



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Follow-up: Termination of Disability
Benefits Following a Continuing
Disability Review Cessation

A-07-17-50213 | August 2017



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: August 21, 2017

Refer To:

To: The Commissioner

From: Acting Inspector General

Subject: Follow-up: Termination of Disability Benefits Following a Continuing Disability Review Cessation (A-07-17-50213)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration ensured the timely termination of benefits following a continuing disability review cessation determination.

If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, 410-965-9700.

A handwritten signature in cursive script that reads "Gale Stallworth Stone".

Gale Stallworth Stone

Attachment

Follow-up: Termination of Disability Benefits Following a Continuing Disability Review Cessation

A-07-17-50213



August 2017

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) ensured the timely termination of benefits following a continuing disability review (CDR) cessation determination.

Background

Once an individual begins receiving Disability Insurance (DI) or Supplemental Security Income (SSI) benefits, SSA should ensure only those individuals who remain disabled and unable to work continue receiving benefits. SSA conducts CDRs to determine whether individuals remain medically eligible for disability payments.

In a 2012 audit, we identified individuals who improperly received payments after their medical cessation determinations because SSA did not terminate benefits timely. We found 30 percent of sampled DI beneficiaries and 16 percent of sampled SSI recipients improperly received payments after their medical cessation determinations. We estimated these untimely cessations caused \$48.9 million in improper DI payments and \$34.7 million in improper SSI payments. We recommended, in part, that SSA enhance the processing system's ability to perform automated terminations to ensure the timely termination of benefits following a medical cessation determination.

Findings

Since our prior review, SSA had taken actions to improve its processes for terminating benefits following disability cessation determinations. However, based on our review of medical cessation determinations made during Calendar Years 2014 and 2015, SSA continued making improper payments. We found:

- 28 (11 percent) of 250 sampled DI beneficiaries and their auxiliaries improperly received \$276,041 after their medical cessation determinations. Based on our sample results, we estimate 3,148 beneficiaries and their auxiliaries received over \$31 million in improper benefits.
- 17 (7 percent) of 250 sampled SSI recipients improperly received \$51,117 after their medical cessation determinations. Based on our sample results, we estimate 5,284 recipients received almost \$16 million in improper payments.

The improper payments occurred because the systems enhancements SSA implemented after our prior audit did not address all types of disability cases. While SSA had terminated benefits for most of the individuals in our samples, at the time of our review, it had not terminated benefits to 12 of the 28 DI beneficiaries. In addition, SSA had not assessed overpayments to three DI beneficiaries.

Recommendations

We made four recommendations for SSA to terminate benefit payments and assess overpayments for the individuals we identified and address issues related to the untimely termination of benefits following medical cessation determinations.

SSA agreed with our recommendations.

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ABBREVIATIONS

ALJ	Administrative Law Judge
CDR	Continuing Disability Review
C.F.R.	Code of Federal Regulations
CY	Calendar Year
DDS	Disability Determination Services
DI	Disability Insurance
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

OBJECTIVE

The objective of this audit was to determine whether the Social Security Administration (SSA) ensured the timely termination of benefits following a continuing disability review (CDR) cessation determination.

BACKGROUND

SSA administers two programs to provide benefits based on disability: Disability Insurance (DI) and Supplemental Security Income (SSI). The DI program makes monthly income available to insured workers and their families if the worker becomes disabled.¹ Disability benefits are also available to the disabled adult children of insured workers who have died or retired and to certain disabled widows, widowers, and surviving divorced spouses of deceased workers.² SSI is a means-tested program designed to provide a minimum level of income to financially needy individuals who are aged, blind, or disabled.³

Once an individual begins receiving disability benefits under the DI or SSI programs, SSA should ensure only those individuals who remain disabled and unable to work continue receiving benefits. SSA conducts CDRs on DI beneficiaries and SSI recipients to determine whether they remain medically eligible for disability payments.⁴ SSA should discontinue benefits when a CDR reveals an individual no longer meets the medical requirements for disability benefits, referred to as a medical cessation determination.

Disability examiners in the Office of Central Operations and State disability determination services (DDS), as well as disability specialists in each region, make medical cessation determinations. However, the individual may appeal the cessation decision. At the first appeal level, the DDS reconsiders the cessation determination.⁵ An individual who is dissatisfied with the DDS decision at the reconsideration level may proceed to the second level, which is to

¹ *Social Security Act*, 42 U.S.C. § 423 (2016), 20 C.F.R. § 404.101 (2016).

² *Social Security Act*, 42 U.S.C. §§ 401-402 (2016). These benefits are paid from the Old-Age and Survivors Insurance Trust Fund. However, for purposes of this report, we included them as “DI benefits.”

³ *Social Security Act*, 42 U.S.C. § 1381 (2016), 20 C.F.R. § 416.101 (2016).

⁴ Generally, the frequency of medical CDRs depends on SSA’s assessment of the likelihood of medical improvement. 20 C.F.R. § 404.1590 (2016) and 20 C.F.R. § 416.990 (2016).

⁵ CDR reconsiderations have two levels: pre-hearing and disability hearing. The pre-hearing review is a case review, an independent evaluation of all evidence, including any additional or updated information. Based on the evidence, the DDS determines whether to continue benefits. 20 C.F.R. § 404.913(a) (2016), 20 C.F.R. § 416.1413(a) (2016), and SSA, *POMS, DI-Disability Insurance*, ch. DI 290, subch. DI 29005.005 (September 23, 2016). If the DDS decides not to continue benefits, the case goes to the disability hearing unit of the DDS where a disability hearing is held. 20 C.F.R. § 404.914 (2016) and 20 C.F.R. § 416.1414 (2016). Based on the documentary evidence, including new or updated information, and the testimony of the individual or any other witnesses, a disability hearing officer affirms or reverses the initial CDR cessation. 20 C.F.R. §§ 404.916-917 (2016) and 20 C.F.R. §§ 416.1416-1417 (2016).

request a hearing before an administrative law judge (ALJ) in the Office of Disability Adjudication and Review. Once SSA decides an individual is no longer eligible for disability benefits following a CDR, it should inform the individual of its decision and discontinue payments 2 months after the cessation determination.⁶

The *Social Security Act* allows beneficiaries to continue receiving payments during appeal of a medical cessation determination.⁷ Therefore, beneficiaries who receive favorable decisions on their appeals or have appeals pending are due the benefits they receive during the appeal process. Beneficiaries who receive an unfavorable decision or dismissal on appeal are required to repay the benefits they receive.⁸ SSA should terminate benefits no later than 2 months after the cessation determination.⁹

In 2012, we completed an audit that identified individuals who improperly received payments after their medical cessation determinations because SSA did not terminate benefits timely.¹⁰ Specifically, we reviewed DI beneficiaries and SSI recipients who received initial or reconsideration medical cessation determinations during Calendar Years (CY) 2005 through 2010 but continued receiving monthly benefit payments more than 2 months after the medical cessation determinations. We found 30 percent of sampled DI beneficiaries and 16 percent of sampled SSI recipients improperly received payments after their initial, reconsideration, or ALJ medical cessation determinations. We estimated these untimely cessations caused \$48.9 million in improper DI payments and \$34.7 million in improper SSI payments. We recommended, in part, that SSA enhance the ability of the processing system to perform automated terminations to ensure the timely termination of benefits following a medical cessation determination.

For this follow-up review, we identified populations of 28,111 DI beneficiaries and 77,704 SSI recipients who received an initial or reconsideration medical cessation determination during CYs 2014 and 2015 but continued receiving monthly benefit payments more than 2 months after the medical cessation determination.¹¹ From these populations, we reviewed random samples of 250 DI beneficiaries and 250 SSI recipients to identify benefits SSA had not terminated timely following the initial, reconsideration, or ALJ cessation determinations, and actions the Agency took on resulting overpayments.

⁶ SSA, *POMS, DI-Disability Insurance*, ch. DI 280, subch. DI 28001.001, sec. C and D (May 18, 2015).

⁷ *Social Security Act*, 42 U.S.C § 423(g)(1) (2016); 20 C.F.R. § 404.1597a (2016) and *Social Security Act*, 42 U.S.C § 1383(a)(7) (2017); 20 C.F.R. § 416.996 (2016).

⁸ 20 C.F.R. § 404.1597a(j) (2016) and 20 C.F.R. § 416.996(g) (2016).

⁹ For cessation determinations at the DDS level, SSA should terminate benefits 2 months after the cessation date. SSA, *POMS, DI-Disability Insurance*, ch. DI 280, subch. DI 28001.001, sec. C (May 18, 2015). For cessation determinations at the ALJ level, SSA should terminate benefits 1 month before the cessation date. 20 C.F.R. § 404.1597a(b)(3)(i) (2016) and 20 C.F.R. § 416.996(a)(2)(i) (2016).

¹⁰ SSA, OIG, *Termination of Disability Benefits Following a Continuing Disability Review Cessation Determination, A-07-12-11211* (November 2012).

¹¹ See Appendix A for the scope and methodology of our review.

RESULTS OF REVIEW

Since our prior review, SSA had taken actions to improve its processes for terminating benefits following disability cessation determinations. However, SSA continued making improper payments during our audit period. Our review found:

- 28 (11 percent) of 250 DI beneficiaries and their auxiliaries improperly received \$276,041 in benefits after their medical cessation determinations because SSA did not terminate their benefits timely. Based on our sample results, we estimate 3,148 beneficiaries and their auxiliaries received improper benefits totaling over \$31 million.
- 17 (7 percent) of 250 SSI recipients improperly received \$51,117 in payments after their medical cessation determinations because SSA did not terminate their payments timely. Based on our sample results, we estimate 5,284 recipients received improper payments totaling almost \$16 million.

DI Beneficiaries

Of our sample of 250 DI beneficiaries, 28 received improper benefit payments totaling \$276,041 after their medical cessation determinations.¹² SSA improperly paid the 28 beneficiaries from 1 to 31 months because the Agency did not terminate their payments timely following the medical cessation determinations (see Table 1). We estimate 3,148 DI beneficiaries and their auxiliaries received over \$31 million in improper payments following a medical cessation determination (see Appendix B, Table B-2).

Table 1: Number of Months DI Beneficiaries Received Improper Payments

Number of Months	Number of DI Beneficiaries
1-5	12
6-10	4
11-15	7
More Than 15	5
Total	28

¹² Of the remaining 222 beneficiaries, 213 continued receiving benefits after their medical cessation determinations because they appealed their medical cessation determinations. The remaining nine beneficiaries were entitled to benefits after the medical cessation determinations for other reasons. For example, for five beneficiaries, the cessation date changed after a quality assurance review. Therefore, these beneficiaries were allowed payments between the original and revised cessation dates.

As of April 2017, 12 of the 28 beneficiaries were still receiving improper payments. Specifically, these 12 beneficiaries and their auxiliaries had been improperly paid \$202,083 for 3 to 31 months following their medical cessation determinations. SSA should terminate benefit payments and assess overpayments for these 12 beneficiaries and their auxiliaries.¹³

SSA had terminated benefits to the remaining 16 of the 28 beneficiaries. For 13 of these beneficiaries, SSA assessed overpayments of \$36,760, including overpayments to auxiliaries. SSA was in the process of collecting 52 percent of the overpayments¹⁴ but had collected only 9 percent (see Figure 1). SSA had waived, suspended collection, or made no determination on what action to take on the remaining overpayments.¹⁵ For three beneficiaries for whom SSA had terminated benefits, it had not assessed \$37,198 in overpayments, including overpayments to auxiliaries. SSA should take appropriate actions to assess overpayments for these three beneficiaries and their auxiliaries.¹⁶

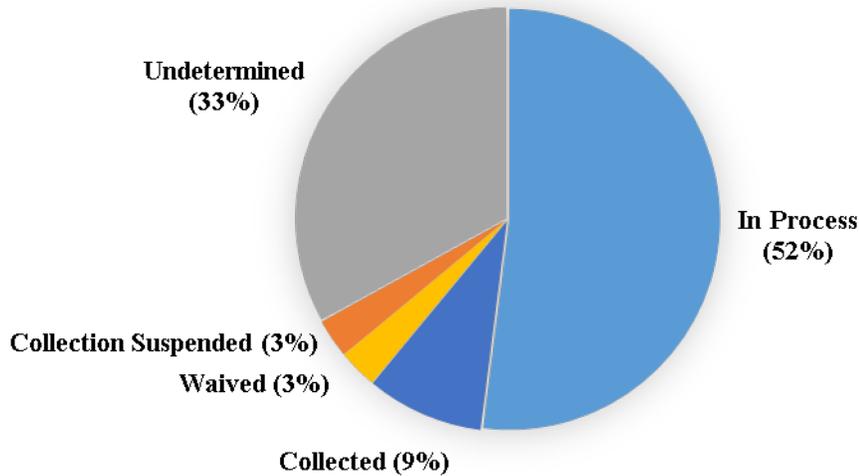
¹³ One beneficiary received a cessation determination in July 2014 but SSA did not terminate benefits. In March 2016, SSA discovered that it had not terminated benefits and informed the beneficiary. SSA undertook a new CDR, during which the beneficiary continued receiving benefits. In June 2017, SSA again determined the beneficiary's disability ceased. However, SSA could have avoided paying additional benefits if it had terminated benefits timely after the July 2014 cessation. Until the appeal period for the June 2017 cessation determination expires and SSA terminates benefits, the risk remains that SSA will continue to improperly pay this beneficiary. SSA responded that it would take action on the remaining beneficiaries by December 31, 2017.

¹⁴ We considered overpayment collection "in process" when the overpayment was being collected via benefit withholding (DI or SSI) or installment agreements or had been referred for other external collection activities, such as Treasury offset.

¹⁵ A waiver relieves the individual from further liability for the overpayment. SSA, *POMS, GN-General*, ch. GN 022, subch. GN 02215.235, sec. B.4 (July 15, 2015). Recovery of an overpayment may be waived if such recovery would be against equity and good conscience or defeat the purpose of the programs. 20 C.F.R. §§ 404.509, 404.1597a(j)(3) (2016) and 20 C.F.R. §§ 416.554, 416.996(g)(2) (2016); SSA, *POMS, GN-General*, ch. GN 022, subch. GN 02250.001 (October 4, 2005). If SSA determines an overpayment is not collectible, it may elect to terminate future collection efforts by suspending collection of the debt. Later, if SSA determines a debt is collectible, it may change or delete the suspension decision. SSA, *POMS, GN-General*, ch. GN 022, subch. GN 02215.250 (December 22, 1989).

¹⁶ We referred these three beneficiaries to SSA in January 2017. In May 2017, SSA responded that it would take action on the three beneficiaries by December 31, 2017.

Figure 1: DI Overpayment Collection Activity, as of April 2017



SSI Recipients

Of our sample of 250 SSI recipients, 17 received improper payments totaling \$51,117 after their medical cessation determinations.¹⁷ As of April 2017, SSA had improperly paid the 17 recipients from 1 to 19 months because it did not terminate their payments timely after the medical cessation determinations (see Table 2). We estimate 5,284 SSI recipients received improper payments of almost \$16 million following a medical cessation determination (see Appendix B, Table B-4).

Table 2: Number of Months SSI Recipients Received Improper Payments

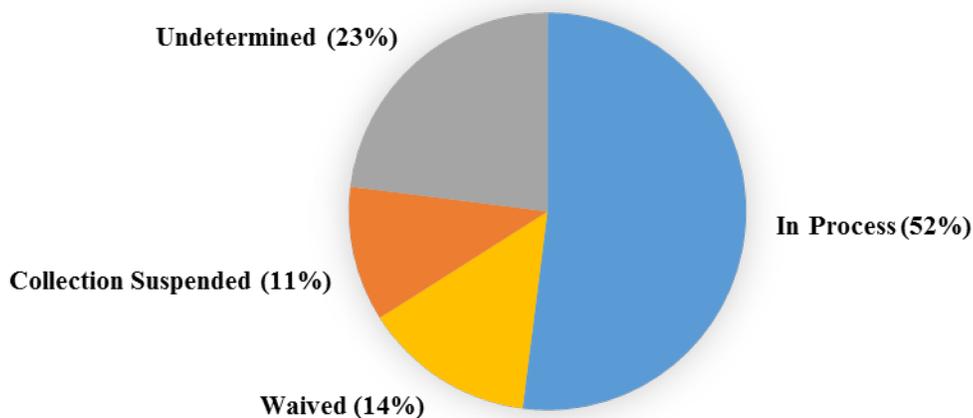
Number of Months	Number of SSI Recipients
1-5	12
6-10	2
11-15	0
More Than 15	3
Total	17

¹⁷ Of the remaining 233 recipients, 228 continued receiving payments after their medical cessation determinations because they appealed their medical cessation determinations. The remaining five recipients were due the payments after the medical cessation determinations for various other reasons. For example, for four recipients, the cessation date changed after a quality assurance review. Therefore, these recipients were allowed payments between the original and revised cessation dates.

Five of the 17 recipients were still receiving improper payments at the time of our review. These five recipients had been improperly paid \$42,851 for 6 to 19 months following their medical cessation determinations. In January 2017, we referred these five recipients to SSA for corrective action. In May 2017, SSA terminated payments to these five recipients, and the \$42,851 they were improperly paid was assessed as overpayments.

As of April 2017, SSA had terminated payments to 12 of the 17 recipients. For nine recipients, SSA assessed \$6,465 in overpayments and was in the process of collecting 52 percent of the overpayments (see Figure 2).¹⁸ However, as of April 2017, the Agency had not collected any of these overpayments. SSA waived, suspended collection on, or made no determination on what action to take on the remaining overpayments.¹⁹ For three of the recipients for whom SSA had terminated payments, it had not assessed overpayments of \$1,801 at the time of our review. In January 2017, we referred these three recipients to SSA for corrective action. In May 2017, SSA assessed overpayments that included the \$1,801 we identified.

Figure 2: SSI Overpayment Collection Activity, as of April 2017



Current and Planned Efforts to Ensure Timely Benefit Termination

In our prior report,²⁰ we recommended SSA enhance the ability of its processing system to perform automated terminations, ensuring the timely termination of benefits following a medical cessation determination. SSA agreed with this recommendation. In August 2014, SSA released an update to fix an issue within its systems that process appeals.²¹ This update was to ensure

¹⁸ See Footnote 14.

¹⁹ See Footnote 15.

²⁰ SSA, OIG, *Termination of Disability Benefits Following a Continuing Disability Review Cessation Determination*, A-07-12-11211, p. 9 (November 2012).

²¹ These were SSA's Office of Disability Adjudication and Review's Case Processing and Management and Appeals Review Processing Systems.

automatic termination of benefits after ALJ medical cessation determinations. However, during this review, we identified six individuals who received medical cessation determinations after an ALJ appeal, yet SSA did not terminate benefits timely. According to SSA, the unique circumstances in these cases precluded the systems from terminating benefits automatically. SSA should determine whether it can make further updates to its systems to ensure timely benefit termination for all cases ceased after an ALJ appeal.

This systems enhancement did not address cessation determinations at the DDS level. We identified 39 individuals who received medical cessation determinations at the DDS level and whose benefits SSA did not terminate timely. For 18 individuals, SSA provided the following known issues that prevented benefits from terminating timely.

- SSA paid nine SSI recipients for 1 additional month beyond that allowed by policy.²² According to SSA, this occurred because the individuals received cessation determinations at the end of the month. While the recipients were allowed to receive payments for 2 months after the cessation month,²³ SSA's systems are designed to automatically terminate payments 65 days after the cessation date. Therefore, individuals receiving cessation determinations at the end of the month could continue receiving payments into the third month after the cessation month. Although SSA considered these cases accurately processed, it acknowledged that the payments were not due and assessed overpayments accordingly.
- SSA's systems rejected the DDS' input of the CDR determination and claims movement information for four DI beneficiaries. Therefore, the DDSs used a different process to transmit the information to SSA's systems. However, for these beneficiaries, only the claims movement information was transmitted. Therefore, SSA's systems were not immediately updated with the cessation determinations.
- SSA was aware of a systems issue that prevented the timely termination of five SSI recipients' payments after disability cessation determinations when there had been a prior medical cessation appeal with continuing benefits. SSA provided employees instructions to fix such cases.²⁴

SSA did not provide specific reasons for not terminating the remaining 21 individuals' benefits timely after they received a medical cessation determination at the DDS level. Rather, SSA acknowledged that many types of cases cannot be automated. As such, SSA has an information technology proposal for *System Enhancements to Prevent the Recurrence of Unprocessed Medical Cessations* that should address cessation determinations that cannot be automated. SSA intends for this enhancement to establish automation solutions to prevent improper payments due to unprocessed medical cessations following CDRs. As of July 2017, SSA was in the final planning phase for this proposal, which included the following objectives.

²² SSA, *POMS, DI-Disability Insurance*, ch. DI 280, subch. DI 28001.001, sec. C (May 18, 2015).

²³ See Footnote 22.

²⁴ SSA, *MSS09-059 MSI REV, Modernized Supplemental Security Income Claims System – N07/N08 Payment Status – Problem and Workaround* (November 9, 2016).

- Remind employees to check cases to ensure termination actions are accurately completed, saving technicians' time and effort during case processing.
- Allow accurate input of medical cessation determinations and appeals by making appropriate systems enhancements.
- Enhance workload functionality by automating the termination of cessation cases, eliminating human error.
- Reduce the number of unprocessed medical cessations and appeals.

In addition, SSA had implemented a process to periodically identify and correct cases where benefits were not terminated timely following medical cessation determinations. In April 2014, SSA initiated a new computerized selection process to identify medical cessation cases where benefits continued. Specifically, every 6 months,²⁵ SSA creates a file of cases still improperly receiving payments after a cessation determination. According to SSA, as of March 2017, it had identified approximately 7,100 cases through this process and had sent these cases to the applicable regions with instructions to work the cases immediately.

While we acknowledge SSA's efforts and plans to address the untimely termination of benefits following a CDR cessation determination, it needs to make additional improvements. Also, until the additional systems enhancements are in place, SSA should remind the appropriate employees to review medical cessation determinations to ensure benefits are terminated timely.

CONCLUSIONS

Since our prior review, SSA had taken actions to improve its processes for terminating benefits following disability cessation determinations. However, SSA continued to make improper payments during our current audit period. Specifically, 11 percent of DI beneficiaries and 7 percent of SSI recipients in our samples received improper benefit payments following medical cessation determinations. This occurred because the systems enhancements SSA implemented after our prior audit did not address all types of disability cases. Since improper payments continued, SSA had additional enhancements planned. In the meantime, SSA had a process in place to identify some cases where benefits were not terminated timely following medical cessation determinations.

RECOMMENDATIONS

We recommend SSA:

1. Terminate benefit payments and assess overpayments to the 12 DI beneficiaries and their auxiliaries we identified who are still receiving improper payments.

²⁵ SSA was considering shortening this period to every 4 months.

2. Take appropriate actions to assess overpayments to the three DI beneficiaries and their auxiliaries we identified who were improperly paid but for whom SSA had not assessed overpayments.
3. Determine whether it can make further updates to its systems to ensure timely benefit termination for all cases ceased after an ALJ appeal.
4. Remind the appropriate employees to review medical cessation determinations to ensure benefits are terminated timely.

AGENCY COMMENTS

SSA agreed with our recommendations. The full text of SSA's comments is included in Appendix C.

A handwritten signature in black ink that reads "Rona Lawson". The signature is written in a cursive, flowing style.

Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed applicable Federal laws and regulations as well as sections of the Social Security Administration’s (SSA) policies and procedures.
- Obtained information from SSA staff in the Offices of Operations and Systems regarding operations and systems updates put in place since our prior review to improve the timely termination of benefits after medical cessation determinations.
- Obtained a data file of 28,111 Disability Insurance (DI) beneficiaries and 77,704 Supplemental Security Income (SSI) recipients who received initial or reconsideration medical cessation determinations at the Disability Determination Services (DDS) level in Calendar Years 2014 and 2015 and received monthly benefit payments longer than 2 months after the medical cessation determinations.¹
- Selected random samples of 250 DI beneficiaries and 250 SSI recipients for detailed review.
- For the sampled beneficiaries and recipients, we reviewed information from the following SSA systems.
 - Master Beneficiary Record
 - Supplemental Security Record
 - DDS Query
 - Case Folder Retrieval Management System
 - Electronic folder
 - Case Processing and Management System

We conducted our review between January and April 2017 in Kansas City, Missouri. We determined the data used for this audit were sufficiently reliable to meet our objectives. The principle entity audited was the Office of Operations. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

¹ We identified beneficiaries who received a payment more than 2 months following an initial or reconsideration cessation determination at the DDS level. For beneficiaries who received both an initial or reconsideration cessation determination during Calendar Years 2014 and 2015, we included only the reconsideration determination in our population. For cessation determinations at the DDS level, SSA should terminate benefits 2 months after the cessation date. SSA, *POMS, DI-Disability Insurance*, ch. DI 280, subch. DI 28001.001, sec. C (May 18, 2015). For cessation determinations at the ALJ level, SSA should terminate benefits 1 month before the cessation date. 20 C.F.R. § 404.1597a(b)(3)(i) (2016) and 20 C.F.R. § 416.996(a)(2)(i) (2016).

Appendix B – SAMPLING RESULTS AND PROJECTIONS

We established our populations as detailed in Appendix A.

Disability Insurance Sample

Table B–1: Sample Size

Sample Size	250
Total Population	28,111

Disability Insurance Sample Errors and Projections

Our sample comprised 250 Disability Insurance (DI) beneficiaries who received medical cessation determinations in Calendar Years (CY) 2014 and 2015 and received monthly benefit payments longer than 2 months after the medical cessation determination. We identified 28 beneficiaries who, along with any auxiliaries, improperly received payments totaling \$276,041 after their medical cessation determinations. Based on these results, we estimate 3,148 beneficiaries and their auxiliaries received improper payments totaling over \$31 million (see Table B–2).

Table B–2: Improperly Paid DI Beneficiaries Errors and Projections

Description	Number of Beneficiaries	Improperly Paid Amount
Sample Results	28	\$276,041
Population Projection	3,148	\$31,039,154
Projection – Lower Limit	2,275	\$17,297,956
Projection – Upper Limit	4,220	\$44,780,353

Note: All projections are at the 90-percent confidence level.

Supplemental Security Income Sample

Table B-3: Sample Size

Sample Size	250
Total Population	77,704

Supplemental Security Income Sample Errors and Projections

Our sample comprised 250 Supplemental Income (SSI) recipients who received medical determinations in CYs 2014 and 2015 and received monthly payments more than 2 months after the medical cessation determination. We identified 17 recipients who improperly received payments totaling \$51,117 after their medical cessation determinations. Based on these results, we estimate 5,284 recipients received improper payments totaling almost \$16 million (see Table B-4).

Table B-4: Improperly Paid SSI Recipients Errors and Projections

Description	Number of Recipients	Improperly Paid Amount
Sample Results	17	\$51,117
Population Projection	5,284	\$15,887,981
Projection – Lower Limit	3,406	\$5,264,592
Projection – Upper Limit	7,786	\$26,511,371

Note: All projections are at the 90-percent confidence level.

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: August 4, 2017 Refer To: SIJ-3

To: Gale S. Stone
Acting Inspector General

From: Stephanie Hall /s/
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, "Follow-up: Termination of Disability Benefits Following a Continuing Disability Review Cessation" (A-07-17-50213)--INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, “FOLLOW UP: TERMINATION OF DISABILITY BENEFITS FOLLOWING A CONTINUING DISABILITY REVIEW CESSATION” (A-07-17-50213)

Thank you for the opportunity to comment on the draft report. We take our responsibility to protect taxpayer funds seriously and are committed to ensuring beneficiaries receive the correct payments. We continue to increase the number of medical continuing disability reviews (CDR) we conduct to determine whether individuals remain medically eligible for disability benefits. In fiscal year (FY) 2014, we completed 525,875 medical CDRs and that number increased to 853,754 in FY 2016.

In addition, we have taken action to improve our processes for terminating benefits following a CDR cessation determination. We have also conducted root cause analysis to determine factors that affect timely benefit termination. Based on our findings, we developed a proposal for systems enhancements that will identify cases with statutory benefit continuation, detect cessation decisions posted to the payment record where the payment continued, and expand the automation process to include cases previously requiring manual action. This systems project is a high priority for our agency and we anticipate beginning planning and analysis in FY 2017. As we move towards implementation of our systems enhancements, we will continue to monitor medical cessations closely to ensure we identify beneficiaries that may be receiving improper payments and take timely action to remediate.

Recommendation 1

Terminate benefit payments and assess overpayments to the 12 DI beneficiaries and their auxiliaries we identified who are still receiving improper payments.

Response

We agree.

Recommendation 2

Take appropriate actions to assess overpayments to the three DI beneficiaries and their auxiliaries we identified who were improperly paid but for whom SSA had not assessed overpayments.

Response

We agree.

Recommendation 3

Determine whether it can make further updates to its systems to ensure timely benefit termination for all cases ceased after an ALJ appeal.

Response

We agree.

Recommendation 4

Remind the appropriate employees to review medical cessation determinations to ensure benefits are terminated timely.

Response

We agree.

MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

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