree to comply with relevant laws, directives, and regulations to the extent applicable with respect to the handling of DMDC data, to include

requirements for safeguarding Federal information systems and federal agency records, including the Privacy Act of 1974, as amended (5 U.S.C. § 552a); the Federal Information Security Management Act of 2002 (FISMA), as amended by the Federal Information Security Modernization Act (FISMA) of 2014 (Pub. L. 113-283), 44 U.S.C. §§ 3551-3558; related Office of Management and Budget (OMB) circulars and memoranda, including OMB Circular A-130, Managing Information as a Strategic Resource (July 28, 2016); and OMB Memorandum M-17-12, Preparing for and Responding to a Breach of Personally Identifiable Information (January 3, 2017); and relevant National Institute of Standards and Technology (NIST) directives and guidance. These security and privacy safeguards and procedures include but are not limited to:

- a. The SPAA will ensure all personnel with access to the records matched and to any records created by the match will receive notification of the confidential nature of the information and the civil and criminal sanctions for noncompliance in applicable Federal laws.
- b. The SPAA will notify the DMDC and HHS in the event of any actual or suspected loss, theft, or compromise (breach) of any PII related to this agreement, including a computer security incident of the information systems that contain information shared by DoD under this agreement. The SPAA also agree to report information security incidents, where the confidentiality, integrity or availability of a Federal information system of the Executive Branch is potentially compromised, to the National Cybersecurity and Communications Integration Center/United States Computer Emergency Readiness Team (NCCIC/US-CERT) with the required data elements, as well as any other available information, within one hour of being identified by the agency's top-level Computer Security Incident Response Team (CSIRT), Security Operations Center (SOC), or information technology department.
- c. The SPAA experiencing the actual or potential breach of PII will notify the DoD Systems Security Contact named in Section XIII of this CMA. If the SPAA is unable to speak with DoD System Security Operations System within one hour, the SPAA will contact DMDC at: dodhra.dodc-mb.dmdc.list.ir-team@mail.mil. The SPAA will also report such incidents to ACF, via email to paris@acf.hhs.gov, for situational awareness purposes. No PII will be included in any incident reports provided to ACF.
- d. The SPAA experiencing the breach of PII determines the risk of harm to affected individuals or to the agency requires notification to affected individuals and/or other remedies, they will carry out the remedies and assume all costs of the remediation, and will keep DoD and ACF informed of such plans and actions.
- e. The SPAA agrees that ACF and DMDC may conduct on-site inspections of

SPAA facilities or make other provisions to ensure the retention of adequate safeguards by participating SPAAs. The SPAA agrees to make available to ACF and DMDC, upon request, system security evidence for the purpose of making risk-based decisions. Requests for this information may be made by any party at any time throughout the duration of this CMA.

2. SPAAs' records are governed by separate security and privacy requirements which are likely to vary by State. SPAAs agree to adhere to the following security and privacy safeguards and procedures in the execution of this agreement:
 - a. Each SPAA shall establish appropriate administrative, technical, and physical safeguards to ensure the security and confidentiality of records; to protect against any anticipated threats or hazards to their security or integrity, which could result in substantial harm, embarrassment, inconvenience, or unfairness to any individual on whom information is maintained.
 - b. The SPAA will transmit data only through secure means, e.g., secure file transfer protocols, virtual private networks, secure socket layers, symmetric key encryption or other generally recognized means of securing data transmissions.
 - c. The SPAA will limit access to any records created as a result of the matched records and will restrict access to authorized employees and officials as required to perform their official duties as authorized in this agreement.
 - d. The SPAA will store records matched and any records created by the match and any media in which they are contained in an area that is appropriately safeguarded and physically safe from access by unauthorized persons during duty hours, as well as non-duty hours or when not in use, to include ensuring the removal of any data from the work site for official purposes (e.g., telework, working from a residence, etc.) is only accomplished in accordance with agency procedures to protect the data (e.g., password protocols, encryption, etc.) if the portable devices storing the data (e.g., laptop hard drives, CDs, disks, etc.) are lost, stolen, or otherwise compromised.
 - e. The SPAA will transport and process any records created by the match under the immediate supervision and control of authorized personnel in a manner to protect the confidentiality of the records, and in such a manner to prevent unauthorized persons from retrieving any such records by means of computer, remote terminal or other means.
 - f. The SPAA will ensure all personnel with access to the records matched and to any records created by the match will receive notification of the

confidential nature of the information and the potential for civil and criminal sanctions for noncompliance with security and privacy safeguards.

VIII. RECORDS USAGE, DUPLICATION AND REDISCLOSURE RESTRICTIONS

DMDC and the SPAA each agree to the following limitations on the access to, and disclosure and use of, electronic files, e.g., tapes, and information provided by the other agency:

1. The electronic files provided as part of the matching program will remain the property of the agency furnishing the files and will be destroyed after the matching program is completed, as provided in Section VI.
2. The data supplied by each agency and the records created by the match will be used solely for the purposes of, and to the extent necessary in the administration of, the matching program covered by this agreement and any applicable laws.
3. The files provided by each agency will not be used to extract information concerning individuals therein for any purpose not specified in this agreement, unless required by law.
4. Except as specified by this agreement, the files provided by each agency will not be duplicated or disseminated within or outside the agency without the written authority of the agency furnishing the data. No agency shall give such permission unless the re-disclosure is required by law, authorized by this agreement, or essential to the conduct of the matching program.
5. If DoD records used in this matching program (i.e., Privacy Act records), are required to be disclosed to a SPAA contractor in order to accomplish the matching program's purpose, the SPAA (as applicable) will first obtain the written agreement of its contractor to abide by the terms of this agreement.
6. Information resulting from the matching program may be disclosed for follow-up and verification purposes (such as, to correct or resolve inconsistent information affecting benefits), or for civil or criminal law enforcement investigation or prosecution if the match uncovers activity warranting such action.
7. DMDC will not create a separate permanent file consisting of information regarding those individuals involved in the matching program covered by this agreement except as necessary to monitor the results of the matching program.
8. DMDC will dispose of match results six (6) months or sooner after furnishing the electronic match file(s) to the SPAA.
9. DMDC will keep an accurate accounting of disclosures from an individual's record in the DMDC system of records to a SPAA as required by subsection (c) of the Privacy Act so

as to permit record subjects to know how their personal information is being shared; to enable the DMDC to inform past SPAA recipients of disputed or corrected information; and to provide an audit trail for any subsequent reviews of agency compliance with subsection (b) of the Privacy Act pertaining to conditions of disclosure.

Further, ACF will update DMDC each quarter with the current list of SPAA signatories to this agreement. DMDC may use the data in the finder files from those SPAAs for the statistical purposes of 1) validating DMDC data and 2) informing the Quadrennial Review of Military Compensation, in accordance with 37 U.S.C. § 1008.⁷ Statistical purposes are the description, estimation, or analysis of the characteristics of groups, without identifying the individuals or organizations that comprise such groups [44 U.S.C. § 3561(12)]. Neither ACF nor DMDC will maintain any other information used in or resulting from the matching activity, other than non-individually identifiable aggregated statistical records about each match.

Additionally, for efficiency and to reduce risks of multiple transfers, DMDC may also perform related PARIS computer matches on behalf of the PARIS program, including the PARIS Interstate and PARIS Veterans Affairs matches, to which DoD is not a party but functions as a service provider, using data provided to the DMDC by SPAAs.

IX. RECORDS ACCURACY ASSESSMENTS

DMDC data is obtained directly from the military Service system with which the sponsoring military service or employer is affiliated. DMDC withholds or flags records which might appear problematic and any records not matching on two data elements (i.e., name and SSN) prior to inclusion in the DMDC Data Base (DMDC 01). DMDC currently estimates the accuracy of the information to be at least 99%.

Information used by SPAAs in this matching program is provided by the public assistance client when applying for public assistance benefits. Experience by SPAAs shows their records to be at least 82% accurate.

X. COMPTROLLER GENERAL ACCESS

The Comptroller General of the United States (U.S. Government Accountability Office) may have access to any records, as necessary, in order to monitor and verify compliance with this agreement.

XI. REIMBURSEMENT/FUNDING

DMDC currently does not intend to seek reimbursement, but rather reserves the right to recover future personnel and computer costs for conducting the quarterly match. In such cases, ACF will be notified ninety (90) days in advance so it may initiate, should it wish to do so, action to terminate the agreement because of the proposed future charges.

XII. DURATION OF THE AGREEMENT

⁷ See PARIS Transmittal 2020-01, at <https://www.acf.hhs.gov/paris/training-technical-assistance/paris-transmittal-2020-01-important-announcement-regarding>.

Effective Date: The effective date of this agreement is September 30, 2021, provided that HHS/ACF or DoD reported the proposal to re-establish this matching program to the Congressional committees of jurisdiction and OMB in accordance with 5 U.S.C. § 552a(o)(2)(A) and (r) and OMB Circular A-108 and, upon completion of their advance review period, HHS/ACF or DoD published notice of the matching program in the Federal Register for a minimum of thirty days as required by 5 U.S.C. § 552a(e)(12). In the event that the thirty (30) day notice period is not completed by September 30, 2021, the effective date of this agreement shall be the first day after the 30-day notice period is completed.

The parties may, within three (3) months prior to the expiration of this agreement, renew this agreement for a period not to exceed one additional year if they certify the following to the DoD DIB:

1. The matching program will be conducted without change; and
2. The parties have conducted the matching program in compliance with this agreement.

Modification: The parties may modify this agreement at any time by a written modification, mutually agreed to by the parties, provided that it does not include a significant change requiring a new agreement and/or matching notice.

Termination: This agreement may be terminated at any time upon the mutual written consent of the parties. A party may unilaterally terminate this agreement upon written notice to the other party, in which case the termination date shall be effective ninety (90) days after the date of the notice or at a later date specified in the notice, provided this date does not exceed the approved duration for the agreement. A copy of this notification should be submitted to the Secretary, DoD DIB.

XIII. PERSONS TO CONTACT

A. DoD contacts

For the DoD Data Integrity Board:

Cheryl Jenkins

Privacy Analyst

Defense Privacy, Civil Liberties, and Transparency Division

Oversight and Compliance Directorate

Office of the Director of Administration and Management

Office of the Secretary of Defense

Phone: (703) 571-0086

Email: cheryl.jenkins8.civ@mail.mil

DMDC Program Issues:

DMDC PARIS Project Coordinator:

Portia A.M. Gilliam
Defense Manpower Data Center
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Room 04F16-04
Alexandria, VA 22350-4000
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Privacy Issues:

Samuel M. Peterson
Privacy/FOIA Branch Chief
Defense Manpower Data Center
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Security Issues:

Donna Naulivou
Cyber Security Branch Chief
Defense Manpower Data Center
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B. ACF contacts

ACF Program Contact

Alicia Gumbs
Office of Planning, Research, and Evaluation
Administration for Children and Families
330 C Street, SW
Washington, DC 20201
Phone: (202) 690- 8490
Email: paris@acf.hhs.gov

HHS Privacy Act Contact

Beth Kramer
HHS Privacy Act Officer
FOIA/Privacy Act Division (OS/ASPA)
200 Independence Avenue, SW, Suite 729H
Washington, DC 20201
Telephone: (202) 690-6941
Email: beth.kramer@hhs.gov

C. SPAA contacts

See SPAA signature page.

XIV. APPROVALS

A. DMDC Program Official

Subject to the approval of the Data Integrity Boards of the parties to this agreement and the required notifications, the authorized program official, whose signature appears below, accepts and expressly agrees to all the terms and conditions included herein, confirms no verbal agreements of any kind shall be binding or recognized, and hereby commits DMDC to the terms of this agreement.

SORRENTO.MICH
AEL.V.1399639162

Digitally signed by
SORRENTO.MICHAEL.V.139963
9162
Date: 2021.07.16 08:14:47 -04'00'

Michael V. Sorrento
Director, Defense Manpower Data Center
4800 Mark Center Drive
Suite 04E25
Alexandria, VA 22350

Date

(XIV. APPROVALS, CONT'D)

B. Defense Data Integrity Board

The signature of the official below signifies the collective approval of The Defense Data Integrity Board after reviewing and finding that this agreement complies with the Privacy Act of 1974, as amended (5 U.S.C. § 552a).

CHUNG.JOO. Digitally signed by
CHUNG.JOO.Y.1512306507
Y.1512306507 Date: 2021.07.22 09:24:42
-04'00'

07/22/2021

Joo Y. Chung
Chairperson
Defense Data Integrity Board
Department of Defense

Date

(XIV. APPROVALS, CONT'D)

C. Program Official for ACF

Subject to the approval of the Data Integrity Boards of the parties to this agreement and the required notifications, the authorized program official, whose signature appears below, accepts and expressly agrees to all the terms and conditions, included herein, confirms that no verbal agreements of any kind shall be binding or recognized, and hereby commits ACF to the terms of this agreement.



7/27/21

Naomi Goldstein
Deputy Assistant Secretary for
Planning, Research, and Evaluation
Administration for Children and Families
330 C Street, SW
Switzer Building, 4th Floor
Washington, DC 20024

Date

(XIV. APPROVALS, CONT'D)

D. Program Official for SPAA

The authorized program official, whose signature appears below, accepts and expressly agrees to all the terms and conditions included herein, confirms that no verbal agreements of any kind shall be binding or recognized, and hereby commits the below-named State Public Assistance Agency (SPAA) to the terms of this agreement.

_____ [State Public Assistance Agency Name]

Contact Persons for section XIII. of this agreement:

Program Contact

_____ [name]
_____ [title and office]
_____ [address]
_____ [telephone number]
_____ [email]

System Security Contact

_____ [name]
_____ [title and office]
_____ [address]
_____ [telephone number]
_____ [email]

_____ [name]
_____ [title and office]

_____ Date

XV. Attachments

1. State Public Assistance Agencies (SPAAs)
2. Cost Benefit Analysis
3. PARIS Federal Output Record Format

XVI. Attachment 1: State Public Assistance Agencies (SPAAs)

State Public Assistance Agencies (SPAAs)⁸

1. Alabama Medicaid Agency
2. Alaska Department of Health and Social Services
3. Arizona Health Care Cost Containment System – Medicaid Agency
4. Arkansas Department of Human Services
5. California Department of Health Care Services
6. Colorado Department of Human Services
7. Connecticut Department of Social Services
8. Delaware Health and Social Services
9. District of Columbia Department of Human Services
10. Florida Department for Children and Families
11. Georgia Department of Human Services
12. Hawaii Department of Human Services
13. Idaho Department of Health and Welfare
14. Illinois Department of Human Services
15. Indiana Family and Social Services Administration
16. Iowa Department of Human Services
17. Kansas Department for Children and Families
18. Kentucky Cabinet for Health and Families Services
19. Louisiana Department of Children and Family Services
20. Maine Department of Health and Human Services
21. Maryland Department of Human Resources
22. Massachusetts Department of Transitional Assistance – Human Services
23. Michigan Department of Health and Human Services
24. Minnesota Department of Human Services
25. Mississippi Department of Human Services
26. Missouri Department of Social Services
27. Montana Department of Public Health and Human Services
28. Nebraska Department of Health and Human Services
29. Nevada Department of Health and Human Services
30. New Hampshire Department of Health and Human Services
31. New Jersey Department of Human Services
32. New Mexico Human Services Department
33. New York State Office of Temporary and Disability Services
34. North Carolina Department of Health and Human Services
35. North Dakota Department of Human Services
36. Ohio Department of Medicaid
37. Oklahoma Department of Human Services
38. Oregon Department of Human Services
39. Pennsylvania Department of Human Services
40. Puerto Rico Department of Health

⁸ SPAAs that choose to participate in this matching program will execute the signature page provided in Section XIV.D. of the agreement

41. Rhode Island Department of Human Services
42. South Carolina Department of Health and Human Services
43. South Dakota Department of Social Services
44. Tennessee Department of Human Services
45. Texas Health and Human Services Commission
46. Utah Department of Workforce Services
47. Vermont Agency of Human Services
48. Virginia Department of Social Services
49. Washington State Health Care Authority
50. West Virginia Department of Health and Human Resources
51. Wisconsin Department of Health and Family Services
52. Wyoming Department of Health

XVII. Attachment 2: Cost Benefit Analysis

COST BENEFIT ANALYSIS OF COMPUTER MATCHING AMONG THE DEPARTMENT OF VETERANS AFFAIRS; THE DEPARTMENT OF DEFENSE, DEFENSE MANPOWER DATA CENTER; THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, ADMINISTRATION FOR CHILDREN AND FAMILIES; AND STATE PUBLIC ASSISTANCE AGENCIES (SPAAs), FOR VERIFYING PUBLIC ASSISTANCE CLIENT CIRCUMSTANCES AND DEBT COLLECTION

A. BACKGROUND

Since 1993, ACF has been working with State Public Assistance Agencies (SPAAs) and other Federal agencies to develop information-sharing projects that have proven useful in verifying public assistance client circumstances. This work constitutes the Public Assistance Reporting Information System (PARIS). Under PARIS, ACF has sought to identify information-sharing opportunities and lead and coordinate the activities required to take advantage of these opportunities. As a result, ACF has been able to provide SPAAs with Department of Defense (DoD) military and civilian pay records, military retired pay records, and survivor pay records, the Department of Veterans Affairs (VA) compensation and pension payment records, as well as interstate public assistance benefit payment information.

Starting in August of 1999, the Department of Defense, Defense Manpower Data Center (DoD/DMDC) began providing computer resources to support the development and operation of PARIS information exchange initiatives. In addition, DMDC made available to ACF and SPAAs, for statistical matching purposes, Federal benefit and earnings databases. This cost benefit analysis (CBA) supports a Federal data exchange agreement to allow SPAAs to receive information from the DMDC and VA databases. The States will use this information to verify public assistance client reporting of income and benefit circumstances for the purposes of a more accurate determination of program eligibility and payment and recouping erroneous payments.

B. SUMMARY OF BENEFITS

Direct Benefits

Direct benefits include savings attributable to detecting unqualified clients:

- Denial of benefits to unqualified applicants, avoiding improper payments.
- Cessation of benefits to unqualified recipients, avoiding improper payments.
- Recovery of improper payments made to unqualified recipients.

Computer matches are an effective way for States to verify the income circumstances of applicants and ensure that payments and services are not provided to ineligible applicants. Results of the DMDC, VA, and State agencies data files statistical match indicate that with information from this match, States will be able to recoup a substantial amount of funds paid to recipients who were not qualified for benefits and stop payments and services to unqualified recipients. This CBA focuses on the latter, avoiding improper payments, which is the most immediate benefit to the States.

Direct benefits also include possible savings attributable to shifting veterans off state-funded public

assistance and onto comparable VA-provided benefits. Examples of such programs in Washington State and California are described in the section *Recent PARIS Success Stories* below.

Indirect Benefits

Indirect benefits include greater public confidence and program support. Automation promotes cost efficiencies and program integrity, increasing the taxpaying public’s confidence in and support for these public assistance programs. Reductions in erroneous payments and increased collections enable States and the Federal Government to devote more dollars to intended recipients.

Recent Match Results

All fifty States, the District of Columbia, and Puerto Rico (hereafter referred to collectively as *states*) participate in PARIS. Comparative Data for the four previous matches indicates a substantial amount of PARIS match activity:

Match Conducted November 2020

File (out of 52 States)	SSNs submitted	Matched SSNs
Interstate (50 States)	71,013,384	688,760
Veterans (37 States)	9,912,083	366,909
Federal (31 States)	9,310,471	49,090
Total matched SSNs		1,104,759

Match Conducted August 2020

File (out of 52 States)	SSNs submitted	Matched SSNs
Interstate (52 States)	68,816,402	659,785
Veterans (39 States)	9,833,648	372,329
Federal (45 States)	9,321,176	66,969
Total matched SSNs		1,099,083

Match Conducted May 2020

File (out of 52 States)	SSNs submitted	Matched SSNs
Interstate (49 States)	66,817,120	537,501
Veterans (39 States)	9,769,818	360,307
Federal (42 States)	9,278,459	55,932
Total matched SSNs		953,740

Match Conducted February 2020

File (out of 52 States)	SSNs submitted	Matched SSNs
Interstate (51 States)	62,303,730	469,703
Veterans (42 States)	9,678,865	333,328
Federal (0 States)	9,338,225	51,064

Total matched SSNs	854,095
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The November 2020 Federal file breakdown was

<i>Match Files</i>	<i>Total Records</i>
DoD Civilian Personnel	791,786
DoD Civilian Pay	797,588
Active Duty Personnel	1,383,591
Military Active Duty Pay	1,370,592
Military Reserve Pay	958,572
Reserve Personnel	1,219,554
Non-Appropriated Fund Civilian Monthly	108,405
Military Retired Pay	2,388,637
Military Retiree Survivor Pay	338,080
Total:	9,356,805

Recent PARIS Success Stories

Reported experiences received by ACF from some of the states regarding benefits accrued from participating in PARIS include the following:

New York State

The New York State Office of Temporary and Disability Assistance, in State Fiscal Year 2019 (April 2019 through March 2020), closed or removed active individuals from 6,493 Public Assistance cases identified on the PARIS Match. The cost savings for these individuals was \$39.0 million.

These savings are calculated by determining the average annual cost of an individual in each of the following case types - Federally funded Temporary Assistance to Needy Families (TANF) PA cases (which can include Medicaid and Supplemental Nutrition Assistance Program (SNAP) Benefits), New York funded Safety Net PA cases (which can include Medicaid and SNAP Benefits), and SNAP Only cases. New York tracks the number of individuals closed by the PARIS Match for each of these case types. The annual cost savings for each case type is calculated by multiplying the number of closed or removed cases by average annual cost of each case type. The annual cost savings is the sum of annual cost savings for each case type.

The breakdown of the 2019 year's annual cost savings is as follows: \$24.76 million was saved in Public Assistance (includes SNAP and Medicaid Benefits issued through Public Assistance cases, TANF and New York funded Safety Net PA cases), and \$14.24 million in SNAP Only cases. These figures do not include Medicaid only cases.

Pennsylvania

Pennsylvania has participated in the PARIS Interstate and VA Matches since their inception:

The following results are for the PARIS Interstate Match from 1997 to 2016:

- 336,085 matches have been loaded and 69,317 or 21% have been closed.

- Total cost avoidance savings were estimated to be \$234.9 million dollars.
- The average savings per match closed was \$3,389.

The following results are for the PARIS Veterans Match 1998 to 2016:

- 77,933 have been loaded and 10,367 have resulted in closed or reduced benefits.
- Total annualized savings are estimated to be \$49.3 million dollars.
- The average savings per match closed or reduced was \$4,758.

In 2019 alone:

- 76,115 interstate matches were reviewed and 13,517 (18%) closed, for an estimated savings of \$28.08 million (\$2,077 per closure)
- 13,842 interstate matches were reviewed and 1,375 (10%) closed, for an estimated savings of \$5.44 million (\$3,955 per closure)

Washington State

Washington State Veterans Benefit Enhancement Program (VBE) focuses on low-income U.S. military veterans and their families that rely on Medicaid and may not realize they are eligible for comprehensive Federal care and benefits programs that would provide better benefits while preserving their homes and financial assets. The VBE staff embarked on a pioneering effort using available Federal data provided by PARIS to connect Medicaid recipients with their Federal veteran's benefits.

Washington began its efforts in 2002, focusing on long-term care beneficiaries, most of them in nursing homes, and working in partnership with the Washington State Department of Veterans Affairs. Since then, the state program has become a national model and best practice for using PARIS veteran's data with 32 other states establishing similar efforts.

The program is of benefit to veterans and results in redirection of Medicaid funding to others in need. The program is committed to building upon the over \$100 million in savings since 2008 and has benefitted over 60,000 Washington veterans and families.

During the State Fiscal Year (SFY) 2020, through Veterans Benefit Enhancement efforts the department reported medical costs avoidance of \$17.0 million. Data from all three PARIS matches (Interstate, Federal, and VA) was used in this effort.

Michigan

The Michigan Department of Health and Human Services, Office of Inspector General reported in their FY 2019 Annual Report that PARIS matches resulted in \$24.7 million in annual cost avoidance. The report states, 'The utilization of the PARIS Interstate Match has been instrumental in lowering public assistance program expenditures by removing ineligible nonresident clients.'

Kansas

The Kansas Department for Children and Families indicated they saw cost avoidance approximately \$510k in State FY2020 (July '19 – June '20) -- \$365k from the Interstate match, \$137k from the VA

match, and \$9k from the Federal match.

2007 PARIS Cost Benefit Analysis

In 2007, the Administration for Children and Families (ACF) of the U.S. Department of Health and Human Services (DHHS) contracted with Altarum Institute (Altarum) to conduct a cost benefit analysis of the Public Assistance Reporting Information System (PARIS). The purpose of this study was to develop and populate cost-benefit models that could be used to assess the potential impact of PARIS on State program expenditures and integrity. The PARIS Cost Benefit Analysis Final Report is posted on the PARIS website.

The diversity of States' approaches to PARIS, combined with a lack of tracking results, made it difficult to create a single uniform approach to calculating PARIS costs and benefits. However, models were developed that would allow States to use a consistent approach to calculating costs and benefits for specific PARIS activities, such as managing clients who moved from one State to another but did not report the move, or clients that did not report income from Federal sources.

At a national-level, the PARIS project will produce a positive return on investment, and this conclusion appears robust under varying conditions designed to test the sensitivity of these results and to more accurately reflect the current scope of PARIS activities. National-level cost benefit results are presented in terms of returns on investment (ROI) and in terms of actual net savings for each file and program, as well as overall. Sensitivity analysis was used to test the impact of assumptions about the time required to work a match, the percent of cases closed due to PARIS matches, and the number of States that actually conduct follow-up investigations of PARIS matches.

Table of Costs and Benefits assuming 100 percent closure rate on match hits

National Cost Total (Per Year; 4 Cycles Per Year):

	Nov. '07	Feb.'08	May '08	Aug. '08	Total
All	\$945,320	\$791,088	\$758,847	\$1,224,921	\$3,720,176

National Benefit Total (Per Year; 4 Cycles Per Year):

	Nov. '07	Feb. '08	May '08	Aug. '08	Total
SNAP	\$4,458,013	\$3,710,736	\$3,879,230	\$7,574,655	\$19,622,634
TANF	\$304,359	\$369,878	\$344,617	\$608,859	\$1,627,713
Medicaid	\$58,768,122	\$34,163,321	\$34,647,426	\$72,597,800	\$200,176,669
Total	\$63,530,494	\$38,243,935	\$38,817,273	\$80,781,314	\$221,427,016

However, for most States, ongoing costs of PARIS operations were not commonly tracked, as most States incorporate PARIS activities into a more general, higher-level compliance activity. None of the States included in the 2007 analysis had a tracking system that would allow one to track costs specifically to PARIS activities. However, some States were able to provide estimates of the amount of time needed to create the files, submit the match, and filter and distribute the results. These estimates were averaged to approximate the annual costs per State, which were: systems processing cost of \$8,000 annually (if submitting for all four quarters), annual program specialist cost of

\$22,265, administrative and supervisory cost of \$10,810 annually, and State costs to close each case (secondary verification, client notice, hearings and appeals, etc.) for a total average of \$71,541.87 per State per year times 52 (50 States, District of Columbia and Puerto Rico), totaling \$3,720,176 million for all States combined. These are assumed fixed costs for each state; the costs from investigating the matches will vary with the number of matches returned to States resulting in a higher national cost total cited above.

It is important to note that Improper Payments that are avoided in the Medicaid Program would accrue to the States, savings from the TANF program would accrue to both the States and the Federal Government, and saving from the Supplemental Nutrition Assistance Program would generally accrue to the Federal Government.

Cost Estimates for DOD/DMDC Functions (PARIS Technical Services)

Routine Automated Matching

A GS-13/10 grade level Program Manager at \$64.59 per hour (Salary Table 2021-DCB) receives the States' submissions. The data is reformatted for consistency between States. The data is then run through a series of programs to match the SSN and create output files for each match (Interstate, Veterans, and Federal) and each participating state. This process takes approximately 3 weeks (120 hours) from start to finish.

GS/13-10 Cost per match cycle = \$64.59/hour * 120 hours per match cycle = \$7,750.80

A GS-12/10 grade-level equivalent Server Technician at \$58.88 (including locality) per hour (Salary Table 2021-SF) responds to connectivity issues and setup of connection to and from DMDC. This process takes approximately 1.5 weeks (60 hours) from start to finish.

GS12/10 Cost per match cycle = \$58.88/hour * 60 hours per match cycle = \$3532.80

Cost per match cycle = \$7,750.80 + \$3532.80 = \$11,283.60

Miscellaneous Development and Programming Tasks

Periodically, a computer program must be written or modified to maintain/update match programs. With analysis, testing and audit, if necessary, costs for several episodes are as indicated.

Once a year cost = \$2,890.00.

\$2,890.00 / 4 matches per year = \$722.50

Cost per match cycle - \$722.50

Preparation of Matching Agreement

Any preparations, negotiations, reviews, and concurrences are handled by various levels within DoD. This consumes at least 62 hours of work at an average GS-14/6 grade level at \$68.50 per hour. The agreement will last for 30 months (18 months original and 12-month extension), therefore the cost is

spread out over approximately 10 matches.

$(\$68.50/\text{hour} * 62 \text{ hours}) / 10 \text{ matches} = \424.70

Cost per match cycle - \$424.70

Computer Processing

The computer being used for the processing of the PARIS match is located at the Naval Postgraduate School in Monterey, California. The primary usage for this mainframe computer is to process other DoD applications not related to the PARIS match. DMDC will dispose of the data as prescribed in the Computer Matching Agreement negotiated by the Defense Privacy, Civil Liberties, and Transparency Division. Costs for the computer processing are \$16,573.50 per quarterly match.

(CPU based on: 52 States' for Interstate = 127 min., 52 States' for Veteran = 127 min. and 52 States' for Federal = 127 min @ \$43.50 per min)

$\$43.50 * 381 \text{ minutes} = \$16,573.50$

Cost per match cycle - \$16,573.50

Cost Summary

Total DMDC cost per cycle = \$ 29,004.30 / 1,002,919 projected individual cases = approximately \$.029 per case (per state match found based on the average number of matches over the four quarters of 2020 – 854,095 matches in 02/2020; 953,740 matches in 05/2020; 1,104,759 matches in 08/2020; 1,099,083 matches in 11/2020).

Total DMDC cost per year = $\$29,004.30 * 4 \text{ matching cycles per year} = \$116,017.20$

1. Total DMDC cost per year = \$ 116,017.20
2. Total DMDC cost per cycle = \$ 29,004.30
3. Total DMDC cost per case = \$.029

Cost Estimates for ACF Functions (PARIS Oversight)

Preparation of Matching Agreements

The Department of Defense and Department of Veterans Affairs Computer matching agreements are handled and reviewed by numerous ACF employees. We will assume that the preparation, negotiations, reviews, and concurrence by various levels within the ACF as well as the Office of General Counsel and the Data Integrity Board members and staff consume at least 200 hours of work at an average GS-14/6 grade level at \$68.50 per hour. The agreement will last for up to 30 months (18-month initial term and 12-month renewal term), therefore, the cost is spread out over approximately 10 matches.

$\$68.50/\text{hour} * 200 \text{ hours} = \$13,700.00$

10 cycles per agreement

Cost per match cycle - \$1,370.00

PARIS Coordinator

A GS-14/6 Management Analyst spends about 30% of their time coordinating PARIS activities. Each cycle would be \$10,721.25. There are four cycles in a year.

$\$142,950.00 / \text{year} * 30\% \text{ of a year} = \$42,855.00$
4 cycles per year

Cost per match cycle - \$10,721.25

Cost Summary

Total ACF cost per cycle = $\$12,091.25 / 1,002,919$ projected individual cases = approximately \$.012 per case (per state match found based on the average number of matches over the four quarters of 2020 – 854,095 matches in 02/2020; 953,740 matches in 05/2020; 1,104,759 matches in 08/2020; 1,099,083 matches in 11/2020).

Total ACF cost per year: $\$12,091.25 \times 4$ matching cycles per year = \$48,365.00

1. Total ACF cost per year = \$48,365.00
2. Total ACF cost per cycle = \$12,091.25
3. Total ACF cost per case = \$.012

Cost Estimates for VA Functions (PARIS VA Data Coordination)

Preparation of Matching Agreement

Any preparations, negotiations, reviews, and concurrences are handled by various levels within the VA. This consumes at least 20 hours of work at an average GS-14/6 grade level at \$68.50 per hour. The agreement will last for 30 months (18-month original and 12-month extension), therefore the cost is spread out over approximately 10 matches.

$(\$68.50/\text{hour} \times 20 \text{ hours}) / 10 \text{ matches} = \137.00

Cost per match cycle - \$137.00

Data File Processing

The Veterans data file is compiled at the VA's Hines Data Center and transmitted to DMDC on a quarterly basis. This consumes at least 20 hours of work at an average GS-13/6 grade level at \$57.96 per hour.

$\$57.96/\text{hour} \times 20 \text{ hours} = \1159.20

Cost per match cycle - \$1159.20

Cost Summary

Total VA cost per cycle = \$1,296.20 / 358,218 projected individual cases = approximately \$.004 per case (per state match found based on the average number of matches over the four quarters of 2020 – 333,328 matches in 02/2020; 360,307 matches in 05/2020; 372,329 matches in 08/2020; 366,909 matches in 11/2020).

Total VA cost per year = \$1,296.20 x 4 matching cycles per year = \$5,184.80

1. Total VA cost per year = \$5,184.80
2. Total VA cost per cycle = \$1,296.20
3. Total VA cost per case = \$.004

Cost Estimate Summary

The total estimated cost for DMDC, ACF, and VA = \$.041 per matched case (\$.025 + \$.012 + \$.004, respectively). This amount is insignificant when compared to the estimated savings illustrated above from the States cited.

Overall Costs

Average State Cost to close a case (secondary verification, client notice, hearings and appeals, etc.) is estimated at \$500, average DOD, ACF, and VA cost per case is approximately \$.04 for a total of \$500.04.

Alternatives

The alternatives to computer matching are far more expensive and, in most cases, impractical. Manual comparison of millions of payroll and retirement records with State records would take an enormous amount of human resources and time.

C. COST BENEFIT ANALYSIS FOR PARIS COMPUTER MATCHING PROGRAMS

Costs

Personnel costs & Computer costs

- Agencies: Total for All State and Federal Agencies, Per Year: \$3,889,743 (*Per Case: \$500.05*)
 - Source (DoD/DMDC): *Per Year: \$116,017.20 (Per Case: \$.029)*
 - Recipient (52 SPAAs combined): *Per Year: \$3,720,176 (Per Case: \$500)*
 - Facilitating Agency (HHS/ACF): *Per Year: \$48,365.00 (Per Case: \$.012)*
 - Additional (VA): *Per Year: \$5,184.80 (Per Case: \$.004)*
 - Justice System Agencies: *unknown*
- Public Assistance Clients and Third Parties Assisting Them (e.g., in contesting match errors/correcting erroneous information): *unknown*
- General Public: *unknown*

Benefits

Avoidance of future improper payments

- Agencies:
 - Source (DoD/DMDC): *N/A*
 - Recipient (SPAAs): Total for All State Agencies, Per Year: *\$221,427,016*
 - Facilitating Agency (HHS/ACF): *N/A*
 - Additional (VA): *N/A*
 - Justice System Agencies: *unknown*
- Public Assistance Clients: *improved service delivery to clients, by using computer matching instead of a manual process to determine eligibility; increased resources and less participation stigma for intended program beneficiaries, due to screening out improper beneficiaries*
- General Public: *increased public support for and confidence in the public assistance programs benefitted by the matching program; savings to taxpayers resulting from improved program integrity and efficiency*

Recovery of improper payments and debts

No data has been developed because it is believed to be insignificant compared to improper payments avoided.

Shifting of veterans from state-funded public assistance to VA-provided benefits

No data has been systematically calculated because it has been a state-developed secondary application for the match data.

XVIII. Attachment 3: PARIS Federal Output Record Format

PARIS FEDERAL OUTPUT RECORD FORMAT

STARTING February 2018

<u>DATA ELEMENT</u>	<u>POSITION</u>	<u>LENGTH</u>	<u>TYPE</u>
SSN	001-009	9	character
STATE DATA <i>(SEE BELOW)</i>	010-129	120	character
RECORD TYPE	130-131	2	character
FILE DATE	132-137	6	character
DATE OF BIRTH	138-145	8	numeric
LAST NAME	146-171	26	character
FIRST NAME	172-186	15	character
MIDDLE NAME	187-201	15	character
SUFFIX NAME	202-205	4	character
SEX	206-206	1	character
GROSSPAY	207-215	9.2	numeric
UNIT ID CODE (UIC)	216-223	8	character
AGENCY	224-227	4	character
PAY PLAN	228-229	2	character
PAY GRADE	230-233	4	character
PAY STEP	234-235	2	numeric
BASIC SALARY	236-244	9.2	numeric
STATE RESIDENCE	245-246	2	character
FEDERAL TAXABLE WWAGES	247-255	9	numeric
FEDERAL TAX WITHHELD	256-264	9	numeric
STATE TAXABLE WAGES	265-273	9	numeric
STATE TAX WITHHELD	274-282	9	numeric
EMPLOYEE STATUS CODE	283-322	40	character
PAYROLL OFFICE NUMBER	323-362	40	character
PERSONNEL OFFICE ID	363-366	4	character
PAY BASIC CODE	367-368	2	character
PAY PERIOD END DATE (YYYYMMDD)	369-376	8	numeric
DISBURSING DATE (YYYYMMDD)	377-384	8	numeric
PAY STATUS	385-385	1	character
CATAGORY CODE	386-386	1	character
TOTAL BASE PAY ALL DRILLS	387-395	9	numeric
MARITAL STATUS CODE	396-396	1	character
DEPENDENTS QUANTITY	397-398	2	numeric
OFF DUTY MILITARY CODE	399-399	1	character
WELFARE TO WORK HIRE CODE	400-400	1	character
CITY	401-413	13	character
STATE	414-415	2	character
ZIP	416-424	9	character

PARIS FEDERAL OUTPUT RECORD FORMAT

<u>DATA ELEMENT</u>	<u>POSITION</u>	<u>LENGTH</u>	<u>TYPE</u>
ADDRESS LINE 1	425-451	27	character
ADDRESS LINE 2	452-478	27	character
ADDRESS LINE 3	479-500	22	character
ADDRESS LINE 4	501-522	22	character
ADDRESS LINE 5	523-544	22	character
ADDRESS LINE 6	545-566	22	character
MAILING ADDRESS EFFECTIVE	567-572	6	numeric
CLAIM NUMBER	573-581	9	character
RETIRED PAY ENTITLMT EFFECTIVE	582-589	8	numeric
COMMENT1	590-728	139	character
COMMENT2	729-955	227	character
COMMENT3	956-1091	136	character
COMMENT4	1092-1309	217	character
MBRSSN	1310-1318	9	character

STATE DATA (1-129)

SSN	01-09	9	
LAST NAME	10-24	15	
FIRST NAME	25-39	15	
DATE OF BIRTH	40-47	8	
FILLER/BLANK	48-48	1	
FILE DATE	49-54	6	
STATE NAME	55-56	2	
OPTIONAL	57-116	60	
LOCATION CODE	117-119	3	
CASE NUMBER	120-129	10	