

**COMPUTER MATCHING AGREEMENT  
BETWEEN  
THE SOCIAL SECURITY ADMINISTRATION  
AND  
THE BUREAU OF THE FISCAL SERVICE  
DEPARTMENT OF THE TREASURY  
(Match 1304)**

**I. Purpose**

This computer matching agreement (agreement) between the Social Security Administration (SSA) and the Bureau of the Fiscal Service, Department of the Treasury (Fiscal Service) sets forth the terms, conditions, and safeguards under which Fiscal Service will disclose ownership of Savings Securities data to SSA. This disclosure will provide SSA with information necessary to verify an individual's self-certification of his or her financial status to determine eligibility for low-income subsidy assistance (Extra Help) in the Medicare Part D prescription drug benefit program established under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Pub. L. No. 108-173).

This agreement does not relate to or in any way change any other data exchange agreement between Fiscal Service and SSA. This agreement is separate and distinct for the purpose described herein.

**II. Legal Authority**

Section 1860D-14 of the Social Security Act (Act) (42 U.S.C. § 1395w-114) requires SSA to verify the eligibility of an individual who seeks to be considered as an Extra Help eligible individual under the Medicare Part D prescription drug benefit program and who self-certifies his or her income, resources, and family size.

Fiscal Service and SSA execute this agreement in compliance with the Privacy Act of 1974 (5 U.S.C. § 552a), as amended by the Computer Matching and Privacy Protection Act of 1988, and the regulations and guidance promulgated thereunder.

**III. Definitions**

1. "Savings Securities" means Series E, EE, or I United States Savings Securities including both paperless book entry securities and paper U.S. savings bonds.
2. "Medicare Part D" means a voluntary prescription drug benefit program for all individuals eligible for Medicare Part A, Part B, or both, under which the individuals would pay a monthly premium for coverage, deductibles, and copayments to help purchase covered prescription drugs.
3. "Savings security alert" means documents (alerts) generated for matched records when the match detects ownership of savings security instruments.

4. “Definitive records” means the actual securities issued in engraved or printed (paper/card) physical form; sometimes called “live” bonds.
5. “Book entry records” means a security maintained as a computer record (rather than in paper form) on the records of a bank or Fiscal Service.
6. “Return date of the finder file” means the year and the month used to calculate the redemption value of securities on the finder file.
7. “Extra Help” means the low-income subsidy assistance Medicare beneficiaries receive under the Medicare Part D prescription drug program if they have limited income and resources. SSA certifies to the Department of Health and Human Services that an individual can receive Extra Help to pay for Medicare Part D prescription drug costs such as monthly premiums, annual deductibles, and prescription co-payments.

#### **IV. Responsibilities of the Parties**

##### **A. SSA**

1. The Office of Privacy and Disclosure is the responsible component for SSA.
2. SSA will provide Congress and the Office of Management and Budget (OMB) with notice of this program and will publish the required matching notice in the Federal Register.
3. SSA will provide to Fiscal Service, via a finder file, the Social Security number (SSN) of each individual for whom SSA requests Savings Securities information.
4. SSA will use Fiscal Service’s data to determine certain individuals’ eligibility for Extra Help.

##### **B. Fiscal Service**

1. Treasury Securities Services is the responsible component for Fiscal Service.
2. Fiscal Service will process the finder file of SSNs and, if there is a match, disclose ownership of Savings Securities to SSA for each individual requested.

#### **V. Justification and Anticipated Results**

##### **A. Justification**

SSA is required to determine, on a pre-enrollment basis, the potential eligibility of Extra Help applicants for the Medicare Part D prescription drug benefit program. Applicants are only required to make attestations under penalty of perjury. SSA is responsible for verifying all claims of income and resources.

Both parties to this agreement have determined that a computer matching program is the most efficient, expeditious, and effective means of obtaining and processing the income and resource information required to determine, on a pre-enrollment basis, an individual's eligibility for Extra Help. SSA uses this information to verify an individual's certified statement of income and resources. The matching program will result in cost-savings for SSA, reduce the enrollment burden on Medicare beneficiaries, and expedite the enrollment process. Conducting the verification of individuals' self-certified financial status using results of computer matching is believed to be the most efficient and comprehensive method of collecting and comparing this information. SSA cannot accomplish the same purpose with the same degree of efficiency with any other available administrative activity.

#### B. Anticipated Results

Based upon the evaluation of the matching activities for fiscal year (FY) 2016, SSA reduced its workload by 37,863 manual verifications due to this computer match, resulting in an estimated savings of \$1,467,107. SSA estimates that the total cost of matching with Fiscal Service in FY 2016 was \$28,813. The benefit-to-cost ratio for this matching operation is 50.9:1. See Attachment 1 for the full Cost Benefit Analysis.

### **VI. Description of Records to be Matched**

#### A. Specified Data Elements for Definitive Records

1. SSA will disclose to Fiscal Service a finder file with the SSN for each individual for whom SSA requests Savings Securities ownership information.
2. When a match occurs on an SSN, Fiscal Service will disclose the following to SSA:
  - a. the denomination of the security;
  - b. the serial number;
  - c. the series;
  - d. the issue date of the security;
  - e. the current redemption value; and
  - f. the return date of the finder file.

#### B. Specified Data Elements for Book Entry Records:

1. SSA will disclose to Fiscal Service a finder file with the SSN, in the format specified in Attachment 2 of this agreement, for each individual for whom they request Savings Securities registration information. Fiscal Service bases the query on the SSN associated with the account and reports any subsequent account holdings.
2. When a match occurs on an SSN, Fiscal Service will disclose the following:
  - a. the purchase amount;

- b. the account number and confirmation number;
- c. the series;
- d. the issue date of the security;
- e. the current redemption value; and
- f. the return date of the finder file.

### C. Systems of Records

SSA will disclose to Fiscal Service a finder file consisting of SSNs extracted from SSA's Medicare Database (MDB) File System, 60-0321, fully published at 71 Fed. Reg. 42159 on July 25, 2006 and amended at 72 Fed. Reg. 69723 on December 10, 2007. The MDB File System is a repository of Medicare applicant and beneficiary information related to Medicare Part A, Part B, Medicare Advantage Part C, and Medicare Part D.

Fiscal Service will match the SSNs from SSA's finder file with the SSNs in Fiscal Service Savings Securities Registration Systems, which reside in the systems of records Treasury/BPD.002, "United States Savings-Type Securities Treasury/BPD" and Treasury/BPD.008, "Retail Treasury Securities Access Application-Treasury/BPD" fully published at 73 Fed. Reg. No. 142, pages 42904-2491 on July 23, 2008. Fiscal Service will return the formatted comparison file to SSA as indicated in Attachment 2.

The Systems of Records involved in this matching program have routine uses permitting the disclosures needed to conduct this match.

### D. Number of Records

The number of people who file for Extra Help determines the number of records matched each year. Fiscal Service will perform the automated matching with its computer systems and provide the response file to SSA no later than five (5) business days from the date Fiscal Service receives SSA's finder file. This agreement covers the following matches:

#### 1. Screening for Potential Recipients:

This screening will involve an ongoing weekly match with file sizes varying from 13,000 to 140,000 records containing applicants and those recipients who notify SSA of a change.

#### 2. Screening to Confirm Eligibility:

SSA and Fiscal Service perform an ongoing yearly match of approximately two million recipients to confirm eligibility of individuals receiving Medicare Part D subsidies. The agencies accomplish this match by substituting the yearly master file for one of the ongoing weekly files, not a separate submission.

**VII. Accuracy Assessments**

Upon automated data entry, Fiscal Service computer systems edit SSNs for proper format and accuracy. However, Fiscal Service has no way to validate that SSNs on its registration records belong to the first-named owners of Savings Securities. SSA will follow the verification procedures described in Section IX. of this agreement. The SSA Enumeration System used for SSN matching is 100 percent accurate based on SSA's Office of Quality Review "FY 2015 Enumeration Accuracy Report (April, 2016)."

**VIII. Procedure for Individualized Notice**

SSA will provide direct notice, in writing, to all individuals at the time of their application for Medicare benefits that SSA will conduct matching programs to verify eligibility. SSA periodically provides similar notices to all recipients of Medicare benefits at least once during the life of the matching program. SSA will also publish a notice of this matching program in the Federal Register, in accordance with the requirements of the Privacy Act and OMB guidelines.

**IX. Verification Procedure and Opportunity to Contest**

- A. SSA will take no adverse action regarding individuals identified through this matching process solely based on the information received from Fiscal Service. SSA will provide a written, Pre-Decisional Notice (for initial Extra Help applications) or Notice of Planned Action (for redeterminations) to each individual for whom SSA decides such adverse action is necessary. The notice will inform the individual of the match findings and provide the following information:
1. SSA has received information from Fiscal Service pertaining to ownership of Savings Securities that will have an adverse effect on the individual's eligibility for Extra Help;
  2. The effective date of any adjustment;
  3. The individual has 10 days from the date of the notice to contest any adverse decision and submit evidence, if required, to support a decision that full or partial subsidy should be awarded before SSA takes any adverse action because of the comparison information; and
  4. Unless the individual responds to contest the proposed adverse action in the required 10-day time period, SSA will conclude that the data provided by Fiscal Service is correct, and will make the necessary determination of eligibility for Extra Help. SSA permits further appeals of adverse actions as described in applicable instructions and regulations.
- B. If the applicant disputes the evidence, SSA will obtain a signed authorization from the Extra Help applicant for release of Fiscal Service's records and will contact Fiscal Service through the SSA field office in Parkersburg, West Virginia. SSA advises other

field offices not to contact Fiscal Service directly or refer individuals to Fiscal Service. Additionally, SSA will ensure that:

1. The authorization form sent to Fiscal Service bears the individual's original signature, as Fiscal Service will not accept photocopies;
  2. If a representative payee signs an authorization, SSA will annotate the authorization to indicate that SSA reviewed its records and the signatory is a valid representative payee; and
  3. SSA will not release copies of the savings security alert to individuals unless Fiscal Service or the applicant has verified ownership.
- C. If Fiscal Service's records indicate that the individual's name appears on the security, Fiscal Service will provide a copy of the record to SSA. If the individual's name is not on Fiscal Service's records, Fiscal Service will indicate that it has no record for the individual and provide that indicator to SSA. SSA will take no further action with respect to security ownership if Fiscal Service indicates the individual has no record.

#### **X. Procedures for Retention and Timely Destruction of Identifiable Records**

SSA and Fiscal Service will retain the electronic files received from the other agency only for the period required for any processing related to the matching program and will then return the files to the other agency or destroy them by means of electronic purging, unless the other agency is required to retain the information in order to meet evidentiary requirements. In case of such retention for evidentiary requirements, SSA or Fiscal Service will retire the retained data in accordance with the applicable Federal Records Retention Schedules (44 U.S.C. § 3303a). Fiscal Service may retain one copy of the information provided to SSA as Fiscal Service's record of disclosure as required by section 552a(c) of the Privacy Act. The agencies will not create permanent files or separate systems comprised solely of the data provided by the other agency.

#### **XI. Security Procedures**

SSA and Fiscal Service will comply with the requirements of the Federal Information Security Management Act (FISMA), 44 U.S.C. Chapter 35, Subchapter II, as amended by the Federal Information Security Modernization Act of 2014 (Pub. L. 113-283); related OMB circulars and memoranda, such as Circular A-130, *Managing Information as a Strategic Resource* (July 28, 2016); National Institute of Standards and Technology (NIST) directives; and the Federal Acquisition Regulations, including any applicable amendments published after the effective date of this agreement. These laws, directives, and regulations include requirements for safeguarding Federal information systems and personally identifiable information (PII) used in Federal agency business processes, as well as related reporting requirements. Both agencies recognize, and will implement, the laws, regulations, NIST standards, and OMB directives including those published subsequently to the effective date of this agreement.

FISMA requirements apply to all Federal contractors, organizations, or entities that possess or use Federal information, or that operate, use, or have access to Federal information systems on behalf of an agency. Both agencies are responsible for oversight and compliance of their contractors and agents.

#### A. Incident Reporting

If either SSA or Fiscal Service experiences an incident involving the loss or breach of PII provided by SSA or Fiscal Service under the terms of this agreement, they will follow the incident reporting guidelines issued by OMB. In the event of a reportable incident under OMB guidance involving PII, the agency experiencing the incident is responsible for following its established procedures, including notification to the proper organizations (e.g., United States Computer Emergency Readiness Team, the agency's privacy office). In addition, the agency experiencing the incident (e.g., electronic or paper) will notify the other agency's Systems Security Contact named in this agreement. If Fiscal Service is unable to speak with the SSA Information Security Contact within one hour or if for some other reason notifying the SSA Information Security Contact is not practicable (e.g., it is outside of the normal business hours), Fiscal Service will call SSA's National Network Service Center toll free at 1-877-697-4889. If SSA is unable to speak with Fiscal Service's Securities Systems Contact within one hour, SSA will contact Fiscal Service's security at (304) 480-7777.

#### B. Breach Notification

SSA and Fiscal Service will follow PII breach notification policies and related procedures issued by OMB. If the agency that experienced the breach determines the risk of harm requires notification to affected individuals or other remedies, that agency will carry out these remedies without cost to the other agency.

#### C. Administrative Safeguards

SSA and Fiscal Service will restrict access to the data matched and to any data created by the match to only those users, employees, contractors, and officials who need it to perform their official duties in connection with the uses of the data authorized in this agreement. Further, SSA and Fiscal Service will advise all personnel who have access to the data matched and to any data created by the match of the confidential nature of the data, the safeguards required to protect the data, and the civil and criminal sanctions for noncompliance contained in the applicable Federal laws.

#### D. Physical Safeguards

SSA and Fiscal Service will store the data matched and any data created by the match in an area that is physically and technologically secure from access by unauthorized persons at all times. Only authorized personnel will transport the data matched and any data

created by the match. SSA and Fiscal Service will establish appropriate safeguards for such data, as determined by a risk-based assessment of the circumstances involved.

E. Technical Safeguards

SSA and Fiscal Service will process the data matched and any data created by the match under the immediate supervision and control of authorized personnel in a manner that will protect the confidentiality of the data, so that unauthorized persons cannot retrieve any data by computer, remote terminal, or other means. Systems personnel must enter personal identification numbers when accessing data on the agencies' systems. SSA and Fiscal Service will strictly limit authorization to those electronic data areas necessary for the authorized analyst to perform his or her official duties.

F. Application of Policy and Procedures

SSA and Fiscal Service will adopt policies and procedures to ensure that each agency uses the information contained in their respective records or obtained from each other solely as provided in this agreement. SSA and Fiscal Service will comply with these guidelines and any subsequent revisions.

G. Onsite Inspection

SSA and Fiscal Service have the right to monitor the other agency's compliance with FISMA and OMB requirements and to make onsite inspections of the other agency for purposes of auditing compliance, if necessary, for the duration or any extension of this agreement. If either party elects to complete an onsite inspection, the auditing agency will provide the other advanced written notice of any onsite inspection and the parties will set a mutually agreeable date for such inspection.

**XII. Records Use, Duplication, and Rediscovery Restrictions**

SSA and Fiscal Service will adhere to the following limitations on the use, duplication, and disclosure of the electronic files and data provided by the other agency under this agreement:

- A. SSA and Fiscal Service will use and access the data only for the purpose described in this agreement.
- B. SSA and Fiscal Service will not use the data to extract information concerning individuals therein for any purpose not specified by this agreement.
- C. SSA and Fiscal Service will not create a permanent separate file or system of records consisting solely of information concerning those individuals who are involved in this specific match.
- D. SSA and Fiscal Service will not duplicate or disseminate the data within or outside their respective agencies without the written permission of the other agency, except as required

by law. SSA and Fiscal Service will not give such permission unless the law requires disclosure or the disclosure is essential to the matching program. For such permission, the agency requesting permission must specify in writing what data they are requesting be duplicated or disseminated and to whom, and the reasons that justify such duplication or dissemination.

### **XIII. Comptroller General Access**

The Government Accountability Office (Comptroller General) may have access to all Fiscal Service and SSA data, as necessary, in order to verify compliance with this agreement.

### **XIV. Reimbursement**

All work performed by Fiscal Service in accordance with this agreement will be performed on a reimbursable basis. Fiscal Service bases the billing on the actual cost of providing data to SSA. Billing will be at least quarterly, and may be monthly during the last quarter of the FY. Actual costs may be higher or lower than the estimate. SSA will transfer funds to Fiscal Service, in the form of progress or periodic payments, on at least a quarterly basis, for FY 2018 to support Fiscal Service's activities under this agreement. Transfers of funds will be by means of the Intra-Governmental Payment and Collection (IPAC) system. Fiscal Service will cite the SSA Intra-Agency Agreement number on all IPAC submissions.

At least quarterly, but no later than 30 days after an accountable event, Fiscal Service must provide SSA with a performance report (e.g., billing statement) that details all work performed to date. Additionally, at least quarterly, the parties will reconcile balances related to revenue and expenses for work performed under the agreement. A Form SSA-429, Inter-Agency Data Sheet (including accounting information with appropriation symbols and agency locations codes), and Treasury's Forms 7600A and 7600B must be signed by both agencies prior to the initiation of any services of this agreement. Since the cost of services provided to SSA under this agreement spans multiple FYs, SSA will prepare a new Form SSA-429 at the beginning of each succeeding FY during which SSA will incur costs for the performance of services provided as described herein. The parties will sign such form on or before the commencement of the FY. Both parties must approve an amended Form SSA-429 if actual costs exceed the estimated cost. SSA's incurring of costs for FYs beyond 2018 is subject to the availability of funds.

### **XV. Duration, Modification, and Termination of the Agreement**

#### **A. Effective Date**

The effective date of this agreement is October 1, 2018, provided that SSA reported the proposal to re-establish this matching program to the Congressional committees of jurisdiction and OMB in accordance with 5 U.S.C. § 552a(o)(2)(A) and OMB Circular A-108 (December 23, 2016), and SSA published notice of the matching program in the Federal Register in accordance with 5 U.S.C. § 552a(e)(12).

#### B. Duration

This agreement will be in effect for a period of 18 months.

#### C. Renewal

The Data Integrity Boards (DIB) of Treasury and SSA may, within 3 months prior to the expiration of this agreement, renew this agreement for a period not to exceed 12 months if Fiscal Service and SSA can certify to their DIBs that:

1. the matching program will be conducted without change; and
2. Fiscal Service and SSA conducted the matching program in compliance with the original agreement.

If either agency does not want to continue this program, that agency must notify the other agency of its intention not to continue at least 90 days before the end of the period of the agreement.

#### D. Modification

The agencies may modify this agreement at any time by a written modification, agreed to by both agencies and approved by the DIB of each agency.

#### E. Termination

The agencies may terminate this agreement at any time with the consent of both agencies. Either agency may unilaterally terminate this agreement upon written notice to the other agency requesting termination, in which case the termination will be effective 90 days after the date of such notice or at a later date specified in the notice.

SSA may immediately and unilaterally suspend the data flow under this agreement or terminate this agreement if SSA:

1. Determines that Fiscal Service has used or disclosed the information in an unauthorized manner;
2. Determines that Fiscal Service has violated or failed to follow the terms of this agreement; or
3. Has reason to believe that Fiscal Service breached the terms for security of data. If SSA suspends the data flow in accordance with this subsection, SSA will suspend the data until SSA makes a final determination of a breach.

**XVI. Disclaimer**

SSA will not accept responsibility for reimbursement of late fees or other costs incurred due to the negligence of the servicing agency in complying with its obligations to third party contractors.

**XVII. Dispute Resolution**

Disputes relating to this agreement will be resolved in accordance with instructions provided in the Treasury Financial Manual, Volume I, Part 2, Chapter 4700, Appendix 10, *Intergovernmental Transaction Guide*.

**XVIII. Persons to Contact**

A. The Fiscal Service Contacts are:

1. Program Issues - Office of Retail Securities Services

Paula Gainer  
Director, Division of Program Support  
Retail Securities Services  
200 Third Street, 5094  
Parkersburg, WV 26101-5312  
Telephone: (304) 480-8497/Fax: (304) 480-7415  
Email: [Paula.Gainer@fiscal.treasury.gov](mailto:Paula.Gainer@fiscal.treasury.gov)

Jason Thorn  
Program Analyst  
Division of Program Support  
Retail Securities Services  
Bureau of Fiscal Service  
200 Third Street, 5070A  
Parkersburg, WV 26101-5312  
Telephone: (304) 480-8765/Fax: (304) 480-7415  
Email: [Jason.Thorn@fiscal.treasury.gov](mailto:Jason.Thorn@fiscal.treasury.gov)

Larry Coon  
Program Analyst  
Division of Program Support  
Retail Securities Services  
Bureau of Fiscal Service  
200 Third Street, 5069B  
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Telephone: (304) 480-6609/Fax: (304) 480-7415  
Email: [Larry.Coon@fiscal.treasury.gov](mailto:Larry.Coon@fiscal.treasury.gov)

Don Menarchek  
Financial Systems Analyst  
Division of Technology Services  
Retail Securities Services  
Bureau of the Fiscal Service  
200 Third Street, 5059A  
Parkersburg, WV 26106-1328  
Telephone: (304) 480-8554/Fax: (304) 480-8575  
Email: [Don.Menarchek@fiscal.treasury.gov](mailto:Don.Menarchek@fiscal.treasury.gov)

2. Privacy Act/Computer Matching Act

David Ambrose  
Chief Privacy Officer  
Bureau of the Fiscal Service  
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Washington, DC 20227  
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Stacy Cahill  
Chief Information Security Officer  
Bureau of the Fiscal Service  
Room # 833  
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Brian S. Hall  
Senior Privacy Analyst  
Bureau of the Fiscal Service  
Room # 885C  
6505 Belcrest Road  
Hyattsville, MD 20782  
Telephone: (202) 579-8982  
Email: [Brian.Hall@fiscal.treasury.gov](mailto:Brian.Hall@fiscal.treasury.gov)

3. Customer & Project Management

Sally Layfield  
Business & Project Division  
Bureau of the Fiscal Service  
200 Third Street, Room #A5-1  
Parkersburg, WV 26106-1328  
Telephone: (304) 480-7228/Fax: (304) 480-7161

Email: [Sally.Layfield@fiscal.treasury.gov](mailto:Sally.Layfield@fiscal.treasury.gov)

4. Fiscal Service - Securities Systems

Fiscal Service IT Service Desk  
Telephone: (304) 480-7777

B. The SSA Contacts are:

1. Program and Policy - Office of Income Security Programs

Monica Nolan  
Medicare Team  
Office of Earnings Enumeration & Medicare Policy  
Office of Income Security Programs  
2-D-18-D Robert M. Ball Building  
6401 Security Boulevard  
Baltimore, MD 21235  
Telephone: (410) 965-2075  
Email: [Monica.Nolan@ssa.gov](mailto:Monica.Nolan@ssa.gov)

2. Systems Operations - Office of Retirement and Survivor Insurance Systems

Sarah Mayfield-Paige, Division Director  
Division of Title 2 & Medicare Analysis  
Office of IT Programmatic Business Support  
Office of the Deputy Commissioner of Systems  
4-B-24 Robert M. Ball Building  
6401 Security Boulevard,  
4517 Robert M. Ball Building  
Baltimore, MD 21235  
Telephone: (410) 966-9917  
Email: [Sarah.Mayfield-Paige.@ssa.gov](mailto:Sarah.Mayfield-Paige.@ssa.gov)

3. Information Security Issues - Office of the Chief Information Officer

Guy Fortson, Acting Director  
Office of Information Security  
Division of Compliance and Oversight  
Suite 3105 Annex  
6401 Security Boulevard  
Baltimore, MD 21235  
Telephone: (410) 597-1103  
Email: [Guy.Fortson@ssa.gov](mailto:Guy.Fortson@ssa.gov)

4. Matching Issues - Office of the General Counsel

Donald Scott  
Government Information Specialist  
Office of Privacy and Disclosure  
Office of the General Counsel  
G-401 WHR  
6401 Security Boulevard  
Baltimore, MD 21235  
Telephone: (410) 965-8850  
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5. Policy Coordinator

Andrea Warren  
Data Exchange Liaison  
Office of Data Exchange and Policy Publications  
Office of Data Exchange  
4-C-8-A Annex Building  
6401 Security Boulevard  
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Telephone: (410) 966-5642  
Email: [Andrea.Warren@ssa.gov](mailto:Andrea.Warren@ssa.gov)

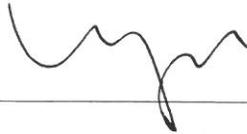
**XIX. Integration Clause**

This computer matching agreement; Attachments 1 and 2; and the accompanying Forms SSA-429, 7600A and 7600B constitute the entire agreement of the parties with respect to its subject matter and supersede all other data exchange agreements between the parties that pertain to the disclosure of Savings Securities data for the purposes described herein. There have been no representations, warranties, or promises made outside of this agreement. This agreement takes precedence over any other documents that may be in conflict with it.

**XX. Signatures**

The signatories below warrant and represent that they have the competent authority on behalf of their respective agencies to enter into the obligations set forth in this agreement.

**SOCIAL SECURITY ADMINISTRATION**



\_\_\_\_\_  
Monica Chyn  
Acting Deputy Executive Director  
Office of Privacy and Disclosure  
Office of the General Counsel

Date 4/4/18



\_\_\_\_\_  
Mary Ann Zimmerman, Acting Chair  
Data Integrity Board

Date 6/8/2018

**THE BUREAU OF THE FISCAL SERVICE**

**David J.  
Ambrose**

Digitally signed by David J.  
Ambrose  
Date: 2018.04.10 14:39:51  
-04'00'

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David Ambrose  
Chief Security Officer and  
Chief Privacy Official

Date \_\_\_\_\_

**DEPARTMENT OF THE TREASURY**



Ryan A. Law  
c=US, o=U.S. Government,  
ou=Department of the Treasury,  
ou=Departmental Offices, ou=People,  
serialNumber=716338, cn=Ryan A. Law  
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Ryan Law  
Chairperson, Treasury Data Integrity Board  
Deputy Assistant Secretary for Privacy, Transparency, and Records

Date \_\_\_\_\_

**Attachments**

Attachment 1: Benefit to Cost Analysis

Attachment 2: SSA File Layout

**Cost Benefit Analysis (CBA) for Medicare Part D Matching Operation between the Social Security Administration (SSA) and the Department of the Treasury, Bureau of the Fiscal Services (FS) (Match #1304)**

**Objective of the matching operation**

The purpose of the matching operation is to verify attestations regarding income and resources made by claimants for Medicare Part D prescription drug subsidy assistance under the Medicare Modernization Act (MMA) of 2003.

**History**

The MMA provides deductible and co-payment subsidies for certain low-income individuals who are subject to a Part D premium. The MMA requires that SSA take applications and determine eligibility for this subsidy program; however, we automatically deem individuals who have Medicare and receive Supplemental Security Income (SSI) or Medicaid, or who participate in the Medicare Savings Program, eligible for the subsidy. SSA determines eligibility for full or partial subsidy by comparing the applicant's alleged income and resource data with income and resource data available in its systems, as well as data obtained through matching agreements with other agencies.

**Methodology**

The Office of Data Exchange (ODX) reviewed fiscal year (FY) 2016 initial and redetermination subsidy application reports, which included data for those beneficiaries for whom SSA and Fiscal Service had income or resource data.

Specifically, ODX first identified and excluded from the total application counts, those applications for which FS income or resource data was already in SSA records and thus did not require additional screening or verification. Next ODX identified and excluded the total number of applications denied (e.g., due to alleged excess income and resources) during the initial and redetermination application screening out process.<sup>1</sup> By excluding these applications, ODX was able to concentrate its review on those applications that we awarded or denied due to the computer matching process, and for which no manual intervention was required. This methodology allowed ODX to determine the cost-savings gained by reducing the need for manual verifications.

**Benefits**

The benefit of conducting this matching operation is the increased accuracy of our subsidy determinations, and the cost-savings gained by reducing the need for manual verifications by

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<sup>1</sup> These applications still go through the matching process; however, because we deny them during the initial application or redetermination process, no additional verification is necessary.

field offices (FO) of all income and resource allegations on Medicare Part D subsidy initial and redetermination applications.

For FY 2016, the Office of Public Service and Operations Support (OPSOS) reported an average development time of 21 minutes for initial applications and 30 minutes for redetermination applications. Through this matching operation, SSA eliminated the need for manual development (and thus the associated time) of these applications. Therefore, FOs avoided manual verification of 10,336 initial applications and 27,527 redetermination applications for a total cost-savings of approximately \$1,467,107.

### Costs

For this data exchange in FY 2016, the Office of Systems reported estimated systems costs of \$5,412; the cost of the interagency agreement (IAA) was \$23,401. Thus, the total cost of performing this matching operation was **\$28,813**.

### Conclusion

SSA benefits from administrative savings due to avoiding the cost of manual development of income and resources reported on initial and redetermination applications. We estimate that the benefit-to-cost ratio for this matching operation is **50.9:1**. Therefore, we recommend the continuation of this matching operation.

### **Benefits Summary** (*Verifications Avoided<sup>2</sup>*)

Number of Initial Application Verifications Avoided	10,336
Number of Redetermination Verifications Avoided	27,527
Total Number of Verifications Avoided	37,863
Total Development Time Avoided (work years)	
Initial applications	3.22 WY
Redeterminations	12.24 WY
Savings per Work Year (Salary)	\$94,897
<b>Total Benefits (rounded)</b>	<b>\$1,467,107</b>

### **Cost Summary**

Interagency Agreement (Based on FY 2016)	\$23,401
Systems Costs (Office of Systems, Budget Staff)	\$5,412
<b>Total Costs</b>	<b>\$28,813</b>

<b>Benefit-to-Cost Ratio</b>	<b>50.9:1</b>
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<sup>2</sup> SSA avoids verifications when alleged we confirmed income/resources through data exchanges. These are the estimated number of verifications avoided by this computer match for initial applications for subsidy and redeterminations of existing subsidies for the period October 2015-September 2016.

**Benefit Details (Cost Avoidance of Verification Development)**

Development Time per Initial Application Verification <sup>3</sup> x Overhead <sup>4</sup> : 21 Minutes per Verification x 1.85	38.85 mins./verification
Development Time per Redetermination Verification <sup>5</sup> x Overhead: 30 Minutes per Verification x 1.85	55.5 mins./verification
(Development time per initial application verification x # of verifications)/60 minutes per hour/2080 hours per year = total work years (38.85 x 10,336)/60/2080)	3.22 WY
(Development time per redetermination verification x # of verifications)/60 minutes per hour/2080 hours per year= total work years (55.5 x 27,527)/60/2080	12.24 WY
Development cost for initial application verification = salary x WY (\$94,897 x 3.22) (rounded)	\$305,568
Development cost for redetermination verification = salary x WY (\$94,897 x 12.24) (rounded)	\$1,161,539
Work Years x Salary <sup>6</sup> :	<b>\$1,467,107</b>

<sup>3</sup> The development time of 21 minutes per initial application is the estimated average time based on the time it takes to verify the applicant's alleged income/resources against matched data. Source: OPSOS

<sup>4</sup> The overhead rate of 1.85 for the FOs was furnished by the Office of Budget, Division of Cost Analysis.

<sup>5</sup> The development time of 30 minutes per subsidy redetermination verification is the estimated average time based on the time it takes to verify the applicant's alleged income/resources against matched data. Source: OPSOS

<sup>6</sup> FY 2016 Average FO Cost per Work Year (CPWY) includes 20% Fringe Benefits was provided by the Office of Budget.

Computer Matching Agreement  
SSA and Fiscal Service  
Required format for finder file

\* DESCRIPTION: SSA INQUIRY REQUEST FILE LAYOUT  
\* REC LENGTH: 74 CHARACTERS (11100 BLOCK SIZE)  
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01	SSAI-REC.	
05	SSAI-HOUSE-UNDER-NR	PIC 9(9).
05	SSAI-RGN-CD	PIC 9.
05	FILLER	PIC X.
05	SSAI-FLD-OFC	PIC X(3).
05	SSAI-SSN	PIC 9(9).
05	SSAI-LAST-NM	PIC X(14).
05	SSAI-FIRST-NM	PIC X(9).
05	SSAI-MID-INI	PIC X.
05	SSAI-DQ-ST-ABBRV	PIC X(2).
05	SSAI-CASE-CHAR-IN	PIC X.
05	SSAI-HUN-LAST-NM	PIC X(14).
05	SSAI-HUN-FIRST-NM	PIC X(9).
05	SSAI-HUN-MID-INI	PIC X.