

UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

JUL 28 1981

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Code 105105  
 Group III

Mr. John A. Svahn  
Commissioner of Social Security  
Department of Health and Human Services

Dear Mr. Svahn:

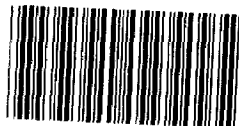
Subject: Impact of State Death Information on Federal Income Security Programs (HRD-81-113)

The General Accounting Office has completed a limited survey to determine whether deaths of Social Security Administration (SSA) Title II beneficiaries were being reported to Social Security so benefits could be terminated or otherwise converted to surviving spouses. The survey, which was done by our New York and Cincinnati Regional Offices, consisted of matching death records from New York City and Kentucky with SSA's Title II Master Beneficiary Record (MBR).

The New York City death records contained Social Security numbers (SSNs) for 144,899 residents who died during 1978, 1979, and the first 9 months of 1980. We statistically sampled 1,512 of these records and, based on our analysis of MBR information, we did not identify any individuals in current pay status as of July 1981.

The tape from Kentucky contained records of 35,174 persons who died during calendar year 1977. When we matched the SSNs from this tape with the MBR, we found that about 18,420 of the deceased were at one time Social Security primary and auxiliary beneficiaries. Using the MBR data to determine how many of these beneficiaries were still in current pay status, we identified nine deceased individuals who continued to appear in current pay status. We turned these cases over to our Fraud Prevention Task Force under Case Control Number 25020. The cases will then be referred to the Department of Health and Human Services' Office of the Inspector General for investigation.

The objective of our study was to determine whether Title II overpayments were resulting because deaths were not being reported to SSA. We were concerned because, as you know, reporting of deaths to SSA by survivors is voluntary and because there have been disclosures by the media and others that Social Security checks continued long after a beneficiary's death.



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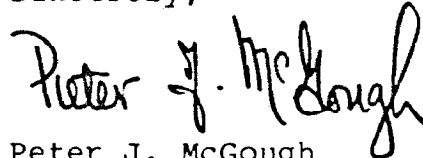
In October 1979 we reported on the need for Social Security to use State data to verify all program benefits (HRD-80-4, October 16, 1979). In the report, we also referred to an April 6, 1979, Office of the Inspector General report to the Commissioner of SSA which stated "...the receipt of death data directly from a State or local government agency should contribute to more efficient SSA and Health Care Financing Administration operations and strengthen control over payments in all its programs." The report pointed out that SSA could enter into arrangements with the States to obtain copies of the death certificates or magnetic tapes of the data.

In August 1980 SSA reported to us that it was gradually expanding use of State data for verification purposes, but that other priorities had kept it from establishing a comprehensive national interface program. We continue to believe that SSA should obtain and use State data to verify program benefits, and to periodically check on the voluntary reporting system by matching State death records against the MBRs. We believe that this need will become even more critical if the Congress enacts legislation to restrict payment of lump-sum death benefits. Under a current proposal by the Reagan Administration, lump-sum payments would be eliminated in cases where there is no eligible spouse or entitled child. Under present law, if there is no eligible spouse, the money can be paid to the person who assumed responsibility for funeral expenses and if no one files a claim for the lump-sum death payment within 30-days after death, the funeral home may apply for and receive the payment. Therefore, there is an incentive under present law to report the death of a Social Security beneficiary that will not exist under the proposed change. Without such an incentive, SSA will become more vulnerable to late or no reporting of a beneficiary's death and the resulting continuation of inappropriate benefit payments.

To protect against unreported deaths, Social Security might work out an arrangement to obtain information from the National Center for Health Statistics which obtains death information nationally from every State. The Center receives pre-coded computer tapes from 33 States and death certificates from the remaining 17 States. (The Center is working to have all the States submit pre-coded tapes.) Social Security numbers, however, are not included on the pre-coded tapes whereas death certificates include SSNs. We recommended that Social Security work with the Center and the States to have (1) the SSNs included on the pre-coded tapes and (2) the tapes made available to Social Security for periodic matching against SSA's MBRs.

If you have any questions or would like to discuss this matter further, please contact me or Mr. Robert Wychulis of my staff on 597-3138. Copies of this letter are being sent to the cognizant Congressional committees; Secretary, Health and Human Services; OIG Audit; National Center for Health Statistics, Public Health Service; and your Office of Assessment.

Sincerely,

A handwritten signature in cursive script that reads "Peter J. McGough". The signature is written in dark ink and is positioned above the typed name.

Peter J. McGough  
Associate Director