

Processing Times for Continuing Disability Review Pre-hearing Case Reviews at the Reconsideration Level of Appeal

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Office of Audit Report Summary

Objective

To identify the reasons for delays that contributed to processing times longer than 6 months for continuing disability reviews (CDR) at the pre-hearing case review step at the reconsideration level of appeal.

Background

The Social Security Administration (SSA) discontinues benefits when a CDR reveals an individual no longer meets the medical requirements for disability. Individuals may appeal this determination. The first step in the appeal process—a pre-hearing case review at the reconsideration level—is a new, independent evaluation of all the evidence.

The *Social Security Act* allows individuals to continue receiving benefits during a medical cessation appeal. However, SSA assesses overpayments to individuals who received continued benefits and an unfavorable decision on appeal. In addition, SSA issues underpayments to individuals who did not receive continued benefits and received a favorable decision on appeal.

Of 68,647 CDRs that went through the pre-hearing case review step at the reconsideration level of appeal in Calendar Years 2014 through 2016, we identified 15,952 with processing times that exceeded 6 months. From this population, we reviewed 120 CDR appeals.

Findings

Delays at the pre-hearing case review step at the reconsideration level contributed to processing times longer than 6 months for 82 of the 120 CDR appeals we reviewed. These delays occurred because (1) CDR appeals were awaiting assignment to disability examiners, (2) examiners had periods of no work activity on the appeals, (3) employees made errors in processing the appeals, (4) field offices did not transfer appeals to the disability determination services (DDS) timely, (5) employees prolonged processing determinations, and (6) DDSs were waiting to receive paper folders.

For 28 of the 82 CDR appeals, the delays contributed to over- and underpayments SSA could have avoided at the pre-hearing case review step at the reconsideration level. Specifically, had SSA processed pre-hearing case reviews at the reconsideration level within 6 months of the CDR appeal requests, it could have avoided the following.

- Overpayments to 11 individuals who received benefits during the pre-hearing case review step at the reconsideration level. We project SSA could have avoided approximately \$6.7 million in overpayments to 2,696 individuals.
- Underpayments to 12 individuals who did not receive benefits during the pre-hearing case review step at the reconsideration level. We project 376 individuals would not have waited for more than \$1 million in payments.
- Potential overpayments to five individuals who had appeals pending with an administrative law judge as of June 2018. SSA will assess overpayments to these individuals if it determines they are not disabled. SSA could have avoided over \$38,000 in potential overpayments to these individuals.

Recommendations

We made two recommendations for SSA to address delays at the pre-hearing case review step at the reconsideration level.

SSA agreed with our recommendations.