

Audit Report

Supplemental Security Income
Recipients Who Have Not Had a
Redetermination in Longer than
10 Years

A-01-17-50219 / August 2018



MEMORANDUM

Date: August 24, 2018 **Refer To:**

To: The Commissioner

From: Acting Inspector General

Subject: Supplemental Security Income Recipients Who Have Not Had a Redetermination in Longer than 10 Years (A-01-17-50219)

The attached final report presents the results of the Office of Audit's review. The objective was to identify Supplemental Security Income recipients who might have been overpaid because the Social Security Administration had not completed a redetermination in longer than 10 years.

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.

A handwritten signature in black ink that reads "Gale Stallworth Stone".

Gale Stallworth Stone

Attachment

Supplemental Security Income Recipients Who Have Not Had a Redetermination in Longer than 10 Years

A-01-17-50219



August 2018

Office of Audit Report Summary

Objective

To identify Supplemental Security Income (SSI) recipients who might have been overpaid because the Social Security Administration (SSA) had not completed a redetermination in longer than 10 years.

Background

SSA conducts redeterminations, which are reviews of SSI recipients' non-medical factors of eligibility, such as income, resources, and living arrangements. The redetermination process is a way of detecting any unreported changes in circumstance that would affect a recipient's SSI eligibility.

Redeterminations are scheduled annually if a change in circumstance is likely or once every 6 years if a change in circumstance is unlikely.

We identified 53,744 SSI recipients (from 1 of 20 segments) who had not had a redetermination completed in longer than 10 years. We analyzed a random sample of 275 cases.

Additionally, we identified 1,115 SSI recipients (from 1 of 20 segments) who had not had a redetermination completed in longer than 10 years; when SSA initiated a redetermination in January 2016 or later and/or completed a redetermination in October 2016 or later. We analyzed a random sample of 50 cases.

Findings

We estimated about 1.1 million SSI recipients—about 1 in 8 recipients—had not had a redetermination completed in longer than 10 years because SSA only did a limited number of redeterminations each year based on its budget. As a result, we estimated about 77,060 SSI recipients might be overpaid approximately \$381.5 million because SSA had not completed a redetermination in longer than 10 years.

As a result of this audit, SSA's Office of Quality Review (OQR) was planning to conduct a similar review in conjunction with its Office of Analytics and Improvements, which is responsible for the error-profiling system SSA uses during its redetermination process.

In a process similar to redeterminations, SSA conducts continuing disability reviews (CDR) of disabled recipients' medical eligibility. The Agency has reported using a mailer process almost doubled the return on investment for conducting CDRs, which allowed the Agency to conduct more CDRs. For example, in Fiscal Year 2014, more than 1.1 million of the 1.7 million CDRs SSA conducted were completed through the mailer process.

Recommendations

We recommend SSA:

1. Incorporate the findings of this audit, as well as the planned OQR study, to enhance the business process used to select SSI cases for a redetermination.
2. Evaluate whether it should implement a process similar to CDR mailers for SSI recipients who have not had a redetermination in 6 years.

SSA agreed with the recommendations.

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ABBREVIATIONS

CDR	Continuing Disability Review
C.F.R.	Code of Federal Regulations
FY	Fiscal Year
OIG	Office of the Inspector General
OQR	Office of Quality Review
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

OBJECTIVE

Our objective was to identify Supplemental Security Income (SSI) recipients who might have been overpaid because the Social Security Administration (SSA) had not completed a redetermination in longer than 10 years.

BACKGROUND

Under the SSI program, SSA makes monthly payments to financially needy individuals who are aged, blind, or disabled.¹ Individuals who receive these payments are responsible for reporting any changes in medical (if applicable) and non-medical factors that may affect their SSI payments.² In Fiscal Year (FY) 2017, SSA paid \$51.4 billion³ to 8.2 million SSI recipients.⁴ Additionally, in FY 2017, the Agency completed 2.6 million redeterminations.⁵

SSA conducts redeterminations, which are reviews of SSI recipients' non-medical eligibility factors, such as income, resources, and living arrangements.⁶ The redetermination process is a way of detecting unreported changes in circumstance that would affect a recipient's SSI eligibility since the recipient's last contact with SSA.

SSA uses an error-profiling system to sort and select SSI cases for redeterminations based on case characteristics, such as a recipient's living arrangements and/or income.⁷ SSA analyzes these characteristics for their potential to result in error, which determines the frequency for the redetermination. According to SSA, its redetermination predictive model identifies higher SSI overpayment savings than those that would be achieved without the predictive model (that is, using random selection).⁸ Redeterminations are scheduled annually if a change in circumstance is likely or once every 6 years if a change in circumstance is unlikely.⁹

¹ *Social Security Act*, 42 U.S.C. § 1381 (2016).

² 20 C.F.R. § 416.708 (2017). See Appendix A for a list of the non-medical factors that should be reported to SSA.

³ SSA, *Agency Financial Report for Fiscal Year 2017*, p. 43 (November 2017).

⁴ SSA, *Annual Statistical Supplement to the Social Security Bulletin, 2017*, p. 7.1 (March 2018).

⁵ SSA, Division of Cost Analysis, *SSA Workload Trend Report Fiscal Year 2017 Fourth Quarter Report*.

⁶ SSA, *POMS*, SI 02305.001, sec. A (August 29, 2014).

⁷ SSA also conducts unscheduled redeterminations based on a report of change in a recipient's circumstances that may affect eligibility and payment amount. SSA, *POMS*, SI 02305.001, sec. B.2 (August 29, 2014).

⁸ SSA, Office of Budget, Finance, Quality, and Management, *Supplemental Security Income Redeterminations Change Rate Study Fiscal Year 2013*, p. 3 (February 2014).

⁹ SSA, *POMS*, SI 02305.010, sec. A.2 (June 15, 2017).

SSA Policies on Redetermination Frequency

The *Social Security Act* requires that SSA conduct redeterminations on a schedule determined by the Commissioner.¹⁰ The Agency's original timeframe for conducting redeterminations was once every 3 years. In the early 1990s, SSA changed the policy so redeterminations are scheduled annually if a change in circumstance is likely and once every 6 years if a change in circumstance is unlikely.¹¹ According to SSA, the timeframe was changed from 3 to 6 years because of a cost savings and decreased staff size.

Methodology

As of October 2016, we had identified 53,744 SSI recipients (from 1 Social Security number segment)¹² whose last redetermination was completed in Calendar Year 2006 or earlier. We randomly sampled 275 cases from this population for detailed analysis, which included mailing questionnaires to 259 recipients.¹³ See Appendix B for the questionnaire. Additionally, we searched LexisNexis¹⁴ for information about changes in circumstances that may have affected the recipients' SSI eligibility. Based on the questionnaire responses and our review of LexisNexis information, we referred 73 cases to SSA for review. See Appendix C for information about our questionnaire and LexisNexis.

We identified an additional 1,115 SSI recipients whose last redetermination was completed in Calendar Year 2006 or earlier; when SSA initiated a redetermination in January 2016 or later and/or completed a redetermination in October 2016 or later. We randomly sampled 50 cases from this population for detailed analysis. For our scope, methodology, and sample results, see Appendix D.

¹⁰ *Social Security Act*, 42 U.S.C. § 1382 (c)(1) (2016). If a recipient is residing in a medical institution, SSA only conducts a redetermination if certain criteria are met. SSA, *POMS*, SI 02305.045, sec. A.1 (November 21, 2014).

¹¹ See SSA, *POMS*, SI 02305.010, sec. A.2 (June 15, 2017).

¹² SSA assigns Social Security numbers randomly. Social Security numbers are categorized into 20 segments, each containing 5 sequential groups of these digits. Each segment represents all 20 segments.

¹³ We did not mail 16 questionnaires because (a) 7 individuals were deceased and (b) SSA had completed redeterminations for 9 recipients before we mailed the questionnaires on July 19, 2017.

¹⁴ LexisNexis gathers records from local, State, and Federal agencies that are available under various open-record laws. Additionally, LexisNexis collects information that consumers provide as part of a transaction they initiate (that is, information supplied on a job application). LexisNexis compiles the information into searchable databases to provide information needed to verify an individual's identity and credentials.

RESULTS OF REVIEW

We estimated that about 1.1 million SSI recipients had not had a redetermination completed in longer than 10 years because SSA only did a limited number of redeterminations each year based on its budget.¹⁵ In FY 2017, SSA made payments to 8.2 million SSI recipients.¹⁶ Based on our estimates of both populations, SSA had not conducted redeterminations in longer than 10 years for one in every eight SSI recipients.¹⁷ As a result of our review, we estimated about 77,060 SSI recipients were overpaid about \$381.5 million because SSA had not completed redeterminations in longer than 10 years.

Results for the 275 Sample Cases

Based on the results of our review of the 275 sample cases, we estimated that about 70,360 SSI recipients were overpaid approximately \$351.7 million because SSA had not completed redeterminations in longer than 10 years.¹⁸

As of July 2018, of the 275 sampled recipients,

- 18 (6.5 percent) were overpaid \$89,991 because of our referral, and 9 of these recipients also had their SSI payments suspended and/or stopped, resulting in \$29,462 in savings;¹⁹
- 256 (93.1 percent) were not overpaid;²⁰ and
- 1 (0.4 percent) had a redetermination pending with SSA.

¹⁵ We calculated this estimate by adding both our populations ($53,744 + 1,115$) to total 54,859 SSI recipients, then multiplying by 20 (our populations were identified using 1 Social Security number segment), totaling 1,097,180.

¹⁶ SSA, *Annual Statistical Supplement to the Social Security Bulletin*, 2017, p. 7.1 (March 2018).

¹⁷ We calculated the 1-to-8 ratio by dividing the number of SSI recipients in FY 2017 by our combined estimated population; therefore, our calculation was 8.2 million divided by 1.1 million, totaling 7.5 million.

¹⁸ These estimates are based on our identification of potential eligibility issues and referrals to SSA.

¹⁹ All 18 recipients had redeterminations completed by SSA after not having a redetermination completed in longer than 10 years. We did not analyze how much SSA could have assessed in SSI overpayments had administrative finality not applied. Under SSA's administrative finality policy, if it learns about an unreported change, it may go back 2 years for good cause and revise a recipient's SSI record. There is no time limit on how far back SSA can go to revise the recipient's SSI record if the Agency determined fraud or similar fault existed. See SSA, *POMS*, SI 04070.010, sec. A.3 (March 24, 2017).

²⁰ For the 256 recipients, SSA (1) completed a redetermination for 68 and no overpayment and/or suspension of SSI payments were applied; however, 1 recipient was underpaid \$96 in SSI payments and (2) did not complete a redetermination for 188 recipients. Of the 188 recipients, 5 resided in medical institutions, and SSA only conducts redeterminations for these recipients in certain circumstances. SSA, *POMS*, SI 02305.045, sec. A.1 (November 21, 2014). See Appendix C section titled *Results of Questionnaire and LexisNexis* for more information on why some cases did not need a redetermination.

Table 1 shows the 18 recipients SSA identified as overpaid when a redetermination was completed and the reasons for the overpayments.

Table 1: Recipients Overpaid—from Random Sample of 275

Reason for Overpayments	Number of Recipients Overpaid	Dollars Overpaid	Average Overpaid	Maximum Overpaid	Minimum Overpaid
Excess Resources ²¹	10	\$57,362	\$5,736	\$18,400	\$48
Income	3	\$14,919	\$4,973	\$9,531	\$2,383
Living Arrangements	2	\$15,012	\$7,506	\$14,628	\$384
In-kind Support and Maintenance ²²	2	\$2,047	\$1,024	\$1,920	\$127
Multiple Reasons ²³	1	\$651	\$651	\$651	\$651
Total	18	\$89,991			

For example, an SSI recipient from South Carolina had a redetermination last completed in July 2004. The recipient's response to our 2017 questionnaire indicated she received income from a common-law spouse who died in August 2016. In September 2017, we referred this case to SSA. As a result of our referral, SSA completed a redetermination in November 2017, more than 13 years after the last redetermination was completed, and determined the recipient was overpaid \$9,531 over 13 months because of income. Additionally, SSA suspended SSI payments in December 2017 when payment of her widow's benefit began. Furthermore, SSA determined the recipient was eligible for widow's benefits as of February 2017 and was to receive a \$13,644 underpayment. As of July 2018, SSA had recovered the \$9,531 overpayment.

²¹ An individual (or couple) with countable resources in excess of the statutory limit is not eligible for SSI. Since January 1, 1989, the resource limit for an individual is \$2,000 and for a couple is \$3,000. SSA, *POMS*, SI 01110.003, secs. A.1-A.2 (December 8, 2010).

²² In-kind support and maintenance is unearned income in the form of food or shelter, or both. SSA, *POMS*, SI 00835.001, sec. A (December 2, 2011).

²³ The overpayment was because of the recipient's income and living arrangement.

In another example, an SSI recipient from Illinois had a redetermination last completed in May 2005. The recipient's response to our questionnaire in 2017 indicated she had a resource that would affect her SSI eligibility. In September 2017, we referred this case to SSA. As a result of our referral, SSA completed a redetermination in January 2018 (almost 13 years after the last redetermination was completed) and found the recipient was overpaid \$17,616 over 24 months because of excess resources. As of July 2018, SSA had not recovered any of the SSI overpayment.²⁴

In another example, an SSI recipient from Florida had a redetermination last completed in June 2004. LexisNexis indicated work activity for the recipient that did not appear in SSA's records. In October 2017, we referred this case to SSA. SSA completed a redetermination in March 2018 (almost 14 years after the last redetermination was completed) and found the recipient owned a property valued at over \$50,000 at which she did not reside. SSA included the property as a countable resource²⁵ and determined the recipient was overpaid \$18,400 over 25 months because of excess resources and SSI payments were suspended. As of July 2018, SSA had not recovered any of the SSI overpayment.

Results for the 50 Sample Cases

Based on the results of our review of the 50 sample cases, we estimated about 6,700 SSI recipients who had a redetermination initiated in January 2016 or later and/or completed in October 2016 or later were overpaid approximately \$29.8 million.

As of July 2018, for the 50 recipients in our sample,

- 15 (30 percent) were overpaid \$66,870, and 6 of these recipients also had their SSI payments suspended and/or stopped resulting in \$18,963 in savings;
- 34 (68 percent) were not overpaid;²⁶ and
- 1 (2 percent) had a redetermination pending with SSA.

Table 2 shows the 15 recipients whom SSA identified as overpaid when a redetermination was completed and the reasons for the overpayments.

²⁴ SSA is withholding some funds from the recipient's monthly SSI payments to recover prior outstanding SSI overpayment balances. Therefore, SSA had not started recovering this new overpayment.

²⁵ According to SSA policy, if not excluded under another provision, property that no longer serves as the principal place of residence is included in determining countable resources. SSA, *POMS*, SI 01130.100, sec. B.4 (November 13, 2013).

²⁶ For the 34 recipients, SSA completed a redetermination, and no overpayment and/or suspension of SSI payments were applied; however, 3 recipients were underpaid \$2,116 in SSI payments.

Table 2: Recipients Overpaid—from a Random Sample of 50

Reason for Overpayments	Number of Recipients Overpaid	Dollars Overpaid	Average Overpaid	Maximum Overpaid	Minimum Overpaid
Excess Resources	5	\$53,675	\$10,735	\$20,534	\$4,644
Income	4	\$9,212	\$2,303	\$8,796	\$4
Living Arrangements	3	\$1,304	\$435	\$1,016	\$9
In-kind Support and Maintenance	1	\$33	\$33	\$33	\$33
Multiple Reasons ²⁷	2	\$2,646	\$1,323	\$2,199	\$447
Total	15	\$66,870			

For example, an SSI recipient from Washington, D.C. had a redetermination last completed by SSA in March 2003 and did not have another redetermination completed until February 2017—almost 14 years later. As a result of SSA completing the redetermination in February 2017, SSA determined the recipient had income of which the Agency was not aware causing the recipient to be overpaid \$8,796 from January through December 2015. SSA began recovering the overpayment in August 2017 at a rate of \$10 per month. As of July 2018, SSA had recovered \$130 of the \$8,796 overpayment.

Comparison of the Two OIG Samples

Table 3 compares the results as of July 2018, of our sample of 275 cases who did not have a redetermination completed in longer than 10 years and sample of 50 cases SSA initiated a redetermination in January 2016 or later and/or completed a redetermination in October 2016 or later. For both samples, the average overpayment was about \$5,000, and the most common reason for the overpayments was excess resources.

²⁷ One recipient was overpaid because of her income and excess resources, and the other was overpaid because of his living arrangement and income.

Table 3: Comparison of the Two Samples

Category	Population 53,744	Population 1,115
Sample Size	275	50
Type of SSI payments the recipients were receiving as of October 2016 (when we obtained our data file)	251 – Disability 24 - Aged	47 – Disability 3 - Aged
Number of sample cases who had a redetermination completed after not having one completed in longer than 10 years	86	49
Number of sample cases that resulted in SSI overpayments after the redeterminations were completed	18 ²⁸	15
Type of SSI payments the overpaid recipients were receiving as of October 2016 (when we obtained our data file)	17 – Disability 1 - Aged	15 – Disability 0 - Aged
Total SSI overpayments after SSA completed a redetermination	\$89,991	\$66,870
SSI overpayments recovered	\$11,175	\$5,567
Number of months SSI overpaid ²⁹	1 to 213 months	1 to 31 months
Average number of SSI months overpaid	26 months	12 months
Range for SSI overpayments	\$48 to \$18,400	\$4 to \$20,534
Average SSI overpayment	\$5,000	\$4,458
Number of recipients whose SSI payments were suspended and/or stopped	9	6
SSI savings from payments suspended and/or stopped ³⁰	\$29,462	\$18,963
Most common reason for SSI overpayments	Excess Resources (10 recipients)	Excess Resources (5 recipients)
Range of ages for SSI recipients overpaid	34 to 82 years old	24 to 89 years old
Average age of SSI recipient overpaid	60 years old	61 years old
Number of recipients who were underpaid SSI payments	1	3
Amount of SSI underpayments	\$96	\$2,116
Length of time between redetermination completed longer than 10 years ago to redetermination completed that resulted in an overpayment	11.3 to 16.1 years	10.9 to 15.5 years
Average length of time between redetermination completed longer than 10 years ago to redetermination completed that resulted in an overpayment	13.4 years	13.7 years
Most common type of disability impairments for SSI recipients who were overpaid	Mental Disorder (7 recipients)	Mental Disorder (10 recipients)

²⁸ All of these cases were based on our identification of potential eligibility issues and referral to SSA.

²⁹ There were 6 cases from our sample of 275 and 4 cases from our sample of 50 (total of 10 cases) where SSA assessed an overpayment for longer than 24 months. Only 1 of the 10 cases was the result of fraud or similar fault. In a July 2005 report on the *Social Security Administration's Administrative Finality Rules*, A-01-04-24024, p. 3, we concluded that SSA did not consistently apply the rules of administrative finality.

³⁰ We calculated SSI savings by using the last SSI payment the recipient received and multiplied it by the number of months the recipient was suspended. If the recipient was still in suspension or payments were stopped as of July 2018, we multiplied the last payment received by 12 months.

Other Reviews

Office of Quality Review

Because of this audit, SSA's Office of Quality Review (OQR) is planning a similar review. The OQR review will consist of a random sample of 400 cases—from all 20 segments of the Supplemental Security Record—of SSI recipients who have not had a redetermination completed in longer than 10 years. OQR plans to determine whether any of the SSI recipients were overpaid. OQR is conducting the review with SSA's Office of Analytics and Improvements, which is responsible for the error-profiling system SSA uses for its redetermination process. We shared the preliminary results of our audit with OQR.

Continuing Disability Reviews

Redeterminations are not the only contact SSA has with recipients to determine whether they are still eligible for SSI payments. SSA conducts continuing disability reviews (CDR) of disabled recipients' medical eligibility using one of two methods—some cases have a full medical review, while others are completed by using a mailer process. The mailer process consists of two tools: (1) a profiling system that uses data from SSA's records to determine the likelihood of medical improvement for disabled beneficiaries and (2) the individuals' responses to a mailer questionnaire.³¹

Most cases profiled as having a high likelihood of medical improvement receive a full medical review. Generally, SSA sends a mailer in other cases profiled as having a low likelihood of medical improvement. If, based on a review of the completed mailer, there is an indication of medical improvement, SSA sends the case for a full medical review. Otherwise, SSA decides based on the mailer response not to initiate a full medical review, and the case is scheduled for a future CDR.

SSA has reported the mailer process almost doubled the return on investment for conducting CDRs and allowed the Agency to conduct more CDRs. For example, in Fiscal 2014, more than 1.1 million of the total 1.7 million CDRs SSA conducted were completed through the mailer process.

We reviewed our sample cases to determine whether SSA had contacted the recipients and conducted a CDR, even though it had not conducted redeterminations in longer than 10 years. Table 4 shows how many SSI recipients in our two samples had CDRs after their redeterminations were completed in Calendar Year 2006 or earlier. Most recipients had a full medical CDR, a mailer CDR, or both.

³¹ SSA, *POMS*, DI 28001.003, secs. B.2 and B.6 (September 29, 2016). See also SSA, *POMS*, DI 13004.005 (September 23, 2016). The mailer process is not used for SSI disabled children.

Table 4: CDRs for the Two Samples

	Sample of 275	Sample of 50
Number of recipients who had a full medical CDR only	24	8
Number of recipients who had a CDR mailer only	119	18
Number of recipients who had both a full medical CDR and a CDR mailer	52	10
Number of recipients who did not have a full medical CDR or CDR mailer ³²	80	14
Date range of full medical CDRs completed	January 2000 to April 2018	September 2001 to June 2017
Date range of CDR mailers	October 2001 to May 2018	September 2003 to March 2018

CONCLUSIONS

We estimated about 1.1 million SSI recipients—about 1 in 8—had not had redeterminations completed in longer than 10 years because SSA only did a limited number of redeterminations each year based on its budget. As a result, we estimated about 77,060 SSI recipients were overpaid approximately \$381.5 million because SSA did not complete a redetermination in longer than 10 years.

RECOMMENDATIONS

We recommend SSA:

1. Incorporate the findings of this audit, as well as the planned OQR study, to enhance the business process used to select SSI cases for a redetermination.
2. Evaluate whether it should implement a process similar to CDR mailers for SSI recipients who have not had a redetermination in 6 years.

³² In the sample of 275, 24 recipients received aged benefits and were not subject to CDRs. In the sample of 50, 3 recipients received aged benefits.

AGENCY COMMENTS

SSA agreed with the recommendations; see Appendix E.

A handwritten signature in black ink, appearing to read "Rona Lawson".

Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SUPPLEMENTAL SECURITY INCOME NON-MEDICAL ELIGIBILITY FACTORS

The following non-medical factors must be reported to the Social Security Administration and may impact a Supplemental Security Income recipient's eligibility or monthly payment amount.¹

- If the recipient moves or changes his/her address.
- If the recipient changes his/her direct deposit account.
- If someone moves into or out of the recipient's household.
- If the recipient starts or stops working.
- If there is a change in the recipient's income or the income of certain family members.
- If there is a change in the recipient's resources.
- If the recipient gets help with living expenses.
- If the recipient enters or leaves an institution (hospital, nursing home, prison).
- If the recipient gets married, separated, or divorced.
- If the recipient becomes a parent.
- If the recipient leaves the United States.
- If the recipient has an outstanding felony or arrest.
- If the recipient is confined to a correctional facility.
- If the recipient changes his/her name.
- If the recipient is a sponsored noncitizen.
- If the recipient is age 18 to 22 and starts or stops attending school.
- If the recipient's immigration status changes.

¹ SSA, *What You Need to Know When You Get Supplemental Security Income (SSI)*, Publication No. 05-11011, p. 6 (June 2017).

Appendix B – COPY OF QUESTIONNAIRE



Date _____

Recipient name _____

Address _____

City, State Zip _____

Phone _____

Dear Recipient:

The Office of the Inspector General (OIG), Office of Audit, has randomly selected you to participate in a study of Supplemental Security Income (SSI) recipients who have not had a redetermination completed by the Social Security Administration (SSA) in longer than 10 years. A “redetermination” is where SSA reviews an SSI recipient’s living arrangements and finances to make sure the recipient is still eligible and receiving the right amount of benefits. The purpose of this study is to determine whether you had any changes in circumstances since the last time SSA conducted a redetermination. This is not a formal redetermination conducted by SSA; however, we may provide your answers to SSA to consider in its next redetermination of your SSI eligibility.

If the name, mailing address, and telephone number above are not correct, please cross out the incorrect information and write-in the correct information next to it.

Please answer the following questions.

(1.) Since MM/DD/YYYY, did you move to any new address(es)? Circle one: Yes / No

If “Yes” how many times have you moved? _____

In the table below please list the address(es) and the time you spent at the address(es).

Address(es)	From (MM/YY)	To (MM/YY)

(2.) Since MM/DD/YYYY, have you done any of the following below:

Circle Yes or No	Category	Approximate Dates
Yes / No	Spent a full calendar month in a hospital	
Yes / No	Spent a full calendar month in a nursing home	
Yes / No	Spent a full calendar month any place other than where you lived at the time.	
Yes / No	Spent 30 days or more outside the United States.	

(3.) Since MM/DD/YYYY, has anyone moved into or out of the place(s) you have lived or are currently living? Circle one: Yes / No

(4.) Since MM/DD/YYYY, has anyone given you, or your spouse living with you, any money, food, or a free place to live, or helped pay your bills or your rent? Circle One: Yes / No

(5.) Since MM/DD/YYYY, have you, or your spouse living with you:

Circle Yes or No	Category	If You Circled “Yes”, In Spaces Below, Please Indicate Who the Information Pertains To (Self, Spouse, or Both)	Approximate Dollars Earned and/or Estimated Dollars Will Earn (specify next to dollar amounts if weekly, monthly, or yearly)	Approximate Dates
Yes / No	Earned money from working.			
Yes / No	Expect to earn money in the next 14 months (from the date of this letter)			

For any items circled “Yes” are the earnings self-employment earnings? Circle one: Yes / No

(6.) Since MM/DD/YYYY, have you, or your spouse living with you, received any of the following:

Circle Yes or No	Category	If You Circled "Yes", In Spaces Below, Please Indicate Who the Information Pertains To (Self, Spouse, or Both)	Approximate Dollars (specify next to dollar amounts if weekly, monthly, or yearly)	Approximate Dates
Yes / No	Support (alimony, child support).			
Yes / No	Interest/dividends (from bank accounts).			
Yes / No	Rental Income.			
Yes / No	Pensions/Annuities.			
Yes / No	Gifts.			
Yes / No	Sick pay benefits.			
Yes / No	Unemployment benefits.			
Yes / No	Workers compensation benefits.			
Yes / No	Temporary Assistance for Needy Families.			
Yes / No	Other. Explain:			

(7.) Do you, or your spouse living with you, have any of the following:

Circle Yes or No	Category	If You Circled "Yes", In Spaces Below, Please Indicate Who the Information Pertains To (Self, Spouse, or Both)	What is the Value as of as of the date of this letter?
Yes / No	Cash at home.		
Yes / No	Checking and/or savings account(s).		
Yes / No	Stocks and/or U.S. Savings Bonds.		

Circle Yes or No	Category	If You Circled "Yes", In Spaces Below, Please Indicate Who the Information Pertains To (Self, Spouse, or Both)	What is the Value as of as of the date of this letter?
Yes / No	Certificates of deposit.		
Yes / No	Life Insurance (with cash value)		
Yes / No	Other. Explain:		

For any of the items circled "Yes" have the combined dollar amounts ever totaled over \$2,000 (or \$3,000 if living with a spouse)? Circle one: Yes / No. If "Yes," please provide the approximate date(s) (for example, Month/Year): _____

(8.) Do you, or your spouse living with you, own any land or buildings, or does your name appear on a deed or mortgage of any land or building (including those inside and outside of the United States) where **you do not live**? Circle one: Yes / No

(9.) Since MM/DD/YYYY, have you, or your spouse living with you, sold, transferred title, disposed of, or given away any money, or other property, including money or property outside of the United States? Circle one: Yes / No

I declare under penalty of perjury that I have examined all the information on this form and on any accompanying statements or forms, and it is true and correct to the best of my knowledge. I understand that anyone who knowingly gives a false or misleading statement about a material fact in this information, or causes someone else to do so, commits a crime and may be sent to prison, or may face other penalties, or both.

(Signature)

(Relationship to recipient)

(Date completed)

(Telephone #)

Appendix C – QUESTIONNAIRE AND LEXISNEXIS RESULTS

From a file obtained as of October 2016, we identified 53,744 Supplemental Security Income (SSI) recipients—from 1 of 20 Supplemental Security Record segments—whose last redetermination was completed in Calendar Year 2006 or earlier. From this population, we randomly sampled 275 cases for detailed analysis.

For the 275 sample cases, we performed the following.

- Mailed—on July 19, 2017—questionnaires to 259 of the 275 recipients (or representative payees, if applicable)¹ to determine whether the recipients had any changes in their circumstances (that is, income, resources, and/or living arrangements) since the last time SSA completed a redetermination, which may have affected eligibility to SSI.² We asked the individuals to respond to the questionnaire by September 15, 2017.
- Mailed—on September 19, 2017—follow-up questionnaires to 98 individuals who did not respond to our original questionnaire. We asked the individuals to respond to the follow-up questionnaire by November 1, 2017.³
- Reviewed LexisNexis⁴ to determine whether there was any information available about the recipient indicating a possible change in his/her circumstances, which may have affected eligibility to SSI.

¹ A representative payee is a third party that manages SSA benefits for an individual who is incapable of managing or directing the management of his/her own benefits. SSA, *POMS*, GN 00502.001, sec. B (January 26, 2017).

² We mailed questionnaires to the addresses on the recipients' SSI records. We only mailed questionnaires to 259 of the 275 recipients because, as of July 2017, 7 recipients had died, and SSA had recently completed a redetermination for 9 recipients after not completing a redetermination in longer than 10 years.

³ As of November 20, 2017, of the 259 questionnaires mailed, we received 198 (76 percent) responses. According to Government Accountability Office (GAO) guidelines, to make plausible generalizations, the effective response rate should usually be at least 75 percent. GAO, *Developing and Using Questionnaires*, GAO-PEMD-10.1.7, p. 185 (October 1993).

⁴ LexisNexis gathers records from local, State, and Federal agencies that are available under various open record laws. Additionally, LexisNexis collects information that consumers provide as part of a transaction they initiate (that is, information supplied on a job application). LexisNexis compiles the information into searchable databases to provide information needed to verify an individual's identity and credentials.

Results of Questionnaire and LexisNexis

Of the 275 recipients in our sample,

- 132 (48 percent) had no indications of changes in circumstances that may have affected SSI eligibility;
- 73 (26.6 percent) indicated changes in circumstances that may have affected SSI eligibility, per response to our questionnaire and/or information identified in LexisNexis;
- 47 (17.1 percent) did not respond to our questionnaire, and we were unable to determine whether the recipients had any changes in circumstances through our LexisNexis research;⁵
- 16 (5.8 percent) were not mailed questionnaires as 7 recipients were deceased, and SSA had completed a redetermination for 9 recipients before we mailed our questionnaire on July 19, 2017; and
- 7 (2.5 percent) did not respond to our questionnaire because, after our initial and/or follow-up questionnaires were mailed, either SSA had initiated or completed a redetermination or stopped SSI payments or the recipients had died.

Cases Referred to SSA

Overall, we referred 177 (64.4 percent) of the 275 cases in our sample to SSA.⁶ Of the 177 cases referred, the primary reasons for referral to SSA include the following.

- 73 (41.3 percent) responses to our questionnaire and/or information identified in LexisNexis indicated changes in the recipients' circumstances, which may have affected SSI eligibility. As of July 2018,
 - 18 recipients had a redetermination completed resulting in \$89,991 in SSI overpayments;
 - 30 recipients had a redetermination completed and no SSI overpayment was assessed;⁷
 - 24 recipients did not have a redetermination initiated or completed;⁸ and
 - 1 recipient died before SSA initiated or completed a redetermination.
- 57 (32.2 percent) responses to our questionnaire indicated a change to his/her contact information (that is, an updated address and/or telephone number).

⁵ For the 47 recipients, 42 did not respond, and the remaining 5 questionnaires were returned to us undeliverable.

⁶ We referred cases to SSA in four batches on (1) July 31, 2017, (2) September 6, 2017, (3) October 10, 2017, and (4) November 20, 2017.

⁷ For one case SSA determined the recipient was underpaid \$96 in SSI payments.

⁸ For all 24 recipients, SSA addressed the reason for our referral without completing a redetermination and determined no overpayments and/or suspensions of SSI payments.

- 42 (23.7 percent) individuals did not respond to our questionnaire.⁹
- 5 (2.8 percent) questionnaires were returned as undeliverable, indicating SSA did not have the recipients' current address on the recipients' SSI records.¹⁰

Table C–1 shows the 177 cases referred to SSA by region and the 18 cases resulting in an SSI overpayment because of our referral.

Table C–1: Cases Referred by Region

Region	Potential Impact on SSI Eligibility	Update Contact Information ¹¹	Both Impact on SSI Eligibility and Update Contact Information	Non-responder	Unable to Locate	Total Overpaid
Atlanta	13	10	9	9	1	7
Boston	2	3	1	2	0	1
Chicago	9	7	6	8	1	3
Dallas	6	6	4	7	1	2
Denver	3	4	0	2	0	0
Kansas City	0	5	2	0	0	1
New York	2	6	3	6	1	2
Philadelphia	4	8	1	4	0	0
San Francisco	4	6	1	4	1	1
Seattle	3	2	0	0	0	1
Total	46	57	27	42	5	18

⁹ We considered an individual as a non-responder if they did not respond to our questionnaire by November 20, 2017.

¹⁰ As of July 2018, (a) one recipients had a redetermination pending; (b) two recipients had a redetermination completed and no overpayment was identified; (c) one recipient died before SSA initiated or completed a redetermination; and (d) SSA updated the address for one recipient but had not initiated or completed a redetermination.

¹¹ Overall, 84 recipients (57 + 27 recipients) required contact information updates. As of July 2018, SSA had updated the contact information for 82 of the 84 recipients.

Appendix D – SCOPE, METHODOLOGY, AND SAMPLE RESULTS

To achieve our objective, we:

- Reviewed applicable sections of the *Social Security Act* and the Social Security Administration's (SSA) regulations, rules, policies, and procedures.
- Reviewed prior Office of the Inspector General reports.
- Obtained a file from one segment¹ of the Supplemental Security Record as of October 2016 and identified two populations of Supplemental Security Income (SSI) recipients. We tested the data and determined they were reliable.
 - For our first population, we identified 53,744 SSI recipients who did not have a redetermination completed by SSA since Calendar Year 2006 or earlier.
 - For our second population, we identified 1,115 SSI recipients whose last redetermination SSA completed in Calendar Year 2006 or earlier; however, SSA initiated a redetermination in January 2016 or later and/or completed a redetermination in October 2016 or later.
- Randomly selected a sample of 275 cases from our first population for detailed review and performed the following.
 - Sent the recipient or representative payee² a questionnaire to determine whether the recipient had any changes in his/her circumstances (that is, income, resources, and/or living arrangements) since the last time SSA completed a redetermination, which may have affected eligibility to SSI.³
 - Reviewed LexisNexis⁴ to determine whether there was any information available about the recipient indicating a possible change in his/her circumstances, which may have affected eligibility to SSI.

¹ SSA assigns Social Security numbers randomly. Social Security numbers can be categorized into 20 segments, each containing 5 sequential groups of these digits. Each segment represents of all 20 segments.

² SSA appoints a representative payee to receive and manage the payments of a recipient who cannot manage or direct the management of his/her own payments because of his/her youth or mental and/or physical impairments.

³ We mailed the questionnaires to the addresses on the recipients' SSI records.

⁴ LexisNexis gathers records from local, State, and Federal agencies that are available under various open record laws. Additionally, LexisNexis collects information that consumers provide as part of a transaction they initiate (that is, information supplied on a job application). LexisNexis compiles the information into searchable databases to provide information needed to verify an individual's identity and credentials.

- Referred cases to SSA for the following reasons.
 - Recipient's response to our questionnaire and/or information identified in LexisNexis indicated a change in his/her circumstances that may have affected eligibility to SSI.
 - Recipient's response to our questionnaire indicated an update to contact information (that is, an updated address and/or phone number).
 - Unable to locate the recipient as the questionnaire was returned undeliverable.
 - Recipient did not respond to our questionnaire.
- Identified the number of recipients overpaid and amount overpaid as a result of SSA recently completing a redetermination.
- Randomly selected a sample of 50 cases from our second population and, from that sample, identified the number of recipients overpaid and the amount overpaid as a result of SSA recently completing a redetermination.
- Projected the results from both samples, to estimate the number of recipients overpaid and the amount overpaid.
- Determined whether any of the SSI recipients in our samples of 50 and 275 had a continuing disability review after his/her redetermination completed in Calendar Year 2006 or earlier.

We conducted our review between May 2017 and July 2018 in Boston, Massachusetts. The principal entity audited was the Office of Regional Commissioners under the Office of the Deputy Commissioner for Operations. 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 our findings and conclusions based on our audit objectives. We tested the data obtained for our audit and determined them to be sufficiently reliable to meet our objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Sample Results

- Population (1 segment): 53,744
- Sample Size: 275
- Estimated Number of Recipients in the Universe (Population of audited segment multiplied by 20): 1,074,880

Table D–1: SSI Recipients Who Did Not Have a Redetermination in Longer than 10 Years Whose Overpayments Were Identified as a Result of OIG Referral

	Recipients	Amount
Sample	18	\$89,991
Point Estimate	3,518	\$17,587,194
Projection Lower Limit	2,300	\$7,109,973
Projection Upper Limit	5,129	\$28,064,416
Estimate in 20 Segments (Point estimate multiplied by 20)	70,360	\$351,743,880

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

- Population (1 segment): 1,115
- Sample Size: 50
- Estimated Number of Recipients in the Universe (Population of audited segment multiplied by 20): 22,300

Table D–2: SSI Recipients Who Did Not Have Redetermination in Longer than 10 Years—October 2006 Through October 2016—But Had Overpayments Identified by SSA Based on a Redetermination that Was Conducted in October 2016 or Later

	Recipients	Amount
Sample of 50	15	\$66,870
Point Estimate	335	\$1,491,209
Projection Lower Limit	220	\$463,929
Projection Upper Limit	469	\$2,518,488
Estimate in 20 Segments (Point estimate multiplied by 20)	6,700	\$29,824,180

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

Table D–3: SSI Recipients Who Did Not Have a Redetermination in Longer than 10 Years Who Were Overpaid (Combined Samples)

	Recipients	Amount
Estimate in 20 Segments (Point estimate multiplied by 20)—From Table D–1	70,360	\$351,743,880
Estimate in 20 Segments (Point estimate multiplied by 20)—From Table D–2	6,700	\$29,824,180
Total for Both Samples	77,060	\$381,568,060

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

Appendix E – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: August 15, 2018

Refer To: S1J-3

To: Gale S. Stone
Acting Inspector General

Stephanie Hall

From: Stephanie Hall
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Supplemental Security Income Recipients Who Have Not Had a Redetermination in Longer than 10 Years” (A-01-17-50219) --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.

Attachment

SSA COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT, “SUPPLEMENTAL SECURITY INCOME RECIPIENTS WHO HAVE NOT HAD A REDETERMINATION IN LONGER THAN 10 YEARS” (A-01-17-50219)

GENERAL COMMENTS

In fiscal year (FY) 2017, we completed 2.6 million redeterminations, and we plan to complete 2.9 million in FY 2018. As highlighted in the report, in our current process, we use a predictive model to determine the frequency of redeterminations to optimize Supplemental Security Income overpayment savings. We will use the findings from this audit, along with those from our internal efforts, to inform potential future adjustments to the redetermination business process. We will also examine agency policy to determine the most appropriate use of resources to initiate redeterminations in a cost-effective and efficient manner.

Recommendation 1

Incorporate the findings of this audit, as well as the planned Office of Quality Review study, to enhance the business process used to select SSI cases for redetermination.

Response

We agree.

Recommendation 2

Evaluate whether it should implement a process similar to the continuing disability review mailers for SSI recipients who have not had a redetermination in 6 years.

Response

We agree.

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