

Effectiveness of the Social Security Administration's Medicare Non-utilization Project

A-08-17-50261



September 2018

Office of Audit Report Summary

Objective

To assess the effectiveness of the Social Security Administration's (SSA) Medicare Non-utilization Project (MNUP).

Background

Based on a recommendation in our August 2012 review, *Using Medicare Claim Data to Identify Deceased Beneficiaries* (A-08-09-19105), SSA implemented MNUP in September 2013. SSA and the Centers for Medicare & Medicaid Services (CMS) exchange data, and CMS identifies Old-Age, Survivors and Disability Insurance beneficiaries who are Medicare enrollees age 90 or older, are in current payment status, have a domestic address, and have not used Medicare Parts A or B for 3 years or longer.

SSA's preferred method is to conduct telephone interviews to determine whether MNUP beneficiaries are alive. SSA does not include beneficiaries it determines are alive in future MNUP reviews.

We reviewed a sample of 46 beneficiaries SSA interviewed via telephone during its 2013 MNUP. All beneficiaries were in current payment status as of November 2017. These beneficiaries did not subscribe to a health maintenance organization in 2013 or 2017 per SSA's records and had no Medicare use 3 years after SSA's 2013 MNUP.

Findings

During its 2013 MNUP, SSA incorrectly concluded via a telephone interview that 5 (11 percent) of our 46 sample beneficiaries were alive when, in fact, these beneficiaries were deceased at the time of its interviews. On average, the beneficiaries had died 12 years before SSA's 2013 MNUP, but Agency personnel concluded they were alive. As such, we estimated SSA overpaid 73 deceased beneficiaries about \$16.5 million, which included over \$5 million SSA paid after it incorrectly concluded these beneficiaries were alive. We also estimated that SSA would pay over \$1 million in additional overpayments to deceased MNUP beneficiaries over the next 12 months if it does not suspend or terminate their benefits.

Based on the number of MNUP beneficiaries we determined were deceased, we believe SSA has opportunities to strengthen its MNUP and reduce overpayments. For example, we believe SSA should revise its MNUP guidance to include additional online searches that will aid technicians in identifying potential deceased beneficiaries. In addition, SSA should conduct face-to-face interviews of all MNUP beneficiaries to establish a baseline of individuals who are alive. Furthermore, SSA should conduct periodic follow-up interviews to reduce the risk of improper payments to deceased beneficiaries.

Recommendations

We made three recommendations to improve the effectiveness of SSA's MNUP. SSA agreed with two recommendations and disagreed with one.