



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Child's Insurance Benefit Claims Denied for Disability

052505 September 2026



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 28, 2026

Refer to: 052505

To: Frank Bisignano
Commissioner

From: Michelle L. Anderson *Michelle L. Anderson*
Assistant Inspector General for Audit as First Assistant

Subject: Child's Insurance Benefit Claims Denied for Disability

The attached final report presents the results of the Office of Audit's review. The objectives were to determine whether the Social Security Administration correctly (1) denied initial claims for child's insurance benefits after finding the claimants were not disabled and (2) paid benefits to these claimants after subsequently finding the claimants were disabled and approving their claims.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Jeffrey T. Brown, Deputy Assistant Inspector General for Audit.

Attachment

Child's Insurance Benefit Claims Denied for Disability

052505



September 2026

Office of Audit Report Summary

Objective

To determine whether the Social Security Administration (SSA) correctly (1) denied initial claims for child's insurance benefits after finding the claimants were not disabled and (2) paid benefits to these claimants after subsequently finding the claimants were disabled and approving their claims.

Background

The Old-Age, Survivors, and Disability Insurance program provides benefits to wage earners and eligible family members in the event a wage earner retires, becomes disabled, or dies. Child benefits under this program include benefits for minor children, students, and disabled adult children.

SSA initially processes most disability claims through local SSA field offices and state disability determination services that make disability determinations for SSA.

We reviewed a random sample of 100 claims from a population of 5,237 child's insurance benefits claims that were filed from January 2023 through November 2025 that SSA initially denied because it determined the claimants were not disabled.

Results

Of the 100 initial claims we reviewed, SSA correctly denied 49 for child's insurance benefits based on medical eligibility requirements. When SSA subsequently approved the 49 claims, it correctly paid the claimants. However, SSA did not correctly deny, pay, and/or document decisions for the remaining 51 claims.

- SSA employees incorrectly denied 11 claims. Based on our sample, we estimate the Agency incorrectly denied about 600 claims.
- SSA employees did not document whether they completed all required actions when they requested required forms or evidence from the claimants before they denied eight claims. Based on our sample, we estimate this occurred in about 450 claims.
- SSA employees did not correctly pay benefits to 32 claimants after they subsequently found the claimants were disabled and approved their claims. Based on our sample, after SSA approved the claims, we estimate employees did not correctly pay about 1,100 claimants, resulting in underpayments of approximately \$1.2 million. Additionally, based on our sample, we estimate SSA employees properly paid about 340 claimants; however, the Agency did not establish the correct dates they were entitled to Medicare benefits.

We could not determine why employees made these errors.

Conclusion

SSA can improve its accuracy in (1) denying initial claims for child's insurance benefits based on medical eligibility requirements and (2) determining the benefits due the claimants if their claims are subsequently approved. Without improvements, SSA will likely continue incorrectly denying claims and incorrectly determining benefit payments if the claimants' claims are subsequently approved and, consequently, under- or overpay them.

Recommendations

We made two recommendations for SSA to correct the benefit payments for claimants in our population and improve the accuracy of denials. SSA agreed with our recommendations.

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ABBREVIATIONS

DDS	Disability Determination Services
OIG	Office of the Inspector General
POMS	Program Operations Manual System
SSA	Social Security Administration
U.S.C.	United States Code

OBJECTIVES

Our objectives were to determine whether the Social Security Administration (SSA) correctly (1) denied initial claims for child's insurance benefits after finding the claimants were not disabled and (2) paid benefits to these claimants after subsequently finding the claimants were disabled and approving their claims.

BACKGROUND

SSA administers the Old-Age, Survivors, and Disability Insurance program to provide benefits to wage earners and eligible family members in the event a wage earner retires, becomes disabled, or dies.¹ Child benefits under this program include benefits for minor children, students, and disabled adult children. To be eligible for benefits, a child must have a parent who (1) is retired or has a disability and is entitled to Social Security benefits or (2) died after having worked long enough under Social Security to be insured for benefits.² In addition, the child must be

- younger than age 18; or
- ages 18 or 19 and a full-time student at an elementary or secondary school (grade 12 or below); or
- age 18 or older with a disability that began before age 22.³

Disabled adult children must meet SSA's disability eligibility requirements to qualify for benefits.

SSA initially processes most disability claims through a network of local SSA field offices and state disability determination services (DDS) that make disability determinations for SSA.⁴ After SSA receives an initial claim for child's disability benefits, an SSA employee must verify non-medical eligibility requirements, including whether the claimant's earnings are too high to qualify for benefits.⁵

If the claimant is already receiving disability benefits, Agency employees must also determine whether the Agency (1) must make a new disability determination for the child's insurance benefit claim or (2) adopt the prior disability determination.⁶

¹ *Social Security Act* § 201; 42 U.S.C. § 401.

² SSA, *POMS*, RS 00203.001, A.1.b (September 5, 2023).

³ *Social Security Act* § 202(d)(1); 42 U.S.C. § 402(d); SSA, *POMS*, RS 00203.001, A.1.e (September 5, 2023).

⁴ SSA Disability Case Review employees also make initial disability determinations. Throughout the report, we refer to DDS employees since state DDS make most initial disability determinations.

⁵ SSA, *POMS*, DI 10105.065 (December 21, 2007).

⁶ SSA, *POMS*, DI 11011.001 (January 23, 2025), and DI 27515.001 (July 12, 2024).

- For claims filed after—or a disability determination pending as of—July 12, 2024, SSA employees must determine whether the Agency can apply a prior disability determination to the new claim. If SSA determined in a prior claim the individual was disabled and certain conditions are met (for example, SSA did not later determine the claimant's disability ended), the field office employee concludes the claimant is disabled and approves the claim.
- Before July 12, 2024, DDS employees made determinations using different criteria (for example, prior determinations that involved mental or musculoskeletal impairments could not be used because of the administrative criteria in place at that time).

If the claimant does not meet the non-medical requirements, no disability determination is needed and the SSA employee denies the claim.⁷ If the claimant meets the non-medical eligibility requirements and a disability determination is needed, the SSA employee sends the claim to a DDS. If the claimant meets the disability eligibility requirements, a DDS employee approves the claim. If not, the DDS employee denies the claim.

A claimant—whose claim SSA denied because it determined the claimant was not disabled—may subsequently be approved for benefits for the following reasons.

- The claimant may appeal SSA's decision and, based on the reconsideration, SSA may reverse its determination and find the claimant is disabled.
- A claimant may file a new claim and, on the new claim, the Agency may find the claimant is disabled.
- SSA may re-open and revise its determination and find the claimant is disabled.

SCOPE AND METHODOLOGY

Our population comprised 5,237 child's insurance benefit claims that (1) were filed from January 2023 through November 2025 and (2) SSA initially denied because it determined the claimants were not disabled. As of December 2025, these claimants were receiving monthly benefits, and the Master Beneficiary Records indicated the Agency had determined they were disabled. From this population, we selected a random sample of 100 and reviewed evidence in SSA's systems for the initial denial and subsequent approval determinations to determine whether SSA correctly (1) denied the initial claims and (2) paid the individuals once the Agency approved them for benefits.

We did not conclude SSA incorrectly denied the initial claims solely because the Agency subsequently approved the claims (either on appeal or through new claims). We concluded the Agency incorrectly denied the initial claims when the denials did not comply with Agency policy (for example, an employee documented the initial denial was incorrect and we confirmed the denial was incorrect based on policy or evidence). See Appendix A for more information on our scope and methodology and Appendix B for more details regarding our sampling methodology and estimates.

⁷ SSA, *POMS*, DI 11020.050 (November 7, 2013).

RESULTS OF REVIEW

Of the 100 initial claims we reviewed, SSA correctly denied 49 for child's insurance benefits based on medical eligibility requirements. When SSA subsequently approved the 49 claims, it correctly paid the claimants. However, SSA did not correctly deny, pay, and/or document decisions for the remaining 51 claims.

- SSA employees incorrectly denied 11 claims. Based on our sample, we estimate the Agency incorrectly denied about 600 claims.
- SSA employees did not document whether they completed all required actions when they requested required forms or evidence from the claimants before they denied eight claims. Based on our sample, we estimate this occurred in about 450 claims.
- SSA employees did not correctly pay benefits to 32 claimants after they subsequently found the claimants were disabled and approved their claims. Based on our sample, after SSA approved the claims, we estimate employees did not correctly pay about 1,100 claimants, resulting in underpayments of approximately \$1.2 million.⁸ Additionally, based on our sample, we estimate SSA employees properly paid about 340 claimants; however, employees did not establish the correct dates on which they became entitled to benefits and, as a result, the Agency did not establish the correct dates they were entitled to Medicare benefits.

We could not determine why employees made these errors.

Child's Insurance Benefit Claims the Agency Denied but Should Have Approved

For 11 of the 100 claims we reviewed, SSA employees did not follow policy, and, as a result, incorrectly denied the claims. Of the 11 claimants, 10 waited an average of 285 days to receive their first payment, which averaged \$1,104, and 1 waited 95 days for their claim to be transferred to a DDS for review. Because SSA incorrectly denied the initial claims, the claimants waited longer to receive their benefits than otherwise would have been necessary.

- **Four Claims:** SSA employees sent four claims to DDSs for disability determinations even though the Agency had determined the claimants were disabled in prior claims. The criteria for adopting the prior determinations were met;⁹ therefore, employees should have adopted these prior determinations and approved their claims rather than refer them to DDSs for new disability determinations.

⁸ We determined one error amount of \$152,779 to be an outlier in the data set and excluded it from our projection and will use the actual value of the error.

⁹ An SSA employee also overpaid one of the four claimants \$1,237 once their claim was approved because the employee incorrectly computed their benefits.

Example. In March 2025, an SSA employee transferred a 31-year-old claimant's claim to a DDS for a medical determination. A DDS employee determined the claimant was not disabled because he could not provide medical evidence from before he turned 22. However, the claimant received benefits on another record based on his disability beginning at age 21. The SSA employee should have adopted the prior determination and allowed the claim. After the wage earner questioned the denial in the field office, an SSA employee re-opened the claim, adopted the prior determination, and approved it. The claimant waited 220 days after the denial to receive his first \$1,199 payment.

- **Four Claims:** DDS employees denied four claims instead of returning them to the field offices, as required, to determine whether all criteria were met for the Agency to adopt its prior disability determinations.¹⁰

Example. In November 2024, a DDS employee determined a 27-year-old claimant was not disabled because he could not provide sufficient evidence for the DDS to assess the impairments. However, the claimant had been receiving benefits on another record based on a disability that began when he was 21. The DDS employee should have returned the claim to the field office, and an SSA employee should have determined whether all criteria were met to adopt the prior disability determination, adopted the prior disability determination, and allowed the claim. An SSA employee re-opened the claim and adopted the prior determination after the claimant contacted the field office to file a new claim. The claimant waited 122 days after the denial to receive his first \$216 payment.

- **One Claim:** The DDS employee denied an individual's claim without evaluating all the claimant's medical impairments. Although some impairments did not meet SSA's requirements for disability, the claimant qualified for benefits because they had other impairments the DDS employee did not evaluate. A DDS employee approved the claim after the claimant filed an appeal. The claimant waited 351 days after the denial to receive his first \$585 payment.
- **One Claim:** An SSA employee incorrectly denied one individual's claim because they did not need to file a claim. In August 2022, an organization applied to be the claimant's representative payee after SSA suspended their benefits because their representative payee died. An employee incorrectly terminated the claimant's benefits instead of contacting the pending representative payee to resolve the suspension. The SSA employee should have resolved the erroneous suspension instead of taking and denying a new claim. An SSA field office employee contacted an SSA payment center in February and March 2025 to request employees correct the record. The claimant waited 966 days after the denial to receive her first \$2,052 payment.

¹⁰ SSA, POMS, DI 27515.001, B (July 12, 2024).

- **One Claim:** An SSA employee incorrectly denied one individual's claim for failure to return required forms. The employee later re-opened the claim, stating they had denied the claim in error because they did not realize the claimant had returned the forms. The claimant waited 95 days after the denial for his claim to be transferred to a DDS to make a medical determination. The DDS employee approved the claim, and the claimant began receiving benefits.

Required Forms or Evidence

Before an SSA employee denies a claim because a claimant did not return required evidence, they must send the claimant both an initial and a final written request for the evidence.¹¹ The employee must document all contact with the individual, including dates and outcome of the contact, efforts to obtain the evidence, and whether the individual requested assistance, in SSA's systems.

SSA employees denied eight claims because the claimants did not provide the required forms or evidence. However, employees did not document the records to indicate they completed all actions required of them before denying the claims.

We could not determine why claimants did not provide the required forms or evidence and why SSA employees did not document the requests for evidence in the claims file as required by policy. Without documentation, we could not determine whether SSA gave the claimants sufficient opportunity to provide the information needed to support their claims before it denied them.

If SSA denies a claim without giving the claimant sufficient opportunity to respond to requests for information, the claimant must appeal SSA's decision or file a new claim if they wish to pursue disability benefits. This could cause delays in issuing benefits to claimants who are disabled and entitled to benefits.

Example. In February 2024, an SSA employee denied a claim because the claimant did not return a required form. We could not locate the employee's required initial or follow-up requests for the form in the Agency's systems. Additionally, the employee did not document their contact with the individual, their efforts to obtain the form, and whether the individual requested assistance before they denied the claim. After SSA notified the claimant their claim was denied, the claimant filed a new claim and submitted the required form. Without documentation, we could not determine whether the employee requested the form from the claimant before they denied the claim. Had the employee followed the required procedures and the claimant provided the necessary form, SSA would not have denied the claim, the claimant would not have had to file a new claim, and the SSA employee would have transferred the claim to DDS for a disability determination 36 days sooner.

¹¹ SSA, *POMS*, GN 01010.410, C (July 26, 2023).

SSA should identify the factors that contributed to employees denying initial claims for child's insurance benefits without documenting whether they completed all required actions when requesting required forms or evidence and implement appropriate corrective actions. SSA plans to address this finding when it takes corrective action on a prior audit related to claims for child's insurance benefits denied for reasons unrelated to disability.¹² We will monitor SSA's corrective actions and conduct a follow-up audit, if necessary.

Payment Accuracy After Claims Were Subsequently Approved

A claimant entitled to child's benefits may receive retroactive benefits up to

- 6 months before the claim's filing date on the record of a retired or deceased wage earner or
- 1 year before the claim filing date on the record of a wage earner who is receiving disability benefits.

Disabled claimants receiving child's insurance benefits generally become entitled to Medicare benefits automatically after they receive benefits for 24 months. Therefore, if SSA incorrectly determines the month an individual becomes entitled to child's benefits, the Agency will incorrectly determine the month the individual is entitled to Medicare benefits.

Of the 100 beneficiaries in our sample,

- Employees did not establish the correct dates on which 29 claimants became entitled to benefits.
 - SSA improperly paid 23 of the claimants. In addition, the Agency did not establish the correct dates 17 of these claimants became entitled to Medicare benefits because employees did not establish the correct dates on which they became entitled to child's benefits. (Although SSA improperly paid the remaining six claimants, their Medicare entitlement dates were not incorrect because their Medicare entitlement was based on the dates they became entitled to benefits on other records.)
 - SSA did not improperly pay six of the claimants; however, because employees did not establish the correct dates on which they became entitled to benefits, the Agency did not establish the correct dates they were entitled to Medicare benefits.
- Employees incorrectly computed the benefits due three claimants.

Of the 32 claimants, SSA underpaid 20 a total of \$174,477 and overpaid 6 a total of \$86,887.

We could not determine why employees did not follow required policy.

¹² SSA, OIG, *Denied Child's Insurance Benefit Claims*, 032317 (September 2025).

Example. In March 2024, a DDS employee correctly denied a claimant's claim for benefits on their father's Social Security record because the claimant could not prove their disability began before they turned 22. The claimant was already receiving benefits on their mother's Social Security record based on their disability. In September 2024, an SSA employee re-opened and approved the claim. However, the claimant was underpaid \$152,779 because SSA did not pay them for all months they were entitled to benefits on their father's record. As of August 2026, the claimant had not received the payment.

CONCLUSION

SSA can improve its accuracy in (1) denying initial claims for child's insurance benefits based on medical eligibility requirements and (2) determining the benefits due the claimants if their claims are subsequently approved. Without improvements, SSA will likely continue incorrectly denying claims and incorrectly determining benefit payments if the claimants' claims are subsequently approved and, consequently, under- or overpay them.

RECOMMENDATIONS

We recommend SSA:

1. Take action, as appropriate, to correct the entitlement dates or benefit payments for the claimants we identified.
2. Identify the factors that contributed to SSA employees incorrectly transferring claims to a DDS when SSA has already determined the claimants were disabled and implement appropriate corrective actions.

AGENCY COMMENTS

SSA agreed to implement our recommendations (see Appendix C).

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed applicable sections of the *Social Security Act*, Code of Federal Regulations, and Social Security Administration's (SSA) *Program Operations Manual System*.
- Reviewed prior Office of the Inspector General reports.
- Interviewed, and obtained information from, SSA subject-matter experts to confirm our understanding of policy and controls related to child's insurance benefit denials.
- Obtained from the Master Beneficiary Record 10,525 records related to child's insurance benefit claims filed from January 1, 2023 through November 2025 with a denial code related to disability.
 - From the 10,525 records, we excluded records (1) denied at the reconsideration or hearing level of appeal; (2) with 2 denial codes SSA included in its non-medical disallowance code policy; and (3) that were duplicate, incomplete records with a matching complete record in our data file.
 - Sorted the remaining records by claim filing date and identified the most recent denied claim for a child on their parent's Master Beneficiary Record.
- Using the 10,525 records above, we identified 5,237 child's insurance benefit claims denied at the initial claim level.
- Reviewed a random sample of 100 claims SSA denied because it determined the claimants did not meet the eligibility requirements for benefits based on their disabilities.
 - For those claims where the initial denial was incorrect, identified the
 - delayed payment and time between denial and first payment when a disability determination services (DDS) employee incorrectly denied the claim;
 - time between denial and transfer to a DDS when an SSA employee incorrectly denied the claim and could not adopt the prior disability determination;
 - delayed payment and time between denial and first payment when an SSA employee incorrectly transferred the claim to a DDS and could not adopt the prior disability determination;
 - accuracy of the payment made when the claim was approved; and
 - potential causes for instances of non-compliance with SSA policy and procedure.
 - For those claims where the initial denial was correct, determined whether SSA employees correctly paid the claimants.

We conducted our review from February through August 2026. We assessed the reliability of the Master Beneficiary Record data by conducting electronic testing to determine the validity of the data, tracing a random sample of data to the system that produced it, and evaluating the completeness by comparing our data figures to publicly available data from SSA. We determined the data used in this report were sufficiently reliable given the audit objective and intended use of the data.

The principal entities audited were SSA's Offices of Disability Adjudication and Field Operations. We assessed the significance of internal controls necessary to satisfy the audit objective. This included an assessment of the five internal components: control environment, risk assessment, control activities, information and communication, and monitoring. In addition, we reviewed the principles of internal controls associated with the audit objective. We identified the following two components and three principles as significant to the audit objective.

- Component 2: Risk Assessment
 - Principle 7: Identify, analyze, and respond to risk
- Component 3: Control Activities
 - Principle 10: Design control activities
 - Principle 12: Implement control activities

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 objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix B – SAMPLING METHODOLOGY AND RESULTS

We obtained our audit population as detailed in Appendix A. To conduct this review, we used a simple random sample statistical approach to review the population. This is a methodological approach ideal for selecting a sample from a population completely at random. As a result, each sample item had an equal chance of being selected throughout the sampling process, and the selection of one item had no impact on the selection of other items. Employing such a strategy increased our likelihood of selecting a representative sample that was free of human bias, statistically sound, and would produce defensible projections with the highest scientific rigor.

Our population comprised 5,237 child's insurance benefit claims filed from January 2023 through November 2025 that the Social Security Administration (SSA) initially denied because it determined the claimants were not disabled. However, as of December 2025, these claimants were receiving monthly benefits, and their Master Beneficiary Records indicated the Agency determined they were disabled. We selected a random sample of 100 claims and reviewed evidence in SSA's systems for both the initial denial determinations and subsequent approval determinations to determine whether SSA correctly (1) denied the initial claims and (2) paid the claimants once the Agency approved them for benefits, see Table B- 1.

Table B- 1: Population and Sample Size

Description	Number of Restitutions
Population	5,237
Sample Size	100

Based on our audit results, we estimate SSA incorrectly denied about 600 claims. We also estimate SSA employees did not document whether they completed all required actions when they requested required forms or evidence before they denied about 450 claims. Finally, we estimate SSA correctly paid about 340 claimants; however, because employees did not establish the correct dates on which they became entitled to benefits, the Agency did not establish the correct dates they were entitled to Medicare benefits, see Table B- 2.

Table B- 2: Non-dollar Errors

Description	Incorrect Denial	Requests Not Documented	Correct Denial with Medicare Error
Sample Results	10 ¹	8	6
Projected Quantity	563	450	338
Projection – Lower Limit	404	324	243
Projection – Upper Limit	747	598	449

Note: All projections are at the 90-percent confidence level.

¹ We identified an additional incorrectly denied claim, for a total of 11 incorrectly denied claims. An SSA employee overpaid the individual \$1,237 when their claim was subsequently approved because the employee did not consider benefits the individual received on another Social Security record before they paid the benefits. We did not project on this additional claim because it included an overpayment.

After SSA approved the claims, we estimate employees did not establish the correct entitlement date or accurately compute benefits for approximately 1,100 claimants. Therefore, SSA underpaid these claimants approximately \$1.2 million after it approved their claims, see Table B- 3.²

Table B- 3: Correctly Denied Claims with Underpayments

Description	Number of Claims	Amount
Sample Results ³	20	174,477
Projected Quantity/Point Estimate	1,126	1,235,135
Projection – Lower Limit	775	552,329
Projection – Upper Limit	1,551	1,917,941
Total Projected Error Amount (Point Estimate + Outlier Actual Amount \$152,779)		\$1,387,914

Note: All projections are at the 90-percent confidence level.

We could not determine why employees made these errors.

² SSA underpaid 20 claimants a total of \$174,477 and overpaid 6 claimants a total of \$86,887. We did not estimate the number or amount of overpayments based on our sample.

³ We determined one error amount of \$152,779 to be an outlier in the data set and excluded it from our projection and will use the actual value of the error.

Appendix C – AGENCY COMMENTS



SOCIAL SECURITY Office of the Commissioner

MEMORANDUM

Date: September 18, 2026

Refer To: TQA-1

To: Michelle L. Anderson
Assistant Inspector General for Audit as First Assistant

From: Chad Poist
Chief Risk Officer

Subject: Office of the Inspector General Draft Memorandum “Child’s Insurance Benefit Claims Denied for Disability” (052505) -- INFORMATION

Thank you for the opportunity to review the draft report. We agree with the recommendations.

Please let me know if I can be of further assistance. You may direct staff inquiries to Amy Gao, Director of the Audit Liaison Staff.



Mission:

The Social Security Office of the Inspector General (OIG) serves the public through independent oversight of SSA's programs and operations.

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