COMPUTER MATCHING AGREEMENT
BETWEEN THE SOCIAL SECURITY ADMINISTRATION
AND
THE DEPARTMENT OF VETERANS AFFAIRS
VETERANS BENEFITS ADMINISTRATION
(Match #1008.1309)

I.   Purpose

This computer matching agreement (agreement) sets forth the terms, conditions, and safeguards under which the Department of Veterans Affairs (VA), Veterans Benefits Administration (VBA) will provide the Social Security Administration (SSA) with compensation and pension payment data necessary to administer Supplemental Security Income (SSI) and Special Veterans Benefits (SVB) and to fulfill SSA's obligations for the Medicare Savings Program and Medicare Prescription Drug (Medicare Part D) subsidy (Extra Help). SSA will use VA compensation and pension payment data to verify eligibility, or amount of payments, for SSI and SVB recipients. SSA will also use the VA compensation and pension payment data to verify an individual's self-certification of eligibility for Extra Help. Additionally, SSA will use the VA compensation and pension payment data to identify individuals who may qualify for Medicare cost-sharing assistance through the Medicare Savings Programs (MSP) or Extra Help to contact these individuals about the availability of these programs.

II.   Legal Authority

This agreement is executed under the Privacy Act of 1974, 5 U.S.C. § 552a, as amended by the Computer Matching and Privacy Protection Act (CMPPA) of 1988, Public Law (Pub. L.) 100-503, 102 Stat. 2507 (1988), as amended, and the Computer Matching and Privacy Protection Amendments of 1990, and the regulations and guidance promulgated thereunder.

The legal authorities for SSA to conduct this exchange are sections 806(b), 1144, 1631(e)(1)(B) and (f), and 1860D-14(a)(3) of the Social Security Act (Act) (42 U.S.C. §§ 1006(b), 1320b-14, 1383(e)(1)(B) and (f), and 1395w-114(a)(3)).

The legal authority for VA to disclose information under this agreement is section 1631(f) of Act (42 U.S.C. § 1383(f)), which requires Federal agencies to provide such information as the Commissioner of Social Security needs for purposes of determining eligibility for or amount of benefits, or verifying other information with respect thereto.

Section 1144(a)(1) and (b)(1) of the Act (42 U.S.C. §§ 1320b-14(a)(1) and (b)(1)) requires SSA to take actions to notify individuals about the availability of Medicare cost-sharing and subsidies for low-income individuals under Title XVIII of the Act (Medicare), including MSP and Extra Help.

Section 1860D-14(a)(3) of the Act (42 U.S.C. §§ 1395w-114(a)(3)) sets forth the eligibility determination requirements for Extra Help.

III. Definitions

A. "Compensation and Pension Payment Data" means information pertaining to compensation and pension benefits paid to anyone by VA based on an individual's military service.

B. "Medicare Outreach Efforts" means SSA activities designed to identify and notify Medicare beneficiaries under section 1144 of the Act who may be eligible for medical assistance for payment of the cost of Medicare cost-sharing under the Medicaid program, as well as Extra Help. SSA provides lists of those who received notification about Medicare cost-sharing assistance to the state agencies that administer MSP.

C. "Extra Help" means the low-income subsidy assistance that Medicare beneficiaries receive under the Medicare prescription drug program if they have limited income and resources. SSA certifies to the Department of Health and Human Services that a beneficiary can receive Extra Help to pay for Medicare prescription drug plan costs, such as monthly premiums, annual deductibles, and prescription co-payments.

IV. Responsibilities of the Parties

A. SSA

SSA will perform the following functions after the match of name, Social Security number (SSN) and date of birth (DOB) have been verified with SSA's records:

1. SSA will update its Supplemental Security Record (SSR) system of records (SOR), 60-0103, to reflect the VA compensation and pension payment data.

2. SSA will use the VA compensation and pension payment data to determine the eligibility or amount of payment for SSI or SVB recipients.

3. SSA will use the VA compensation and pension payment data to identify individuals who may be eligible for MSP or Extra Help for outreach efforts in accordance with section 1144 of the Act.

4. SSA will match VA compensation and pension payment data with data in SSA's Medicare Database SOR, 60-0321, to verify an individual's self-certification of eligibility for Extra Help.

5. SSA will use VA compensation and pension payment data to determine an individual's eligibility for Extra Help and to identify such individuals to the state agencies that administer MSP, unless those individuals do not consent to share their information with the state agencies.

6. SSA will provide Congress and the Office of Management and Budget (OMB) with notice of this program and will publish the required matching notice in the Federal Register (Fed. Reg.).

B. VA

1. VA will disclose VA compensation and pension payment data to SSA.

2. The components responsible for this disclosure on behalf of VA are the VBA's Compensation Service and Pension and Fiduciary Service.

V. **Justification and Anticipated Results**

A. Justification

Sections 806(b) and 1631(e)(1)(B) of the Act (42 U.S.C. §§ 1006(b) and 1383(e)(1)(B)) require SSA to verify the declarations of applicants for and recipients of SSI or SVB payments concerning eligibility factors and other relevant facts with independent or collateral sources before making determinations of eligibility or payment amounts.

Section 1631(f) of the Act (42 U.S.C. § 1383(f)) requires Federal agencies to furnish SSA with information necessary to verify SSI eligibility and amount of benefits. Section 1144 of the Act (42 U.S.C. § 1320b-14) requires SSA to conduct outreach efforts for the MSP and subsidized Medicare prescription drug coverage.

Section 1860D-14 of the Act requires SSA to determine the eligibility of applicants who self-certify their income, resources, and family size for Extra Help. SSA is responsible for verifying, on a pre-enrollment basis, an applicant's income, and resource allegations. SSA periodically redetermines the eligibility and subsidy amount for these individuals, thereafter.

SSA and VA have determined that a computer matching program is the most efficient, expeditious, and effective means for SSA to obtain and process the income and resource information from VA. This matching program will result in cost-savings for SSA, reduce the enrollment burden on Medicare beneficiaries, and expedite the enrollment process. No other administrative activity can accomplish this purpose with the same degree of efficiency.

B. Anticipated Results

The benefit to the United States Treasury of this matching operation is the correction of those cases where there is a decrease in the monthly payment amount and the prevention of future overpayments, increased accuracy of SSA's subsidy determinations, and reduced need for manual verifications by field offices of all income and resource allegations on Medicare Part D subsidy initial and

redetermination applications. Based upon the latest evaluation of the match, the total benefit of this match is $7,174,369. The cost to SSA for this matching operation is $208,907; thus showing the matching operation to be cost-effective with a benefit-to-cost ratio of 34.3:1. Please see Attachment 1 for a copy of the full Cost-Benefit Analysis.

VI. <u>Description of Matched Records</u>

A. Systems of Records

VA will provide SSA with electronic files containing compensation and pension payment data from its SOR entitled the "Compensation, Pension, Education, and Vocational Rehabilitation and Employment Records-VA" (58VA21/22/28), last amended at 86 Fed. Reg. 61858 (November 8, 2021), pursuant to routine use 49.

SSA will match the VA compensation and pension payment data with SSI/SVB payment information maintained in its SOR entitled "Supplemental Security Income Record and Special Veterans Benefits" (60-0103), last fully published at 71 Fed. Reg. 1830 (January 11, 2006), and amended at 72 Fed. Reg. 69723 (December 10, 2007), 83 Fed. Reg. 31250-31251 (July 3, 2018), and 83 Fed. Reg. 54969 (November 1, 2018).

SSA will also match the VA information with its Medicare Database (MDB) File, 60-0321, last fully published at 71 Fed. Reg. 42159 (July 25, 2006), and amended at 72 Fed. Reg. 69723 (December 10, 2007) and 83 Fed. Reg. 54969 (November 1, 2018).

The SORs involved in this matching program have routine uses permitting the disclosures needed to conduct this match.

B. Number of Records

For SSI/SVB recipients, in fiscal year 2022, SSA received 1,009,512 records from VA, processed automated updates to 78,411 records, and made 5,529 payment adjustments. Of these 5,529 payment adjustments, SSA suspended 4,190 monthly benefit payments, decreased 1,339 monthly benefit payments, and increased 272 monthly benefit payments.

For Extra Help recipients, VA's compensation and pension payment data file will consist of approximately 7.5 million electronic records. The SSA comparison file contains approximately 110 million records obtained from the MDB. The number of people who apply for Extra Help determines in part the number of records matched.

C. Specified Data Elements

SSA will conduct the match using the SSN, name, DOB, and VA claim number on the VA file, SSR, and the MDB. Attachment 2 identifies the specific compensation and pension payment data elements that VA provides to SSA.

D. Frequency of Matching

VA will furnish SSA with an electronic file containing VA compensation and pension payment data via an encrypted monthly batch process. The actual match will take place approximately during the first week of every month.

VII. Accuracy Assessments

Previous matches with the same files indicate that the SSNs on VA records are 99 percent accurate. The VA compensation and pension data are virtually 100 percent accurate at the time of creation.

SSA does not have an accuracy assessment specific to the data elements listed in this agreement. However, SSA conducts assessments of the data in its SORs as part of its ongoing financial integrity and internal control reviews in accordance with the guidelines established in OMB Management Procedures Memorandum No. 2016-03 – *Additional Guidance for DATA Act Implementation: Implementing Data-Centric Approach for Reporting Federal Spending Information* (May 3, 2016); OMB M-17-04 – *Additional Guidance for DATA Act Implementation: Further Requirements for Reporting and Assuring Data Reliability* (November 4, 2016); and OMB M-18-16 – Appendix A to OMB Circular No. A-123, *Management of Reporting and Data Integrity Risk* (June 6, 2018). Based on these reviews which are certified by the agency's Senior Accountable Official (agency Chief Financial Officer) and by the unqualified audit opinion rendered by the agency's financial statement auditor, the agency has a reasonable assurance as to the accuracy and reliability of these data.

VIII. Procedures for Individualized Notice

SSA will notify applicants or representative payees directly at the time of application for SSI, SVB payments, or Medicare benefits, and for recipients, annually during the life of the match, that SSA will match their records against those of other agencies. SSA will periodically provide similar notices to all recipients at least once during the life of the match. SSA will provide such notice in English or Spanish with alternative options available for the blind or visually impaired. SSA will also publish a notice of this matching program in the Federal Register. The notice will conform to standards set by OMB and the SSA Data Integrity Board (DIB).

VA will notify all applicants who apply for VA benefits that VA will conduct matching programs. VA's notice consists of appropriate language printed on its application forms or a separate handout with appropriate language, when necessary. VA will provide

subsequent notices to its beneficiaries as required. VA's subsequent notice consists of appropriate language mailed by check stuffer or letter to all potentially affected beneficiaries.

IX. <u>Verification Procedure and Opportunity to Contest</u>

SSA will determine if the data on VA's file is consistent with the data on SSA's file. If the data is not consistent, SSA will contact the individual or representative payee to confirm the data.

At least 30 days (the applicable time period currently established under the SSI and SVB programs) before taking any adverse action based on the information received from the match, SSA will provide written notice to each individual or representative payee for whom SSA decides such adverse action is necessary.

Before making an unfavorable decision on an Extra Help application or redetermination based on the information received from VA, SSA will provide a written Pre-Decisional Notice (for initial Extra Help applications) to each applicant or Notice of Planned Action (for redeterminations) to each beneficiary when SSA decides such adverse action is necessary.

The written notice will inform the individual of the match findings and provide the following information:

1. SSA has received information from VA pertaining to receipt of a compensation or pension payment, which indicates that an adverse action affecting the individual's SSI, SVB, or subsidy assistance eligibility or payments is necessary.

2. In order to prevent an action to suspend or reduce benefits, the individual has 30 days (the applicable time period currently established under the SSI and SVB programs) from the date of the notice to contact SSA to contest the adverse decision and submit evidence, if required, to support a decision that benefits should not be suspended or reduced. Unless the individual notifies SSA otherwise within 30 days from the date of the notice, SSA will conclude that the data VA provides is correct and will make the necessary adjustment to the individual's SSI or SVB payment. SSA will consider failure to respond to the notice sufficient justification for taking the adverse action. SSA will permit further appeals of adverse action as described in applicable SSI and SVB instructions and regulations.

3. The individual has a specified number of days (at least 10 days) from the date of the notice to contact SSA to contest the Pre-Decisional Notice or the Notice of Planned Action and submit evidence, if required, to support a decision that SSA should award a full or partial subsidy.

4. Unless the individual notifies SSA otherwise within the specified timeframe, SSA will conclude that the data VA provides is correct and will make the necessary adjustment

to the individual's Extra Help initial application or redetermination application, but only after a minimum of 30 days have passed since the individual received the notice. In other words, SSA will consider failure to respond to the notice sufficient justification for taking the adverse action, but will only take such action after a minimum of 30 days have passed since the individual received the notice. SSA will permit further appeals of adverse action as described in applicable instructions and regulations.

X.   Procedures for Retention and Timely Destruction of Records

SSA will retain the electronic files received from VA only for the period of time required for any processing related to the matching program and will then destroy them by means of electronic erasure following VA Directive 6500, *VA Cybersecurity Program*. SSA may retain some information on particular individuals, which this matching program will generate, in order to meet evidentiary requirements. If such retention is warranted, SSA will retire the retained records in accordance with applicable Federal Records Retention Schedules (44 U.S.C. § 3303a). SSA will not create permanent files or a separate system comprised solely of the data VA provides to SSA.

XI.   Security Procedures

SSA and VA will comply with the requirements of the Federal Information Security Management Act (FISMA), 44 U.S.C. Chapter 35, Subchapter II, as amended by the Federal Information Security Modernization Act of 2014 (Pub. L. 113-283); related OMB circulars and memoranda, such as Circular A-130, *Managing Information as a Strategic Resource* (July 28, 2016), and Memorandum M-17-12, *Preparing for and Responding to a Breach of Personally Identifiable Information* (January 3, 2017); National Institute of Standards and Technology (NIST) directives; and the Federal Acquisition Regulations, including any applicable amendments published after the effective date of this agreement. These laws, directives, and regulations include requirements for safeguarding Federal information systems and personally identifiable information (PII) used in Federal agency business processes, as well as related reporting requirements. Both agencies recognize and will implement the laws, regulations, NIST standards, and OMB directives including those published subsequent to the effective date of this agreement.

FISMA requirements apply to all Federal contractors, organizations, or entities that possess or use Federal information, or that operate, use, or have access to Federal information systems on behalf of an agency. Both agencies are responsible for oversight and compliance of their contractors and agents.

A. Loss Reporting

If either SSA or VA experiences an incident involving the loss or breach of PII provided by SSA or VA under the terms of this agreement, they will follow the incident reporting guidelines issued by OMB. In the event of a reportable incident under OMB guidance involving PII, the agency experiencing the incident is responsible for following its established procedures, including notification to the proper organizations

(e.g., United States Computer Emergency Readiness Team and the agency's privacy office). In addition, the agency experiencing the incident (e.g., electronic or paper) will notify the other agency's Information Security Contact named in this agreement. If VA is unable to speak with the SSA Information Security Contact within one hour or if for some other reason notifying the SSA Information Security Contact is not practicable (e.g., it is outside of the normal business hours), VA will call SSA's National Network Service Center toll free at 1-877-697-4889. If SSA is unable to speak with VA's Information Security Contact within one hour, SSA will contact the VA Network and Security Operations Center at 1-855-673-4357, Option 6 then Option 4.

B. Breach Notification

SSA and VA will follow PII breach notification policies and related procedures issued by OMB. If the agency that experienced the breach determines that the risk of harm requires notification to affected individuals or other remedies, that agency will carry out these remedies without cost to the other agency.

VA must follow VA's data breach policies and procedures as set forth in Public Law 109-461, 38 C.F.R. Part 75, VA Handbook 6500, and Office of Information & Technology guidance when responding to a breach of PII.

C. Administrative Safeguards

SSA and VA will restrict access to the data matched and to any data created by the match to only those users (e.g., employees, contractors, etc.) who need it to perform their official duties in connection with the uses of the data authorized in this agreement. Further, SSA and VA will advise all personnel who have access to the data matched and to any data created by the match of the confidential nature of the data, the safeguards required to protect the data, and the civil and criminal sanctions for noncompliance contained in the applicable Federal laws.

D. Physical Safeguards

SSA and VA will store the data matched and any data created by the match in an area that is physically and technologically secure from access by unauthorized persons at all times (e.g., door locks, card keys, biometric identifiers, etc.). Only authorized personnel will transport the data matched and any data created by the match. SSA and VA will establish appropriate safeguards for such data, as determined by a risk-based assessment of the circumstances involved.

E. Technical Safeguards

SSA and VA will process the data matched and any data created by the match under the immediate supervision and control of authorized personnel in a manner that will protect the confidentiality of the data, so that unauthorized persons cannot retrieve any data by computer, remote terminal, or other means. VA will transfer the data and

SSA will store the data using FIPS 140-2 compliant encryption. Systems personnel must enter personal identification numbers when accessing data on the agencies' systems. SSA and VA will strictly limit authorization to those electronic data areas necessary for the authorized analyst to perform his or her official duties.

F. Application of Policy and Procedures

SSA and VA will adopt policies and procedures to ensure that each agency uses the information contained in their respective records or obtained from each other solely as provided in this agreement. SSA and VA will comply with these guidelines and any subsequent revisions.

G. Security Assessments

NIST Special Publication (SP) 800-37, as revised, encourages agencies to accept each other's security assessments in order to reuse information system resources and/or to accept each other's assessed security posture in order to share information. NIST SP 800-37 further encourages that this type of reciprocity is best achieved when agencies are transparent and make available sufficient evidence regarding the security state of an information system so that an authorizing official from another organization can use that evidence to make credible, risk-based decisions regarding the operation and use of that system or the information it processes, stores, or transmits. Consistent with that guidance, the parties agree to make available to each other upon request system security evidence for the purpose of making risk-based decisions. Requests for this information may be made by either party at any time throughout the duration or any extension of this agreement.

XII. <u>Records Usage, Duplication, and Redisclosure Restrictions</u>

A. SSA will adhere to the following limitations on the use, duplication, and disclosure of the electronic files and data that VA provides to SSA:

1. SSA will use and access the files VA provides only for the purposes described in this agreement.

2. SSA will not use the data to extract information concerning individuals therein for any purpose not specified in this agreement.

3. SSA will not duplicate or disseminate the files VA provides within or outside SSA without the written permission of VA, except as required by Federal law. Prior to making such redisclosure, SSA will give notice to VA and obtain approval of VA's DIB. VA will not give such permission unless the law requires disclosure, or the disclosure is essential to the conduct of the matching program. For such permission, SSA must specify in writing which data it requests be duplicated or disseminated and to whom, the reasons that justify such duplication or dissemination, and identify the statutory authority requiring redisclosure, or

explain how the redisclosure meets the "essential" standard established under the Privacy Act and interpreted in OMB guidance.

B. Both parties will keep an accurate accounting of disclosures from an individual's records as required by the Privacy Act at 5 U.S.C. § 552a(c).

XIII. Comptroller General Access

The Government Accountability Office (Comptroller General) may have access to all VA and SSA data it deems necessary, in order to monitor or verify compliance with this agreement.

XIV. Reimbursement

Due to the nominal costs of services associated with providing data to SSA under this agreement, VA waives recovery of the costs pursuant to the Economy Act (31 U.S.C. § 1535). Should VA determine in the future that the cost of providing services is significant, SSA and VA may mutually agree to establish a reimbursable agreement allowing for cost adjustments.

XV. Duration, Modification, and Termination

A. Effective Date: The effective date of this agreement is November 11, 2023, provided that SSA reported the proposal to re-establish this matching program to the Congressional committees of jurisdiction and OMB in accordance with 5 U.S.C. § 552a(o)(2)(A) and OMB Circular A-108 (December 23, 2016), and SSA published notice of the matching program in the Federal Register in accordance with 5 U.S.C. § 552a(e)(12).

B. Duration: This agreement will be in effect for a period of 18 months.

C. Renewal: The DIBs of VA and SSA may, within 3 months prior to the expiration of this agreement, renew this agreement for a period not to exceed 12 months if VA and SSA can certify to their DIBs that:

   1. The matching program will be conducted without change; and

   2. VA and SSA have conducted the matching program in compliance with the original agreement.

   If either party does not want to continue this program, it must notify the other agency of its intention not to continue at least 90 days before the end of the period of the agreement.

D. Modification: The parties may modify this agreement at any time by a written modification, agreed to by both parties and approved by the DIB of each agency.

E. Termination: The parties may terminate this agreement at any time with the consent of both parties. Either party may unilaterally terminate this agreement upon written notice to the other party, in which case the termination shall be effective 90 days after the date of the notice, or at a later date specified in the notice.

XVI. <u>Integration Clause</u>

This agreement and accompanying attachments constitute the entire agreement of the parties with respect to its subject matter and supersedes all other data exchange agreements between the parties that pertain to the disclosure of the specified VA compensation and pension benefit payment data for the purposes described herein. SSA and VA have made no representations, warranties, or promises outside of this agreement. This agreement takes precedence over any other documents that may be in conflict with it.

CMA 1309 is no longer valid upon CMA 1008 going into effect. Once CMA 1008 goes into effect, VA Privacy Service will remove CMA 1309 from the CMA website.
Computer Matching Programs (va.gov)

XVII. <u>Persons to Contact</u>

A. SSA contacts:

<u>Program Issues</u>

Trina Dowdell, Social Insurance Specialist
Office of SSI Income, Resources and Payment Determination Policy
Office of Income and Security Programs
Office of Retirement and Disability Policy
6401 Security Boulevard, 2400 Robert M. Ball Building
Baltimore, MD 21235
Telephone: (410) 966-6516
Email: Trina.Dowdell@ssa.gov

Lindsay Noonan, Team Leader
Death Processing & Medicare Team
Office of Earnings, Enumeration, and Medicare Policy
Office of Income Security Programs
6401 Security Boulevard, 2-J-15-A Robert M. Ball Building
Baltimore, MD 21235
Telephone: (410) 965-9041
Email: Lindsay.Noonan@ssa.gov

<u>Computer Systems Issues</u>

Angil Escobar, Branch Chief
DECIDE/Data Exchange and Verifications Branch of Office of Enterprise
Information Systems
Office of Systems

6401 Security Boulevard, 3-F-3 Robert M. Ball Building
Baltimore, MD 21235
Telephone: (410) 965-7213
Email: Angil.Escobar@ssa.gov

Information Security Issues

Jennifer Rutz, Director
Division of Compliance and Oversight
Office of Information Security
Office of Systems
Suite 3383 Perimeter East Building
6201 Security Boulevard
Baltimore, MD 21235
Telephone: (410) 966-8253
Email: Jennifer.Rutz@ssa.gov

Matching Agreement Issues

Donald Scott, Government Information Specialist
Office of Privacy and Disclosure
Office of the General Counsel
G-401 West High Rise
6401 Security Boulevard
Baltimore, Maryland 21235
Telephone: (410) 965-8850
Email: Donald.Scott@ssa.gov

Agreement Liaison

Stephanie Meilinger
Office of Data Exchange, Policy Publications and International Agreements
Office of Data Exchange and International Agreements
6401 Security Boulevard, 4700 Annex
Baltimore, Maryland 21235
Telephone: (410) 966-0476
Email: Stephanie.Meilinger@ssa.gov

B. VA contacts:

Program Issues

Eric Robinson
Lead Program Analyst
Department of Veteran Affairs
Veterans Benefits Administration
Inter-Agency Data Sharing (212C)
1800 G. Street
Washington, DC 20006
Office: 202-443-6016
Email: Eric.Robinson3@va.gov

Systems Issues

John Brandt
Program Analyst
Department of Veteran Affairs
Veterans Benefits Administration
Service (215A) Technical Rules
1800 G. Street
Washington, DC 20006
Office: 202-461-9869
Email: John.Brandt2@va.gov

Information Security Issues

Jessica L. Carriveau
Certified Information Systems Security Professional
Department of Veteran Affairs
Veterans Benefits Administration
Southern Area Network ISO
9500 Bay Pines Boulevard
St. Petersburg, FL 33708
Office: 727- 319-5954
Email: Jessica.Carriveau@va.gov

VBA Privacy Office

Rochelle Foxworth
Supervisory Privacy Officer
Department of Veteran Affairs
Veterans Benefits Administration
Office of Mission Support (20M3)
1800 G. Street
Washington, DC 20006
Office: 202-461-8401
Email: Rochelle.Foxworth@va.gov

XVIII. **<u>Signatures</u>**

The signatories below warrant and represent that they have the competent authority on behalf of their respective agencies to enter into the obligations set forth in this agreement.

The signatories may sign this document electronically by using an approved electronic signature process. By signing this document electronically, the signatory agrees that the signature they provide has the same meaning and legal validity and effect as a handwritten signature.

SOCIAL SECURITY ADMINISTRATION

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Michelle L. Christ
Acting Deputy Executive Director
Office of Privacy and Disclosure
Office of the General Counsel

Date_____

_____

Matthew D. Ramsey
Chair
Data Integrity Board

Date_____

XVIII. <u>Signatures</u> (continued)

DEPARTMENT OF VETERANS AFFAIRS

BETH MURPHY Digitally signed by BETH MURPHY
Date: 2023.03.28 11:04:32 -04'00'
_____
Beth Murphy, Executive Director
Compensation Service

Date_____

NILIJAH CARTER Digitally signed by NILIJAH CARTER
Date: 2023.04.04 12:22:17 -04'00'
_____
Dr. Nilijah E. Carter, Executive Director
Pension and Fiduciary Service

Date_____

JOHN OSWALT JOHN OSWALT
2023.11.03
09:20:48 -04'00'
_____
John D. Oswalt, Chair
Data Integrity Board

Date_____

Cost Benefit Analysis (CBA) for the
Computer Matching Agreement
(CMA) between
Social Security Administration (SSA)
and
The Department of Veterans Affairs (VA), Veterans Benefits Administration
(VBA) (Match #1008)

Objective

The objective of this CBA is to determine the cost effectiveness of the computer matching operation between SSA's Supplemental Security Record (SSR) and the VA/VBA. This CBA will also determine the cost effectiveness of the matching operation used to verify attestations regarding income and resources made by claimants for Medicare Part D prescription drug subsidy assistance, under the Medicare Modernization Act (MMA) of 2003.

Background

Each month, the VA/VBA provides SSA with electronic payment files of veteran's compensation and pension payment data. SSA matches the VA data with unearned income information maintained on the SSR using identifying elements such as Social Security number, name, date of birth, and sex to detect unreported or underreported unearned income and make automated payment adjustments. If the system determines that the VA record and the SSR are not for the same person (no match), it removes the record from further processing. If the system determines that the VA record and the SSR are for the same person (match), the SSR is automatically updated to reflect the veterans benefit amount in effect as of the month of the interface.

The system automatically processes cases requiring only a payment adjustment by SSA. SSA makes payment adjustments after due process notices are sent to the recipient. No field resources are required for these adjustments.

The MMA provides deductible and co-payment subsidies for certain low-income individuals to receive Part D premium. The MMA requires that we take applications and determine eligibility for this subsidy program, since lawmakers designed the program to assist individuals with limited financial means in paying for the prescription drug coverage. We automatically deem eligible individuals who have Medicare and receive Supplemental Security Income (SSI) or Medicaid, or who participate in the Medicare Savings Program. SSA determines eligibility for full or partial subsidy by comparing income and resource information provided by applicants with income and resource data available in our systems, as well as data obtained through matching agreements with other agencies.

Methodology
<u>SSR/VBA Matching Operation</u>

The Office of Systems provides the Office of Data Exchange and International Agreements (ODXIA) with a monthly report of the volume of records received from the VA. The report contains counts and total payment adjustment amounts for those alerts that have a corresponding SSR, as well as the dispositions of these alerts. SSA limits this report to the costs and benefits derived from automated payment adjustments made as a result of the VBA/SSR matching operation. For this CBA, ODXIA reviews the monthly-automated reports to identify the number of cases with payment adjustments (suspended, decreased, or increased) for the most recent fiscal year.

<u>MMA/VA Matching Operation</u>

The Office of Data Exchange and International Agreements (ODXIA) reviewed initial and redetermination subsidy application data for beneficiaries who have matching income or resource data from SSA and the VA.

Specifically, ODXIA identified the number of applications excluded from the verification process to determine the cost-savings for avoiding verification of income and resource application data for beneficiaries, who applied for and are receiving Medicare Part D subsidies. We identified and eliminated applications denied during the screening out process from the counts even though they still go through the matching process. We concentrated on capturing data for cases awarded or denied due to the computer matching process, without manual intervention.

Benefits
In FY 2022, we suspended 4,190 monthly payments averaging $259. The total adjustment in suspended monthly payment amount was $1,085,210. We conservatively predict that these incorrect payments would have continued without this matching operation for 6 months, costing SSA approximately $6,511,260.

We also decreased 1339 benefit payments averaging $79. The total payment adjustment, due to decreased SSI payments, was $105,781. We conservatively predict that these incorrect payments would have continued without this matching operation for 6 months, costing SSA approximately $634,686.

In 272 cases, the system made the automated payment adjustments based on overstated unearned income. This resulted in an average increase of $102 in the combined monthly payment amount for a total adjustment of approximately $27,744. Just as with the detected overpayments, if this underpayment were to continue for 6 months, the underpayment would total approximately $166,464.

The Office of Public Service and Operations Support reported an average development time of 21.27 minutes for initial applications and 14.98 minutes for redetermination applications. Due to the MMA matching operation, the field offices (FO) avoided manual verification of 387 initial

applications and 587 redetermination applications for a total cost-savings of approximately **$28,423**.

The total combined benefit of the matching operations is $7,174,369. The total combined benefit excludes the $166,464 of estimated underpayments since detection of underpayments provides a customer service-related benefit to SSA, but no cash savings.

Costs

For each data exchange operation, we track the total salary and overhead dedicated to performing each matching operation. The FY 2022 Systems costs for these matching operations totaled $208,907.

Conclusion

The benefit to the United States Treasury of these matching operations is the correction of those cases in which SSA is required to take action to adjust the monthly SSI payment amount based on unearned VA benefit and compensation, the prevention of future overpayments, the increased accuracy of our subsidy determinations and the cost-savings gained by reducing the need for manual verifications by FOs of all income and resource allegations on Medicare Part D subsidy initial and redetermination applications.

As a result of the SSR/VA matching operation, SSA avoided issuing $7,145,946 in SSI overpayments and correctly adjusted 272 records to avoid $166,464 in SSI underpayments. SSA also avoided 974 MMA verifications. Of these 974 avoided MMA verifications, there were 387 initial applications, and 587 redeterminations. The total monetary benefit to SSA is $7,174,369 and the cost to SSA for this matching operation is $208,907; thus, showing the matching operation to be cost-effective with a benefit-to-cost ratio of 34.3:1. We recommend continuing the matching operations.

CBA between SSA and VA/VBA (Match #1008)

Number of records matching SSA/SSR	1,009,512
Number of automated payment updates	78,411
Number of MMA Verifications Avoided	5,801
Suspended SSI Payments	
Number of Suspended Monthly SSI Payments	4,190
Average Suspended Payment Amount (rounded)	$259
Estimated Monthly Suspended Payments -- Total	$1,085,210
Decreased SSI Payments	
Number of Decreased Monthly SSI Payments	1339
Average Decrease Amount (rounded)	$79
Estimated Monthly Decrease -- Total	$105,781
MMA Verification Costs Avoided	
Number of Initial Application Verifications Avoided	387
Unit Cost for Initial Application Verification [1]	$35.51
Number of Redetermination Verifications Avoided	587
Unit Cost for Redetermination Verification [1]	$25.01
Increased Monthly SSI Payments (no monetary benefit or cost to SSA)	
Number of Increased Monthly SSI Benefits	*272*
Average Increase Amount (rounded)	*$102*
Estimated Monthly Increase -- Total	*$27,744*
Estimated Total Underpayment Avoided – 6 month projection Increased Payments	*$166,464*

Costs	
FY 2022 Combined Systems Costs	**$208,907**
Benefit-to-Cost ratio	**34.3:1**

Attachment 2 – Record Format

VAXTRCT Record Format

Location	Field Name	MNEMONIC	Size
1-3	Record Length	RECL	3
4-12	VA Claim Number	CAN	9
13-21	Veterans SSN	VETSSN	9
22-30	Person Entitled SSN	ENTSSN	9
31-32	Payee Number	BIC	2
33	Record Type Code	RECTYP	1
34	Sex of Veteran	SEX	1
35	First Initial	FI	1
36	Middle Initial	MI	1
37-41	Last Name	LNAM	5
42-47	Birth Date of Veteran (CCYYMM)	VETBDATE	6
48-51	Father's Year of Birth (CCYY)	DADYY	4
52-55	Mother's Year of Birth (CCYY)	MOMYY	4
56-59	Widow's Year of Birth (CCYY)	WIDYY	4
60-67	Child's Date of Birth (CCYYMMDD)	KID	8
68	Aid & Attendance Indicator	AIDIND	1
69-70	Station Number	JURIS	2
71-72	Dependency Code	DEPCDE	2
73-75	Percent of Disability	PERCENT	3
76	Filler	FILLER	1
77-78	Entitlement Code	ENTCDE	2
79	Pay Status	PAYSTAT	1
80-81	Change Reason	CHGREAS	2
82-83	Suspense Reason	SUSREAS	2
84-91	Date of Suspense (CCYYMMDD)	SUSDTE	8
92-97	Net Award Amount	AWDAMT	6
98-105	Net Award Date	AWDDTE	8
106-111	Check Amount	CHKAMT	6
112-113	Father's Month of Birth	DADMM	2
114-115	Mother's Month of Birth	MOMMM	2
116-117	Widow's Month of Birth	WIDMM	2
118-122	Payee Income Amount	PAYEN	5
123-127	Payee Social Security Amount	PAYSSA	5
128	Payee Retirement Code	PAYRETCDE	1
129-133	Payee Retirement Amount	PAYRETAMT	5
134	Pay Month Code	PAYMOCDE	1
135	Prisoner Code	PRISCDE	1
136-137	Filler	FILLER	2
138-142	Spouse Income Amount	SPOEN	5
143-147	Spouse Social Security Amount	SPOSSA	5
148	Spouse Retirement Code	SPORETCDE	1
149-153	Spouse Retirement Amount	SPORETAMT	5

154-158	Spouse Other Amount	SPOOTHAMT	5
159-160	Deduction Type Code 1	DEDTYP1	2
161-167	Deduction Amount 1	DEDAMT1	7
168-169	Deduction Type Code 2	DEDTYP2	2
170-176	Deduction Amount 2	DEDAMT2	7
177-178	Deduction Type Code 3	DEDTYP3	2
179-185	Deduction Amount 3	DEDAMT3	7
186-190	Other Income	OTHINC	5
191-195	Medical Expenses	MEDEXP	5
196-200	Income for VA Purposes	IVAP	5
201	Number of Address Lines	PDNUM	1
202-206	Zip Code	RZIP	5
207-326	Lines of Address	ADDR	120
* The length is 206 plus the number of address lines times twenty for a maximum length of 326.			