
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**CHILDHOOD CONTINUING
DISABILITY REVIEWS
AND AGE 18 REDETERMINATIONS**

December 2006 A-01-06-21093

AUDIT REPORT



Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness, and efficiency within the agency.
- Prevent and detect fraud, waste, and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.
- Access to all information necessary for the reviews.
- Authority to publish findings and recommendations based on the reviews.

Vision

We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.



SOCIAL SECURITY

MEMORANDUM

Date: December 20, 2006 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: Childhood Continuing Disability Reviews and Age 18 Redeterminations
(A-01-06-21093)

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) (1) completed continuing disability reviews (CDR) for Supplemental Security Income (SSI) recipients under age 18 timely and determined whether recipients received appropriate medical treatment and (2) completed eligibility redeterminations in a timely manner using adult eligibility criteria for SSI recipients attaining age 18.

BACKGROUND

Under Title XVI of the Social Security Act,¹ SSA is required to:

- (1) Perform CDRs at least every 3 years on all children under age 18 whose impairments are likely to improve (or, at the option of the Commissioner, recipients whose impairments are unlikely to improve).
- (2) Obtain evidence from the child's representative payee² at the time of a CDR that the child is and has been receiving treatment to the extent considered medically necessary and available for the disabling impairment. (If a representative payee refuses without good cause to provide such evidence, SSA may select another payee, or pay benefits directly to the child, if the Agency determines that it is appropriate and in the best interest of the child to do so.)

¹ The Social Security Act § 1614(a)(3)(H), 42 U.S.C. § 1382c(a)(3)(H).

² A representative payee is a person, agency, organization, or institution selected to receive and manage benefits on behalf of a recipient who cannot manage or direct the management of his or her finances because of age, mental, and/or physical impairments. The Social Security Act §§ 205(j) and 1631(a), 42 U.S.C. §§ 405(j) and 1383(a), and 20 C.F.R. §§ 404.2001-2065 and 416.601-665.

- (3) Redetermine, within 1 year of the individual's 18th birthday, the eligibility of any individual who was eligible for SSI childhood benefits in the month before attaining age 18 by applying the criteria used in determining initial eligibility for individuals who are age 18 or older.³

SSA generally schedules CDRs at least every 3 years for recipients under age 18 whose impairments may improve. The scheduled disability review date alerts the Agency to the need to initiate a CDR, which can take up to a full year to complete.⁴ For this reason, we considered a CDR to have been performed timely if completed no later than 12 months after the scheduled disability review date.⁵

The Agency generally initiates Age 18 Redeterminations when recipients turn 18; however, if a review cannot be started because the benefits are suspended, SSA's systems will keep trying to initiate the Redetermination until the 19th birthday.

Therefore, we considered an Age 18 Redetermination timely if completed by the individual's 20th birthday.

For this review, we analyzed a file of about 1.2 million SSI recipients who were receiving benefits in June 2005 and identified:

- 534,155 recipients under the age of 18 who had been receiving SSI for at least 4 years (Childhood CDR cases) and
- 48,097 recipients between the ages of 19 and 20 who were receiving SSI prior to their 18th birthday (Age 18 Redetermination cases).

For each group of recipients, we selected a random sample of 275 sample cases—for a total of 550 cases.

We performed a preliminary analysis of the 550 sample cases in February 2006. We asked the Agency to review the Childhood CDRs and Age 18 Redeterminations that may not have been conducted timely. Although SSA agreed with our definition of "timely" for the Age 18 Redetermination cases, the Agency had concerns with our definition of "timely" for the Childhood CDR cases:

"OIG's definition of "timely" for the under age 18 childhood cases (i.e., 12 months from the date of the CDR review diary) is too rigid. SSA estimates that it takes approximately 1 year to complete a case requiring a full medical review. Some

³ The Social Security Act § 1614(a)(3)(H)(iii)(II) states Age 18 redeterminations are to be completed either during the 1-year period beginning on the individual's 18th birthday or, in lieu of a continuing disability review, whenever the Commissioner determines that an individual's case is subject to a redetermination.

⁴ SSA acknowledged that CDRs can take up to a year in our prior report, *Review of the Effectiveness of SSA's Low Birth Weight Baby Program* (A-04-95-06015), July 1997.

⁵ In our July 2002 report, *Continuing Disability Reviews for Supplemental Security Income Recipients Approved Based on Low Birth Weight* (A-01-02-12031), we also defined CDRs as timely if completed within 12 months after the scheduled review date.

cases take less than 1 year while other cases take longer than 1 year to reach an initial determination. Consequently, we believe it is appropriate to focus on average processing time for the entire sample of cases but not individual cases when assessing the timeliness of this workload.”

The Agency did not agree with our preliminary analysis that the following cases did not have CDRs completed timely:⁶

- 32 Childhood CDRs were not initiated because of a policy decision made in Fiscal Year (FY) 2003 to curtail CDRs for recipients aged 13 to 17;⁷ and
- 16 Childhood CDRs were not initiated because of budget constraints.

Additionally, 18 recipients had permanent impairments (of the 140 Childhood CDR cases we referred to SSA). Since 3-year reviews were not required for these cases under the Social Security Act, we updated our analysis accordingly.

RESULTS OF REVIEW

SSA generally made determinations as to whether the recipients under 18 years of age were receiving appropriate medical treatment. However, the Agency did not complete all Childhood CDRs and Age 18 Redeterminations in a timely manner. Based on our sample results, 39 percent of Childhood CDRs and 12 percent of Age 18 Redeterminations were not completed timely.⁸ As a result, we estimate:

- SSA paid about \$194.7 million in SSI payments to approximately 205,900 recipients under age 18 that should not have been paid.⁹ Also, the Agency will continue to pay an additional \$96.9 million annually until these reviews are completed.
- SSA improperly paid about \$4.5 million in SSI payments to approximately 5,600 recipients who did not have an age 18 redetermination completed by age 20. Additionally, the Agency will continue to pay an additional \$8.7 million annually until these reviews are completed.

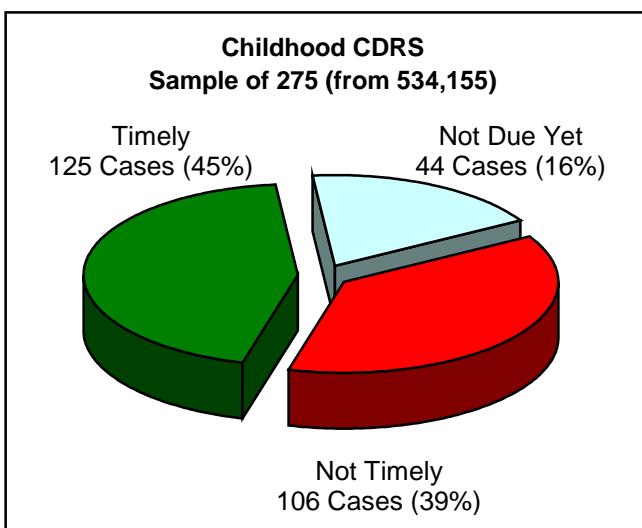
⁶ SSA did agree with our preliminary analysis of the remaining sample cases.

⁷ SSA stated this policy decision was made due to a number of projects implemented at that time to transition disabled childhood beneficiaries into adulthood.

⁸ We believe our definition of timeliness (within 1 year of the scheduled review date) was reasonable because the average and median number of days it took the Agency to complete Childhood CDRs for our sample cases were 314 and 238 days, respectively.

⁹ According to the SSI annual report for FY 2005 (published May 2006), the lowest annual cessation rates after all appeals between FYs 1999 through 2005 were 13.6 percent for Childhood CDRs and 26.9 percent for Age 18 Redeterminations. Therefore, throughout our report, we counted only 13.6 percent of the dollars related to Childhood CDRs that were not completed and 26.9 percent of the dollars related to Age 18 Redeterminations that were not completed. (See Appendix B for details on our methodology.)

CHILDHOOD CDRs



Our review of 275 sample cases found:

- 106 Childhood CDRs were not completed timely (i.e., not completed within 1 year of the scheduled review date);
- 125 Childhood CDRs were completed timely; and
- 44 did not have Childhood CDRs due as of October 2006.

Of the 106 CDRs not completed timely, 55 were never initiated, 7 were initiated but not completed as of October 2006, and 44 were completed more than a year after the scheduled review date—35 had benefits continued and 9 had benefits ceased. Because CDRs were not completed timely, the Agency paid about \$100,000 that should not have been paid.¹⁰ Additionally, the Agency will continue to pay the 62 recipients who did not have CDRs initiated or completed about \$50,000 annually until these CDRs are finished. Examples of Childhood CDRs that were not completed timely include:

- A 16-year-old recipient with a conduct disorder was scheduled for a disability review in January 2000. SSA initiated the CDR in January 2001 but did not complete the review until March 2004. The Agency determined that the recipient's impairment had improved and that he was no longer eligible for benefits. Between January 2001 (1 year after the scheduled disability review date) and March 2004, SSA paid the recipient over \$10,000.
- A 17-year-old recipient with a seizure disorder was scheduled for a disability review in May 2003. As of July 2006, SSA had not started the CDR. Since May 2004 (1 year after the scheduled disability review date), the Agency has paid this recipient almost \$15,000.

¹⁰ Of the 106 CDRs that were not completed timely, we did not count dollars for 41 cases—the 35 continuances, 3 cases where the scheduled medical review came due in October 2006, 2 of the cessations that were later overturned on appeal and 1 case where benefits were suspended. The remaining 65 recipients were paid from 1 month to almost 10 years (with a median of 13 months) after the Childhood CDRs should have been completed.

DETERMINATIONS REGARDING APPROPRIATE MEDICAL TREATMENT

For SSI recipients under age 18, a CDR will result in a continuance of benefits unless (1) there has been any medical improvement in the child's impairment(s) and (2) the child's impairment(s) does not result in marked and severe functional limitations.¹¹

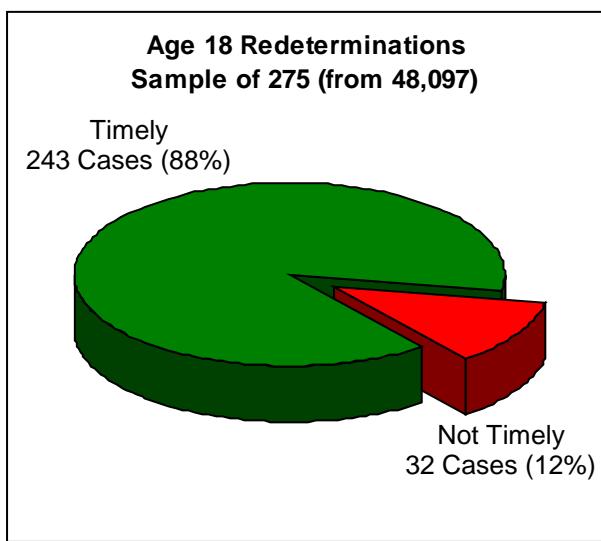
For continuances in which the child has a payee, the Agency must determine whether the child is and has been receiving treatment to the extent considered medically necessary and available for the condition(s) that was the basis for providing benefits.

SSA conducted initial level CDRs for 152 of our 275 Childhood CDR sampled cases. Of these 152 CDRs:

- 128 were continued and SSA made a determination about medical treatment.
- 20 were ceased and did not need a determination about medical treatment; and
- 4 were continued but SSA did not make a determination about medical treatment.

In all four cases in which SSA did not make a determination about medical treatment, the CDR was completed prior to April 2000—when the Agency put an edit in place that prevents the childhood CDRs from being cleared without a determination about medical treatment.

AGE 18 REDETERMINATIONS



Our review of 275 sample cases found:

- 32 Age 18 Redeterminations were not completed timely (i.e., not completed by age 20); and
- 243 Age 18 Redeterminations were completed timely.

Of the 32 Age 18 Redeterminations not completed timely, 8 were never initiated, 21 were initiated but not completed as of October 2006, and 3 were completed after the recipient's 20th birthday—1 had benefits continued and 2 had benefits ceased. Because these reviews were not completed timely, the Agency paid

¹¹ The Social Security Act § 1614(a)(4)(B), 42 U.S.C. § 1382c(a)(4)(B) and 20 C.F.R. § 416.994a.

about \$25,600 that should not have been paid.¹² The Agency will continue to pay the 29 recipients who did not have redeterminations initiated or completed about \$49,700 annually until these reviews are finished.

For example, one beneficiary with a psychiatric disorder received benefits since age 16 in 2002. SSA initiated an Age 18 Redetermination in September 2003—3 months prior to her 18th birthday. However, the file was not sent for a medical review until we asked for a status on the case in March 2006. The Agency completed the review in June 2006 and determined that she was no longer eligible for benefits under the disability criteria for adults. SSA has paid her over \$3,600 since her 20th birthday.

CDR FUNDING

In FYs 1996 through 2002, SSA received special funding for processing CDRs. When SSA did not receive special funding, it began reducing the number of CDRs conducted. (See Appendix C for information on CDR workloads in FY 1996 through FY 2007). The Agency is aware of the impact of reducing the CDR workload, as stated in its Performance Plan for FY 2007:

"Because of limited resources in FY 2006, in order to maintain service levels for initial claims, the Agency has had to make adjustments in program integrity workloads. Specifically, the Agency was not able to perform as many CDRs or SSI non-disability redeterminations as was planned. The reduction in CDRs has potentially allowed some individuals to continue being eligible for benefits when they may no longer qualify. For FY 2007, legislation has been introduced to earmark funds for conducting increased numbers of CDRs."¹³

On May 11, 2006, the Commissioner testified before the Subcommittee on Social Security of the House Committee on Ways and Means:

"We...fulfill our fiscal stewardship responsibility by conducting CDRs, which ensure that those who receive disability benefits continue to meet our definition of disability. CDRs are a cost-effective program integrity workload, saving \$10 in program benefits for every \$1 spent in administering them...We are doing fewer CDRs than called for in the President's budget request for FY 2006 because we have given priority to our claims processing workloads including applications for disability benefits. An increase in the number of CDRs conducted in FY 2007 will result in greater program savings, but let me stress that we need our full request for administrative resources for CDRs, whether provided in our appropriation within the discretionary spending cap, or provided as an adjustment to the cap."

¹² Of the 32 Age 18 Redeterminations not completed timely, we did not count dollars for 4 cases—the 1 continuance, 1 case where benefits were suspended and 2 cases where recipients turned age 20 during October 2006. The remaining 28 recipients were paid from 1 month to 11 months (with a median of 6 months) after the Age 18 Redeterminations should have been completed.

¹³ SSA, *Performance Plan for FY 2007 and Revised Performance Plan for FY 2006*, p. 5, February 2006.

CONCLUSIONS AND RECOMMENDATIONS

SSA generally made determinations as to whether the recipients under 18 years of age were receiving appropriate medical treatment. However, the Agency was not compliant with the Childhood CDR and Age 18 Redetermination provisions in the Social Security Act requiring these reviews to be completed within specific time periods. By conducting these reviews timely, SSA can identify recipients no longer eligible to receive disability benefits and stop their payments. Therefore, we recommend SSA:

1. Conduct Childhood CDRs at least every 3 years for children under age 18 whose impairments are likely to improve in accordance with the Social Security Act provisions. (When the Agency chooses to use its budgetary resources for purposes other than conducting these reviews, it should continue to publicly disclose these facts to the Congress.)
2. Conduct Age 18 Redeterminations by the time recipients attain age 20. (When the Agency chooses to use its budgetary resources for purposes other than conducting these reviews, it should continue to publicly disclose these facts to the Congress.)
3. Continue to seek special funding for CDR workloads.

AGENCY COMMENTS

SSA agreed with the recommendations. (See Appendix D.)



Patrick P. O'Carroll, Jr.

Appendices

[**APPENDIX A**](#) – Acronyms

[**APPENDIX B**](#) – Scope, Sampling Methodology and Results

[**APPENDIX C**](#) – Continuing Disability Review Funding and Cost Effectiveness

[**APPENDIX D**](#) – Agency Comments

[**APPENDIX E**](#) – OIG Contacts and Staff Acknowledgments

Appendix A

Acronyms

CDR	Continuing Disability Review
FY	Fiscal Year
SSA	Social Security Administration
SSI	Supplemental Security Income
U.S.C.	United States Code

Scope, Sampling Methodology and Results

To accomplish our objective, we:

- Reviewed applicable sections of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), the Social Security Act and Social Security Administration (SSA) regulations, rules, policies and procedures.
- Reviewed prior Office of the Inspector General audits.
- Obtained a file of all Supplemental Security Income (SSI) recipients who were under age 21 and receiving benefits in June 2005. We tested the data obtained for our audit for accuracy and completeness and determined it to be sufficiently reliable to meet our audit objectives. From this file we identified two populations:
 - 534,155 recipients under age 18 with a date of birth after July 1, 1987 and an application date of October 1, 2001 or earlier (Childhood Continuing Disability Review [CDR] cases).
 - 48,097 recipients over age 18 with a date of birth between October 31, 1985 and October 1, 1986 (Age 18 Redetermination cases).

For each population, we selected a random sample of 275 cases—for a total of 550 cases—and projected our sample results to each population.

For the Childhood CDR cases, we determined whether a CDR was completed timely and if SSA made a determination regarding whether the recipient was receiving appropriate medical treatment. Specifically, we:

1. Reviewed SSA's systems, including the Supplemental Security Record, Disability Control File, and Disability Determination Service Query to obtain each individual's scheduled disability review date. If the scheduled disability review date was unavailable, we used 3 years after the most recent determination, which could have been an allowance or CDR continuance.
2. Determined whether the Childhood CDRs were completed timely (no later than 12 months after the individual's scheduled disability review date).
3. Assessed whether SSA made determinations regarding recipients receiving appropriate medical treatment.

For Age 18 Redetermination cases, we determined whether a redetermination was completed timely (by the recipient's 20th birthday).

- Referred those cases in which Childhood CDRs and Age 18 Redeterminations did not appear to be done timely to SSA for confirmation.
- Quantified for each sample case:
 1. The amount of SSI payments that were issued because SSA did not complete a Childhood CDR timely. Specifically, we:
 - (a) Quantified the amount of SSI payments issued between the 1 year anniversary of the scheduled disability review date and the earlier of the month of cessation or October 2006 (the date we reviewed the case).
 - (b) Quantified the amount of SSI payments that the Agency could have continued to pay over a 12 month period when a CDR was not completed. To calculate this amount we multiplied the amount of the October 2006 payment by 12.
 2. The amount of SSI payments that were issued because SSA did not complete an Age 18 Redetermination timely. Specifically, we:
 - (a) Quantified the amount of SSI payments issued between the date the individual turned 20 and the earlier of the month of cessation or October 2006 (the date we reviewed the case).
 - (b) Quantified the amount of SSI payments that the Agency could have continued to pay over a 12 month period when an Age 18 Redetermination was not completed. To calculate this amount, we multiplied the amount of the October 2006 payment by 12.
- Discussed with staff from SSA's Office of the Chief Actuary our methodology for calculating questioned costs for the Childhood CDRs and Age 18 Redeterminations that were not completed timely.
- Obtained copies of SSA's *Annual Report of Continuing Disability Reviews* for Fiscal Years 1996 through 2005.

- Obtained disability cessation rates resulting from Childhood CDRs and Age 18 Redeterminations from the SSI annual report.¹ The lowest annual cessation rates after all appeals between Fiscal Years (FY) 1999 through 2005 were 13.6 percent for Childhood CDRs and 26.9 percent for Age 18 Redeterminations. (See the following tables.)

Childhood CDRs		
FY	Total CDRs	Cessations After All Appeals ²
1999	183,211	41,842 (22.8%)
2000	140,699	26,228 (18.6%)
2001	95,835	17,250 (18.0%)
2002	163,768	24,199 (14.8%)
2003	127,444	18,467 (14.5%)
2004	103,437	14,042 (13.6%)
2005	61,387	9,617 (15.7%)

Age 18 Redeterminations		
FY	Total Reviews	Cessations After All Appeals ²
1999	49,557	17,722 (35.8%)
2000	51,713	18,240 (35.3%)
2001	48,944	16,479 (33.7%)
2002	54,947	17,313 (31.5%)
2003	53,905	16,173 (30.0%)
2004	53,232	14,304 (26.9%)
2005	55,331	15,003 (27.1%)

- Reduced calculations by the appropriate cessation rates for those sample cases where Childhood CDRs or Age 18 Redeterminations were not completed.
- Projected sample results to each population.

We conducted our audit between February and October 2006 in Boston, Massachusetts. The entities audited were the Office of Disability Programs under the Deputy Commissioner for Disability and Income Security Programs and the Office of Disability Determinations under the Deputy Commissioner for Operations. We conducted our audit in accordance with generally accepted government auditing standards.

¹ SSA, *Annual Report of the Supplemental Security Income Program*, p. 91, May 2006.

² The cessation rates after all appeals will likely increase in the future as appeals currently pending are completed.

SAMPLE RESULTS AND PROJECTIONS³

Table 1: Payments Issued Because SSA Did Not Complete Childhood CDRs Timely	
Population size	534,155
Sample size	275
Dollar Projections	
Sample results	\$100,232
Point estimate	\$194,689,762
Projection lower limit	\$130,827,956
Projection upper limit	\$258,551,569

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

Table 2: Payments SSA Could Potentially Save By Completing All Childhood CDRs Timely	
Population size	534,155
Sample size	275
Dollar Projections	
Sample results	\$49,868
Point estimate	\$96,862,918
Projection lower limit	\$77,309,676
Projection upper limit	\$116,416,159

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

Table 3: Childhood CDRs Not Completed Timely	
Population size	534,155
Sample size	275
Attribute Projections	
Sample cases	106
Point estimate	205,892
Projection lower limit	179,729
Projection upper limit	233,047

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

³ The amounts in the following tables are rounded to the nearest whole dollar. Any differences are due to rounding.

Table 4: Payments Issued Because SSA Did Not Complete Age 18 Redeterminations Timely

Population size	48,097
Sample size	275
Dollar Projections	
Sample results	\$25,588
Point estimate	\$4,475,347
Projection lower limit	\$2,926,223
Projection upper limit	\$6,024,470

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

Table 5: Payments SSA Could Potentially Save By Completing All Age 18 Redeterminations Timely

Population size	48,097
Sample size	275
Dollar Projections	
Sample results	\$49,684
Point estimate	\$8,689,694
Projection lower limit	\$5,846,451
Projection upper limit	\$11,532,937

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

Table 6: Age 18 Redeterminations Not Completed Timely

Population size	48,097
Sample size	275
Attribute Projections	
Sample cases	32
Point estimate	5,597
Projection lower limit	4,138
Projection upper limit	7,360

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

Appendix C

Continuing Disability Review Funding and Cost Effectiveness

In Fiscal Years (FY) 1996 through 2002, the Social Security Administration (SSA) received additional funding for conducting Continuing Disability Reviews (CDR). In its FY 2007 budget request, the Agency requested special funding for CDRs. The chart below shows SSA's CDR workloads in FY 1996 through FY 2007.

Continuing Disability Reviews¹					
FY	Special Funding	Cost of CDRs	Number of CDRs	Initial Cessations	Estimated 10 year Savings
1996	\$260 million	\$208 million	498,400	41,910	\$2.5 billion
1997	\$360 million	\$330 million	637,874	81,283	\$4.2 billion
1998	\$570 million	\$462 million	1,356,353	113,315	\$5.6 billion
1999	\$720 million	\$547 million	1,703,414	131,531	\$5.2 billion
2000	\$720 million	\$609 million	1,746,882	116,513	\$6.0 billion
2001	\$720 million	\$603 million	1,730,572	100,233	\$5.3 billion
2002	\$720 million	\$634 million	1,502,944	120,790	\$6.0 billion
2003	\$0	\$551 million	1,361,331	100,545	\$5.3 billion
2004	\$0	\$543 million	1,592,010	96,934	\$5.7 billion
2005	\$0	\$493 million	1,513,009	86,987	\$5.4 billion
2006*	\$0	-	1,242,000	-	-
2007*	-	-	1,558,000	-	-

*The numbers for FY 2006 and FY 2007 are estimates.

SSA's CDR process has consistently yielded a favorable ratio of savings to costs, averaging roughly \$10.5 to \$1 for FYs 1996-2005. This ratio was calculated by dividing the estimated amount of future benefits saved due to CDR cessations by the cost of CDRs conducted.

¹ SSA, *Annual Report of Continuing Disability Reviews*, FY 1996 through FY 2005 and SSA, *Performance Plan for FY 2007 and Revised Performance Plan for FY 2006*, p. 29, February 2006.

Appendix D

Agency Comments



SOCIAL SECURITY

MEMORANDUM

Date: December 11, 2006 Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Larry W. Dye /s/
Chief of Staff

Subject: Office of the Inspector General (OIG) Draft Report, "Childhood Continuing Disability Reviews and Age 18 Redeterminations" (A-01-06-21093)
--INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the draft report content and recommendations are attached.

Let me know if we can be of further assistance. Staff inquiries may be directed to Ms. Candace Skurnik, Director, Audit Management and Liaison Staff, at extension 54636.

Attachment:
SSA Response

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, "CHILDHOOD CONTINUING DISABILITY REVIEWS AND AGE 18 REDETERMINATIONS" (A-01-06-21093) -- INFORMATION

Thank you for the opportunity to review and comment on the draft report. Although we have several reservations, we agree with the report's findings and its recommendations.

When resources permit, our primary objective is to manage the process so that all continuing disability reviews (CDR) and age 18 redeterminations that are eligible for review are released timely. We look forward to the time when adequate resources are made available to the Agency to perform all CDRs when due and hope that your audit report will help lead in that direction.

The first two recommendations contain the following parenthetical clause: "When the Agency chooses to use its budgetary resources for purposes other than conducting these reviews, it should publicly disclose these facts to Congress." This could be interpreted to mean that SSA has not informed Congress of this in the past. However, on page 6, the report quotes both the Commissioner's testimony to Congress on May 11, 2006, where she informed them that for FY 2006, SSA is processing fewer CDRs and is instead focusing on initial disability claims, due to budget restrictions, as well as the Agency's Performance Plan for Fiscal Year 2007. We recommend that the clause be revised in both recommendations to reflect the fact that SSA informed Congress in the past. The sentence could be revised as follows: "When the Agency chooses to use its budgetary resources for purposes other than conducting these reviews, it should continue to publicly disclose these facts to Congress."

On page 4 of the draft report, there is a reference to the Childhood CDR sample stating, "Of the 106 CDRs not completed timely, 55 were never initiated." We are concerned that a third party, not having worked on nor followed this audit closely, may not understand that there are specific reasons for these 55 cases not being initiated. Most importantly, CDR cases may not be initiated timely when sufficient funding is unavailable to process the cases. In addition, all CDR cases requiring a full medical review are routinely examined on a monthly basis to determine if a condition exists (such as a recipient being in a non-pay status) that would cause the case to be temporarily screened out and a more productive one substituted in its place.

Our specific responses to the report's recommendations are provided below.

Recommendation 1

Conduct Childhood CDRs at least every 3 years for children under age 18 whose impairments are likely to improve in accordance with the Social Security Act provisions. (When the Agency chooses to use its budgetary resources for purposes other than conducting these reviews, it should publicly disclose these facts to the Congress.)

Response:

We agree. When we have been able to do so, our procedure is to initiate a case a few months before the review diary matures to facilitate timely processing.

Recommendation 2

Conduct Age 18 Redeterminations by the time recipients attain age 20. (When the Agency chooses to use its budgetary resources for purposes other than conducting these reviews, it should publicly disclose these facts to the Congress.)

Response:

We agree. As in our response to Recommendation 1, when we have been able to do so, our procedure is to initiate a case a few months before the review diary matures to facilitate timely processing.

Recommendation 3

Continue to seek special funding for CDR workloads.

Response:

We agree. However, while funding outside the discretionary spending limits was an effective funding mechanism previously, it is not the only way in which Congress could provide resources to fulfill the Agency's stewardship responsibilities.

Appendix E

OIG Contacts and Staff Acknowledgments

OIG Contacts

Judith Oliveira, Director, Boston Audit Division, (617) 565-1765

David Mazzola, Audit Manager, (617) 565-1807

Acknowledgments

In addition to those named above:

Chad Burns, Auditor

Phillip Hanvy, Senior Program Analyst

Kevin Joyce, IT Specialist

Toni Paquette, Program Analyst

For additional copies of this report, please visit our web site at
www.socialsecurity.gov/oig or contact the Office of the Inspector General's Public Affairs Specialist at (410) 965-3218. Refer to Common Identification Number A-01-06-21093.

DISTRIBUTION SCHEDULE

Commissioner of Social Security
Office of Management and Budget, Income Maintenance Branch
Chairman and Ranking Member, Committee on Ways and Means
Chief of Staff, Committee on Ways and Means
Chairman and Ranking Minority Member, Subcommittee on Social Security
Majority and Minority Staff Director, Subcommittee on Social Security
Chairman and Ranking Minority Member, Subcommittee on Human Resources
Chairman and Ranking Minority Member, Committee on Budget, House of Representatives
Chairman and Ranking Minority Member, Committee on Government Reform and Oversight
Chairman and Ranking Minority Member, Committee on Governmental Affairs
Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives
Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives
Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Committee on Finance
Chairman and Ranking Minority Member, Subcommittee on Social Security and Family Policy
Chairman and Ranking Minority Member, Senate Special Committee on Aging
Social Security Advisory Board

Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of our Office of Investigations (OI), Office of Audit (OA), Office of the Chief Counsel to the Inspector General (OCCIG), and Office of Resource Management (ORM). To ensure compliance with policies and procedures, internal controls, and professional standards, we also have a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts and/or supervises financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management and program evaluations and projects on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as OIG liaison to the Department of Justice on all matters relating to the investigations of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Chief Counsel to the Inspector General

OCCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Finally, OCCIG administers the Civil Monetary Penalty program.

Office of Resource Management

ORM supports OIG by providing information resource management and systems security. ORM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, ORM is the focal point for OIG's strategic planning function and the development and implementation of performance measures required by the Government Performance and Results Act of 1993.