

## Death Data Quality - What problems are we trying to solve?

1. Use death data to ensure accurate social security payments	2. Minimize exposure of living individuals on the Death Master File	3. Ensure accurate records for our beneficiaries, even when payment is not a factor	4. Improve the accuracy of non-beneficiary records for the benefit of other entities
<p>Description:</p> <p>We receive 2.8M death reports annually and use them to prevent \$50M per month in improper payment. Our OASDI payment accuracy exceeds 99.8%.</p> <p>Overpayments due to death represent less than 1% of total overpayments</p>	<p>Description:</p> <p>Of 2.8 million annual death reports, we erroneously post a death for approximately 9,000 living individuals (less than one-half of one percent).</p>	<p>Description:</p> <p>As a result of 11 separate OIG audits since 2010, OIG identified several million records wherein SSA could add a date of death already established in our payment records to the Numident or align discrepant dates of deaths in our records for consistency.</p>	<p>Description:</p> <p>OIG identified 6.5M individuals over 112 years old, without a death on the record. OIG did <u>not</u> confirm any cases of death.</p> <p>We have been clear that while our death records have become increasingly accurate and over time, the DMF contains many unverified, inaccurate and incomplete records.</p>
<p>Actions:</p> <ul style="list-style-type: none"> <li>• As a result of OIG Audit, <a href="#">Payments to Individuals Whose Numident Record Contained a Death Entry</a>, (6/13) we send monthly alerts to technicians terminate benefits when a death entry is on the Numident. We completed approximately 96,500 cases.</li> <li>• We contact individuals over the age of 90 who have not used Medicare Part B for three or more</li> </ul>	<p>Actions:</p> <ul style="list-style-type: none"> <li>• We have a contractor monitor these records for potential signs of SSN misuse. Separately, we will to notify individuals when they are erroneously exposed on the DMF and offer credit monitoring.</li> <li>• Bipartisan Budget Act of 2013 delays the release of the public DMF for 3 years in most cases. This allows time to identify and make corrections before erroneous disclosure on the</li> </ul>	<p>Actions:</p> <ul style="list-style-type: none"> <li>• We continue exploring the feasibility of automating the posting of these death records. To date we have worked 200,000 records. These records include terminating benefits to individuals over 115 who have been in suspense for 7 years with <b>no date of death</b> on the record, and terminating benefits for individuals who had a date of death on Numident but were in suspense status.</li> </ul>	<p>Actions:</p> <ul style="list-style-type: none"> <li>• The President’s FY 16 budget contains a proposal to share the full DMF with Treasury’s Do Not Pay list.</li> <li>• Conducting an analysis of 6.5 million SSNs identified to determine if any cases are actionable in a fully automated way and to the extent we can correct the records in a cost effective way.</li> </ul>

<p>years, and SSI recipients 100 and older whose records have had no activity for 3 or more years. We processed more than 15,000 cases and 3,100 OIG referrals.</p> <p><b>EDR and death data redesign are applicable for 1 through 4 -</b></p> <ul style="list-style-type: none"> <li>• We are redesigning our systems to make the Numident the central repository. This will prevent discrepancies across SSA records. Next release by the end of CY15.</li> <li>• 37 States and 2 jurisdictions participate in Electronic Death Registration (EDR). We receive 65% of death records through this highly accurate process.</li> </ul>	<p>DMF.</p> <ul style="list-style-type: none"> <li>• Death data redesign</li> <li>• EDR - In FY14, of the almost 9,000 breaches, only 1 was an EDR record.</li> </ul>	<ul style="list-style-type: none"> <li>• Death data redesign</li> <li>• EDR</li> </ul>	<ul style="list-style-type: none"> <li>• Death Data Redesign</li> <li>• EDR</li> </ul>
<p>Challenges:</p> <p>States need funding to expand EDR. HHS/CDC is responsible for funding states.</p>	<p>Challenges:</p> <p>States need funding to expand EDR. HHS/CDC is responsible for funding states.</p>	<p>Challenges:</p> <p>Significant manual and labor intensive case review and analysis needed to identify potential automated solutions for various types of records.</p>	<p>Challenges:</p> <p>Our decades old birth and death records are not reliable enough to post death without verification. Electronic state records are not available for these old cases, so states would search paper records. Manual review for 6.5M records could cost between \$600M - \$3B.</p>

## The Economy Hub

With Michael Hiltzik

# '60 Minutes' bungles another hit piece on Social Security



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**"H**ow many of you have been declared dead by the federal government?" host Scott Pelley asked a panel of four taxpayers on Sunday night's "60 Minutes." All four raised their hands.

"All of you," Pelley simpered. "You're looking pretty well to me."

And so began the CBS news program's latest hit piece on the Social Security Administration, which maintains a Death Master File, or DMF, that is reported to be rife with errors--not only living people listed as deceased, but deceased people not listed as dead. The latter issue, "60 Minutes" asserted, "costs taxpayers billions of dollars in fraudulent payments to people standing in for the departed." But its main focus was on the first problem.

The "60 Minutes" report wasn't as inept as its last attack on Social Security, a 2013 segment in which it attacked the disability program without interviewing a single disabled person or disability advocate. But that's not saying much.

This time around, the subjects' stories were disturbing, even infuriating.

Clerical errors had landed them on the DMF, resulting in blocked bank accounts, credit denials, and in one case a grilling by police as an identity fraud suspect. But if you were hoping to hear a coherent explanation of how this happened or who was responsible, much less a rundown of the easy and obvious remedies, you were in the wrong place. "60 Minutes" didn't provide any of that.

The program implied that it had turned up this scandal through its own digging, so it didn't mention that finding errors in the DMF is a hardy journalistic perennial, like reports on how bad the traffic is in your town or sweeps-week TV pieces on gourmet restaurants flunking sanitary inspections.

Previous versions, some of them with almost identical statistics, appeared in the Washington Post in 2013, on CNN and in the Scripps Howard newspapers in 2011, and on MSNBC in 2008. You had to watch to the very end of the "60 Minutes" piece to discover that it was timed to coincide with a Senate Homeland Security and Governmental Affairs Committee hearing scheduled for Monday. One of the TV segment's star witnesses, Judy Rivers of Logan, Ala., was on the witness roster of the Senate hearing, and also was featured in the Scripps Howard series four years ago.

Of course, it's not a journalistic crime to plow previously farmed ground, especially when a problem hasn't yet been solved. But "60 Minutes" used to be famous for doing its own research, not taking Congressional handouts or reheating other reporters' chestnuts. (Its 2013 disability segment also relied on a Senate report, from then-Sen. Tom Coburn, R-Okla., a known enemy of Social Security.)

Most news reports on the DMF errors have a few things in common. They all seem to reflect the assumption that keeping an error-free master death list should be easy. And they blame the Social Security Administration for the flaws.

Wrote the Washington Post: "A task that requires near-perfection--maintaining the death records used by agencies across Washington--has fallen, by default, to an agency that does not believe perfection is its job." This was a gratuitous, and unwarranted, slap at an agency that has a well-deserved reputation for accuracy.

Most of the reports also disclosed that the percentage of erroneous death reports processed by Social Security is somewhere between one-third to one-half of 1%. Numerous studies by its own inspector general and the Government Accountability Office suggest that for the Social Security Administration to verify every report it receives of 2.8 million American deaths per year would be a Herculean job.

Why? Because those reports arrive from thousands of sources of varying reliability across the country--funeral directors, family members, banks, Medicare and Veterans Affairs offices, post offices. Social Security considers the most reliable source to be electronic death records from the states, but only 35 states submit these to the agency.

Verification can be extremely labor-intensive. So the agency attempts to verify the reports only where necessary, chiefly when they come from less reliable sources (post offices, Medicare and financial institutions) and when they refer to beneficiaries already receiving Social Security checks. This is proper, because the agency's main concern should be safeguarding its own resources.

Although the agency provides the full DMF to government agencies that pay out benefit checks and sells a limited version to private parties to help them fight identity fraud, it tells them explicitly that it "*does not guarantee the veracity of the file.*" (Emphasis added.)

"60 Minutes" wrung its hands over the nation's inability to compile totally accurate data on deaths. Pelley illustrated the issue by visiting Alabama's Vital Records Vault, "a place so secure that you need a key and a fingerprint to get inside....But once in here, the technology becomes pretty 19th century." He brandished a folder crammed with old papers. "These are death certificates from 1912, for example," he said in dismay.

Well, yes. That's how they did things in 1912. If "60 Minutes" has any notion of how much it would cost in time or money to convert a century's worth of old paper death certificates to electronic form, what errors might be incorporated permanently into the database via the conversion process, or why this would be even necessary, it didn't say.

Appearing on the segment, Social Security Inspector-General Patrick O'Carroll made clear that the DMF problem he's most concerned about--and

on which he issued a recent report--was not living people listed as dead, but some 6.5 million Social Security numbers listed as belonging to living people who in fact are deceased.

That raises the prospect of fraud, but O'Carroll's report has been widely misinterpreted in the press--including by the Associated Press, which cited the report in asserting that "nearly 67,000 of the Social Security numbers were used to report more than \$3 billion in wages, tips and self-employment income from 2006 to 2011."

That's only sort of true. What O'Carroll's report says in full is that we know about that \$3 billion in income reported to fraudulent numbers because the Social Security Administration *caught the fraud*. The \$3 billion in reported income has been placed in the agency's suspense file, meaning that it can't be used as credits for Social Security benefit payments.

Pelley did attempt to assign a figure to taxpayer losses from improper payments to deceased persons, but the result was a mishmash. He said the federal Office of Personnel Management, for example, paid deceased retirees "a little over a billion." If you looked quick, you might have spotted the image showing that those payments occurred over a period of nine years. And you wouldn't know that OPM's inspectors determined that the problem occurred not because Social Security's records were inaccurate, but because OPM wasn't bothering to check the DMF at all.

As it happens, testimony prepared for Monday's Senate committee hearing makes clear that for the most part, the problem of improper payments by government agencies has absolutely nothing to do with the Death Master List. Beryl H. Davis of the GAO testified that her agency identified \$124.7 billion in improper payments for fiscal 2014. Of that, the Social Security Administration accounted for \$3 billion.

The biggest chunk, nearly \$46 billion, was traced to Medicare and stemmed from insufficient documentation for health claims, not payments to deceased persons. The most error-prone program was the Earned Income Tax Credit, at 27.2% of outlay, mostly because of unverified income claims for low-income assistance. Social Security, which paid out more than \$800 billion in claims in 2014, had the lowest error rate of the 12 programs listed, at four-tenths of one percent. No other agency even came close.

The biggest hole in the "60 Minutes" segment was the absence of suggestions about what to do about what is plainly an enormous headache for people wrongly listed as deceased. But it's not rocket science. To begin with, although the DMF is public, Congress should outlaw its use by any financial institution to take action against an account holder without verifying the information independently.

Second, there should be a standardized process for people to rectify errors--a list of acceptable documentation to prove one's existence and a hard deadline, say no more than 30 days, for Social Security to respond and correct.

The tax policy and regulatory expert David Cay Johnston further suggests that any institution using the DMF to make consumer decisions be automatically informed if a customer files a protest with Social Security and be made responsible for updating the information once Social Security makes its ruling, with stiff fines for delay or inaction. Any consumers who run into problems with banks or card issuers should have an absolute right to inspect the institution's DMF file on them, at no cost.

That should solve the problem for the relatively small percentage of people caught in this net. "60 Minutes" could have performed a real service by asking its sources in the Senate why Congress hasn't taken these steps in the six or seven years since news organizations started reporting on it.

The news program also might have asked what it would cost the Social Security Administration to make the Death Master File rock-solid and error-free, and whether Congress would be willing to appropriate the money. Expecting the agency to maintain a perfect list, when the roll was never designed to become the raw material for bank and credit decisions, is ridiculous--especially in an era when Congressional cuts to the agency's administrative budget has forced it to close field offices that service tens of millions of benefit enrollees.

Yet that doesn't seem to have occurred to members of Congress, who have used the occasion of the inspector general's report to issue apoplectic statements about the Social Security Administration's shortcomings. "It is incredible that the Social Security Administration in 2015 does not have the technical sophistication to ensure that people they know to be deceased are actually noted as dead," fulminated Sen. Ron Johnson, R-Wisc., chairman of



the committee holding Monday's hearing.

Actually, Social Security said it's less a question of technology than of money. In the cases cited by the inspectors, the agency pointed out, benefits are not actually being paid, so "we do not have a business reason to expend resources to correct records," especially since "this expensive data validation effort for non-beneficiary records would divert resources away from mission critical work."

That's the right bottom line. Should Social Security continue to do its most important job of serving its beneficiaries, or should it respond to blather from Congress and inflated headlines from "60 Minutes"?

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### **Update**

1:37 p.m.: This post has been updated with testimony from the Senate hearing.

