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SUBJECT: Identifying Deceased Medicaid Enrollees

Introduction

CMS is committed to partnering with states to ensure fiscal integrity for Medicaid and the Children's Health Insurance Program (CHIP). CMS is providing information to help states understand the available sources to identify individuals enrolled in Medicaid and CHIP who may be deceased. Early identification reduces the risk of making any unallowable Medicaid payment for Fee-for-Service or capitation payments to Managed Care Organizations (MCOs), Prepaid Inpatient Health Plans (PIHPs) or Prepaid Ambulatory Health Plans (PAHPs) for deceased enrollees.

Recent internal and external audits have shown states have made payments on behalf of deceased enrollees. In 2023, CMS audited six states to identify overpayments for capitation payments made to MCOs on behalf of deceased Medicaid enrollees. These audits were conducted by CMS's Unified Program Integrity Contractors (UPICs) and are continuing with more states in 2024. The Department of Health and Human Services Office of Inspector General (OIG) also examined this issue, issuing a report, *Multiple States Made Medicaid Capitation Payments to Managed Care Organizations After Enrollees' Deaths* (A-04-21-09005) November 24, 2023.¹ To reduce further risk of overpayments, CMS is reminding states of the following data sources to better match enrollment and payment data against data on deceased individuals on a monthly basis.

In cases where a state elects to use a process to periodically check data sources to identify Medicaid and CHIP enrollees who may be deceased, the state must treat information returned from the data source indicating the enrollee may be deceased as a potential change in circumstance and must redetermine eligibility as outlined in 42 CFR §§ 435.919(b) and 457.343. This process includes verifying the individual is deceased. When acting on information obtained from a data source, consistent with 42 CFR §§ 435.952(d) and 457.380, a state must not

¹ OIG report, *Multiple States Made Medicaid Capitation Payments to Managed Care Organizations After Enrollees' Deaths* (A-04-21-09005) <https://oig.hhs.gov/oas/reports/region4/42109005.asp>

terminate eligibility unless the state has first sought additional information from the household or authorized representative to confirm the enrollee is deceased. If the state can verify the enrollee is deceased, the state should provide adequate written notice of termination and fair hearing rights as required under 42 CFR §§ 431.206-210 & 431.213(a) and 457.340(e)(1).

If the state seeks additional information from the household or authorized representative to confirm the enrollee is deceased and no response is returned, the state must terminate eligibility and provide at least 10 days advanced written notice of termination and fair hearing rights as required in regulations at 42 CFR §§ 431.206-210 & 431.211 and 457.340(e)(1).

Note also should a state terminate Medicaid enrollment based on the scenarios described above, the state may also need to address any potential changes in circumstances for other household members (i.e., change in household size potentially affecting income eligibility) as a result of this change.

This guidance is also intended to remind states of the following data sources to better match enrollment and payment data against data on deceased individuals monthly.

Available Data Sources

Current regulations, 42 CFR §§ 435.948 and 435.945(j)-(k) and 457.380, provide states with flexibility to decide the usefulness of electronic data sources to verify information needed to determine eligibility. There are multiple sources available, as listed below, states may review to timely identify potentially deceased beneficiaries:

- Social Security Administration's (SSA) Death Master File (DMF): The Social Security Administration (SSA) collects death information to administer its programs. This information includes the deceased individual's Social Security number (SSN), first name, middle name, surname, date of birth, and date of death. While the DMF may not capture all deaths, it is the most comprehensive, accurate, and up-to-date data source. [https://www.ssa.gov/dataexchange/request_dmf.html]
- SSA's State Verification and Exchange System (SVES): This is a batch query system allowing states to verify the eligibility of individuals for Social Security benefits. SVES also allows states to exchange information with the SSA about individuals who are applying for or receiving benefits. [https://www.ssa.gov/dataexchange/documents/sves_solq_manual.pdf]
- State Online Query (SOLQ): This is an online version of the state Verification and Exchange System (SVES). SOLQ allows states real-time access to SSA's SSN verification service and retrieval of Title II Federal Old-Age, Survivors, and Disability Insurance Benefits or Title XVI Supplemental Security Income (SSI) for the Aged, Blind, and Disabled data. This enables state social services and other state benefit program personnel to rapidly obtain information they need to qualify individuals for programs. [<https://www.ssa.gov/dataexchange/documents/SOLQ-SOLQI%20record.pdf>]
- Beneficiary and Earnings Data Exchange (BENDEX): This is a centralized computer process available to states under written agreements with the SSA. BENDEX provides states with access to a variety of beneficiary and earnings data.

- [\[https://www.ssa.gov/dataexchange/documents/Bendex%20record.pdf\]](https://www.ssa.gov/dataexchange/documents/Bendex%20record.pdf)
• State Data Exchange (SDX): This is a batch data exchange providing Title XVI data to states that administer federally funded income and/or health maintenance programs. SDX data includes information about individuals who are applying for or receiving Supplemental Security Income (SSI) benefits.
[\[https://www.ssa.gov/dataexchange/documents/SDX%20record.pdf\]](https://www.ssa.gov/dataexchange/documents/SDX%20record.pdf)
- National Death Index (NDI): This is a national database of death records from participating states and territories. The NDI is maintained by the Department of Health and Human Services' Centers for Disease Control and Prevention.
[\[https://www.cdc.gov/nchs/ndi/index.htm\]](https://www.cdc.gov/nchs/ndi/index.htm)
- State Health Departments, and State Vital Statistics Offices: These offices collect and maintain records of births, deaths, marriages, and divorces occurring in their state. The mortality data collected includes information such as the deceased's name, date of birth, date of death, cause of death, and place of death.

CMS appreciates states' commitment to instituting the necessary best practices and adhering to eligibility requirements that protects the integrity of the Medicaid and CHIP program. Should states have questions about this information or need technical assistance regarding this topic, please contact Brent Weaver, brent.weaver@cms.hhs.gov.