



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Informational Report

Status of Compassionate Allowance
and Quick Disability Determination
Expedited Cases

A-01-16-50051 | March 2016

OIG Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: March 16, 2016

Refer To:

To: The Commissioner

From: Inspector General

Subject: Status of Compassionate Allowance and Quick Disability Determination Expedited Cases (A-01-16-50051)

The attached final report presents the results of the Office of Audit's review of 850 sampled Compassionate Allowance and Quick Disability Determination cases.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

Status of Compassionate Allowance and Quick Disability Determination Expedited Cases

A-01-16-50051



March 2016

Office of Audit Report Summary

Background

We conducted this review to assess the status, 5 years later, of claimants processed through two expedited case initiatives. In our prior reviews of the Social Security Administration's (SSA) Compassionate Allowance (CAL) and Quick Disability Determination (QDD) initiatives, we sampled 850 disability cases. We found that SSA had expedited these cases, medically allowed 793, and denied 57.

Once an individual receives disability benefits, SSA conducts a continuing disability review (CDR) to ensure only those who remain disabled receive benefits.

Besides CDRs, SSA performs periodic redeterminations to verify that Title XVI recipients continue to meet specific non-medical eligibility criteria.

For this report, we revisited these 850 cases (sampled from 41,524 CAL and 40,432 QDD cases) and used SSA's systems to obtain payment status, CDR information, overpayment information, work activity, and other relevant data as of June 2015.

Summary

Although 25 percent of allowed claimants in our sample died within 3 months of submitting their application, SSA's CAL and QDD initiatives enabled the Agency to identify and expedite benefits to these disabled claimants before their death.

Based on our review, we estimated that SSA medically allowed about 76,000 and denied about 6,000 cases. As of June 2015, we estimated that, of the cases selected for CAL and QDD processing, about

- 54,000 claimants were deceased;
- 15,000 claimants allowed benefits were alive, were in current pay status, and had received approximately \$214.1 million in benefits per year;
- 7,000 claimants allowed benefits were alive but did not meet Title XVI non-medical eligibility criteria. SSA stopped their Title XVI payments of approximately \$34 million per year;
- 3,000 claimants allowed had benefits ceased because of medical improvement, stopping payments of approximately \$46.1 million per year; and
- 3,000 claimants denied benefits, appealed or reapplied, and were subsequently approved.

In addition, we estimated that, for about 13,000 claimants previously allowed benefits, SSA assessed approximately \$43.9 million in overpayments and recovered approximately \$15.9 million. Finally, we estimated that SSA reviewed approximately 22,000 allowance cases by conducting a CDR or redetermination and generally evaluated earnings for disabled individuals whose record contained work activity or income.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
CAL	Compassionate Allowance
CDR	Continuing Disability Review
CY	Calendar Year
DDS	Disability Determination Services
Fed. Reg.	Federal Register
FY	Fiscal Year
OIG	Office of the Inspector General
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
QDD	Quick Disability Determination
SGA	Substantial Gainful Activity
SSA	Social Security Administration
U.S.C.	United States Code

OBJECTIVE

Our objective was to provide the status, as of June 2015, for Compassionate Allowance (CAL) and Quick Disability Determination (QDD) cases sampled from prior reviews.

BACKGROUND

The Social Security Administration's (SSA) CAL and QDD initiatives use technology to identify and expedite disability claims for individuals whose medical conditions are so severe that they clearly meet SSA's definition of disability.¹ For initiative details, see Appendix A.

Under the *Social Security Act*, SSA considers an individual disabled if he/she is unable to engage in any substantial gainful activity (SGA) because of a medically determinable impairment that (1) can be expected to result in death or (2) has lasted (or can be expected to last) for a continuous period of at least 12 months.²

In our prior reviews of SSA's CAL and QDD initiatives,³ we sampled 850 cases and found that SSA processed those cases, on average, in 47 and 18 days, respectively. For Fiscal Years (FY) 2008 and 2009 (our prior review periods), SSA reported processing initial disability cases, on average, in 106 and 101 days, respectively.⁴ Additionally, of the 850 sampled cases, SSA medically allowed 793 and denied 57 (see Table 1). For further sample details, see Appendix B.

Table 1: Prior Audit Sample Cases

Status	CAL Cases	QDD Cases	Total
Medically Allowed	256	537	793 ⁵
Denied	19	38	57 ⁶
TOTAL	275	575	850

¹ SSA provides disability benefits and payments to eligible individuals under Titles II and XVI of the *Social Security Act*, respectively. *Social Security Act* §§ 201 *et seq.* and 1601 *et seq.*, 42 U.S.C. §§ 401 *et seq.* and 1381 *et seq.*

² *Social Security Act* §§ 223(d)(1), and 1614(a)(3); 42 U.S.C. §§ 423(d)(1), and 1382c(a)(3); 20 C.F.R. §§ 404.1505 and 416.905.

³ SSA OIG, *Compassionate Allowance Initiative* (A-01-10-21080), August 2010, and SSA OIG, *National Rollout of Quick Disability Determinations* (A-01-09-19030), May 2009.

⁴ SSA, *Performance and Accountability Report for Fiscal Year 2008*, p. 17, November 2008, and SSA, *Performance and Accountability Report for Fiscal Year 2009*, p. 17, November 2009.

⁵ SSA made no decision in one case because the individual already received disability payments.

⁶ SSA made no decision for two claimants who died and one claimant who did not provide resource information.

Once an individual is found to be disabled, SSA conducts continuing disability reviews (CDR) to ensure only those who remain disabled receive Title II or XVI benefits.⁷ Generally, SSA performs two types of CDRs: medical and work.

- Medical CDRs—review cases based on likelihood of medical improvement.⁸ SSA also mails a questionnaire to obtain information from the individual. Based on the individual's response, SSA will determine whether a medical CDR is appropriate.⁹ In addition, SSA conducts age-18 redeterminations for Title XVI child recipients who attain that age to determine whether disability eligibility continues using adult criteria.¹⁰
- Work CDRs—review cases with earnings at the SGA level, identified by Agency systems or reported by the individual.¹¹ For example, in Calendar Year (CY) 2014, SSA considered average earnings above \$1,070 per month for nonblind and \$1,800 for blind individuals to be SGA.¹²

In addition to CDRs, SSA performs periodic redeterminations to verify that Title XVI recipients still meet such non-medical criteria as income, resources, and living arrangements.¹³

⁷ Generally, medical CDR frequency depends on SSA's assessment of the likelihood of medical improvement. 20 C.F.R. §§ 404.1590(d) and 416.990(d). SSA, POMS, DI 13001.001 (December 2, 2014).

⁸ SSA, POMS, DI 26525.020 (July 27, 2015) and DI 13005.010 (January 11, 2011). Medical CDRs include reviewing medical evidence, developing medical evidence if unavailable or insufficient, and rendering a determination as to whether the individual is still disabled. Generally, SSA sets a diary based on likelihood of medical improvement. Generally, beneficiaries or recipients with a diary for (a) medical improvement expected are reviewed every 6 to 18 months, (b) medical improvement possible are reviewed at least once every 3 years, and (c) medical improvement not expected are reviewed every 5 to 7 years.

⁹ SSA mails questionnaires to disabled individuals asking whether (1) they have performed any work; (2) their medical conditions have changed; and (3) they have attended school or a training program. If the questionnaire answers indicate medical improvement, SSA refers the case for a medical CDR. There is no mailer process for Title XVI child recipients. In general, SSA performs a medical CDR 12 months after birth for infants whose low birth weight was material to the allowance determination. SSA, POMS, DI 25235.006 (June 12, 2015).

¹⁰ The *Social Security Act* considers a child disabled for Title XVI purposes if he/she has a medically determinable impairment(s) that causes marked and severe functional limitations and can be expected to result in death or has lasted, or can be expected to last, for a continuous period of not less than 12 months. *Social Security Act* § 1614(a)(3)(C), 42 U.S.C. § 1382c(a)(3)(C); 20 C.F.R. § 416.906. The *Social Security Act* requires an age-18 redetermination, during the 1-year period beginning on the individual's 18th birthday or, in lieu of a CDR, whenever the Commissioner determines an individual's case is subject to a redetermination. *Social Security Act* § 1614(a)(3)(H)(iii)(II), 42 U.S.C. § 1382c(a)(3)(H)(iii)(II).

¹¹ 20 C.F.R. §§ 404.1590(b)(5) and 416.990(b)(5). The Agency must perform a work CDR when earnings indicate a disabled individual has returned to work at the SGA level. Earnings posted to an individual's record may include bonuses, termination pay, and sick pay—related to prior work. Therefore, SSA must evaluate earnings to determine whether they represent SGA performed after disability benefit entitlement.

¹² SSA, POMS, DI 10501.015 (October 15, 2015).

¹³ *Social Security Act* §§ 1611(c)(1) and 1619(b)(2)(A), 42 U.S.C. §§ 1382(c)(1) and 1382h(b)(2)(A); 20 C.F.R. § 416.204; SSA, POMS, SI 02305.001 (August 29, 2014).

For this report, we revisited our previously sampled 850 cases and used SSA’s systems to obtain payment status, CDR information, overpayment information, work activity, and other relevant data as of June 2015. For further details on our scope, methodology, and sample results, see Appendix C.

STATUS AS OF JUNE 2015

Although 25 percent of allowed claimants in our sample died within 3 months of submitting their application, SSA’s CAL and QDD initiatives enabled the Agency to identify and expedite benefits to these disabled claimants before their death.

Based on our review of 850 previously sampled CAL and QDD cases that SSA processed in FYs 2008 and 2009, we estimated that SSA medically allowed about 76,000 and denied about 6,000 cases. As of June 2015—more than 5 years later—we estimated that, of the cases selected for CAL and QDD processing, about

- 54,000 claimants were deceased;
- 15,000 claimants allowed benefits were alive and in current pay status and had received approximately \$214.1 million in benefits per year;¹⁴
- 7,000 claimants allowed benefits were alive but did not meet Title XVI non-medical eligibility criteria. SSA stopped their Title XVI payments of approximately \$34 million per year;¹⁵
- 3,000 claimants allowed had benefits ceased because of medical improvement, stopping payments of approximately \$46.1 million per year; and
- 3,000 claimants denied benefits appealed or reapplied and were subsequently approved.¹⁶

In addition, we estimated that, for 13,000 claimants previously allowed benefits, SSA assessed approximately \$43.9 million in overpayments and recovered approximately \$15.9 million. Finally, we estimated that SSA reviewed approximately 22,000 allowance cases by conducting a CDR or redetermination and generally evaluated earnings for disabled individuals whose record contained work activity or income.

¹⁴ This includes annual payments of approximately \$121.9 million to 6,507 Title II disability beneficiaries, \$41.4 million to 5,638 Title XVI recipients, and \$50.8 million to 2,956 Title II retirees.

¹⁵ For about 1,500 cases, SSA ceased Title XVI payments and continued Title II benefits.

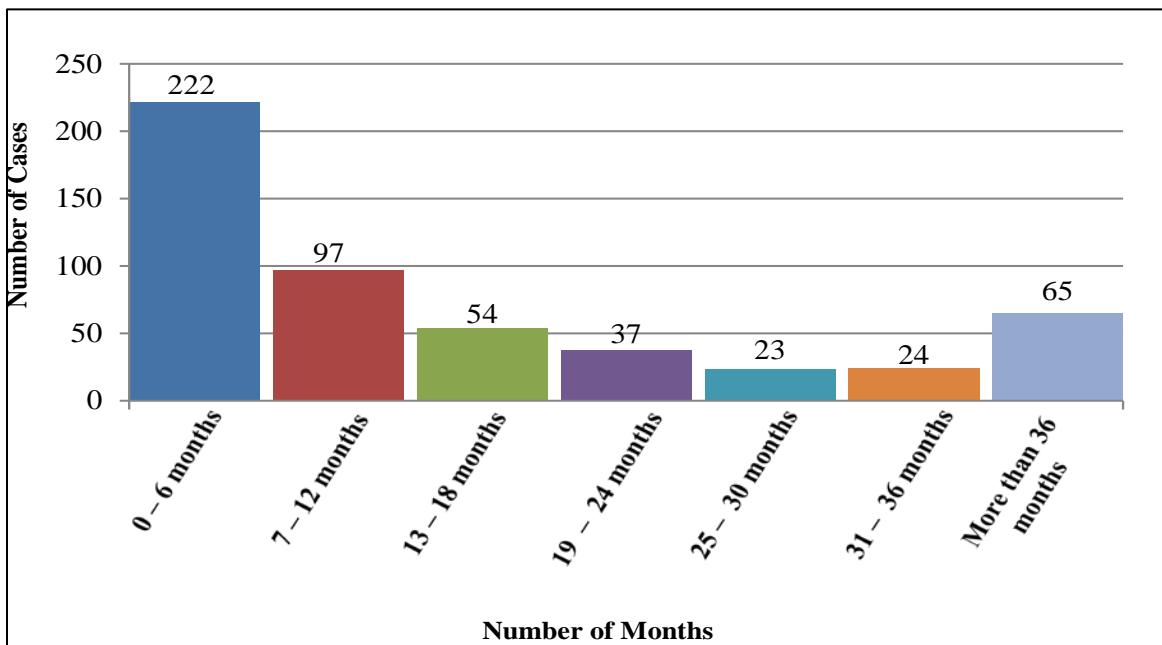
¹⁶ If a claimant disagrees with the initial disability determination, he/she can file an appeal within 60 days from the date of notification of the determination. In most cases, an individual may request up to four levels of review (1) reconsideration by the disability determination services, (2) hearing by an administrative law judge, (3) review by the Appeals Council, and (4) judicial review in Federal Court.

Deceased

We found that, as of June 2015, 522 of the 850 CAL and QDD claimants were deceased, which would be expected as cases selected for these initiatives have some of the most severe disabilities. Based on our sample results, we estimated that approximately 54,000 claimants were deceased.

We calculated that the average time from when a claimant filed an application to his/her death was 16 months.¹⁷ For the number of months from filing an application to death for the 522 cases, see Figure 1.

Figure 1: Number of Months from Claimant Filing Application to Death



Of the 522 deceased claimants, SSA allowed 508 and denied 14 claims.¹⁸ Of the 508 deceased claimants who were allowed benefits, 127 (25 percent) died within 3 months of their application; yet, SSA's CAL and QDD initiatives enabled the Agency to identify and expedite benefits to these severely disabled claimants before their death.

¹⁷ The time from when a claimant filed an application to his/her death ranged from about 84 months (7 years) to less than 1 month.

¹⁸ Of the 14 denied claims, 3 claimants died during processing, and 11 were denied for such reasons as capacity for SGA, insufficient evidence, and alleged impairment not being severe or expected to last 12 months.

Alive – in Current Pay

Of the 850 previously sampled cases, SSA medically allowed 793. As of June 2015, 167 cases remained in current pay status and received about \$2.4 million in benefits per year. Based on our sample results, we estimated that about 15,000 beneficiaries were alive and received approximately \$214.1 million per year. See Table 2 for sample cases in current pay status by Title and initiative.

Table 2: Prior Medically Allowed Cases in Current Pay as of June 2015 by Title and Initiative

Title as of June 2015	CAL Cases	QDD Cases	Total Cases	Total Annual Payments
Title II—Disability	24	38	62	\$1,184,353
Title II—Retirement	7	27	34	\$632,126
Title XVI	8	60	68 ¹⁹	\$512,150
Concurrent	0	3	3	\$27,483 ²⁰
TOTAL	39	128	167	\$2,356,112

Alive – Not in Current Pay

As of June 2015, SSA had stopped payments of approximately \$420,855 per year to 84 Title XVI recipients who—at that time—had not met non-medical eligibility criteria. Based on our sample results, we estimated that SSA stopped payments of approximately \$34 million per year to about 7,000 Title XVI recipients. See Table 3 for reasons why SSA stopped Title XVI payments in our sample cases.

¹⁹ Of the 68 Title XVI recipients, 4 were over age 65. Therefore, disability was no longer an eligibility factor.

²⁰ Of the \$27,483, Title II benefits totaled \$16,248 and Title XVI payments totaled \$11,235.

Table 3: Reasons Title XVI Payment Stopped as of June 2015

Reason Payment Stopped	Number of Cases Title XVI Stopped	Number of Cases Title XVI Stopped and Title II Continued	Total Cases
Excess Income or Resources	55	14	69
Whereabouts Unknown	8	0	8
Failure to Furnish Reports	4	0	4
Voluntary Termination of Benefits	2	0	2
Residency Outside the United States	1	0	1
TOTAL	70	14	84

SSA requires that individuals report events and changes in circumstances that may affect their Title XVI eligibility and payment amounts.²¹ For example, in June 2008, SSA approved Title XVI disability payments for a child living in New York who had a low birth weight. In September 2009, SSA conducted a medical CDR and continued payments. However, in December 2009, SSA received a report that the child was no longer in the United States and therefore was ineligible for Title XVI payments. Therefore, SSA stopped payments of almost \$700 per month.²²

In addition, 10 individuals whom SSA medically approved for Title XVI disability payments did not meet non-medical eligibility criteria and never received payments.²³ Finally, three others never received disability benefit payments but did receive Medicare benefits and were alive as of June 2015.

Disability Improved and SSA Ceased Payments

As of June 2015, SSA had ceased benefits to 39 of the 793 previously allowed cases because the individual's disability improved and had stopped payments of approximately \$490,000 per year.²⁴ Based on our sample results, we estimated that SSA had ceased benefits to about 3,000 individuals whose disability had improved and stopped payments of approximately

²¹ *Social Security Act* § 1631(e)(1), 42 U.S.C. § 1383(e)(1); 20 C.F.R. §§ 416.701 and 416.708.

²² Generally, Title XVI payments stop when an individual is absent from the United States for 30 consecutive days. *Social Security Act* § 1611(f), 42 U.S.C. § 1382(f); 20 C.F.R. § 416.215.

²³ In two cases, SSA also approved Title II benefits, which were in current pay status as of June 2015.

²⁴ As of June 2015, 2 individuals were deceased and 37 were alive. We estimated payments for 12 months. The two deceased individuals died more than 12 months after SSA ceased payments.

\$46.1 million per year.²⁵ See Table 4 for sample cases with a disability cessation by body system.²⁶

Table 4: Disability Cessations by Body System

Disability Body System	Number of Cases with a Disability Cessation
Low Birth Weight and Failure to Thrive ²⁷	15
Malignant Neoplastic Diseases	14
Genitourinary	4
Digestive	2
Mental Disorders	2
Cardiovascular	1
Special/Other	1
TOTAL	39

In 38 cases, SSA conducted a CDR, determined the individual’s disability had improved, and ceased payments. For example, in April 2008, SSA approved disability benefits for a Minnesota man who had urinary cancer. In August 2012, SSA systems generated an earnings alert. As required, the Agency conducted a work CDR and found he returned to work at the SGA level beyond the trial work period.²⁸ Therefore, SSA determined his disability had ceased, stopped payments of approximately \$1,600 per month, and assessed and recovered an overpayment of about \$12,000.

For one individual, SSA did not conduct a CDR but ceased benefits because the individual’s disability had improved. Specifically, this Massachusetts man had a closed period of eligibility

²⁵ In 2014, SSA ceased benefits to about 30,000 individuals who medically improved, who did not cooperate during the medical review, or whose whereabouts were unknown. In FY 2014, SSA paid disability benefits to over 10.2 million people. SSA, *Annual Statistical Report on the Social Security Disability Insurance Program, 2014*, pp. 11 and 131, November 2015.

²⁶ SSA’s Listing of Impairments describes each of the major body system impairments that the Agency considers severe enough to prevent an individual from doing any SGA. For children, it describes impairments that cause marked and severe functional limitations. 20 C.F.R. §§ 404.1525 and 416.925.

²⁷ In FY 2009, SSA ceased benefits in 47 percent of the CDRs conducted for low birth weight impairments. SSA, Office of Research, Evaluation, and Statistics, *Childhood Continuing Disability Reviews and Age-18 Redeterminations for Supplemental Security Income Recipients: Outcomes and Subsequent Program Participation*, p. 1, October 2015. In our sample, SSA allowed 77 low birth weight cases. For 45 of the 77 cases, SSA conducted a medical CDR and ceased benefits in 15 cases (33 percent). We referred one low birth weight case to SSA for review, because the child—who was 7 years old—was in current pay status and had no CDR on record.

²⁸ Generally, SSA grants Title II disabled beneficiaries 9 months of trial work to test their ability to work, while they are receiving benefits. SSA, POMS, DI 13010.035 (February 15, 2013). Trial work months do not need to be consecutive during a 60-month period. 20 C.F.R. § 404.1592.

with a defined beginning and ending date established when SSA approved the claim.²⁹ Although he was diagnosed with leukemia, his disability improved and he was able to return to work above the SGA level.

Overpayments

As of June 2015, SSA had assessed approximately \$536,000 in overpayments for 150 of the 793 previously allowed cases.³⁰ Based on our sample results, we estimated that SSA had assessed about 13,000 recipients and beneficiaries approximately \$43.9 million in overpayments and recovered approximately \$15.9 million.

Of the approximately \$536,000 in overpayments, SSA recovered about \$195,000, waived about \$40,000, and continued collecting the outstanding balance of about \$300,000, see Table 5 for details by initiative.

Table 5: Overpayment Status as of June 2015

	Recovered	Waived	Outstanding	Total
CAL	\$26,570	\$14,260	\$35,990	\$76,820
QDD	\$168,718	\$25,905	\$264,295	\$458,918
Total	\$195,288	\$40,165	\$300,285	\$535,738

A majority of overpayments, \$401,105 (75 percent), were for Title XVI payments, which includes recipients who no longer met such non-medical criteria as income, resources, and living arrangements. For example, in June 2008, SSA approved Title II benefits and Title XVI disability payments for a New Jersey woman who had chronic renal failure. Then, during some months in CYs 2008 through 2012, SSA identified excess earnings that affected her Title XVI payments. Therefore, SSA assessed overpayments totaling about \$3,100 to her record.³¹ Although overpaid, as of June 2015, she remained disabled and continued receiving both Title II benefits and Title XVI payments.

CDR and Redetermination Activity

Of the 793 previously allowed cases, SSA reviewed 250 by conducting a CDR or redetermination. The remaining 543 cases did not have a CDR or redetermination.³² Based on

²⁹ SSA, POMS, DI 25510.001 (July 6, 2015).

³⁰ The \$536,000 includes \$144,110 in overpayments for 26 disability cessation cases. On average, individuals were overpaid about \$3,600 ranging from \$3 to \$22,500 for about 12 months ranging from 1 to 56 months.

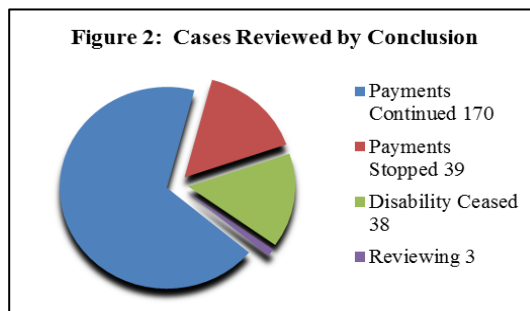
³¹ Of the \$3,100 overpayment, SSA recovered about \$1,000, waived about \$1,800, and continued collecting about \$300 as of June 2015.

³² We referred one case to SSA to review and possibly conduct a CDR.

our sample results, we estimated that SSA reviewed approximately 22,000 cases.³³ For our sample case review status by disability body system, see Appendix D, Table D–2, and by Title and initiative, see Appendix D, Table D–3.

As shown in Figure 2, for the 250 cases reviewed, SSA—at the time of the CDR or redetermination,

- ✓ continued payments in 170 cases;³⁴
- ✓ stopped payments in 39 cases because the recipient no longer met non-medical factors;
- ✓ terminated payments because of a disability cessation in 38 cases;³⁵ and
- ✓ continued reviewing 3 cases as of early June 2015.



Specifically, for these 250 cases, SSA conducted 327 types of reviews (some cases were reviewed more than once)—see Table 6 for details.

Table 6: Review Type by Initiative

Review Type	CAL	QDD	TOTAL
Medical CDR	18	88	106 ¹
Work CDR	28	48	76
Redetermination	19	119	138
Age-18 Redetermination	1	6	7
TOTAL	66	261	327

For example, in August 2009, SSA approved disability payments for a Connecticut man who had a brain tumor. In May 2010, SSA systems generated an earnings alert. As required, SSA conducted a work CDR and found he had returned to work at the SGA level during the trial work period. During the CDR, SSA determined that 8 months of trial work occurred and continued disability payments.

³³ In FY 2013, SSA conducted 1,575,515 medical and mailer CDRs resulting in 117,738 decisions to cease benefit payments, most due to medical improvement. SSA’s Office of the Chief Actuary estimates that, after all appeals, SSA will cease paying benefits to 78,524 individuals and their eligible dependents equating to approximately \$7.1 billion in future benefits saved. SSA, *Annual Report on Continuing Disability Reviews – Fiscal Year 2013*, p. 1, September 29, 2015.

³⁴ Of the 170 cases, as of June 2015—8 did not meet Title XVI eligibility criteria and payments stopped; 51 were deceased and payments stopped; and 111 continued to receive payments. In 12 of the 170 cases, the beneficiary had earnings above the SGA level, which the Agency documented.

³⁵ In 15 cases, the beneficiary had earnings above the SGA level.

In another example, in June 2008, SSA approved Title XVI disability payments for a child in Oregon. In June 2009, SSA initiated a medical CDR to evaluate the child's disability status of low birth weight. At that time, the parent did not provide the required paperwork for SSA to re-evaluate the disability. Therefore, SSA stopped payments of about \$86 per month.

For the remaining 543 cases without a CDR or redetermination, 538 had no significant earnings after allowance. Five cases had substantial earnings after allowance; however, four individuals died before SSA was able to review the earnings activity, and the other individual had a disability cessation without a CDR.³⁶ As of June 2015, SSA's records showed this man was still alive.

Prior Denials

For the 850 previously sampled cases—SSA denied 57 because, at that time, the claimant did not meet SSA's medical or non-medical eligibility criteria for disability.³⁷ After the initial denial, SSA allowed disability benefits to 32 of the 39 individuals who appealed or reapplied.³⁸ Based on our sample results, we estimated that about 3,000 denied claimants appealed or reapplied and were subsequently approved. Later, another five individuals filed, and were approved, for retirement benefits.

As of June 2015, 24 of the 32 cases subsequently allowed were in current pay status and were receiving about \$382,000 per year.³⁹ For example, in August 2009, a North Carolina man filed a disability claim alleging a back disorder, which SSA denied. He requested a reconsideration, and SSA again denied the claim. In August 2010, he requested a hearing, and an administrative law judge approved his claim. As of June 2015, he was receiving about \$850 in disability payments per month.

SUMMARY

Although 25 percent of allowed claimants in our sample died within 3 months of their application, SSA's CAL and QDD initiatives enabled the Agency to identify and expedite benefits to these disabled claimants before death.


³⁶ The individual with a disability cessation had a closed period of eligibility. SSA, POMS, DI 25510.001 (July 6, 2015). A closed period of disability has a definite beginning and ending date established when SSA approved the claim.

³⁷ As of June 2015, 43 individuals were alive, and 14 individuals were deceased.

³⁸ Seven other individuals reapplied for benefits and SSA denied the claims.

³⁹ Specifically, 15 beneficiaries received about \$189,000 per year in disability payments and 9 beneficiaries—including 4 beneficiaries who converted from disability benefits to retirement payments—received about \$193,000 per year in retirement benefits.

We found that—more than 5 years later—the majority of claimants approved under the QDD and CAL initiatives in our sample were no longer receiving benefits. This occurred because most were deceased, but others medically improved or no longer met SSA’s non-medical eligibility criteria.

A handwritten signature in black ink that reads "Steven L. Schaeffer". The signature is written in a cursive, flowing style.

Steven L. Schaeffer, JD, CPA, CGFM, CGMA
Assistant Inspector General for Audit

APPENDICES

Appendix A – THE SOCIAL SECURITY ADMINISTRATION’S EXPEDITED DISABILITY CASE PROCESSING INITIATIVES

The Social Security Administration (SSA) provides benefits quickly to applicants whose medical conditions are so serious that their conditions obviously meet disability standards.¹

SSA’s two fast-track processes, Compassionate Allowances (CAL) and Quick Disability Determinations (QDD), use technology to identify claimants who have the most severe disabilities and allow expedited decisions on those cases while maintaining accuracy. In addition, since October 2010,² SSA has authorized disability examiners to make fully favorable initial disability determinations without a medical or psychological consultant’s approval to expedite CAL and QDD claims.³ (Section 832 of the *Bi-Partisan Budget Act of 2015*, will require, as of November 2016, that a medical consultant complete the medical portion in all cases.⁴)

Since February 2008, SSA’s QDD process has used a computer-based predictive model to screen initial applications for cases where a favorable disability determination is highly likely and medical evidence is readily available. Examples of conditions commonly selected for the QDD initiative include low birth weight babies, certain cancers, and end-stage renal disease. According to SSA, the Agency continues to refine the QDD predictive model to enhance its ability to select the most appropriate claims for expedited processing.

Since October 2008, SSA’s CAL process has quickly identified diseases and other medical conditions that invariably qualify under the Listing of Impairments based on minimal objective medical information.⁵ Examples of CAL conditions include acute leukemia, pancreatic cancer,

¹ SSA provides disability benefits to eligible individuals under Titles II and XVI of the *Social Security Act*, respectively. *Social Security Act* §§ 201 *et seq.* and 1601 *et seq.*, 42 U.S.C. §§ 401 *et seq.* and 1381 *et seq.*

² In October 2010, SSA temporarily authorized this process, which it extended until November 11, 2016. *Extension of the Expiration Date for State Disability Examiner Authority to Make Fully Favorable Quick Disability Determinations and Compassionate Allowance Determinations*, 80 Fed. Reg. 63,092 - 63,093 (October 19, 2015).

³ Disability determination services (DDS) make disability determinations for SSA. DDS staff obtains relevant medical evidence, evaluates the case, and determines whether the claimant is disabled under SSA’s criteria. DDSs are in each of the 50 States plus the District of Columbia, Guam, Puerto Rico, and the U.S. Virgin Islands. *Social Security Act* §§ 221(a) and 1633(a), 42 U.S.C. §§ 421(a) and 1383b(a). 20 C.F.R. §§ 404.1603 and 416.1003. Medical consultants can be physicians, psychologists, optometrists, podiatrists, or speech-language pathologists. 20 C.F.R. §§ 404.1616 and 416.1016. SSA, POMS, DI 24501.001 (January 7, 2013).

⁴ *Bipartisan Budget Act of 2015*, Pub. L. No. 114-74 § 832 (2015). During Fiscal Year 2016, we plan to analyze the impact of the medical review provision of this Act on QDD and CAL initiatives.

⁵ SSA’s Listing of Impairments describes each of the major body system impairments that the Agency considers severe enough to prevent an individual from doing any substantial gainful activity. For children, it describes impairments that cause marked and severe functional limitations. 20 C.F.R. §§ 404.1525 and 416.925.

and amyotrophic lateral sclerosis (commonly referred to as Lou Gehrig's disease). CAL conditions are selected using information received at public outreach hearings, comments received from the Social Security and DDS communities, counsel of medical and scientific experts, and SSA's research with the National Institutes of Health.⁶ In addition, SSA considers which conditions are most likely to meet the Agency's definition of disability.⁷

⁶ As of August 2015, SSA had held seven CAL public outreach hearings on rare diseases, cancers, traumatic brain injury and stroke, early-onset Alzheimer's disease and related dementias, schizophrenia, cardiovascular disease, and multiple organ transplants and autoimmune diseases.

⁷ An individual is considered disabled under the *Social Security Act* if he/she is unable to engage in any substantial gainful activity because of a medically determinable impairment that (a) can be expected to result in death or (b) has lasted (or can be expected to last) for a continuous period of at least 12 months. *Social Security Act* §§ 223(d)(1), and 1614(a)(3); 42 U.S.C. §§ 423(d)(1), and 1382c(a)(3); 20 C.F.R. §§ 404.1505 and 416.905.

Appendix B – PRIOR AUDIT SAMPLE DATA

The Social Security Administration (SSA) groups disability impairments by body system.¹ For our Compassionate Allowance (CAL) and Quick Disability Determination (QDD) sample populations by disability body system, see Table B-1. In addition, for SSA’s initial disability claims for sample periods by body system, see Table B-2.

In addition, we sorted the previous medically allowed 793 sampled claims by primary diagnosis code and identified the 10 most common diagnoses. We found most (500 claimants) had 1 of 10 diagnosis codes, see Table B-3.

Table B-1: Prior Audit Sample by Disability Body System²

Disability Body System	CAL Sample		QDD Sample		Total Sample	
Musculoskeletal	5	1.8%	9	1.6%	14	1.6%
Special Senses and Speech	0	0.0%	3	0.5%	3	0.4%
Respiratory	1	0.4%	7	1.2%	8	0.9%
Cardiovascular	0	0.0%	13	2.3%	13	1.5%
Digestive	2	0.7%	20	3.5%	22	2.6%
Genitourinary	1	0.4%	45	7.8%	46	5.4%
Hematological	0	0.0%	1	0.2%	1	0.1%
Skin	0	0.0%	0	0.0%	0	0.0%
Endocrine	1	0.4%	1	0.2%	2	0.2%
Multiple Body Systems	0	0.0%	13	2.3%	13	1.5%
Neurological	14	5.1%	29	5.0%	43	5.1%
Mental Disorders	5	1.8%	43	7.5%	48	5.6%
Malignant Neoplastic Diseases	238	86.5%	296	51.5%	534	62.8%
Immune System	1	0.4%	5	0.9%	6	0.7%
Low Birth Weight and Failure to Thrive	0	0.0%	81	14.1%	81	9.5%
Special/Other	4	1.5%	7	1.2%	11	1.3%
Unknown	3	1.1%	2	0.3%	5	0.6%
TOTAL	275	100.0%	575	100.0%	850	100.0%

¹ SSA’s Listing of Impairments describes each of the major body system impairments that the Agency considers severe enough to prevent an individual from doing any gainful activity. For children, it describes impairments that cause marked and severe functional limitations. 20 C.F.R. §§ 404.1525 and 416.925.

² CAL, QDD, and sample body system percentages do not sum to 100 percent because of rounding.

Table B–2: SSA’s Initial Disability Claims by Body System for Our Prior Samples³

Disability Body System	Initial Disability Claims October 2008 through September 2009 (CAL Sample Period)		Initial Disability Claims March through September 2008 (QDD Sample Period)	
	Count	Percentage	Count	Percentage
Musculoskeletal	629,596	25.5%	380,301	25.4%
Special Senses and Speech	63,100	2.6%	36,881	2.5%
Respiratory	111,502	4.5%	68,019	4.5%
Cardiovascular	151,224	6.1%	93,087	6.2%
Digestive	56,090	2.3%	34,721	2.3%
Genitourinary	30,990	1.3%	19,452	1.3%
Hematological	11,268	0.5%	7,056	0.5%
Skin	8,740	0.4%	5,162	0.3%
Endocrine	79,759	3.2%	49,314	3.3%
Multiple Body Systems	7,544	0.3%	4,506	0.3%
Neurological	172,572	7.0%	105,714	7.1%
Mental Disorders	773,443	31.3%	460,216	30.8%
Malignant Neoplastic Diseases	121,038	4.9%	73,434	4.9%
Immune System	55,031	2.2%	33,645	2.2%
Low Birth Weight and Failure to Thrive	27,094	1.1%	17,382	1.2%
Special/Other	174,813	7.1%	107,214	7.2%
Unknown	2	0.0%	3	0.0%
TOTAL	2,473,806	100.0%	1,496,107	100.0%

Table B–3: Most Common Primary Diagnoses of Medically Allowed Cases

Primary Diagnosis	CAL Cases	QDD Cases	Total
Lung Cancer	49	85	134
Premature–Birth Weight Under 1,200 grams	0	74	74
Breast Cancer	26	28	54
Pancreatic Cancer	25	21	46
Chronic Renal Failure	0	43	43
Colon Cancer	22	18	40
Liver Cancer	20	13	33
Esophageal Cancer	13	13	26
Kidney Cancer	9	16	25
Leukemia	14	11	25
TOTAL	178	322	500

³ CAL body system percentages do not sum to 100 percent because of rounding.

Appendix C – SCOPE, METHODOLOGY, AND SAMPLE RESULTS

To perform our review, we:

- Reviewed applicable sections of the *Social Security Act* and other relevant legislation, as well as the Social Security Administration’s (SSA) regulations, rules, policies, and procedures.
- Reviewed prior audit reports and obtained the:
 - 575 claims sampled in our review *National Rollout of Quick Disability Determinations* (A-01-09-19030), May 2009. We selected this sample from a file of 40,432 claims selected for Quick Disability Determination (QDD) processing between March 1 and September 30, 2008.
 - 275 claims sampled in our review, *Compassionate Allowance Initiative* (A-01-10-21080), August 2010. We selected this sample from a file of 41,524 claims selected for Compassionate Allowance (CAL) processing between October 24, 2008 and September 30, 2009.
- Obtained SSA systems information for the 850 previously sampled cases, as of June 2015 including
 - disability determination services queries;
 - master beneficiary records;
 - supplemental security records;
 - eView system;
 - disability control file; and
 - detailed and summary earnings queries from Fiscal Years 2008 through 2014.
- Summarized overpayments that SSA identified as of June 2015.
- Estimated sample results as of June 2015, see Table C–2 through Table C–20. Because beneficiary status frequently changes, our estimates are valid only for this point in time.
- Obtained SSA’s data for initial claims by disability body system for sampled periods.

We conducted our review in Boston, Massachusetts, from July 2015 through January 2016. We conducted our review in accordance with the Council of the Inspectors General on Integrity and Efficiency’s *Quality Standards for Inspection and Evaluation*.

Sample Results

Table C-1: Population and Sample Size

	CAL Claims	QDD Claims	Total
Population	41,524	40,432	81,956
Sample Size	275	575	850

Table C-2: Estimated Number of CAL and QDD Cases Medically Allowed

	CAL Sample	QDD Sample	Total
Sample Results	256	537	793 ¹
Point Estimate	38,655	37,760	76,415
Upper Limit	39,623	38,411	
Lower Limit	37,387	36,972	

Note: Projections were calculated at the 90-percent confidence level.

Table C-3: Estimated Number of CAL and QDD Cases Initially Denied

	CAL Sample	QDD Sample	Total
Sample Results	19	38	57 ²
Point Estimate	2,869	2,672	5,541
Upper Limit	4,137	3,460	
Lower Limit	1,901	2,021	

Note: Projections were calculated at the 90-percent confidence level.

Table C-4: Estimated Number of CAL and QDD Claimants Deceased as of June 2015

	CAL Sample	QDD Sample	Total
Sample Results	210	312	522 ³
Point Estimate	31,709	21,939	53,648
Upper Limit	33,434	23,336	
Lower Limit	29,807	20,528	

Note: Projections were calculated at the 90-percent confidence level.

¹ As of June 2015, 508 individuals were deceased and 285 individuals were alive.

² As of June 2015, 43 individuals were alive and 14 individuals were deceased.

³ Of the 522 deceased claimants, SSA allowed 508 claims and denied 14 claims.

Table C–5: Estimated Number of CAL and QDD Cases Receiving Title II Disability Benefits as of June 2015

	CAL Sample	QDD Sample	Total
Sample Results	24	41 ⁴	65
Point Estimate	3,624	2,883	6,507
Upper Limit	5,000	3,694	
Lower Limit	2,533	2,207	

Note: Projections were calculated at the 90-percent confidence level.

Table C–6: Estimated Amount of Title II Disability Benefits to CAL and QDD Cases as of June 2015

	CAL Sample	QDD Sample	Total
Sample Results	\$464,623	\$735,978 ⁵	\$1,200,601
Point Estimate	\$70,156,414	\$51,751,413	\$121,907,827
Upper Limit	\$93,945,817	\$65,761,995	
Lower Limit	\$46,367,010	\$37,740,831	

Note: Projections were calculated at the 90-percent confidence level.

Table C–7: Estimated Number of CAL and QDD Cases Receiving Title II Retirement Benefits as of June 2015

	CAL Sample	QDD Sample	Total
Sample Results	7	27	34
Point Estimate	1,057	1,899	2,956
Upper Limit	1,960	2,589	
Lower Limit	500	1,352	

Note: Projections were calculated at the 90-percent confidence level.

⁴ The 41 cases include 3 cases also receiving Title XVI payments, *see* Table C–9.

⁵ Three individuals also received Title XVI payments shown in Table C–10.

Table C–8: Estimated Amount of Title II Retirement Benefits to CAL and QDD Cases as of June 2015

	CAL Sample	QDD Sample	Total
Sample Results	\$79,302	\$552,824	\$632,126
Point Estimate	\$11,974,314	\$38,872,689	\$50,847,003
Upper Limit	\$20,298,308	\$51,195,171	
Lower Limit	\$3,650,319	\$26,550,207	

Note: Projections were calculated at the 90-percent confidence level.

Table C–9: Estimated Number of CAL and QDD Cases Receiving Title XVI Payments as of June 2015

	CAL Sample	QDD Sample	Total
Sample Results	8	63 ⁶	71
Point Estimate	1,208	4,430	5,638
Upper Limit	2,151	5,385	
Lower Limit	606	3,596	

Note: Projections were calculated at the 90-percent confidence level.

Table C–10: Estimated Amount of Annual Title XVI Payments to CAL and QDD Cases as of June 2015

	CAL Sample	QDD Sample	Total
Sample Results	\$56,706	\$466,679 ⁷	\$523,385
Point Estimate	\$8,562,400	\$32,815,230	\$41,377,630
Upper Limit	\$14,082,182	\$39,622,838	
Lower Limit	\$3,042,618	\$26,007,622	

Note: Projections were calculated at the 90-percent confidence level.

⁶ The 63 cases include 3 cases also receiving Title II disability benefits, *see* Table C–5.

⁷ Three individuals also received Title II disability benefits shown in Table C–6.

Table C–11: Estimated Number of CAL and QDD Cases with Title XVI Payments Stopped as of June 2015

	CAL Sample	QDD Sample	Total
Sample Results	10	74	84 ⁸
Point Estimate	1,510	5,203	6,713
Upper Limit	2,525	6,217	
Lower Limit	827	4,305	

Note: Projections were calculated at the 90-percent confidence level.

Table C–12: Estimated Amount of Annual Savings for CAL and QDD Cases with Title XVI Payments Stopped as of June 2015

	CAL Sample	QDD Sample	Total
Sample Results	\$54,315	\$366,540	\$420,855
Point Estimate	\$8,201,440	\$25,773,801	\$33,975,241
Upper Limit	\$12,937,839	\$31,487,225	
Lower Limit	\$3,465,041	\$20,060,377	

Note: Projections were calculated at the 90-percent confidence level.

Table C–13: Estimated Number of CAL and QDD Cases with Title XVI Payments Stopped and Title II Benefits Continued

	CAL Sample	QDD Sample	Total
Sample Results	5	11	16
Point Estimate	755	773	1,528
Upper Limit	1,568	1,268	
Lower Limit	300	438	

Note: Projections were calculated at the 90-percent confidence level.

⁸ For 16 cases, SSA also approved Title II benefits, which were in current pay status as of June 2015.

Table C–14: Estimated Number of CAL and QDD Cases with a Disability Cessation

	CAL Sample	QDD Sample	Total
Sample Results	6	33	39 ⁹
Point Estimate	906	2,320	3,226
Upper Limit	1,766	3,214	
Lower Limit	398	1,616	

Note: Projections were calculated at the 90-percent confidence level.

Table C–15: Estimated Amount of Annual Savings for CAL and QDD Cases with a Disability Cessation

	CAL Sample	QDD Sample	Total
Sample Results	\$144,868	\$344,847	\$489,715
Point Estimate	\$21,874,499	\$24,248,458	\$46,122,957
Upper Limit	\$39,194,855	\$31,822,057	
Lower Limit	\$4,554,143	\$16,674,860	

Note: Projections were calculated at the 90-percent confidence level

Table C–16: Estimated Number of CAL and QDD Cases with an Overpayment Identified by SSA

	CAL Sample	QDD Sample	Total
Sample Results	27	123	150
Point Estimate	4,077	8,649	12,726
Upper Limit	5,511	9,855	
Lower Limit	2,919	7,531	

Note: Projections were calculated at the 90-percent confidence level.

⁹ As of June 2015, 2 individuals were deceased and 37 were alive.

Table C–17: Estimated Amount of CAL and QDD Cases with an Overpayment Identified by SSA

	CAL Sample	QDD Sample	Total
Sample Results	\$76,820	\$458,919	\$535,739
Point Estimate	\$11,599,501	\$32,269,556	\$43,869,057
Upper Limit	\$17,290,473	\$39,753,503	
Lower Limit	\$5,908,529	\$24,785,609	

Note: Projections were calculated at the 90-percent confidence level.

Table C–18: Estimated Amount of CAL and QDD Overpayments Recovered by SSA

	CAL Sample	QDD Sample	Total
Sample Results	\$26,570	\$168,718	\$195,288
Point Estimate	\$4,012,001	\$11,863,642	\$15,875,643
Upper Limit	\$6,087,152	\$15,151,924	
Lower Limit	\$1,936,849	\$8,575,360	

Note: Projections were calculated at the 90-percent confidence level.

Table C–19: Estimated Number of CAL and QDD Cases Reviewed with a CDR or Redetermination

	CAL Sample	QDD Sample	Total
Sample Results	60	190	250
Point Estimate	9,060	13,360	22,420
Upper Limit	10,921	14,714	
Lower Limit	7,389	12,058	

Note: Projections were calculated at the 90-percent confidence level.

Table C–20: Estimated Number of CAL and QDD Disability Cases Denied and Later Allowed

	CAL Sample	QDD Sample	Total
Sample Results	9	23	32
Point Estimate	1,359	1,617	2,976
Upper Limit	2,339	2,267	
Lower Limit	715	1,115	

Note: Projections were calculated at the 90-percent confidence level.

Appendix D – PRIOR MEDICAL ALLOWANCE CASES STATUS AS OF JUNE 2015

The Social Security Administration (SSA) groups disabilities by body system.¹ For cases SSA previously medically allowed by payment status as of June 2015, see Table D–1.

Table D–1: Prior Medical Allowance Case Status by Disability Body System as of June 2015

Disability Body System	Not in Current Pay	In Current Pay	Total Cases
Musculoskeletal	2	8	10
Special Senses and Speech	2	1	3
Respiratory	4	3	7
Cardiovascular	5	5	10
Digestive	11	8	19
Genitourinary	25	18	43
Endocrine	1	0	1
Multiple Body Systems	4	9	13
Neurological	27	15	42
Mental Disorders	25	17	42
Malignant Neoplastic Diseases	458	55	513
Immune System	3	3	6
Low Birth Weight and Failure to Thrive	55	23	78
Special/Other	4	2	6
TOTAL	626	167	793

¹ SSA’s Listing of Impairments describes each of the major body system impairments that the Agency considers severe enough to prevent an individual from doing any gainful activity. For children, it describes impairments that cause marked and severe functional limitations. 20 C.F.R. §§ 404.1525 and 416.925.

Table D–2: Prior Medical Allowance Case Review Status by Disability Body System

Disability Body System	Case Reviewed	Case Not Reviewed	Total
Musculoskeletal	4	6	10
Special Senses and Speech	2	1	3
Respiratory	1	6	7
Cardiovascular	4	6	10
Digestive	10	9	19
Genitourinary	17	26	43
Endocrine	0	1	1
Multiple Body Systems	8	5	13
Neurological	21	21	42
Mental Disorders	30	12	42
Malignant Neoplastic Diseases	92	421	513
Immune System	1	5	6
Low Birth Weight and Failure to Thrive	56	22	78
Special/Other	4	2	6
TOTAL	250	543	793

Table D–3: Cases Reviewed by Title and Initiative

Title	CAL	QDD	TOTAL
Title II	33	50	83
Title XVI	20	123	143
Concurrent	7	17	24
TOTAL	60	190	250

Appendix E – ACKNOWLEDGMENTS

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