

The Social Security Administration's Compliance with the Payment Integrity Information Act of 2019 in Fiscal Year 2023

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Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) met all requirements of the *Payment Integrity Information Act of 2019* (PIIA) in the Fiscal Year (FY) 2023 Agency Financial Report and accompanying materials.

Background

On March 2, 2020, the President signed PIIA into law to improve efforts to identify and reduce Government-wide improper payments. In March 2021, the Office of Management and Budget (OMB) issued updated Government-wide guidance on implementing PIIA. PIIA and OMB guidance require that agencies report specific improper payment information in their Annual Financial Reports (AFR) and accompanying materials. Further, the law and guidance require that Inspectors General review the improper payment information their respective agencies report in their AFRs and accompanying materials.

Results

While SSA has made progress implementing corrective actions to address improper payments, it still has work to do. In FY 2023, SSA complied with nine PIIA reporting requirements, but SSA did not comply with one PIIA reporting requirements when it failed to demonstrate improvements to payment integrity or reach a tolerable improper payment and unknown payment rate for the Supplemental Security Income (SSI) and Old-Age, Survivors, and Disability Insurance (OASDI) programs.

Per SSA, a leading cause of overpayments in the SSI program is financial accounts. To address this, in June 2011, SSA implemented the Access to Financial Institutions (AFI) program. AFI verifies alleged bank account balances with financial institutions and searches for undisclosed accounts at geographically relevant locations based on the individual's address. SSA uses AFI to process initial SSI applications and periodic eligibility redeterminations. Between FYs 2018 and 2022, overpayments related to financial accounts averaged approximately \$1.5 billion. In FY 2024, SSA plans to explore using AFI between the initial applications and subsequent eligibility redeterminations.

In addition, wage discrepancies and substantial gainful activity were a leading cause of SSI and OASDI improper payments, respectively. In FY 2019, SSA awarded a contract to build an information exchange to obtain monthly earnings data from third-party payroll data providers. While SSA plans to implement the payroll information exchange by the end of FY 2024, it will take several years from implementation to determine whether the exchange effectively reduces improper payments caused by wage and substantial gainful activity reporting deficiencies.

Recommendation

We recommend SSA finalize the improper payment alignment strategy for OASDI computations overpayment deficiency dollars. SSA agreed with our recommendation.