

**Statement of Bill Gray, Deputy Commissioner of Systems
Social Security Administration**

**Testimony before
the Permanent Subcommittee on Investigations of the
Senate Committee on Homeland Security and Governmental Affairs
on
Medicare Payments for Claims with Identification Numbers of
Dead Doctors**

July 9, 2008

Chairman Levin and Members of the Subcommittee:

Thank you for inviting me to appear before you today to discuss the Social Security Administration's (SSA) collection, maintenance, and distribution of death information. You have asked us to address two questions: 1) How can we provide death records information regarding medical providers on a timely and regular basis to the Centers for Medicare and Medicaid Services (CMS); and, 2) What, if anything, do we need to facilitate the sharing of death records information with CMS?

However, before I explain what, how, and when we provide death information to CMS, I would like to briefly describe who we are and what we do.

Mission and Work of SSA

We administer the Nation's social insurance program and one of the Nation's largest means-tested income maintenance programs. Each year we send benefits totaling about \$650 billion to almost 60 million individuals.

Through the Old-Age, Survivors, and Disability Insurance program, we provide benefits to workers and their dependents and survivors at critical junctures in their lives: when they retire, when they become disabled, and when the family's wage-earner dies.

We also administer the Supplemental Security Income (SSI) program, which assists the most vulnerable in our society. These payments are a safety net for those persons with little or no income or resources. The elderly, the blind, and the disabled, including children, rely upon SSI to meet their basic needs.

In addition, we have a number of other responsibilities that are vitally important to the Nation, but are not directly connected to our core mission, including many workloads for other agencies' programs, such as Medicare, Medicaid, E-Verify, Black Lung, Railroad Retirement, and Food Stamps. We participate in many data exchanges, including transmission of death information, with other Federal and State agencies as allowed by law. We recognize that providing this data is useful and important; however, performing these additional services directly affects our ability to carry out our core mission and responsibilities to the American people.

Death Information Collection

Now, I would like to provide background information on the death information that we collect and maintain in our records. We use death information to determine continuing eligibility for benefits, as a lead to develop possible entitlement to benefits, and for other program and integrity purposes.

We receive approximately 2.5 million death reports each year from many sources. We receive 90 percent of the reports from family members and funeral homes, with the remainder coming from States and other Federal agencies through data exchanges and reports from postal authorities and financial institutions. Almost 90 percent of deaths are reported and posted to our records within 30 days of death. We match these death reports against our payment records to stop the benefits of those who are deceased and as a lead to develop possible entitlement to benefits for surviving family members. We annotate the reported death on our master Social Security and SSI payment records for beneficiaries. We also enter the information on the Social Security Number (SSN) record file, known as the NUMIDENT, for both beneficiaries and non-beneficiaries.

Because of the proven accuracy of reports from family members and funeral homes, we do not have to verify these reports, but take immediate action to terminate benefits. However, in most instances, we verify all other reports, such as those reports received from financial institutions, postal authorities and other data exchanges, before we post beneficiaries' deaths to our payment records and terminate their benefits. We verify death reports by contacting another source—usually someone in the beneficiary's home, a representative payee, a nursing home, a doctor, or hospital—to confirm that the person is deceased and, if the date of death is an issue, to corroborate the reported date of death.

We do not verify death reports of persons not receiving Social Security or SSI; however, we do annotate the death information on our NUMIDENT. It would be difficult for us to verify these records since we do not have address or other identifying information for these individuals in our records.

The death data that we maintain is 99.5 percent accurate overall. As with any process, there are occasional errors, but to the best of our knowledge, no case of fraud or abuse has occurred as a result of errors in the Death Master File.

Electronic Death Registration

We are working with States who want, and are able, to build a streamlined death registration process, known as Electronic Death Registration (EDR). The EDR will replace the States' more cumbersome and labor-intensive process through which we currently receive death information. This streamlined electronic process allows States to transmit to us more accurate and timely death reports. Through this system, we receive verified death reports within 5 days of the individual's death and within 24 hours after the State receives it. We can take immediate action to terminate benefits on these cases. EDR transactions are virtually error free, and our systems automatically stop benefits without employee intervention.

EDR has slowly expanded on a state-by-state basis over the past 4 years, and currently 22 States, the City of New York, and the District of Columbia participate in this initiative. If all States participated in EDR, future death reporting would be virtually error free. The Nationwide roll-out of EDR is contingent on congressional funding of the Department of Health and Human Services so that it can fund the state grants.

Death Master File (DMF)

In addition to annotating an individual's death on our records, we also maintain a national file of death information, known as the Death Master File or DMF. This file is an extract of the death information from our NUMIDENT.

We create different versions of the DMF because the States have the authority to limit SSA's redisclosure of their death records. Twenty-seven States, the District of Columbia, and the City of New York restrict redisclosure of their death data. However, once we verify death reports

received from the States, the State data then becomes our data, and we can redisclose it regardless of the originating State's redisclosure policy.

As of June 2008, the full DMF, which includes the public death data as well as the restricted and unrestricted State death data, contained approximately 85.6 million records. The full DMF includes both the verified and unverified reports of death for Social Security beneficiaries and non-beneficiaries. If available in our records, the DMF contains the deceased individual's SSN, first name, middle name, surname, date of death, date of birth, state, county, and zip code of the last address on our records.

Many Federal agencies, State and local governments, and the private sector use the DMF to prevent fraud, waste, and abuse. Some entities may have access to only the public death data, whereas others may have access to all death data, including the restricted and unrestricted State death data. Generally, we are reimbursed for the cost of providing this information.

As I noted, our death data is over 99.5 percent accurate. While there are occasional errors, we are not aware of any cases of fraud or abuse that have occurred as a result of errors in the DMF. We will continue to release the DMF to facilitate private and public organizations' ability to prevent fraud, abuse, and billions of dollars in erroneous payments.

Death Information in SSA Electronic Data Exchanges

In addition to the DMF, we have an electronic data exchange, known as the State Verification and Exchange System (SVES), with all States and a large number of Federal agencies, including CMS. The SVES is an overnight batch query process that matches against our NUMIDENT and beneficiary records. Using the SVES, requesters may ensure, among other things, that Federal benefits are not paid to deceased individuals. We also offer an online version of SVES, known as State On-Line Query (SOLQ). SOLQ allows authorized agencies real-time access to the SSN verification service and, if permitted, access to certain beneficiary data.

While SVES is a batch system that processes multiple requests overnight, SOLQ is a direct query process that allows an authorized user to submit an individual request and provides an immediate response to the user.

Sharing SSA Death Data with CMS

Now that I have explained how SSA collects and uses death information and the ways in which SSA shares death information with other entities, I would like to summarize the three different methods we use for sharing death information with CMS:

- We provide the “public version” of the DMF to CMS via a direct electronic connection. As noted above, this version includes SSA death data, but does not include any State death data. We first provided this version to CMS in its entirety in 2001, and we now provide weekly updates. In total, this version currently contains approximately 82.4 million records.
- CMS uses our SVES. We have provided this access on a daily basis since 2000. Through SVES, we provide CMS not only the information contained in the “public” DMF, but also the unrestricted State death data, which includes the date of death, and an indicator for restricted State death data. This means that CMS has access to all 85.6 million death records. Annually, we respond to approximately 2 million requests from CMS through SVES.
- CMS also has access to our SOLQ. We have provided this access on a daily basis since the early 2000s. Through SOLQ, we currently provide real-time online access to the same information and number of death records as provided under SVES. Annually, we respond to approximately 1.1 million requests from CMS through SOLQ.

You have also asked what we might need to facilitate the sharing of our death records with CMS. As I have described, we have the authority to provide CMS with the information it needs in a timely way. And, as I also mentioned earlier, generally, SSA must be reimbursed for the expense we incur in sharing death data. In addition, the efficiency and accuracy of death data we are able to provide would be improved if every State had the necessary funding to implement the EDR initiative.

Conclusion

Thank you for the opportunity to discuss how we collect and distribute death information for our own and other programs’ purposes. This data is vital to maintaining and assuring the integrity of Federal programs and protecting taxpayer funds. We have described how we assist these efforts to combat fraud against the people of the United States. As with our

existing data sharing agreements, we would require reimbursement to SSA for these workloads. That said, we are certainly willing to work with this Subcommittee and to keep working with CMS to make sure that it continues to be provided accurate and timely death information.

I will be glad to answer any questions.