

**COMPUTER MATCHING AGREEMENT
BETWEEN
THE SOCIAL SECURITY ADMINISTRATION
AND
THE DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE AND MEDICAID SERVICES
FOR
DISCLOSURE OF MEDICARE NON-UTILIZATION INFORMATION
(AGES 90 AND ABOVE)**

**Effective: July 1, 2017
Expiration: December 31, 2018**

**SSA Computer Match No. 1094
CMS Computer Match No. 2016-09
HHS Computer Match No. 1613**

I. PURPOSE

This computer matching agreement (Agreement) establishes the terms, conditions, and safeguards under which the Centers for Medicare & Medicaid Services (CMS) will *disclose* to the Social Security Administration (SSA) Medicare non-utilization information for Social Security Title II beneficiaries aged 90 and above.

CMS will identify Medicare enrollees whose records have been inactive for three or more years. SSA will use this data as an indicator to select and prioritize cases for review to determine continued eligibility for benefits under Title II of the Social Security Act (Act). SSA will contact these individuals to verify ongoing eligibility. SSA will refer individual cases of suspected fraud, waste, or abuse to the Office of the Inspector General for investigation.

II. LEGAL AUTHORITY & DEFINITIONS

A. Privacy Act

This Agreement is executed in compliance with the Privacy Act of 1974 (5 U.S.C. § 552a), as amended by the Computer Matching and Privacy Protection Act (CMPPA) of 1988 (Pub. L. 100-503), including 5 U.S.C. § 552a(b)(3), section 1106 of the Act (42 U.S.C. § 1306), the Office of Management and Budget (OMB), Circular No. A-130 Revised, entitled "Managing Information as a Strategic Resource," at 81 Fed. Reg. 4968⁹ (July 28, 2016), and OMB guidelines pertaining to computer matching at 54 Fed. Reg. 25818 (June 19, 1989).

B. Additional Legal Authorities:

1. Section 202 of the Act (42 U.S.C. § 402) outlines the requirements for eligibility to receive Old-Age, Survivors, and Disability Insurance Benefits under Title II of the Act. Section 205(c) of the Act (42 U.S.C. § 405) directs the Commissioner of Social Security to verify the eligibility of a beneficiary.
2. This matching program employs CMS systems containing Protected Health Information (PHI) as defined by Health and Human Services (HHS) regulation “Standards for Privacy of Individually Identifiable Health Information” (45 C.F.R. §§ 160 and 164 (78 Fed. Reg. 5566, Parts A and E, published January 25, 2013)). PHI authorized by the routine uses may only be disclosed if, and as permitted or required by the “Standard for Privacy in Individually Identifiable Health Information.” (45 C.F.R. § 164.512d)).

III. RESPONSIBILITIES OF THE PARTICIPATING AGENCIES

A. SSA’s Responsibilities

1. αSSA will send a finder file to CMS containing the Title II Claim Account Number (CAN), the Title II Beneficiary Identification Code (BIC), name, and date of birth for beneficiaries aged 90 and above.
2. αSSA will process the response file received from CMS and, if there is a match, forward the records to the SSA field offices for further review before taking any adverse actions.
3. αSSA will publish notice of this matching program in the Federal Register in accordance with the requirements of the Privacy Act and OMB guidelines.
4. SSA will reimburse CMS for costs associated with performance of this Agreement up to the obligated amount defined in the associated Form SSA-429 for each fiscal year (FY) this Agreement is in effect.

B. CMS’s Responsibilities

1. αCMS will match the SSA finder file received from SSA against:
 - a) its Enrollment Database (EDB) (09-70-0502), which contains information related to Medicare enrollment and entitlement and Medicare Secondary Payment data;
 - b) the Long Term Care – Minimum Data Set (LTC-MDS) (09-70-0528), which contains enrollment and entitlement information on residents in all certified Medicare and/or Medicaid long-term care facilities; and

- c) “ the National Claims History (NCH) (09-70-0558), which contains billing and utilization information on Medicare beneficiaries enrolled in hospital insurance (Part A) or medical insurance (Part B) of the Medicare program.
2. “CMS will send a response file to SSA containing the Medicare information for each record in the finder file with non-utilization of benefits for a period of three or more years and distinguish those individuals who are involved in private health insurance, Health Maintenance Organizations (HMO), or live in nursing homes. “Nursing homes,” for purposes of this CMA, means skilled nursing facilities (SNFs), nursing facilities (NFs), and SNF/NFs as defined at 42 C.F.R § 483.5 (Nursing Homes).

IV. JUSTIFICATION AND ANTICIPATED RESULTS

A. Justification

Data exchange under this program is necessary for SSA to avoid overpayments and detect fraud in SSA-administered programs by using Medicare non-utilization information as an indicator to select and prioritize cases for further review of continuing eligibility for Title II programs. The non-utilization of Medicare benefits for an extended period may be an indicator that an individual is deceased or is otherwise no longer eligible for benefits. SSA and CMS have determined that computer matching is the most efficient, economical, and comprehensive method of collecting, comparing, and transferring this information. No other administrative activity can efficiently accomplish this purpose.

B. Anticipated Results

The benefits to the United States Treasury and the Retirement, Survivors, and Disability Insurance trust funds of this matching operation is the recovery of retroactive overpayments and/or the correction of those cases where there is a suspension or termination of the monthly benefit payments and the prevention of future overpayments. The benefits of this matching operation were \$2,768,780 with costs of \$287,354 resulting in a benefit-to-cost ratio of 9.64 to 1. (See Attachment A for full CBA)

CMS does not expect to derive any program savings because of this matching program.

V. DESCRIPTION OF MATCHED RECORDS

A. Systems of Records (SOR)

1. “SSA will disclose to CMS information from Master Beneficiary Record (MBR) (60-0090), published January 11, 2006 (71 Fed. Reg. 1826) and updated on December 10, 2007 (72 Fed. Reg. 69723) and July 5, 2013 (78 Fed. Reg. 40542).

2. "CMS will disclose to SSA information from the following SORs:

- a. "National Claims History (NCH) (09-70-0558), published " November 20, 2006 (71 Fed. Reg. 67137); "
- b. "Enrollment Data Base (EDB) (09-70-0502), published February 26, 2008 at 73 Fed. Reg. 10249; and
- c. "The Long Term Care – Minimum Data Set (MDS) (90-70-0528), published March 19, 2007 at 72 Fed. Reg. 12801.

SSA's and CMS's SORs have routine uses permitting the disclosures needed to conduct this match.

B. Specified Data Elements

1. "SSA will provide CMS with a finder file containing the following information for each individual:

- a. "Title II Claim Account Number (CAN); "
- b. Title II Beneficiary Identification Code (BIC);
- c. "Name; and "
- d. Date of birth. "

2. "CMS will provide SSA with a response file containing the following information for each individual:

- a. "CMS File Number; "
- b. Whether CMS matched Beneficiary; "
- c. Whether Medicare Used in Last 3 Years; "
- d. Whether the beneficiary is a part of an HMO; "
- e. Whether the beneficiary lives in a Nursing Home; or
- f. "Whether the beneficiary has Private Health Insurance.

C. Number of Records

The MBR contains approximately 54 million records. The finder file that SSA will send to CMS will contain approximately 2 million of those records.

D. Frequency of Matching

SSA will provide the finder file to CMS annually. CMS will submit its reply file to SSA no later than 21 calendar days after receipt of the SSA finder file.

VI. PROCEDURES FOR PROVIDING INDIVIDUALIZED NOTICE

To comply with the notice requirements of 5 U.S.C. § 552a(o)(1)(D), SSA and CMS agree that the following notice requirements will be followed:

A. SSA

1. uSSA will provide constructive notice of the matching program by publishing a notice of the matching program in the Federal Register in accordance with the requirements of the Privacy Act and OMB guidelines.
2. uSSA provides direct notice, in writing, to all individuals at the time of his or her application for benefits stating that SSA matches their records against those of SSA and other agencies to verify his or her eligibility.
3. uSSA periodically provides subsequent notices of computer matching to all beneficiaries at least once during the life of the match.

B. uCMS

1. uCMS informs individuals who are Medicare eligible, as part of the enrollment process that CMS will conduct matching programs.
2. uCMS provides all Medicare beneficiaries, at the time of enrollment, a copy of a handbook, which specifically discusses data matching activities.

VII. VERIFICATION AND OPPORTUNITY TO CONTEST FINDINGS

A. Verification Procedures

SSA will take no adverse action regarding individuals identified through the matching process solely based on information that SSA obtains from the match. SSA will contact the beneficiary to verify the matching results in accordance with the requirements of the Privacy Act and applicable OMB guidelines.

The affected individual will have an opportunity to contest the accuracy of the information provided by CMS. SSA will consider the information CMS provides as accurate if the affected individual does not contest within 30 days after he or she receives notice of the proposed adverse action. SSA will advise the individual that failure to contest within 30 days will provide a valid basis for SSA to assume the information CMS provided is correct.

B. Opportunity to Contest

Before taking any adverse action based on the information received from the match, SSA will notify the beneficiary for whom SSA decides such adverse action is necessary with the following information:

1. uThat SSA received information from CMS that will have an adverse effect on the beneficiary's payment;

2. The effective date of any adjustment or overpayment that may result;
3. The individual has 30 days to contest any adverse action decision; and
4. Unless the beneficiary or representative payee responds to contest the proposed adverse action in the required 30-day time period, SSA will conclude that the information provided by CMS is correct, and will make the necessary adjustment to the individual's payment.

VIII. PROCEDURES FOR RETENTION AND TIMELY DESTRUCTION OF IDENTIFIABLE RECORDS

Both agencies will retain the electronic files received from the other agency under this Agreement only for the period needed to process the matching program. Unless required to retain the information in order to meet evidentiary requirements, CMS or SSA completes any processing necessary under this matching program, each agency will destroy such data by electronic purging and either shred or burn any paper files to make them unidentifiable. In case of such retention for evidentiary purposes, each agency will retire the retained data in accordance with the applicable Federal Records Retention Schedule (44 U.S.C. § 3303a).

IX. RECORDS USAGE, DUPLICATION, AND REDISCLOSURE RESTRICTIONS

SSA and CMS agree to limit their use, duplication, and disclosure of the electronic files and information provided by the other agency under this Agreement as follows:

- A. SSA and CMS will use and access the information provided for or created by this matching program only for the purposes described in this Agreement.
- B. SSA and CMS will not use the information to extract information concerning these individuals for any purpose not specified by this Agreement.
- C. SSA and CMS will not duplicate or disseminate the information provided for or created by this matching program within or outside their respective agencies without the written approval of the agency providing such information, except as required by Federal law or as required under this Agreement. SSA and CMS will not give such approval unless the law requires the disclosure or the disclosure is essential to the matching program. For such permission, the agency requesting permission must specify in writing what information they are requesting to duplicate or disseminate, to whom, and the reasons that justify such duplication or dissemination.

X. SECURITY PROCEDURES

SSA and CMS will comply with the requirements of the Federal Information Security Management Act (FISMA), 44 U.S.C. Chapter 35, Subchapter II, as amended by the Federal Information Security Modernization Act of 2014 (Pub. L. 113-283); related OMB circulars and memoranda, such as Circular No. A-130, Managing Federal Information as a Strategic

Resource (July 28, 2016), and Memorandum M-06-16, Protection of Sensitive Agency Information (June 23, 2006); National Institute of Standards and Technology (NIST) directives; and the Federal Acquisition Regulations. These laws, directives, and regulations include requirements for safeguarding Federal information systems and personally identifiable information (PII) used in Federal agency business processes, as well as related reporting requirements. Both agencies recognize and will implement the laws, regulations, NIST standards, and OMB directives including those published subsequent to the effective date of this Agreement.

FISMA requirements apply to all Federal contractors, organizations, or entities that possess or use Federal information, or that operate, use, or have access to Federal information systems on behalf of an agency. Both agencies are responsible for oversight and compliance of their contractors and agents.

A. Loss Reporting

If either SSA or CMS experiences an incident involving the loss or breach of PII provided by SSA or CMS under the terms of this Agreement, they will follow the incident reporting guidelines issued by OMB. In the event of a reportable incident under OMB guidance involving PII, the agency experiencing the incident is responsible for following its established procedures, including notification to the proper organizations (e.g., United States Computer Emergency Readiness Team, the agency's privacy office). In addition, the agency experiencing the incident (e.g., electronic or paper) will notify the other agency's Systems Security Contact named in this Agreement. If CMS is unable to speak with the SSA Systems Security Contact within one hour or if for some other reason notifying the SSA Systems Security Contact is not practicable (e.g., it is outside of the normal business hours), CMS will call SSA's National Network Service Center toll free at 1-877-697-4889. If SSA is unable to speak with CMS's Systems Security Contact within one hour, SSA will contact CMS IT Service Desk at (410) 786-2580 or email CMS_IT_Service_Desk@cms.hhs.gov.

B. Breach Notification

SSA and CMS will follow PII breach notification policies and related procedures issued by OMB. If the agency that experienced the breach determines that the risk of harm requires notification to affected individuals or other remedies, that agency will carry out those remedies without cost to the other agency.

C. Administrative Safeguards

SSA and CMS will restrict access to the data matched and to any data created by the match to only those authorized users, e.g., employees and contractors, who need it to perform their official duties in connection with the uses of the data authorized in this Agreement. Further, SSA and CMS will advise all personnel who have access to the data matched and to any data created by the match of the confidential nature of the data, the

safeguards required to protect the data, and the civil and criminal sanctions for noncompliance contained in the applicable Federal laws.

D. Physical Safeguards

SSA and CMS will store the data matched and any data created by the match in an area that is physically secure and technologically secure from access by unauthorized persons at all times (e.g., door locks, card keys, biometric identifiers, etc.). Only authorized personnel will transport the data matched and any data created by the match. SSA and CMS will establish appropriate safeguards for such data, as determined by a risk-based assessment of the circumstances involved.

E. Technical Safeguards

SSA and CMS will process the data matched and any data created by the match under the immediate supervision and control of authorized personnel in a manner that protects the confidentiality of the data, so that unauthorized persons cannot retrieve any data by computer, remote terminal, or other means. Systems personnel must enter personal identification numbers when accessing data on the agencies' systems. SSA and CMS will strictly limit authorization to those electronic data areas necessary for the authorized analyst to perform his or her official duties.

F. Application of Policies and Procedures

SSA and CMS have adopted policies and procedures to ensure that each agency uses the information contained in their respective records or obtained from each other solely as provided in this Agreement. SSA and CMS will comply with these policies and procedures, as well as any subsequent revisions.

G. Onsite Inspection

SSA and CMS have the right to monitor the other party's compliance with FISMA and OMB M-06-16 requirements and to make onsite inspections of the other party's operations for purposes of auditing compliance, if necessary, during the lifetime or any extension of this Agreement. If either party elects to complete an onsite inspection, the auditing agency will provide the other advanced written notice of any onsite inspection and the parties will set a mutually agreeable date for such inspection.

XI. ACCURACY ASSESSMENTS

Based on SSA's internal consistency checks and SSN/name verification procedures before creating a payment record, SSA estimates that the name and SSN information is at least 99 percent accurate.

CMS estimates that at least 99 percent of the information in the systems of records cited in Section V.A.2 are accurate based on their operational experience.

Both SSA and CMS agree to work collaboratively to explore ways to assure the timeliness and accuracy of the data provided for the matching program.

XII. COMPTROLLER GENERAL ACCESS

The Government Accountability Office (Comptroller General) may have access to all SSA and CMS data, as necessary, in order to verify compliance with this Agreement.

XIII. REIMBURSEMENT

All work performed by CMS in accordance with this Agreement is performed on a reimbursable basis, as authorized under the Economy Act of 1932, as amended (31 U.S.C. § 1535). Billing is for the actual cost of providing data to SSA. Billing will be at least quarterly, and may be monthly during the last quarter of the FY. Actual costs may be higher or lower than the estimate. SSA will transfer funds to CMS, in the form of progress or periodic payments, on at least a quarterly basis to support CMS's activities under this Agreement. Transfers of funds will be by Intra-Governmental Payment and Collection (IPAC) system. The SSA Interagency Agreement (IAA) number should appear on all IPAC submissions.

At least quarterly, but no later than 30 days after an accountable event, CMS must provide SSA with a performance report (e.g., billing *statement*) that details all work performed to date. Additionally, at least quarterly, the parties will reconcile balances related to revenue and expenses for work performed under the Agreement.

This Agreement does not create an obligation of funds. The parties create an obligation of funds only by execution of a Form SSA-429, Interagency Agreement Data Sheet. Accordingly, accompanying this Agreement is an executed Form SSA-429 that obligates funds for SSA to pay CMS for services under this Agreement in FY 2017. Since this Agreement spans multiple FYs, SSA will prepare a new Form SSA-429 at the beginning of each succeeding FY during which CMS will incur costs for the performance of services provided under this Agreement. Each party will sign such form on or before the commencement of the applicable FY. Both parties must approve an amended Form SSA-429 if actual costs exceed the *estimated* cost. SSA's obligation to pay for services performed in FYs beyond FY 2017 is subject to the availability of funds.

XIV. DISPUTE RESOLUTION

Disputes related to this Agreement will be resolved in accordance with instructions provided in the Treasury Financial Manual Volume I, Part 2, Chapter 4700, Appendix 10, "*Intragovernmental Transactions Guide*."

XV. EFFECTIVE DATE, DURATION, MODIFICATION, AND TERMINATION OF THE AGREEMENT

A. Effective Date and Required Approvals

The effective date of this Agreement is July 1, 2017, provided that SSA reported the proposal to re-establish this matching program to the Congressional committees of jurisdiction and OMB in accordance with 5 U.S.C. § 552a(o)(2)(A) and OMB Circular A-108 (December 23, 2016), and SSA published notice of the matching program in the Federal Register in accordance with 5 U.S.C. § 552a(e)(12).

When the Chairpersons of the respective Data Integrity Boards (DIB) approve and sign this Agreement, SSA, as the recipient agency, will submit the Agreement and proposed public notice of the match as attachments in duplicate via a transmittal letter to OMB and Congress for review. The period for review begins as of the date of the transmittal letter.

SSA will forward the public notice of the proposed matching program for publication in the Federal Register 30 days after the transmittal letter is sent to OMB and Congress, pursuant to OMB Circular A-108. The matching notice will clearly identify the record systems and category of records used and state the program is subject to review by OMB and Congress. SSA will provide CMS a copy of the published notice.

B. Duration

This matching Agreement will be in effect for a period of 18 months from the effective date.

C. Renewal

The DIBs of SSA and CMS may, within 3 months prior to the expiration of this Agreement, renew this Agreement for a period of time not to exceed 12 months if SSA and CMS can certify in writing to their DIBs that:

1. The matching program will be conducted without change, and
2. SSA and CMS have conducted the matching program in compliance with the original Agreement.

If either party does not want to continue this program, it must notify the other party of its intention not to continue at least 90 days before the expiration of the Agreement.

D. Modification

SSA and CMS may modify this Agreement at any time by a written modification, agreed to by both parties and approved by the DIB of each agency.

E. Termination

SSA and CMS may terminate this Agreement at any time with the written consent of both parties. Either party may unilaterally terminate this Agreement upon written notice to the other party requesting termination. The termination shall be effective 90 days after the date of the notice, or a later date specified in the notice.

XVI. PERSONS TO CONTACT

A. SSA Contacts

Program Information

Matthew Viel, Program Analyst
Office of Public Service and Operations Support
Office of Operations
6401 Security Boulevard, Annex Building, Suite 1620
Baltimore, MD 21235-6401
Telephone: (410) 965-9313
Fax: (410) 966-0911
Email: Matthew.R.Viel@ssa.gov

Data Exchange Issues

Stephanie Brock, HHS Data Exchange Liaison
Office of Data Exchange and Policy Publications
Office of Retirement and Disability Policy
6401 Security Boulevard, 3655 Annex Building
Baltimore, MD 21235-6401
Telephone: (410) 965-7827
Email: Stephanie.Brock@ssa.gov

Systems Security Information

Sean Hagan, Acting Director
Division of Compliance and Assessments
Office of Information Security
Office of Systems
6401 Security Boulevard, 3829 Annex Building
Baltimore, MD 21235-6401
Telephone: (410) 965-4519
Fax: (410) 597-0845
Email: Sean.Hagan@ssa.gov

Agreement Information

Norma Followell, Supervisory Team Leader
Electronic Interchange and Liaison Division
Office of Privacy and Disclosure
Office of the General Counsel
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Baltimore, MD 21235-6401
Telephone: (410) 965-0806
Email: Norma.Followell@ssa.gov

B. CMS Contacts

Privacy and Information Exchange Issues

Walter Stone, CMS Privacy Officer
Division of Security, Privacy Policy & Governance
Information Security & Privacy Group
Office of Enterprise Information
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Mail-Stop N1-24-08 e
Baltimore, MD 21244-1850
Telephone: (410) 786-5357 e
Fax: (410) 786-1347 e
Email: Walter.Stone@cms.hhs.gov

Privacy and Information Exchange Issues

Chrislyn Gayhead, IT Specialist- Policy and Planning
Division of Security, Privacy Policy & Governance
Information Security & Privacy Group
Office of Enterprise Information
Centers for Medicare & Medicaid Services
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7500 Security Boulevard
Baltimore, MD 21244-1850
Telephone: (410) 786-6429
Fax: (410) 786-5356
Email: Chrislyn.Gayhead@cms.hhs.gov

Systems Issues

Tejas Shukla

Division of Nursing Homes

Survey and Certification Group

Center for Clinical Standards and Quality

Mailstop: C2-21-16

7500 Security Boulevard

Baltimore, MD 21244-1850

Telephone: (410) 786-3500

Email: Tejas.Shukla@cms.hhs.gov

Dovid Chaifetz

Division of Quality Systems for Assessments and Surveys

Information Systems Group

Center for Clinical Standards and Quality

Mailstop: S2-26-16

7500 Security Boulevard

Baltimore, MD 21244-1850

Telephone: (410) 786-7123

Email: Dovid.Chaifetz@cms.hhs.gov

XVII. INTEGRATION CLAUSE

This Agreement and the accompanying Form SSA-429 constitute the entire Agreement of the parties with respect to its subject matter and supersede all other agreements between the parties that pertain to the disclosure of the specified Medicare non-utilization data for individuals ages 90 and above made between SSA and CMS for the purposes described in this Agreement. SSA and CMS have made no representations, warranties, or promises outside of this Agreement. This Agreement takes precedence over any other documents that may be in conflict with it.

XVIII. AUTHORIZED SIGNATURES

The signatories below warrant and represent that they have competent authority on behalf of their respective agencies to enter into the obligations set forth in this Agreement.

SOCIAL SECURITY ADMINISTRATION



Monica Chyn
Acting Deputy Executive Director
Office of Privacy and Disclosure
Office of the General Counsel
Social Security Administration

Date 5-12-17

SOCIAL SECURITY ADMINISTRATION DATA INTEGRITY BOARD




Mary Ann Zimmerman
Acting Chair
Data Integrity Board
Social Security Administration

Date 5-17-17

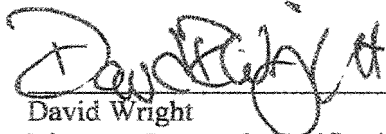
B. Centers for Medicare & Medicaid Services Approving Official

The authorized approving official, whose signature appears below, accepts and expressly agrees to the terms and conditions expressed in this Agreement, and confirm that no verbal agreements of any kind shall be binding or recognized, and hereby commits their respective organization to the terms of this Agreement.

Approved By: (Signature of Authorized CMS Approving Official)	
	
Emery Csulak, Director Information Security and Privacy Group, and Senior Official for Privacy Office of Enterprise Information Centers for Medicare & Medicaid Services	Date: 12/22/14

The signatories below warrant and represent that they have competent authority on behalf of their respective agencies to enter into the obligations set forth in this agreement.

CENTERS FOR MEDICARE & MEDICAID SERVICES

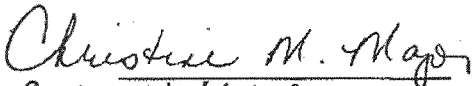
A handwritten signature in dark ink, appearing to read "David Wright", is written over a horizontal line.

David Wright
Director, Survey & Certification Group
Center for Clinical Standards and Quality
Centers for Medicare & Medicaid Services

Date 12/20/2016

HEALTH AND HUMAN SERVICES DATA INTEGRITY BOARD

The signatories below warrant and represent that they have competent authority on behalf of their respective agencies to enter into the obligations set forth in this Agreement.


Christine M. Major
Chairperson,
Data Integrity Board
Department of Health and Human Services

Date _____

Cost Benefit Analysis (CBA) for the Computer Matching Operation (Match #1094) Between SSA and the Department of Health and Human Services (HHS) Centers for Medicare and Medicaid Services (CMS)

Study Objective

The purpose of this study is to determine the cost-effectiveness of the SSA/HHS CMS computer matching operation #1094.

Background

The purpose of computer matching operation #1094 is for CMS to identify and disclose to SSA identifying data on simultaneously entitled SSA Title II beneficiaries and Medicare enrollees, age 90 and above, whose Medicare records have been inactive for three or more years. SSA uses this data as an indicator to select and prioritize cases for review to determine continued eligibility to SSA Title II benefits. SSA contacts these individuals to verify ongoing eligibility. SSA also refers specific cases of suspected fraud, waste, or abuse to the Office of the Inspector General (OIG) for investigation.

SSA ceases benefit payments if we are unable to locate the beneficiary, determine them to be deceased, or find them to be ineligible for other program related reasons.

Study Methodology

This computer match generated 6,684 alerts in fiscal year (FY) 2015. Field office (FO) employees completed work on 3,330 of these alerts. The Office of Data Exchange (ODX) sampled 444 alerts from the 3,330 completed by field office. ODX analyzed the master beneficiary records (MBR) of these beneficiaries to determine the amount of recurring monthly benefits suspended or terminated due to death, whereabouts unknown, or other program related reasons.

Benefits

The benefits realized from the development of the alerts from this matching operation include the detection and recovery of overpayments and the avoidance of future overpayments through the suspension or termination of recurring monthly payments.

Alerts for Living Beneficiaries

ODX found overpayments on 16.7 percent of the sample cases. Of the 444 sample cases, 15.8 percent of the overpayments belong to deceased beneficiaries. We made the conservative assumption that recovery of overpayments from deceased beneficiaries is highly unlikely; therefore, we did not include an estimate of overpayments recovered from the deceased cases in the calculation of benefits.

The population of recoverable overpayments is 0.9 percent (*recovery of improper payments and debts*). Projecting these results to the 3,330 universe of alerts completed in FY 2015, we expect that 30 retroactive overpayments would belong to living beneficiaries. With an average recoverable overpayment of \$28,725, we estimate the total overpayments detected from the match to be \$861,750. Using the historical overpayment recovery rate for Title II of 85%, we expect to recover \$732,488.

Analysis of the sample also resulted in a suspension (*avoidance of future improper payments*) of the recurring monthly payment amounts in about 3.09 percent of the sample cases. The average suspended monthly payment amount was \$990.00. If the match had not occurred, we assume this incorrect payment would have continued for at least six additional months. Therefore, the estimated savings by preventing erroneous future monthly payments would be approximately \$611,820 when projected to the universe of 3,330 matches.

Death of Beneficiary Discovered by Project

While conducting the match, we discovered that some of the beneficiaries are deceased. Field office development of these cases resulted in the termination (*avoidance of future improper payments*) of the recurring monthly payment amounts in about 3.66 percent of the sample cases. The average terminated monthly payment amount was \$973.00. If the match had not occurred, we assume that this incorrect payment would have continued for 12 additional months and totaled approximately \$1,424,472

Costs

The Matching Agreement and Operation (Computer Costs)

The interagency agreement costs for this matching operation is \$7,385 as determined by the Computer Matching Agreement.

For this data exchange, the Office of Systems estimates the systems costs to be \$ 89,025.

FO Alert Development (Personnel Costs)

The Office of Operations spent an average development time of 30 minutes to develop each Medicare Non-Utilization Project case. The total development costs for the 3,330 alerts were approximately \$146,880.

Overpayment Development and Recovery Processing (Personnel Costs)

SSA also incurred costs for incorrect payment development and recovery processing for cases identified with an overpayment. Although we only consider some of the overpayment cases recoverable for this analysis, all overpayment cases discovered required processing. The Office of Operations FY 2015 development time per

overpayment case is 54 minutes. The total overpayment development costs for the 556 alerts are approximately \$44,064.

We estimate that the total costs incurred in conducting this matching operation are \$287,354.

Conclusion

The benefits to the United States Treasury and the Retirement Survivors Disability Insurance Trust Funds of this matching operation are the recovery of retroactive overpayments and the correction of those cases where there is a suspension or termination of the monthly benefit payments and the prevention of future overpayments. The benefits of this matching operation were \$2,768,780 with costs of \$287,354 resulting in a benefit-to-cost ratio of 9.64 to 1.

This matching operation is cost effective. Accordingly, we recommend the continuance of this matching activity.

Cost Benefit Analysis (CBA) for the Computer Matching Operation (Match #1094) Between SSA and the Department of Health and Human Services (HHS) Centers for Medicare and Medicaid Services (CMS)

Number of Alerts Released to the FO/PSC in FY 2015: 3,330

Number of FO/PSC Alerts included in ODX Sample: 444

Benefits

LIVING:

Retroactive Overpayments

(Recovery of Improper Payments and Debts)

Percent of Alerts with Retroactive Overpayments	0.9%
Number of Alerts with Overpayments	30
Average Overpayment	\$28,725
Total Overpayment (Projected)	\$861,750
Amount Expected to Recover (85%)	<u>\$732,488</u>

UTL Suspension of Monthly Payment Amount

(Avoidance of Future Improper Payments)

Percent of Match with Suspension of Monthly Payment	3.09%
Number of Cases with Suspension of Monthly Payment	103
Average Suspended Monthly Payment Amount	\$990
Total Suspension of Ongoing Monthly Payments	\$101,970
Projected for 6 months	<u>\$611,820</u>

DECEASED:

Termination of Monthly Payment Amount

(Avoidance of Future Improper Payments)

Percent of Alerts with Termination of Monthly Payment	3.66%
Number of Alerts with Terminated Payments	122
Average Terminated Monthly Payment Amount	\$973
Total Amount of Terminated Ongoing Monthly Payments	\$118,706
Projected for 12 months	<u>\$1,424,472</u>

Total Benefits **\$2,768,780**

Costs

IAA (Computer Costs)	\$7,385
Systems Costs (Office of Systems) (Computer Costs)	\$89,025
PSC/FO Alert Development Costs (Personnel Costs)	\$146,880
Overpayment Development/Recovery Processing Costs (Personnel Costs)	\$44,064

Total Costs

\$287,354

Benefit-to-Cost Ratio

9.64:1

Field Office Alert Development Costs for MNUP Cases

<i>Total number of alerts released FY 2015</i>	3,330
<i>Salary¹ + 20% benefits (Cost per Work Year)</i>	\$91,800
<i>Development Time per Alert²</i>	30 minutes

Computation

30 minutes x 2.00 overhead ³	= 60 minutes/alert
60 minutes x 3,330 alerts = (199800/60)/2080	= 1.60 WY
1.60 WY x \$91,800 (Salary)	= \$146,880
146,880/3,330 (number of alerts) = \$44.11 (average cost to develop a case)	

Overpayment Development and Recovery Costs

<i>Number of alerts with overpayments for universe of 3,330 (Projected)</i>	=556
<i>Salary + 20% benefits (Cost per Work Year)</i>	\$91,800
<i>Development Time per Alert⁴</i>	54 minutes

Computation

54 minutes x 2.00 overhead	=108 minutes/alert
108 minutes x 556 alerts = (60048/60)/2080	= .48 WY
.48 WY x \$91,800 (Salary)	= \$44064
\$44064/556 (number of alerts) = \$79.25 (average cost to develop a case)	

¹ FY 2015 Average FO Cost per Work Year (CPWY) includes 20% Fringe Benefits was provided by the Office of Budget.

² The Office of Operations furnished the development time of 30 minutes per alert.

³ The Office of Budget furnished the overhead rate of 2.00 for Field Offices.

⁴ The Office of Operations furnished the average RSDI Overpayment development time of 54 minutes.

Benefits in Detection and Prevention of Overpayments for Cases

Retroactive Overpayments (Recovery of Improper Payments and Debts)

<i>Total number of alerts with Overpayments (Projected)</i>	556
<i>Total number of cases w/ recoverable⁵ overpayments (0.12%)</i>	30
<i>Average Recoverable overpayment</i>	\$28,725

Computation

\$28,725 (average overpayment) x 30 (# of overpayments)	= \$861,750
\$861,750 x 85% (expected recovery rate)	= \$732,488

Suspension of Monthly Payment Amount (Avoidance of Future Improper Payments)

<i>Total number of Suspensions of monthly payments</i>	103
<i>Average amount of monthly suspension</i>	\$990

Computation

\$990 (avg monthly suspension) x 103 (cases w/ suspension)	= \$101,970
Projected for 6 months	= \$611,820

Termination of Monthly Payment Amount (Avoidance of Future Improper Payments)

<i>Total number of Terminations of monthly payments</i>	122
<i>Average amount of Terminated monthly payments</i>	\$973

Computation

973 (avg monthly termination) x 122 (cases w/ terminations)	= \$118,706
Projected for 12 months	= \$1,424,472

⁵ The conservative assumption is that recovery of overpayments from deceased individuals might be highly unlikely.