

HEARING BEFORE
COMMITTEE ON HOMELAND SECURITY AND
GOVERNMENTAL AFFAIRS
SUBCOMMITTEE ON FEDERAL FINANCIAL MANAGEMENT,
GOVERNMENT INFORMATION, FEDERAL SERVICES, AND
INTERNATIONAL SECURITY
UNITED STATES SENATE

ASSESSING EFFORTS TO ELIMINATE IMPROPER PAYMENTS

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STATEMENT OF
KELLY CROFT
DEPUTY COMMISSIONER FOR SYSTEMS

Chairman Carper and Members of the Subcommittee:

Thank you for inviting me to discuss the Social Security Administration's (SSA) efforts to eliminate improper payments. As requested, I will focus on our collection and distribution of death information. These efforts protect the integrity of our programs as well those administered by other Federal and State agencies. First, I would like to describe briefly who we are and what we do.

Mission and Work of SSA

For over 75 years, Social Security has touched the lives of virtually every American, whether it is after the loss of a loved one, at the onset of disability, or during the transition from work to retirement. Our programs provide a safety net for the public and contribute to the increased financial security for the elderly and disabled. Each month, we pay more than \$60 billion in benefits to almost 60 million beneficiaries. These benefits not only provide a lifeline to our beneficiaries and their families, but also are vital to the Nation's economy.

Americans request a staggering amount of service from our agency. For example, each day almost 200,000 people visit our network of about 1,300 field offices and over 450,000 people call us for a variety of services such as filing claims, asking questions, and changing direct deposit information.

In the last three years, we have demonstrated the link between adequate funding and our ability to deliver—Congress increased our funding, and we made real and measurable progress. We reversed many negative trends, most notably with the hearings backlog, and significantly improved service and stewardship efforts. We made these improvements even though we have had to absorb increases in workloads due to the economic downturn. Without continued adequate funding, much of our hard-earned progress will slip away.

Our progress would not have been possible without smart use of technology. We have evolved from a paper-based organization to one that relies heavily on robust information technology. Most of our internal work processes are electronic and we have a number of highly regarded Internet applications for public use. We also manage over 1,500 data exchanges with other entities, as allowed by law.

In fact, Congress recently demonstrated its understanding that jobs and lives depend on us doing our work without interruption in technology operations, and provided funding for a new data center to replace our 30-year-old National Computer Center.

Death Information Collection

Each year, we receive over 2.5 million death reports from multiple sources including family members, funeral homes, States, financial institutions, and other Federal agencies. We match the information against our payment records so that we can stop benefits for a

beneficiary who has died, and if applicable, to start the process to establish benefits for any eligible survivors. We also retain a record of the death in our files and currently have over 92 million death records.

Although a large number, 92 million entries are obviously not a complete record of all deaths that have occurred in the United States. Our files reflect the information we have received in the course of doing Social Security work, and clearly, the absence of a name in our records does not mean that a person presumed deceased is alive. It is also important to note that we do not independently verify the accuracy of all incoming death records. We utilize time-tested tolerances to presume accuracy of some death reports, and for others, if we have no business reason to use the death record then we post it to our files as unverified.

Unfortunately, some of the death data that we post to our records – under 1 percent – proves to be wrong and we correct it as soon as possible. We usually learn of an incorrect death posting when a beneficiary calls us to inquire about the cause for a late check. Usually the error was caused because of a human typing error when death information was entered into a computer system. The primary solution to ending these errors is a process called Electronic Death Registration (EDR).

Electronic Death Registration

Since 2002, we have been working with the States and other stakeholders to develop EDR. In participating states, EDR replaces a more labor-intensive and error-prone process through which the States transmit death information to us. Through EDR, we usually receive death reports within 5 days of the individual's death and within 24 hours from the States' receipt of the report. EDR death reports are highly accurate.

EDR has expanded on a state-by-state basis since 2002, and currently 30 States, the City of New York, and the District of Columbia participate in this initiative. We reimburse States on a per item basis for EDR death reports. For reports received within a few days, we pay about \$2.80 per record. If all States submitted all death reports through EDR, death reporting would be faster and virtually error free. The continuing rollout of EDR depends on Congress providing sufficient funds to the Department of Health and Human Services to provide State grants to aid their transition efforts.

Distribution of Death Information

As noted, in the course of doing Social Security business, we have collected over 92 million death records. Recognizing the broader value of death information to support accurate benefit payments by other government programs, and also to help prevent fraud, waste, and abuse, many other public and private organizations desire access to the death information we maintain.

As required by the Social Security Act, we provide our death information, including both verified and unverified records, on a regular basis and via electronic means to Federal

benefit paying agencies, which use the data to conduct matches against their own beneficiary rolls. These agencies either reimburse us for this information or they provide us with information we need on a quid pro quo basis.

We also provide more limited death information from our death records to other entities, including the Department of Commerce's National Technical Information Services, which then sells it to the public.

To provide a sense of scale for these exchanges, we post about 48,000 new death reports a week. We advise users of the data about its limitations—that we cannot guarantee its accuracy, that not all deaths are included, and that it is possible for a living individual's information to be erroneously included—and the need to use the information in a responsible manner.

We believe careful re-use of death information in our records supports the Government-wide effort to maintain and assure the integrity of Federal programs and protect taxpayer funds. We will continue to share information in our records to the extent allowed by statutory and budgetary limitations.

Conclusion

Through numerous agreements with Federal and State agencies, we receive data to support our own programs, and in turn, we provide data to support State and other Federal agencies' programs. The Government Accountability Office and others have reported that the data we provide are essential to helping our State and Federal partners streamline operations, reduce costs, and eliminate improper payments and fraud.

The continued success of our programs is inextricably linked to the public's trust in them. Properly managing our resources and protecting data related to hundreds of millions of Americans is critical to that trust. We are firmly committed to sound management practices to prevent improper payments, and we are glad that death information from our files can support the President's initiative to ensure agencies are checking all applicable eligibility databases prior to making a payment or authorization.

I will be pleased to answer any questions.