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MEMORANDUM

To: Social Security Advisory Board
From: Claire Green
Subject: Overview Memo for June 23, 2015 Board Meeting
Date: June 16, 2015

This month we will continue our discussion of the Death Master File and Representative Payees, first in the morning with the Inspector General, and then in the afternoon with Marianna LaCanfora and Dan Zabronsky. The IG will also provide some updates on recent reports it has issued and current audits and investigations underway. Additionally, the IG will discuss increasing the number of Cooperative Disability Investigation (CDI) Units which is currently included in our disability solvency paper. The Acting Commissioner will join the board for lunch and will discuss the list of critical issues she is focused on completing in the next couple of years.

In the afternoon, several staff members from the Committee for a Responsible Federal Budget will discuss the *McCrery-Pomeroy SSDI Solutions Initiative* which has selected 12 papers that are aimed at improving different aspects of the Social Security Disability Insurance program. A summary of the papers are included in your briefing materials.

Meetings and Events

The following is a synopsis of some hearings, briefings and events attended since our meeting in May.

- On June 3, 2015, SSAB staffers attended a hearing entitled “Protecting the Safety Net from Waste, Fraud and Abuse” before the Ways and Means Subcommittee on Human Resources. Two panels of witnesses were heard. Several Members of Congress presented proposals of legislation intended to prevent waste, fraud and abuse in SSI, UI, and SSDI. Many highlighted fraud as the most important issue. However, others pointed out that systems errors are larger problems and that most overpayments are not due to fraud. Representative Sam Johnson discussed the Control Unlawful Fugitive Felons Act of 2015 (or the “CUFF Act”) aimed at preventing people fleeing felony prosecution from receiving SSI and UI benefits. Representative Tom Reed discussed the School Attendance Improves Lives Act (or the “SAIL Act”), which would require students aged 16-17 who are receiving SSI to attend school. Representative Xavier Becerra discussed the Social Security Fraud and Error Prevention Act of 2015, which would increase SSA funding and resources for fraud and error prevention.

In the second panel, the Subcommittee was very interested in the testimony of Debra Rohlman of Equifax Workforce Solutions, who recommended the use of the State

Information Data Exchange System (SIDES) by all states and monthly verification of income by SSA which could reduce many overpayments.

- On June 16, 2015, SSAB staff attended the Senate Health, Education, Labor and Pensions hearing entitled “Achieving the Promise of Health Information Technology: What Can Providers and the U.S. Department of Health and Human Services Do To Improve the Electronic Health Record User Experience?” The Committee heard testimony from three experts in the fields of medicine, health information technology, and health management about the benefits and challenges of implementing electronic health records. There was general consensus that increasing interoperability between systems so that records could be more easily shared among health professionals would greatly improve the experience of health providers.
- Jason Fichtner came to SSAB to informally discuss both temporary disability and financial literacy with SSAB staff and a couple of board members. Jason has proposed providing for partial or temporary awards in an effort to change the expectation that disability benefits are lifetime awards. The award would be limited to one or two years and would provide some kind of vocational assistance for individuals to return to work. Other suggestions he is looking into include expanding employer responsibility to provide private disability insurance, and increasing the financing of disability reviews.

Jason also spoke on financial literacy in regards to the Board’s interest in including a section on it in SSAB’s Retirement Security Paper. Jason emphasized the importance of including framing decisions and stated that both the public and claims representatives need more training. He also recommends improving the website to make it interactive and have it clearly illustrate different options for retirees. For example, a pop up window that states that if a person was to apply for benefits today at this age, they would receive a certain amount in benefits or if one was to wait one year their benefits would then be this higher amount. He said even small changes such as handing out a simple one page information sheet on retirement benefits while waiting at the Social Security office could have a meaningful impact.

Monthly Media Synopsis

The following are some key articles related to SSA programs.

- There were numerous articles this month about the estimated 900 disability beneficiaries of eastern Kentucky and West Virginia, who received suspension notices from the Social Security Administration (SSA). All 900 beneficiaries were represented by attorney Eric C. Conn in their disability cases and had their benefits suspended because of suspected fraud. Conn allegedly paid doctors to sign off on medical reports that Conn himself wrote and

supposedly colluded with ALJ David B. Daugherty. Daugherty consistently awarded Conn's clients disability benefits and relied heavily on the medical evidence by Conn's doctors while seemingly ignoring all other evidence. Between the years 2001 to 2013, Conn made \$22.7 million representing claimants and was the best-paid lawyer in this field nationwide.¹

As of May 26, 2015, SSA was suspending benefits until each case could be re-determined. On June 1, 2015, a lawsuit was filed in federal court to stop the government from cutting off disability benefits during the re-determination of disability claims in question.²

On June 4, 2015 it was reported that the Social Security Administration had lifted the suspension of payments to the 900 beneficiaries affected. The decision was announced after a meeting between the Acting SSA Commissioner and U.S. Representatives Evan Jenkins and Harold "Hal" Rogers. Rogers stressed that the suspension of benefits was a "matter of life or death", especially after three people whose benefits were suspended are believed to have committed suicide.³ The agency is still investigating the 1,500 cases that are suspected of fraud and was represented by Conn. These recipients will continue to receive their benefits until their case is reviewed and found to be guilty of fraud.⁴ SSA has also extended the original 10 day window to submit medical evidence to 30 days. Conn has not yet been charged with any crime.

- SSA's 80th Birthday is August 14th and is featured in the news this month. A multi-week celebration planned for summer has its own website featuring Social Security beneficiaries sharing how social security has positively affected their lives and has agency employees sharing "Why I Serve". Different events have also been planned for the 80th Birthday Celebration spanning several weeks.

Recent Legislation

Sterling follows our legislation and did not see Social Security floor votes or legislation introduced by the major committees in the last month.

¹ Estep, Bill. *Government moves to suspend disability payments to many in Eastern Kentucky, citing suspected fraud.* The Lexington Herald-Leader. May 26, 2015. Available at <http://www.kentucky.com/2015/05/26/3870407/government-moves-to-suspend-disability.html>

² Estep, Bill. *Lawsuit seeks to stop government from suspending disability payments to hundreds in Eastern Kentucky.* The Lexington Herald-Leader. June 1, 2015. Available at <http://www.kentucky.com/2015/06/01/3879164/lawsuit-seeks-to-stop-government.html>

³ Galofaro, Claire and Lovan, Dylan. *Rogers: Disability pay to be restored for 900 recipients.* Associated Press Newswire. June 4, 2015. Available at <http://www.washingtontimes.com/news/2015/jun/4/rogers-disability-pay-to-be-restored-for-900-recipient/>

⁴ *Ibid.*

Social Security Advisory Board

**400 Virginia Ave S.W., Suite 625
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Agenda for Tuesday, June 23, 2015

- | | |
|--------------------------|---|
| 9:00 a.m. to 9:45 a.m. | Board Business |
| 9:45 a.m. to 10:00 a.m. | Break |
| 10:00 a.m. to 11:30 a.m. | Patrick O'Carroll, Inspector General, Social Security Administration
Gale Stallworth Stone, Deputy Inspector General, Social Security Administration |
| 11:30 a.m. to 12:00 p.m. | Board Business |
| 12:00 p.m. to 1:00 p.m. | Lunch with Acting Commissioner, Carolyn Colvin |
| 1:00 p.m. to 2:30 p.m. | Marianna LaCanfora, Assistant Deputy Commissioner Office of Retirement and Disability Policy, Social Security Administration
Dan Zabronsky, Division Director, Office of Budget, Finance, Quality, and Management, Office of Quality Improvement, Office of Modeling, Social Security Administration |
| 2:30 p.m. to 4:00 p.m. | Committee for a Responsible Federal Budget,
Mike Murphy, Chief of Staff, Director of Strategic Initiatives
Marc Goldwein, Senior Vice President, Senior Policy Director
Edward Lorenzen, Senior Advisor
Alexandra De Filippo, Policy Analyst |

**Social Security Advisory Board
May Board meeting
May 29, 2015**

Meeting with Office of Retirement and Disability Policy (ORDP), SSA

Background. After introductions, SSA representatives from ORDP provided background on the rep payee program. A person or an organization can act as a rep payee if the beneficiary is under age 18 or is an adult who is found “legally incompetent” (determined by courts) or is “incapable” (determined by SSA) of managing his/her own benefits. Most rep payees are family members of the beneficiary – most commonly a spouse or parent. Examples of organizational payees include state or local government institutions and fee-for-service (FFS) organizations. FFS organizations may charge a fee of to the lesser of 10% of a person’s benefits or \$40 per month (\$77 under limited circumstances). SSA staff (claims representatives or service representatives) interview potential rep payees prior to allowing them to work in that capacity. In disability applications where the competency of a claimant is unclear, a Disability Determination Service (DDS) can refer claims to the field office to investigate.

Per the Social Security Act, SSA is required to conduct periodic site reviews of all:

- Individual payees serving 15 or more beneficiaries;
- Organizational payees serving 50 or more beneficiaries;
- FFS payees; and
- State mental hospitals who participate in the on-site review program.

The frequency in which these “periodic” reviews are to be carried out is not specifically defined in the Act; Mr. Ice explained that the agency defines it as every 3-4 years. Site reviews involve two steps – an audit (financial review) and interview with payee(s) and beneficiary(ies). The interview is intended to check whether or not the payee is meeting the needs of the beneficiary(ies).

In addition to mandated periodic reviews, SSA also conducts discretionary reviews. These reviews are used for payees with less than 50 beneficiaries and are based on a predictive model developed by SSA’s Office of Quality Improvement (OQI). The predictive model is a statistical model intended to detect payees that have the highest likelihood of benefit misuse.

Current Initiatives. Initiatives are currently underway at SSA in the following three areas:

- 1) Assessing Payee Capability
- 2) The Payee Selection Process

3) The Monitoring Process

SSA representatives noted that the monitoring process is where most of their energy is being directed when it comes to potential improvements for the program. Some of the specific initiatives highlighted at the meeting included:

- An Institute of Medicine (IOM) study – compares SSA’s capability determination process to those of similar benefit programs and recommend improvements
- Attorney Pro-Bono Pilots in MD and Chicago – goal is to have pre-approved lists of reliable payees ready to assist beneficiaries
- Expand Criminal Bar Policy – to include individuals who head organizational payees and those who handle money on behalf of these payees

A recent study published by the Administrative Conference of the United States (ACUS) in January was also discussed. Mr. Ice provided some background of the report, which focused on adult guardianship laws and involved a survey of state personnel and guardians. Some of the initial survey findings were highlighted: 1) about 75% of all guardians are family, friends, or acquaintances of the incapacitated beneficiary, and 2) around 40% of those surveyed indicated criminal background reports are not required of prospective non-professional (“friends/family”) guardians of estate.

In addition, the Board discussed persons with felony criminal backgrounds not being able to be a representative payee for a beneficiary. There are a list of twelve felonies that would disqualify them from being a rep payee. ORDP will supply the Board with a folder with the twelve felonies listed at a later date. They also discussed making home visits to rep payees and the process for choosing a rep payee for a disabled or special needs person. Currently, there are no special qualifications to be a rep payee. The emphasis is now being placed on monitoring rep payees, and how the monitoring program needs to be changed. Offices usually have a cadre that monitors rep payees.

Morning Executive Session

Representative Payees. After the presentation from ORDP, the Board members discussed what they wanted to do with the topic of rep payees. All members agreed that this is a big issue that would need a lot of money to fix in its present form. It was suggested that there has to be a better way to fix this problem, possibly by rethinking the entire system and way things are being done in the agency. It was reiterated that there needs to be a focus on this problem. It was acknowledged by Board members that many of the field offices have competing workloads. One Board member suggested matching representatives and payees based on the type of disability. One member suggested contracting the work to someone else who can do it more efficiently.

Another member then suggested that the Board themselves cannot solve this problem but that the next step is for SSAB staff to write a project description. A Board member suggested that the project should focus on designing the framework that will function well and let others determine the cost.

Meeting with Patricia Potrzebowski, National Association of Public Health Statistics and Information Systems, NAPHSIS

Background on NAPHSIS. NAPHSIS was established in 1933 as a professional vital records organization to protect individual identity and public health. Vital records mark vital events in the state that the event occurred. Due to the different state vital records statutes, death records are public in some states while kept private for 20 to 50 years in other states.

Vital records. Vital records are official records of birth, death, marriage and divorce collected by registrars in states. Vital records offices issue certified copies of death records. They provide accurate information on deaths.

Death records. Death certificates are used for benefit payments, medical research and as a source of public health data. All death is reported in the National Death Index (NDI). There is a process of approval for receiving death records from NDI. Death records from NDI are only used for medical research. Statistical data that National Center for Health Statistics (NCHS) receives does not have identifying information.

Electronic Death Registration System (EDRS). EDRS is a system used for death registration in which data is submitted electronically and verified by state vital records offices. Currently, 45 states have it place, four are in the developing stage, and three states have not taken any action. Although most of the states have the EDRS in place, not all death records in these states are reported electronically. This system is more secure because data providers--which include funeral directors and physicians--must login to the system in order to provide death information. Ms. Potrzebowksi said that the problem is the lack of adequate resources. New systems are needed; however, they are expensive. Systems become obsolete within 10 years as coding changes and have to be updated. In most states, vital records offices have been partially or fully defunded and are dependent on the fees collected.

Electronic Verification of Vital Events (EVVE). EVVE is a hub system that allows customers to verify and certify death information. Government agencies use this system to verify data. Current users of EVVE include SSA, OPM, and Homeland Security. EVVE allows data to be verified in an efficient manner. It is currently available in 54 of the 57 jurisdictions.

Resources. Ms. Potrzebowksi explained how NAPHSIS is a very small organization that does not have much resources available to them. NAPHSIS is going to be partnering with LexisNexis.

Currently, NAPHSIS exchanges data within states, however, it would like to be able to exchange data out of the states. Ms. Portzebowski stated that states want to control who is going to access their data. States would be more comfortable if they are aware of who has access. From 2002 to 2011, SSA placed data on the public DMF that should not have been made public. A staff member mentioned that the public DMF had to be released due to FOIA. Ms. Portzebowski commented on the fact that the DMF does not belong to SSA.

Proposal. Ms. Portzebowski explained that SSA has provided some funding for EVVE in the past, suggesting that continued SSA funding would be beneficial to moving to a full electronic process. She stated that she would like anyone trying to make legislative changes to hold off. Board members agreed that a brief report will be drafted.

Meeting with Budget, Finance, Quality and Management (BFQM), SSA

FY 2014 Recap. SSA lost eleven thousand employees between FY 2011 and 2013. However, in FY 2014, SSA restored some service by replacing 5200 of its previous staffing. CDRs increased from 300,000 to 526,000. SSA also opened to more CDI units, improved their website, and resumed mailing the *Statement* to beneficiaries every 5 years.

Budget FY 2015. The FY 2015 budget provides funding for an increase in field office hours, more ALJs to reduce the hearings backlog, and more cost-saving CDRs. Mr. Perzan discussed field office staff at replacement rate. He also explained that it was felt that the DDS was over-staffed and that is why there has been a 1 to 2 replacement rate. However, there will be an additional 200 hires for DDSs. Mr. Perzan stated that the hearings backlog went down (because of hiring) and then up (because of the hiring freeze) and could continue as SSA still needs to hire more ALJs.

President's Budget FY 2016. The President's FY 2016 budget would allow the agency to build on its current progress. It would allow the agency to increase service to the public, improve efforts to combat fraud, waste and abuse, and allow for investments in technology and initiatives to improve quality. Mr. Perzan stated that 64 field offices have been closed since 2010. Ms. King explained that the Office of Budget doesn't assume closure of field offices in 2015 or 2016.

Increased Service. SSA projects that they will continue to handle high volumes of initial disability claims with a stable processing time. High volumes of hearings will be handled with an increase in ALJs. They estimate that the FY 2016 budget will decrease wait times as well as busy rates on the national 800 number. Although productivity varies across the country, there has been a decrease in the 800 number busy rate from 11% to 8%. A significant increase in CDRs is also expected which will save billions of dollars. Mr. Perzan also discussed that there have been

fewer SSI redeterminations. However, the agency will work to handle high levels of redeterminations.

Field Offices. Mr. Perzan stated that work is being done to direct traffic away from field offices. They have started directing internet claims to workload support groups as opposed to field offices. In some cases, video service delivery has been the best option. In discussing the increased number of staff in field offices, Ms. King stated that it requires four months of training, but it then takes close to two years to become proficient.

Sequestration. Mr. Perzan also discussed the expectation of sequestration. He stated that they will look to see if they will continue to send Social Security statements at the current rate. Mr. Perzan assumed an 8% cut if sequestration is in effect. SSA's service deterioration in FY 2011-2013 was due to decreased funding. Depending on the funding from Congress, there is a possibility of a hiring freeze and limiting overtime in FY 2016. The inability to replace losses in field offices will increase wait times adding to the hearings backlog. A return to sequestration will interrupt the progress being made and affect service for several years.

Office of Anti-Fraud Programs. Ms. King discussed the new Office of Anti-Fraud Programs (OAFP) created by the Commissioner to consolidate SSA's anti-fraud efforts into a single office. The OAFP is located within the Office of Budget, Finance, Quality, and Management. Since the office was established in November 2014, Ms. King has been working on defining new positions, finding people to work in the office, and finding office space. New employees have come from other parts of SSA and the OAFP is working closely with the OIG. The action taken by this office is assumed to save millions of dollars. So far, OAFP has hired 18 employees, has about 13 details, and plans to have 60 employees by the end of 2015. About 500 SSA employees applied for openings in OAFP—many with backgrounds in fraud-detection at the agency.

Difference from OIG. Mr. Tortora discussed the difference between the OIG and OAFP. The OAFP will handle more cases and have more resources than the OIG. The OAFP will do more preventative work to stop fraud before it happens and will prepare cases for the OIG to prosecute. The OIG only does large cases—over \$250,000 in New York. The OAFP will be looking for signs of fraud and cutting of benefit payments as soon as it is detected. They will be monitoring electronic transactions, using data analytics, and looking for signs of fraud preventatively. They follow up with beneficiaries when fraud is suspected. OAFP refers cases for administrative sanctions although prevention will be its main focus.

Suspending benefits. So far OAFP is only suspending benefits when fraud is almost certain. It plans to eventually widen its scope which could lead to payment delay for actual beneficiaries. It will attempt to mitigate this by confirming activity with beneficiaries prior to taking this step.

Fraud prediction. OAFP uses a model to predict fraudulent activity. Ms. King stated that OQP uses a model for representative payee fraud and that OAFP has another model. She suggested setting up a conference call with Dan Zabronsky, who created OQP's model, to discuss how the model was developed.

Unified anti-fraud efforts. Mr. Tortora stated that OAFP is quickly becoming the main source of anti-fraud knowledge in the agency. They are helping other components detect fraud and implement best practices. Prior to its creation, a study was performed that predicted SSA's anti-fraud efforts would be more effective with a consolidated office.

Return on investment. OAFP is still working on developing measures for its return-on-investment. Cost-saving efforts are difficult to measure because much of it is prevention and it is difficult to measure whether fraud moves to other areas or deters further fraud. OAFP is working with other benefit-paying agencies to learn best practices and determine how to measure results.

Afternoon Executive Session

SSI Paper. The deadline is not under the Board's control but what goes in it is under the Board's control. The SSI program is not meeting expectations. In-Kind Support and Maintenance (ISM) is only applied to about 9% of SSI beneficiaries. There are two types of ISM: outside ISM (any help coming in from outside the household) and inside ISM (any help from within the household). It is difficult to put an amount on the support being received, but the agency needs to track everything beneficiaries receive and put a rough value on it. At the same time, the Board believes that the agency should not ask intrusive questions or use agency resources for something that has very little gain. A Board member suggested considering alternatives to current practices. For example, CDRs are more cost effective. The Board was urged to provide comments on the SSI simplification paper. The final SSI simplification paper target size is 5,000 words or less.

WEP/GPO. The Board discussed ways to reduce the complexity of the report. This is an opportunity to get the issue right, and the issue should not be postponed. Board members were asked to give comments back as the paper is almost ready to be finished.

SDM. The report is short and close to being finished. The problem is that the agency has been studying SDM for 15 years and there are still not enough answers or information on SDM for the Board to give a recommendation. The report needs Board approval.

ALJ Model Rules. The Board discussed the ALJ model rules. It was stated that perhaps current ALJ procedures are the obstruction that prevents cases from moving along. It was mentioned that the ALJ Union wants stricter rules to move cases along. The Board discussed bringing in people

who are familiar with the rules to speak with Board members so they have a clearer picture of the ALJ model rules and existing regulations.

Tech Panel. There will be one more tech panel meeting on June 19th. Currently, the tech panel members are drafting a report. They will send it to an editor in mid-July, it will come back for production in August, and will be presented to the Board in September.

MEMORANDUM

To: Social Security Advisory Board
Subject: Action Items from May Meeting
Date: June 15, 2015

Action Item #1: Jagadeesh was interested in knowing what portion of the \$350 million increase was for rent.

Response: The table below itemizes the built-in increases from the Summary of Change table on page 118 of our Congressional Justification. It is important to note that approximately 78 percent of the ~\$350 million increase is due to inflationary increases in payroll expenses, such as benefit increases, step and career ladder increases, pay raises, and an additional paid day. Fourteen percent (\$51 million) of the total increase is due to State disability determination services inflationary cost increases, such as increases in payroll expenses and costs for medical evidence. The smallest portion of the total increase is in non-payroll costs. Non-payroll costs represent 8 percent (\$27 million) of the total increase and include rent, guards, and postage increases.

**Summary of Built-In Increases for
FY 2016 President's Budget
(dollars are in Millions)**

Payroll Expenses

Increases due to periodic step increases, health benefits, career ladder promotions, and new employees hired under the Federal Employees Retirement System	\$ 180
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Increase due to an additional paid day	\$ 23
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Three-month effect of Federal pay increase effective January 2015 - 1%	\$ 15
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Nine-month effect of Federal pay increase effective January 2016 - 1.3%	\$ 59
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Non-Payroll Costs

Mandatory growth in non-payroll costs, including higher costs of rent, postage, security, and guard services	\$ 27
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State Disability Determination Services Costs

Mandatory growth in state DDS costs, including pay raises and the cost of medical evidence	\$	51
Total, Built-In Increases	\$	355

Action Item #2: Provide information on the research budget (e.g., recent funding levels and projects being pursued).

Response: We detail our research budget in our FY 2016 Congressional Justification. Please use the following link, beginning on page 63 of the SSI section: <http://www.socialsecurity.gov/budget/FY16Files/2016FCJ.pdf>

Action Item #3: How many ALJs are we replacing above 1:1?

Response: Currently, we are estimating 100 ALJ losses for the year and about 150 judges above 1:1 replacement. However, this will depend on actual attrition.

For questions about our responses, please contact Pat Perzan at 410-965-5458.

Thanks!
Michelle

Social Security Administration Representative Payee Report

Why You Received This Form

We must regularly review how representative payees used the benefits they received on behalf of the Social Security and/or Supplemental Security Income (SSI) beneficiaries. We do this to ensure the benefits are used properly. When you were appointed representative payee, you were informed of the duties and responsibilities of a representative payee, including keeping records and reporting on the use of benefits.

What You Need To Do

You must report to SSA on your use of benefits if you received any Social Security and/or SSI payments during the 12 month period shown on the enclosed form. You must do this if you wish to continue receiving benefits on behalf of another person. You should use the records you have saved to answer the questions on the enclosed form.

You may submit this form online via www.ssa.gov/payee. Please follow the instructions for Internet Payee Accounting Report. If you complete the form online, you will be able to print a receipt and a copy of your report. If you report online, you should have all your records and the enclosed form handy to help you answer the questions. You should not send in a paper form if you complete the online version.

Any records you have saved such as bank statements, cancelled checks, receipts for rent, etc., should be kept for two years from the time you file your report with SSA. You should not send in any of these records with your report form. If we have any questions or require proof, we will contact you.

General Instructions If You Complete and Return The Enclosed Form

Please read these instructions before you complete the enclosed report form or submit your report online. You should either complete and return the report form, or submit the online report, within 30 days.

To help us process your report, please follow these instructions:

1. Use black ink.
2. Keep your numbers and "X's" inside the boxes.
3. Do not use dollar signs.
4. Show money amounts in dollars only. Do not show cents.

For example, show \$1,540.30 like this:

DOLLAR AMOUNT

		1	,	5	4	0
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5. Use the REMARKS section on the back of the form to provide additional information as requested.
6. Review the payee mailing address and correct if necessary. If you change the payee mailing address to a P.O. Box, show the payee's actual physical address in REMARKS.
7. **Be sure you, the representative payee, sign the form.**

**Some Definitions
To Help You**

Benefits – The Social Security and/or SSI money that you receive.

Payee – You. The person (or organization) who receives Social Security and/or SSI benefits for someone else.

Beneficiary – The person for whom you receive Social Security and/or SSI benefits.

Legal Guardian – The person or organization appointed by a State court to manage the affairs of a beneficiary.

Report Period – The 12-month period shown on the report for which you must account for the benefits you received.

Total Accountable Amount – The amount of benefits paid to you during the report period **plus** any amount you reported as saved on last year's report.

HOW TO FILL OUT THE FORM

**QUESTION 1 -
Payee Felony
Convictions**

Place an "X" in the "YES" box if during the report period, you (the payee) were convicted of a crime considered to be a felony and explain the type of crime under REMARKS. Otherwise, place an "X" in the "NO" box.

**QUESTION 2 -
Beneficiary
Custody Changes**

Place an "X" in the "YES" box if the beneficiary continued to live alone, or with the same person, or in the same institution during the entire report period. Place an "X" in the "NO" box if different people or different institutions took care of the beneficiary during any part of the report period. Explain the change and provide the beneficiary's current address under REMARKS.

**QUESTION 3 -
Accounting
For Benefits**

The total accountable amount includes the benefits you received during the report period **plus** any benefits you reported as saved on last year's report.

**A. Who Decided
How Benefits
Were Used?**

Place an "X" in the "YES" box if **you** (the payee) decided how the benefits were to be spent or saved. Place an "X" in the "NO" box if the beneficiary or someone else decided how to use the money, and explain under REMARKS.

**B. Food And
Housing**

Show the total amount of benefits spent for food and housing for the beneficiary during the report period. If the beneficiary lives in an institution or nursing home and you pay monthly charges, multiply the monthly charge by 12 and show this total amount.

**C. Personal
Items**

Show the total amount of benefits spent on clothing, medical/dental care, education, and recreational items like toys, movies, cameras, radios, candy, stationary, grooming aids, etc. during the report period. **Note:** If the beneficiary lives in an institution or other care facility, you should spend at least \$360 a year for the beneficiary's personal needs. If you spent less than \$360, explain under **REMARKS**.

**D. Unused
Benefits**

Show the total amount of benefits you have saved for the beneficiary at the end of the report period, including any interest earned. Show zeroes if you did not save any of the benefits.

Note

For Social Security beneficiaries who are residing in an institution, use **REMARKS** to provide the amount of benefits, if any, the state Medicaid agency has determined are for the use of the community spouse and other dependents, if applicable.

QUESTION 4 - Savings Information

Answer this question if you showed an amount in 3.D.

A. Type Of Account

Place an "X" in the box which shows how you are saving the benefits. Place an "X" in the "Other" box if your method of saving the benefits is not listed.

B. Account Title

Place an "X" in the box which most accurately describes the wording of the account title you have on the beneficiary's savings. Place an "X" in the "Other" box if the account title is different **or** if you have not placed the savings in any type of account. **Note:** A savings or checking account title should always show that the money belongs to the beneficiary, but the beneficiary should not have direct access to the funds.

QUESTION 5 - Other Savings/ Account Titles

Answer this question only if you checked "OTHER" in 4.A. or 4.B.

A. Type Of Account

Indicate whether the saved benefits are in cash, Treasury Bills, or some other investment such as mutual funds. For mutual funds, be sure to show the name of the fund in your response (e.g., "XYZ Growth" mutual fund).

B. Title Of Account

Show the title of the account if the savings are in an account or other investment. Show "none" if the savings are not in an account or investment.

6. Payee's Signature

Sign your name in this block. If you sign by mark ("X"), please have two witnesses sign their names and show the date. If the payee is an institution or agency, the form must be signed by an authorized person.

Your Responsibilities As Representative Payee

We appreciate your services as representative payee. As payee, you must use the Social Security and/or SSI benefits you receive for the care and well being of the beneficiary. You need to know the beneficiary's needs so that you can use the money properly.

In addition to reporting on the use of benefits, you must report any changes which may affect the beneficiary's eligibility for benefits, or the payment amount. You should report the changes as soon as possible by calling SSA at 1-800-772-1213, or by calling or writing your local SSA office. For example, you must tell us if the beneficiary:

- dies,
- moves (especially if he/she enters or leaves a hospital or other institution),
- marries,
- starts or stops working,
- is imprisoned,
- is adopted,
- no longer needs a payee, or
- you are no longer responsible for the beneficiary.

If you are payee for a child receiving SSI benefits, we may ask you for proof that the child is receiving medical treatment for his/her disabling condition. We may ask for this information at the time we review the child's case. If we do ask for this information, you must give it to us.

If you are no longer payee for the beneficiary, you must return any Social Security funds you have saved to SSA.

Privacy Act Statement Collection and Use of Personal Information

Sections 205(j) and 1631(a) of the Social Security Act, as amended, authorize us to collect this information to enable us to account for the beneficiary's payments and to ensure that you use the payments for the beneficiary's needs. Your responses are voluntary. However, without the information, we may not be able to continue sending the beneficiary's payments to you.

We rarely use the information you give us for any purpose other than for accounting purposes. However, we may use it for the administration and integrity of Social Security programs.

We may also disclose information to another person or to another agency in accordance with approved routine uses, which include, but are not limited to, the following:

1. To comply with Federal laws requiring the release of information from Social Security records (e.g. to the Government Accountability Office and Department of Veterans Affairs);
2. To facilitate statistical research, audit, or investigative activities necessary to assure the integrity and improvement of Social Security programs;
3. To respond to a request on your behalf from a Congressional office or the Office of the President; and
4. To other Federal agencies and our contractors, including external data sources, to assist us in efficiently administering our programs.

We may also use the information you give us in computer matching programs. Matching programs compare our records with records kept by other Federal, State, or local government agencies. We use the information from these programs to establish or verify a person's eligibility for federally funded or administered benefit programs and for repayment of incorrect payments or delinquent debts under these programs.

A complete list of routine uses for this information is available in our Privacy Act System of Records Notice (SORN) entitled, Master Representative Payee File (60-0222). The complete SORN, additional information about this form, routine uses of information, and our programs and systems are available online at www.socialsecurity.gov or your local Social Security office.

Paperwork Reduction Act Statement - This information collection meets the requirements of 44 U.S.C. §3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget control number. We estimate that it will take about 15 minutes to read the instructions, gather the facts, and answer the questions. *You may send comments on our time estimate above to: SSA, 6401 Security Blvd, Baltimore, MD 21235. Send only comments relating to our time estimate to this address, not the completed form.*

If You Have Any Questions

If you have any questions, please call us at 1-800-772-1213. We can answer most questions over the phone. If you prefer to visit one of our offices, please use the 800 number and we will give you the address and telephone number of the office nearest you. Please take this report with you if you visit an office. You may also visit our website at www.socialsecurity.gov.

Representative Payee Report

FORM APPROVED
OMB NO. 0960-0068

PAYEE'S NAME AND ADDRESS	REPORT PERIOD		SOCIAL SECURITY NUMBER		
	FROM:	TO:			
	BENEFICIARY			FP	
	ID	BIC	D	TP	
	CC		GS	PC	
	DOC	CF	TAA		
	PF			BSSN	

If change of address, check box and enter new address on back of report.

This report is about the benefits you received between _____ and _____ for the beneficiary, _____. Please read the enclosed instructions before completing this form to help you answer each question.

1. Were you (the payee) convicted of a crime considered to be a felony between _____ and _____? If YES, please explain in REMARKS on the back of this form.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
2. Did the beneficiary continue to live alone, or with the same person, or in the same institution from _____ to _____? If NO, please explain and provide the beneficiary's current address in REMARKS on the back of this form.	<input type="checkbox"/>	<input type="checkbox"/>
3. Benefits paid to you between _____ and _____ = \$ _____ Benefits you reported as saved on last year's report = \$ _____ Total Accountable Amount = \$ _____		
A. Did you (the payee) decide how the _____ was spent or saved? If NO, please explain in REMARKS on the back of this form.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
B. How much of the _____ did you spend for the beneficiary's food and housing between _____ and _____?	DOLLAR AMOUNT (NO CENTS) [][][] , [][][]	
C. How much of the _____ did you spend on other things for the beneficiary such as clothing, education, medical and dental expenses, recreation, or personal items between _____ and _____?	[][][] , [][][]	
D. How much, if any, of the _____ did you save for the beneficiary as of _____? If none, show zeroes.	[][][] , [][][]	

4. If you showed an amount in 3.D. above, place an "X" in the boxes below to show how you are saving the benefits. If you have more than one account, you may mark more than one box in each section.

A. TYPE OF ACCOUNT						B. TITLE OF ACCOUNT		
Savings / Checking Account	U.S. Savings Bonds	Certificates of Deposit	Collective Savings/ Checking Account	Treasury Bills	Other	Beneficiary's Name by Your Name	Your Name for Beneficiary's Name	Other
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

FOR SSA USE ONLY

ATT	<input type="checkbox"/>	MARK	<input type="checkbox"/>	SIG	<input type="checkbox"/>
UND1	<input type="checkbox"/>	UND2	<input type="checkbox"/>	OTH	<input type="checkbox"/>

5. A. Answer this question if you answered "OTHER" in 4.A. on the front page. If you answered "OTHER" in 4.A., show the type of account or investment in which the benefits are saved. →

TYPE OF ACCOUNT

B. Answer this question only if you answered "OTHER" in 4.B. on the front page. If you answered "OTHER" in the 4.B., show the title of the account in which the benefits are saved. →

TITLE OF ACCOUNT

REMARKS

NEW ADDRESS

I declare under penalty of perjury that I have examined all the information on this form, and on any accompanying statements or forms, and it is true and correct to the best of my knowledge. I understand that anyone who knowingly gives a false or misleading statement about a material fact in this information, or causes someone else to do so, commits a crime and may be sent to prison, or may face other penalties, or both.

PAYEE'S SIGNATURE
(If signed by mark (X), two witnesses must sign below)

DATE
7.

DAYTIME TELEPHONE NUMBER(S)
(Include area code)

6.

8. _____
Area Code

WITNESS SIGNATURES ARE REQUIRED ONLY IF THE PAYEE'S SIGNATURE ABOVE HAS BEEN SIGNED BY MARK (X).

SIGNATURE OF WITNESS

DATE

SIGNATURE OF WITNESS

DATE

Social Security Administration

Representative Payee Report

Why You Received This Form

We must regularly review how representative payees, including parents, stepparents, and grandparents with custody of minor children, used the benefits they received on behalf of the Social Security and/or Supplemental Security Income (SSI) beneficiaries. We do this to ensure the benefits are used properly. When you were appointed representative payee, you were informed of the duties and responsibilities of a representative payee, including keeping records and reporting on the use of benefits.

What You Need To Do

You must report to SSA on your use of benefits if you received any Social Security and/or SSI payments during the 12 month period shown on the enclosed form. You must do this if you wish to continue receiving benefits on behalf of another person. You should use the records you have saved to answer the questions on the enclosed form. The name(s) of the child(ren) we are asking about are shown in item 3 on the form. If you receive benefits for children not named in item 3, we will send you another form. **Use this form only for the child(ren) named in item 3.**

You may submit this form online via www.ssa.gov/payee. Please follow the instructions for Internet Payee Accounting Report. If you complete the form online, you will be able to print a receipt and a copy of your report. If you report online, you should have all your records and the enclosed form handy to help you answer the questions. You should not send in a paper form if you complete the online version.

Any records you have saved such as bank statements, cancelled checks, receipts for rent, etc., should be kept for two years from the time you file your report with SSA. You should not send in any of these records with your report form. If we have any questions or require proof, we will contact you.

General Instructions

Please read these instructions before you complete the enclosed report form or submit your report online. You should either complete and return the report form or submit the online report, within 30 days.

To help us process your report, please follow these instructions:

1. Use black ink.
2. Keep your numbers and "X's" inside the boxes.
3. Do not use dollar signs.
4. Show money amounts in dollars only. Do not show cents.

For example, show \$1,540.30 like this:

DOLLAR AMOUNT

		1	,	5	4	0
--	--	---	---	---	---	---

5. Use the REMARKS section on the back of the form to provide additional information as requested.
6. Review the payee mailing address and correct if necessary. If you change the payee mailing address to a P.O. Box, show the payee's actual physical address in REMARKS.
7. Be sure you, the representative payee, sign the form.

**Some
Definitions
To Help You**

Benefits - The Social Security and/or SSI money that you receive.

Payee - You. The person who receives Social Security and/or SSI benefits for someone else.

Beneficiary - The person for whom you receive Social Security and/or SSI benefits.

Report Period - The 12-month period shown on the report for which you must account for the benefits you received.

Total Accountable Amount - The amount of benefits paid to you during the report period **plus** any amount you reported as saved on last year's report.

HOW TO FILL OUT THE FORM

**QUESTION 1 -
Payee Felony
Convictions**

Place an "X" in the "YES" box if during the report period, you (the payee) were convicted of a crime considered to be a felony, and explain the type of crime under REMARKS. Otherwise, place an "X" in the "NO" box.

**QUESTION 2 -
Does The
Child(ren)
Live With You?**

Place an "X" in the "NO" box if **any** of the children named in item 3 did not live with you in **all** of the months in the report period **or any** of the children are not living with you now. Explain the change and provide the child(ren)'s current address under REMARKS.

Note: Do not consider vacations, weekend or other short visits when you answer this question.

**QUESTION 3 - Accounting
For Benefits**

The total accountable amount includes the benefits you received during the report period **plus** any benefits you reported as saved on last year's report.

**A. Who Decided
How Benefits
Were Used?**

Place an "X" in the "YES" box if **you** (the payee) decided how to use the money. Place an "X" in the "NO" box if you turned over the full amount of benefits for any of the children to **another person** who decided how to use the money. Explain under REMARKS to whom the money was given and why.

**B. Amount
Spent**

Show the total amount of benefits spent to care for all the children named in item 3. This amount includes food, housing, clothing, medical and dental expenses, recreation, and education.

**C. Unused
Benefits**

Show the amount of benefits you **saved** for the child(ren) at the end of the report period, including any interest earned. Show zeroes if you did not save any of the benefits.

**QUESTION 4 -
Savings Information**

Answer this question if you showed an amount in 3.C.

**A. Type Of
Account**

Place an "X" in the box which shows how you are saving the benefits. Place an "X" in the "Other" box if your method of saving the benefits is not listed.

**B. Account
Title**

Place an "X" in the box which most accurately describes the account title you have on the child(ren)'s savings. Place an "X" in the "Other" box if the account title is different **or** if you have not placed the savings in any type of account.
Note: A savings or checking account title should always show that the money belongs to the child(ren), but the child(ren) should not have direct access to the funds.

**QUESTION 5 -
Other Savings/
Account Titles**

Answer this question only if you checked "OTHER" in 4.A. or 4.B.

**Type Of
Account**

Indicate whether the saved benefits are in cash, Treasury Bills, or some other investment such as mutual funds. For mutual funds, be sure to show the name of the fund in your response (e.g., "XYZ Growth" mutual fund).

**Title Of
Account**

Show the title of the account if the savings are in an account or other investment. Show "none" if the savings are not in an account or investment.

**6. Payee's
Signature**

Sign your name in this block. If you sign by mark ("X"), please have two witnesses sign their names and show the date.

**Your Responsibilities
As Representative
Payee**

As payee, you must use the Social Security and SSI benefits you receive for the care and well-being of the child(ren). In addition to reporting on the use of benefits, you must report any changes which may affect the child's eligibility for benefits, or the payment amount.

You should report the changes as soon as possible by calling SSA at 1-800-772-1213, or by calling or writing your local SSA office.

For example, you must tell us if the child:

- moves,
- marries,
- goes to work,
- is adopted,
- is imprisoned, or
- you are no longer responsible for the child.

If you are payee for a child receiving SSI benefits, we may ask you for proof that the child is receiving medical treatment for his/her disabling condition. We may ask for this information at the time we review the child's case. If we do ask for this information, you must give it to us.

If you are no longer the payee for the beneficiary, you must return any funds you have saved to SSA.

Continued on the Reverse

**The Privacy Act
And Paperwork
Reduction Act
Statements**

Sections 205(j) and 1631(a) of the Social Security Act, as amended, authorize us to collect the information on this form. The information you provided enables us to account for the child(ren)'s payments and to ensure that you use the payments for the child(ren)'s needs.

Your responses are voluntary. However, without the information, we may not be able to continue sending the child(ren)'s payments to you.

We rarely use the information you give us for any purpose other than for accounting purposes. However, we may use it for the administration and integrity of Social Security programs. We may also disclose information to another person or to another agency in accordance with approved routine uses, which include, but are not limited to, the following:

1. To comply with Federal laws requiring the release of information from Social Security records (e.g. to the Government Accountability Office and Department of Veterans Affairs);
2. To facilitate statistical research, audit, or investigative activities necessary to assure the integrity and improvement of Social Security programs;
3. To respond to a request on your behalf from a Congressional office or the Office of the President; and
4. To other Federal agencies and our contractors, including external data sources, to assist us in efficiently administering our programs.

We may also use the information you give us in computer matching programs. Matching programs compare our records with records kept by other Federal, State, or local government agencies. We use the information from these programs to establish or verify a person's eligibility for federally funded or administered benefit programs and for repayment of incorrect payments or delinquent debts under these programs.

A complete list of routine uses for this information is available in our Privacy Act System of Records Notice (SORN) entitled, Master Representative Payee File (60-0222). The complete SORN, additional information about this form, routine uses of information, and our programs and systems are available online at www.socialsecurity.gov or your local Social Security office.

Paperwork Reduction Act Statement - This information collection meets the requirements of 44 U.S.C. §3507, as amended by Section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget control number. We estimate that it will take about 15 minutes to read the instructions, gather the facts, and answer the questions. *You may send comments on our time estimate above to: SSA, 6401 Security Blvd, Baltimore, MD 21235-6401. Send only comments relating to our time estimate to this address, not the completed form.*

**If You Have
Any Questions**

If you have any questions, please call us at 1-800-772-1213. We can answer most questions over the phone. If you prefer to visit one of our offices, please use the 800 number and we will give you the address and telephone number of the office nearest you. Please take this report with you if you visit an office. You may also visit our website at www.socialsecurity.gov.

Representative Payee Report

Form Approved
OMB No. 0960-0068

PAYEE'S NAME AND ADDRESS If change of address, check box and enter new address on back of report. <input type="checkbox"/>	REPORT PERIOD		SOCIAL SECURITY NUMBER				
	FROM:		TO:				
	ID	BIC	PC	DOC	CF	TAA	FP
	BIC1	CF	BSSN		BIC3	CF	BSSN
BIC2	CF	BSSN		BIC4	CF	BSSN	

This report is about the benefits you received between _____ and _____ for the child(ren) named below. Please read the enclosed instructions before completing this report to help you answer each question.

1. Were you (the payee) convicted of a crime considered to be a felony between _____ and _____? If YES, please explain in REMARKS on the back of this form.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
--	---------------------------------	--------------------------------

2. Did all the children named below live with you from _____ to _____? If NO, please explain and provide the child(ren)'s current address in REMARKS on the back of this form.	<input type="checkbox"/>	<input type="checkbox"/>
---	--------------------------	--------------------------

3. Benefits paid to you between _____ and _____ = \$ _____ Benefits you reported as saved on last year's report = \$ _____ Total Accountable Amount = \$ _____		
---	--	--

A. Did you (the payee) decide how the \$ _____ was spent or saved for all the children named below? If NO, please explain in REMARKS on the back of this form.	YES <input type="checkbox"/>	NO <input type="checkbox"/>
---	---------------------------------	--------------------------------

B. How much of the \$ _____ did you use for the care and support of the child(ren) named below between _____ and _____?	DOLLAR AMOUNT (NO CENTS)	
--	--------------------------	--

C. Show how much, if any, of the \$ _____ you saved for each child named below as of _____? If none, show zeroes.	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	
--	---	--

BIC	CHILD'S NAME	DOLLAR AMOUNT	BIC	CHILD'S NAME	DOLLAR AMOUNT
		<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>			<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>
		<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>			<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> / <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>

4. If you showed an amount in 3.C. above, place an "X" in the boxes below to show how you are saving the child(ren)'s benefits. If you have more than one account, you may mark more than one box in each section.

A. TYPE OF ACCOUNT					B. TITLE OF ACCOUNT		
Savings/Checking Account <input type="checkbox"/>	U.S. Savings Bonds <input type="checkbox"/>	Certificates of Deposit <input type="checkbox"/>	Treasury Bills <input type="checkbox"/>	Other <input type="checkbox"/>	Child(ren)'s Name by Your Name <input type="checkbox"/>	Your Name for Child(ren)'s Name <input type="checkbox"/>	Other <input type="checkbox"/>

FOR SSA USE ONLY		
ATT <input type="checkbox"/>	MARK <input type="checkbox"/>	SIG <input type="checkbox"/>
UND1 <input type="checkbox"/>	UND2 <input type="checkbox"/>	OTH <input type="checkbox"/>

5. Answer the question only if you answered "OTHER" in 4.A. or 4.B. on the front page. If you answered "OTHER" in 4.A. or 4.B., show the type of account or investment and the title of the account or investment in which you saved each child's benefits.

CHILD'S NAME	TYPE OF ACCOUNT OR INVESTMENT	TITLE OF ACCOUNT OR INVESTMENT

REMARKS

NEW ADDRESS

I declare under penalty of perjury that I have examined all the information on this form, and on any accompanying statements or forms, and it is true and correct to the best of my knowledge. I understand that anyone who knowingly gives a false or misleading statement about a material fact in this information, or causes someone else to do so, commits a crime and may be sent to prison, or may face other penalties, or both.

PAYEE'S SIGNATURE <i>(If signed by mark (X), two witnesses must sign below)</i>	DATE 7. _____
	DAYTIME TELEPHONE NUMBER(S) <i>(Include area code)</i> 8. _____ <small>Area Code</small>

WITNESS SIGNATURES ARE REQUIRED ONLY IF THE PAYEE'S SIGNATURE ABOVE HAS BEEN SIGNED BY MARK (X).

SIGNATURE OF WITNESS	DATE
SIGNATURE OF WITNESS	DATE

Social Security Administration

Representative Payee Report

Why You Received This Form

We must regularly review how representative payees used the benefits they received on behalf of the Social Security and/or Supplemental Security Income (SSI) beneficiaries. We do this to ensure the benefits are used properly. When you were appointed representative payee, you were informed of the duties and responsibilities of a representative payee, including keeping records and reporting on the use of benefits.

What You Need To Do

You must report to SSA on your use of benefits if you received any Social Security and/or SSI payments during the 12 month period shown on the enclosed form. You must do this if you wish to continue receiving benefits on behalf of another person. You should use the records you have saved to answer the questions on the enclosed form.

You may submit this form online via www.ssa.gov/payee. Please follow the instructions for Internet Payee Accounting Report. If you complete the form online, you will be able to print a receipt and a copy of your report. If you report online, you should have all your records and the enclosed form handy to help you answer the questions. You should not send in a paper form if you complete the online version.

Any records you have saved such as bank statements, cancelled checks, receipts for rent, etc., should be kept for two years from the time you file your report with SSA. You should not send in any of these records with your report form. If we have any questions or require proof, we will contact you.

General Instructions If You Complete and Return The Enclosed Form

Please read these instructions before you complete the enclosed report form or submit your report online. You should either complete and return the report form, or submit the online report, within 30 days.

To help us process your report, please follow these instructions:

1. Use black ink.
2. Keep your numbers and "X's" inside the boxes.
3. Do not use dollar signs.
4. Show money amounts in dollars only. Do not show cents.
For example, show \$1,540.30 like this:

DOLLAR AMOUNT

		1	,	5	4	0
--	--	---	---	---	---	---

5. Use the REMARKS section on the back of the form to provide additional information as requested.
6. Review the payee mailing address and correct if necessary. If you change the payee mailing address to a P.O. Box, show the payee's actual physical address in REMARKS.
7. Print job title in the boxes provided using capital letters.
For example, print "Administrator" like this:

A	D	M	I	N	I	S	T	R	A	T	O	R
---	---	---	---	---	---	---	---	---	---	---	---	---

8. Be sure you, the representative payee, sign the form.

**Some
Definitions
To Help You**

Benefits - The Social Security and/or SSI money that you receive.

Payee - You. The person (or organization) who receives Social Security and/or SSI benefits for someone else.

Beneficiary - The person for whom you receive Social Security and/or SSI benefits.

Legal Guardian - The person or organization appointed by a state court to manage the affairs of the beneficiary.

Fees - Money collected from a beneficiary for payee or guardianship services.

Report Period - The 12-month period shown on the report for which you must account for the benefits you received.

Total Accountable Amount - The amount of benefits paid to you during the report period plus any amount you reported as saved on last year's report.

HOW TO FILL OUT THE FORM

**QUESTION 1 –
Beneficiary
Custody
Changes**

Place an "X" in the "YES" box if the beneficiary continued to live alone, or with the same person, or in the same institution during the entire report period. Place an "X" in the "NO" box if different people or different institutions took care of the beneficiary during any part of the report period. Explain the change and provide the beneficiary's current address under REMARKS.

**QUESTION 2 –
Accounting
For Benefits**

The total accountable amount includes the benefits you received during the report period plus any benefits you reported as saved on last year's report.

**A. Who Decided
How Benefits
Were Used?**

Place an "X" in the "YES" box if you (the payee) decided how the benefits were spent or saved. Place an "X" in the "NO" box if the beneficiary or someone else decided how to use the money, and explain under REMARKS.

**B. Did You
Charge A Fee?
And
How Much Did
You Collect?**

Place an "X" in the "YES" box if you charged the beneficiary a fee for payee or guardianship services you provided during the report period and show the total amount of benefits you collected from the beneficiary. If you did not charge the beneficiary a fee, place an "X" in the "NO" box and go to 2.C. below.

**C. Food and
Housing**

Show the total amount of benefits spent for food and housing for the beneficiary during the report period.

**D. Personal
Items**

Show the total amount of benefits spent on clothing, medical/dental care, education, and recreational items like toys, movies, cameras, radios, candy, stationary, grooming aids, etc. during the report period. **Note:** If the beneficiary lives in an institution or other care facility, you should spend at least \$360 a year for the beneficiary's personal needs. If you spent less than \$360, explain under REMARKS.

**E. Unused
Benefits**

Show the amount of benefits you saved for the beneficiary at the end of the report period including any interest earned. Show zeroes if you did not save any of the benefits.

**QUESTION 3 -
Savings Information**

Answer this question if you showed an amount in 2E.

**A. Type Of
Account**

Place an "X" in the box which shows how you are saving the benefits. Place an "X" in the "Other" box if your method of saving the benefits is not listed.

B. Account Title

Place an "X" in the box which most accurately describes the wording of the account title you have on the beneficiary's savings. Place an "X" in the "Other" box if the account title is different or if you have not placed the savings in any type of account.

**QUESTION 4 -
Other Savings/
Account Titles**

Answer this question only if you checked "OTHER" in 3.A. or 3.B.

**A. Type Of
Account**

Indicate whether the saved benefits are in cash, Treasury Bills, or some other investment such as mutual funds. For mutual funds, be sure to show the name of the fund in your response (e.g., "XYZ Growth" mutual fund).

**B. Title Of
Account**

Show the title of the account if the savings are in an account or other investment. Show "none" if the savings are not in an account or investment.

**C. Payee's
Signature**

Sign your name in this block . If the payee is an organization, an authorized person must sign the form. This includes the signature of those employees designated to complete the report on behalf of the payee.

D. Job Title

If you represent an organization, show your job title (e.g., administrator, bookkeeper, etc.).

Continued on the Reverse

Your Responsibilities As Representative Payee

We appreciate your services as representative payee. As payee, you must use the Social Security and/or SSI benefits you receive for the care and well being of the beneficiary. You need to know the beneficiary's needs so that you can use the money properly.

In addition to reporting on the use of benefits, you must report any changes which may affect the beneficiary's eligibility for benefits, or the payment amount. You should report the changes as soon as possible by calling SSA at 1-800-772-1213, or by calling or writing your local SSA office. For example, you must tell us if the beneficiary:

- dies,
- moves (especially if he/she enters or leaves a hospital or other institution),
- marries,
- starts or stops working,
- is imprisoned,
- is adopted,
- no longer needs a payee, or
- you are no longer responsible for the beneficiary.

If you are payee for a child receiving SSI benefits, we may ask you for proof that the child is receiving medical treatment for his/her disabling condition. We may ask for this information at the time we review the child's case. If we do ask for this information, you must give it to us.

If you are no longer payee for the beneficiary, you must return any Social Security funds you have saved to SSA.

The Privacy Act And Paperwork Reduction Act Statements

Sections 205(j) and 1631(a) of the Social Security Act, as amended, authorize us to collect this information to enable us to account for the claimant's payments and to ensure that you use the payments for the claimant's needs. Your responses are voluntary. However, without the information, we may not be able to continue sending the claimant's payments to you.

We rarely use the information you give us for any purpose other than for accounting purposes. However, we may use it for the administration and integrity of Social Security programs. We may also disclose information to another person or to another agency in accordance with approved routine uses, which include, but are not limited to, the following:

1. To comply with Federal laws requiring the release of information from Social Security records (e.g. to the Government Accountability Office and Department of Veterans Affairs);
2. To facilitate statistical research, audit, or investigative activities necessary to assure the integrity and improvement of Social Security programs;
3. To respond to a request on your behalf from a Congressional office or the Office of the President; and
4. To other Federal agencies and our contractors, including external data sources, to assist us in efficiently administering our programs.

We may also use the information you give us in computer matching programs. Matching programs compare our records with records kept by other Federal, State, or local government agencies. We use the information from these programs to establish or verify a person's eligibility for federally funded or administered benefit programs and for repayment of incorrect payments or delinquent debts under these programs.

A complete list of routine uses for this information is available in our Privacy Act System of Records Notice (SORN) entitled, Master Representative Payee File (60-0222). The complete SORN, addition information about this form, routine uses of information, and our programs and systems are available online at www.socialsecurity.gov or your local Social Security office.

Paperwork Reduction Act Statement - This information collection meets the requirements of 44 U.S.C. §3507, as amended by section 2 of the Paperwork Reduction Act of 1995. You do not need to answer these questions unless we display a valid Office of Management and Budget control number. We estimate that it will take about 15 minutes to read the instructions, gather the necessary facts, and answer the questions. *You may send comments on our time estimate above to: SSA, 6401 Security Blvd, Baltimore, MD 21235. Send only comments relating to our time estimate to this address, not the completed form.*

If You Have Any Questions

If you have any questions, please call us at 1-800-772-1213. We can answer most questions over the phone. If you prefer to visit one of our offices, please use the 800 number and we will give you the address and telephone number of the office nearest you. Please take this report with you if you visit an office. You may also visit our website at www.socialsecurity.gov.

Representative Payee Report

Form Approved
OMB No. 0960-0088

PAYEE'S NAME AND ADDRESS If change of address, check box and enter new address on back of report. <input type="checkbox"/>	REPORT PERIOD FROM: _____ TO: _____	SOCIAL SECURITY NUMBER _____
	BENEFICIARY _____ FP _____	
	ID _____ BIC _____ D _____ TP _____ CC _____ GS _____ PC _____ DOC _____	
	CF _____ TAA _____ PF _____ BSSN _____ FFS _____ DAA _____ MFA _____	

This report is about the benefits you received between _____ and _____ for the beneficiary, _____. Please read the enclosed instructions before completing this form to help you answer each question.

1. Did the beneficiary continue to live alone, or with the same person, or in the same institution from _____ to _____ ? If NO, please explain and provide the beneficiary's current address in REMARKS on the back of this form.	YES <input type="checkbox"/> NO <input type="checkbox"/>
2. Benefits paid to you between _____ and _____ = \$ _____ Benefits you reported as saved on last year's report = \$ _____ Total Accountable Amount = \$ _____ A. Did you (the payee) decide how the _____ was spent or saved? If NO, please explain in REMARKS on the back of this form. →	YES <input type="checkbox"/> NO <input type="checkbox"/>
B. Did you (the payee) charge the beneficiary a fee for payee or guardianship services you provided between _____ and _____ ? If YES, how much of the _____ did you collect from the beneficiary for these services between _____ and _____ ? →	YES <input type="checkbox"/> NO <input type="checkbox"/> DOLLAR AMOUNT (NO CENTS) <input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
C. How much of the _____ did you spend for the beneficiary's food and housing between _____ and _____ ? →	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
D. How much of the _____ did you spend on other things for the beneficiary such as clothing, education, medical and dental expenses, recreation, or personal items between _____ and _____ ? →	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>
E. How much, if any, of the _____ did you save for the beneficiary as of the _____ ? If none show zeros. →	<input type="text"/> <input type="text"/> <input type="text"/> , <input type="text"/> <input type="text"/> <input type="text"/>

MEMORANDUM

To: Social Security Advisory Board
Subject: Patrick O'Carroll, Inspector General, SSA
Date: June 15, 2015



Patrick O'Carroll has served as the third Inspector General for the Social Security Administration (SSA) since November 24, 2004. Prior to joining the Agency, he had 24 years of experience with the United States Secret Service. Pat has a B.S. from Mount Saint Mary's College, Emmitsburg, Maryland, and a Masters in Forensic Science from the George Washington University, Washington, D.C

The Office of Inspector General (OIG) is responsible for meeting the statutory mission of promoting economy, efficiency and effectiveness in the administration of SSA programs and operations and to prevent and detect fraud, waste, abuse, and mismanagement in such programs and operations. OIG directs, conducts and supervises a comprehensive program of audits, evaluations and investigations, relating to SSA's programs and operations. Also searches for and reports systemic weaknesses in SSA programs and operations, and makes recommendations for needed improvements and corrective actions.

Mr. O'Carroll will be discussing the issues surrounding the Death Master File and representative payees. He will also address disability solvency topics and increasing the number of CDI units.

MEMORANDUM

To: Social Security Advisory Board
Subject: Gale Stone, Deputy Inspector General, SSA
Date: June 15, 2015



Gale Stallworth Stone was appointed to the position of Deputy Inspector General on February 24, 2013. In this capacity, Mrs. Stone provides leadership and guidance in the planning, policy and program development and management of the Office of the Inspector General (OIG).

Mrs. Stone has been a part of the Social Security Administration's OIG since its inception in March 1995. She previously held various positions at the U.S. Department of Health and Human Services (HHS) OIG. Since 1995, Mrs. Stone has held a number of leadership positions within the SSA OIG and was selected as a member of the Senior Executive Staff in 2000. Most recently, she served as the Deputy Assistant Inspector General for Audit, with primary responsibility for financial and information technology audits. She is also currently serving a 4-year appointment to the Information Security and Privacy Advisory Board, which advises the National Institute of Standards and Technology.

Mrs. Stone began her 29-year Federal career as a cooperative education student in the Birmingham, Alabama office of the HHS OIG. Over the years, Mrs. Stone has received numerous awards, including a 1996 Hammer Award, a 2002 Inspector General Award, and recognition from the former President's Council on Integrity and Efficiency including a 2004 Glenn Roth Award, a 2006 Award for Excellence, and a 2007 Barry Snyder PCIE/ECIE Joint Award.

Tentative Title: *SSA's Representative Payee Program: Growing Demand for Payees Will Require Urgent Improvements in Oversight and Systems Resources*

Program Growth – The Coming Tsunami

- Background on Rep Payee Program and Process
 - Who can be a Rep Payee? Individual vs. Organizational Payees
 - Selection Process and Responsibilities
 - Preference list
- Statistics on current Rep Payees & Beneficiaries
 - Payees/Beneficiaries by Program, Type of Payee, etc.
 - Most payees are family members
- Projected program growth → increased demand for Rep Payees in future
 - Projected growth in the aged population will account for most of this increase in demand (GAO/SSA)

Oversight & Monitoring Challenges

- Media reports of serious misuse and neglect
 - Henry's Turkey Service
 - Linda Weston (Philadelphia case)
- Current monitoring processes and their disadvantages
 - SSA Annual Accounting Forms
 - Self-reported – not very effective at detecting mistakes or misuse
 - Periodic Reviews and Discretionary Reviews
 - Not enough are being reviewed – only about 2,300/year out of 6 million payees total
- The Need for Collaboration with other federal/state/local agencies
 - Recent collaboration with NDRN/P&As as a potential model
 - Other potential agencies should be involved – adult protective service agencies, state courts, state foster care agencies, etc.
 - **Potential Recommendation #1**

The Need for Systems Modernization

- Current Rep Payee System (RPS) has a lack of integration with other systems (e.g. benefit payment systems)
- eRPS created in 2011 in response to Philadelphia case
 - Intended to improve RPS functionality and better track payee misuse
 - However, SSA employees in Seattle in 2014 reported that the project was underdeveloped and that the new systems were cumbersome and complicated to use and not in sync with one another
 - **Potential Recommendation #2**



Death Information

How Does SSA Get and Use Death Information?

We receive approximately 2.5 million unique death reports each year from many sources, including family members, funeral homes, States and other Federal agencies, postal authorities, and financial institutions.¹ We post almost 90 percent of deaths to our records within 30 days of death.

We collect death information to administer our programs—to remove deceased individuals from the beneficiary rolls and to alert us to pursue claims for benefits to surviving spouses and children.² We record a person's death report if we can match that person's name and Social Security number to our records. We enter this information on the Numident—which contains the records of every individual who has applied for and been assigned an SSN since 1936—for both beneficiaries and non-beneficiaries.

It is important to note our records are not a comprehensive record of all deaths in the country.

Does SSA Get Information About Deaths Outside the United States?

We do receive reports of death outside the U.S., though in much smaller numbers than those we receive domestically. We receive paper reports of death from various sources, such as the Department of State, our Foreign Service Post personnel, family members, and financial institutions. We receive electronic reports of death from some of our totalization partners, as our totalization agreement provides the legal authority for an electronic exchange. However, not all countries can, or wish to, participate in such an exchange.

How Do the States Provide Death Information to SSA?

In the beginning, the death reporting process was a manual paper process. Gradually, States began sending information electronically. We work with States who want, and are able, to build a streamlined death registration process, known as Electronic Death Registration (EDR). EDR replaces the States' more cumbersome and labor-intensive process for registering death information, resulting in the transmission of more accurate information to us. This electronic process allows States to verify the name and SSN of a deceased person before registering the death. Generally, we receive these death reports within 5 days of the individual's death and within 24 hours after the State receives them and 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 since 2002, and currently 37 States, the City of New York, and the District of Columbia participate in this initiative.³ If all States participated in EDR, future death reporting would be virtually error free. The nationwide implementation of EDR is contingent on congressional funding of the Department of Health and Human Services so that it can fund the state grants.

¹ In 2014, we received almost 2.8 million reports.

² The death information we collect prevents nearly \$50 million in improper Social Security benefit payments each month.

³ A State may be considered an EDR State even if not all jurisdictions within that State use EDR to report deaths.



Death Information

How Accurate Is the Death Information and How Does SSA Verify It?

We believe that the death data that we maintain is highly accurate overall.⁴ As with any process, there are occasional errors. When we learn of errors, we correct them as quickly as possible. We understand that any error can greatly disrupt the lives of the people it affects, and we continually strive to improve the data we collect and maintain in our records. We do our best to make sure our information is as accurate as possible, but we will never achieve perfection.

Because of the proven accuracy of death reports received through EDR or from family members and funeral homes, we do not verify these reports, but take immediate action to terminate benefits. However, in most instances, we verify 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 family, a representative payee, a nursing home, a doctor, or hospital—to confirm that the person is deceased and, if the date of death affects benefits, to corroborate the reported date of death.

We do not verify death reports of persons who are *not* Social Security beneficiaries; however, we do annotate the death information on our Numident. It would be difficult for us to verify these reports of death since we do not have addresses or other identifying information for these individuals in our records.

Does SSA Share Death Information with the Public? Why?

We compile a file of death information, known as the Death Master File (DMF), because of a Freedom of Information Act (FOIA) lawsuit filed in 1978 by Mr. Ronald Perholtz. We settled this lawsuit by agreeing to release the surname, Social Security number, and (if available) date of death of individuals annotated as deceased on our records to Mr. Perholtz. Generally, deceased individuals have no privacy rights; therefore, information about deceased individuals is disclosable pursuant to a FOIA request.

Other entities also began to request this information under FOIA. Thus, in 1980, we created the DMF. The DMF is a publicly available extract of certain information in our records and includes, if available in our records, such information as the deceased individual's SSN, first name, middle name, surname, date of death, and date of birth.

Although we share much of our death information on the DMF, we are constrained by law from sharing *all* of it. In 1983, Congress amended section 205(r) of the Social Security Act to exempt death reports we receive from States from disclosure under the Freedom of Information Act. Therefore, we cannot include the death information reported by a State (or political subdivision) in the publicly available DMF. As more and more States establish EDR programs, the number of records that may be entered on the DMF will shrink.

⁴ Our Office of Inspector General found in a 2006 report that the Numident is about 96 percent accurate based on its review of selected data fields for a representative sample of records in the database. Currently, of the 2.8 million death entries we make each year to the Numident, less than half of a percent, just 0.35 percent are subsequently corrected.



Death Information

To make the death information we are allowed to share public without undue burden on our agency, we contract with the National Technical Information Service (NTIS) of the Department of Commerce (DOC). We extract the non-State death data from our records to create and update the DMF. NTIS sells the file to the public and makes the file available online. NTIS also purchases weekly and monthly update files from us. Although the agreement between SSA and NTIS requires that NTIS' customers who wish to keep the file up-to-date purchase a weekly or monthly update file, we do not monitor this practice. Therefore, our updates may not reach all NTIS customers.

Companies offer death information obtained from NTIS for genealogical research, to determine if someone is not deceased before offering financial services, and other reasons. They may offer these services for a fee. These are all commercial entities and our policy generally prohibits providing a link to or recommending a commercial web site as we cannot endorse, or appear to endorse, any commercial products or services. We cannot vouch that the information offered by these commercial sites is up-to-date.

Do Other Federal Agencies Use SSA's Death Information?

We provide nine Federal benefit-paying agencies and certain State agencies with all of the death information in our records, including the State information we collect under section 205(r) of the Social Security Act as well as the reports of death we receive from other sources. We send the death information on a regular basis, via electronic means, to these agencies, which use the data to conduct matches against their own beneficiary rolls.⁵ We also send this information to the General Accounting Office. We sometimes refer to the death information we provide to these agencies as the "full DMF" or the "public plus State DMF."

In addition, many Federal, State and local agencies have agreements in place with us to verify certain information. Under these agreements, we generally verify a person's name, SSN, date of birth, etc., against the information in our records. The Intelligence Reform and Terrorism Prevention Act of 2004 (IRTPA) (P.L. 108-458), enacted on December 17, 2004, required that we add death indicators to the Social Security number verification systems for employers, State agencies issuing driver's licenses and identity cards, and other verification routines that the Commissioner determines to be appropriate. Therefore, our verification routines include an indication of death if recorded in our records.

Congressional and Public Concerns and Recent Changes

Over the past decade, Congress and the public have expressed growing concern that fraudsters and identity thieves could misuse the information available on the DMF. Because of these concerns, changes in recent years have limited the amount of information in the file and placed restrictions on who can access it. One of these changes, made November 1, 2011, was to remove the ZIP code from the file. However, we have found that any change we make to our procedures for disclosing information is met with resistance, especially given our obligations under FOIA. For example, after we removed the ZIP code field we quickly received a FOIA request for that information.

⁵ Centers for Medicare and Medicaid Services, Department of Agriculture, Department of Defense, Department of Veterans Affairs, Federal Retirement Thrift Investment Board, Internal Revenue Service, Office of Personnel Management, Pension Benefit and Guarantee Corporation, and Railroad Retirement Board.



Death Information

A more profound change occurred late in 2013. The *Continuing Appropriations Resolution, 2014* exempted from FOIA death information about individuals who died in the last 3 calendar years and tasked the DOC with a number of new responsibilities with respect to the DMF. DOC is required to create a new certification program under which only persons having a legitimate business purpose for the information may have access to the file containing deaths occurring in the last 3 calendar years. The general public will only have access to a file containing deaths occurring prior to the 3-year period. Our role at SSA is a supporting one.

Electronic Death Record (EDR) Facts

EDR Objectives

- EDR is a State-sponsored initiative to automate the State paperbound death registration process, resulting in the transmission of more accurate death information to SSA.
- The automated process includes an online real-time verification of the SSN by SSA.
- The States agree that we may immediately terminate deceased individual's benefits for any death record we receive with a verified SSN. If the deceased individual is a beneficiary, we route the death record to its termination systems, takes the necessary termination action, and posts the fact of death information to the Numident.

Background

- EDR supports the Agency's Strategic Plan as an initiative that prevents improper payments by detecting unreported or discrepant dates of death. Death reports received timely greatly reduce the probability of improper payments to deceased beneficiaries.
- We first funded the EDR process in 2001 and have not funded any new contracts since FY07. Our funding ended with the anticipation that Health and Human Services (HHS) would publish the regulations as required by Section 7211 of Intelligence Reform and Terrorism Prevention Act (IRTPA). The authority for HHS to request funding expired at the end of FY09 and HHS did not pursue the publication of the regulation.
- 37 States and 2 jurisdictions currently use EDR. (Please see table on page 2.)
- Tentatively, four more States are slated to implement EDR in FY 2015: MD, MS, NY, and PA. Five more States are in testing with SSA Systems and the National Association for Public Health Statistics and Information Systems (NAPHSIS).
- Statewide usage: We have no data as to current percentage of EDR usage for States that use EDR. We also are unaware of the percentage of death reports that do not process due to discrepancies in the name or SSN provided.

EDR Methodology

- We use timely and accurate death data from the Bureaus of Vital Records to detect improper payments as required by 205(r) of the Social Security Act.
- We use the death files to prevent improper payments by detecting unreported deaths and discrepant dates of death. The process also deters and detects fraud.
- EDR supports sharing more timely and accurate death data between Federal and State agencies.
- EDR reduces costs for not only us but for other agencies with which we share death data.

States with EDR Agreements (as of March 2015)	
Total EDR States: 37	
Total EDR Jurisdictions: 2	
State/Jurisdictions	EDR Production Date
Virginia	11/3/14
Alaska	10/14/14
Iowa	4/21/14
Wisconsin	8/7/13
Illinois	5/1/13
Louisiana	7/9/12
Arkansas	5/31/11
Oklahoma	1/11/11
Alabama	12/1/10
Missouri	8/9/10
Kentucky	7/1/10
Michigan	2/1/10
Kansas	7/13/09
Idaho	4/21/09
Delaware	1/2/09
Vermont	7/2/08
Florida	4/29/08
Georgia	2/1/08
Indiana	1/2/08
North Dakota	1/2/08
Arizona	11/2/07
Oregon	5/21/07
Ohio	12/18/06
Nevada	9/25/06
New Mexico	8/21/06
Utah	8/1/06
New York City (J)	5/15/06
Nebraska	3/28/06
Texas	12/30/05
California	12/19/05
Hawaii	12/16/05
New Jersey	10/25/05
Washington	8/8/05
South Carolina	3/14/05
District of Columbia (J)	10/25/04
Minnesota	9/14/04
Montana	4/30/04
New Hampshire	4/14/04
South Dakota	1/23/04
(J) = Jurisdiction	

New States - EDR/MOU Status
States about to enter into EDR agreements
Maryland (Pending Production 9/30/2015) Mississippi (Pending Production 9/30/2015) New York State (Pending Production 9/30/2015) Pennsylvania (Pending Production 9/30/2015)
States in Testing with OSES, OEEAS & NAPHSIS
Wyoming Colorado Massachusetts Maine Tennessee

Contracted Payment Rates for State death information Calendar Year 2015	
Record Description/Timeframe	Unit Price
EDR —Receipt of Records Within 6 Business Days of Death	\$3.09
EDR —Receipt of Records Between 7-30 Business Days of Death	\$1.55
EDR —Receipt of Records: Between 31-120 Business Days of Death	\$0.86
Non-EDR —Records submitted within 120 Business Days of Death	\$0.86
EDR and Non-EDR —Records received beyond 120 Business Days of Death	\$0.01
<i>As of January 1, 2012, we are under a new 5-year contract (CY2012-CY2016) with the States and NAPHSIS for death records.</i>	

Death Master File (DMF)

The Limited Access DMF (DMF) from the Social Security Administration (SSA) contains over 86 million records created from SSA payment records. This file includes the following information on each decedent, if the data are available to the SSA: social security number, name, date of birth, date of death.

I. Issues with the Death Master File

- *Access is available to the general public for different subscription prices.*
 - Can result in abuses that lead to identity theft and fraud
- *Data is not reliable*
 - SSA does not have a death record for all persons; therefore, SSA does not guarantee the veracity of the file.
- *Other government agencies rely on the DMF*
 - Can lead to improper payments

II. Restriction on access to the Death Master File

- *Congress and the U.S. Department Commerce are working to effectuate a new law addressing abuse of the DMF, [Title II of Section 203 of the Bipartisan Budget Act of 2013](#), governing access to the DMF.*
 - This provision creates a program under which the Secretary of Commerce restricts access to information contained on the DMF for a three-year period beginning on the date of an individual's death—except to persons who are certified under the program to access such information sooner.
 - A penalty of \$1,000 is imposed for each improper disclosure or misuse of information obtained from the DMF, up to a maximum of \$250,000 per person per calendar year.
 - The Secretary is required to establish and collect user fees sufficient to recover all costs associated with the certification program.
 - [This proposal](#) will save \$786 million over the next ten years, including \$517 million in increased revenues attributable to preventing payment of fraudulently claimed tax refunds.

III. Death Master File intended uses

- *Prevent Identity Fraud*
 - By running financial, credit, payment and other applications against the Limited Access DMF, the financial community, insurance companies,

security firms and state and local governments are better able to identify and prevent identity fraud.

- The USA Patriot Act (Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001), requires an effort to verify the identity of customers, including procedures to verify customer identity and maintaining records of information used to verify identity.
 - A user may now access an online search application or maintain a raw data version of the file.
 - The online service is updated weekly and the weekly and monthly updates are offered electronically via https, reducing handling and production time.
- *Verify Death*
 - The Limited Access DMF, available as an online search application or as raw data files, is important for death verification. Medical researchers, hospitals, oncology programs all need to track former patients and study subjects.
 - Investigative firms use the data to verify the death of persons, in the course of their investigations.
 - Pension funds, insurance organizations, Federal, State and Local governments and others responsible for payments to recipients/retirees all need to know if they might be sending checks to deceased persons.
 - Individuals may search for loved ones, or work toward growing their family trees. Professional and amateur genealogists can search for missing links.

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 8,000 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. 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> <p>As a result of OIG Audit, Payments to Individuals Whose Numident Record Contained a Death Entry, (6/13) we send monthly alerts to technicians terminate benefits when a death entry is on the Numident. We have completed approximately 96,500 cases.</p> <ul style="list-style-type: none"> We contact individuals over the age of 90 who have not used Medicare Part B for three or more years, and SSI recipients 100 and older whose records have had no 	<p>Actions:</p> <ul style="list-style-type: none"> 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. 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 	<p>Actions:</p> <ul style="list-style-type: none"> 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 no date of death on the record, and terminating benefits for individuals who had a date of death on Numident but were in suspense status. 	<p>Actions:</p> <ul style="list-style-type: none"> The President's FY 16 budget contains a proposal to share the full DMF with Treasury's Do Not Pay list. 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.

<p>activity for 3 or more years. We processed more than 15,000 cases and 3,100 OIG referrals.</p> <p>EDR and death data redesign are applicable for 1 through 4 -</p> <ul style="list-style-type: none"> • 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. • As of May 18, 2015, Wyoming was our 39th Electronic Death Registration (EDR) state. We now have 41 EDR states and jurisdictions participating in EDR. We receive 65% of death records through this highly accurate process. 	<p>DMF.</p> <ul style="list-style-type: none"> • Death data redesign • EDR - In FY14, of the almost 8,000 breaches, only 1 was an EDR record. 	<ul style="list-style-type: none"> • Death data redesign • EDR 	<ul style="list-style-type: none"> • Death Data Redesign • EDR
<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>

Social Security Administration (SSA) Death Data Analysis Plan

May 2015

Objective: In fiscal year (FY) 2015, we will analyze and formulate potential technical solutions to enhance the quality of the decades old death related information that we share, to support government-wide improper payment prevention efforts. Our focus is on individuals who appear to be of the age 112 and over, according to our records, though we are still analyzing the optimal age. In FY 2016, we will begin to implement the solution/s we identify, contingent on the availability of funding.

Background: The OIG audit report, “[Numberholders Age 112 or Older Who Did Not Have a Death Entry on the Numident](#)” issued March 4, 2015, concluded that SSA did not have controls in place to annotate death information to the SSN records of 6.5 million individuals who were age 112 or older. Accordingly, the audit called into question the integrity and completeness of information contained in agency records. While the OIG report did not confirm that any of the 6.5 million individuals were in fact deceased, nor did it identify any instances of program fraud, it is clear that other entities use our data as a means to prevent, reduce and stop improper payments or activities. Therefore, because other entities use our data in connection with their own program integrity efforts, the completeness of our records is important.

In April 2015, we convened a workgroup with members from the agency’s Offices of the General Counsel, Systems, Operations, Policy, and Data Exchange. We also are working closely with data scientists in our Systems Data Analytics Lab. The workgroup is conducting research, gathering information, and analyzing data and in order to offer recommendations by the end of FY 2015 on how the agency can improve the quality of death related information in our oldest records. The following table outlines our actions to date and plans through FY 2016.

FY 2015: Phase I - Research & Analysis

- **Short-term record corrections** – We made numerous improvements and corrections to our death records where possible over the last several years, and we continue to seek additional opportunities to do so. Our most recent efforts include:
 - In their July 2012 report, “[Title II Deceased Beneficiaries Who Do Not Have Death](#)

Social Security Administration (SSA) Death Data Analysis Plan

May 2015

- [Information on the Numident](#)”, OIG identified 1.2 million records where the date of death on our payment record did not appear on the SSN record (Numident). We have developed an automated solution that will compare the payment record to the Numident and add these confirmed dates of death to the Numident where appropriate. We are also correcting this problem prospectively, as part of our death processing system redesign, which will prevent discrepancies across records. Approximately 400,000 of these 1.2 million records overlap with the 6.5 million records identified in the recent March 2015 audit report. We will begin updating these records by the end of the calendar year.
- We are also manually reviewing 34 SSN records identified by the OIG in their March 2015 audit where it appears someone misused a deceased individual’s SSN to work. Through extensive manual searches, we have confirmed death for 12 SSN records thus far. Based on our findings we will move any earnings to the suspense file as appropriate.
 - **Longer terms Data Analysis** – Our workgroup, including the SSA data scientists, are reviewing SSN records for individuals of advanced age. We are exploring numerous options including:
 - Considering whether we could presume an individual of an advanced age to be deceased and share their information on the Death Master File (DMF). We are evaluating the technical and legal feasibility of this potential solution, along with the practical implications of implementing such policy change. For example, it is critical that any solution not result in the inadvertent disclosure of personally identifiable information (PII) of living individuals. We must carefully balance the possible harm to living individuals whose PII is exposed with the potential for erroneous payments if a death is not recorded. As stated earlier, the OIG found no program fraud or improper payments connected to the absence of death information on our Numident.
 - Alternatively, we are considering alerting entities, through our SSN verification routines, that an individual is of an advanced age. This potential solution would not identify an individual as deceased on the DMF, rather it would alert data exchange partners that further independent verification of the individual assigned to the SSN might be required. Such an alert would be in addition to our current notice to data exchange partners that deaths listed in our files should be independently investigated and verified before any adverse action is taken.

Social Security Administration (SSA) Death Data Analysis Plan

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- **Rebranding** – While we are committed to enhance the quality of the decades old death related information that we share, we know that no solution will make the DMF fully accurate or complete. Therefore, we are planning to re-brand the DMF, to rename it and more clearly define its purpose and limitations. This was a suggestion made by OMB, based on the fact that the DMF is often mischaracterized as a comprehensive historical database of every death in the U.S., when, in fact, it is not. Rather, the DMF is an extract of Social Security’s death records. We began collecting those records in 1935 for the sole purpose of ensuring correct Social Security payments to beneficiaries. Therefore, we do not have complete or accurate death records for all Americans, especially for non-beneficiaries. We expect to rebrand the DMF in FY 2016 and will ensure a thorough communications strategy as part of that effort.
- **Defining maximum life expectancy** - We are conducting a literature review on maximum life expectancy, along with an analysis of the agency’s historical record keeping practices on birth and death data. Early indications suggest that very old birth and death data are not fully reliable, as we received many of these records on paper decades ago, or the records were reported to us before the advent of Electronic Death Reporting (EDR). Early research also suggests that the age of 125 years may be the reasonable maximum life expectancy.

FY 2016: Phase II - Implementation

In FY 2016, our objective will be to implement solutions that will enhance the quality of the decades old death related information that we share, in an effort to support government-wide improper payment prevention efforts. We will shape phase II activities based on numerous considerations, including:

- Recommendations from the workgroup, including the implications, challenges and risks;
- Administrative cost implications and the availability of funding;
- Assessment of potential systems modifications; and
- Assessment of training needs and the need for a communications strategy

MEMORANDUM

To: Social Security Advisory Board
Subject: Death Master File Issues Memo
Date: May 20, 2015

This memo provides an overview of the Death Master File (DMF) and the issues currently surrounding its use, accuracy and publication. The DMF was created in 1980 when SSA was required to make records of deceased Social Security number-holders available to the public under the Freedom of Information Act (FOIA.) SSA creates a “Numident” for each person issued a Social Security number which is marked with an indicator when Social Security Administration (SSA) is notified of an individual’s death. The DMF is created by extracting specific items on the Numident such as name, date of birth, social security number, place and date of death. Among its many uses some government agencies, banks, and financial firms use the DMF to match records and prevent fraud, medical researchers use it for tracking longevity in treating diseases, and genealogists rely on it for tracking ancestors.

The DMF contains more than 86 million records.¹ It includes both beneficiary and non-beneficiary records which entails verified and nonverified data. Ninety percent of the file includes reports from family members and funeral homes. These sources are believed to have first-hand knowledge of identity and reports are immediately added to the DMF. Five percent of the data includes reports from States and other Federal agencies. These reports for beneficiaries are verified before being added to the DMF while those for nonbeneficiaries are added without verification. Therefore, nonbeneficiary data is prone to error. The other five percent of the file comes from reports from postal authority and banking service. These reports are verified for SSDI beneficiaries while reports for SSI are included without verification. SSA doesn’t receive death information for all individuals; therefore, it doesn’t guarantee the completeness of the DMF.

The full file contains all death records extracted from the Numident including death date from the States and is only shared with certain Federal and State agencies. SSA provides the DMF to four Federal benefit-paying agencies – the Railroad Retirement Board, Department of Defense, Veterans Benefits Administration, and Office of Personnel Management. These agencies receive all death records including State records. The public file, contains the same death records with the exception of death date received from the States. This public file is provided to Department of Commerce’s National Technical Information Service (NTIS) which sells it to the public. SSA sells the DMF to NTIS who in turn sells it to private organizations such as banks and credit

¹ Social Security Death Master File. Available at: <https://www.ssdmf.com/FolderID/1/SessionID/%7B20390058-EBDC-403F-AE51-9B19673C1CDA%7D/PageVars/Library/InfoManage/Guide.htm>

companies. SSA also sells the DMF to some Federal agencies including Centers for Medicare and Medicaid Services (CMS), Internal Revenue Service (IRS) and General Accountability Office (GAO) which receive all death records excluding State records with the exception of GAO which receive State records. SSA provides a disclaimer which states that SSA has not verified all of the death data included in the DMF.

The intentions of the DMF are to prevent identity fraud and verify death. The USA Patriot Act requires an effort be made to verify the identity of customers including procedures to verify the identity of customers and maintain records of information used to verify identity. The DMF allows financial communities, security firms, insurance companies and state and local government to identify and prevent fraud by running credit and financial information against the DMF. The electronic DMF provides weekly and monthly updates reducing the production time of the data.

In 2011, the Inspector General issued a follow-up to address recommendations made in 2008 regarding the exposure of personally identifiable information available to the public. The DMF database contains detailed information of more than 86 million number-holders. Erroneous data entry into the system can lead to benefit termination as well as result in the publication of personally identifiable information (PII) in the publicly sold DMF system. In these occasions, SSA deletes the erroneous data from the DMF however these individuals' PII are still available. In 2008, the Office of the Inspector General determined that SSA's publication of the DMF from 2004 through 2007 resulted in breach of PII of more than 20,000 living individuals erroneously listed as deceased.²

In a 2008 report, the OIG recommended implementing a delay in release of the DMF, limiting the amount of information on the DMF sold to the public, and providing appropriate breach notifications. Since this review, SSA took action in response to providing breach notifications but did not take any action in response to the other recommendations made by the OIG. SSA indicated that compared to the number of death reports it processes, the number of death reporting errors was insignificant. SSA's continued publication of the DMF from 2007 through 2010 resulted in breach of PII of as many as 36,000 additional individuals listed as deceased. Although SSA attempted deleting these individuals' information from the DMF, the OIG found that this did not remove individuals' PII from the public domain.³

The issue of accuracy of the DMF has been highlighted in the past few years, especially as identity theft has been on the rise, there have been several congressional hearings and some proposed legislation which limit access to the DMF. This has caused some controversy and concern from medical researchers and genealogists who may not be able to afford the additional access. CBS news program's "60 Minutes" segment titled "Dead or Alive" followed by a hearing

² Office of the Inspector General. *Follow-up: Personally Identifiable Information Made Available to the Public Via the Death Master File*. March 2011.

³ *Ibid*

titled “Examining Federal Improper Payments and Errors in Death Master File” by the U.S. Senate Committee on Homeland Security and Governmental Affairs both addressed the rising issue with the reliability and accuracy of the DMF. In both of these circumstances, the Inspector General Patrick O’Carroll discussed the recent OIG audits. A Recent OIG audit identified 6.5 million number-holders age 112 or older who did not have death information.⁴ Most of these number-holders did not receive payments from SSA and were most likely deceased. However, their absence from the DMF leaves room for fraud.

In addition, the recent audit also showed that more than \$124 billion in improper payments have been made in FY 2014, a big spike from the \$105 billion reported in FY 2013.⁵ These improper payments were reported by all federal agencies. According to SSA, there are fewer than 1000 cases each month in which a living individual is mistakenly added to the DMF.⁶ The Inspector General also mentioned that one of the efforts made to minimize this error is that SSA reaches out to individuals 100 years old and older, and checks to see if an individual hasn’t been on Medicare for three years.

The highlight of the piece titled “Dead or Alive” was the story of Judy Rivers who also testified at the Homeland Security and Government Affairs Committee hearing. Ms. Rivers was mistakenly reported as dead twice over the course of less than ten years. Due to this incorrect reporting, Ms. Rivers was declined from service by several agencies including being declined for her loans. Ms. Rivers contacted several agencies including SSA to retrieve her identity, yet none were able to help her. Ms. Rivers faced homelessness due to her loss of credibility, until she was finally able get her name off the DMF by collecting information and contacting her bank. Ms. Rivers now always carries a letter from SSA that states her identity, that she had been mistakenly indicated as dead in the past but that she is indeed alive. Although her name is removed from the DMF, its effects follow her.

Stories such as that of Ms. Rivers are not emphasized enough. The “60 Minutes” piece also profiled a man who reported the death of his wife, but who SSA mistakenly reported him dead. There are several instances in which this type of error also takes place.

Inaccurate data due to data entry error or erroneous data reporting by the reporter also leads to improper payments by other agencies. According Sean Brune, Senior Advisor to the Deputy Commission for Budget, Finance, Quality, and Management, Social Security Administration, there are less than 1000 cases each month in which living individuals are mistakenly included on the DMF. This can cause fraud and financial hardship. The Inspector General indicates that there

⁴ Office of the Inspector General: Social Security Administration. *Examining Federal Improper Payments and Errors in the Death Master File*. Available at: <http://oig.ssa.gov/newsroom/congressional-testimony/march16-hsgac>

⁵ *Ibid*

⁶ *Ibid*

are 1.4 million individuals indicated dead on one record and alive on another.⁷ This opens a gap allowing an individual to impersonate the dead person by using SSN to even receive Social Security benefits. The inaccuracy of the DMF has become an increasing issue.

The increasing issues of the DMF include the unreliability of the data. SSA does not have a death record for all individuals. This leads to the concern that the DMF can lead to improper payments by several government agencies that rely on the DMF. In addition, access to the DMF is available to the general public that can lead to identity theft and fraud.

The Limited Access DMF, available as an online search application is important for death verification. Medical researchers, and hospitals use this data to track former patients and study subjects. Federal, State and Local governments and other organizations responsible for sending payments to recipients need to know that payments are being sent to living individuals. Investigative firms also use this data to verify the death of persons during their investigation.⁸

The U.S. Department of Commerce has placed a new law addressing the abuse of the DMF, *Section 203 of Title II of the Bipartisan Budget Act of 2013*. This provision creates a restriction on access to information in the DMF for a three year period beginning on the date of the individual's death—except to those who have been certified by the Secretary of Commerce.⁹ This rule establishes a temporary certification program for those who seek access to the DMF. A person is not certified under the program unless the person certifies that access to information in the file is appropriate because the person has the intention of preventing fraud, has procedures to maintain security of the information and agrees to satisfy the requirements as if it applied to oneself.¹⁰ Congress estimates that limiting access to the death master file would save more than \$700 million over the next ten years. According to this ruling, only those who are certified will have access to the information. Genealogists and researchers are worried that they won't be able to find out the ending to individuals whom they have followed for several years.

In its most recent testimony, National Association for Public Health Statistics and Information Systems (NAPHSIS) explained the importance of securing and holding an accurate and complete birth and death record. NAPHSIS formed in 1933, is a nonprofit organization representing state vital records in the United States. Vital records are official records of birth, death, marriage and divorce collected by registrars in every state. Vital records offices record births and deaths and issue certified copies of birth and death certificates for legal and administrative purposes.

⁷US Senate Committee on Homeland Security & Governmental Affairs. *Examining Federal Improper Payments and Errors in the Death Master File*. March 16, 2015. Available at: <http://www.hsgac.senate.gov/hearings/examining-federal-improper-payments-and-errors-in-the-death-master-file>

⁸ Death Master File (DMF)

⁹ Federal Register: A Daily Journal of the United States Government. *Temporary Certification Program for Access to the Death Master File*. Available at: <https://www.federalregister.gov/articles/2014/03/26/2014-06701/temporary-certification-program-for-access-to-the-death-master-file>

¹⁰ One Hundred Thirteenth Congress of the United States of America. *Division A-Bipartisan Budget Agreement*. Available at: <http://www.gpo.gov/fdsys/pkg/BILLS-113hjres59enr/pdf/BILLS-113hjres59enr.pdf>

NAPHSIS strives to provide national leadership for both vital records and related information systems to protect an individual's identity and improve population health.

The federal government does not maintain a database that contains all of the vital records. However, the vital records jurisdictions which are governed under state laws have the authority to maintain these records. These vital records jurisdictions provide SSA with birth and death information in order to prevent erroneous payments by the agency to deceased beneficiaries. State vital records provide the most accurate death information about an individual. Besides these vital records, SSA also receives death information from family, friends and funeral directors making the DMF, which is compiled by the SSA, an unofficial record. Death records that are received from vital records jurisdictions are not released in the public file as they are state records.

Electronic Verification of Vital Events (EVVE) is a system operated by NAPHSIS that allows customers to efficiently verify and certify birth and death information. Electronic inquiries are matched against 250 million birth and death records owned by state and jurisdiction owned vital record databases.¹¹ EVVE provides a complete set of state and jurisdiction vital records. Currently, agencies including the Social Security Administration and Office of Personnel Management use this system to improve operations and prevent fraud.

NAPHSIS provided a written testimony to the US Senate Committee on Homeland Security & Governmental Affairs regarding electronic verification of deaths. NAPHSIS believes that manual certificate preparation slows registration delaying the availability of death data. According to a 1997 report, *Toward an Electronic Death Registration in the United States: Report of the Steering Committee to Reengineer the Death Registration Process*, prepared by National Center for Health Statistics, SSA, NAPHSIS and other professional organizations, it was concluded that automated registration processes in the states is the ultimate way to eliminate the historical problem with death registration. Electronic Death Registration Systems (EDRS) have been implanted in 44 out of the 57 vital records jurisdictions.¹²

EDRS ensure the accuracy and completeness of a death certificate before filing. It checks against SSA's data to ensure accuracy of SSN of a decedent before a death certificate is filled. EDRS allow for a timely reporting of death by different data providers including funeral homes and physicians. An EDRS also introduces more security by giving distinct username and password

¹¹ NAPHSIS: Protecting Personal Identity Promoting Public Health. *NAPHSIS Provides Written Testimony to the US Senate Committee on Homeland Security & Governmental Affairs Regarding Electronic Verification of Deaths.*

Available at:

<http://www.naphsis.org/Blog/post/12/NAPHSIS%20Provides%20Written%20Testimony%20to%20the%20US%20Senate%20Committee%20on%20Homeland%20Security%20&%20Governmental%20Affairs%20Regarding%20Electronic%20Verification%20of%20Deaths>

¹² *Ibid*

for each death data provider. In order for the EDRS to be effective, all data providers including funeral homes, hospitals, physician offices, and medical examiners must use the system.

In 2001, SSA provided NAPHSIS funding to implement the Electronic Verification of Vital Events (EVVE) system in order to verify benefit eligibility in a timely manner as to prevent overpayments. EVVE is an online system that verifies birth and death information. EVVE indicates whether there is or is not a match with the records maintained by the state, city or territory. Today, many agencies including SSA, the Office of Personnel Management, and Department of Homeland Security U.S. Citizenship and Immigration Services use EVVE to verify identification. The EVVE system provides protection against use of identifying information for fraudulent activities through safeguarding confidentiality of birth and death data. The EVVE system allows for rapid access to verifiable data. As of March 2015, NAPHSIS has installed EVVE in 54 jurisdictions and is in the process of installing the system in the remaining three jurisdictions.¹³ EVVE allows for a secure, reliable, and efficient identity verification by digitizing birth and death record and linking those records.

The accuracy and reliability of the DMF is an issue that questions its intention. This data containing identification information of individuals needs to be handled carefully and securely. It's important to take the necessary steps certifying information so that erroneous death reporting does not occur and that individuals' personally identifiable information is not exposed to the public.

¹³ NAPHSIS: Protecting Personal Identity Promoting Public Health. *NAPHSIS Provides Written Testimony to the US Senate Committee on Homeland Security & Governmental Affairs Regarding Electronic Verification of Deaths.*

Available at:

<http://www.naphsis.org/Blog/post/12/NAPHSIS%20Provides%20Written%20Testimony%20to%20the%20US%20Senate%20Committee%20on%20Homeland%20Security%20&%20Governmental%20Affairs%20Regarding%20Electronic%20Verification%20of%20Deaths>

**EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET**
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**Testimony of David Mader
United States Controller, Office of Management and Budget
before the
Senate Committee on Homeland Security and Governmental Affairs
March 16, 2015**

Thank you Chairman Johnson, Ranking Member Carper, and distinguished members of the Committee, for inviting me here today to discuss the Federal Government's ongoing efforts to prevent, reduce, and recapture improper payments. I appreciate the opportunity to provide an update on this important topic. Our partnership with the Congress and consultation with the Government Accountability Office (GAO) over the years has been vital to these efforts and most recently we appreciate the Congress' support for Health Care Fraud and Abuse Control (HCFAC) funding provided in the Fiscal Year (FY) 2015 Budget.

While not all improper payments are fraudulent or represent a loss to the Government—improper payments are payments made to the wrong entity, in the wrong amount, or for the wrong reason—improper payments compromise taxpayers' trust in their Government.

Addressing improper payments is a central component of the Administration's overall efforts to eliminate waste, fraud, and abuse. When the President took office in 2009, the improper payment error rate was 5.42%, an all-time high. Since then, the Administration, working together with the Congress, has made progress by strengthening accountability and transparency through annual reviews by agency Inspectors General, and expanded requirements for high-priority programs such as the requirement to report supplemental measures and program information on paymentaccuracy.gov. As a result of this concerted effort, in FY 2013 OMB reported that the Government-wide improper payment rate was 3.53%.

During the period reflected in FY 2014 Agency Financial Reports (AFR), we experienced improper payment rate increases in major programs including Medicare Fee-for-Service, Earned Income Tax Credit (EITC), Medicaid, Unemployment Insurance (UI), and Supplemental Security Income (SSI). Over the same period, other major programs experienced improper payment rate decreases including Medicare Part C, the Supplemental Nutrition and Assistance Program (SNAP), and Public Housing/Rental Assistance. Additionally, the Department of Defense (DoD) has taken steps to improve improper payment sampling and estimations for the Defense Finance and Accounting Services (DFAS) Commercial Pay program to implement recommendations made by GAO.¹ As a net, these changes resulted in a Government-wide improper payment rate of 4.02%² or \$125 billion. Notwithstanding this rate, agencies recovered

¹ Significant Improvements Needed in Efforts to Address Improper Payment Requirements, GAO-13-227.

² DoD's commercial payments were first included in the Government-wide rate in FY 2013. When the DoD commercial payments are excluded from the Government-wide figures, the FY 2013 rate is 4.00 percent and the FY 2014 rate is 4.46 percent.

roughly \$20 billion in overpayments through payment recapture audits and other methods in FY 2014.

While progress has been made over the years, the time has come for a more aggressive strategy to reduce the levels of improper payments we currently are seeing.

Current Administration Efforts

The President's FY 2016 Budget

The current levels of improper payment errors are unaffordable and unacceptable. That is why this Administration has proposed to make significant investments in activities to ensure that taxpayer dollars are spent correctly, by expanding oversight in the largest benefit programs and investing in the Internal Revenue Service (IRS) tax compliance and enforcement activities.

Over the years, this Administration has worked with the Congress on legislation including the Improper Payments Elimination and Recovery Act of 2010 (IPERA), P.L. 111-204, and the Improper Payments Elimination and Recovery Improvement Act of 2012 (IPERIA), P.L. 112-248. These laws have provided agencies new tools and techniques to prevent, reduce, and recover improper payments. In addition, we look forward to continuing to work with this Committee on its efforts in this area, including on the proposals from the President's FY 2016 Budget to provide access to information for use by Federal and State agencies to further reduce improper payments.

The President's FY 2016 Budget provides additional opportunities to build on Congressional and Administration action to reduce improper payments. There is compelling evidence that investments in administrative resources can significantly decrease the rate of improper payments and recoup many times their initial investment. The Social Security Administration (SSA) estimates that continuing disability reviews conducted in FY 2016 will yield net Federal program savings over the next 10 years of roughly \$9 on average per \$1 budgeted for dedicated program integrity funding, including the Old Age, Survivors, and Disability Insurance Program (OASDI), SSI, and Medicare and Medicaid program effects. Similarly, for HCFAC program integrity efforts, the Centers for Medicare & Medicaid Services (CMS) actuaries conservatively estimate approximately \$2 is saved, or payments averted, for every additional \$1 spent. Investments in IRS enforcement activities recoup roughly \$6 for every \$1 spent.

Examples of proposals that are in the FY 2016 Budget include:

- A robust package of Medicare and Medicaid program integrity proposals to: (1) prevent fraud and abuse before they occur; (2) detect fraud and abuse as early as possible; (3) more comprehensively enforce penalties and other sanctions when fraud and abuse occur; (4) provide greater flexibility to the Secretary of the Department of Health and Human Services (HHS) to implement program integrity activities that allow for efficient use of resources and achieve high returns-on-investment; and (5) promote integrity in Federal-State financing.

- Strategic reinvestments in the IRS, reversing the sharp funding reductions of recent years to help increase audit and collection coverage and reducing the deficit through a program integrity cap adjustment of \$667 million. This multi-year effort is expected to generate \$60 billion in additional revenue over the next ten years at a cost of \$19 billion, thereby reducing the deficit by \$41 billion. Coupled with the funding request, the Budget includes several legislative changes to reduce improper payments associated with the EITC. Specifically, giving the IRS explicit authority to regulate paid tax preparers, who prepare well over half of all EITC returns; a proposal to accelerate employer filing of tax information (e.g., W2s) so the IRS can do more data matching in real time, thus facilitating tax administration generally, as well as, resulting in savings for the EITC; and providing additional authority to the IRS to correct readily-identifiable EITC errors without an audit.
- An equally robust package of Social Security program integrity proposals to: (1) detect, prevent, and recover improper payments; (2) ensure only those eligible for benefits continue to receive them; (3) hold fraud facilitators liable for overpayments with interest; and (4) provide better wage and asset data for the prevention and recovery of improper payments or duplicative payments.
- A proposal to expand the Department of Labor's (DOL) initiative to conduct Reemployment and Eligibility Assessments and Reemployment Services (REA/RES), which is an evidence-based approach that reduces improper payments and speeds reemployment. The Budget also proposes to mandate state participation in the State Information Data Exchange System (SIDES), which would help reduce improper payments caused by inadequate separation information, one of the largest root causes of improper payments in the UI program.
- Improving payment accuracy by further sharing available death data across Government agencies to prevent improper payments. This proposal provides the Do Not Pay (DNP) system at Treasury access to the SSA's full death data, including data from states, to prevent, identify, or recover improper payments and expands the use of the DNP system to states, to improve the integrity of federal benefit programs administered by the states. Furthermore, we would like to continue efforts to explore additional data sources for the DNP system.

Improper Payments Guidance and Annual Reviews

In addition to working with the Congress on the President's Budget proposals, we are taking administrative action now where we can. A key element of that effort is the recently revised Office of Management and Budget (OMB) Circular No. A-123, Appendix C, [Requirements for Effective Estimation and Remediation of Improper Payments](#), in which agencies were instructed to re-examine improper payment reduction strategies on a number of fronts Government-wide. This new guidance was issued on October 20, 2014, and provides a strategy to agencies and Inspectors General on key improper payment activities. The goal of this new A-123, Appendix C, guidance is to have a deeper understanding of root causes, the effectiveness of our efforts to date, and improve the completeness of the Government-wide estimate. Specifically, the new guidance helps agencies to:

agency management processes and resource levels. The review process will help improve operational efficiency and the cost effectiveness of agency management functions by using data analysis to drive performance based decision-making. The review process will provide OMB and agency leadership a forum to conduct a data driven structured discussion on long-term strategic challenges, such as improper payments. These discussions will provide value to all agencies beginning this spring and summer.

In addition to these Government-wide initiatives, on February 26th, 2015, the Director of OMB sent letters to agency heads in the four agencies (DOL, HHS, SSA, and Treasury) that have the largest high-priority programs. This direction requires early implementation of the OMB Circular A-123, Appendix C requirements described below by April 30th, 2015, for specific programs that contributed the largest amount to the Government-wide improper payment error rate in FY 2014. The direction requires that each agency conduct the following analysis and present it to OMB:

- Re-evaluate and expand existing corrective action plans that describe root causes and establish critical path milestones to meet improper payment reduction targets for each program in question.
- Review the new categories for reporting improper payments and fill out the category matrix found in OMB Circular A-123, Appendix C based on the FY 2014 estimate for the specific program in question. While we are not requiring most agencies to complete this matrix until FY 2015 reporting is due (with FY 2015 AFR/PAR), we believe it is crucial for OMB to have this level of granularity for these programs sooner to better inform a more effective strategy for reducing improper payments. These new categories for reporting improper payments will lead to more effective corrective actions at the program level.
- Provide a narrative of thoughtful analysis linking agency efforts in establishing internal controls and reducing improper payments. This narrative will deliver plans to provide reasonable assurance that effective internal controls over improper payments are in place.

OMB also has requested that each of these agencies consider engaging their Inspector General to develop a Cooperative Audit Resolution and Oversight Initiative to obtain independent feedback and foster continuous improvement in program integrity. In addition, this Initiative could be used to develop interim measures to gauge progress.

MITRE, a not-for-profit company which operates the Center for Enterprise Modernization, a Federally Funded Research and Development Center (FFRDC) sponsored by the Department of Treasury and IRS, and co-sponsored by the Department of Veterans Affairs, has initially embarked on an independent effort to conduct an independent research project that will focus on Government-wide payment integrity and improper payments. MITRE's work will center on assessing improper payment trends and more importantly analyzing improper payment root causes and best practices available to improve program integrity. MITRE's proposed research project will develop a set of strategic recommendations and concrete steps the Government could take to improve the improper payment rate.

Data Analytics to Reduce Improper Payments

Under this Administration, we have focused on increased use of technology and sharing data to address improper payments. The effective use of data analytics also provides insight into methods of improving performance and decision-making capabilities.

Most significantly, on January 10, 2013, the President signed IPERIA into law, which includes requirements for the increased use of technology to combat improper payments. IPERIA complemented the Administration's Do Not Pay Initiative and mandated pre-payment and pre-award checks to prevent improper payments before they occur. To support IPERIA implementation, OMB provided the Congress a plan for agencies to integrate the required databases and a plan for improving the data quality of death data maintained by the SSA. Agencies are making progress in executing these plans. Most notably, the SSA, which has for many years collected death data from multiple sources including states, reported that it prevented about 356,000 improper payments in the OASDI program totaling almost \$450 million between January and September of 2014. SSA has been successful in utilizing death data to prevent improper payments before they occur, and seeks to further improve its data by addressing recommendations that SSA's Inspector General has offered. We look forward to working with the Congress on providing more agencies access to the full death data available and in continuing efforts to explore additional data sources for the Do Not Pay Initiative.

Other examples of agencies using data analytics to prevent improper payments include the CMS Fraud Prevention System (FPS), a state-of-the-art predictive analytics technology used to identify and prevent fraud in the Medicare program; DOL's UI Integrity Center of Excellence, a Federal-State partnership that facilitates the development and implementation of UI integrity tools by the states, and shares best practices in the detection and reduction of improper payments; and the General Services Administration (GSA) is developing a collection of data analytic tools to assist agencies in monitoring and preventing improper payments in Government charge card programs.

Conclusion

Improper payments remain a priority for this Administration. Although progress has been made, much remains to be done and we need your help. We look forward to working with the Congress to pass the provisions within the President's FY 2016 Budget I have mentioned today and expect additional progress as OMB executes our new improper payments guidance and review process over the course of FY 2015. We are confident our strategy will yield results for the taxpayer. I appreciate the attention this Committee and the Congress dedicates to preventing improper payments, along with the efforts of the GAO, the Inspectors General community, and agencies. I remain committed to achieving our mutual objective of achieving payment accuracy and integrity in Federal programs.

Thank you again for inviting me to testify today. I look forward to answering your questions.

MEMORANDUM

To: Social Security Advisory Board
Subject: Marianna LaCanfora, Assistant Deputy Commissioner for Retirement and Disability Policy, SSA
Date: June 15, 2015



MARIANNA LACANFORA

Ms. LaCanfora began her career as a bilingual claims representative in the New Haven CT Field Office. She later moved to Baltimore to work as an analyst in the Office of Quality Assurance. After being accepted into the Leadership Development Program, she worked as the Special Assistant to a former Deputy Commissioner of SSA. Marianna subsequently served as the Assistant District Manager in the Washington, D.C. District Office.

After serving in the field, Marianna held numerous management positions in the Office of Operations, including Associate Commissioner. She was responsible for managing the Office of Operations national budget, overseeing systems and physical

security, human resources, and program policy and workflow application for Operations' components.

Marianna also served as the Assistant Deputy Commissioner for the Office of Retirement and Disability Policy.

Marianna lives with her husband and two children in Baltimore city. She received her Master's in Business Administration from the University of Maryland, University College.

The Office of the Deputy Commissioner for Retirement and Disability Policy (ORDP)

The Office is the principal advisor to the Commissioner of Social Security on major policy issues and is responsible for all major activities in the areas of strategic and program policy planning, policy research and evaluation, statistical programs, and overall policy development, analysis and implementation.

The Office of the Deputy Commissioner, RDP serves as the Agency lead spokesperson in presenting policy proposals and analysis within and outside the Executive Branch. The Office directs and manages the planning, development, issuance, and evaluation of operational policies, standards, and instructions for the Retirement and Survivors Insurance, Disability Insurance, Supplemental Security Income (SSI) program, and other SSA programs. The Office assists in achievement of consistency in program policy across programs administered by SSA. The Office is involved in analyses of legislative and regulatory specifications and budgetary impacts of legislation on programs administered by SSA. The Office produces, presents, supports, and publishes OASDI and SSI program data, statistics, research, analyses, and reports that detail trends and effects of the programs on recipients and potential recipients. It explains impacts of

reform proposal options to enhance program provisions or solvency. The Office develops and evaluates demonstrations and studies that support the policy development of SSA.

The Office works with the Department of Treasury on issues of policy relating to the Federal Insurance Contributions Act and the Self-Employment Contributions Act, including such matters as definition of wages and implementation of laws. It manages a nationwide network of medical, psychological, and vocational experts who assist Administrative Law Judges (ALJs), the Decision Review Board (DRB), State Disability Determination Services(DDS) and the Office of Quality Performance(OQP) in making disability determinations and decisions. It directs formulation of Agency policy regarding related government programs that affect SSA programs and/or operations and negotiates related agreements with other agencies. It evaluates the effectiveness of national policies in meeting both short and long-term program goals. It provides executive level, enterprise wide oversight of all data exchanges (programmatic and non-programmatic), develops and approves policies and strategies for the agency's unified data exchange business process, and serves as the Co-Chair of the Data Integrity Board (DIB) Executive Steering Committee. It serves as SSA's focal point for international program policy matters and for its participation in the international Social Security community. The Office negotiates international "totalization" agreements with foreign governments.



The *McCrery-Pomeroy SSDI Solutions Initiative* has selected the following 12 papers aimed at improving different aspects of the Social Security Disability Insurance (SSDI) program.

Topic: Exploring alternative definitions of disability

Authors: Anita Shafer Aaron, Aya Aghabi, Barbara Butz, and Neil Jacobson

Summary: The authors propose to redefine disability for purposes of the SSDI and SSI programs, potentially leading to a change in the fundamental principles of the program and, in turn, a new focus on early intervention. The authors argue that this would result in a significant increase in employment and self-sufficiency for people with disabilities. The new definition will contain no reference to “inability to work” and is expected to change SSDI from an income replacement program to a program that protects people from the high cost of disability and helps people work, stay at work, or return to work. The revised program will rely on inter-agency coordination and funding will flow from multiple sources.

Topic: Encouraging enrollment in private disability insurance

Authors: David F. Babbel and Mark F. Meyer

Summary: The authors propose to reduce the number of people needing SSDI benefits through better interaction with existing private disability insurance programs and offer three recommendations. First, they propose to expand private disability insurance coverage to more employees by encouraging employer use of “automatic enrollment arrangements” for group disability insurance plans. By expanding private disability insurance coverage, the authors believe that more workers will benefit from the early disability management and return to work supports provided by private plans, and will be less likely to apply for SSDI, thus reducing program costs. Second, the authors recommend undertaking a Federal education and outreach program to encourage workers and employers to face key disability income security issues and workforce productivity issues. Third, they suggest exploring private sector techniques and strategies to improve SSDI work outcomes.

Topic: An integrated employment support and eligibility determination system

Authors: Yonatan Ben-Shalom, David Mann, and David Stapleton

Summary: The authors propose to pilot and gradually implement a revised disability determination system that combines timely employment supports for workers and a redesigned SSDI eligibility determination process. The goal of the program is to reduce exit from the labor force and entry into SSDI, improve the disability determination process, and improve economic outcomes for workers. Such a system would be based on existing models from private disability insurance providers, worker's compensation, and international examples

Topic: Improving the interactions between SSDI and Workers' Compensation programs

Authors: John F. Burton and Xuguang Guo

Summary: The authors propose to address a number of the interaction between SSDI and Workers' Compensation (WC) and investigate several policy options that could reduce SSDI expenditures in the process. Particularly, the authors will consider changes to Federal standards requiring States to compensate work-related injuries/disease; the enactment of new federal rules requiring WC settlements to set aside funds to cover future WC cash benefits; the implementation of experience-rating employers so those with more employees filing for SSDI pay higher FICA taxes, thus providing incentives for employers to reduce injuries and diseases and to rehabilitate disabled workers; and changes to the law that currently allow some states to reduce WC payments once an individual begins to receive SSDI payments (a "reverse-offset"), as opposed to the other way around.

Topic: Expanding community-focused work and health services

Authors: Kim Burton, Jennifer Christian, and Thomas Wickizer

Summary: The authors will submit a plan to develop, test, evaluate, and implement a national program to avoid needless work disability by establishing a network of local, community-focused health and work services to provide just-in-time assistance to workers whose newly acquired or altered disabilities have destabilized their jobs and/or employability. The proposed program is intended to help them optimize their functional level and find a way to remain in the workforce, thus delaying or avoiding application to SSDI. The program will incorporate features of two existing programs, one in Washington state, the other in the United Kingdom. The paper will outline a sequence of projects to assure success, beginning with design, development, feasibility and effectiveness testing, then validation of ROI before rolling it out gradually across

the country. The paper will address specific regulatory changes that would be required, and estimate the costs and benefits.

Topic: Reducing CDR backlogs

Authors: Xuan Che, John Collins, Alex Constantin, Julia Porcino, and Chunxiao Zhou

Summary: The authors propose to analyze the processes SSA use to designate medical improvement diaries and to prioritize medical Continuing Disability Reviews (CDRs). The authors will use the analyses to develop ways to improve those processes, aiming to alleviate case backlogs and better select cases for full medical reviews. The authors will develop methods for extracting medical information from beneficiaries' electronic folders, to develop an automated method for designating the likelihood of future medical improvement, and to improve the current CDR predictive model. These actions would help SSA more accurately designate medical improvement, improve the diary set for review, better target CDRs toward those most likely to have recovered, and thus make the best use of limited CDR dollars.

Topic: Streamlining the determination process

Author: Jon Dubin

Summary: The author proposes several measures to improve the disability determination process. This includes eliminating the first level of appeal (reconsideration) and enhancing case development at the initial claim level.

Topic: Exploring changes to the SSDI adjudication process

Authors: David Engel, Dale Glendenning, and Jeffrey Wolfe

Summary: Recognizing persistent ongoing backlogs and rising costs in the Social Security disability hearings and appeals process, the authors propose comprehensive procedural and jurisprudential reforms. As more than 80% of all disability claimants are now represented, fundamental reforms include adoption of an adversarial jurisprudence/process with inclusion of government counsel (able to resolve disability appeals by agreement early in the appeals process), accompanied by adoption of a body of comprehensive procedural rules. The authors further propose reduction of the scope of Appeals Council review, streamlining the adjudicatory process; and fundamentally restructuring payments to representatives, including elimination of representative travel reimbursement; and reorganization of representative fees, so that fees are no longer calculated on "past due benefits," foreclosing fee-based incentives for delay.

The opinions and views expressed are those of the authors and do not represent any view, position, policy or policy statement, or finding of the U.S. Government or the Social Security Administration or any of its components.

Topic: A system for partial disability benefits

Author: Jason J. Fichtner and Jason S. Seligman

Summary: The authors propose to create a time-limited and partial disability benefit option in order to better reflect the nature of disability as a continuum rather than an all-or-nothing state. A disability insurance system that offers both partial and time-limited benefits would better motivate productive employment of remaining ability and, when possible, rehabilitation of lost ability following any partial or temporary disability determination. Their proposal will also explore an increased role for private employers in providing disability insurance. They expect this reform option to increase opportunities for rehabilitation and work, and they propose demonstration projects to test this assumption. They propose to provide grants to fund demonstration/pilot projects to provide empirical evidence needed for full implementation.

Topic: Using transitional jobs and tax incentives to encourage employment

Authors: Conor Williams, Julie Kerksick, and David Riemer

Summary: The authors propose a group of policy changes centered around offering Transitional Jobs to SSDI beneficiaries. Transitional Jobs (TJ) are subsidized wage-paying jobs, typically in either the private non-profit or private for-profit sector, in which an unemployed or underemployed individual does actual, productive work while pursuing permanent employment in the regular economy. The authors suggest that TJs can be offered to current (as well as potential) SSDI beneficiaries in order to encourage work. They also propose a complementary expansion of the Earned Income Tax Credit (EITC) and a gradual offset of benefits with earned income disregards.

Topic: Transitional benefits for a small subset of SSDI beneficiaries with disabilities likely to experience medical improvement

Authors: Jennifer Christian, Kim Hildred, Harold Krent, Pamela Mazerski

Summary: The authors propose to investigate creating a transitional disability benefit for a small subset of SSDI beneficiaries who (1) have medical conditions that are likely to improve; or (2) whose functional impairments could be significantly reduced, either over time or with medical or rehabilitative treatment. The authors would explore evidence-based practices for both

categories of beneficiaries such as health and self-management techniques aimed at improving function and employment supports to help these individuals improve their health and well-being, increase their level of participation in life, and reattach to the labor market when possible.

Topic: Improving health coverage for workers with disabilities

Author: Mark Perriello

Summary: The author proposes policy changes to create a comprehensive system in the United States to ensure workers with disabilities have affordable access to adequate health insurance coverage and long-term services and supports (LTSS). First, the author proposes establishment of a new program to wrap around coverage to commercial health insurance to provide LTSS to working people with disabilities. The program would supplement the worker's health insurance; fill gaps in current health insurance coverage (e.g., adequate durable medical equipment coverage) and provide LTSS (such as personal attendant care) not covered by health insurance; and prevent individuals from having to apply for Medicaid, which is the only program that now provides them with such services and supports. Secondly, the author proposes to expand the Medicaid Buy-In program (currently active in 45 states) by making the program national, standardizing the earnings and asset limits, and making other changes to improve the level and consistency of the covered services and supports. This would prevent working individuals from having to meet the current strict income/asset standards to qualify for Medicaid and thus obtain the covered services and supports. Finally, the author proposes to improve current tax provisions available to workers with disabilities to assist in covering the costs of needed supports and services not covered, or not fully covered, by the above two programs that are financed out of pocket.

Selection of these papers does not imply endorsement of them by the Initiative Co-Chairs, Advisory Council, staff, or other authors.

McCrery-Pomeroy *SSDI Solutions Initiative*

The McCrery-Pomeroy *SSDI Solutions Initiative* is a project dedicated to identifying practical policy changes to improve the Social Security Disability Insurance (SSDI) program. The *SSDI Solutions Initiative* will issue a call for papers to solicit ideas in a number of areas related to the program, culminating in a conference where authors will present their papers to discussants and attendees. The *SSDI Solutions Conference* will be followed by a publication that compiles the proposals and synthesizes the findings. With the SSDI trust fund only two years from insolvency, these solutions can help spur a debate on how to ensure the SSDI program best serves those with disabilities, those who pay into the program, and the economy as a whole.

What is SSDI?

SSDI – or Social Security Disability Insurance – is a component of the government-run Social Security program. It provides monthly cash benefits to workers who have one or several medical conditions, which are expected to keep them from working for at least a year. The SSDI program has provided important support to millions of disabled workers and their families, helping many individuals who are unable to work stay out of poverty.

What is the Purpose of the *SSDI Solutions Initiative*?

The SSDI program will have insufficient revenues to fully fund these benefits beyond 2016. In addition, there are areas where the program could be improved to better serve workers with disabilities and others who are insured by the program. A number of experts, reviewers, and political leaders have found that improvements should be made to the determination process, program integrity, interactions between SSDI and other federal and state programs, return to work incentives, and early interventions with disabled workers, to name just a few areas.

Why Do We Need to Make Improvements to SSDI Now?

In only two years, the Social Security Disability trust fund is scheduled to run out of money, at which point current law calls for benefits to be cut across-the-board by roughly 20 percent. At least in the short-term, avoiding this cut is likely to require either new revenue or some amount of temporary borrowing or reallocation from the Social Security Old-Age and Survivors Insurance (OASI) trust fund to the Disability Insurance trust fund. However, simply reallocating existing payroll taxes from OASI without doing anything to improve the SSDI program or strengthen the overall state of Social Security would actually weaken the financial state of the OASI program – and for that reason is likely to be controversial.

Instead of viewing the avoidance of trust fund exhaustion as a political liability, we believe policymakers should regard it as a policy opportunity. If provided with thoughtful and practical ideas to improve the SSDI program, policymakers could not only avoid insolvency but begin to reform the SSDI program for the better. This means identifying proposals well in advance of the

deadline, rather than waiting for Congress to cobble together a last-minute, poorly conceived solution.

Ideally, the projected 2016 date for the trust fund depletion would be used as an opportunity for Congress to enact *comprehensive* Social Security reform that addresses the shortfalls in both the SSDI and OASI program in order to consider all of the tradeoffs and interactions within the Social Security program. But whether the depletion of the disability insurance trust fund is addressed as part of comprehensive reform or on its own, there will be a need for constructive ideas to improve the program.

How Will the *SSDI Solutions Initiative* Identify Possible Solutions?

Rather than a top-down approach where we propose our own ideas, the *SSDI Solutions Initiative* will solicit ideas from experts who have been studying this program for years, and even decades. Specifically, the *SSDI Solutions Initiative* will issue a public “call for papers,” allowing potential authors from different disciplines and ideological backgrounds to submit proposals. The project will then select the most promising ideas to be written into full papers; focusing on proposals encompassing a wide variety of areas within the program and placing a special premium on proposals that include “intermediate steps” that could be enacted within the next few years. Once written, the papers will go through a peer-review process, be presented at a conference, and ultimately be published and made available to the public.

Who is Leading the *SSDI Solutions Initiative*?

The *SSDI Solutions Initiative* is co-chaired by former Congressmen and Ways and Means Social Security Subcommittee Chairmen Earl Pomeroy (D-ND) and Jim McCrery (R-LA). They will be assisted by a staff of analysts and an *Advisory Council* of experts, advocates, and practitioners from across the ideological spectrum. The *SSDI Solutions Initiative* is a project of the nonpartisan Committee for a Responsible Federal Budget.

MEMORANDUM

To: Social Security Advisory Board
Subject: New NASI Fellows
Date: June 15, 2015



Amber Davis – Summer 2015

Amber Davis is a current NASI fellow, a recipient of the Eileen Sweeney Graduate Internship in Disability Policy. She has completed her 2nd year of coursework as a doctoral student at Howard University, Social Work department. Her research interest areas include: transition-age youth with disabilities, SSI policy, wrap-around services for SSI recipients, and the intersections of race, disability, and class.

Amber received a B.S. in Family, Youth, and Community Sciences from the University of Florida. She received a Master's in Social Work from Florida State University. She has also interned as a summer fellow with Mathematica Policy Research. Amber was recently accepted as a recipient of the Disability Small Grant Program where she will examine the age-18 SSI redetermination process.

Amber will be leading the child SSI report this summer. She is excited to gain enhanced understanding of the SSI program and other Social Security programs as part of the American safety net.



Claire Jensen – Summer 2015

Claire J. is a 2015 National Academy of Social Insurance summer fellow. She is currently a master's student at Columbia University School of Social Work with concentrations in Policy Practice and Contemporary Social Issues.

She graduated from Bryn Mawr College in 2012, where she studied East Asian Studies and Sociology. After graduating, she worked as a college counselor at two international high schools in Wuxi, China for two years. This past year, as part of her studies at Columbia, Claire J. was a social work intern at a public elementary school in Chinatown, Manhattan.

Claire J. has long been passionate about social justice, and is particularly interested in examining supports for individuals with disabilities and caregivers of individuals with disabilities. She is also interested in mass incarceration and immigration in the US.

2015

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Board Meeting Dates
January 8
February 23
April 24
May 29
June 23
July 28
August – Conference Call
September 25 – Tech Panel Presentation
October 23
November 20
December 11
Board Trips
March 23-25 New York
Notes (Other Meetings):
February 24 – Field Trip to DDS
June 19 – Tech Panel Meeting

- Board Meeting Dates
- Board Trips
- Notes (Other Meetings)
- Holidays