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**OFFICE OF  
THE INSPECTOR GENERAL**

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**SOCIAL SECURITY ADMINISTRATION**

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**SUPPLEMENTAL SECURITY INCOME  
RECIPIENTS WHOSE MEDICARE BENEFITS  
WERE TERMINATED DUE TO DEATH**

October 2012

A-01-11-01135

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**AUDIT REPORT**

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## **Mission**

**By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.**

## **Authority**

**The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:**

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.**
- Promote economy, effectiveness, and efficiency within the agency.**
- Prevent and detect fraud, waste, and abuse in agency programs and operations.**
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.**
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.**

**To ensure objectivity, the IG Act empowers the IG with:**

- Independence to determine what reviews to perform.**
- Access to all information necessary for the reviews.**
- Authority to publish findings and recommendations based on the reviews.**

## **Vision**

**We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation**



## MEMORANDUM

Date: October 12, 2012

Refer To:

To: The Commissioner

From: Inspector General

Subject: Supplemental Security Income Recipients Whose Medicare Benefits Were Terminated Due to Death (A-01-11-01135)

## OBJECTIVE

To determine whether Supplemental Security Income (SSI) payments should be terminated for recipients whose Medicare benefit records indicated they were deceased.

## BACKGROUND

The Social Security Administration (SSA) administers the SSI program, which provides a minimum level of income to financially needy individuals who are aged, blind, or disabled.<sup>1</sup> The Centers for Medicare and Medicaid Services, within the Department of Health and Human Services, administers the Medicare program, which provides health insurance to the aged and disabled.<sup>2</sup> However, SSA is responsible for making Medicare entitlement determinations and maintaining the benefit records.

In November 2006, we issued a report on *Supplemental Security Income Recipients Whose Medicare Benefits Were Terminated Due to Death*.<sup>3</sup> That report identified 251 individuals whose SSI payments continued even though their Medicare records indicated they were deceased. Of these 251 individuals, 86 were deceased and their SSI payments should have been terminated; and 165 were alive and their Medicare benefits were incorrectly terminated.

To identify deceased individuals and prevent erroneous payments after death, SSA matches death records from Federal, State, and local agencies against its payment

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<sup>1</sup> *Social Security Act* § 1601, *et seq.*, 42 U.S.C. § 1381, *et seq.*

<sup>2</sup> *Social Security Act* § 1801, *et seq.*, 42 U.S.C. § 1395, *et seq.*

<sup>3</sup> SSA OIG, *Supplemental Security Income Recipients Whose Medicare Benefits Were Terminated Due to Death* (A-01-06-26105), November 14, 2006.

records.<sup>4</sup> For death records to process, an individual's name, date of birth, and other identifying information must match SSA's records within certain tolerances. When records match, SSA's systems automatically terminate the SSI payments and Medicare benefits to deceased individuals.

To conduct our current review, we matched a file of over 3 million Medicare records, coded terminated due to death in SSA's system as of July 2011, against a file of SSI records as of October 2011. This match identified 1.48 million SSI records terminated due to death. In addition, this match identified 346 SSI records not terminated due to death that were in current or suspended payment status. In March 2012, we narrowed the records to 52 individuals whose SSI payments continued even though their Medicare records were terminated due to death. (See Table B-1 in Appendix B for a summary of the cases by State.)

We attempted to contact these 52 individuals by telephone and mail to determine whether they were deceased or alive. If we were unable to contact the individuals, relatives, or representative payees,<sup>5</sup> we researched Internet sources and contacted the State Bureau of Vital Statistics. See Appendix B for additional scope and methodology.

## RESULTS OF REVIEW

SSA should terminate SSI payments for some individuals whose Medicare records were terminated for death. Specifically, of the 52 individuals identified:

- 30 were deceased, and SSI payments should have been terminated.<sup>6</sup> SSA overpaid these deceased individuals \$405,357 in SSI payments for an average of 23 months.<sup>7</sup>
- 21 were alive, and Medicare benefits should have been reinstated.<sup>8</sup> Medicare records were erroneously terminated for these living individuals for an average of 43 months.<sup>9</sup>
- 1 was being reviewed by our Office of Investigations (OI) for possible fraud.

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<sup>4</sup> *Social Security Act* § 205(r), 42 U.S.C. § 405(r).

<sup>5</sup> A representative payee manages the finances for recipients who are unable to do so because of their youth or mental and/or physical impairment. *Social Security Act* §§ 205(j)(1)(A) and 1631(a)(2)(A)(ii)(I), 42 U.S.C. §§ 405(j)(1)(A) and 1383(a)(2)(A)(ii)(I).

<sup>6</sup> Of these 30 deceased individuals, OI determined that 1 was deceased and was investigating another case for possible fraud.

<sup>7</sup> SSI overpayments include all payments issued after the individual's date of death and ranged from a low of \$570 to a high of \$31,370. The number of months paid after death ranged from 10 to 37.

<sup>8</sup> Of these 21 cases, OI determined that 3 individuals were alive.

<sup>9</sup> For these 21 cases, months Medicare records were erroneously terminated include all months after SSA entered the date of death on the individual's record and ranged from 11 to 98 months.

We also found that in 22 of the 52 cases, SSA's records had different names, dates of birth, or gender information. Therefore, Agency matches would not automatically terminate the records due to death. Additionally, we found in some cases that SSA did not correct records when notified that a recipient was deceased or alive.

### SSI PAYMENTS ISSUED AFTER DEATH

SSA properly terminated the 30 deceased individuals' Medicare records for death; however, SSI payments continued. Table 1 summarizes these individuals by the number of monthly SSI payments issued after the date of death.

<b>Table 1: Deceased Individuals Issued SSI Payments</b>	
<b>Number of Months SSI Payments Were Made After Death</b>	<b>Number of Individuals</b>
1 to 6 months	0
7 to 12 months	2
13 to 18 months	8
19 to 24 months	6
25 to 30 months	8
31 to 36 months	5
Over 36 months	1
<b>Total</b>	<b>30</b>

We provided SSA information to terminate SSI payments for the 30 deceased individuals. As of September 14, 2012, for 29 deceased individuals, SSA terminated benefits and assessed more than \$346,000 of the estimated \$405,357 in overpayments after death.<sup>10</sup> For the remaining case, we provided SSA information to correct the record and requested appropriate action be taken. In addition, the Agency avoided paying approximately \$214,303 over the next 12 months by discontinuing these incorrect payments.<sup>11</sup>

For example, SSA's records showed an individual from California died in September 2010. SSA properly terminated the Medicare record; however, SSI payments continued. According to this individual's son, his mother passed away in September 2010, and he contacted SSA to terminate her SSI payments; yet payments continued.

<sup>10</sup> As of September 2012, SSA continues to review these cases. Therefore, we expect additional overpayments to be assessed.

<sup>11</sup> This is the amount SSA would have paid the 29 deceased individuals had it not stopped benefits based on action taken during our review. We calculated the savings by taking the last monthly overpayment received by the beneficiaries multiplied by 12 months.

In May 2012, we provided SSA information to terminate her SSI payments. In June 2012, SSA corrected the records, terminated SSI payments, and determined this individual was issued \$1,042 in SSI payments after death—from October 2010 to June 2012.

### MEDICARE BENEFITS TERMINATED FOR LIVING INDIVIDUALS

SSA terminated 21 individuals' Medicare benefit records for death, although they were alive and receiving SSI payments. Terminating Medicare benefits incorrectly can lead to unpaid medical bills and result in the loss of other assistance programs.

Table 2 summarizes these individuals by the number of months without Medicare benefits.

<b>Table 2: Living Individuals with Medicare Record Erroneously Terminated</b>	
<b>Number of Months Medicare Benefits Were Incorrectly Terminated</b>	<b>Number of Individuals</b>
1 to 6 months	0
7 to 12 months	2
13 to 18 months	0
19 to 24 months	5
25 to 30 months	0
31 to 36 months	8
Over 36 months	6
<b>Total</b>	<b>21</b>

Once we determined these 21 individuals were alive, we provided SSA information to reinstate Medicare benefits. As of September 14, 2012, SSA had corrected the records and reinstated Medicare for 19 individuals and continued reviewing the records for the remaining 2 living individuals.

For example, SSA's records showed a 68-year-old individual from California as deceased on his Medicare record; however, this individual was alive and receiving SSI payments. Because the Medicare record showed a date of death, this individual's Medicare and State medical benefits were terminated.

According to this individual, he visited a local SSA field office more than once and filed paperwork to have his Medicare benefits reinstated; however, his Medicare benefits remained terminated. As a result, this individual was unable to buy medication or obtain treatment for his emphysema.

In May 2012, we provided SSA information to reinstate this individual's Medicare benefits. In August 2012, SSA corrected the records and reinstated Medicare benefits, which had been terminated for 23 months—almost 2 years.

### **POSSIBLE FRAUD**

As of September 2012, OI continues investigating one individual whom we suspect is deceased. If deceased, we estimate SSA overpaid this individual \$17,000 in SSI payments for 22 months.

For example, we telephoned this individual three times to determine her status and received conflicting reports.

- During our first call, an individual requested we call back.
- During our second call, an individual informed us that the person we were trying to reach was not available and would be home later.
- During our third call, an individual informed us we had the wrong number and the person we were trying to contact did not live there and was probably deceased.

After these conflicting calls, we referred this case to OI.

### **CONCLUSION AND RECOMMENDATION**

SSA needed to terminate SSI payments for some individuals whose Medicare benefit records indicated they were deceased. The 52 cases we identified is a small number (0.004 percent) in comparison to the 1.48 million SSI records SSA properly terminated due to death when the death was also recorded on the Medicare record. However, these cases required immediate action because of potential overpayments and/or loss of medical benefits.

As of September 14, 2012, SSA took corrective action on 48 of the 52 cases. Therefore, we recommend that SSA take corrective action on the remaining four cases. Specifically, SSA should terminate SSI payments for the deceased individual, reinstate Medicare benefits for the two living individuals, and take appropriate action on the case referred to OI once its investigation is completed.

### **AGENCY COMMENTS**

SSA agreed with our recommendation. See Appendix C.



Patrick P. O'Carroll, Jr.

# *Appendices*

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APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Agency Comments

APPENDIX D – OIG Contacts and Staff Acknowledgments

## Acronyms

OI	Office of Investigations
OIG	Office of the Inspector General
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

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## Scope and Methodology

To accomplish our objective, we:

- Reviewed applicable sections of the *Social Security Act* and the Social Security Administration's (SSA) regulations, policies, and procedures as well as other applicable Federal regulations.
- Reviewed prior Office of the Inspector General (OIG) reports.
- Matched a file of over 3 million Medicare records coded terminated due to death (LAF code X1 on the SSA's Master Beneficiary Record) as of July 2011 against a file of Supplemental Security Income (SSI) records as of October 2011. This match identified 1,475,251 SSI records terminated due to death. In addition, this match identified 346 SSI records not terminated due to death that were in either current or suspended payment status.
- Reviewed available electronic data for the 346 cases, including Old-Age, Survivors and Disability Insurance and SSI records, Health Insurance and Supplementary Medical Insurance records, and Social Security number records as of March 2012.<sup>1</sup> Through this analysis, we narrowed the number of records to 52 individuals whose SSI payments continued even though SSA terminated their Medicare record due to death. Table B-1 provides a summary of the cases by State.
- Requested on March 29, 2012 that SSA review these 52 cases. On April 6, 2012, SSA requested that we obtain additional information on the cases. To determine whether these 52 individuals were deceased or alive, we
  - mailed letters,
  - called available telephone numbers,
  - researched Internet sources, and
  - contacted State Bureaus of Vital Statistics.
- Provided information to (a) SSA to either terminate SSI payments to deceased individuals or reinstate Medicare benefits for living individuals<sup>2</sup> or (b) SSA OIG's Office of Investigations (OI) to investigate for possible fraud.

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<sup>1</sup> The Health Insurance and Supplementary Medical Insurance record generates information from the Centers for Medicare and Medicaid Services Enrollment Database.

<sup>2</sup> We provided SSA information to correct records throughout the audit. Specifically, we provided SSA information on April 18, April 25, May 3, May 10, May 17, May 24, June 7, June 29, August 9, August 16, and September 14, 2012.

- Estimated the (a) amount and number of monthly SSI payments that SSA issued to deceased individuals and/or (b) number of months that SSA terminated Medicare benefits for living individuals. (Our estimates included all payments after an individual's date of death and all months without Medicare benefits.)

<b>Table B-1: Audit Population of 52 Individuals by State</b>				
<b>State</b>	<b>Individuals Deceased</b>	<b>Individuals Alive</b>	<b>Individuals Referred to OI—Possible Fraud</b>	<b>Total Individuals by State</b>
Alabama		1		<b>1</b>
California	6	4		<b>10</b>
Colorado		1		<b>1</b>
Florida		1		<b>1</b>
Georgia		1		<b>1</b>
Illinois	2	1		<b>3</b>
Indiana		1		<b>1</b>
Massachusetts		3		<b>3</b>
Maryland	1			<b>1</b>
Michigan	2			<b>2</b>
New York	8	2	1	<b>11</b>
Oklahoma	1			<b>1</b>
Pennsylvania	5			<b>5</b>
South Carolina		1		<b>1</b>
Tennessee	1			<b>1</b>
Texas	3	5		<b>8</b>
Washington	1			<b>1</b>
<b>Total</b>	<b>30</b>	<b>21</b>	<b>1</b>	<b>52</b>

We determined the computer-processed data were sufficiently reliable for our audit objective. We conducted tests to determine the completeness and accuracy of the data. These tests allowed us to assess the reliability of the data.

We conducted our review between March and September 2012 in Boston, Massachusetts. The entities audited were the Office of Applications and SSI Systems under the Office of the Deputy Commissioner for Systems and SSA's field offices under the Office of the Deputy Commissioner for Operations.

We conducted our review 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 objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Agency Comments



## SOCIAL SECURITY

### MEMORANDUM

Date: September 18, 2012

Refer To: S1J-3

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

From: Dean S. Landis /s/  
Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, "Supplemental Security Income Recipients Whose Medicare Benefits Were Terminated Due to Death" (A-01-11-01135)—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 Amy Thompson at (410) 966-0569.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,  
“SUPPLEMENTAL SECURITY INCOME RECIPIENTS WHOSE MEDICARE  
BENEFITS WERE TERMINATED DUE TO DEATH” (A-01-11-01135)**

**Recommendation**

Take corrective action on the remaining nine cases. Specifically, SSA should terminate SSI payments for the two deceased individuals, reinstate Medicare benefits for the four living individuals, and take appropriate action on the three cases that were referred to OI once its investigations are completed.

**Response**

We agree.

[OIG Note: In September 2012, SSA took corrective action in all but four of the remaining cases. Therefore, we updated the report accordingly.]

## OIG Contacts and Staff Acknowledgments

### *OIG Contacts*

Judith Oliveira, Director, Boston Audit Division

David Mazzola, Audit Manager

### *Acknowledgments*

In addition to those named above:

Kevin Joyce, IT Specialist

Frank Salamone, Senior Auditor

Katie Toli, Auditor

For additional copies of this report, please visit our Website at <http://oig.ssa.gov/> or contact the Office of the Inspector General's Public Affairs Staff at (410) 965-4518. Refer to Common Identification Number A-01-11-01135.

## **Overview of the Office of the Inspector General**

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

### **Office of Audit**

OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

### **Office of Investigations**

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

### **Office of the Counsel to the Inspector General**

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

### **Office of External Relations**

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

### **Office of Technology and Resource Management**

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.