

Using Nursing Home Data to Determine Suitability of Representative Payees

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Office of Audit Report Summary

Objective

To determine whether nursing home data could be useful in determining the suitability of representative payees.

Background

Congress granted the Social Security Administration (SSA) authority to appoint representative payees to receive and manage payments for individuals who cannot manage or direct the management of their finances. Representative payees can be individuals or organizations. This audit focused on organizational payees that are Medicare/Medicaid-certified nursing homes. SSA uses both internal and external sources to assess the suitability factors for organizational payees.

The Department of Health and Human Services' Centers for Medicare and Medicaid Services (CMS) makes available to the public the Nursing Home Compare database and Special Focus Facility Initiative reports that include information for nursing homes that are Medicare and Medicaid certified. The CMS data include (1) health and fire-safety inspection results; (2) a set of measures that describe the quality of care in nursing homes; (3) penalties assessed against nursing homes, such as fines and payment denials; and (4) a list of historically poor performing nursing homes with persistent serious quality issues.

Findings

CMS data could help SSA determine the suitability of organizational payee applicants and existing organizational payees that are nursing homes. Generally, the Agency relies on information provided by organizational payees and monitoring reviews to assess 15 suitability factors. However, these sources were not sufficient in providing the Agency with reliable information to assess four of these factors. However, CMS' nursing home data could provide SSA with useful, relevant, timely, and independent information related to 11 of the 15 suitability factors, including the 4 factors for which the Agency did not have a reliable source for evaluation.

SSA determined that 38 organizational payees were suitable and qualified to serve beneficiaries even though CMS deemed them as chronically underperforming or assessed them the highest fines because of serious and uncorrected deficiencies. From 2012 to 2016, CMS assessed the organizational payees 1,675 deficiencies and issued them \$9.5 million in penalties. Further, CMS terminated six of the organizational payees from Medicare/Medicaid for providing substandard quality care; four subsequently closed. SSA conducts monitoring reviews for organizational payees that meet certain criteria. Since 2012, SSA had reviewed 3 of the 38 organizational payees and did not identify any issues that affected their suitability. One of the organizational payees had since closed.

Recommendation

We recommend SSA review and analyze CMS nursing home data to determine whether it can be a tool to assess the suitability of organizational payees that are nursing homes to ensure they are serving beneficiaries' best interests, especially those organizational payees that might not meet SSA's monitoring criteria.

SSA agreed with our recommendation.