# OFFICE OF INSPECTOR GENERAL
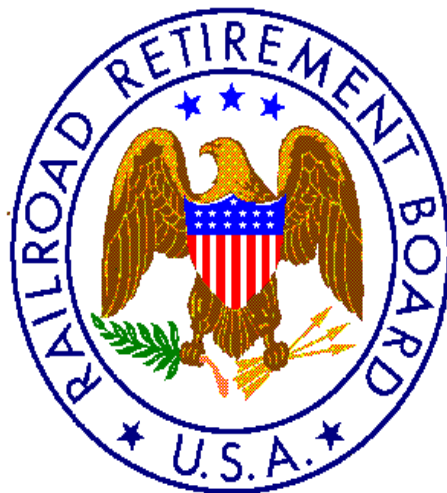# Audit Report

## Audit of the Application Express (APPLE) System's Date of Death Reliability

**Report No. 12-06**
**March 30, 2012**

# RAILROAD RETIREMENT BOARD

## EXECUTIVE SUMMARY

The Railroad Retirement Board (RRB), Office of Inspector General (OIG) conducted an audit to assess the reliability of dates of death residing within the RRB's APPLE system and to evaluate input and output controls over APPLE date of death information transmitted to MIRTEL and PREH. The audit focused on controls over the accuracy and completeness of APPLE system dates of death, the retention of APPLE system proof of death records, and date of death consistency across the RRB's APPLE, MIRTEL, and PREH systems. The RRB-OIG conducted this audit at RRB headquarters in Chicago, Illinois from November 2010 to September 2011.

### Key Findings

The RRB-OIG identified the following weaknesses:

- Available APPLE system data are not always used to correct unreliable MIRTEL system dates of death.

- RRB procedures do not require correction of an inaccurate day of death.

- Proof of death is not adequately retained in the RRB's claim folder system.

### Key Recommendations

To address the identified weaknesses, we recommended that RRB officials identify an optimal method for updating preexisting date of death records in MIRTEL with available APPLE dates of death that will maximize accuracy and consistency across RRB systems; establish a periodic date of death validation process that will ensure the reliability of date of death data disseminated within and outside of the agency; and determine the feasibility of classifying date of death data based on its proof of death status prior to external distribution. In addition, RRB officials should revise the RRB's death notification procedures to require field service representatives to re-enter the correct "day" of death, when it has been determined that the wrong "day" of death was previously received and entered into the APPLE system, and require retention of a scanned copy of the proof of death in the RRB's claims folder system.

### Management's Response

The Office of Program's has initiated corrective action addressing two of our recommendations, agreed to address one of our recommendations, and disagreed with two of our recommendations. The full text of management's response is included in this report as Appendix III.

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This report presents the results of the Office of Inspector General's (OIG) audit of the Application Express (APPLE) system's date of death reliability.

**Background**

The Railroad Retirement Board (RRB) is an independent agency in the executive branch of the Federal government. The RRB administers the health and welfare provisions of the Railroad Retirement Act (RRA), which provide retirement and survivor benefits for eligible railroad employees, their spouses, widows, and other survivors. During fiscal year (FY) 2011, approximately 578,000 annuitants received benefits under the RRA totaling $11.0 billion.

Application Express System

The APPLE system is an online computer system that automates the processing of applications for railroad retirement and survivor benefits. APPLE was designed to expedite application processing by allowing the initial death notification, or first notice of death (FNOD), and collected proof of death data, to be entered directly into the system as it's reported.[1] After application processing has been completed, the payment of benefits is initiated. The processing of death notifications within the APPLE system became operational as of September 10, 1997.

There are several reliable sources of information regarding an annuitant's death; these sources include a representative payee, close relative, funeral director, physician, railroad employer, or labor organization. The RRB's field offices receive most death notifications by means of telephone calls, letters, or walk-in visits. Reports of death are also generated through returned benefit payments, and by electronic notices from the Social Security Administration (SSA). The RRB also receives files containing death reports from SSA and the Centers for Medicare and Medicaid Services (CMS).[2]

APPLE death notification data populates the RRB's Medicare Information Recorded, Transmitted, Edited and Logged (MIRTEL) system whereas APPLE proof of death data feeds the RRB's Payment Rate and Entitlement History (PREH) system. The MIRTEL date of death data files are subsequently transmitted to CMS on a daily basis and to SSA monthly. The data are subsequently used by the Railroad Medicare contractor to process Medicare claims and identify improper or fraudulent payments. The APPLE system requires that the complete date of death be entered into the system and its system edits do not permit an incomplete date, with only the month and year, to be entered.

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[1] The term "death notification" refers to the FNOD and will be used throughout the remainder of the report.
[2] The RRB also validates dates of death using the SSA's electronic file, the Numident or Numerical Identification System, which is the master file of all assigned Social Security Numbers.

Data Reliability

Guidance provided within the Government Accountability Office's (GAO) publication, Assessing the Reliability of Computer-Processed Data, states that, ". . . data reliability refers to the accuracy and completeness of computer-processed data, given the uses they are intended for."

More specifically:

> . . . reliability means that data are reasonably complete and accurate, meet your intended purposes, and are not subject to inappropriate alteration.

- Completeness refers to the extent that relevant records are present and the fields in each record are populated appropriately.

- Accuracy refers to the extent that recorded data reflect the actual underlying information.

- Consistency, a subcategory of accuracy, refers to the need to obtain and use data that are clear and well defined enough to yield similar results in similar analyses. For example, if data are entered at multiple sites, inconsistent interpretation of data entry rules can lead to data that, taken as a whole, are unreliable.

## Audit Objectives

Our audit objectives were to assess the reliability of dates of death residing within the RRB's APPLE system and to evaluate input and output controls over APPLE date of death information transmitted to MIRTEL and PREH.

## Scope

The scope of the audit addressed dates of death entered in the APPLE system from October 1, 2007 through September 30, 2010.

## Methodology

To accomplish our audit objectives, we:

- reviewed prior OIG audit findings;

- reviewed applicable laws, regulations, and agency procedures;

- reviewed applicable GAO, Office of Management and Budget (OMB), and National Institute of Standards and Technology criteria;

- conducted a walkthrough of the APPLE system death notification process;

- performed a risk analysis, and evaluated APPLE system controls over date of death input and output;

- obtained a data extract of APPLE system death notification records for the period under review;

- obtained a data extract of available MIRTEL and PREH system date of death records for the period under review;

- selected a statistical sample of APPLE system death notifications to test date of death accuracy and completeness (see Appendix I);

- obtained proof of death, e.g., death certificate, from the RRB's claim folder system or the state where death occurred to validate each tested beneficiary's date of death;

- performed non-statistical testing of internal controls over data input and output and data consistency across RRB systems (see Appendix II); and

- interviewed agency management and staff.

Our testing methodology considered the risks inherent with unreliable data and the availability of corroborating evidence in the form of source documents as recommended by GAO. We determined whether computer processed data could be used for testing purposes by validating that our data extract was equivalent to the data residing in the APPLE system.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We conducted our fieldwork at RRB headquarters in Chicago, Illinois from November 2010 to September 2011.

# RESULTS OF AUDIT

Our audit found that dates of death residing in the RRB's APPLE system were generally accurate and complete, and tested PREH dates of death data were reliable for their intended purpose.[3] However, the APPLE system's controls and procedures require improvement to strengthen the reliability of APPLE and MIRTEL system dates of death maintained at the RRB and transmitted to outside entities. Specifically, our testing and analysis identified the following weaknesses that require corrective action:

- Available APPLE system data are not always used to correct unreliable MIRTEL system dates of death.

- RRB procedures do not require correction of an inaccurate day of death.

- Proof of death is not adequately retained in the RRB's claim folder system.

The details of our findings and recommendations for corrective action follow.


**Available APPLE System Data Are Not Always Used to Correct Unreliable MIRTEL System Dates of Death**

APPLE system data output is not always used to update MIRTEL system dates of death maintained at the RRB that are distributed to outside entities.

The MIRTEL system data are transmitted to outside entities that rely on complete date of death information. Our testing identified 15,436 MIRTEL system records with a "00" day of death of which 8,539 had a complete date of death entry in the APPLE system. The RRB system data are inconsistent because the MIRTEL system records were not updated with the more accurate APPLE date of death records.

GAO's Internal Control Management and Evaluation Tool, recommends implementation of the following data accuracy controls:

1. The agency's data entry design features contribute to data accuracy.
2. Data validation and editing are performed to identify erroneous data.
3. Erroneous data are captured, reported, investigated, and promptly corrected.
4. Output reports are reviewed to help maintain data accuracy and validity.

OMB Memorandum M-01-05, Guidance on Inter-Agency Sharing of Personal Data - Protecting Personal Privacy, states that, "Because information shared among agencies may be used to deny, reduce, or otherwise adversely affect benefits to individuals, it is critical that agencies have reasonable procedures to ensure the accuracy of the data shared."

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[3] As PREH only maintains the month and year of death, we could not test the day of death.

The APPLE system is used to enter information about railroad beneficiary death notifications and proofs of death into the RRB's automated system.  While APPLE includes edits that help to ensure date of death accuracy, it was not designed to update pre-existing dates of death residing in the MIRTEL system.  Also, the RRB does not have procedures for ensuring the reliability of date of death information across RRB automated systems and does not classify the MIRTEL system output distributed to outside entities based on its proof of death status.[4]

RRB officials stated that they are not responsible for ensuring the quality of data disseminated for external purposes as this would exceed the agency's mission, and validation, or proof of death is the responsibility of the outside agencies that receive and utilize the data.  These officials also stated that the cost of data quality enhancements would exceed the benefit.

Inaccurate date of death data can have a substantial negative impact on external agencies and Railroad Medicare claims.  Of particular concern is the daily file transmitted by the RRB to CMS.  The RRB's date of death data feeds the CMS' Common Working File and Entitlement Database.  The effectiveness of CMS' real-time process, which identifies Railroad Medicare claims submitted by providers for services occurring after the date of death, is dependent on the accuracy and completeness of the RRB's date of death data.  When date of death data provided by the RRB includes an incomplete "00" day of death, by default, CMS' claims processing utilizes the last day of the calendar month to identify improper payments.  This practice may allow the improper or fraudulent payment of Railroad Medicare claims.  In a memorandum to the RRB's Contracting Officer, dated March 31, 2011, the Railroad Medicare contractor expressed concern over the accuracy of the date of death data and requested that the RRB improve the accuracy of its records.

The RRB's Medicare Contractor and external entities, including other Federal agencies and the public, expect to receive reliable data from the RRB.  These entities may not be aware that they are receiving unreliable date of death data from the RRB.  Data received by these external entities is expected to be input and processed by other systems.  Accurate date of death data is critical for Railroad Medicare oversight, establishment of government-wide fraud databases, and data analytics supporting audit and investigative initiatives.  Inaccurate data is a factor that frequently results in improper payments by the Federal government.

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[4] In contrast, the SSA's Numident file classifies its date of death reliability as: not verified, verified, and proofed.

Recommendations

We recommend that the Office of Programs:

1. identify and implement the optimal method for updating preexisting date of death records in MIRTEL with available APPLE dates of death that will maximize accuracy and consistency across RRB systems;

2. establish a periodic date of death validation process that will ensure the reliability of date of death data disseminated within and outside of the agency; and

3. determine the feasibility of classifying date of death data based on its proof of death status prior to external distribution.

Management's Response

In response to recommendation 1, the Office of Programs stated that they have begun the process of analyzing date of death information that is passed to CMS to determine the actions needed to ensure that the day of the month is passed to CMS when it's available in the RRB's systems.

In response to recommendation 2, the Office of Program's disagreed with our recommendation. They stated that the RRB's process for collecting, processing and storing death information is highly reliable. They also stated that APPLE system data is generally reliable for its intended purpose and month and year of death data is accurate for benefit adjudication support. They do not believe the recommended validation process would improve process performance.

RRB-OIG's Comments on Management's Response

The Office of Program's response did not address the anomalies present within the RRB's MIRTEL system date of death data disseminated outside of the agency. If implemented, a periodic date of death validation process could be used to monitor the volume of "00" day of death records within the MIRTEL system and identify other potential data reliability issues.

The Office of Programs stated that they found the 8,539 reported exceptions to be "misleading" because all of the sampled transactions were processed in accordance with established policy and procedure and benefit processing is not impacted by the day of death. However, benefit processing was not the focus of our audit concerns and the APPLE system is only one source for the data that is transmitted. Our exceptions pertained to MIRTEL system data that was determined to be unreliable for use by outside entities. What is "misleading" is the date of death data the RRB is providing without assurance to its external users. Making assumptions about the future use of this data by outside entities is not a good business practice.

In response to recommendation 3, the Office of Programs advised that it has made a determination concerning the feasibility of classifying date of death data based on its proof of death status prior to external dissemination. As of the date of this report, we have not received the support for this determination.

**RRB Procedures Do Not Require Correction of an Inaccurate Day of Death**

The RRB's death notification procedures do not require correction of an inaccurate "day" of death in the APPLE system. When the actual date of death is received later and does not agree with the "day" initially entered into the system, no correction is made. This weakness is documented in the following excerpts from the RRB's procedures:

- "If you learn the month or year of death entered by the FNOD or an automatic termination is incorrect, it must be corrected. Take no corrective action if the wrong DAY of death was entered."

- "NOTE: An erroneous report of death does not include a "wrong date of death." A wrong date of death occurs when the individual died but the reported month and/or year of death is earlier or later than the actual month and/or year of death."

- "A wrong date of death occurs when the reported month and/or year of death is earlier or later than the actual month and/or year of death. A wrong date of death does not include a missing or incorrect "day" of death or an erroneous report of death." [5]

Guidance provided within the GAO's publication, Assessing the Reliability of Computer-Processed Data, states that, "Process controls refer to an organization's policies and procedures that could affect the accuracy and completeness of data."

RRB benefit processing utilizes the beneficiary's month and year of death for its intended purpose but does not rely on the actual day of death. Because only the month and year of death are required for benefit processing, the RRB's procedures do not require service representatives to correct an inaccurate "day" of death in its systems. RRB officials stated that the APPLE data and procedures meet their intended purpose of supporting the benefit application process.

If the day of death is not correctly entered into the APPLE system, the reliability of the system's date of death data is weakened. Since APPLE date of death data populates the RRB's MIRTEL system, inaccurate APPLE dates of death directly affect the data reliability of the MIRTEL system and its resulting output files. If the day of death is not reliable, the output files that are subsequently transmitted to CMS and SSA, do not meet their intended purpose.

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[5] RRB Field Office Manual, section 1581.25.4, Changes to an FNOD; section 145.20, Erroneous Reports of Death; and Retirement Claims Manual, section 6.6.141, Wrong Date of Death Report, respectively.

<u>Recommendation</u>

    4. We recommend that the Office of Programs revise the RRB's death notification procedures to require field service representatives to re-enter the correct "day" of death, when it has been determined that the wrong "day" of death was previously received and entered into the APPLE system.

<u>Management's Response</u>

In response to recommendation 4, the Office of Programs agreed with the recommendation.


**Proof of Death is Not Adequately Retained in the RRB's Claim Folder System**

Our review of electronic death notification entries in the APPLE system found that documentary evidence supporting proof of death was not always retained in the RRB's claim folder system.[6] Specifically, we observed 48 of 67 (72%) death notifications where the proof of death had been acquired but was not scanned or retained.

OMB Circular A-123, Management's Responsibility for Internal Control, requires that, "[d]ocumentation for internal control, all transactions, and other significant events is readily available for examination."

Guidance provided within the GAO's publication, Assessing the Reliability of Computer-Processed Data, states that, "When record-level data are available, tracing a sample of data records to source documents helps you determine whether the computer data accurately and completely reflect these documents."

The APPLE system is designed to accept online entry of the reported date of death and remarks, from a family member or other trusted source, prior to receiving a valid proof of death document. If a death certificate or other acceptable proof of death is used to report the beneficiary's death, the proof data are transcribed and entered into the APPLE system. Documentation evidencing proof of death is typically returned to the source and is only required to be maintained in the RRB's claim folder system in limited circumstances, such as with a criminal investigation.

The RRB's imaging system is used to scan original documents into an electronic claim folder to preserve data integrity. However, RRB officials stated that proof of death documentation does not need to be scanned as the APPLE system maintains a transcribed electronic record of the proof data and maintaining an electronic copy of the original proof document would exceed their procedural requirements.

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[6] Both scanned images and hardcopy proof of death documents were reviewed in the RRB's claim folder system.

The APPLE system's date of death data reliability is weakened when proof of death is transcribed to the APPLE system without retaining a copy of the original proof of death document, as errors can occur during data entry. System restoration or technical issues may also require re-entry of original data or tracing to source documents to corroborate data. If the proof of death document was not maintained in the RRB's imaging system when it was received, an audit trail will not be readily available to support the beneficiary's date, circumstances, or location of death.[7] Where the actual proof of death is needed to validate the date of death's authenticity, it must be requested from the state where death occurred. Such a request can result in a lengthy response time.

Recommendation

5. We recommend that the Office of Programs revise its death notification procedures to require retention of a scanned copy of the proof of death in the RRB's claims folder system.

Management's Response

In response to recommendation 5, the Office of Programs disagreed with our recommendation. They stated that re-entry from original documents is not a commonly experienced scenario. Additionally, when date of death corroboration is needed, they can rely on systems maintained by the Social Security Administration that does not receive reports of death from RRB systems.

RRB-OIG's Comments on Management's Response

With regard to maintaining proof of death documentation in the RRB's system of records, the Office of Programs does not comply with the agency's requirements for electronic records.

In accordance with National Archives and Records Administration (NARA) record maintenance regulations, the RRB has established the definitions of a record and an electronic record. For this purpose:

- "a **record** is any paper document that has been input into the imaging system
- an electronic record is any image that has been created from a paper document."

The Office of Program's practice of not scanning supporting documents into the RRB's system of records works contrary to the RRB's policy; Federal internal control standards; and management's assertions regarding its internal controls for imaging.

In addition, the Office of Programs is operating under the assumption that SSA does not utilize the RRB's dates of death to populate its SSA death database. The Office of Programs provided information during our audit which identifies two distinct methods of

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[7] The National Institute of Standards and Technology's Information Technology Laboratory Security Bulletin, Number 97-03, Audit Trails, provides further guidance.

data file transmission to SSA that utilize dates of death in the month/day/year format. The RRB also provides dates of death in month/day/year format to the Center for Medicare & Medicaid Services (CMS) that exchanges data with SSA.  As data are transmitted in myriad ways across and within Federal agencies, RRB officials must ensure that transmitted dates of death are reliable.

## SAMPLING METHODOLOGY AND RESULTS OF STATISTICAL SAMPLING

This appendix presents the methodology and results of our statistical sampling test of APPLE system data accuracy and completeness.

### Sample Objective

Our statistical sampling objective was to determine if the dates of death residing in the APPLE system were accurate and complete.

### Scope

We selected our statistical sample from a population of 91,830 APPLE system beneficiary death notification records for the period from October 1, 2007 through September 30, 2010. All death notification records in the universe were subject to selection.

### Sampling Methodology

We used Attribute One Step Acceptance Sampling with a 90% confidence level and 5% critical error rate that directed a 132 case sample. The threshold for acceptance was three errors. Three errors or less would permit the auditors to infer with 90% confidence that the date of death was accurate and complete for 95% of APPLE system death notification entries.

### Accuracy and Completeness

We tested data accuracy by validating APPLE system dates of death with the actual date of death reported on certified death certificates, representing proof of death, obtained by the RRB or from the state of record. We tested data completeness by evaluating dates of death residing within the APPLE system. To complete our analysis, copies of the death certificates were obtained from the RRB's claims folder systems for 28 cases, and obtained from the state of record for 98 cases when a copy of the death certificate was not maintained in the RRB's claims folder system. In six cases where a death certificate could not be obtained from the state of record, the SSA's Numident records were used to validate date of death accuracy.

**Results of Sampling**

We tested the 132 randomly selected APPLE system death notifications for data accuracy and completeness, as detailed in the table below.

| Statistical Sampling | Tested | Non-Exceptions | Exceptions |
|---|---|---|---|
| **Test attributes** <br><br> Data Accuracy and Completeness <br> Date of death is accurate and complete | 132 | 130 | **2** |
| **Total Exceptions** | | | **2** |

Our statistical evaluation of 132 cases identified two occurrences where the death notification did not agree with the actual date of death reported on the death certificate. The two death notification entries differed from the actual dates of death by one day and by 29 days.

**Conclusion**

Our statistical testing determined that dates of death residing in the APPLE system were generally accurate and complete.

**SAMPLING METHODOLOGY AND RESULTS OF NON-STATISTICAL SAMPLING**

This appendix presents the methodology and results of our non-statistical testing of internal controls over date of death input and output, including data consistency across RRB systems.

**Sample Objective**

Our non-statistical sampling objectives were to determine if APPLE system proof of death records were retained and if APPLE system date of death data was consistent with the RRB's MIRTEL and PREH systems.

**Scope**

We judgmentally selected and reviewed 67 death notification records to determine if proof of death was retained and 122 death notification records to determine if the APPLE system's month and year of death was consistent with the corresponding PREH system record. We also performed data analysis on 15,436 MIRTEL deceased beneficiary records that had an incomplete "00" day of death to determine if the records had a corresponding APPLE system record with a complete day of death that could have provided an update to the MIRTEL system.

**Sampling Methodology**

Our judgmentally selected sample items included attributes that were not present in each of our statistically selected sample items and for this reason had to be assessed on a non-statistical basis. Data analysis of our MIRTEL extract file identified 15,436 MIRTEL deceased beneficiary records with an incomplete "00" day of death, that were compared with corresponding APPLE system date of death records.

**Internal Control**

We tested controls over the retention of APPLE system proof of death records by determining whether a supporting document was acquired, and whether a scanned image or hardcopy was retained in the RRB's claims folder system.

**Data Consistency**

We tested for date of death consistency across RRB systems by comparing the date of death residing in the APPLE system with corresponding records residing in the MIRTEL system. We also compared the month and year of death residing in the APPLE system with corresponding records residing in the PREH system as the day of death is not maintained within the PREH system. We also identified MIRTEL system records with a "00" day of death in our data extract and compared them with corresponding APPLE system records that had a complete date of death.

## Results of Sampling

We tested the judgmentally selected APPLE system proof of death records for retention and date of death records for data consistency, as detailed in the table below.

| Non-Statistical Sampling | Tested | Non-Exceptions | Exceptions |
|---|---|---|---|
| <u>**Test attributes**</u> | | | |
| <u>Internal Control (Input)</u><br>Proof of death was acquired and retained | 67 | 19 | **48** |
| <u>Data Consistency (Output)</u><br>Date of death in APPLE was consistent with MIRTEL | 15,436 | 6,897 | **8,539** |
| Month and year of death in APPLE was consistent with PREH | 122 | 122 | **0** |
| **Total Exceptions** | | | **8,587** |

Our non-statistical sample of 67 proof of death records identified 48 instances where the proof of death was acquired but not retained that resulted in a 72% exception rate.

Our data analysis identified 8,539 out of 15,436 (55%) MIRTEL system records with a "00" day of death that was not consistent with the corresponding APPLE system record, that included a complete day of death. The remaining 6,897 MIRTEL system records with a "00" day of death did not have a corresponding APPLE system record and could not be updated. These records were classified as non-exceptions for the purpose of this test.

Our non-statistical sample of 122 APPLE system death notifications did not identify any instances where the APPLE system's month and year of death was not consistent with the PREH system. However, as PREH only provides the month and year of death, we could not test the day of death. As PREH data are not transmitted to outside entities, the month and year of death within PREH meets the RRB's intended purpose.

## Conclusion

Our judgmental testing concluded that internal controls over APPLE system input and output require improvement to ensure retention of proof of death and the consistency of date of death data across RRB systems.

UNITED STATES
GOVERNMENT

*MEMORANDUM*

FORM G-115f (1-92)

RAILROAD RETIREMENT BOARD

MAR 0 9 2012

**TO:**  Diana Kruel
Assistant Inspector General for Audit

**FROM:**  Ronald Russo
Director of Policy and Systems
Through: Dorothy Isherwood
Director of Programs

**SUBJECT:**  Draft Report – Audit of the Application Express (APPLE) System's Date of Death Reliability

Thank you for the opportunity to comment on this report. We are pleased to know that dates of death residing in the APPLE system are reliable for their intended purpose. Our comments on the report follow.

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**Recommendation 1**

We recommend that the Office of Programs identify and implement the optimal method for updating preexisting date of death records in MIRTEL with available APPLE dates of death that will maximize accuracy and consistency across RRB systems.

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**Office of Programs Response**

RRB systems collect and display the information that is necessary to support benefit adjudication under the Railroad Retirement Act. However, we have begun the process of analyzing date-of-death information that is passed to the Centers for Medicare and Medicaid Services (CMS) to determine what actions are necessary to ensure that the day of the month is passed to CMS when it is available in our systems. An analysis of November 2011 and February 2012 performance indicates that existing processes pass such information to CMS in more than 70% of cases.

We expect to complete our analysis and develop a plan to transmit month-day-year to CMS by September 30, 2012.

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**Recommendation 2**

We recommend that the Office of Programs establish a periodic date of death validation process that will ensure the reliability of date of death data disseminated within and outside of the Agency.

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**Draft Report – Audit of the Application Express (APPLE)
Systems' Date of Death Integrity**,*continued*

| | |
|---|---|
| **Office of Programs Response** | We disagree. The RRB's process for collecting, processing and storing death information is highly reliable. The audit found that APPLE dates of death are generally reliable for their intended purpose and the sample results demonstrate an accuracy rate that is statistically at least 95%. We also note that the random sample tested was 100% accurate as to the Month/Year used to support benefit adjudication. We do not believe the recommended validation process would improve our performance or our processes. |
| **Recommendation 3** | We recommend that the Office of Programs determine the feasibility of classifying date of death data based on its proof of death status prior to external distribution |
| **Office of Programs Response** | We have considered this recommendation and concluded that this would not be feasible. Recipients of RRB system data typically specify the fields of information and the format in which it must be provided. No recipient of RRB death information has requested this information. Specifically, CMS receives the data fields they have specified and that they require for their programs in a format that they have determined. |
| **Recommendation 4** | We recommend that the Office of Programs revise the RRB's death notification procedures to require field service representatives to re-enter the correct "day" of death, when it has been determined that the wrong "day" of death was previously received and entered into the APPLE system. |
| **Office of Programs Response** | We agree. We will issue the recommended procedures by June 30, 2012. |
| **Recommendation 5** | We recommend that the Office of Programs revise its death notification procedures to require retention of a scanned copy of the proof of death in the RRB's claims folder system. |
| **Office of Programs Response** | We disagree. We do not commonly experience scenarios that would require re-entry from original documents. In addition, on those occasions when we need to corroborate a date-of-death we can rely on the systems maintained by the Social Security Administration (SSA) systems. The Social Security Administration does not take in reports of death from the RRB systems making this an excellent source of corroboration. |

In addition to our response to the individual audit recommendations we would like share our views on certain specific aspects of the presentation of the results.

**Draft Report – Audit of the Application Express (APPLE)**
**Systems' Date of Death Integrity**,*continued*

Appendix II, which presents the results of non-statistical sampling, characterizes a high percentage of sampled transactions as "exceptions" which is misleading because all of these sampled transactions were processed in accordance with established policy and procedure. The adjudicative systems generally display Month/Year because that is all that RRB examiners and systems need for benefit adjudication. Similarly, the OIG cites as exceptions cases where proof of death was acquired but not retained; however, Office of Programs procedures do not require that these proofs be retained.

On page 5, the draft audit report also concluded that there is a potential government-wide impact resulting from the RRB reporting only Month/Year of death for some individuals and describes the information as "unreliable" and "inaccurate." The audit demonstrated that RRB dates of death are highly accurate. Although we acknowledge that Medicare processing may be impacted, we do not agree that the impact extends throughout the government. SSA is the central source for death information in the Federal government. The Social Security amendments of 1983[1] require SSA to gather official death information from state authorities and to share that information with states and Federal agencies that are paying federally funded benefits to those individuals. The law also authorized SSA to reimburse to the States for the cost of furnishing such information. [2,3] RRB is not a source of information for the SSA death database and the impact of the RRB's Month/Year convention is limited to those entities with whom we have agreements to share such information.

cc:     Director of Operations
        Director of Field Service
        Director of Program Evaluation and Management Services
        Chief of Payment Analysis and Systems
        Chief of RRA Application and Calculation

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[1] Public Law 98-21

[2] 42 U.S.C § 405(r)

[3] "Social Security Bulletin", July 1983, Volume 46, No. 7, page 33