

Audit Report

Using Medical Claim Data to Identify
Aged Title XVI Recipients Who Are
Deceased

A-08-14-24122 / September 2016



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 30, 2016

Refer To:

To: The Commissioner

From: Acting Inspector General

Subject: Using Medical Claim Data to Identify Aged Title XVI Recipients Who Are Deceased
(A-08-14-24122)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration could use medical claim data to identify aged Title XVI recipients who are deceased.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, 410-965-9700.

Gale Stallworth Stone

Attachment

Using Medical Claim Data to Identify Aged Title XVI Recipients Who Are Deceased

A-08-14-24122



September 2016

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) could use medical claim data to identify aged Title XVI recipients who are deceased.

Background

In our August 2012 review, *Using Medicare Claim Data to Identify Deceased Beneficiaries*, we determined SSA could use enhanced Medicare claim data to identify deceased Title II beneficiaries who were age 90 or older. Based on our recommendation, SSA implemented the Medicare Non-Utilization Project in September 2013. As of August 2016, SSA had identified about \$165 million in improper payments to deceased Title II beneficiaries. As such, we believe using medical (Medicaid and Medicare) claim data would also be effective in identifying aged Title XVI recipients who are deceased.

We identified 436 Title XVI recipients who were age 90 or older and in current payment status as of October 2015. All recipients had an address in one of the top four Medicaid States (California, Florida, New York, and Texas). These recipients had no Medicaid or Medicare activity from 2011 through 2013 (the most recent 3 years of data available). We selected a random sample of 100 recipients for review.

Findings

SSA can use medical (Medicaid and Medicare) claim data to identify aged Title XVI recipients who are deceased. For example, SSA terminated or suspended 29 sample recipients' payments because they were deceased. SSA also terminated or suspended 41 sample recipients' payments because they were living outside the United States, purportedly living outside the United States, or unable to be located. Furthermore, based on information we obtained as of the date of this review, we believe SSA may terminate or suspend the payments of an additional three recipients. These recipients were in current payment status because of ongoing investigations. We estimate SSA improperly paid aged Title XVI recipients about \$12.4 million.

Based on the number of recipients whose payments SSA terminated or suspended, we believe SSA should expand its Medicare Non-Utilization Project to include aged Title XVI recipients and obtain Medicaid use data from the States to identify recipients who are deceased. In addition, SSA should explore the feasibility of expanding the use of electronic death exchange information with foreign governments to include Title XVI recipients.

Recommendations

1. Work with the States and the Centers for Medicare & Medicaid Services to identify aged Title XVI recipients who are not using Medicaid or Medicare and use this information to conduct reviews of the Supplemental Security Income population.
2. Work the remaining 336 cases in our population (who are in current payment status) to determine whether these Title XVI recipients are deceased.
3. Explore the feasibility of expanding the use of electronic death exchange information with foreign governments to include Title XVI recipients. If the Agency believes that existing laws prevent the exchange of such information, we believe it should seek legislative authority that would allow the Agency to exchange death information regarding Title XVI recipients.

SSA agreed with Recommendations 1 and 2 and disagreed with Recommendation 3.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
CMS	Centers for Medicare & Medicaid Services
Fed. Reg.	Federal Register
OI	Office of Investigations
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.	United States
U.S.C.	United States Code

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) could use medical claim data to identify aged Title XVI recipients who are deceased.

BACKGROUND

SSA administers the Supplemental Security Income (SSI) program under Title XVI of the *Social Security Act*.¹ The SSI program provides a minimum level of income to financially needy individuals who are aged, blind, or disabled.² As of December 2014, about 8.3 million individuals were receiving SSI; 2.1 million of whom were aged 65 or older.³ Section 1611(f) of the *Social Security Act* indicates that, with limited exceptions, no individual shall be considered eligible for SSI payments for any month throughout which the individual is outside the United States.⁴

SSA instructs SSI recipients to notify the Agency if information about the recipient changes.⁵ For example, recipients must notify SSA if they move, change their address (even if they receive payments by direct deposit or Direct Express), or leave the United States.⁶ Someone should also notify SSA when a recipient dies.⁷ If recipients do not report such changes to SSA, or if they give false information or withhold information, SSA may penalize or sanction the recipient.⁸ In addition, SSA will generally stop payments if it cannot contact a recipient.⁹

¹ *Social Security Act* §1601 *et seq.*, 42 U.S.C. § 1381 *et seq.*; 20 C.F.R. § 416.101 *et seq.*

² *Social Security Act* §1602, 42 U.S.C. § 1381a; 20 C.F.R. § 416.110.

³ SSA, Publication No. 13-11785, *Fast Facts & Figures About Social Security, 2015*, p. 24 (September 2015).

⁴ 42 U.S.C. § 1382(f), *et seq.*

⁵ SSA provides this information to recipients in initial claims award and reconsideration notices for approved applications. SSA, POMS, NL 00801.001 C. (June 14, 2013).

⁶ SSA, Publication No. 05-11011, *What You Need to Know When You Get Supplemental Security Income (SSI)*, p. 7, 9 and 16 (September 2015). Leaving the United States means leaving the 50 States, the District of Columbia, or the Northern Mariana Islands. If a recipient is outside the United States for a full calendar month or longer, the recipient cannot receive SSI for that month. Furthermore, after a recipient has been outside the United States for 30 consecutive days or longer, the recipient's SSI cannot start again until they have been back in the United States for at least 30 consecutive days. SSA, POMS, SI 00501.410 A. (May 26, 2016).

⁷ Any SSI payments sent after the month of death, or any checks not cashed or deposited before death, are not due and must be returned to SSA. *Id.* at p. 18.

⁸ *Id.* at p. 7.

⁹ *Id.* at p. 9.

In our August 2012 review,¹⁰ we determined SSA could use enhanced Medicare claim data to identify deceased Title II¹¹ beneficiaries who were age 90 or older.¹² We estimated that SSA overpaid 890 deceased beneficiaries about \$99 million.¹³ In addition, we estimated that about 1,160 beneficiaries were living outside the United States and did not report their address change to SSA, and about 190 beneficiaries' whereabouts were unknown.¹⁴ These were conservative estimates because they excluded beneficiaries who did not live near an Office of Audit field office.¹⁵

Based on our recommendation, SSA implemented the Medicare Non-Utilization Project in September 2013. In this Project, SSA and the Centers for Medicare & Medicaid Services (CMS) exchange data to identify Title II beneficiaries who are age 90 and above, are in current payment status, have a domestic address, and have not used Medicare Part A or Part B in 3 years or longer.¹⁶ As of August 2016, SSA had identified about \$165 million in improper payments to deceased Title II beneficiaries.¹⁷ As the Medicare Non-Utilization Project only includes aged Title II beneficiaries in current payment status with a domestic address, we believe using medical (Medicaid and Medicare) claim data would also be effective in identifying aged Title XVI recipients who are deceased.

To accomplish our objective, we obtained, from all segments of SSA's Supplemental Security and Master Beneficiary Records, a data extract of 41,103 Title XVI recipients age 90 or older in current payment status with an address in 1 of the top 4 Medicaid States (California, Florida, New York, and Texas).¹⁸ We matched SSA data with Medicaid use data from the four States for 2011 through 2013 to obtain a population of recipients who had no Medicaid use. We then verified this population did not have any Medicare use by comparing it with CMS Medicare data for 2011 through 2013 (the most recent 3 years of available data). We obtained a population of 436 Title XVI recipients who were age 90 or older, were in current payment status as of October 2015, and had not used Medicaid or Medicare over the 3-year period. From this population, we randomly selected and attempted to contact 100 recipients to determine whether

¹⁰ SSA OIG, *Using Medicare Claim Data to Identify Deceased Beneficiaries* (A-08-09-19105), August 2012.

¹¹ SSA administers the Old-Age, Survivors and Disability Insurance program under Title II of the *Social Security Act*. This program provides monthly benefits to retired and disabled workers, including their dependents and survivors. *Social Security Act* § 201 *et seq.*, 42 U.S.C. § 401 *et seq.*

¹² SSA OIG, *Using Medicare Claim Data to Identify Deceased Beneficiaries* (A-08-09-19105), p. 2, August 2012.

¹³ Id. at p. 3.

¹⁴ Id.

¹⁵ Id.

¹⁶ SSA, POMS, GN 02602.600 A. (April 23, 2015).

¹⁷ SSA provided OIG this information upon request.

¹⁸ In these States, an SSI application is also an application for Medicaid, and SSA makes the Medicaid eligibility determination. SSA, POMS SI 01730.005 (February 6, 2013), SI 01730.010 A.1. (February 6, 2013), and SI 01715.020 (May 30, 2014). The State also pays the Medicare premiums if the SSI recipient meets the Medicare eligibility requirements. SSA, POMS, HI 00815.001 (January 7, 2015) and HI 00815.009 (May 29, 2014).

they were deceased. In May 2016, we formally notified SSA of our concerns with the number of Title XVI recipients we identified as deceased. In calculating improper payments, we used information that affected a recipient's payment, such as a recipient's failure to report an event or SSA's failure to obtain or act on available information. See Appendix A for additional information regarding our scope and methodology.

RESULTS OF REVIEW

Based on the results of our review, we believe SSA can use medical (Medicaid and Medicare) claim data to identify aged Title XVI recipients who are deceased. As shown in Table 1, SSA terminated or suspended 29 sample recipients' payments because they were deceased. SSA also terminated or suspended 41 sample recipients' payments because they were living outside the United States, purportedly living outside the United States, or unable to be located. Furthermore, based on information we had obtained as of the date of this review, we believe SSA may terminate or suspend the payments of an additional three recipients. These recipients were in current payment status because of ongoing investigations. Based on our findings, we estimate SSA improperly paid aged Title XVI recipients about \$12.4 million.¹⁹ Table 1 summarizes our results as of September 2016.

Table 1: Status of Recipients

Status of Recipients	Payment Status			Totals
	Current Pay	Suspended	Terminated	
Living	27	6	3	36
Deceased	1	6	23	30
Purportedly Out of the Country	2	20	7	29
Whereabouts Unknown	0	5	0	5
Totals	30	37	33	100

Source: OIG analysis.

Based on our findings, we estimate that SSA will pay \$303,936 in additional improper payments to recipients who are alive, but living outside the United States without SSA's knowledge.²⁰ We also estimate that SSA will pay about \$1 million in additional improper payments to deceased recipients over the next 12 months if the Agency does not suspend or terminate their payments.²¹

¹⁹ The \$12.4 million includes estimated improper payments to aged Title XVI recipients who are (1) living outside the United States without SSA's knowledge, (2) deceased, and (3) purportedly out of the country but may be deceased. See Table B-2, Table B-4, and Table B-6.

²⁰ See Table B-3.

²¹ As 26 of the 29 recipients died while living outside the United States, the improper payments include the time they were outside the country for 30 days or longer. See Table B-5.

Further, we estimate that 109 recipients were purportedly living outside the United States, did not report their address change to SSA, and were improperly paid about \$4 million.²² If the Agency does not take action on the cases we identified, we estimate SSA will pay \$866,429 in additional improper payments to recipients purportedly living outside the United States over the next 12 months.²³ In addition, we estimate that 22 recipients' whereabouts were unknown.²⁴ These are conservative estimates because they only include recipients who lived in California, Florida, New York, and Texas. Furthermore, we believe it is likely that many of the recipients who had suspended payments, including those purportedly out of the country, were deceased because they did not contact SSA to reinstate their payments.

Based on the number of recipients whose payments SSA terminated or suspended, we believe SSA should expand its Medicare Non-Utilization Project to include aged Title XVI recipients in current payment status and obtain Medicaid use data from the States to identify recipients who are deceased. In addition, 65 sample recipients died while living in another country or were living (or purportedly living) outside the United States without SSA's knowledge.²⁵ As such, we believe SSA should explore the feasibility of expanding the use of electronic death exchange information with foreign governments to include Title XVI recipients.

Living Recipients

We determined that 36 of our 100 sample recipients were alive. Of the 36, we confirmed that 27 were living in the United States, and 9 were living outside the country without SSA's knowledge. SSA instructs recipients to report any address change.²⁶ In addition, to be eligible for payments, recipients generally must reside in 1 of the 50 States, the District of Columbia, or the Northern Mariana Islands.²⁷ Based on our findings, we estimate that SSA improperly paid about \$1.6 million to 39 recipients who were alive but living outside the United States without SSA's knowledge.²⁸ Further, we estimate that, over the next 12 months, SSA will pay recipients living outside the United States \$303,936 in additional improper payments if the Agency does not suspend or terminate payments for the cases in our population.²⁹ We believe these are conservative estimates because they only include recipients who lived in California, Florida, New York, and Texas. In addition, we calculated improper payments based on information obtained to date.

²² See Table B–6.

²³ See Table B–7.

²⁴ See Table B–8.

²⁵ Of the 65 recipients, 27 died outside the United States, 9 were living outside the United States, and 29 were purportedly living outside the United States.

²⁶ SSA, Publication No. 05-11011, *supra* at p. 9.

²⁷ SSA, POMS, SI 00501.001 B.1 (January 18, 2005).

²⁸ See Table B–2.

²⁹ Table Table B–3.

As of September 2016, SSA had suspended payments for six and terminated payments for three recipients.³⁰ The following examples illustrate improper payments made to recipients living outside the United States without SSA's knowledge.

- A family member told us a recipient was living in the United States, but the recipient could not speak over the telephone. However, the recipient agreed to an interview. At the interview, the recipient confessed to having lived outside the country for over 10 years. The recipient returned to the United States before the interview. SSA and the State improperly paid this recipient over \$124,000. We referred the matter to our Office of Investigations (OI).
- A family member told us a recipient moved to a foreign country in 2002. SSA improperly paid this recipient over \$110,000. The U.S. Attorney's Office accepted this case for criminal prosecution.

Deceased Recipients

We determined that 30 of our 100 sample recipients were deceased, 27 died while living outside the United States without SSA's knowledge, and 29 were improperly paid. Based on our findings, we estimate that SSA improperly paid 126 deceased recipients about \$6.9 million.³¹ Further, we estimate that, over the next 12 months, SSA will pay deceased recipients about \$1 million in additional improper payments if the Agency does not suspend or terminate payments for the cases in our population.³² We believe these are conservative estimates because they only include recipients who lived in California, Florida, New York, and Texas. In addition, we calculated improper payments based on information obtained to date. For example, we calculated some improper payments based on the recipient's death in another country. SSA may increase the improper payment amount if the Agency or OI determines the recipients lived outside the United States before their death.

As of September 2016, SSA had terminated the payments of 23 of the 30 deceased recipients.³³ The dates of death ranged from 1988 to 2016, and these recipients had been deceased an average of 5 years.

SSA suspended the payments of six additional recipients because it was likely they were deceased (based on information we obtained from a relative or online death search). The following examples illustrate improper payments made to deceased recipients.

³⁰ For these nine cases, SSA's records indicated the recipients are living outside the United States.

³¹ As of September 2016, SSA had recovered \$237,465 of the improper payments paid after death. As 26 of the 29 recipients died while living outside the United States, the improper payments include the time they were outside the country for 30 days or longer. See Table B-4.

³² See Table B-5.

³³ While deaths have been confirmed by a relative or online death search for all 30 recipients, payments for 7 of these individuals will not be officially terminated until OI completes its case review.

- One recipient had been deceased for over 27 years. SSA had conducted five redeterminations³⁴ (one telephone, three mail, and one automated scanning process) since the recipient died in August 1988. However, SSA continued paying the recipient, which resulted in a \$180,000 improper payment. A preliminary investigation suggests a third party was involved.
- One recipient had been deceased for almost 15 years. A family member confessed to concealing the recipient's death from SSA and receiving the SSI payments after the recipient's death. The family member claimed the recipient left the United States many years before. SSA conducted a mail redetermination in May 2001, but there were no records to substantiate whether the recipient was still living in the United States at that time. While the case was declined for criminal prosecution, OIG pursued a civil monetary penalty. The family member agreed to pay a \$20,000 civil monetary penalty plus an assessment in lieu of damages of about \$76,000, for a total of about \$96,000.
- One recipient had been deceased for almost 6 years, and SSA improperly paid the recipient about \$60,000. A family member repaid about \$54,000 of the improper payment.

Recipients Purportedly Living Outside the United States

SSA instructs recipients to report any address change.³⁵ In addition, to be eligible for payments, recipients generally must reside in 1 of the 50 States, the District of Columbia, or the Northern Mariana Islands.³⁶ However, we determined that 29 of the 100 sample recipients were purportedly living outside the United States and did not report their address change to SSA. SSA improperly paid 25 of these 29 recipients. Based on our findings, we estimate that SSA improperly paid 109 recipients who were purportedly living outside the United States about \$4 million.³⁷ Further, we estimate that, over the next 12 months, SSA will pay recipients who are purportedly living outside the United States \$866,429 in additional improper payments if it does not act on the cases we identified.³⁸ This is a conservative estimate because it only included four States. In addition, we calculated improper payments based on information obtained to date. For example, SSA calculated some improper payments for the past 2 years based on the rules of

³⁴ A redetermination is a review of a recipient's non-medical eligibility factors, such as income, resources, and living arrangements to determine whether the recipient is still eligible for and receiving the correct SSI payment. *Social Security Act* § 1611(c)(1), 42 U.S.C. § 1382(c)(1), 20 C.F.R. § 416.204; SSA, POMS, SI 02305.001 A (August 29, 2014).

³⁵ SSA, Publication No. 05-11011, *supra* at p. 9.

³⁶ SSA, POMS, SI 00501.001 B.1 (January 18, 2005).

³⁷ See Table B-6.

³⁸ See Table B-7.

administrative finality.³⁹ SSA may increase the improper payment amount if it or OI determines that fraud or similar fault applies.⁴⁰

SSA terminated payments for 7 recipients and suspended payments for 20. As of September 2016, these 20 recipients were still in suspended payment status. We believe it is likely these recipients were deceased because they did not contact SSA to reinstate their payments. For example, SSA suspended payments for 25 recipients between January and July 2016. To date, the recipients have not attempted to reinstate their payments.

In 12 of the 29 cases, recipients' family members told us the recipient had recently left the United States. However, we determined that four of these recipients had left the United States years before the family members' statements. The following examples illustrate recipients purportedly living outside the United States.

- A family member told us a recipient had recently moved to a foreign country. However, we determined the recipient left the United States over 10 years before. SSA improperly paid this recipient over \$80,000. At the time of our review, OI was investigating this case.
- A family member told us a recipient had moved to a foreign country over 1 year before. However, we determined the recipient left the United States over 10 years before. SSA improperly paid this recipient over \$80,000. OI discussed this case with the U.S. Attorney's Office.
- A family member told us a recipient had moved to a foreign country in 2015. However, we determined the recipient left the United States over 10 years before and SSA improperly paid this recipient over \$50,000. A preliminary investigation suggested another person was involved. The U.S. Attorney's Office accepted this case for criminal prosecution.

Recipients Whose Whereabouts Were Unknown

Despite numerous attempts to determine whether our 100 sample recipients were alive, we could not locate 5 recipients. Based on our findings, we estimate that about 22 recipients' whereabouts were unknown.⁴¹ This is a conservative estimate because it only includes recipients who lived in California, Florida, New York, and Texas. SSA suspended payments for these five recipients from April through July 2016. We believe there is a high probability that some of these recipients were deceased because they did not contact SSA to reinstate their payments.

³⁹ However, SSA's field offices did not apply the rules of administrative finality uniformly across all cases.

⁴⁰ Administrative finality dictates that SSA not revise determinations of SSI eligibility or payment amounts unless special reasons apply. Accordingly, SSA routinely limits retroactive overpayment calculations based on new evidence to 2 years. However, SSA can recover the entire overpayment amount if OIG makes a fraud determination or SSA makes a finding that similar fault occurred. SSA, POMS, SI 04070.005 A.1., and A.10. to A.12. (September 8, 2016), SI 04070.010 F. 4. (November 24, 2014), and SI 04070.020 A., B., and E. (September 8, 2016).

⁴¹ See Table B-8.

Opportunities to Identify Deceased Recipients

We believe SSA has opportunities to identify Title XVI recipients who are deceased and reduce improper payments by using State Medicaid and CMS Medicare data. Based on the number of recipients whose payments SSA terminated or suspended (70), we believe SSA should expand its Medicare Non-Utilization Project to include aged Title XVI recipients in current payment status and obtain Medicaid use data from the States to better identify deceased recipients.

Given that 65 sample recipients died while living in another country or were living (or purportedly living) outside the United States without SSA's knowledge,⁴² we believe SSA should explore the feasibility of expanding the use of electronic death exchange information with foreign governments to include Title XVI recipients. If the Agency believes that existing laws prevent the exchange of such information, we believe it should seek legislative authority that would allow the Agency to exchange death information regarding Title XVI recipients. SSA was exchanging death information with 6 of the 25 U.S. totalization agreement countries, but this is only for Title II beneficiaries.⁴³

We identified several instances where banks were maintaining accounts that had been inactive for many years, except for direct deposit of SSA payments. In a February 2004 review, we determined that SSA had deposited over \$1 million into the dormant bank accounts of 15 deceased beneficiaries. Based on our recommendation, SSA agreed to initiate Treasury reclamations to retrieve SSA funds held in these dormant accounts.⁴⁴ In a March 2015 review, we determined that SSA had deposited over \$1 million into the accounts of 58 beneficiaries who had a known date of death or whose financial institution records indicated they were likely deceased. Further, we noted that OI had identified bank accounts containing over \$2.7 million for 28 beneficiaries it was unable to locate.⁴⁵ The following examples illustrate improper payments made to bank accounts of deceased recipients.

- One recipient had been deceased for 7 years, and SSA had deposited over \$80,000 into the recipient's account.
- One recipient had been deceased for about 6 years, and SSA had deposited about \$34,000 into the recipient's account.
- One recipient had been deceased for 10 years, and SSA had deposited \$3,630 into the recipient's account.

⁴² Of the 65 recipients, 27 died outside the United States, 9 were living outside the United States, and 29 were purportedly living outside the United States.

⁴³ These six countries were Australia, Germany, Ireland, the Netherlands, South Korea, and Sweden.

⁴⁴ SSA OIG, *Social Security Funds Held in Dormant Bank Accounts* (A-02-03-23080), p. 2, 5, and 6, February 2004.

⁴⁵ SSA OIG, *Payments Deposited into Bank Accounts After Beneficiaries Are Deceased* (A-02-13-13052), p. 2 and 4, March 2015.

While we recognize that financial institutions have no incentive to report inactive accounts,⁴⁶ we believe SSA has a stewardship responsibility to ensure it properly pays recipients, thus avoiding improper payments. In fact, Executive Order 13520, *Reducing Improper Payments and Eliminating Waste in Federal Programs*, November 20, 2009,⁴⁷ states that “. . . [w]hen the Federal Government makes payments to individuals and businesses as program beneficiaries. . . it must make every effort to confirm that the right recipient is receiving the right payment for the right reason at the right time.” Because we previously recommended that SSA continue working with the banking industry (as allowed under law) to find inactive bank accounts of deceased beneficiaries,⁴⁸ we will not repeat that recommendation in this report. However, in keeping with the intent and spirit of Executive Order 13520, we encourage SSA to work with the banking community to identify inactive bank accounts of deceased recipients.

CONCLUSIONS

We commend SSA for its efforts to identify deceased beneficiaries, including its Medicare Non-Utilization Project. However, based on the results of this audit, we estimate that hundreds of aged Title XVI recipients were deceased or purportedly living outside the United States, and we could not locate others. When the Agency does not receive timely death reports or information about recipients who live outside the United States, improper payments occur. As such, we believe SSA would benefit by taking additional steps to better identify deceased recipients.

RECOMMENDATIONS

Accordingly, we recommend that SSA:

1. Work with the States and CMS to identify aged Title XVI recipients who are not using Medicaid or Medicare and use this information to conduct reviews of the SSI population.
2. Work the remaining 336 cases in our population (who are in current payment status) to determine whether these Title XVI recipients are deceased.
3. Explore the feasibility of expanding the use of electronic death exchange information with foreign governments to include Title XVI recipients. If the Agency believes that existing laws prevent the exchange of such information, we believe it should seek legislative authority that would allow the Agency to exchange death information regarding Title XVI recipients.

⁴⁶ We define an inactive account as one that only has direct deposits of SSA payments and no other activity.

⁴⁷ 74 Fed. Reg. 62201 (November 25, 2009).

⁴⁸ SSA OIG, *Using Medicare Claim Data to Identify Deceased Beneficiaries* (A-08-09-19105), p. 8, August 2012.

AGENCY COMMENTS AND OIG RESPONSE

SSA agreed with Recommendations 1 and 2. Although SSA agreed with Recommendation 1, it stated it was unable to establish data matches with all 50 States because of the complexity and cost of establishing data matches. As an alternative, SSA stated it plans to implement a 3-year diary that requires that technicians interview current SSI recipients who are between ages 90 and 99 but have not had any activity on their SSR record for 3 or more years. Examples of activity include changing an address, updating a representative payee, filing a waiver, or completing a redetermination. While we commend SSA for its initiative, we are concerned that such procedures may not identify all deceased recipients. For example, using SSA's criteria, we would not have identified 39 of our improper payment cases.⁴⁹ That is, while the SSR showed activity, we determined that some recipients were deceased or purportedly living outside the United States. Although we believe SSA's initiative addresses the intent of Recommendation 1, we continue to believe the Agency should work with the States and CMS to identify aged Title XVI recipients who are not using Medicaid or Medicare and use this information to conduct reviews of the SSI population. In response to SSA's concern about the complexity and cost of establishing data matches with all States, we believe the Agency should focus on obtaining Medicaid data from States with large SSI populations.

SSA disagreed with Recommendation 3. SSA stated it does not believe it should seek legislative authority to exchange death information regarding Title XVI recipients. SSA also stated that language barriers, conflicting privacy laws, and information technology differences lead it to believe this recommendation cannot be implemented. As an alternative, SSA believes that developing better ways to identify when recipients leave the United States more directly addresses the root issue underlying Recommendation 3 and will help resolve the problem. SSA stated it is working with the Department of Homeland Security to study the utility of a potential data exchange that will provide the Agency with departure and arrival data. Although SSA disagreed with Recommendation 3, we believe the Agency's response and planned actions adequately address the intent of Recommendation 3. The full text of SSA's comments is included in Appendix C.

⁴⁹ SSA would not have identified 6 of the 9 recipients living outside the United States, 16 of the 30 deceased recipients, 16 of the 29 recipients purportedly living outside the United States, or 1 of the 5 recipients who could not be located.

OTHER MATTER

As previously discussed, SSA conducted five redeterminations (one telephone, three mail, and one automated scanning process) on one recipient after his/her death, which resulted in a \$180,000 improper payment. We identified that, on average, it had been 10 years since SSA last conducted a redetermination on our 100 sample items. Given the age of our sample (90 or older), how recently SSA conducted redeterminations, and the findings in this report, we plan to conduct future audit work on SSA's redetermination process.



Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed pertinent sections of the Social Security Administration's (SSA) policies and procedures, applicable laws, and regulations.
- Obtained a data extract from all segments of SSA's Supplemental Security and Master Beneficiary Records. This file comprised 41,103 recipients age 90 and older (as of June 2014) in current payment status with an address in one of the top 4 Medicaid States (California, Florida, New York, and Texas).
- Obtained State Medicaid use data from the top four Medicaid States for 2011 through 2013 and Medicare use files from the Centers for Medicare & Medicaid Services (CMS) for 2011 through 2013 (the most recent data available at the time of our review).
- Matched SSA data with Medicaid use data from the four States for 2011 through 2013 to obtain a population of recipients with no Medicaid use. We then verified this population did not have any Medicare use by comparing it with CMS Medicare data for 2011 through 2013 (the most recent 3 years of available data). This reduced our population to 436 recipients who did not use Medicare or Medicaid in 2011 through 2013 and were in current payment status as of October 2015. We excluded recipients who had accruals for medical services, such as inpatient, outpatient, skilled nursing facility, durable medical equipment, or home health visit claims. We also excluded recipients who had health maintenance organization coverage or had other insurance.
- Selected a random sample of 100 recipients.
- Obtained addresses and telephone numbers from the Supplemental Security and Master Beneficiary Records, State Medicaid data, and LexisNexis. We mailed letters to our sample recipients and attempted to contact them by telephone. If we could not contact the recipient, we attempted to contact relatives and neighbors to locate the recipients. We also contacted banks to determine whether recipients' accounts were active.
- Queried the Department of the Treasury's Check Information System to identify inconsistencies in signatures and to ensure recipients receiving their payments via check were cashing them.
- Used online death searches to look for unreported recipient deaths.
- Conducted face-to-face interviews with recipients at either their residence or a local Social Security field office to ensure they were not deceased. Neither we nor SSA conducted face-to-face interviews for recipients who were purportedly alive and living outside the United States. As such, we had no assurance they were alive. SSA is suspending their payments because they are living outside the United States. Some of these recipients may be alive and contact SSA to determine why their payments were suspended.

- Referred potentially deceased cases where fraud appeared to be involved and cases where the recipient was purportedly living outside the United States without SSA's knowledge to our Office of Investigations. We referred cases where the recipients' whereabouts were unknown or they were deceased (but had no apparent fraud involved) to SSA so the Agency could suspend their payments.
- Calculated improper payments based on information that affected a recipient's payment, such as a recipient's failure to report an event or SSA's failure to obtain or act on available information.
 - Calculated the improper payments for the recipients we confirmed were living outside the United States without SSA's knowledge and calculated payments that SSA would continue to pay these recipients for the following 12 months.
 - Calculated the improper payments for the deceased recipients and calculated payments that SSA would continue to pay these recipients for the following 12 months.
 - Calculated the improper payments for recipients purportedly living outside the United States and calculated payments that SSA would continue to pay these recipients for the following 12 months.

Our review of internal controls was limited to gaining an understanding of information on the Supplemental Security and Master Beneficiary Records and Numident. We conducted our audit at the Office of Audit field office in Birmingham, Alabama, and other Office of Audit locations in Dallas, New York, and San Francisco. We determined the computer-processed data were sufficiently reliable for our intended use. We conducted tests to determine the completeness and accuracy of the data. These tests allowed us to assess the reliability of the data and achieve our audit objective.

The SSA entity audited was the Office of Income Security Programs under the Office of the Deputy Commissioner for Retirement and Disability Policy. We conducted our review from October 2015 through September 2016. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix B – SAMPLING METHODOLOGY AND RESULTS

We obtained a data extract from all segments of the Social Security Administration’s (SSA) Supplemental Security and Master Beneficiary Records. We identified 41,103 recipients age 90 or older (as of June 2014) in current payment status with an address in 1 of the top 4 Medicaid States (California, Florida, New York, and Texas). We matched SSA data with Medicaid use data from the four States for 2011 through 2013 to obtain a population of recipients with no Medicaid use. We then verified this population did not have any Medicare use by comparing it with the Centers for Medicare & Medicaid Services’ Medicare data for 2011 through 2013 (the most recent 3 years of available data). We obtained a population of 436 Title XVI recipients who were age 90 or older and in current payment status as of October 2015. These recipients had no Medicaid or Medicare activity from 2011 through 2013 (the most recent 3 years of data available at the time of our review). As shown in Table B–1, we randomly selected 100 recipients from this population to determine whether they were deceased.

Table B–1: Population and Sample Size

Description	Number of Recipients
Population Size	436
Sample Size	100

The following tables provide the details of our sample results and statistical projections.

Living Recipients

Of a random sample of 100 recipients, we determined 36 were alive. However, nine were living outside the United States without SSA’s knowledge and improperly paid \$365,123. Projecting these results to our population of 436 recipients, as shown in Table B–2, we estimate that SSA improperly paid 39 recipients who were alive and living outside the United States about \$1.6 million.

Table B–2: Recipients Living Outside the United States Who Were Improperly Paid

Description	Number of Recipients	Improper Payments
Sample Results	9	\$365,123
Point Estimate	39	\$1,591,935
Projection – Lower Limit	23	\$425,382
Projection – Upper Limit	63	\$2,758,488

Note: All statistical projections are at the 90-percent confidence level.

Over the next 12 months, SSA would have improperly paid these nine recipients \$69,710 had it not acted on the cases we identified. Projecting these results to our population of 436 recipients, as shown in Table B–3, we estimate that, over the next 12 months, SSA will issue \$303,936 in additional improper payments if it does not suspend or terminate payments to the recipients. These estimates are conservative because they only include recipients who lived in California,

Florida, New York, and Texas. In addition, we calculated improper payments based on information obtained to date.

Table B-3: Improper Payments to Recipients Living Outside the United States over the Next 12 Months

Description	Number of Recipients	Future Improper Payments
Sample Results	9	\$69,710
Point Estimate	39	\$303,936
Projection – Lower Limit	23	\$158,054
Projection – Upper Limit	63	\$449,819

Note: All statistical projections are at the 90-percent confidence level.

Deceased Recipients

Of a random sample of 100 recipients, we determined 30 were deceased, and 29 of these 30 were improperly paid \$1,574,088.¹ Projecting these results to our population of 436 recipients, as shown in Table B-4, we estimate SSA improperly paid 126 deceased recipients about \$6.9 million in improper payments after death. This improper payment amount includes the time the recipients lived outside the United States for 30 days or longer.

Table B-4: Deceased Recipients Who Were Improperly Paid

Description	Number of Recipients	Improper Payments
Sample Results	29	\$1,574,088
Point Estimate	126	\$6,863,023
Projection – Lower Limit	98	\$4,708,488
Projection – Upper Limit	158	\$9,017,559

Note: All statistical projections are at the 90-percent confidence level.

Over the next 12 months, SSA would have improperly paid these 29 deceased recipients \$237,608 had it not acted on the cases we identified.² Projecting these results to our population of 436 recipients, as shown in Table B-5, we estimate that, over the next 12 months, SSA will issue \$1,035,972 in additional improper payments if it does not suspend or terminate payments to the recipients.³ These estimates are conservative because they only include recipients who lived in California, Florida, New York, and Texas. In addition, we calculated improper payments based on information obtained to date.

¹ As 26 of the 29 recipients died while living outside the United States, the improper payment projections include the time they were outside the country for 30 days or longer.

² Id.

³ Id.

Table B–5: Improper Payments to Deceased Recipients over the Next 12 Months

Description	Number of Recipients	Future Improper Payments
Sample Results	29	\$237,608
Point Estimate	126	\$1,035,972
Projection – Lower Limit	98	\$788,407
Projection – Upper Limit	158	\$1,283,537

Note: All statistical projections are at the 90-percent confidence level.

Recipients Purportedly Living Outside the United States

Of a random sample of 100 recipients, we determined 29 were purportedly living outside the United States and did not report their address change to SSA. However, 25 of these 29 recipients were improperly paid \$894,766. Projecting these results to our population of 436 recipients, as shown in Table B–6, we estimate SSA improperly paid 109 recipients about \$4 million because they were purportedly living outside the United States without SSA’s knowledge.

Table B–6: Recipients Purportedly Living Outside the United States Who Were Improperly Paid

Description	Number of Recipients	Improper Payments
Sample Results	25	\$894,766
Point Estimate	109	\$3,901,181
Projection – Lower Limit	82	\$2,466,701
Projection – Upper Limit	140	\$5,335,660

Note: All statistical projections are at the 90-percent confidence level.

Over the next 12 months, SSA will improperly pay these 25 recipients \$198,722 if it does not suspend or terminate their payments based on our sample. Projecting these results to our population of 436 recipients, as shown in Table B–7, we estimate that over the next 12 months, SSA will issue about \$866,429 in additional improper payments if it does not act on the population of cases we identified. These estimates are conservative because they only include recipients who lived in California, Florida, New York, and Texas. In addition, we calculated improper payments based on information obtained to date.

Table B–7: Improper Payments to Recipients Purportedly Living Outside the United States over the Next 12 Months

Description	Number of Recipients	Future Improper Payments
Sample Results	25	\$198,722
Point Estimate	109	\$866,429
Projection – Lower Limit	82	\$641,306
Projection – Upper Limit	140	\$1,091,552

Note: All statistical projections are at the 90-percent confidence level.

Recipients Whose Whereabouts are Unknown

Of a random sample of 100 recipients, we could not locate 5 recipients. Projecting these results to our population of 436 recipients, as shown in Table B–8, we estimate that about 22 recipients' whereabouts were unknown.

Table B–8: Recipients Whose Whereabouts Were Unknown

Description	Number of Recipients
Sample Results	5
Point Estimate	22
Projection – Lower Limit	10
Projection – Upper Limit	41

Note: All statistical projections are at the 90-percent confidence level.

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: September 07, 2016 Refer To: S1J-3

To: Gale S. Stone
Acting Inspector General

From: Frank Cristaudo /s/
Executive Counselor to the Commissioner

Subject: Office of the Inspector General Draft Report, “Using Medical Claim Data to Identify Aged Title XVI Recipients Who Are Deceased” (A-08-14-24122)--INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,
“USING MEDICAL CLAIM DATA TO IDENTIFY AGED TITLE XVI RECIPIENTS
WHO ARE DECEASED” (A-08-14-24122)**

General Comment

We take our responsibility to be good stewards of the Supplemental Security Income (SSI) program seriously and we have made increasing SSI payment accuracy one of our top priorities. We have long used a robust process to reliably estimate the amount and main causes of improper payments in our programs. We use this information—in conjunction with the recommendations from your office and the Government Accountability Office—to focus our limited resources on the efforts we believe will have the greatest effect on preventing, detecting, and recovering improper payments. We provide information on many of these efforts in our Agency Financial Report, which can be found in [The Social Security Administration's Agency Financial Report \(AFR\)](#).

We appreciate your review of how Medical Assistance (Medicare and Medicaid) claims data can help us identify SSI recipients who may have died or are outside the United States (U.S.). Deaths accounted for less than one percent of all projected SSI overpayment dollars in 2015. Although unreported deaths are rare, we have initiatives in place to identify them. For the SSI program, we currently schedule an interview once every three years with all beneficiaries who have reached age 100. Based on this audit review, we plan to expand this initiative by beginning these reviews at age 90, rather than age 100.

We also continue to pursue efforts to better identify SSI recipients who leave the U.S. so that we can prevent improper payments. We are currently working with the Department of Homeland Security (DHS) to access the data in their Arrival and Departure Information System, which maintains the departure and arrival dates of individuals traveling outside the U.S.

Recommendation 1

Work with the States and CMS to identify aged Title XVI recipients who are not using Medicaid or Medicare and use this information to conduct reviews of the SSI population.

Response

We agree. However, due to the complexity and cost of establishing data matches with all 50 States, we are unable to take this action. As an alternative, we plan to implement a three-year diary that requires technicians to conduct interviews with current SSI recipients who are between the ages of 90-99 years old, but have not had any activity on their record for three or more years. To address the diary, a field office technician will send the recipient and the representative payee, if applicable, a letter to schedule an interview. During the interview, the technician will verify the identity of the recipient and confirm the recipient is still alive. The preferred method for conducting these interviews is via telephone; however, a technician will conduct a home visit if one is requested, or if the recipient or representative payee has a condition that impairs effective telephone communication, or if the technician is unable to verify the identity of the individual during the telephone interview.

If the letter used to schedule the interview is returned as undeliverable, the technician will exhaust all efforts to locate and contact the recipient, including contacting a financial institution, benefit source, medical treatment source, or social service agency. If the technician is unable to locate the recipient or the recipient fails to keep a scheduled interview appointment, benefits will be suspended. If there is suspicion that the recipient is deceased, the technician will suspend payments and refer the case to OIG. If during the investigative process it is determined the recipient is, in fact, deceased or out of the country, the technician will take appropriate actions to develop for a foreign address or terminate the benefits. Additionally, the technician will report any suspected fraudulent activity to OIG, as appropriate.

We expect to establish the diary for SSI recipients aged 90-99 years by the end of fiscal year 2017.

Recommendation 2

Work with the remaining 336 cases in our population (who are in current payment status) to determine whether these Title XVI recipients are deceased.

Response

We agree. We will take the action necessary to make the determinations.

Recommendation 3

Explore the feasibility of expanding the use of electronic death exchange information with foreign governments to include Title XVI recipients. If the agency believes that existing laws prevent the exchange of such information, we believe it should seek legislative authority that would allow the agency to exchange death information regarding Title XVI recipients.

Response

We disagree. We do not believe we should seek legislative authority to exchange death information regarding Title XVI recipients. Title XVI recipients are not eligible for benefits if they “reside in” a foreign country; therefore, we would be unable to accurately identify those recipients for whom a partner country may have death information. Moreover, our existing death data exchanges are reciprocal. There would be no reason for a sovereign foreign government to provide us with this data since we could offer nothing in return. Language barriers, conflicting privacy laws, and information technology differences, combined with the obstacles identified above, lead us to believe that this recommendation is not implementable. Alternatively, we believe that developing better ways to identify when recipients leave the U.S. more directly addresses the root issue underlying this recommendation and will help resolve the problem referenced therein. As we noted in our general comments, we are currently working with DHS to study the utility of a potential data exchange that will provide us departure and arrival data.

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