



Office *of the* Inspector General
SOCIAL SECURITY ADMINISTRATION

Audit Report

U.S. Veteran Disability Claims
Processing Time

A-15-17-50227 | July 2019

MEMORANDUM

Date: July 12, 2019

Refer To:

To: The Commissioner

From: Inspector General

Subject: U.S. Veteran Disability Claims Processing Time (A-15-17-50227)

The attached final report presents the results of the Office of Audit's review. The objective was to determine whether the Social Security Administration followed its policy to identify and expeditiously process veteran and military casualty disability claims.

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.



Gail S. Ennis

Attachment

July 2019

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) followed its policy to identify and expeditiously process veteran and military casualty disability claims.

Background

SSA policy provides for disability claims filed by current and former military service members to be expedited. SSA identifies these claims as Military Casualty/Wounded Warrior (MC/WW) and Veteran 100 Percent Permanent and Total (VAPT) disability claims. MC/WW claims involve any current or former member of a military service who sustained an illness, injury, or wound; alleged a physical or mental impairment, regardless of how or where the impairment occurred (that is, in the United States or on foreign soil); and sustained the impairment while on active duty status on or after October 1, 2001. VAPT is a claim involving any veteran of a military service who has a VAPT disability compensation rating and is alleging a physical or mental impairment, regardless of how the impairment occurred. VAPT classifications do not guarantee an allowance for SSA disability benefits. VAPT recipients must meet SSA's disability medical eligibility and entitlement requirements.

Findings

SSA does not define “expeditious” for processing MC/WW and VAPT claims, have processing time goals, or perform regular analysis of the MC/WW and VAPT claims to identify trends. Therefore, to assess the MC/WW and VAPT processing times, we compared them to the average processing time for all disability claims at the various stages of review nationally and by State. We found the following.

- At the initial claims level, SSA processed MC/WW and VAPT claims only 1 day faster than it processed all disability claims.
- SSA processed MC/WW and VAPT claims from 37 to 315 days more quickly than all disability claims at the reconsideration, hearing office, and Appeals Council levels.
- Average processing times varied across States.
- There were processing delays attributable to SSA as well as delays outside SSA's control.

Finally, SSA designed and implemented internal controls to identify and flag MC/WW and VAPT claims to prioritize the processing of those claims. However, SSA could not provide us evidence that it followed its policies and procedures to ensure staff and management properly tracked or monitored MC/WW and VAPT claims.

Recommendations

We recommend SSA:

1. Define “expeditious” for processing MC/WW and VAPT claims and measure processing time pursuant to the definition.
2. Implement controls to monitor, track, and measure the processing of MC/WW and VAPT claims.

SSA agreed with our recommendations.

TABLE OF CONTENTS

Objective.....	1
Background.....	1
MC/WW and VAPT Defined.....	1
Administrative Review Process	2
MC/WW and VAPT Policy	2
Congressional Hearing on Ensuring SSA Serves America’s Veterans	3
Audit Population	4
Results of Review	4
Expeditious Processing of MC/WW and VAPT Claims	5
Claims Processing Goals and Results	6
APT – All Levels	6
State APT at Initial Adjudicative Level.....	7
Review of MC/WW and VAPT Claims.....	8
Assessment of Internal Controls	8
Identifying and Prioritizing MC/WW and VAPT Claims	9
Processing MC/WW and VAPT Claims.....	9
Conclusions.....	10
Recommendations.....	11
Agency Comments.....	11
Appendix A – Scope and Methodology	A-1
Appendix B – Additional Analysis	B-1
Appendix C – Agency Comments.....	C-1

ABBREVIATIONS

APR	<i>Annual Performance Report</i>
APT	Average Processing Time
C.F.R.	Code of Federal Regulations
DDS	Disability Determination Services
DoD	Department of Defense
FO	Field Office
FY	Fiscal Year
MC/WW	Military Casualty/Wounded Warrior
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
TERI	Terminal Illness
VA	Department of Veterans Affairs
VAPT	Veteran 100 Percent Permanent and Total

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) followed its policy to identify and expeditiously process veteran and military casualty disability claims.

BACKGROUND

SSA policy provides for disability claims filed by current and former military service members to be expedited. SSA identifies these claims as Military Casualty/Wounded Warrior (MC/WW)¹ and Veteran 100 Percent Permanent and Total (VAPT) disability claims.²

MC/WW and VAPT Defined

The Departments of Defense (DoD) and Veterans Affairs (VA) identify MC/WW and VAPT claimants, respectively. DoD and VA each provide SSA with weekly information on these claimants through automated data exchanges. MC/WW claims involve any current or former member of a military service who

- sustained an illness, injury, or wound;
- alleged a physical or mental impairment, regardless of how or where the impairment occurred (that is, in the United States or on foreign soil); and
- sustained the impairment while on active duty status on or after October 1, 2001.³

VAPT is a claim involving any veteran of a military service who has a VAPT disability compensation rating and is alleging a physical or mental impairment, regardless of how the impairment occurred.⁴ VAPT classifications do not guarantee an allowance for SSA disability benefits. VAPT recipients must meet SSA's disability medical eligibility and entitlement requirements.

¹ SSA, *POMS*, DI 11005.003, A.1 (June 26, 2018).

² SSA, *POMS*, DI 11005.007, A (June 12, 2018).

³ SSA, *POMS*, DI 11005.003, A.1 (June 26, 2018).

⁴ SSA, *POMS*, DI 11005.007, A (June 12, 2018). According to SSA policy, expedited claims processing applies to all veterans with a VAPT disability compensation rating but does not apply to veterans with a VAPT disability pension rating. The VA disability compensation rating is to compensate veterans for service connected injuries and illnesses. VA pension is a needs-based program for disabled veterans if their service coincided with a period of war and they have limited income and resources.

Administrative Review Process

The administrative review process⁵ for all disability claims consists of several steps that usually must be requested within certain periods of time and in the following order.

1. *Initial determination.* SSA determines the claimant's entitlement or continuing entitlement to benefits or any other matter that gives the claimant a right to further review.
2. *Reconsideration.* Claimants who are dissatisfied with an initial determination may request a reconsideration by SSA.
3. *Hearing before an administrative law judge.* Claimants who are dissatisfied with the reconsideration determination may request a hearing before an administrative law judge.
4. *Appeals Council review.* Claimants who are dissatisfied with the administrative law judge's decision may request the Appeals Council review the decision.
5. *Federal Court review.*⁶ When claimants have completed Steps 1 through 4, SSA has made its final decision. Claimants who are dissatisfied with SSA's final decision, may request judicial review by filing an action in a Federal district court.

MC/WW and VAPT Policy

There is no specific SSA policy for processing MC/WW and VAPT claims. Rather, SSA policy provides that employees process MC/WW and VAPT claims using the expedited Terminal Illness (TERI)⁷ procedures, which state that TERI cases are expedited at each step in the disability process.⁸ SSA leverages TERI policy for expedited processing of MC/WW and VAPT claims despite the different characteristics of these claims. According to SSA, TERI claims need minimal development because “. . . the decisions in TERI cases are often relatively straightforward, do not require much development, and can be made quickly with little or no development of medical evidence.” Conversely, MC/WW and VAPT claims are more complex and often involve multiple impairments. Consequently, it generally takes longer to develop and assess these claims than TERI cases. TERI instructions provide SSA employees guidance for priority processing of MC/WW and VAPT claims through all levels of case development and adjudication.⁹

⁵ 20 C.F.R. § 404.900(a) and 20 C.F.R. § 416.1400(a).

⁶ SSA does not track claims at the Federal Court level because it has no control over the timing of the disposition of such cases. We define this level of review for informational purposes only.

⁷ SSA, *POMS*, DI 23020.045 A.1. (October 22, 2015). SSA defines terminal illness as “. . . a medical condition that is untreatable and expected to result in death.” The Agency makes every effort to identify a potential TERI case as early as possible. Once a case is determined to qualify under TERI, employees are instructed to flag the case for TERI processing and expedite the TERI cases at each step in the disability process.

⁸ SSA, *POMS*, DI 11005.003 (June 26, 2018) and SSA, *POMS*, DI 11005.007 (June 12, 2018).

⁹ SSA, *POMS*, DI 11005.003 (June 26, 2018) and SSA, *HALLEX*, vol. I, ch. I-3-1, sec. I-3-1-5 (July 23, 2015).

SSA uses the term “expedited” for processing MC/WW, VAPT, and TERI claims. However, it does not define “expedited.” The expedited procedures refer to pulling claims flagged as MC/WW, VAPT, or TERI from the general population of claims intake and putting them “in the front of the line.” SSA processes these claims before all other disability claims. In addition, SSA’s policy requires that field offices (FO) and disability determination services (DDS) track these expedited claims. SSA procedures indicate, “DDS management is responsible for tracking TERI cases during the DDS review process. Management should ensure quality assurance or supervisory follow up every 10 days until the DDS completes its actions. If the DDS does not complete its actions within 30 days, the FO contacts the disability examiner. If the DDS does not complete its actions within 60 days, the FO contacts the DDS management.”¹⁰ These priorities are set at each level of the administrative review process that SSA tracks (initial, reconsideration, hearing, and Appeals Council and at all components (FO and DDS).

Aside from prioritizing the cases, there is no fundamental or substantive difference between how an MC/WW or VAPT claim is processed. SSA’s policy requires that FOs and DDSs track these expedited claims. The actual procedures by which SSA determines disability are the same for expedited claims and all other disability claims.

Congressional Hearing on Ensuring SSA Serves America’s Veterans

On February 7, 2018, the House Ways and Means Committee, Subcommittee on Social Security, held a hearing¹¹ on SSA’s efforts to ensure the expedited processing of veterans claims. In this hearing, the Agency stated,

As of December 29, 2017, we have processed 172,272 Wounded Warrior claims at the initial level and 31,974 claims for Veterans with a 100 percent [Permanent and Total] rating. On average, in FY 2017 it took us roughly seven fewer days to process Wounded Warrior claims at the initial level and five fewer days to process a 100 percent [Permanent and Total] claim. At the appeals level, in FY 2017, the average processing times (APT) for closed hearing cases are 237 days for Military Casualty/Wounded Warrior and 297 for 100 percent [Permanent and Total] disability, compared to an overall APT of 605 days.

SSA stated it employed a variety of outreach measures through its partnerships with DoD and the VA. For example, SSA FO employees may visit military and VA hospitals nationwide to provide SSA services. SSA also stated it worked with DoD and the VA to identify ways of streamlining and expediting processes to support service members and veterans.

¹⁰ SSA, *POMS*, DI 23020.045 A. 4. (October 22, 2015).

¹¹ *Hearing on Ensuring Social Security Serves America’s Veterans: Hearing Before the Committee on Ways and Means, Social Security Subcommittee Hearing*, 115th Congress p. 17 (2018) (statement of Gina Clemons, Associate Commissioner, Office of Disability Policy, Social Security Administration).

Audit Population

We identified a population of closed disability claims flagged as MC/WW and VAPT with an initial effective filing date between October 1, 2014 and October 1, 2016.¹² Table 1 shows the population by adjudicative level.

Table 1: - MC/WW and VAPT Closed Claims

Adjudicative Level ¹³	MC/WW & VAPT
Initial	2,800
Reconsideration	663
Hearings	487
Appeals Council	49
Total	3,999

Our audit measured the APT of our population of closed MC/WW and VAPT claims compared to all disability claims.

In addition, we reviewed 40 closed MC/WW and VAPT claims (10 longest processing time at each adjudicative level) to determine the reasons for the length of time required to process these cases. Finally, we reviewed the Agency’s internal controls for identifying, prioritizing, and processing MC/WW and VAPT claims at each adjudicative level. Specifically, we walked through the business process at the FO, DDS, hearing office, and Appeals Council. See Appendix A for more information on our scope and methodology.

RESULTS OF REVIEW

SSA does not define “expeditious” for the processing of MC/WW and VAPT claims, have processing time goals, or perform regular analysis of the MC/WW and VAPT claims to identify trends. Therefore, to assess the MC/WW and VAPT processing times, we compared them to the average processing time for all disability claims at the various stages of review nationally and by State. We found the following.

- At the initial claims level, SSA processed MC/WW and VAPT claims only 1 day faster than it processed all disability claims.
- SSA processed MC/WW and VAPT claims from 37 to 315 days more quickly than all disability claims at the reconsideration, hearing office, and Appeals Council levels.

¹² On March 17, 2014, SSA began expediting disability claims for veterans with a VAPT disability compensation rating. We allowed SSA approximately 6 months to implement this policy; therefore, our audit population began on October 1, 2014.

¹³ SSA did not track claim-processing time at the Federal Court level; therefore, we excluded this adjudicative level from our analysis.

- Average processing times varied across States.
- There were processing delays attributable to SSA as well as delays outside SSA’s control.

Finally, SSA designed and implemented internal controls to identify and flag MC/WW and VAPT claims to prioritize the processing of those claims. However, SSA could not provide us evidence it followed its policies and procedures to ensure staff and management properly tracked or monitored MC/WW and VAPT claims. As a result of our audit, in March 2019, SSA issued a national refresher training package to remind employees to apply priority processing to these cases and to follow the existing expedited case processing policy and procedures.

Expeditious Processing of MC/WW and VAPT Claims

According to SSA policy, its employees must process MC/WW and VAPT claims using the expedited TERI procedures.¹⁴ MC/WW and VAPT claims do not have a separate policy; instead, SSA leverages TERI policy for expedited processing despite SSA’s acknowledgement that claims are inherently more complex than TERI claims and take more time to process. SSA uses the term “expedited” in reference to processing these claims. The expedited procedures refer to pulling claims flagged as MC/WW, VAPT, or TERI from the general population of claims intake and putting them “in the front of the line.”

We could not determine whether SSA processed MC/WW and VAPT claims expeditiously because SSA policy did not define expeditious. SSA procedures directed claims adjudicators to “Give MC/WW cases priority processing using the expedited terminal illness (TERI) instructions through all levels of case development and adjudication.”¹⁵ While the TERI case instructions contain such precise language as “. . . expedite assignment of the case for review no later than the next business day.”¹⁶ Other parts of the instructions are less specific, such as “. . . the assigned [disability examiner]: Develops and adjudicates as a priority.”¹⁷ Without a clear definition of expeditious, SSA does not know whether it is meeting this standard.

¹⁴ SSA, *POMS*, DI 23020.045 A. 1. (October 22, 2015). SSA defines terminal illness as “. . . a medical condition that is untreatable and expected to result in death.” The Agency makes every effort to identify a potential TERI case as early as possible. Potential TERI cases are identified either directly through the claimant’s allegation(s) or indirectly through case descriptors.

¹⁵ SSA, *POMS*, DI 23020.050 B. 3 a. (December 19, 2014). In addition, SSA, *POMS*, DI 11005.007 (June 12, 2018) provides the same guidance for VAPT claims.

¹⁶ SSA, *POMS*, DI 23020.045 C. 2. (October 22, 2015).

¹⁷ SSA, *POMS*, DI 23020.045 E. 1. (October 22, 2015).

Claims Processing Goals and Results

In its *Annual Performance Report (APR) Fiscal Years 2017 – 2019*,¹⁸ SSA published average processing time (APT) goals for all disability claims at the initial, reconsideration, and hearing office adjudicative levels. SSA also reported actual performance results compared to the goals. For example, the APT goal for initial disability claims for FY 2015 was 109 days; for FYs 2016 and 2017, it was 113 days. The actual APTs for initial disability claims in FYs 2015 through 2017 were 114, 110, and 111 days, respectively.

SSA did not have APT goals or actual performance results for MC/WW and VAPT claims. Although SSA did not have APT goals and performance results for MC/WW and VAPT claims, our analysis indicated SSA processed them more quickly than all disability claims at the reconsideration, hearing office, and Appeals Council levels. However, SSA processed MC/WW and VAPT claims only 1 day faster than all initial disability claims.

APT – All Levels

We measured the APT of our population of closed MC/WW and VAPT claims compared to all disability claims. We calculated the APT¹⁹ of MC/WW and VAPT²⁰ with an initial effective filing date between October 1, 2014 and October 1, 2016. We compared the MC/WW and VAPT APT to all disability claims' APT for Fiscal Years (FY) 2015 through 2017 published in the Agency's APR (see Figure 1).²¹

As Figure 1 illustrates, there were some variances between the processing times of MC/WW and VAPT claims compared to all disability claims as described below.

- Initial Determination – SSA processed MC/WW and VAPT claims only 1 day faster than all disability claims.
- Reconsideration – SSA processed MC/WW and VAPT claims an average of 37 days faster than all disability claims.

¹⁸ SSA, *The Annual Performance Plan for Fiscal Year 2019, Revised Performance Plan for Fiscal Year 2018, and Annual Performance Report for Fiscal Year 2017 (APR)*, pp. 33, 35, and 36 (February 12, 2018). APTs in the APRs represent the processing time of all claims, regardless of whether they were flagged for expedited processing.

¹⁹ We calculated the average processing time as the number of days between the Claim Status Date, with the corresponding Claim Status Code of "4" and the Claim Effective Filing Date. A Claim Status Code of "4" indicates the claim was "Closed" as of the Claim Status Date.

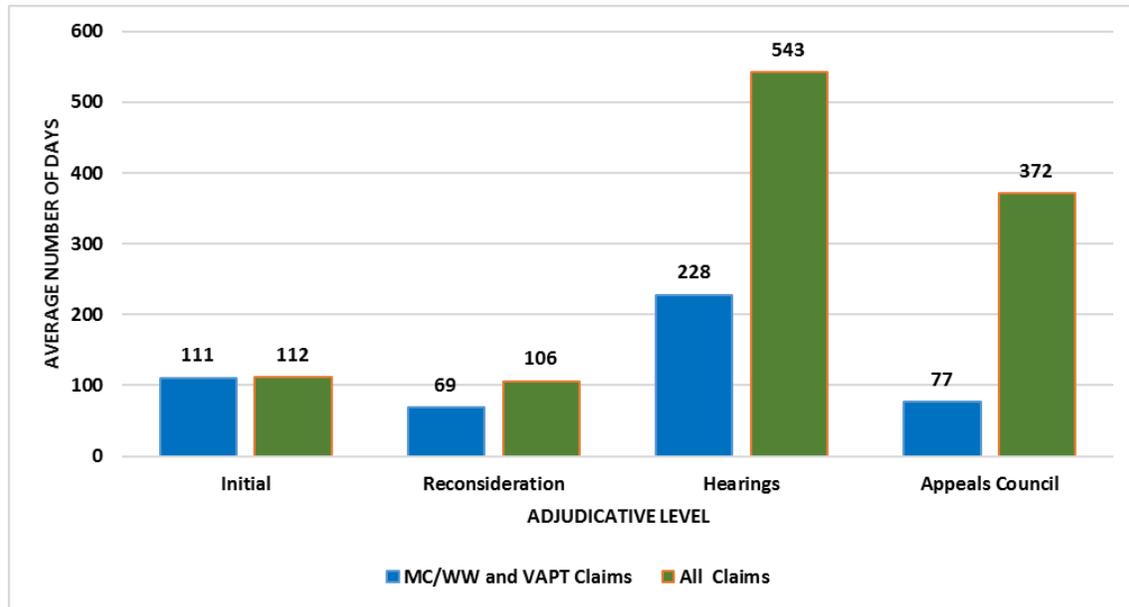
²⁰ An individual may meet the criteria of both an MC/WW and a VAPT, and his/her folder may contain both identifiers. Therefore, we consolidated the two criteria in a single population for analysis.

²¹ "All Claims" refers to the claims processing times for FYs 2015 through 2017 as published in the Agency's APR FYs 2017 – 2019. The APR published average processing times for initial disability determinations, disability reconsiderations, and all hearings claims. The processing times of MC/WW and VAPT claims in our population are included in these "All Claims" figures.

- Administrative Law Judge Hearing – SSA processed MC/WW and VAPT claims an average of 315 days faster than all disability claims.
- Appeals Council Review – SSA processed MC/WW and VAPT claims an average of 295 days faster than all disability claims.

See Appendix B for the distribution of the processing times under/above the APT by adjudicative level.

Figure 1: - Comparison of Average Processing Times²²



State APT at Initial Adjudicative Level

Approximately 2,800 (70 percent) of the 3,999 MC/WW and VAPT claims in our population were completed at the initial adjudicative level. Any potential determination at the initial level affects an individual’s right to benefit payments or any other right provided by the *Social Security Act*. SSA must make an initial determination before an individual can claim any appeal rights. Therefore, we analyzed the APTs of closed claims at the initial adjudicative level by State.²³

We also analyzed the APT of claims at the initial adjudicative level, specifically the APT of initial claims by State. We reviewed the APT by State for the 17 States with 50 or more initial claims (approximately 76 percent) in our total population of initial MC/WW and VAPT claims. Any State with fewer than 50 claims processed was excluded. Texas and California accounted

²² The Agency provided OIG with the Appeals Council’s cumulative APTs for FY 2015 to FY 2017. The APT over this 3-year period is 372 days.

²³ This analysis included the 50 States, the District of Columbia, Guam, and Puerto Rico.

for approximately 24 percent of the 3,999 claims. The Texas and California APTs did not significantly differ from the national APT. Of the 17 States, we noted New York processed initial MC/WW and VAPT claims the quickest; South Carolina processed initial MC/WW and VAPT claims the slowest. Refer to Appendix B for additional information on our APT analysis by State.

Review of MC/WW and VAPT Claims

We reviewed 40 closed MC/WW and VAPT claims (10 longest processing time at each adjudicative level) to determine the reasons for the length of time required to process these cases. We identified delays attributable to SSA as well as delays outside SSA's control. These delays occurred because

- the claimant did not attend consultative examinations,
- the claimant moved while the claim was in process,
- the claimant did not cooperate with SSA,
- mail was returned as undeliverable,
- VA delayed providing medical records,
- a Cooperative Disability Investigations Unit²⁴ conducted a fraud investigation while the claim was being processed,
- individuals lived outside the United States, which adds significant processing time to obtain medical information from sources outside the United States, and/or
- SSA employees delayed establishing a reconsideration claim in SSA's system, issuing a disposition after the hearing, or notifying individuals of a decision.

Assessment of Internal Controls

We reviewed SSA's policies and conducted interviews and/or walkthroughs to assess the internal controls over identifying and processing MC/WW and VAPT claims at all component levels. Based on our review, we noted that SSA designed and implemented internal controls to identify and flag MC/WW and VAPT claims to prioritize the processing of those claims.

²⁴ Cooperative Disability Investigations units are a joint effort between SSA, the State DDS, local law enforcement, and the OIG that focus on allegations of disability fraud.

Identifying and Prioritizing MC/WW and VAPT Claims

SSA has data exchange agreements with both DoD and VA. In each weekly data exchange with DoD and VA, SSA verifies the Social Security numbers and other data (such as, name, date of birth, and gender) against SSA's Numident²⁵ and Enumeration Verification System.²⁶ If the claimant's Social Security number matches the information in SSA's systems, SSA employees establish an MC/WW or VAPT flag.

If the claimant's Social Security number does not match the information in SSA's systems, but the claimant alleges a disability during the initial interview or SSA subsequently acquires evidence of MC/WW or VAPT eligibility, SSA employees manually establish a MC/WW or VAPT flag in the Electronic Disability Collect System.²⁷ Further, the claimants' disclosure of military casualty or Veteran status and required supporting documentation during the initial interview is another essential factor for expediting MC/WW and VAPT claims. A delay in notifying SSA of military casualty or Veteran status and providing supporting documentation will delay case processing time.

Processing MC/WW and VAPT Claims

SSA designed and implemented internal controls to prioritize the processing of MC/WW and VAPT claims. When VAPT and MC/WW claims are identified, they are pulled from the general "First-in, First-out" population and assigned for work up by staff. SSA has systems that allow offices to track how quickly these claims are processed. However, these systems require manual monitoring. Additionally, SSA does not have formal guidelines or benchmarks to ensure a desired level of performance for each stage of development and at each adjudicative level.

SSA treats MC/WW and VAPT claims as priority claims. However, during our site visits, SSA could not provide any evidence of whether it followed its own policies and procedures to ensure staff and management properly tracked or monitored the processing of these claims. Additionally, SSA's process for monitoring the progress of these claims varied by office. Based on our site visits, DDS' ability to complete an MC/WW or VAPT claim timely depends on the

²⁵ The Numerical Index File (Numident), established in the early 1970s, is the numerically ordered master file of all assigned Social Security numbers.

²⁶ The Enumeration Verification System determines whether the Social Security number, name, and date of birth submitted by a third-party match SSA's records. This System also provides information on the failure of a particular data element (that is, name or date of birth) and an indicator of whether death information is on SSA's records.

²⁷ SSA, *POMS*, DI 11005.003, B (June 26, 2018) and SSA, *POMS*, DI 11005.007, B (June 26, 2018).

- size, scope, and age²⁸ of evidence and supporting documentation;²⁹
- completeness and accuracy of evidence and supporting documentation;
- collaboration or cooperation of either the claimant, the claimant’s representative, and/or third-party medical providers with SSA efforts; and
- experience and level of skill of SSA employees.

As a result of our audit, SSA developed and issued a national refresher training package to remind employees to apply priority processing to these cases and to follow the existing expedited case processing policy and procedures. SSA issued this training in March 2019.

CONCLUSIONS

SSA does not define “expeditious” for the processing of MC/WW and VAPT claims, have processing time goals, or perform regular analysis of the MC/WW and VAPT claims to identify trends. Therefore, to assess the MC/WW and VAPT processing times, we compared them to the average processing time for all disability claims at the various stages of review nationally and by State. We found the following.

- At the initial claims level, SSA processed MC/WW and VAPT claims only 1 day faster than it processed all disability claims.
- SSA processed MC/WW and VAPT claims from 37 to 315 days more quickly than all disability claims at the reconsideration, hearing office, and Appeals Council levels.
- Average processing times varied across States.
- There were processing delays attributable to SSA as well as delays outside SSA’s control.

Finally, SSA designed and implemented internal controls to identify and flag MC/WW and VAPT claims to prioritize the processing of those claims. However, SSA could not provide us evidence that it followed its policies and procedures to ensure staff and management properly tracked or monitored MC/WW and VAPT claims. As a result of our audit, in March 2019, SSA issued a national refresher training package to remind employees to apply priority processing to these cases and to follow the existing expedited case processing policy and procedures.

²⁸ 20 C.F.R. § 404.1509 (www.ecfr.gov 2019) and SSA, *POMS*, DI 25505.025 (August 11, 2016).

²⁹ Generally, MC/WW and VAPT medical evidence documents are large in terms of the size and scope of the medical evidence contained therein, often being more than 1,000 pages. Such medical evidence may also contain duplicate information.

RECOMMENDATIONS

We recommend SSA:

1. Define “expeditious” for processing MC/WW and VAPT claims and measure processing time pursuant to the definition.
2. Implement controls to monitor, track, and measure the processing of MC/WW and VAPT claims.

AGENCY COMMENTS

SSA agreed with our recommendations; see Appendix C.



Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objectives, we:

- Reviewed applicable Federal laws and regulations.
- Reviewed applicable Agency policies and procedures.
- Researched and reviewed relevant prior audit work, including Office of the Inspector General (OIG) and Government Accountability Office reports.
- Obtained claims flagged for expedited processing from the Social Security Administration’s (SSA) Electronic Folder Management Information¹ and Management Information Disability² databases. Using data analysis software,³ we identified Disability Insurance and Supplemental Security Income Disabled Individual claims⁴ flagged as Military Casualty/Wounded Warrior (MC/WW), and Veteran 100 Percent Permanent and Total (VAPT)⁵ with an effective filing date between October 1, 2014 and October 1, 2016. This population consisted of 4,030 (3,999 completed and 31 pending)⁶ unique folder numbers.⁷ The number of closed and pending claims by adjudicative level is shown in Table A-1.

Table A–1: MC/WW and VAPT Population

Adjudicative Level	Closed	Pending
Initial	2,800	3
Reconsideration	663	1
Hearings	487	26
Appeals Council	49	1
Total	3,999	31

¹ The Electronic Folder Management Information supports ad hoc querying of electronic folder information.

² The Electronic Disability Management Information provides management information on disability cases.

³ We used data analysis software to identify our sub-populations.

⁴ We identified closed claims based on the Claim Status Code. A Claim Status Code of “4” indicates the claim was “Closed” as of the Claim Status Date.

⁵ We identified MC/WW claims with the Folder Flag code of “31” and VAPT claims with Folder Flag code of “38.”

⁶ There were 2 claims pending as of April 29, 2019.

⁷ The Folder Number is the unique identifying number assigned to any multiple iterations of a case. For example, if a subsequent initial case is filed, the first filing and all its information would be Folder 1, the subsequent filing and all its information is Folder 2. A Folder Number may contain any number of Case Numbers depending on the adjudicative level reached and the claim types associated with the folder. The Case Number is the unique identifying number for a given case at a given adjudicative level. Therefore, the integers in the other non-initial adjudicative levels represent case numbers associated with a unique Folder Number contained in the 2,803 population (2,800 completed and 3 pending) at the initial level.

- Reviewed 40 claims (the 10 longest processing times for closed MC/WW and VAPT cases at each adjudicative level) and all 31 pending claims flagged for expedited processing with an initial claim effective filing date between October 1, 2014 and October 1, 2016.
- Interviewed staff from the Offices of Operations, Systems, and Hearings Operations.
- Assessed SSA's systems, processes, and internal controls that were significant within the context of our audit objective.
- Assessed the design and implementation of internal controls and obtained sufficient, appropriate evidence to support our assessment.

We determined the data used during our review were sufficiently reliable given our objective and the intended use of the data should not lead to incorrect or unintentional conclusions. We conducted our review at SSA Headquarters in Baltimore, Maryland, as well as regional and field offices from June 2018 through April 2019. 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 findings and conclusions based on our audit objective. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix B – ADDITIONAL ANALYSIS

Distribution of Processing Times

We analyzed the distribution of the processing times of the Military Casualty/Wounded Warrior (MC/WW) and Veteran 100 Percent Permanent and Total (VAPT) in our population by adjudicative level. Specifically, we grouped the processing times by adjudicative level in a range of 30 days (such as, 1 to 30 days over/under APT, 31 to 60 days over/under APT, 61 to 90 days over/under APT, and 91 days or more over APT). For example, SSA processed 568 MC/WW and VAPT initial claims between 81 and 110 days (1 to 30 days under the 111-day initial APT) and 210 MC/WW and VAPT reconsideration claims between 39 and 68 days (1 to 30 days under the 69-day reconsideration APT). Refer to Table B–1 for the distribution of the processing times compared to the APT at each adjudicative level.

Table B–1: MC/WW and VAPT Claims Compared to the APT

Distribution	Initial		Reconsideration		Hearing Office		Appeals Council	
	Number	%	Number	%	Number	%	Number	%
61 or more days under APT	469	16.8	19	2.9	190	39.0	2	4.1
31 – 60 days under APT	559	20.0	166	25.0	70	14.4	17	34.7
1 – 30 days under APT	568	20.3	210	31.7	47	9.7	16	32.7
At APT	24	0.9	6	0.9	0	0.0	0	0.0
1 – 30 days over APT	484	17.3	131	19.8	38	7.8	8	16.3
31 – 60 days over APT	264	9.4	70	10.6	35	7.2	1	2.0
61 – 90 days over APT	185	6.6	25	3.8	16	3.3	0	0.0
91 or more days over APT	247	8.8	36	5.4	91	18.7	5	10.2
Total	2,800	100	663	100	487	100	49	100

Initial Claims Processed by State

We analyzed the number of claims and their APT at the initial adjudicative level by State. Specifically, we reviewed the APT of the States with 50 or more claims as shown in Table B–2.

Table B–2: Initial MC/WW and VAPT Claims by State

State	Number of Claims	APT
New York	99	75
Ohio	50	92
Kentucky	57	96
Florida	143	98
Colorado	74	98
Washington	140	102
Alabama	75	102
Virginia	108	104
North Carolina	160	107
Missouri	92	108
Louisiana	61	114
Georgia	162	115
Tennessee	77	115
All Other States	665	115
California	211	118
Texas	465	119
Arizona	57	119
South Carolina	104	132
Total	2,800	111

Based on Table B–2, 17 States account for approximately 76 percent of the total number of initial MC/WW and VAPT claims in our population. Texas and California accounted for approximately 24 percent of the total number of claims. The APTs of Texas and California did not significantly differ from the national APT. Of the 17 States, New York had the lowest APT of 75 days, which is more than 35 days below the APT of our population. South Carolina had the highest APT of 132 days, which is more than 20 days above the APT of our population.

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: July 1, 2019 Refer To: S1J-3

To: Gail S. Ennis
Inspector General

From: Stephanie Hall
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, "U.S. Veteran Disability Claims Processing Times" (A-15-17-50227) -- 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 Trae Sommer at (410) 965-9102.

Sincerely,

A handwritten signature in blue ink that reads "Stephanie Hall".

Stephanie Hall
Acting Deputy Chief of Staff

SSA COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, “U.S. VETERAN DISABILITY CLAIMS PROCESSING TIMES” (A-15-17-50227)

GENERAL COMMENTS

Our disability programs play a crucial role in aiding Wounded Warriors and other Service Members and Veterans with disabilities. Similar to Terminal Illness (TERI) claims, Military Casualty/Wounded Warrior (MC/WW) and Veterans Affairs 100 Percent Permanent and Total (VAPT) claims receive expedited handling from the initial point of identification to the final determination. While we remain committed to streamlining and expediting processes to support our Service members, veteran claims can be complex and often have higher processing times because they involve multiple impairments that require us to assess the veteran’s complete vocational history. As the report notes, we recently developed refresher training for our technicians to reinforce existing procedures to expedite MC/WW and VAPT cases. We will also identify opportunities to ensure our instructions for processing these claims are clear.

Our response to the recommendations are below.

Recommendation 1:

Define “expeditious” for processing MC/WW and VAPT claims and measure processing time pursuant to the definition.

Response

We agree. We will define “expeditious” in the context of processing MC/WW and VAPT claims and ensure processing pursuant to that definition; however, because of the diversity of these cases, this definition will not include a specific processing time.

Recommendation 2:

Implement controls to monitor, track, and measure the processing of MC/WW and VAPT claims.

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.

CONNECT WITH US

The OIG Website (<https://oig.ssa.gov/>) gives you access to a wealth of information about OIG. On our Website, you can report fraud as well as find the following.

- OIG news
- audit reports
- investigative summaries
- Semiannual Reports to Congress
- fraud advisories
- press releases
- congressional testimony
- an interactive blog, "[Beyond The Numbers](#)" where we welcome your comments

In addition, we provide these avenues of communication through our social media channels.



[Watch us on YouTube](#)



[Like us on Facebook](#)



[Follow us on Twitter](#)



[Subscribe to our RSS feeds or email updates](#)

OBTAIN COPIES OF AUDIT REPORTS

To obtain copies of our reports, visit our Website at <https://oig.ssa.gov/audits-and-investigations/audit-reports/all>. For notification of newly released reports, sign up for e-updates at <https://oig.ssa.gov/e-updates>.

REPORT FRAUD, WASTE, AND ABUSE

To report fraud, waste, and abuse, contact the Office of the Inspector General via

Website: <https://oig.ssa.gov/report-fraud-waste-or-abuse>

Mail: Social Security Fraud Hotline
P.O. Box 17785
Baltimore, Maryland 21235

FAX: 410-597-0118

Telephone: 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time

TTY: 1-866-501-2101 for the deaf or hard of hearing