



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

February 17, 2016

S. 1073 **Stopping Improper Payments to Deceased People Act**

*As ordered reported by the Senate Committee on Homeland
Security and Governmental Affairs on July 29, 2015*

S. 1073 would expand the use of data on deaths by federal and state agencies to limit improper federal payments. The bill would require the Social Security Administration (SSA) to share all such information with more agencies and for a broader range of purposes.

CBO estimates that implementing S. 1073 would have an insignificant net effect on discretionary spending. Because enacting S. 1073 could reduce direct spending, pay-as-you-go procedures apply. However, CBO estimates that such effects would probably be insignificant for each year over the next 10 years. The bill would not affect revenues. CBO estimates that enacting S. 1073 would not increase net direct spending or on-budget deficits by more than \$5 billion in any of the four consecutive 10-year periods beginning in 2027.

Under current law, the Social Security Administration collects information on deaths and maintains a record of all deaths reported to the agency dating to 1936. SSA has about 105 million death records, which include the deceased person's name, social security number, date of birth, and date of death. SSA uses those data to administer its own programs and shares the information with other agencies that administer federal benefit programs.

SSA provides the entire death file to some federal agencies, such as the Internal Revenue Service. SSA also has agreements with other agencies, such as state agencies administering the Supplemental Nutrition Assistance Program, so that those agencies can periodically verify that program applicants and recipients are not included in those death records. The Department of Commerce makes the Death Master File (DMF), a subset of those data, available to nongovernmental organizations after the department certifies that they have a legitimate purpose for use of the data, for example to prevent fraud. The DMF, which has information on about 90 million deceased individuals, excludes death data reported by states, because SSA may share data on deaths reported by states only in limited circumstances, such as to agencies that pay federal benefits. (A subset of the DMF, which is available to the general public through the Department of Commerce, excludes both death data reported by states and data on deaths within the past three years.)

S. 1073 would require SSA to share its complete death records with more agencies and for a broader range of purposes. It also would make the complete death records, rather than only the DMF, part of the Do Not Pay program—a program administered by the Department of the Treasury that allows agencies to check various databases before making payments in order to identify ineligible recipients. Hence, there would likely be more frequent checks against the more complete death records than occur under current law. Those provisions would expire five years after enactment of the bill. The bill requires the director of the Office of Management and Budget (OMB) to recommend, within four years of enactment, whether to extend the broader data access.

The expanded availability of information on deaths would probably reduce the amount of mistaken payments. However, large benefit-paying agencies generally already use the complete death records, so CBO expects that enacting the bill would not reduce the number of payments to deceased people by a significant amount. In addition, the Department of the Treasury has mechanisms to recover improper payments that are identified at a later time, so many such payments are already recovered. For those reasons, CBO estimates that enacting S. 1073 would decrease direct spending by an insignificant amount.

The bill also would require the director of OMB to review alternative sources of death data and report its findings to the Congress, to provide guidance to relevant agencies on how to access death data, and to develop a plan to assist state and local governments in providing death data to the federal government. CBO estimates that implementing those provisions would increase agency administrative costs by an insignificant amount.

S. 1073 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contacts for this estimate are Noah Meyerson and Matthew Pickford. The estimate was approved by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.