



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Match of Centers for Medicare & Medicaid Services Death Information Against Social Security Administration Records

A-06-18-50653 | August 2021



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: August 13, 2021

Refer To: A-06-18-50653

To: Kilolo Kijakazi
Acting Commissioner

From: Gail S. Ennis, *Gail S. Ennis*
Inspector General

Subject: Match of Centers for Medicare & Medicaid Services Death Information Against Social Security Administration Records

The attached final report presents the results of the Office of Audit's review. The objective was to determine the appropriateness of payments the Social Security Administration issued to beneficiaries who were deceased according to Centers for Medicare & Medicaid Services records.

If you wish to discuss the final report, please contact Michelle L. Anderson, Assistant Inspector General for Audit, at Michelle.L.H.Anderson@ssa.gov.

Attachment

Match of Centers for Medicare & Medicaid Services Death Information Against Social Security Administration Records A-06-18-50653



August 2021

Office of Audit Report Summary

Objective

To determine the appropriateness of payments the Social Security Administration (SSA) issued to beneficiaries who were deceased according to Centers for Medicare & Medicaid Services (CMS) records.

Background

CMS provides SSA a daily data file of CMS beneficiary death information. When SSA receives death information for a current beneficiary, its systems generate a death alert. SSA employees must verify CMS death information by attempting to contact the alleged decedent, or decedent's family, by telephone. If employees confirm the beneficiary's death, they should post the death information to SSA records and monitor to ensure SSA systems terminate the benefit payments. If employees cannot make telephone contact, they send a letter requesting the beneficiary contact a field office. If the beneficiary does not visit the field office or respond to the letter within 45 days, SSA considers the person deceased and should terminate the benefits.

We obtained CMS data that provided the personally identifiable information of approximately 78.4 million Social Security numberholders who died from 1960 through 2018. We matched the data against SSA's payment records to identify beneficiaries in current payment status whose personally identifiable information matched that of a deceased individual in the CMS data.

Findings

We identified 3,084 current beneficiaries whose personally identifiable information matched that of a deceased individual in the CMS death data. In February 2020, we provided SSA the beneficiaries' death information. As of July 2021, SSA staff had determined 142 of the beneficiaries were alive, and CMS death information was erroneous. SSA staff had also terminated payments to 2,679 beneficiaries and determined SSA had issued \$125.2 million in payments after the beneficiaries' deaths. Identification and correction of these discrepancies prevented \$33.9 million in additional improper payments over a 12-month period.

We reviewed 50 randomly selected cases and found that SSA had received most beneficiaries' death information from CMS and/or States. However, SSA systems did not generate and route death alerts to the beneficiaries' servicing field office for verification or field office personnel cleared the death alerts without inputting the death information to SSA records or ensuring SSA systems terminated the beneficiaries' payments.

We also identified 49 instances where it appeared SSA input erroneous, post-2018 dates of death in the beneficiaries' records. This could prevent SSA from attempting to recover payments issued after the beneficiaries' deaths.

Recommendations

We made three recommendations for corrective action. SSA agreed with our recommendations.

Agency Actions Resulting from the Audit

In addition to resolving the vital status of 2,821 of the 3,084 beneficiaries and identifying more than \$125 million in payments after death, on June 25, 2021, SSA revised its policy to clarify that employees should use decedents' alleged date of death when they resolve death alerts. SSA also corrected death information on 8 of 49 deceased beneficiaries' records and identified payments after death totaling \$231,998.

TABLE OF CONTENTS

Objective.....	1
Background.....	1
Results of Review	2
Payments Issued After Beneficiaries' Deaths	2
No Death Alerts Generated	3
Death Alerts Cleared Without Posting Death Information to SSA Records	3
Social Security Administration Input Erroneous Dates of Death	4
Recommendations	4
Agency Comments.....	5
Agency Actions Resulting from the Audit.....	5
Appendix A – Scope and Methodology	A-1
Appendix B – Agency Comments.....	B-1

ABBREVIATIONS

C.F.R.	Code of Federal Regulations
CMS	Centers for Medicare & Medicaid Services
OIG	Office of the Inspector General
<i>POMS</i>	Program Operations Manual System
SSA	Social Security Administration

OBJECTIVE

Our objective was to determine the appropriateness of payments the Social Security Administration (SSA) issued to beneficiaries¹ who were deceased according to Centers for Medicare & Medicaid Services (CMS) records.

BACKGROUND

In October 2020, SSA paid approximately \$96 billion under the Old-Age, Survivors and Disability Insurance and Supplemental Security Income programs to approximately 70 million beneficiaries.² Under these programs, payment to a beneficiary terminates when the individual dies.³ The Agency receives death information from a variety of sources, such as the decedent's friends and relatives, funeral homes, financial institutions, and Federal and State agencies. SSA considers death information it receives from family members, funeral homes, and State agencies as "proven" or "verified" and therefore will add the death information to its records and terminate benefit payments. However, SSA does not consider death information it receives from other Federal agencies as verified and will not terminate benefits when it receives such a report without additional verification.⁴

CMS provides SSA a daily data file that identifies Medicare/Medicaid beneficiary death information it receives from its providers. When SSA receives a CMS death report for an SSA beneficiary in current payment status, SSA systems should generate a death alert and route it to the beneficiary's servicing field office personnel for verification.⁵ Before SSA employees input death information on the Numident,⁶ they telephone the alleged decedent, or decedent's family, to verify the CMS death information. If employees cannot make telephone contact, they send a letter requesting that the individual contact the field office. If SSA employees verify the death information, they clear the CMS death alert and use the Death Information Processing System to input the death information on the Numident. The System then sends the death information to SSA's payment systems to terminate payments. If the beneficiary does not visit the SSA field office or respond to the letter within 45 days, policy instructs staff to consider the person deceased,⁷ add their death information on the Numident so SSA systems can terminate the

¹ We use the term "beneficiary" throughout this report in reference to Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients in current payment status.

² SSA, *Monthly Statistical Snapshot*, October 2020, https://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/2020-10.html (last visited January 11, 2021).

³ 20 C.F.R. §§ 404.311(b), 404.316(b)(1), and 416.1334 (govinfo.gov 2020).

⁴ SSA, *POMS*, GN 02602.050, D (October 30, 2017).

⁵ SSA systems reject death reports that do not match the personally identifiable information in its records or do not pass its formatting and identification tests to prevent posting erroneous death data to its records.

⁶ The Numident is an electronic file that contains information for each individual issued a Social Security number.

⁷ SSA, *POMS*, GN 02602.070, C (June 25, 2021).

benefits, and recover any payments issued after death.⁸ SSA employees must also control and monitor the individual's record to ensure correct posting both to the Numident and to payment records.⁹ The Department of the Treasury is responsible for recovering these payments¹⁰ from financial institutions through a process called reclamation.

We obtained CMS death data that provided the personally identifiable information of approximately 78.4 million Social Security numberholders who died from January 31, 1960 through December 31, 2018. We matched the data against SSA's payment records to identify beneficiaries in current payment status whose personally identifiable information matched that of a deceased individual in the CMS data. See Appendix A for information on our scope and methodology.

RESULTS OF REVIEW

We identified 3,084 current beneficiaries whose personally identifiable information matched that of a deceased individual in the CMS death data. In February 2020, we provided SSA the beneficiaries' death information.¹¹ As of July 2021, SSA staff had determined 142 of the beneficiaries were alive, and CMS death information was erroneous. SSA staff had also terminated payments to 2,679 beneficiaries and determined it had issued \$125.2 million in payments after the beneficiaries' deaths. Identification and correction of these discrepancies prevented \$33.9 million in additional improper payments over a 12-month period.

Payments Issued After Beneficiaries' Deaths

To determine why the beneficiaries remained in current payment status after their deaths, we randomly selected 50 cases for detailed review. We found SSA had previously received death information for 42 beneficiaries¹² from CMS and/or States but did not add the death information to its records or terminate the beneficiaries' payments.

⁸ SSA, *POMS*, GN 02408.610.A.1 (June 30, 2021).

⁹ SSA, *POMS*, GN 02602.051, A (February 22, 2017).

¹⁰ SSA, *POMS*, GN 02408.001 (November 3, 2008), GN 02408.610.A.3 (June 30, 2021).

¹¹ In addition to providing SSA with information on the 3,084 beneficiaries, we requested that CMS retransmit the 3,084 beneficiaries' death information to SSA. On March 6, 2020, CMS included the 3,084 beneficiaries' death information in the daily death data file it transmitted to SSA. On March 9, 2020, SSA systems generated death alerts for most of these cases.

¹² In five cases, we determined CMS death information was incorrect, and the beneficiaries were alive. In two cases, the beneficiaries died in 2006 and 2011, respectively, before the death alert data were available. In one case, we did not find evidence that CMS or the State reported the beneficiary's 2016 death to SSA.

No Death Alerts Generated

In 30 of the 50 cases we reviewed, SSA received the beneficiaries' death information from CMS and/or States, but we found no indication SSA's systems generated alerts¹³ that routed the death information to the beneficiaries' servicing field offices for verification.¹⁴ For reasons unknown, SSA systems did not generate CMS death alerts for two beneficiaries who died in 2017 and 2018, respectively. The other 28 beneficiaries died in late 2015 to mid-2016. According to SSA, when it implemented the Death Information Processing System in December 2015, the System erroneously assigned death alerts to incorrect field offices for verification and payment termination. To mitigate this error, SSA held all CMS death alerts until it corrected the System errors in 2016. At that time, the System forwarded all previously held CMS alerts to the correct field offices for verification. The unusually high number of 2016 death cases in the audit population¹⁵ indicates this process may not have been completely effective. For example, an Arkansas retirement beneficiary died in April 2016. CMS provided SSA the beneficiary's death information in May 2016. We found no indication SSA systems generated a death alert.¹⁶ SSA determined it issued \$109,340 in payments after the beneficiary's death before it terminated the payments in March 2020.

Death Alerts Cleared Without Posting Death Information to SSA Records

In 12 of the 50 cases we reviewed, SSA received the beneficiaries' death information, and SSA systems sent death alerts to the beneficiaries' servicing field offices for verification. However, for unknown reasons,¹⁷ SSA employees cleared the death alerts without posting the death information to SSA records. To illustrate, a Georgia retirement beneficiary died in June 2017. CMS provided SSA the beneficiary's death information in July 2017. On August 23, 2017, an SSA employee cleared the death alert but did not post the death information to SSA records. In February 2020, we provided SSA a copy of the beneficiary's obituary and funeral home information. On March 9, 2020, SSA systems sent another death alert to the beneficiary's servicing field office for verification. On March 24, 2020, an SSA employee cleared the beneficiary's death alert but again did not post the death information to SSA records. In December 2020, we provided SSA another copy of the beneficiary's obituary and funeral home information. SSA determined it issued \$36,086 in payments after the beneficiary's death before it terminated the payments in March 2021.

¹³ Death alerts generated before CMS retransmitted beneficiary death information to SSA on March 6, 2020.

¹⁴ We obtained Death Alerts Tracking System data that identified death alerts SSA employees received and cleared from October 27, 2015 to January 6, 2021. The data did not identify cleared alerts for any of these beneficiaries, and no alerts were pending as of January 2021.

¹⁵ According to CMS data, 1,574 (51 percent) of the 3,084 beneficiaries died in Calendar Year 2016.

¹⁶ We found no record of an SSA employee clearing the alert, and a death alert was not pending.

¹⁷ SSA does not require that employees document justification for clearing death alerts in the Death Alerts Tracking System.

Social Security Administration Input Erroneous Dates of Death

We identified 49 instances where it appeared SSA input erroneous, post-2018 dates of death in the beneficiaries' records. In 22 cases, SSA employees input erroneous dates of death because of confusing instructions in SSA policy. Specifically, SSA instructs employees who resolve death alerts to “. . . consider the person deceased **using the date on the alert** if we did not receive a response to the come-in letter after 45 days.”¹⁸ SSA death alerts contain three different dates—the beneficiary's date of birth, the alleged date of death, and the date SSA's system generated the alert. In one case, an SSA employee input the beneficiary's date of birth as the date of death. In the other 21 cases,¹⁹ SSA employees input March 9, 2020, the date SSA systems generated the beneficiaries' CMS death alerts, as the beneficiaries' date of death instead of the date of death provided by CMS. For example, a disability beneficiary died in July 2016. In April 2020, an SSA employee confirmed the death but input into SSA systems a March 9, 2020 date of death instead of the beneficiary's actual 2016 date of death. This input error caused SSA systems to understate the overpayment and could prevent SSA from attempting to recover approximately \$75,000 in payments issued after the beneficiary's death.

In the other 27 cases, we did not determine why SSA employees input post-2018 dates of death in SSA records. To illustrate, CMS data indicated a retirement beneficiary died on June 19, 2016. In March 2020, an SSA employee obtained verification of the 2016 date of death from a funeral home but erroneously input June 19, 2019 as the beneficiary's date of death. This error caused SSA systems to understate the overpayment and could prevent SSA from attempting to recover approximately \$26,000 in payments issued after the beneficiary's death. In April 2021, we provided SSA information that identified the 49 beneficiaries, including their CMS-provided dates of death.

RECOMMENDATIONS

We recommend SSA:

1. Review death information for the remaining beneficiaries whose personally identifiable information matched that of a deceased individual in the CMS death data and take action, as appropriate, to record deaths on the Numident, terminate payments, and initiate collection of overpayments.
2. Review death information in SSA records for 49 beneficiaries and take action, as appropriate, to correct erroneous dates of death and initiate collection of overpayments.
3. Revise policy to clarify that employees should use decedents' alleged/actual date of death when they resolve death alerts.

¹⁸ SSA, POMS, GN 02602.070, C. Step 10 (February 4, 2016).

¹⁹ In one additional case, we obtained an obituary that indicated a beneficiary's CMS death information was incorrect and the beneficiary actually died on March 9, 2020.

AGENCY COMMENTS

SSA agreed with our recommendations. The full text of SSA's comments is included in Appendix B.

AGENCY ACTIONS RESULTING FROM THE AUDIT

In addition to resolving the vital status of 2,821 of the 3,084 beneficiaries and identifying more than \$125 million in payments after death, on June 25, 2021, SSA revised its policy to clarify that employees should use decedents' alleged date of death when they resolve death alerts. Therefore, we consider recommendation 3 resolved. SSA also corrected death information on 8 of 49 deceased beneficiaries' records and identified payments after death totaling \$231,998.



Michelle L. Anderson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objectives, we:

- Reviewed Federal laws and regulations; the Social Security Administration’s (SSA) policies and procedures; and prior Office of the Inspector General reports.
- Obtained Centers for Medicare & Medicaid Services (CMS) death data that provided the personally identifiable information of approximately 78.4 million Social Security numberholders who died from January 31, 1960 through December 31, 2018. We matched these records against SSA’s Enumeration Verification System and September 2019 payment records and identified:
 - 3,084 Old-Age, Survivors and Disability Insurance beneficiaries and/or Supplemental Security Income recipients in current payment status whose names and dates of birth matched those of deceased individuals in the CMS death data.
 - Reviewed SSA’s systems, CMS data, LexisNexis, and public records as necessary.
 - Referred the 3,084 cases to SSA in February 2020 and requested CMS retransmit their death information. CMS retransmitted the 3,084 individuals’ death information to SSA in March 2020.
 - Randomly selected 50 of the 3,084 beneficiaries. We
 - determined 5 beneficiaries were alive;
 - reviewed SSA data available from August 2014 through November 2020 to determine whether SSA received the beneficiaries’ death information from CMS or from a State death report; and
 - reviewed Death Alerts Tracking System death alerts employees received and cleared from October 27, 2015 to January 6, 2021.

We conducted our audit in Dallas, Texas, from February 2020 to April 2021. We determined the data used for this audit were sufficiently reliable to meet our audit objectives. The primary entities audited were the Offices of the Deputy Commissioners for Operations and Systems. We did not independently review the overall system of internal controls. However, we assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal control components, including control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following Component and two Principles as significant to the audit objective.

- Component 3: Control Activities
 - Principle 10: Design control activities
 - Principle 12: Implement control activities

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

Appendix B – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: August 4, 2021

Refer To: TQA-1

To: Gail S. Ennis
Inspector General

From: Scott Frey
Chief of Staff

Subject: Office of the Inspector General Draft Report “Match of Centers for Medicare and Medicaid Services Death Information Against Social Security Administration Records”
(A-06-18-50653)—INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations. We are taking action on the remaining cases OIG identified. Additionally, we continue to make improvements to our death information to promote program integrity and prevent improper payments.

Please let me know if I can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.



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