I. Purpose

This computer matching agreement sets forth the terms, conditions, and safeguards under which the Department of Veterans Affairs (VA), Veterans Benefits Administration (VBA) will provide the Social Security Administration (SSA) with VA compensation and pension payment data. This disclosure will provide SSA with information necessary to verify an individual’s self-certification of eligibility for the Medicare Prescription Drug (Medicare Part D) subsidy (Extra Help). It will also enable SSA to identify individuals who may qualify for Extra Help as part of the agency’s Medicare outreach efforts.

II. Legal Authority

This agreement is executed 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.

The legal authorities for SSA to conduct this computer matching are sections 1860D-14(a)(3), 1144(a)(1) and (b)(1) of the Social Security Act (Act) (42 U.S.C. §§ 1395w-114(a)(3), 1320b-14(a)(1) and (b)(1).

III. Definitions

A. “Compensation and Pension Payment Data” means information pertaining to compensation and pension benefits paid to anyone by VA based on an individual’s military service.

B. “Medicare Outreach Efforts” means SSA activities designed to identify and notify Medicare beneficiaries under section 1144 of the Act who may be eligible for: (1) medical assistance for payment of the cost of Medicare cost-sharing under the Medicaid program, and (2) Medicare prescription drug subsidies. SSA provides lists of those who received notification about Medicare cost-sharing assistance to the state agencies that administer Medicare Savings Programs (MSP).

C. “Extra Help” means the low-income subsidy assistance that Medicare beneficiaries receive under the Medicare prescription drug program if they have limited income and resources. SSA certifies to the Department of Health and
Human Services that a beneficiary can receive Extra Help to pay for Medicare prescription drug plan costs such as monthly premiums, annual deductibles, and prescription co-payments.

IV. Responsibilities of the Parties

A. VA

1. On a monthly basis, VA will disclose VA compensation and pension payment data to SSA.

2. The components responsible for this disclosure on behalf of VA are the VBA’s Compensation Service and Pension and Fiduciary Service.

B. SSA

SSA will perform the following functions after the match of name, SSN and DOB have been verified:

1. SSA will match VA’s data with data in SSA’s Medicare Database (MDB) system of records, 60-0321, to verify an individual’s self-certification of eligibility for Extra Help.

2. SSA will use VA’s data to screen Medicare-eligible individuals for potential Extra Help eligibility.

3. SSA will use VA’s data to determine an individual’s eligibility for Extra Help and to identify such individuals to the state agencies that administer MSP, unless those individuals do not consent to share their information with the state agencies.

4. SSA will use VA’s data to identify potential MSP-eligible individuals and will share lists of those individuals with the state agencies that administer MSP, unless those individuals do not consent to share their information with the state agencies.

5. 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 (Fed. Reg.).
V. Justification and Anticipated Results

A. Justification

Under section 1860D-14 of the Act, SSA is required to determine the eligibility of applicants who self-certify their income, resources, and family size for Extra Help. SSA is responsible for verifying, on a pre-enrollment basis, an applicant’s income and resource allegations. SSA periodically redetermines the eligibility and subsidy amounts for these individuals, thereafter. Section 1144 of the Act requires SSA also to conduct outreach efforts for MSP and subsidized Medicare prescription drug coverage.

SSA and VA have determined that a computer matching program is the most efficient, expeditious, and effective means for SSA to obtain and process the income and resource information from VA to verify self-certified income and resource information submitted for initial applications and redeterminations. This matching program will result in cost-savings for SSA, reduce the enrollment burden on Medicare beneficiaries, and expedite the enrollment process. No other administrative activity can accomplish this purpose with the same degree of efficiency.

B. Anticipated Results

Based upon a review of computer matching activities from October 2014 through September 2015, SSA estimates that it was able to avoid about 1,588 independent verifications for both initial applications for Extra Help and redeterminations of existing subsidies. This resulted in an estimated savings of $64,260. SSA estimates that the cost of operating this computer match with VA was about $139,223, for a benefit-to-cost ratio of 0.46:1. VA does not expect any savings as a result of this matching program. See Attachment for the Cost Benefit Analysis (CBA).

While the CBA determined this match was not cost effective in FY 2015, Section 1144 of the Act requires SSA to conduct outreach efforts for the Medicare Savings Programs and subsidized Medicare prescription drug coverage. Therefore, we recommend the continuation of this matching operation.

VI. Description of Matched Records

A. Systems of Records (SOR)


B. Number of Records

VA’s data file will consist of approximately 7.5 million electronic records. The SSA comparison file contains approximately 101 million records obtained from the MDB. The number of people who apply for Extra Help determines in part the number of records matched.

C. Specified Data Elements

SSA will conduct the match using the Social Security number (SSN), name, date of birth, and VA claim number on both the VA file and the MDB.

D. Frequency of Matching

VA will furnish SSA with an electronic file containing VA compensation and pension payment data monthly. The actual matching will take place approximately the first week of every month.

VII. Accuracy Assessments

Previous matches with the same files indicate that the SSNs on VA records are 99 percent accurate. The VA compensation and pension data are approximately 100 percent accurate at the time of creation. Based on internal consistency checks and SSN/name verification procedures, SSA estimates that at least 99 percent of the name and SSN information on SSA’s records is accurate.

VIII. Procedures for Individualized Notice

SSA will provide direct notice, in writing, to all applicants or representative payees at the time of their application for Medicare benefits that SSA will match their records against those of other agencies to verify their eligibility. SSA will periodically provide similar notices to all recipients at least once during the life of the match. SSA will also publish notice of this matching program in the Federal Register, in accordance with the requirements of the Privacy Act and OMB guidelines.

VA will notify all applicants who apply for VA benefits that VA will conduct matching programs. VA’s notice consists of appropriate language printed on its application forms or a separate handout with appropriate language, when necessary. VA will provide subsequent notices to its beneficiaries as required. VA’s subsequent notice consists of appropriate language mailed by check stuffer or letter to all potentially affected beneficiaries.
IX. **Verification Procedure and Opportunity to Contest**

Before making an unfavorable decision on an Extra Help application or redetermination based on the information received from VA, SSA will provide a written Pre-Decisional Notice (for initial Extra Help applications) to each applicant or Notice of Planned Action (for redeterminations) to each beneficiary when 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 VA pertaining to receipt of a compensation or pension payment, which indicates that an adverse action affecting the individual’s eligibility for subsidy assistance is necessary.

2. The individual has a specified number of days (at least 10 days) from the date of the notice to contact SSA to contest the Pre-Decisional Notice or the Notice of Planned Action and submit evidence, if required, to support a decision that SSA should award a full or partial subsidy.

3. Unless the individual notifies SSA otherwise within the specified timeframe, SSA will conclude that the data VA provides is correct and will make the necessary adjustment to the individual’s Extra Help application. SSA will consider failure to respond to the notice sufficient justification for taking the adverse action. SSA will permit further appeals of adverse action as described in applicable instructions and regulations.

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

SSA will retain the electronic files received from VA only for the time required for any processing related to the matching program and will then return the files to VA or destroy them by means of electronic erasure. SSA must retain some information on particular individuals, which this matching program will generate, in order to meet evidentiary requirements. If such retention is warranted, SSA will retire the retained records in accordance with applicable Federal Records Retention Schedules (44 U.S.C. § 3303a).

XI. **Records Usage, Duplication, and Redisclosure Restrictions**

A. SSA will adhere to the following limitations on the use, duplication, and disclosure of the electronic files and data that VA provides to SSA:

1. SSA will use and access the files VA provides only for the purposes described in this agreement.

2. SSA will not use the data to extract information concerning individuals therein for any purpose not specified in this agreement.
3. SSA will not duplicate or disseminate the files VA provides within or outside SSA without the written permission of VA. VA will not give such permission unless the law requires disclosure or the disclosure is essential to the conduct of the matching program. For such permission, SSA must specify in writing: (1) what data SSA is requesting be duplicated or disseminated; (2) to whom the data is being duplicated or disseminated; and (3) the reasons that justify such duplication or dissemination.

B. Both parties will keep an accurate accounting of disclosures from an individual’s records as required by the Privacy Act at 5 U.S.C. § 552a(c).

XII. Security Procedures

SSA and VA 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), and Memorandum M-06-16, Protection of Sensitive Agency Information (June 23, 2006); 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 subsequent 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 experiences an incident involving the loss or breach of PII provided by VA 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, SSA is responsible for following the established procedures, including notification to the proper organizations (e.g., United States Computer Emergency Readiness Team, the agency’s privacy office). In addition, SSA will notify VA’s Systems Security Contact named in this agreement. If SSA is unable to speak with VA’s Systems Security Contact within one hour, SSA will contact the VA Network and Security Operations Center at 1-800-877-4328.
B. Breach Notification

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

C. Administrative Safeguards

SSA will restrict access to the data matched and to any data created by the match to only those authorized employees and officials who need it to perform their official duties in connection with the uses of the data authorized in this agreement. Further, SSA 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 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 will establish appropriate safeguards for such data, as determined by a risk-based assessment of the circumstances involved.

E. Technical Safeguards

SSA 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 will strictly limit authorization to those electronic data areas necessary for the authorized analyst to perform his or her official duties.

F. Application of Policies and Procedures

SSA 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 will comply with these policies and procedures and any subsequent revisions.

G. Onsite Inspection

SSA has the right to monitor SSA’s compliance with FISMA and OMB M-06-16 requirements. VA has the right to make onsite inspections for auditing
compliance, if necessary, for the duration or any extension of this agreement. VA will provide SSA advanced written notice of any onsite inspection and the parties will set a mutually agreeable date for such inspection.

XIII. **Comptroller General Access**

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

XIV. **Remote Terminal Access**

SSA does not have remote terminal access to VA files, and SSA will not provide remote terminal access to the files that VA discloses to SSA under the terms of this agreement.

XV. **Reimbursement**

Due to the nominal costs of services associated with providing data to SSA under this agreement, VA waives recovery of the costs pursuant to the Economy Act (31 U.S.C. § 1535). Should VA determine in the future that the cost of providing services is significant, SSA and VA may establish a reimbursable agreement allowing for cost adjustments.

XVI. **Duration, Modification, and Termination**

A. **Effective Date:** The effective date of this agreement is October 2, 2017, 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 VA 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 VA and SSA can certify to their DIBs that:

1. The matching program will be conducted without change; and

2. VA and SSA have conducted the matching program in compliance with the original agreement.

If either party does not want to continue this program, it 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 parties may modify this agreement at any time by a written modification, agreed to by both parties and approved by the DIB of each agency.

E. Termination: The parties may terminate this agreement at any time with the consent of both parties. Either party may unilaterally terminate this agreement upon written notice to the other party, in which case the termination shall be effective 90 days after the date of the notice, or at a later date specified in the notice.

XVII. Integration Clause

This agreement constitutes the entire agreement of the parties with respect to its subject matter and supersedes all other data exchange agreements between the parties that pertain to the disclosure of the specified VA compensation and pension payment data by VA to SSA for the purposes described herein. SSA and VA have made no representations, warranties, or promises outside of this agreement. This agreement takes precedence over any other documents that may be in conflict with it.

XVIII. Persons to Contact

A. VA Contacts:

Matching Agreement

Ms. Lynn Thiem, Sr. Management and Program Analyst
Compensation Service (212C)
810 Vermont Avenue, NW
Washington, DC 20420
Telephone: (202) 461-9654
Fax: (202) 275-0562
Email: Andrew.bodyk@va.gov

Computer Systems

Mr. Scott Fagan, Senior Business Application Analyst
Compensation Service
810 Vermont Avenue, NW (215)
Washington, DC 20420
Telephone: (402) 420-4233
Fax: (402) 402-4066
Email: Scott.Fagan@va.gov
**Systems Security**

Ms. Jessica L. Carriveau  
Certified Information Systems Security Professional  
Southern Area Network ISO  
9500 Bay Pines Boulevard  
St. Petersburg, FL 33708  
Telephone: (727) 319-5954  
Fax: (727) 319-7785  
Email: Jessica.Carriveau@va.gov

**B. SSA Contacts:**

**Program Policy**

Ms. Monica Nolan, Team Leader  
Medicare Team  
Office of Earnings, Enumeration & Medicare Policy  
Office of Income Security Programs  
6401 Security Boulevard, 2-P-17-B Robert M. Ball Building  
Baltimore, MD 21235  
Telephone: (410) 965-2075  
Email: Monica.Nolan@ssa.gov

**Systems**

Ms. Melanie Burns  
Division of Medicare Processing & Title II Support  
6401 Security Boulevard, 4517 Robert M. Ball Building  
Baltimore, MD 21235  
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Fax: (410) 597-1384  
Email: Melanie.Burns@ssa.gov

**Matching Agreement**

Mr. Kelvin Chapman, Government Information Specialist  
Office of the General Counsel  
Office of Privacy and Disclosure  
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Fax: (410) 594-0115  
Email: Kelvin.Chapman@ssa.gov
Systems Security

Sean Hagan, Acting Director
Division of Compliance and Oversight
Office of Information Security
Office of Systems
6401 Security Boulevard,
3829 Annex Building
Baltimore, MD 21235
Telephone: (410) 965-4519
Fax: (410) 597-0845
Email: Sean.Hagan@ssa.gov

Project Coordinator

Ms. Stephanie Meilinger
Office of Data Exchange and Policy Publications
Office of Data Exchange
6401 Security Boulevard, 4700 Annex Building
Baltimore, MD 21235
Telephone: (410) 966-0476
Email: Stephanie.Meilinger@ssa.gov
XIX. 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: 02/26/201

Mary Ann Zimmerman
Acting Chair
Data Integrity Board

Date: 02/26/201
XIX. Signatures (continued)

DEPARTMENT OF VETERANS AFFAIRS
VETERANS BENEFITS ADMINISTRATION

BETHAMCCOY 302388
Beth Murphy, Director
Compensation Service
Date 7/26/2017

CherylJRawls 195502
Cheryl Rawls, Director
Pension and Fiduciary Service
Date 8/23/2017

David, LaShaunne
Scott R. Blackburn
Data Integrity Board
Department of Veterans Affairs
Date

Digitally signed by BETH A. MCCOY 302388
DN: cn=beth.a.mccoy, ou=people, o=internal, ou=people,
dc=gov, dc=va, o=internal,

Digitally signed by Cheryl J Rawls 195502
DN: cn=cheryl.rawls, ou=people, o=internal, ou=people,
dc=gov, dc=va, o=internal,

Digitally signed by David, LaShaunne
DN: cn=david.lashaunne, ou=Entities,
ou=InternalStaff, ou=people,
Attachment

Cost-Benefit Analysis
Cost Benefit Analysis for
Medicare Part D Matching Operation between
Social Security Administration (SSA) and the Department of Veterans
Affairs (VA) (Match #1309)

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.

Background
The MMA provides deductible and co-payment subsidies for certain low-income individuals to receive Part D premium. The MMA requires that we take applications and determine eligibility for this subsidy program, since lawmakers designed the program to assist individuals with limited financial means in paying for the prescription drug coverage. We automatically deem eligible individuals who have Medicare and receive Supplemental Security Income (SSI) or Medicaid, or who participate in the Medicare Savings Program. SSA determines eligibility for full or partial subsidy by comparing income and resource information provided by applicants with income and resource data available in our systems, as well as, data obtained through matching agreements with other agencies.

Methodology
The Office of Data Exchange (ODX) reviewed fiscal year (FY) 2015 initial and redetermination subsidy application reports, which included data for those beneficiaries for whom SSA and VA had income or resource data.

Specifically, ODX first identified and excluded from the total application counts, those applications for which VA 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. By excluding these applications, ODX was able to concentrate its review on those applications that were 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 field offices (FO) of all income and resource allegations on Medicare Part D subsidy initial and redetermination applications.

For FY 2015, the Office of Public Service and Operations Support 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); FOs avoided manual verification of 388 initial applications and 1,170 redetermination applications for a total cost-savings of approximately $64,260.

1 These applications still go through the matching process; however, because they are denied during the initial application or redetermination process, no additional verification is necessary.
Costs

For this data exchange in FY 2015, the Office of Systems reported estimated systems costs of $139,223. Due to the nominal costs of services associated with providing data to SSA under this agreement, VA waives recovery of the costs pursuant to the Economy Act (31 U.S.C. § 1535).

Conclusion

Although we estimate that the benefit-to-cost ratio is 0.46:1, Section 1144 of the Act requires SSA to conduct outreach efforts for the Medicare Savings Programs and subsidized Medicare prescription drug coverage. Therefore, we recommend the continuation of this matching operation.
### Cost Benefit Analysis For The Computer Matching Operation #1306 SSA and OCSE

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity/Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Initial Application Verifications Avoided</td>
<td>388</td>
</tr>
<tr>
<td>Number of Redetermination Verifications Avoided</td>
<td>1,170</td>
</tr>
<tr>
<td>Total Number of Verifications Avoided</td>
<td>1,558</td>
</tr>
<tr>
<td>Total Development Time Avoided (work years)</td>
<td></td>
</tr>
<tr>
<td>Initial applications</td>
<td>0.13</td>
</tr>
<tr>
<td>Redeterminations</td>
<td>0.57</td>
</tr>
<tr>
<td>Salary</td>
<td>$91,800(^{3})</td>
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<tr>
<td>Overhead</td>
<td>2.01(^{4})</td>
</tr>
</tbody>
</table>

### Cost Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interagency Agreement (Based on FY 2015)</td>
<td>$0</td>
</tr>
<tr>
<td>Systems Costs (Office of Systems, Budget Staff)</td>
<td>$139,223</td>
</tr>
<tr>
<td>Total Costs</td>
<td>$139,223</td>
</tr>
</tbody>
</table>

### Benefit Details

#### Cost Avoidance of Verification Development

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development time per initial application verification x overhead: 21(^{5}) minutes per verification x 2.01</td>
<td>42.21</td>
</tr>
<tr>
<td>Development time per redetermination verification x overhead: 30(^{6}) minutes per verification x 2.01</td>
<td>60.3</td>
</tr>
<tr>
<td>(Development time per initial application verification x # of verifications)/60 minutes per hour/2080 hours per year = total work years (42.21 x 388)/60/2080)</td>
<td>0.13</td>
</tr>
<tr>
<td>(Development time per redetermination verification x # of verifications)/60 minutes per hour/2080 hours per year = total work years (60.3 x 1,170)/60/2080</td>
<td>0.57</td>
</tr>
<tr>
<td>Development cost for initial application verification = salary x WY ($91,800 x 0.13)</td>
<td>$11,934</td>
</tr>
<tr>
<td>Development cost for redetermination verification = salary x WY ($91,800 x 0.57)</td>
<td>$52,326</td>
</tr>
<tr>
<td>Total development cost avoidance (WY x salary) (rounded)</td>
<td>$64,260</td>
</tr>
<tr>
<td>Benefit-to-Cost Ratio</td>
<td>0.46:1</td>
</tr>
</tbody>
</table>

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\(^{2}\) SSA avoids verifications when we confirm alleged 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 Oct. 2014-Sep. 2015.

\(^{3}\) FY 2015 Average FO Cost per Work Year (CPWY) includes 20% Fringe Benefits was provided by the Office of Budget.

\(^{4}\) The overhead rate of 2.01 for the FOs was furnished by the Office of Budget, DCBFQM

\(^{5}\) The development time of 21 minutes per initial application verification is the estimated average time based on the time it takes to verify an applicant’s alleged income/resources against matched data. Source: OPSOS

\(^{6}\) 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