

**Tony Trenkle's Additional Written Questions  
For the Record  
"Removing SSN's from Medicare Cards"  
House Ways & Means Social Security & Health Subcommittees**

**August 1, 2012**

**From Chairman Sam Johnson & Chairman Wally Herger**

**Questions for the Witness**

- 1. At the hearing, you indicated you have consulted with the Defense Department and the Department of Veterans Affairs about how they developed a strategy for removing the SSN from their ID and medical cards. Please describe the specific results of these consultations.**

**Answer:** CMS discussions on this issue with the Department of Defense and the Department of Veterans Affairs lead us to believe that a transition away from the Social Security Number as Medicare ID would be much more challenging for CMS than it was for DOD and VA. In particular, the size and scope of the Medicare program is many times larger than DOD and the VA. The VA provides health care coverage to approximately 8.6 million veterans and their families, while the DOD provides health care to 9.6 million beneficiaries. In contrast, Medicare annually processes about 1.3 billion claims from about 1.5 million providers on behalf of more than 50 million Medicare beneficiaries. These differences in size and scope make it more technically challenging and costly to implement a lengthy, phased transition as DOD and the VA conducted because of the necessity of operating two parallel systems of identification during the transition. In addition the ability of DOD and the VA to continue to embed the SSN electronically in ID cards during the transition is not an option available with the current paper Medicare card.

- 2. In their testimony, the Government Accountability Office (GAO) stated that, of the three options for removing SSNs from Medicare cards that were presented in CMS's 2011 report, replacing the SSN with a new identifier for use by beneficiaries and providers would offer the greatest protection against identity theft. Does CMS agree with GAO's assessment of the three options regarding the risks and vulnerabilities associated with the need to protect beneficiaries' data?**

**Answer:** CMS agrees that such an approach could protect beneficiaries from identity theft from loss or theft of the card itself. Additionally, as our November 2011 report explained, replacing the SSN with a new identifier would allow CMS to "turn off" a beneficiary number that had been compromised, which could prove a useful tool in combating Medicare fraud and medical identity theft. CMS agrees that of the three options presented in the 2011 report, this option would best

meet the goals of reducing the risk of identity theft and preventing fraud while minimizing the burden on beneficiaries and providers.

- 3. What other solutions, besides the three presented in the 2011 assessment, were considered by CMS as options for removing the SSN from Medicare cards? To what extent did CMS examine other approaches currently in use by private insurers, financial institutions, and other government-run health care entities?**

**Answer:** CMS considered providing a new, non-SSN-based identifier to newly-enrolled beneficiaries and maintaining the current SSN-based HICN for existing beneficiaries, but concluded it would be cost-prohibitive to maintain parallel systems of beneficiary identification for an extended period of time and that there would be no benefits for current beneficiaries in identity-theft mitigation or fraud prevention. CMS interviewed members of the information technology departments of private insurers to learn about the systems and beneficiary and provider outreach challenges they faced when transitioning to a new identifier.

- 4. In any of the three options, did CMS consider the implementation of mechanisms that could eliminate the need for CMS to modify each of the affected CMS systems? For example, did CMS consider any solutions that would translate new identifiers to SSNs at a single point of entry, rather than require modifications to each system to accept new identifiers? Were the effects on the time and costs of implementing any such approaches considered when CMS developed cost and schedule estimates?**

**Answer:** All of the three options assumed that affected systems would use a translation mechanism rather than a complete internal replacement of the Health Insurance Claim Number (HICN) with the Medicare Beneficiary Identifier (MBI). Even a translation alternative would require changes for all affected systems. It is not possible to make these changes at a “single point of entry” because CMS systems have numerous external points of communication, with data coming in and going out. Each of those systems would require modification in order to use the translation mechanism. As CMS revisits its cost estimates, we are endeavoring to define with more precision the extent and costs for the required modification of every system and the extent to which the use of a translation mechanism could minimize those modifications and costs.

- 5. Were alternative analyses conducted for each of the solutions presented in the 2011 assessment and/or for any other options? Please provide supporting documentation, if any, that show the results of these analyses.**

**Answer:** No, CMS developed a rough order of magnitude cost estimate for the systems changes and outreach and education associated with each option. CMS is currently in the process of revising these estimates to provide greater precision as to the implementation costs.

- a. To what extent were detailed technology assessments conducted to determine the impact on existing CMS, Railroad Retirement Board (RRB), the Social Security Administration, and other external entities’ systems?**

**Answer:** In conducting the 2011 assessment of the costs associated with different options for removing the SSN from the Medicare beneficiary card, CMS looked at the impact of changing the beneficiary identifier on Medicare on existing CMS systems that would be affected and provided a rough order of magnitude estimate of the costs of those impacts. Because it was beyond the scope of the Congressional request and because there are additional cost and policy considerations tied to the adoption of new technologies, CMS did not analyze these options or estimate their costs in the context of the possible adoption of new technological solutions for beneficiary identification, such as “smart cards” or a global revamping of CMS legacy systems.

- b. Were any entities independent of CMS, such as technology consultants, involved in conducting any such assessments? If so, please identify. If not, please explain the reasons why.**

**Answer:** We did not have independent technology consultants conduct third party feasibility or development assessments because it was beyond the scope of the Congressional request.

- c. Please provide reports of any technology assessments that were conducted by CMS and any other entities involved.**

**Answer:** CMS did not conduct a technology assessment, nor did any other entity.

- 6. As noted in the 2006 assessment, CMS systems already map multiple identifiers for beneficiaries to the identifiers printed on Medicare cards. Also, RRB identification numbers are maintained and processed by CMS’s and others’ systems.**

- a. How are these identification numbers processed by CMS’s information systems? Are they “mapped” or otherwise translated to SSN-based identifiers, or are they stored, maintained, and processed differently than the SSN-based identifiers?**

**Answer:** The multiple identifiers for beneficiaries mentioned in the 2006 assessment referred to CMS systems maintaining a history of the beneficiary Health Insurance Claim Number (HICN) and RRB numbers. The 2006 assessment was not referring to a different beneficiary identifier other than the SSN-based one that SSA and RRB send to CMS. The RRB sends CMS RRB numbers as opposed to HICNs. The HICN can change during a beneficiary’s lifetime; as a result, CMS systems keep a table in their databases that links the most current HICN/RRB number to prior valid HICNs/RRB numbers for the beneficiary.

- b. What implications to the cost of implementation and maintenance of the systems would this approach introduce if used in efforts to remove the SSN-based identifier from Medicare beneficiaries’ cards?**

**Answer:** In order to interface with SSA and other Federal agencies, CMS still needs to maintain the RRB number that is provided by RRB and the combination of SSN and identification code which is provided by SSA that CMS uses as the HICN. As a result, CMS cannot simply reuse the existing data element and replace it with the new beneficiary identifier. The new beneficiary

identifier would need to be stored separately from the HICN/RRB number. The new beneficiary identifier would add more data, including history of the new identifier when it changes, a crosswalk of the new identifier to the HICN/RRB number, as well as the ability to retrieve the new identifier.