FEDERAL HEALTH-INSURANCE MARKETPLACE

Analysis of Plan Year 2015 Application, Enrollment, and Eligibility-Verification Process

What GAO Found

A small percentage—about 1 percent—of plan year (PY) 2015 enrollments were potentially improper or fraudulent. These applicants had unresolved inconsistencies related to citizenship, status as a national, lawful presence, or Social Security number (SSN), or received coverage while reportedly deceased, according to GAO’s analysis of federally facilitated marketplace (FFM) eligibility and enrollment data. To verify applicant information, such as citizenship, status as a national, or lawful presence, and SSNs, the FFM uses data from the Department of Homeland Security (DHS) and Social Security Administration (SSA), among other sources. When an applicant’s information does not match the available data sources, the FFM generates an inconsistency, and the FFM should take steps, such as requesting applicant documentation, to resolve it. Having an SSN is not a condition of eligibility; however, unresolved inconsistencies could indicate that an enrollment is potentially improper or fraudulent. The FFM did not actively resolve SSN inconsistencies for PY 2015, but the Centers for Medicare & Medicaid Services (CMS) has since completed system upgrades and established procedures for verifying SSNs with applicant-provided documentation, according to CMS officials.

About 1 Percent of Plan Year (PY) 2015 Enrollments Were Potentially Improper or Fraudulent

GAO found that, of the about 8 million applicants who received coverage with an associated subsidy in PY 2015, about 43,000 had an open inconsistency related to citizenship, status as a national, or lawful presence as of October 2016; 33,000 had an open Social Security number inconsistency as of October 2016; and 17,000 received or maintained coverage with an associated subsidy after their reported date of death.

Source: GAO analysis of the Centers for Medicare & Medicaid Services data. | GAO-18-169

Note: Some applicants may be included in more than one category.

GAO found that applicants or enrollees may have received or maintained coverage with an associated subsidy after their reported death because the FFM did not always identify individuals as deceased in a timely manner, such as prior to automatic reenrollment. CMS relied on third parties, such as family members, to report the death of an enrollee to the FFM, but did not always receive adequate notification to verify the death. According to CMS officials, CMS is exploring approaches to identify enrollees who may be deceased and should therefore be unenrolled from coverage. The FFM checks applicants’ information against death information from SSA before initial enrollment but does not recheck death information prior to reenrollment. According to CMS officials, the FFM does not reverify information, other than income, when automatically reenrolling applicants to help encourage individuals to maintain enrollment in coverage from one year to the next. Without rechecking SSA death information prior to automatic reenrollment, the FFM remains at risk of providing subsidized coverage to deceased individuals with related costs to the federal government.