

Accuracy of the Social Security Administration's Manual Billing Process to Collect Medicare Premiums

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) correctly completed manual actions to bill for Medicare premiums owed by beneficiaries whose monthly Social Security benefit was less than the monthly Medicare premium.

Background

When an individual entitled to Medicare Part B receives a monthly Social Security benefit, SSA deducts the monthly Medicare premium from the benefit. However, some individuals' monthly Social Security benefit is lower than the monthly Medicare premium. SSA must bill these individuals for the remaining amount of the Medicare premium.

We obtained a list of all beneficiaries who had an alert indicating Social Security benefits were lower than the monthly Medicare premium for Calendar Year 2015. From the population of 68,941 beneficiaries, we randomly selected 250 for detailed analysis to determine whether SSA's actions were correct.

Findings

SSA incorrectly calculated the Medicare premium owed for 120 (48 percent) of the beneficiaries we reviewed. Based on these results, we project 33,092 beneficiaries paid incorrect amounts, totaling almost \$21.9 million, for Medicare premiums.

Additionally, 23 (9.2 percent) of the beneficiaries we reviewed paid a different Medicare premium than SSA correctly calculated. Therefore, we project 6,343 beneficiaries paid incorrect amounts totaling almost \$3.4 million for Medicare premiums.

Recommendations

We made 3 recommendations including that SSA review the 143 cases we identified with calculation or payment errors and take necessary corrective actions.

SSA agreed with our recommendations.