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Timely Data Could Prevent Millions in Overpayments to Nursing Home Residents

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The Honorable Nancy L. Johnson
Chairman, Subcommittee on Oversight
Committee on Ways and Means
House of Representatives

The Honorable E. Clay Shaw, Jr.
Chairman, Subcommittee on Human Resources
Committee on Ways and Means
House of Representatives

Recent growth in the Supplemental Security Income (SSI) program and approximately $1 billion in annual overpayments to SSI recipients have increased congressional interest in ensuring that SSI recipients receive only those benefits to which they are entitled. In 1996, about 6.6 million SSI recipients received about $24 billion in federal payments and $3 billion in state supplemental payments, and the maximum monthly SSI federal benefit for eligible individuals was $470. There were about 1.8 million individuals in nursing homes and other similar institutions having their care paid by Medicaid at a cost of about $39 billion in 1995, and contrary to law, some of them were continuing to receive their full SSI benefits. This usually occurs because the Social Security Administration (SSA), which administers the SSI program, is unaware that the individuals are in Medicaid facilities.

Because of your concern that some SSI recipients in nursing homes and other medical treatment institutions may receive overpayments, you asked us to determine (1) the extent of such overpayments, (2) the success or failure of SSA actions in preventing and detecting these overpayments, and (3) the methods by which SSA can better prevent such overpayments.

To answer these questions, we interviewed officials from the Health Care Financing Administration (HCFA), which is the U.S. Department of Health and Human Services (HHS) agency responsible for the Medicaid program; SSA headquarters in Baltimore, Maryland; 4 SSA regional offices; and 13 field offices. We also visited with Medicaid agencies in five states (California, Florida, New York, Tennessee, and Texas) to collect information on their Medicaid data systems. In addition, we analyzed SSA data on detected overpayments caused when SSA was not notified in a timely manner of SSI recipients' admissions to medical institutions. We also obtained Medicaid nursing home admissions data for December 1996 from

New York and Texas to determine the number of SSI recipients recently admitted to nursing homes in these states and potentially receiving overpayments. To demonstrate the potential of an automated information interface between SSA and state Medicaid agencies to help minimize overpayments, we obtained Tennessee state Medicaid data on admissions to nursing homes and other Medicaid facilities and matched that information against the Supplemental Security Record (SSR), SSA's payment record for the SSI program. This showed those recipients who were residing in nursing homes but who were still receiving full SSI benefits. (See app. I for more information on our scope and methodology.)

Results in Brief

SSA estimates that overpayments to individuals in nursing homes may exceed $100 million annually; however, the exact extent is unknown. Despite SSA procedures to prevent overpayments, and recent legislation designed to further help prevent these overpayments to SSI recipients in nursing homes, we determined, based on SSA data, that it had detected overpayments totaling $24 million to about 31,000 recipients in fiscal year 1995. Furthermore, in two states we visited, New York and Texas, we determined that SSA may not have been aware of an additional 1,699 SSI recipients recently admitted to nursing homes during a 1-month period and potentially overpaid these individuals $515,714 in benefits during the subsequent month alone.

SSA efforts to prevent these overpayments or detect them in a timely manner have had little success. In many cases, recipients or their representative payees[1] did not report the change in living arrangements in a timely manner. In addition, because of other work priorities, SSA field representatives have not routinely contacted the over 23,000 U.S. nursing homes to solicit their cooperation in notifying SSA of admissions of SSI recipients, as SSA policies require. Furthermore, our analysis of SSA data shows that overpayments to SSI recipients residing in nursing homes have increased by nearly 13 percent since the October 1995 effective date of the legislation that was designed to reduce overpayments. While the effect of this legislation is difficult to determine because SSA does not have uniform systems for either following up on admission notifications from nursing homes or monitoring compliance with the law, it has likely been diminished by limited SSA actions to enforce the reporting requirement and the lack of a statutory penalty for nonreporting by nursing homes. Moreover, SSA's other processes to detect overpayments in a timely

[1]Representative payees are individuals or organizations that receive checks on behalf of SSI recipients who are unable to manage their own affairs. A representative payee is responsible for dispensing the SSI payment in a manner that is in the best interest of the recipient.

manner have not been effective. SSA's redetermination process does not always provide timely identification of individuals in nursing homes because redeterminations are typically conducted only once every 6 years. Also, SSA's annual computer match with HCFA does not contain Medicaid data from all states; does not result in timely identification of admissions; and places a substantial, manual workload on field office personnel.

SSA could more quickly detect overpayments by electronically obtaining nursing home admissions data directly from states to help identify recent changes in recipients' living arrangements. SSA could then use an automated interface to automatically adjust the benefits of SSI recipients admitted to nursing homes who are ineligible for continuation of benefits due to temporary institutionalization and prevent the occurrence of overpayments for the ensuing months. In the states we visited, we found that the state Medicaid agencies can make these data available to SSA. SSA could use an existing data exchange system with states to obtain the needed data electronically. Additionally, we found that in the interim period, while some states prepare their automated systems to make the electronic exchange of data with SSA, states could provide SSA with tapes or paper listings of this information for SSA's use in detecting overpayments. To identify the program improvements such an automated interface could potentially produce, we conducted a joint effort with SSA and the Tennessee Department of Health Services. Through this match, SSA identified $31,000 in overpayments to individuals who had been approved for nursing home admission during February 1996 that SSA had not previously detected. Furthermore, by identifying SSI recipients in nursing homes sooner, the match demonstrated the potential to prevent an additional 9 months or more of overpayments that would likely have occurred before SSA detected the nursing home admissions. SSA and state Medicaid officials told us that they are addressing privacy concerns that may arise from this automated match.

Background

The SSI program is the country's largest cash assistance program for the poor and one of the fastest-growing federal entitlement programs. SSI benefits are available under title XVI of the Social Security Act to people who are aged, blind, or disabled and have limited income and resources. The total SSI benefit is based on the amount of income and resources the recipients report and are verified to have by SSA. The benefit consists of a basic federal payment and, in some cases, a state supplement.

In cases where SSI recipients are expected to be permanent residents throughout a full calendar month in Medicaid-certified medical treatment institutions[2] and Medicaid pays over 50 percent of the costs of that care, the maximum SSI federal benefit is limited to $30 per month. The benefit reduction is applicable beginning with the first full month of permanent residence. If the admission is not reported promptly to SSA, a recipient may receive more than he or she is entitled to in the months following admission. In some cases, at the time of application for admission to a nursing home, a physician preliminarily determines whether the individual is expected to stay in the facility temporarily, and this information is provided to the state Medicaid agency. The agency is responsible for determining eligibility for Medicaid coverage of nursing home care. Individuals may continue to receive their full monthly benefit for up to 3 months if a physician certifies that they are expected to be institutionalized for 90 full calendar days or less and they demonstrate the need to pay expenses to maintain their home or living arrangement to which they may return upon discharge from the facility. Recipients have until the day of discharge or the 90th day of institutionalization, whichever is earlier, to provide the physician certification and statement of need. SSA does not change the benefit amount until a determination is made of whether the recipient's nursing home stay will be temporary.

SSA attempts to prevent overpayments to nursing home residents by relying on recipient self-reporting and maintaining contacts with nursing homes to obtain admissions information. In addition to attempting to prevent overpayments from occurring, SSA also uses its redetermination process, a periodic review of SSI recipients' financial eligibility, and an annual computer match with Medicaid data provided by 28 states to HCFA to detect and stop payments that have occurred. (See app. II for more detailed information on SSA actions to prevent and detect overpayments.)

Actual Extent of Overpayments Is Unknown, but May Exceed $100 Million

SSA's Office of Program and Integrity Reviews (OPIR), which annually conducts detailed examinations of a sample of cases to determine the accuracy of benefit payments, estimates that overpayments to SSI recipients in nursing homes may exceed $100 million each year. OPIR identifies erroneous payments that would otherwise go undetected because it reviews and verifies all nonmedical factors of payment eligibility for a random sample of individuals currently receiving benefits. For example, OPIR reviews include visits to institutions and recipients'

[2]These include hospitals, nursing homes, psychiatric institutions, and intermediate care facilities for the mentally retarded. For the purposes of this report, we will refer to these facilities as "nursing homes."

residences to verify living arrangements. These types of in-depth examinations on a small sample of cases are in contrast to the usual procedures used in SSA field offices. There, claims representatives rely primarily on recipients to self-report changes in status because, according to SSA, it would be cost-prohibitive for field offices to conduct the same in-depth examinations. As a result, many admissions to nursing homes go undetected.

In contrast to OPIR's estimate of potential overpayments of $100 million, we found that in fiscal year 1995 SSA detected overpayments totaling $24 million to about 31,000 SSI recipients in nursing homes. Detected overpayments averaged about $800 or about 2 months of benefits; however, SSA estimates that such overpayments can continue for up to 9 months before they are detected. As shown in table 1, detected overpayments to SSI recipients in nursing homes in 1995 ranged from less than $500 to over $7,500. Our analysis of SSA's overpayment data showed that 1,960 recipients received in excess of $2,500 in overpayments, including 386 who received more than $5,000.

Table 1: Range of SSA-Detected Overpayments to Nursing Home Residents in Fiscal Year 1995

Amount of overpayment	Number of recipients	Percentage of recipients
$1-$499	17,701	57.5
$500-$999	6,074	19.7
$1,000-$2,499	5,043	16.4
$2,500-$4,999	1,574	5.1
$5,000-$9,999	383	1.2
>$10,000	3	0.1
Total	**30,778**	**100.0**

Source: SSA's Supplemental Security Record.

SSA Is Unaware of Some SSI Recipients Recently Admitted to Nursing Homes

We obtained nursing home admissions data for December 1996 from New York and Texas, two of the states that do not provide data to HCFA via the Medicaid Statistical Information System (MSIS) and, therefore, are not included in the annual match with SSA. We determined that SSA paid $515,714 in benefits to 1,699 SSI recipients in the month following their admission to nursing homes. Because these individuals were institutionalized for a full calendar month, SSI payments to them after that time are overpayments unless the recipients receive continuation of benefits due to temporary institutionalization. According to SSA records at the time of our review, these individuals were still classified as having

living arrangements other than institutionalization, indicating SSA may not have been aware that they were in nursing homes. Thus, SSA would have continued to erroneously pay them full benefits either indefinitely or until SSA found out about the situation. These matches indicate both that non-MSIS states have undetected overpayment situations and that they have information readily available that SSA could use to minimize its SSI overpayments to nursing home residents.

SSA Achieved Limited Success in Preventing and Detecting Overpayments

We found that SSA efforts to prevent and detect overpayments to residents in nursing homes have had limited success. SSA has not been able to effectively prevent overpayments because some SSI recipients (or their representative payees) are not reporting changes in living arrangements as required, SSA field offices are not routinely contacting facilities to identify SSI recipients residing in the facilities, and recent legislation requiring nursing homes to notify SSA of admissions of SSI recipients has had little effect. Likewise, additional efforts to detect overpayments have been hindered by (1) redeterminations that may be too infrequent to identify many institutionalized individuals in a timely manner and (2) an incomplete and untimely computer match with HCFA.

Recipients and Representative Payees Are Not Reporting Admissions as Required

SSA's first line of defense against making overpayments to nursing home residents is reports from the SSI recipients themselves. However, our review of SSA records indicate that some SSI recipients or their representative payees did not report changes in living arrangements as required. Of the 30,778 individuals in nursing homes that SSA determined were overpaid in 1995, about 47 percent had representative payees while institutionalized. In one region we visited, SSA found that almost 75 percent of erroneous payments to individuals in nursing homes had been caused by recipients or their representative payees failing to report changes in living arrangements. Twenty-five percent of erroneous payments had resulted from field offices not following procedures when determining a recipient's living arrangement.

SSA Field Offices Not Routinely Obtaining Admissions Data From Facilities

SSA field office representatives have not routinely contacted nursing homes to solicit their cooperation in notifying SSA of admissions, as SSA policies require. In October 1993, SSA established policies requiring all field offices to work closely with the staffs of nursing homes to facilitate the flow of information regarding the admission to nursing homes of SSI recipients. We found that most field offices we contacted had not established working

relationships with the facilities, and in some cases they were not even aware of the facilities in their area of responsibility.

According to the field office personnel we interviewed, some nursing homes have routinely notified SSA field offices of SSI recipient admissions; however, field offices could not always account for the notifications because some do not maintain a log or have standard procedures for following up on notifications. We found that neither SSA headquarters staff nor field office representatives routinely monitor facility notifications to ensure follow-up.

Each field office manager establishes the office's work priorities, and in the offices we visited we found that the priority placed on following up on facility notifications varied. We were told that facility notifications are given much lower priority than work responsibilities that are monitored, such as claims processing. In addition, both SSA field office representatives and regional office representatives stated that some notifications would not have been processed in a timely manner, or in some cases not at all, because they had been misplaced or lost. We were unable to quantify the number of untimely or unprocessed facility notifications because no records of notifications have been maintained.

Effect of Recent Legislation in Preventing Overpayments Is Questionable

The effect that recent legislation[3] requiring nursing homes to report admissions to SSA has had in preventing SSI overpayments to nursing home residents is difficult to determine; SSA does not have a uniform system for following up on admission notifications from nursing homes or for monitoring compliance with the law. However, our analysis of overpayment data and interviews with SSA headquarters and field office officials indicate that the legislation has had little effect in preventing overpayments. For example, the amount of detected overpayments to SSI recipients in nursing homes has grown by 12.3 percent since the October 1995 effective date of the legislation, increasing from $24 million in fiscal year 1995 to $27 million in fiscal year 1996. In instances where facilities had reported admissions of SSI recipients, the majority of the field offices we visited had no system for documenting the receipt or disposition of the admissions referrals to SSA. As a result, SSA has no data on which to determine whether nursing homes are complying with the law, and there is no assurance that field office claims representatives are following up on all admissions notifications.

[3]The Social Security Domestic Employment Reform Act of 1994 (P.L. 103-387, sec. 6, Oct. 22, 1994).

The effectiveness of the law has likely been diminished by limited SSA efforts to carry out the reporting requirement and the lack of a penalty for nonreporting by nursing home administrators. SSA has not developed any regulations establishing a uniform mechanism for nursing homes to report admissions or revised its agency policies on coordinating with institutions since enactment of the law. Instead, SSA efforts primarily focus on having its 1,300 field offices maintain contacts and solicit information from the over 23,000 U.S. nursing homes. SSA has publicized the nursing home reporting requirement and HCFA has issued notices to nursing home administrators informing them of their reporting responsibilities. The legislation, however, does not have a penalty for nonreporting by nursing home administrators, and the amount of reimbursement nursing homes receive for treating Medicaid patients is not affected by reporting or not reporting; therefore, SSA must rely on voluntary compliance by nursing homes. In 1995, SSA requested that HCFA develop and implement procedures for monitoring compliance with the reporting requirement. To date, neither SSA nor HCFA has developed such a system.

Often Redeterminations Have Not Identified Institutionalized Individuals in a Timely Manner

SSA uses its redetermination process to verify that recipients remain financially eligible for SSI payments and are receiving the correct amounts. However, because of resource constraints, SSA reviews the eligibility of most recipients only once every 6 years. SSA records indicated that in 1995, 4,792 of the 30,778 overpaid individuals had redeterminations while they were in nursing homes. We found that 3,099 individuals each had one redetermination, 352 had two, and 60 had three or more. According to SSA records, 364 of these redeterminations involved face-to-face contact between an SSA field office employee and the recipient or the representative payee. Because of the infrequency of some redeterminations, SSA cannot rely on this process to routinely and effectively identify in a timely manner overpayments due to nursing home residency.

Current Computer Match With HCFA Is Incomplete, Not Timely, and Results in Unnecessary Field Office Work

Although SSA's computer match with state Medicaid data from HCFA results in about $4 million in program savings each year, it only contains data from 28 states, identifies overpayments only after they have continued for a lengthy period, and places an unnecessary work burden on field offices. SSA does not independently obtain Medicaid nursing home admissions data from states not participating in MSIS. Consequently, admissions of SSI recipients to nursing homes in the remaining states, unless self-reported, are likely to go undetected for long periods.

In addition, SSA's computer match with HCFA is not timely. For example, in June 1995 HCFA matched data on possible nursing home admissions occurring between April 1, 1994, and March 31, 1995. The resulting match cases were sent to SSA field offices in October 1995 to be included in their annual workload.[4] Based on our review of a sample of cases identified using the match, we found that an average of 14 months elapsed from the time an individual was admitted to a nursing home until SSA headquarters notified the field office to review the person's case. Furthermore, it took field office representatives an additional 4 months before they reviewed the cases and made changes, if necessary, to the benefit amount.

The match also incorrectly identifies many individuals as having changed their living arrangement, therefore placing an unnecessary and unproductive work burden on field offices. Field office officials told us that many of the match cases they review result in no changes in recipients' living arrangements or benefit amounts. We analyzed a sample of 1996 MSIS match cases sent to field offices at the beginning of the fiscal year and found that as of the close of the year, SSA field offices had not completed reviews of 141 (28 percent) of the 503 cases in our sample. About 28 percent of the completed cases were erroneously selected for review because the individuals were temporarily institutionalized and had been granted a continuation of full benefits. Another 26 percent of the completed cases identified individuals who did not require a change in benefit amount. SSA officials are aware of the deficiencies in the match selection criteria that result in temporarily institutionalized individuals or those in nursing homes for less than a full calendar month being selected for review. However, they have yet to change the criteria to only identify individuals institutionalized for a full calendar month who have not been granted a continuation of full benefits because of temporary institutionalization.

Automated Interface Could Help Prevent Overpayments

Obtaining MMIS data on nursing home admissions directly from states and conducting an automated interface in accordance with laws and standards governing computer matching, privacy, and security could provide SSA with the opportunity to prevent or detect erroneous payments more quickly, without the use of SSA field office personnel, and could result in program savings and reduced administrative costs. The cost and ease of states making MMIS data directly available to SSA electronically will vary depending upon the level of automation in each state. However, we have

[4]Field office workloads consist of processing initial claims and completing postentitlement actions, such as redeterminations, benefit recomputations, and address changes.

discussed this with selected state Medicaid, HCFA, and SSA officials, who agreed that such a data exchange would be both practical and desirable.

Currently, for those who do not self-report their nursing home admission, our review of a sample of 1996 cases found that it takes an average of 14 months from the time an individual enters a facility until the overpayment is detected using the annual computer match with HCFA data that are only available from 28 states, and takes an additional 4 months for the benefit amount to be reduced by SSA. By electronically obtaining nursing home admissions data directly from state Medicaid agencies SSA could prevent overpayments or detect them much sooner—1 to 3 months after they begin—for all 50 states. For example, an automated interface could consist of matching SSI payment data with monthly nursing home admissions data from state Medicaid Management Information Systems (MMIS) obtained using existing telecommunications lines.[5] According to SSA and HCFA officials, SSA could obtain the data directly from states by modifying existing state data exchange agreements[6] to make SSA the recipient agency of state MMIS data on nursing home admissions.

A way to efficiently use state MMIS data on nursing home admissions would be through an automated system. An individual identified in the data as residing in a facility for a full calendar month and subject to a benefit reduction could automatically be sent a notice generated by computer explaining the detection of a potential overpayment situation, the potential revised payment amount, criteria for receiving the continuation of benefits if the recipient is temporarily institutionalized, and the process for appealing the benefit reduction. Following a reasonable response time period to provide due process, the computer could, in appropriate cases, automatically adjust the SSI benefit to the correct amount for the appropriate months' payments. Field office claims representatives would not have to review the case or manually input changes to the recipient's payment file in order to correct the benefit amount. This would minimize the time period over which the overpayment occurs, thereby saving program dollars, and would reduce field office time devoted to this activity, freeing it for other purposes. In those cases in which individuals requested, and were determined to be eligible for continuation of benefits

[5]These lines, known as the File Transfer Management System (FTMS), already exists between SSA headquarters and the states. SSA installed FTMS so that it could transmit SSA data on its clients to every state. State agencies are required by the 1984 Deficit Reduction Act to use this information to better identify those who are not eligible for public assistance or who are receiving incorrect benefits.

[6]At least monthly, SSA makes available to all states SSI eligibility and payment information to assist them in administering SSI state supplemental payments and other federally funded programs such as Medicaid and food stamps.

due to temporary institutionalization, SSA could manually input changes to the recipients' files, overriding the automatic benefit reduction and thereby continuing uninterrupted full benefit payments. Such an automated system would require testing on SSA's part to ensure the reliability of state data for making automatic payment reduction decisions and to minimize the risk of inappropriate reductions.

Some states have already demonstrated their capability to share data with SSA to prevent and detect overpayments. Currently, the SSI payment file is matched with data from the 28 states participating in MSIS. Furthermore, in 1994, SSA began establishing direct connections between its field offices and states that had automated databases that could be easily linked to SSA's computer system. Currently, 15 states have entered into agreements allowing SSA field offices to directly access certain state databases containing information SSA can use to verify recipients' reported income and other factors of financial eligibility.

State Medicaid and SSA field office officials we interviewed said that SSA's routinely obtaining nursing home admission data directly from states could provide the best opportunity to prevent or detect overpayments to SSI recipients in nursing homes. Three of the states we visited do not participate in MSIS, but the Medicaid officials in these states said that they can make nursing home admissions data available to SSA electronically. Tennessee has already made various state databases available for use by SSA field offices. New York and Texas are negotiating with SSA to establish pilot projects granting SSA access to certain state databases.

Pilot Match With Tennessee Demonstrates Feasibility and Effectiveness of Directly Obtaining State Data

To help demonstrate the feasibility of SSA's directly obtaining state Medicaid nursing homes' admissions data and more quickly detecting overpayments, we coordinated a joint effort between SSA and the Tennessee Department of Health Services to identify SSI recipients in nursing homes. On the basis of data we obtained from Tennessee and provided to SSA, SSA detected $31,000 in overpayments to 40 SSI recipients from February to July 1996. These recipients had not previously been identified by SSA as residing in nursing homes. The overpayment amounts ranged from less than $10 to almost $1,800, and the average overpayment was $775. In addition to detecting overpayments, the pilot allowed SSA to prevent at least 9 months of additional overpayments to individuals that would likely have gone undetected and that SSA would not have been likely to collect. The pilot match in Tennessee, a state that accounts for about 3 percent of all SSI recipients, demonstrates that by directly obtaining state

MMIS data, SSA could not only more quickly identify SSI recipients in nursing homes, but also prevent future overpayments.

SSA Currently Conducts Automated Interfaces With Some Federal Agencies

SSA already conducts routine automated computer interfaces with the Department of Veterans Affairs, the Office of Personnel Management, and the Railroad Retirement Board that result in automatic benefit reductions without SSA field office involvement. In each of these interfaces, SSR and files from the source agencies are matched. When the match determines that an individual on both the SSR and the source agency file are the same person and there has been a change in income affecting the SSI benefit, the system automatically adjusts the benefit and generates a notice to the recipient about the revised payment amount. Before any benefit reduction occurs, a recipient has 10 days after receiving notification of the benefit change to file an appeal and continue receiving unreduced benefits, otherwise the benefit reduction occurs automatically, without a field office representative reviewing the case. SSA estimates that these interfaces result in about $41 million in program savings each year.

SSA and States Have Taken Actions That Address Privacy and Security Concerns Raised by Electronic Data Exchanges

Certain privacy and security concerns may arise when data are exchanged electronically between agencies. These concerns center on ensuring that personal information that an individual provides to one government agency is protected from being disclosed to other agencies that do not have a legal right to it. Granting SSA direct access to state Medicaid data will not violate the privacy rights of individuals who provide this information because SSA will simply electronically obtain information to which it already has a legal right. SSA already obtains this information from 28 states using HCFA's MSIS data.

As part of its procedures to determine whether to implement electronic data exchanges with state agencies, SSA assesses the costs, benefits, and security risks of conducting such exchanges. According to SSA officials, an automated computer interface between SSA and state MMIS would be subject to the same procedures and feasibility testing prior to nationwide implementation. Although we did not evaluate the effectiveness of SSA's or the states' security procedures, SSA and state officials told us that these procedures will be stringent enough so that SSA can obtain state data electronically and conduct automated interfaces without compromising confidentiality. SSA and states have taken steps specified in federal security standards that, we were told, would ensure the confidentiality and security of data exchanged electronically. These include instituting written

agreements between SSA and state agencies regarding how the data will be used and using computer lines dedicated solely to the transmission of data between government agencies.

States Can Provide Data to SSA in Other Formats While Preparing to Make It Available Electronically

In the interim period, while states are preparing to make the necessary nursing home admissions data directly available to SSA electronically, they could provide SSA with tapes or paper listings of admissions to nursing homes. SSA could use this information to detect overpayments sooner than it can using data from the current annual computer match. In the states that we contacted during our review, state officials told us that providing this information to SSA routinely would require only minimal computer programming to format the data for SSA's use. Two states we visited, New York and Texas, provided this information to us on computer tapes so that we could identify previously undetected potential overpayments to nursing home residents in those states.

Conclusions

Generally, SSI benefits are supposed to be reduced for those individuals in nursing homes for more than a full calendar month when Medicaid is paying the cost of care. For many years, however, SSA has lacked an effective process to prevent SSI recipients in nursing homes from receiving overpayments. It has relied primarily on (1) inadequate self-reporting by recipients, (2) inconsistent and irregular field office contacts with nursing homes, (3) untimely redeterminations, and (4) an incomplete computer match with Medicaid data from HCFA that does not result in timely identification of nursing home admissions. Neither SSA's efforts nor the recent legislation requiring nursing homes to report admission of SSI recipients to SSA has been fully effective. As a result, SSA continues to overpay millions of dollars to thousands of recipients in nursing homes. Given SSA's experience that only about 15 percent of outstanding overpayments to SSI recipients are collected, it is important that SSA detect these overpayments as soon as possible and prevent future overpayments.

HCFA has the authority to require states to make available to SSA MMIS information on nursing home admissions. States would be paid 90 percent of the costs of developing the necessary capabilities and 75 percent of the operating costs. Our efforts with three states have shown that directly obtaining state MMIS data could help SSA prevent or more quickly detect overpayments and simultaneously reduce the SSA field office workload. In the interim, while such arrangements are being made, states could provide tapes or hard copies of these data to SSA to help control its payments, with

minimal effort or cost to the states. Preventing or detecting erroneous payments more quickly and decreasing SSA's reliance on recipients and nursing homes to report changes in circumstances that affect eligibility would bolster the integrity of the SSI program by helping ensure that clients are receiving only those benefits to which they are entitled and would save both program and administrative costs.

Recommendations

To prevent overpayments to SSI recipients in nursing homes or detect them sooner, we recommend that the Secretary of Health and Human Services direct the Administrator of HCFA to require states, as part of MMIS systems requirements, to include information on nursing home admissions as standard data elements in their MMIS and make these data elements available to SSA electronically, in accordance with the laws and standards governing computer matching, privacy, and security.

We also recommend that the Commissioner of SSA take the following actions:

- Establish agreements with the states to routinely obtain state MMIS data on nursing home admissions electronically, as soon as feasible.
- Establish interim agreements with state Medicaid agencies, while states adapt their systems to make this information available to SSA electronically, to obtain computer tapes or paper listings of admissions to nursing homes and use this information to identify overpayment situations and begin recovery actions and payment reductions.
- Determine the reliability of state MMIS data for purposes of supporting automatic benefit reductions for those SSI recipients identified as residing in nursing homes for a full month who are not eligible for continuation of full benefits due to temporary institutionalization and, if the data are reliable, implement a system for automatic benefit reduction.

Agency Comments and Our Evaluation

In commenting on a draft of this report, SSA agreed that improvements can be made in obtaining and processing nursing home admissions data on SSI recipients (see app. III). SSA noted that it has been working on solutions to this problem, including obtaining MSIS data, which are submitted voluntarily by 28 states, from HCFA. Acknowledging that MSIS data do not cover all admissions, SSA is working with HCFA to determine if HCFA's new system, the Resident Assessment Instrument System (RAIS), can be used to identify SSI recipients in nursing homes in a more timely manner. The primary purpose of collecting the assessment information is to help

nursing home staff plan and evaluate the care they provide to residents. SSA said that should RAIS not prove feasible, it would then consider the recommendations in our report.

We have no objection to SSA's use of RAIS, if in fact it is the most effective and efficient way of reducing SSI overpayments to nursing home residents. However, while RAIS may provide SSA with the data it needs to more quickly identify SSI recipients in nursing homes, we have several significant concerns in this regard. First, not all states participate in RAIS. While HCFA has instructed all Medicare- and Medicaid-certified nursing facilities to complete the assessment on all residents upon admission, currently HCFA does not require that the assessment results be submitted to it or any other entity. According to HCFA officials, HCFA will require all states to participate in RAIS as part of the President's fiscal year 1998 budget proposal to create a separate prospective payment system for nursing homes. HCFA officials told us that they do not know whether this proposal will be adopted. However, contrary to SSA's comments on our report, HCFA already has the authority to require all states to make nursing home admissions data available to SSA using state MMIS, as we suggested in this report.

Second, we are concerned about the reliability of the RAIS data in identifying whether Medicaid is paying for the nursing home care, which is a key factor in determining whether a recipient's SSI benefit amount is affected by residency in a nursing home. According to HCFA officials, facilities' nursing staffs would most likely be completing the assessments and may not be familiar with the source of payment for the residents. If the nurses do not accurately complete the source of payment information on the assessment forms, SSA would be matching its file with erroneous payment data from RAIS. The MMIS information we recommend that SSA use is treatment authorization or paid claims data already approved by the state Medicaid agency.

A third issue concerning RAIS is timeliness. RAIS is still being piloted and, according to HCFA officials, may not be fully operational in all states at least until summer 1998, which would allow the current level of related SSI overpayments to continue for over a year. SSA stated in its comments on this report that MMIS data would be available only quarterly. However, MMIS data can be provided monthly or even more frequently if sent from the states directly to SSA. Consequently, we continue to believe that electronically obtaining nursing home admission data directly from states provides SSA with the best opportunity to detect nursing home admissions

more quickly than its current efforts and also to prevent additional overpayments.

In the interim, while SSA determines whether RAIS is the best solution for identifying SSI recipients in nursing homes, we believe that obtaining MMIS data directly from states each month through computer tapes or paper listings is preferable to the delays experienced under SSA's current procedures. The states we contacted said that they could format the data for SSA's use and provide data to SSA on a monthly basis. Furthermore, two states we visited demonstrated that nursing home admissions data could be made available by providing us with computer tapes that allowed us to identify previously undetected potential overpayments.

Finally, SSA said that it is highly questionable that a system for automatic benefit reduction can be implemented because of the in-depth information required to determine whether a recipient is eligible for continued benefits due to temporary institutionalization. As we stated in the report, the benefit reduction would occur only after automated notices were sent to recipients asking if they resided in the nursing home for more than a full calendar month and the appropriate due process procedures were followed. For those recipients requesting a continuation of benefits, the automated reduction would be suspended, and SSA would then follow its current procedures for determining eligibility for continued benefits. Only the benefits of those recipients remaining in nursing homes and not requesting a continuation of benefits would automatically be reduced without field office review.

In commenting on a draft of this report, HHS noted HCFA's willingness to provide the MSIS data it now receives from the states to SSA on a quarterly rather than annual basis. (See app. IV.) This suggestion fails to recognize the underlying reason for our specific recommendation. Having HCFA involved in the pass-through of information between the states and SSA causes both an unnecessary expense for HCFA and a timeliness delay for SSA. The SSI program needs access to nursing home admissions data as quickly as possible after the actual admissions to minimize the overpayments it makes. Consequently, we continue to believe that the most effective data transfer is directly between the states and SSA on as frequent a basis as possible.

HHS also commented about the need to offset the costs associated with our recommendation for each state and for HCFA against the benefits to be derived by the SSI program. We agree. As stated in this report, we were told

by both officials of the states we visited and knowledgeable officials in HCFA that only minimal computer programming would be required to format the data for SSA's use. It should also be noted that the federal government would pay 90 percent of the developmental costs and 75 percent of the operating costs for operating such a data exchange system, thereby further reducing the burden of this change on the states. The minimal costs associated with developing and operating such a system, including those incurred by SSA, should be compared with the tens of millions of dollars in reduced overpayments to the SSI program that our work indicates would accrue. Moreover, if our recommendations are adopted, HCFA will no longer be asked to provide MSIS data to SSA, thereby saving HCFA the costs it currently incurs.

Finally, HHS suggested that we also investigate using the RAIS database as another alternative to our recommendation. As stated in our response to SSA's comments on this report, it is unknown when all states will participate in contributing data on nursing home admissions to RAIS, and the reliability of this system for identifying whether Medicaid is paying for the nursing home care is questionable. This information is paramount to determining whether an SSI overpayment has been made.

SSA and HHS also made other technical comments, which we incorporated throughout the report as appropriate.

We are sending copies of this report to relevant congressional committees; the Director, Office of Management and Budget; the Commissioner, SSA; the Secretary of Health and Human Services; and other interested parties. Copies will also be made available to others on request. If you or your staff have any questions concerning this report, please call me on (202) 512-7215. Other GAO contacts and staff acknowledgments are listed in appendix V.

Jane L. Ross
Director, Income Security Issues

Contents

Abbreviations

FTMS	File Transfer Management System
HCFA	Health Care Financing Administration
HHS	Department of Health and Human Services
MMIS	Medicaid Management Information System
MSIS	Medicaid Statistical Information System
OPIR	Office of Program and Integrity Reviews
RAIS	Resident Assessment Instrument System
SSA	Social Security Administration
SSI	Supplemental Security Income program
SSR	Supplemental Security Record

Objectives, Scope, and Methodology

To determine the extent of overpayments to individuals because they resided in nursing homes, we reviewed the Supplemental Security Record, the Social Security Administration's payment record for the Supplemental Security Income program. We obtained fiscal year 1995 and 1996 data and identified those individuals SSA determined had been paid erroneously because of institutionalization in nursing homes. We analyzed the payment record and developed aggregate information on overpaid recipients.

To determine the success or failure of SSA's actions in preventing and detecting overpayments, we interviewed SSA headquarters officials in Baltimore, Maryland; 4 regional offices; and 13 field offices. In addition to these discussions, we analyzed the SSR to determine the effectiveness of SSA's match with the Health Care Financing Administration. Of the 5,907 fiscal year 1996 Medicaid Statistical Information System match cases sent to the field offices for review, we identified the 503 cases that appeared in SSA's 10-percent sample data files. These files are random samples of all cases in a given month on the SSR. SSA field offices had completed reviews of 362 of the 503 cases as of the end of the fiscal year. We obtained and analyzed payment history data for the completed cases to determine the outcome of SSA's matching effort.

Finally, to determine methods by which SSA can better prevent overpayments, we interviewed state Medicaid officials in five states to obtain information about Medicaid data systems to determine the feasibility of conducting an automated interface with SSA. We selected Tennessee because of its advancements in providing electronic access to the state's information systems. We selected the other four states (California, Florida, New York, and Texas) because they have the four largest SSI populations, accounting for almost 40 percent of the total SSI population. We obtained Medicaid nursing home admissions data for December 1996 from New York and Texas and matched it against the SSI payment file to identify SSI recipients admitted in that month to nursing homes in these states and the resulting potential overpayments. Moreover, we coordinated a pilot between SSA and the Tennessee Department of Health Services to further document the feasibility of SSA's directly obtaining state Medicaid data. Tennessee officials provided data on all individuals in Tennessee approved for admission to nursing homes in February 1996 and paid claims data from February through July 1996. We used these data to determine the length of nursing home stays. We provided this information to SSA and had SSA systems analysts develop a computer program to compare Tennessee's admissions and paid claims

data with SSR data to identify SSI recipients who had received overpayments because they resided in nursing homes.

Since SSR and the state Medicaid information systems are subject to periodic quality assurance reviews, we did not independently examine the computer system controls for them. Except for this limitation, we conducted our review between April 1996 and April 1997 in accordance with generally accepted government auditing standards.

SSA Actions to Prevent and Detect Overpayments

SSA Relies on Reporting by Recipients and Nursing Homes to Prevent Overpayments

SSA requires that recipients report entrance into nursing homes as quickly as possible. However, because many recipients do not report this information, SSA also establishes working relationships with nursing homes to obtain admission and discharge information on the SSI population. Furthermore, legislation was enacted, effective in October 1995, to require that nursing homes provide this information to SSA.

At the time of application for benefits, claims representatives in SSA field offices inform SSI recipients that they are required to report information that may affect their eligibility or payment amounts. If the recipient has a representative payee, the payee is responsible for reporting such information to SSA. Significant events to be reported include a change in income, resources, marital status, or living arrangements, such as admission to or discharge from a nursing home. Failure to report such changes can result in monetary penalties of up to $100 per event.

Although SSI recipients are the primary source for reporting changes in their living arrangements, SSA recognizes that recipients entering nursing homes may not always report their admissions on a timely basis, if at all. Therefore, SSA attempts to obtain admission and discharge information directly from nursing homes. In October 1993, SSA instructed its field offices to work closely with nursing homes to facilitate the flow of information regarding the admission of SSI recipients. Field offices are to maintain ongoing contact with all appropriate institutions in their service areas, use regular visits as a means to encourage cooperation, and establish procedures for institutions to make timely reports on events that affect SSI recipients' eligibility and benefit amount. Also, the Social Security Act, as recently amended, states that the Commissioner of SSA must require each administrator of a nursing home to report within 2 weeks any admission occurring on or after October 1, 1995, of any eligible individual or eligible spouse receiving SSI benefits. The legislation was designed to prevent overpayments to SSI recipients who failed to report their admission to nursing homes. To comply with the legislation, SSA and HCFA notified nursing home administrators of the reporting requirement. The law, however, did not contain a penalty for nonreporting by nursing home administrators.

SSA Actions to Detect Overpayments Once They Have Been Made

In addition to relying on recipient self-reporting and contacts with nursing homes to prevent overpayments, SSA uses its redetermination process and an annual computer match to detect such payments once they have occurred. A redetermination is a review of financial eligibility factors to

ensure that recipients are still eligible for SSI payments and are receiving the correct amount. A redetermination addresses financial eligibility factors such as income, resources, and living arrangements and can be conducted by mail, telephone, or face-to-face interview. Given its limited resources, SSA conducts redeterminations on over two-thirds of the SSI population receiving benefits approximately once every 6 years but may conduct them more frequently if it determines that changes in eligibility or erroneous payments are likely. Recipients with a history of recent earnings are likely to be redetermined more often than recipients, such as institutionalized individuals, who generally do not experience fluctuations in their income or resources. The redetermination procedure includes a question for recipients about whether the recipient spent a full calendar month in a hospital, nursing home, other institution, or any place other than the recipient's normal residence. With this question, SSA hopes to identify situations where overpayments to recipients may have occurred.

SSA has conducted an annual computer match with HCFA since 1992 to identify SSI recipients in nursing homes. Currently, SSA sends a file to HCFA containing identifying information on all SSI recipients residing in the 28 states that provide data to HCFA via the Medicaid Statistical Information System (MSIS). The MSIS file contains Medicaid usage data submitted by states on a voluntary basis. HCFA matches the MSIS nursing home admissions data with the SSA file to identify SSI recipients who resided in nursing homes during the period covered by the match and sends a file to SSA with this information. After reviewing the match results, SSA deletes cases in which individuals (1) have self-reported their admission to SSA, (2) are not in current pay status, or (3) are deceased. SSA then distributes information on potential overpayment situations to the appropriate field offices during October of each year. According to SSA procedures, field office representatives are to contact the recipients or nursing homes during the balance of the fiscal year to determine if overpayments have been made. SSA does not begin overpayment recovery efforts until recipients are discharged from facilities and are eligible to receive their full SSI benefit.

Although SSA uses the MSIS data from 28 states to help detect overpayments, Medicaid data from all states exist and could be used by SSA more frequently than once a year. Generally, nursing homes report admissions of individuals and file claims for reimbursement with state Medicaid agencies in a timely manner to ensure rapid payments from Medicaid to them. States use automated systems, known as Medicaid Management Information Systems (MMIS), to process claims and to capture

and report data needed by HCFA and the states to manage the Medicaid program. The Secretary of Health and Human Services has broad authority to require states to report data that HCFA needs to administer the Medicaid program. State MMIS must meet performance standards as well as system and compatibility requirements established by HCFA. HCFA requires each state's MMIS to include 122 standard data elements and pays 90 percent of the development costs and 75 percent of the operating costs of these systems.

Comments From the Social Security Administration

SOCIAL SECURITY
Office of the Commissioner

April 3, 1997

Ms. Jane L. Ross, Director
Income Security Issues
U.S. General Accounting Office
Washington, D.C. 20548

Dear Ms. Ross:

Thank you for the opportunity to comment on the draft report, "Supplemental Security Income: Timely Data Needed to Prevent Millions in Overpayments to Nursing Home Residents," (GAO/HEHS-97-62). We appreciate the time and effort of the General Accounting Office in conducting this review and agree that improvements can be made in obtaining and processing nursing home admissions data.

We have, through the years, pursued solutions to this problem. In September 1992, the Social Security Administration (SSA) began annual computer matching with the Health Care Financing Administration's (HCFA) Medicaid Statistical Information System (MSIS) in an effort to reduce incorrect payments made to nursing home residents. Since MSIS participation by the States is voluntary, the data did not cover all admissions.

We are currently working with HCFA to assess the feasibility and benefits of data exchanges with HCFA's new system, the Resident Assessment Instrument System (RAIS). RAIS has advantages over the suggested matching and interim agreements in that participation will be mandatory for all States, the RAIS data format is compatible with SSA systems, and reports are to be made monthly. We will know by the fall of 1997 if RAIS provides the best solution to obtaining timely data from the States.

Should RAIS not be feasible, we will explore the suggested improvements contained in the report. This may also entail an examination of the absence of penalties and/or incentives in the current legislation requiring reports of admissions from nursing homes.

SOCIAL SECURITY ADMINISTRATION BALTIMORE MD 21235-0001

Enclosed are our specific comments on the report recommendations. If you have any questions, please call me or have your staff contact Glenna Donnelly at (410) 965-4602.

Sincerely,

John J. Callahan
Acting Commissioner
of Social Security

Enclosure

COMMENTS OF THE SOCIAL SECURITY ADMINISTRATION (SSA) ON THE GENERAL ACCOUNTING OFFICE (GAO) DRAFT REPORT, "SUPPLEMENTAL SECURITY INCOME: TIMELY DATA NEEDED TO PREVENT MILLIONS IN OVERPAYMENTS TO NURSING HOME RESIDENTS" (GAO/HEHS-97-62)

GAO Recommendation

Establish agreements with the States to routinely obtain State Medicaid Management Information System (MMIS) data on nursing home admissions electronically, as soon as feasible.

SSA Comment

We agree with the objective of developing a timely and efficient means of obtaining nursing home data. We also recognize improvements are needed in our annual match with Health Care Financing Administration's (HCFA) Medicaid Statistical Information System. However, there may be a better system for SSA to use to improve the process. The Resident Assessment Instrument System (RAIS) may soon be available to supply SSA with nursing home data more timely, with less start-up time and with mandatory participation of all 50 States.

The MMIS system that GAO recommended using has shortcomings: it does not use the Social Security number as an identifier; there is no uniformity in the reporting format, i.e., all States use a different computer system; and the data are available only on a quarterly basis.

In contrast, RAIS, which has been piloted with six States since 1992, will be mandatory, the reporting format will be uniform, and the data will be available monthly. HCFA informed us that RAIS is expected to go nationwide as early as January 1998.

By the fall of 1997, we will determine which is the best vehicle to use for obtaining nursing home data.

GAO Recommendation

Establish interim agreements with State Medicaid agencies, while States adapt their systems to make this information available to SSA electronically, to obtain computer tapes or paper listings of admissions to nursing homes and use this information to identify overpayment situations and begin recovery actions and payment reductions.

SSA Comment

We agree that we need to obtain nursing home data as quickly as possible, but we also need to accomplish this in the most cost-efficient manner. If the RAIS is not feasible, we will look into entering into interim agreements with State Medicaid agencies

until a new matching process is in place. However, obtaining data in a nonautomated manner will be costly and labor-intensive.

By the fall of 1997, we will determine if interim agreements are necessary.

GAO Recommendation

Determine the reliability of State MMIS data for purposes of supporting automatic benefit reductions for those SSI recipients identified as residing in nursing homes for more than 30 days, and who are not eligible for continuation of full benefits due to temporary institutionalization, and if they are reliable, implement a system for automatic benefit reduction.

SSA Comment

We will need to assess the reliability of using State MMIS/RAIS data to cause automatic benefit reductions. Based on this assessment and subject to the advice from the General Counsel, we will then decide whether an automatic benefit reduction can be implemented consistent with the requirements of the Computer Matching and Privacy Protection Act of 1988 and the Office of Management and Budget Guidelines.

Although automatic benefit reduction is attractive in reducing field office time, we have serious concerns about using this process. Our ability to pursue automatic benefit reductions based on these data is completely dependent on the capability to automate the existing legislative section, 1611(e)(1)G, something that is highly questionable. The development required for continued payment under this statutory section involves asking for indepth information from the treating physician about probable length of stay, documenting expenses of maintaining the residence, etc.

If warranted by our assessment and the General Counsel advice, we will initiate a study by the close of 1997.

Comments From the Department of Health and Human Services

DEPARTMENT OF HEALTH & HUMAN SERVICES

Office of Inspector General

Washington, D.C. 20201

MAY 14 1997

Ms. Jane L. Ross
Director, Income Security Issues
United States General
Accounting Office
Washington, D.C. 20548

Dear Ms. Ross:

The Department has carefully reviewed your draft report entitled, "Supplemental Security Income: Timely Data Needed to Prevent Millions in Overpayments to Nursing Home Residents." The comments represent the tentative position of the Department and are subject to reevaluation when the final version of this report is received.

The Department appreciates the opportunity to comment on this draft report before its publication.

Sincerely,

June Gibbs Brown
Inspector General

Enclosure

The Office of Inspector General (OIG) is transmitting the Department's response to this draft report in our capacity as the Department's designated focal point and coordinator for General Accounting Office reports. The OIG has not conducted an independent assessment of these comments and therefore expresses no opinion on them.

Comments of the Department of Health and Human Services (HHS) on the General Accounting Office (GAO) Draft Report, "Supplemental Security Income: Timely Data Needed to Prevent Millions in Overpayments to Nursing Home Residents"

Overview

The Health Care Financing Administration (HCFA) is responsible for certification of states' Medicaid Management Information Systems (MMIS). MMIS is a mechanized claims processing and information retrieval system identified in section 1903(a)(3) of the Social Security Act and defined in 42 CFR 433.111. States are required to operate a MMIS unless this requirement is waived by the Secretary of HHS. Nevada is the only state that has a waiver of this requirement based on low population.

HCFA is also responsible for the programmatic aspect of the Medicaid Statistical Information System (MSIS). Unlike MMIS, the MSIS is not mandated. Under MSIS, states choose to provide data to HCFA in exchange for HCFA producing an annual report for the state. There are currently 28 states participating in MSIS with several other states interested in joining. HCFA's goal is to have 100 percent state participation sometime in the future. As indicated in this report, MSIS data are currently being matched to Supplemental Security Income (SSI) data on an annual basis to identify SSI recipients who reside in nursing homes. HCFA is responsible for the actual match of SSI and MSIS data and production of reports.

GAO Recommendation

To prevent overpayments to SSI recipients in nursing homes or to detect them sooner, we recommend that the Secretary of HHS direct the Administrator of HCFA to require states, as part of MMIS systems requirements, to include information on nursing home admissions as standard data elements in their MMIS and make these data elements available to the Social Security Administration (SSA) electronically, in accordance with the laws and standards governing computer matching, privacy, and security, to enable identification of SSI recipients' admissions to nursing homes and the automated reduction of the benefit amounts, as appropriate.

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Department Comment

Information on nursing home admissions is available through MMIS, and HCFA could require states to make this information available to SSA. However, we believe a more efficient means of providing such data to SSA is via MSIS. Using MSIS relieves each state of the burden of special reporting to SSA and provides the information to SSA in one file. HCFA currently provides this information to SSA annually from MSIS data furnished from 28 participating MSIS states. However, the President's budget bill would mandate that all states participate in MSIS. With enactment of this provision, this data will be available for all states in the future. HCFA is also willing to give this information to SSA on a quarterly basis if SSA is amenable.

In the event that the provision of the President's budget bill is not passed, HCFA could require states to provide this information to SSA. This would require publication of a notice of proposed rulemaking in the Federal Register, followed by a public comment period, and publication of a final rule. We will consider this alternative if the President's proposal is not enacted.

Other Comments

We also have the following comments about the study and the report.

1. Projected savings have not been offset by costs that will be incurred by states, HCFA, and SSA. The cost of additional resources needed at every level should be evaluated before a reasonable recommendation can be made (e.g., the fact that every state's MMIS is unique represents a substantial offset to any savings under GAO's current recommendation).

2. This report does not discuss outcomes of past efforts by SSA and HCFA in identifying SSI/MSIS matches more timely. Since 1993, SSA and HCFA staff met on several occasions to consider quarterly SSI/MSIS matches (in lieu of annual). Minutes from these meetings discuss the additional SSA and HCFA resources needed for quarterly matches.

Page 3

3. We suggest GAO investigate the possibility of using data from a long-term care data base being developed by HCFA for future operations. This data base is the results of the Omnibus Budget Reconciliation Act of 1987 legislation that mandates a minimum data set as a residential assessment tool to be completed on all nursing home residents in the Nation.

Now on p. 9.

4. Page 22 indicates that individuals residing in nursing homes for less than a full calendar month are being selected for review under the criteria for the SSI/MSIS match. This information is incorrect. The specifications of the interagency agreement between SSA and HCFA clearly state the data match will identify ". . . individuals who, as of the first of each month, have remained in a title XIX facility throughout the preceding month."

Now on p. 4.

5. The term "extended care facilities" should be deleted from the footnote on page 3. The term "institution," when referencing Medicaid payment that includes room and board, includes hospitals, nursing facilities, intermediate care facilities for the mentally retarded, and psychiatric facilities for persons under 21 years of age (42 CFR 435.1009).

Now on p. 9.

6. The report reflects an inconsistency in the time frame from when an individual enters a facility until the overpayment is detected. Page 21 states an <u>average</u> of 14 months while page 22 indicates a <u>maximum</u> of 14 months.

GAO Contacts and Acknowledgments

GAO Contacts

Roland H. Miller III, Assistant Director, (202) 512-7246
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Acknowledgments

In addition to those named above, the following individuals also made important contributions to this report: Mary Ellen Fleischman, Evaluator; James C. Lawson, Evaluator; Graham D. Rawsthorn, Evaluator; John G. Smale, Jr., Senior Social Science Analyst; and James P. Wright, Assistant Director (Study Design and Analysis).

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