



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Informational Report

Disability Determination Services
Processing Times

A-07-15-15037 | May 2015

OIG Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: May 8, 2015

Refer To:

To: The Commissioner

From: Inspector General

Subject: Disability Determination Services Processing Times (A-07-15-15037)

The attached final report presents the results of our review. We are issuing this report to convey information related to State disability determination services with Fiscal Year 2013 average processing times for initial disability claims that were outside the typical range of disability determination services processing times.

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

Disability Determination Services Processing Times

A-07-15-15037



May 2015

Office of Audit Report Summary

Background

We are issuing this report to convey information related to State disability determination services (DDS) with Fiscal Year (FY) 2013 average processing times for initial disability claims that were outside the typical range of DDS processing times.

The Social Security Administration (SSA) provides Disability Insurance (DI) benefits and Supplemental Security Income (SSI) payments to eligible individuals under Titles II and XVI of the *Social Security Act*. DDSs in the State or other office with jurisdiction make disability determinations. There are DDSs in each of the 50 States, the District of Columbia, and Puerto Rico. Disability examiners, working with medical consultants, review medical evidence and the circumstances of disability claims to determine whether claimants meet SSA's definition of disability.

DDSs must follow State (meaning the 50 States, District of Columbia, or territories) personnel policies and procedures including State approval on hiring new staff. Each State has its own hiring practices. Federal regulations allow States to provide the organizational structure and qualified personnel needed to make disability determinations. Furthermore, States are required to adhere to applicable State-approved personnel standards in hiring staff.

Summary

We analyzed DI and SSI average claims processing times at 51 DDSs for FY 2013 (we excluded the Puerto Rico DDS from our analysis since it only processed DI claims). In FY 2013, DDS average processing times ranged from 45 to 140 days for DI claims and 49 to 157 days for SSI claims. We mapped the processing times for all 51 DDSs to identify processing times outside the typical range. In doing so, for the DI and SSI programs, we found 44 (86 percent) of 51 DDSs had processing times between 60 and 120 days.

We identified seven DDSs that fell outside of 60- to 120-day ranges for DI and SSI processing times. Specifically, the Florida and Idaho DDSs had DI and SSI processing times shorter than 60 days while the California, Virginia, Nevada, Colorado, and Hawaii DDSs had DI and SSI processing times longer than 120 days. Despite differences in processing times, the seven DDSs had allowance rates comparable to the national average and accuracy rates at or above SSA's goal.

We found a correlation between the processing times of some individual disability examiners and the five DDSs in our analysis with processing times that exceeded 120 days. We found the national median processing time for initial disability claims was 78 days in Calendar Year 2013. Further, all five DDSs with processing times longer than 120 days had disability examiners with average processing times for initial disability claims that were more than twice the national median. Conversely, neither of the DDSs with processing times shorter than 60 days had examiners with average processing times more than twice the median.

According to SSA, DDSs had already taken some actions to address the circumstances related to processing times that were more than twice the national median. However, SSA did not have specific details on the actions taken because they fell under State personnel practices. While SSA provides DDSs with program standards, leadership, and oversight, it does not become involved in the State's management of the program except as is necessary and in accordance with Federal regulations. As such, SSA would not usually be involved in DDS personnel-related actions.

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ABBREVIATIONS

C.F.R.	Code of Federal Regulations
DDS	Disability Determination Services
DI	Disability Insurance
FY	Fiscal Year
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

BACKGROUND

We are issuing this report to convey information related to State disability determination services (DDS) with Fiscal Year (FY) 2013 average processing times for initial disability claims that were outside the typical range of DDS processing times. The Social Security Administration (SSA) provides Disability Insurance (DI) benefits and Supplemental Security Income (SSI) payments to eligible individuals under Titles II and XVI of the *Social Security Act*.¹ To receive benefits under either program, an individual must first file an application with SSA. An SSA field office then determines whether the applicant meets the non-disability criteria for benefits.² If the applicant meets the non-disability criteria, the field office generally forwards the claim to the DDS in the State or other office with jurisdiction to make a disability determination. There are DDSs in each of the 50 States, the District of Columbia, and Puerto Rico. In addition to DDSs, SSA has Federal disability processing units that make disability determinations.

DDSs are required to perform disability determinations in accordance with Federal law and regulations.³ Each DDS is responsible for determining claimants' disabilities and ensuring adequate evidence is available to support its determinations. Disability examiners, working with medical consultants, review medical evidence and the circumstances of disability claims to determine whether claimants meet SSA's definition of disability.

DDSs must follow State or other applicable personnel policies and procedures, including State approval on hiring new staff.⁴ Each State has its own hiring practices. Federal regulations allow States to provide the organizational structure and qualified personnel needed to make disability determinations.⁵ Furthermore, States are required to adhere to applicable State-approved personnel standards in hiring staff.⁶

At the DDS level, average processing times for initial disability claims have increased slightly since FY 2012 (see Table 1). For our review, we analyzed DI and SSI average processing times

¹ *Social Security Act* §§ 201 *et seq.* and 1601 *et seq.*, 42 U.S.C. §§ 401 *et seq.* and 1381 *et seq.*

² For DI benefits, non-disability criteria include sufficient earnings to acquire insured status. *See Social Security Act* § 223(c)(1), 42 U.S.C. § 423(c)(1). For SSI payments, the non-disability criteria include income and resources. *See Social Security Act*, § 1611, 42 U.S.C. § 1382.

³ *Social Security Act* §§ 221 and 1614, 42 U.S.C. §§ 421 and 1382c; *See also*, 20 C.F.R. §§ 404.1601, *et seq.* and 416.1001, *et seq.*

⁴ 20 C.F.R. §§ 404.1621(b) and 416.1021(b). For the purposes of these Regulations, "State" means any of the 50 States of the United States, the Commonwealth of Puerto Rico, the District of Columbia, or Guam. *See* 20 C.F.R. §§ 404.1602 and 416.1002.

⁵ 20 C.F.R. §§ 404.1603(c)(2) and 416.1003(c)(2).

⁶ 20 C.F.R. §§ 404.1621(b) and 416.1021(b). The States must also comply with applicable Federal statutes, executive orders and regulations concerned with equal employment opportunities. *See* 20 C.F.R. §§ 404.1621(a) and 416.1021(a).

at 51 DDSs in FY 2013.⁷ Our analysis identified the DDSs that fell outside the typical range of processing times for DDSs in FY 2013.

Table 1: DDS Initial Disability Claims Processing Times, National Average (Days)

Program	FY 2012	FY 2013	FY 2014
DI	81	86	83
SSI	83	88	86

STATE DDS PROCESSING TIMES

In FY 2013, DDS average processing times ranged from 45 to 140 days for DI claims and 49 to 157 days for SSI claims.⁸ We mapped the processing times for all 51 DDSs to identify processing times that were outside the typical range. In doing so, for the DI and SSI programs, we found 44 (86 percent) of 51 DDSs had processing times between 60 and 120 days (see Figure 1 and Figure 2).

Figure 1: DDS Processing Times for DI Claims, FY 2013

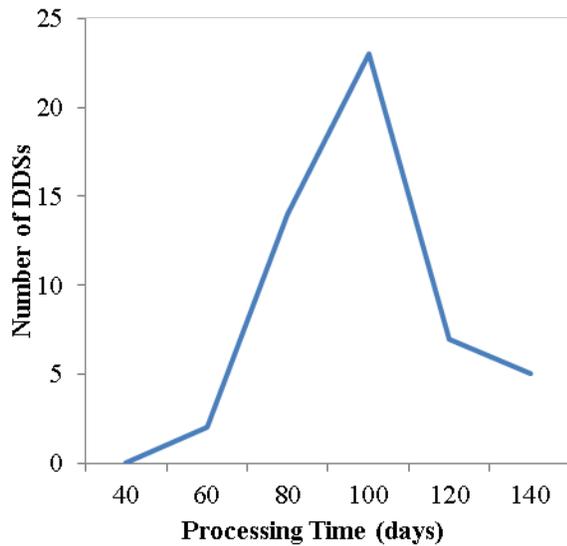
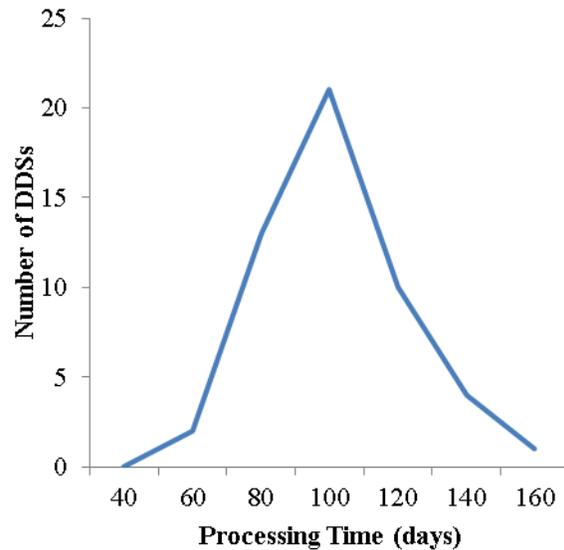


Figure 2: DDS Processing Times for SSI Claims, FY 2013



⁷ We excluded the Puerto Rico DDS from our analysis since it only processed DI claims. See Appendix A for the scope and methodology of our review.

⁸ We obtained the FY 2013 processing times from SSA’s Performance Management System. Concurrent DI and SSI claims are included in both averages. See Appendix B for FY 2013 DI and SSI processing times for all State DDSs.

We identified seven DDSs that fell outside the 60- to 120-day range for both DI and SSI processing times (see Table 2). Specifically, the Florida and Idaho DDSs had DI and SSI processing times shorter than 60 days while the California, Virginia, Nevada, Colorado, and Hawaii DDSs had DI and SSI processing times longer than 120 days. Despite differences in processing times, the seven DDSs had allowance rates between 31 and 39 percent, which were comparable to the national average.⁹ In addition, all seven DDS' net accuracy rates were comparable and at or above SSA's goal for net accuracy.¹⁰ Accordingly, shorter processing times at the Idaho and Florida DDSs did not result in accuracy problems. Further, the DDS' size did not appear to be a factor that increased or decreased processing times. For example, the Florida DDS processed significantly more claims than the Idaho DDS, yet both DDSs processed the claims in the lowest number of days. On the other hand, the Idaho and Nevada DDSs processed a similar number of claims, yet the Idaho DDS processed its DI claims in 58 days, as opposed to 128 days for DI claims in Nevada.

Table 2: DDSs with DI and SSI Processing Times Outside the Range of 60 to 120 Days, FY 2013¹¹

State DDS	DI Processing Time (days)	SSI Processing Time (days)	Initial Claims Processed ¹²	Net Accuracy Rate (percent)	Allowance Rate (percent)
Florida	45	49	205,461	97	31
Idaho	58	59	14,930	98	35
California	121	123	237,958	99	34
Virginia	123	131	54,592	98	38
Nevada	128	140	16,637	98	39
Colorado	133	137	32,125	97	34
Hawaii	140	157	6,667	98	34

⁹ We obtained initial disability claims allowance rates for each DDS from SSA's Performance Management System. In FY 2013, the national average DDS allowance rate was 33 percent, ranging from 25 to 55 percent. See Appendix B for allowance rates for all State DDSs. Allowance rates combine DI and SSI claims.

¹⁰ SSA's goal for FY 2013 net accuracy was 97 percent. See SSA's *Annual Performance Plan for Fiscal Year 2014 and Revised Final Performance Plan for Fiscal Year 2013*, p. 24 (April 2013). We obtained net accuracy rates from SSA's Office of Quality Review's FY 2013 report on Quality Assurance Review of Initial Disability Determinations. The Office of Quality Review selects 70 initial disability allowances and 70 initial disability denials per calendar quarter per State DDS to review for performance accuracy. See 20 C.F.R. §§ 404.1645 and 416.1045. SSA defines net accuracy as the percentage of correct initial State disability determinations.

¹¹ See Appendix B for DI and SSI processing times and allowance rates for all State DDSs with the seven DDSs from Table 2 highlighted in yellow.

¹² Initial claims include both DI and SSI disability claims; however, these seven DDSs had similar claim breakdowns based on type of claims. For example, DI claims ranged between 30 and 39 percent of the DDS' total workloads.

DISABILITY EXAMINER PROCESSING TIMES

We found a correlation between the processing times of some individual disability examiners and the five DDSs in our analysis with processing times that exceeded 120 days. We reviewed initial disability claims processed in Calendar Year 2013 and found the national median processing time for initial disability claims was 78 days.¹³ Further, we found all five DDSs with processing times longer than 120 days had disability examiners with average processing times for initial disability claims that were more than twice the national median of 78 days. For example, 60 percent of the examiners at the Colorado DDS had average processing times of 156 days or longer (see Table 3). Conversely, neither of the DDSs with processing times shorter than 60 days had disability examiners with average processing times more than twice the national median.

Table 3: DDS Examiners with Average Processing Times for Initial Claims More than Twice the National Median, Calendar Year 2013

DDS	Percent of DDS Examiners	Number of DDS Examiners Twice National Median ¹⁴	Total DDS Examiners ¹⁵
Idaho	0	0	34
Florida	0	0	534
California	4	21	569
Nevada	21	9	43
Hawaii	33	5	15
Virginia	47	54	114
Colorado	60	36	60

¹³ Initial disability claims were processed by disability examiners in State DDSs and Federal disability processing units.

¹⁴ In January 2015, SSA informed us that 18 examiners with processing times twice the national median were no longer employed by DDSs.

¹⁵ We limited this analysis to disability examiners who processed at least 200 initial disability claims at the DDS to eliminate examiners who were potentially newly hired and in the examiner training phase.

SUMMARY

In FY 2013, we identified seven DDSs that fell outside of the processing times range of 60 to 120 days for both DI and SSI claims. Specifically, the Florida and Idaho DDSs had DI and SSI processing times shorter than 60 days while the California, Virginia, Nevada, Colorado, and Hawaii DDSs had DI and SSI processing times longer than 120 days. Our analysis found the five DDSs with processing times longer than 120 days had disability examiners with average processing times for initial disability claims that were more than twice the national median. Conversely, neither the Florida nor the Idaho DDSs had examiners with average processing times more than twice the median. Therefore, it appears the claims processing activities of individual disability examiners with processing times for initial disability claims that were more than twice the national median contributed to higher processing times at these five DDSs.

According to SSA, DDSs had taken some actions to address the circumstances related to processing times that were more than twice the national median. However, SSA did not have specific details on the actions taken because they fell under State personnel practices. While SSA provides DDSs with program standards, leadership, and oversight, it is not involved in the State's program management except as is necessary and in accordance with Federal regulations. As such, SSA would not usually be involved in the specific details of DDS personnel-related actions.¹⁶

In addition to performance issues, SSA stated that different internal DDS business processes and assignment changes due to workload balancing or case transfers can, in some circumstances, impact DDS processing times. In addition, State hiring freezes or furloughs can impact DDS processing times. According to SSA, reduced resources affected the Agency's ability to authorize hiring in the DDSs during FYs 2012 and 2013. Further, SSA stated the DDSs we analyzed processed their funded workloads at a time of high attrition and limited ability to hire and train new staff. To our knowledge, SSA does not have management information readily available to reflect how, or to what extent, these factors affect DDS processing times. However, we acknowledge that disability examiner processing times may be only one of the reasons the five DDSs in our analysis had processing times that exceeded 120 days.

¹⁶ 20 C.F.R. §§ 404.1603(a) and 416.1003(a).

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To identify State disability determination services (DDS) with Fiscal Year (FY) 2013 average processing times for initial disability claims that were outside the typical range of DDS processing times, we:

- Reviewed applicable sections of the *Social Security Act* and the Social Security Administration's (SSA) regulations, policies, and procedures.
- Reviewed prior Office of the Inspector General reports.
- Obtained management information related to DDS' processing times, allowance rates, and net accuracy rates for Fiscal Year 2013.
- Obtained a data file from SSA's Disability Database System of 2,934,433 initial disability claims processed in Calendar Year 2013 and
 - calculated the processing time of each claim using the date the State received the claim and the adjudication date;
 - identified the number of examiners who processed a minimum of 200 initial claims per DDS; and
 - calculated the average initial claims processing time for each examiner by DDS.

We conducted our review between August 2014 and January 2015 in Kansas City, Missouri. The entity reviewed was the Office of Disability Determinations under the Office of Operations. We determined the data used in this report were sufficiently reliable given our review objective and intended use of the data. We conducted this review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Appendix B – DISABILITY DETERMINATION SERVICES PROCESSING TIMES

**Table B-1: Initial Disability Claims Processing Times
Fiscal Year 2013¹**

Disability Determination Service	Disability Insurance Processing Time (days)	Supplemental Security Income Processing Time (days)	Allowance Rates (percent)
Florida	45	49	31
Idaho	58	59	35
Indiana	62	64	30
Nebraska	65	65	39
Vermont	65	64	41
New York	67	71	38
Washington	67	72	38
Alabama	68	68	28
Missouri	69	69	34
Arkansas	70	69	31
Pennsylvania	70	71	35
Texas	70	72	34
Iowa	73	81	38
Louisiana	75	75	34
New Hampshire	76	84	50
Kansas	77	79	39
Ohio	82	88	32
District of Columbia	83	82	37
Montana	83	89	37
North Carolina	83	86	29
Mississippi	84	76	25
Illinois	85	88	32

¹ Disability determination services (DDS) are ranked lowest to highest by Disability Insurance (DI) processing times. DDSs with processing times outside the range of 60 to 120 days for both DI and Supplemental Security Income are highlighted in yellow. We excluded Puerto Rico DDS from our analysis since it only processes DI claims.

Disability Determination Service	Disability Insurance Processing Time (days)	Supplemental Security Income Processing Time (days)	Allowance Rates (percent)
North Dakota	85	90	43
South Dakota	85	92	42
Massachusetts	87	96	41
Minnesota	87	91	35
Kentucky	90	92	26
Michigan	91	91	31
Oklahoma	93	97	33
Delaware	95	105	33
Utah	95	97	36
Alaska	96	96	47
Arizona	96	99	31
Connecticut	96	102	30
Georgia	96	99	26
Maryland	96	102	30
Tennessee	96	94	26
New Mexico	98	100	39
West Virginia	99	102	27
South Carolina	101	100	30
New Jersey	102	101	40
Maine	103	104	33
Oregon	104	106	35
Wisconsin	109	119	37
Rhode Island	112	118	32
Wyoming	114	117	55
California	121	123	34
Virginia	123	131	38
Nevada	128	140	39
Colorado	133	137	34
Hawaii	140	157	34

Appendix C – MAJOR CONTRIBUTORS

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