



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

November 19, 2013

### **S. 1360** **Improper Payments Agency Cooperation Enhancement Act of 2013**

*As ordered reported by the Senate Committee on Homeland Security  
and Governmental Affairs on July 31, 2013*

S. 1360 would require federal agencies to expand their use of information on deceased individuals to improve accuracy of payments and for other purposes. To that end, the bill would require the Social Security Administration (SSA) to share information on deaths with more agencies and for a broader range of purposes. In addition, it would require the Office of Management and Budget to provide guidance, convene a task force on sharing information on the deaths of federal retirees, and submit reports to the Congress. Finally, the bill would require the Secretary of the Treasury to report efforts to reduce improper payments and require the Postal Service to share information on delivery addresses for the purposes of reducing improper payments.

Enacting S. 1360 could reduce direct spending; therefore, 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 also would not have a significant effect on revenues. CBO estimates that implementing S. 1360 would have no significant net impact on discretionary spending.

Under current law, the Social Security Administration collects information on deaths and maintains a record—the Death Master File (DMF)—of all deaths reported to the agency dating to 1936. The DMF includes the deceased person’s name, social security number, date of birth, and date of death. SSA uses the DMF to administer its own program and shares the information with other programs that pay federal benefits. For some federal agencies like the Internal Revenue Service, SSA provides the entire file. SSA also establishes cooperative agreements with other agencies, such as state agencies administering the Supplemental Nutrition Assistance Program, to periodically verify identifying information on program applicants and recipients against the DMF. SSA also makes a less-complete file of information on deaths available to the general public. That public file has information on about 87 million deceased individuals compared to 98 million in the complete file. (A provision of law restricts SSA from sharing information about deaths that were reported to SSA by states with anyone other than agencies that pay federal benefits.)

S. 1360 would require SSA to share the complete DMF with more agencies and for a broader range of purposes. It also would make the complete 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 DMF than occur under current law.

The expanded availability of information on deaths would probably reduce the amount of mistaken payments to dead people, but CBO expects that any budgetary savings would be small. Because large, benefit-paying agencies generally already use the complete DMF, 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 Treasury has mechanisms it uses to recover such payments if they are identified at a later time, so many such improper payments are recovered anyway. For these reasons, CBO estimates that any reduction in unrecovered payments to deceased individuals as a result of enacting S. 1360 would be small.

S. 1360 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 Sheila Dacey and Matt Pickford. The estimate was approved by Peter H. Fontaine, Assistant Director for Budget Analysis.