

*Evaluation Report*

Medicare Eligibility Determinations  
for Aged Supplemental Security  
Income Recipients

A-06-14-14134 / September 2015



# Office of the Inspector General

## SOCIAL SECURITY ADMINISTRATION

## MEMORANDUM

Date: September 28, 2015

### Refer To:

To: The Commissioner

**From:** Inspector General

**Subject:** Medicare Eligibility Determinations for Aged Supplemental Security Income Recipients (A-06-14-14134)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration timely completed Medicare eligibility determinations for uninsured Supplemental Security Income recipients who had attained age 65.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

Beth & Glenn J.

Patrick P. O'Carroll, Jr.

## Attachment

# Medicare Eligibility Determinations for Aged Supplemental Security Income Recipients

## A-06-14-14134



September 2015

Office of Audit Report Summary

### Objective

To determine whether the Social Security Administration (SSA) timely completed Medicare eligibility determinations for uninsured Supplemental Security Income (SSI) recipients who had attained age 65.

### Background

The Medicare Buy-In program allows States to enroll certain groups of needy people under the Supplemental Medical Insurance Program, also referred to as Medicare Part B, and pay their premiums. Under the SSI program, 33 States and the District of Columbia have entered into agreements with SSA whereby an individual's entitlement to SSI payments automatically establishes buy-in coverage for the State to pay their Part B premiums. SSA determines Part B eligibility for these recipients.

The Medicare Attainments and Leads Process (MALP) is an automated system that allows SSA to identify and process Medicare-only claims for uninsured SSI recipients as they near age 65.

### Findings

SSA did not always timely complete Part B eligibility determinations for uninsured SSI recipients who had attained age 65.

From 1 segment of the Supplemental Security Record, we identified 302 recipients who were (1) at least 65 years and 10 months in January 2013, (2) appeared to meet Part B buy-in criteria, and (3) were not enrolled in Part B. As of October 2014, 226 (75 percent) of the 302 recipients were still not enrolled in Part B.

Applying these results to the full Supplemental Security Record indicates approximately 4,520 SSI recipients who had attained age 65 as of March 2012 and appeared eligible for State buy-in were not enrolled in Part B as of October 2014.

In some instances, it appeared SSA staff input status codes to clear pending cases from MALP without processing the Part B claims. SSA could better serve these low-income seniors, as well as the States they live in, by improving this process.

### Recommendation

We recommend that SSA remind staff to timely process Part B alerts pending in MALP and refrain from annotating cases as resolved unless they have completed proper adjudication action.

SSA agreed with our recommendation.

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## **ABBREVIATIONS**

MALP	Medicare Attainments and Leads Process
MBR	Master Beneficiary Record
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

## OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) timely completed Medicare eligibility determinations for uninsured Supplemental Security Income (SSI) recipients who had attained age 65.

## BACKGROUND

The Medicare Buy-In Program allows States to enroll certain groups of needy people under the Supplemental Medical Insurance Program, also referred to as Medicare Part B,<sup>1</sup> and pay their premiums.<sup>2</sup> Under the SSI program, 33 States and the District of Columbia (referred to as “auto-accrete” States) have entered into agreements with SSA whereby an individual’s entitlement to SSI payments automatically establishes State buy-in coverage—which means the State pays their Part B premiums.<sup>3</sup>

Paying the Part B premium allows States to benefit from having the federally funded Medicare program pay for services that might otherwise be paid for by Medicaid; a program jointly funded by the States and the Government. After buy-in, Medicare becomes the primary payer for the beneficiary’s medical bills. Medicare buy-in programs are designed to reduce low-income beneficiaries’ out-of-pocket expenses. In addition, buy-in ensures Medicare protection to an individual who may otherwise be unable to pay the premiums. SSA determines Medicare Part B eligibility for SSI recipients who live in auto-accrete States.<sup>4</sup>

On April 23, 2010, a U.S. District Court approved the settlement of a lawsuit that increased access to Medicare-covered services and benefits for low-income seniors and people with disabilities in Pennsylvania.<sup>5</sup> Because of this settlement, SSA reviewed the selection process for all auto-accrete States and modified the Medicare Attainments and Leads Process (MALP) to identify and process Medicare-only claims for eligible,<sup>6</sup> uninsured SSI recipients who are age 64 years and 9 months or older. As of June 2015, MALP had processed 11,012 State buy-in claims and had another 7,159 pending claims. For more information on our scope and methodology, see Appendix A.

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<sup>1</sup> Part B – covers physician services and outpatient care, such as diagnostic x-rays, therapy, and the rental or purchase of medical equipment used in the home.

<sup>2</sup> *Social Security Act §§ 1843, 42 U.S.C. §§ 1395v* and SSA, POMS, HI 00815.001 (January 7, 2015).

<sup>3</sup> SSA, POMS, HI 00815.006 A (May 29, 2015), HI 00815.009 (May 29, 2014) and HI 01001.205 (March 15, 1999).

<sup>4</sup> SSA, POMS, HI 00810.010 A (July 23, 2002).

<sup>5</sup> *Narcisa Garcia, et al. v. Kathleen Sebelius, et al., Civil Action No. 09-CV-1747*, E.D. Pa, (April 23, 2010).

<sup>6</sup> SSA, POMS, HI 00810.010 A and B (July 23, 2002). To be eligible for State buy-in, individuals must live in an auto-accrete State and be a U.S. citizen or have established status as a Lawfully Admitted Permanent Resident for 5 years.

## RESULTS OF REVIEW

SSA did not always timely complete Part B eligibility determinations for uninsured SSI recipients who had attained age 65.

From 1 segment<sup>7</sup> of the Supplemental Security Record, we identified 302 recipients who were (1) at least 65 years and 10 months in January 2013, (2) appeared to meet Part B buy-in criteria, and (3) were not enrolled in Part B. As of October 2014, 226 (75 percent) of the 302 recipients were still not enrolled in Part B.<sup>8</sup>

The MALP Part B claim status for the 226 recipients is summarized below.

**Table 1: MALP Part B Claim Status for 226 Recipients  
(as of October 2014)**

Status	Number
Failure to Cooperate	141
Claim Taken	61
Whereabouts Unknown	8
Pending	9
Not in MALP	7
<b>TOTAL</b>	<b>226</b>

Applying these results to the full Supplemental Security Record indicates approximately 4,520 SSI recipients who had attained age 65 on or before March 2012 and appeared eligible for State buy-in were not enrolled in Part B as of October 2014.<sup>9</sup>

### Failure to Cooperate

MALP indicated SSA had not processed Part B claims because 141 recipients failed to cooperate.

SSA staff told us that *failure to cooperate* meant the recipients had not provided SSA with requested documents, did not return calls from the field office, or did not obtain and provide requested information from the State. SSA staff stated that *failure to cooperate* is a common reason why SSA does not timely process Part B claims for age 65 or older SSI recipients. Many

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<sup>7</sup> We obtained data for this review from 1 of the 20 (5 percent) payment record segments.

<sup>8</sup> Of the 226 recipients, 14 were receiving Part B as of June 18, 2015, and 3 died after October 2014.

<sup>9</sup> Social Security numbers are categorized in the MBR into 20 segments based on the last 2 digits of the Social Security number. Findings in 1 segment are representative of all 20 segments. Therefore, to develop our estimate, we multiplied our findings in the 1 segment reviewed by 20 to develop a full impact to the MBR.

recipients see no reason to apply for Part B because Medicaid already covers their medical needs. However, SSA instructs employees to explain the importance of filing for Part B. Medicare benefits are in addition to the Medicaid benefits the SSI recipients already have and will help cover their medical expenses.

However, a *failure to cooperate* status code in MALP did not necessarily mean SSA was diligent in processing these Part B claims. According to SSA policy, if the SSI recipient meets specific age, citizenship, or lawful alien status as well as residence requirements, field office and program service center staff can process the claim without the recipients' cooperation.<sup>10</sup>

SSA records indicated that at least 53 of the 141 recipients for whom no Part B application was taken due to *failure to cooperate* met the criteria, and SSA could have processed their Part B claims despite the recipients' lack of cooperation.<sup>11</sup> It is possible that SSA personnel input a *failure to cooperate* code to clear the MALP alert without processing the Part B claim. Based on our sample results, we estimate SSA could have processed approximately 1,060 pending Part B claims despite the recipients' failure to cooperate.

## Claim Taken

MALP indicated that SSA personnel had processed 61 recipients' Part B claims. In one instance, the recipient was receiving Part B. However, for the remaining cases, it appeared that SSA staff may have input the *claim taken* status code in MALP to clear the pending alert without actually processing the claims.

- In five cases, there was no Master Beneficiary Record (MBR) for the recipient whose claim had been coded as processed. Had SSA processed these Part B applications, SSA's systems would have created MBRs for these individuals.
- In the other 55 cases, MALP indicated the Part B claim was denied. In most cases, SSA personnel input a Part B denial code on the recipients' MBRs indicating the recipients did not meet citizenship or residency criteria or failed to establish they had attained the required age for Part B eligibility. However, use of these denial codes contradicted citizenship, residency, and age information on these recipients' Supplemental Security and Numident Records. Had SSA staff who denied these claims determined that inaccurate citizenship, residency, or age information appeared on these recipients' records, they should have updated the records.

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<sup>10</sup> SSA, POMS, HI 00815.048 (November 20, 2001).

<sup>11</sup> In the remaining 88 cases, date of birth or residency discrepancies on the recipients' Numident and payment records required resolution before a Part B claim could be processed. MALP indicated that 84 of these cases had been listed as *failure to cooperate* since calendar year 2011 or earlier.

## **Whereabouts Unknown**

MALP indicated SSA had not processed Part B claims because eight recipients' whereabouts were unknown. Input of the *whereabouts unknown* status code in MALP did not necessarily mean that SSA was diligent in processing these Part B claims.

According to SSA policy, suspension of SSI eligibility for *whereabouts unknown* is proper when SSA cannot locate a recipient and determine his/her current SSI eligibility and correct benefit amount.<sup>12</sup> Had SSA staff been unsuccessful in contacting/locating these recipients, they should have input the whereabouts unknown status in MALP and suspended the recipients' SSI payments. However, SSA did not suspend SSI payments in any of these cases.

## **Claim Pending**

MALP indicated nine recipients' Part B claims were *pending*. According to SSA, these cases were waiting for adjudication by field office staff. As of October 2014, SSA's records indicated these recipients had been eligible for, but not enrolled in, Part B for at least 31 months, yet their Part B claims remained *pending*.

## **Cases Not Identified by MALP**

We found no record of Part B claims activity in MALP for seven recipients. We provided these seven cases to SSA for review and discussed them with SSA Systems staff. SSA staff confirmed these seven cases met the MALP selection criteria but could not explain why MALP did not identify the cases. SSA Systems staff stated they were aware that MALP does not always identify all potentially Part B eligible recipients. Systems staff further stated they intended to use these seven cases to determine why the program was not selecting cases and create a system fix.

## **CONCLUSION**

SSA did not always timely complete Part B eligibility determinations for uninsured SSI recipients who had attained age 65. Our review indicated that thousands of SSI recipients who had attained age 65 as of March 2012, and appeared eligible for State buy-in, had not been enrolled in Part B as of October 2014. In some instances, it appeared SSA staff input MALP status codes to clear pending claims from MALP without processing the Part B claims. SSA could better serve these low-income seniors, as well as the States they live in, by improving this process.

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<sup>12</sup> SSA, POMS, SI 02301.240 (September 9, 2014).

## **RECOMMENDATION**

SSA should remind staff to timely process Part B alerts pending in MALP and refrain from annotating cases as resolved unless they have completed proper adjudication action.

## **AGENCY COMMENTS**

SSA agreed with our recommendation. The Agency's comments are included in Appendix B.



Steven L. Schaeffer, JD, CPA, CGFM, CGMA  
Assistant Inspector General for Audit

# *APPENDICES*

## **Appendix A – SCOPE AND METHODOLOGY**

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From 1 segment of the Social Security Administration's (SSA) Supplemental Security Record, we identified 302 Supplemental Security Income (SSI) recipients who were

- age 65 and 10 months or older as of January 2013 and residing in an auto-accrete State;
- either a U.S. citizen or an alien lawfully admitted for permanent residence in the United States who resided in the United States for at least 5 years;
- in current payment status, force payment status, or nonpayment status if they were 1619(b) participants<sup>1</sup>; and
- not entitled to Old-Age, Survivors or Disability Insurance benefits or Railroad Retirement Benefits and not enrolled in Medicare Part B.

To accomplish our objective, we

- reviewed the applicable sections of the *Social Security Act*, Federal laws, and SSA's Program Operations Manual System;
- interviewed SSA personnel from the Offices of Operations, Retirement and Disability Policy, and Systems; and
- reviewed queries from SSA's Supplemental Security and Master Beneficiary Records.

We conducted our work in Dallas, Texas, and Denver, Colorado, between September 2014 and May 2015. We conducted our review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*. The collection of information and data focused on the organization, program, activity, or function being inspected, consistent with the inspection objectives, and was sufficient to provide a reasonable basis for reaching conclusions.

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<sup>1</sup> SSA, POMS, SI 01715.015 B.1 (February 6, 2013). Section 1619(b) participants are deemed by law to be receiving an SSI payment for Medicaid purposes.

## **Appendix B – AGENCY COMMENTS**

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### **SOCIAL SECURITY**

#### **MEMORANDUM**

**Date:** September 16, 2015 **Refer To:** S1J-3

**To:** Patrick P. O'Carroll, Jr.  
Inspector General

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

**Subject:** Office of the Inspector General Draft Report, "Medicare Eligibility Determinations for Aged Supplemental Security Income Recipients" (A-06-14-14134)--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,  
“MEDICARE ELIGIBILITY DETERMINATIONS FOR AGED SUPPLEMENTAL  
SECURITY INCOME RECIPIENTS” (A-06-14-14134)**

**Recommendation**

We recommend that the SSA remind staff to timely process Part B alerts pending in the Medicare Attainments and Leads Process (MALP) system and refrain from annotating cases as resolved unless they have completed proper adjudication action.

**Response**

We agree. Before November 1, 2015, we will issue an administrative message to staff to stress the importance of processing Part B alerts pending in the MALP system in a timely manner and properly annotating the completion of adjudication actions.

## **Appendix C – MAJOR CONTRIBUTORS**

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Ronald Gunia, Director, Dallas Audit Division

Neha Smith, Audit Manager

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