



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

July 16, 2018

### **S. 2374**

### **Stopping Improper Payments to Deceased People Act**

*As ordered reported by the Senate Committee on Homeland Security  
and Governmental Affairs on June 13, 2018*

S. 2374 would expand how data on deaths is used by federal and state agencies for the purpose of limiting 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. 2374 would increase discretionary costs by an insignificant amount. Enacting S. 2374 could reduce direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that such effects would probably be insignificant. The bill would not affect revenues.

CBO estimates that enacting S. 2374 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2029.

Under current law, SSA collects information on deaths and maintains a record of all deaths reported to the agency dating to 1936. SSA has almost 118 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 using the data; for example, preventing fraud. The DMF, which has information on more than 96 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. 2374 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 file, rather than only the DMF, available to 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 file than occurs under current law. Those provisions would expire five years after enactment of the bill. The bill would require 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 file, 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. 2374 would reduce 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. However, under current law and OMB guidance, agencies already are required to assess their programs for risk and initiate program improvements to reduce and eliminate payment errors. In addition, CBO expects that many options to eliminate improper payments have been reviewed and analyzed by OMB and agencies. Thus, CBO estimates that implementing those provisions would increase agency administrative costs by an insignificant amount.

S. 2374 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 reviewed by H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.