



Written by [Michael Tennant](#) on October 19, 2012

## Feds Give Welfare to the Dead, Deny Medicare to the Living

The federal government has been paying welfare benefits to the dead and withholding Medicare benefits from the living, according to a new [report](#) from the Inspector General (IG) of the Social Security Administration (SSA).



The report, released October 12, set out to determine whether some individuals were improperly receiving Supplemental Security Income (SSI) payments after having their Medicare benefits terminated because they were considered deceased. SSI, which provides income support to needy individuals who are aged, blind, or disabled, is administered directly by the SSA.

Medicare, which provides health insurance to the aged and disabled, is administered by the Centers for Medicare and Medicaid Services, but the SSA determines who is eligible to receive Medicare benefits and maintains the benefit records. Thus, one would expect the SSA to terminate both SSI and Medicare benefits for a particular beneficiary when the agency is notified that the beneficiary has passed away.

In most cases that is what occurs. However, the IG discovered that as of March 2012, 52 individuals were still receiving SSI benefits despite the fact that their Medicare benefits had been terminated because the SSA believed they had died.

Upon further investigation, the IG found that 30 of the 52 individuals were indeed deceased and should have had their SSI benefits terminated. "SSA overpaid these deceased individuals \$405,357 in SSI payments for an average of 23 months," the report says. Thirteen dead persons had been receiving benefits for over two years; one of them had even been raking in the dough for more than three years.

The IG details just one of these cases as an example of the SSA's bungling:

SSA's records showed an individual from California died in September 2010. SSA properly terminated the Medicare record; however, SSI payments continued. According to this individual's son, his mother passed away in September 2010, and he contacted SSA to terminate her SSI payments; yet payments continued.

In May 2012, we provided SSA information to terminate her SSI payments. In June 2012, SSA corrected



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the records, terminated SSI payments, and determined this individual was issued \$1,042 in SSI payments after death — from October 2010 to June 2012.

The SSA has since terminated benefits for 29 of the 30 deceased individuals, saving taxpayers roughly \$214,303 over the next year. The remaining case is still pending.

On the flip side, 21 of the individuals the SSA had identified as deceased in Medicare records turned out to be alive — although possibly not so well. As the IG notes, “Terminating Medicare benefits incorrectly can lead to unpaid medical bills and result in the loss of other assistance programs.” On average, these individuals had been denied benefits for 43 months, with two-thirds having gone without them for at least 31 months.

Again the report offers a case in point:

SSA’s records showed a 68-year-old individual from California as deceased on his Medicare record; however, this individual was alive and receiving SSI payments. Because the Medicare record showed a date of death, this individual’s Medicare and State medical benefits were terminated.

According to this individual, he visited a local SSA field office more than once and filed paperwork to have his Medicare benefits reinstated; however, his Medicare benefits remained terminated. As a result, this individual was unable to buy medication or obtain treatment for his emphysema.

In May 2012, we provided SSA information to reinstate this individual’s Medicare benefits. In August 2012, SSA corrected the records and reinstated Medicare benefits, which had been terminated for 23 months — almost 2 years.

Based on the information uncovered by the IG, the SSA reinstated Medicare benefits for 19 living individuals; it is still reviewing the remaining two cases.

Finally, of the 52 individuals in question, one remains under investigation by the SSA’s Office of Investigations because of conflicting reports concerning the individual’s status as deceased and whereabouts if alive.

Why were the SSI and Medicare records for allegedly deceased individuals different? The report suggests one possibility: “In 22 of the 52 cases, SSA’s records had different names, dates of birth, or gender information.” Therefore, when the SSA passed along a death notice to those in charge of the SSI and Medicare rolls, the data about the deceased might match the record for one program (and thus that program’s benefits would be terminated) but not for the other. “Additionally,” writes the IG, “we found in some cases that SSA did not correct records when notified that a recipient was deceased or alive,” as the examples cited above demonstrate.

While the SSA agreed to reconcile the discrepancies discovered by the IG, it remains to be seen whether the agency will take steps to prevent a recurrence of these problems. This is, after all, not the first time the IG has found such discrepancies. It issued a report in 2006 detailing essentially the same issues, albeit involving nearly five times as many individuals as the 2012 report.

The IG says his office’s mission is, in part, to “inspire public confidence in the integrity and security of SSA’s programs and operations.” Reports like these, while necessary, are hardly likely to accomplish that mission.



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