

Evaluation Report

The Social Security Administration's
Completion of Program Integrity
Workloads

A-07-14-24071 / August 2014

OIG

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: August 18, 2014 **Refer To:**

To: The Commissioner

From: Inspector General

Subject: The Social Security Administration's Completion of Program Integrity Workloads (A-07-14-24071)

The attached final report presents the results of our review. Our objective was to review the Social Security Administration's progress in completing program integrity work despite congressional appropriations that were generally lower than the Agency requested during the annual budget process.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



Patrick P. O'Carroll, Jr.

Attachment

The Social Security Administration's Completion of Program Integrity Workloads

A-07-14-24071



August 2014

Office of Audit Report Summary

Objective

To review the Social Security Administration's (SSA) progress in completing program integrity work despite congressional appropriations that were generally lower than the Agency requested during the annual budget process.

Background

The independent certified public accounting firm that audited SSA's Fiscal Year (FY) 2013 financial statements shared its concerns with us regarding the impact reduced funding had on stewardship activities. Specifically, these concerns pertained to how reduced funding had

1. reduced SSA's ability to complete critical workloads,
2. increased the continuing disability review (CDR) backlog,
3. decreased Supplemental Security Income (SSI) redeterminations, and
4. resulted in field offices reducing the hours they were open to the public.

We completed other audits that address the concerns regarding field office performance, service, and completion of workloads. This review focused on medical CDRs and non-medical redeterminations—SSA's predominant program integrity tools.

Our Findings

SSA's budget appropriations increased each year from FYs 2002 through 2010 but decreased from FYs 2011 through 2013. Further, SSA's funding levels were lower than it requested almost every year since FY 2002. In addition, SSA did not receive any dedicated funding for program integrity work during FYs 2003 through 2008. During that period, SSA's program integrity workloads decreased. Since FY 2009, when SSA began receiving dedicated program integrity funding, the Agency had generally begun increasing its program integrity workloads. In FY 2014, SSA received approximately \$1.2 billion in dedicated program integrity funding to perform 510,000 full medical CDRs and more than 2.4 million non-medical redeterminations.

Despite improvements, SSA was performing less program integrity work than it had in the past. For example, SSA performed about half the number of full medical CDRs in FY 2013 than it did in FY 2002. Further, SSA had performed non-medical redeterminations for nearly 30 percent of SSI recipients since FY 2010, but this amount was still less than the 36 percent it performed in FY 2003. Therefore, SSA missed opportunities for potential savings.

Since it was performing less program integrity work, SSA had developed a backlog of full medical CDRs since FY 2002. We estimated SSA might only be able to temporarily reduce the full medical CDR backlog based on the Agency's plans for program integrity workloads under different funding scenarios.

Our Recommendation

We recommend SSA prioritize resources toward medical CDR and non-medical redetermination workloads to ensure only eligible individuals continue receiving benefits and are receiving the correct payment amounts.

SSA agreed with our recommendation.

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ABBREVIATIONS

Act	<i>Social Security Act</i>
ARRA	<i>American Recovery and Reinvestment Act of 2009</i>
BCA	<i>Budget Control Act of 2011</i>
CDR	Continuing Disability Review
C.F.R.	Code of Federal Regulations
DDS	Disability Determination Services
DI	Disability Insurance
FY	Fiscal Year
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
OMB	Office of Management and Budget
PIAE	Program Integrity Administrative Expenses
POMS	Program Operations Manual System
Pub. L. No.	Public Law Number
SGA	Substantial Gainful Activity
SSA	Social Security Administration
SSI	Supplemental Security Income
Stat.	United States Statutes at Large
U.S.C.	United States Code

OBJECTIVE

Our objective was to review the Social Security Administration's (SSA) progress in completing program integrity work despite congressional appropriations that were generally lower than the Agency requested during the annual budget process.

BACKGROUND

Title II of the *Social Security Act* (Act) provides Disability Insurance (DI) benefits to wage earners and their families if the wage earner becomes disabled. The Act also provides benefits to certain disabled family members of deceased or retired wage earners.¹ DI benefits are funded from the DI Trust Fund.²

Title XVI of the Act established the Supplemental Security Income (SSI) program, a Federal cash assistance program that provides a minimum level of income to financially needy individuals who are aged, blind, or disabled.³ SSI payments are funded from the Department of the Treasury's general fund.⁴ No individual shall be considered eligible for SSI payments for any period during which they have income or resources that exceed the allowable amounts established under the Act.⁵ SSI recipients are required to report events and changes of circumstances that may affect their eligibility and payment amounts, including changes in income, resources, and living arrangements.⁶

The independent certified public accounting firm that audited SSA's Fiscal Year (FY) 2013 financial statements shared its concerns with us regarding the impact reduced funding had on stewardship activities. Specifically, these concerns pertained to how reduced funding had

1. reduced SSA's ability to complete critical workloads,
2. increased the continuing disability review (CDR) backlog,
3. decreased SSI redeterminations, and
4. resulted in field offices reducing the hours they were open to the public.

¹ Act § 201 *et seq.*, 42 U.S.C. § 401 *et seq.* See also 20 C.F.R. §§ 404.130 - 404.133.

² Act § 201(h), 42 U.S.C. § 401(h).

³ Act § 1601 *et seq.*, 42 U.S.C. § 1381 *et seq.* See also 20 C.F.R. § 416.101 *et seq.*

⁴ Id. The general fund of the Treasury is financed through tax payments from the American public.

⁵ Act § 1611(a), 42 U.S.C. § 1382(a); 20 C.F.R. § 416.202(c) and (d).

⁶ Act § 1631(e)(1), 42 U.S.C. § 1383(e)(1); 20 C.F.R. §§ 416.701 and 416.708.

We completed other audits that address the concerns regarding field office performance, service, and completion of workloads.⁷ This review focused on medical CDRs and non-medical redeterminations—SSA’s predominant program integrity tools.

Continuing Disability Reviews

After SSA determines an individual is disabled, it conducts periodic CDRs to determine whether the individual continues to be disabled.⁸ By regulation, review diaries are set based on the likelihood of medical improvement. SSA generally cannot find an individual is no longer disabled without finding the individual has medically improved. As such, diaries are set for 6 to 18 months when improvement is expected, up to 3 years when improvement is possible,⁹ and 5 to 7 years when improvement is not expected (that is, permanent impairments).¹⁰ If SSA determines the recipient is no longer disabled, it ceases benefits.

SSA employs a predictive model that determines the likelihood of medical improvement for disabled beneficiaries. SSA selects the records of those beneficiaries that have been identified as having a high likelihood of medical improvement for a full medical review by disability determination services (DDS). SSA mails those beneficiaries identified as having a medium or low likelihood of medical improvement a questionnaire.¹¹ If the completed mailer questionnaire indicates potential medical improvement, SSA sends the case to the DDS for a full medical review.¹²

⁷ SSA OIG, *Field Office Performance* (A-15-12-11290), November 2013; *Work CDRs for Disabled Title II Beneficiaries with Earnings* (A-01-12-12142), March 2014; and SSA’s *Reduction in Field Office Operating Hours* (A-01-14-14039), August 2014.

⁸ *Social Security Disability Benefits Reform Act of 1984*, Pub. L. No. 98-460, § 15, 98 Stat. 1794, 1808; Act, § 221(i), 42 U.S.C. § 421(i); 20 C.F.R. §§ 404.1589 and 416.989.

⁹ The Commissioner of Social Security can waive the requirement to conduct CDRs on non-permanent disabilities due every 3 years. 20 C.F.R. §§ 404.1590(g) and 416.990(g).

¹⁰ 20 C.F.R. §§ 404.1590(d) and 416.990(d). A full medical CDR should be conducted no later than 12 months after birth for a child whose low birth weight was a material contributor to the determination that the child was disabled under the SSI program. 20 C.F.R. § 416.990(b)(11).

¹¹ SSA does not use the mailer questionnaire for CDRs of children receiving SSI or for SSI age 18 redeterminations. SSA conducts an SSI age 18 redetermination to reevaluate a child receiving SSI using adult disability criteria when the child turns 18. SSI age 18 redeterminations are included as part of the full medical CDR workload.

¹² In addition to medical CDRs, SSA also performs work CDRs to determine if disability recipients who have returned to work are performing substantial gainful activity (SGA). SGA is “the performance of significant physical or mental activities in work for pay or profit, or in work of a type generally performed for pay or profit.” To qualify for disability, an individual must be unable to engage in SGA. Therefore, if a work CDR reveals that a disability recipient is performing SGA, SSA ceases benefits. See SSA, POMS, DI 24001.001 (May 13, 1999), and DI 13010.001 (April 22, 2009). We do not cover work CDRs in this review.

Redeterminations

A redetermination is a review of an SSI recipient's non-medical eligibility factors, such as income, resources, and living arrangements. SSA uses the redetermination to determine whether recipients are still eligible for SSI and receiving the correct payments.¹³ SSA is not required to complete a given number or percentage of redeterminations. Instead, SSA determines the number of redeterminations to complete based on funding resources.

First, SSA estimates the number of unscheduled and automated redeterminations it will conduct during the year.¹⁴ Next, SSA calculates the targeted number of discretionary redeterminations it will select based on available funding. SSA identifies discretionary redeterminations each September when it runs an error profiling system that identifies the expected amount of the SSI overpayment. The system assigns each recipient a score based on the estimated amount of the overpayment.¹⁵ Based on the assigned score, recipients are ranked from highest to lowest predicted dollar amount of SSI overpayment.¹⁶

RESULTS OF REVIEW

SSA's budget appropriations from Congress increased each year from FYs 2002 through 2010 but decreased from FYs 2011 through 2013.¹⁷ Further, SSA's funding levels were lower than it requested almost every year since FY 2002. In addition, SSA did not receive any dedicated funding for program integrity work during FYs 2003 through 2008. During that period, SSA's program integrity workloads decreased. Since FY 2009, when SSA began receiving dedicated program integrity funding, the Agency had generally begun increasing its program integrity workloads. In FY 2014, SSA received approximately \$1.2 billion in dedicated program integrity

¹³ Act §§1611(c)(1) and 1619(b)(2)(A), 42 U.S.C. §§ 1382(c)(1) and 1382h(b)(2)(A); 20 C.F.R. § 416.204; SSA, POMS, SI 02305.001 (October 4, 2007).

¹⁴ Unscheduled redeterminations are conducted based on a recipient or couple's reported changes in circumstances that may affect eligibility and payment amount. *See* SSA, POMS, SI 02305.001 B.2 (October 4, 2007). Automated redeterminations are selected based on specific case characteristics and are categorized depending on the likelihood of an error. *See* SSA, POMS, SI 02305.013 A.1.b and B (February 12, 2014).

¹⁵ SSA POMS, SI 02305.013 A.1.a (February 12, 2014).

¹⁶ SSA POMS, SI 02305.013 (February 12, 2014).

¹⁷ For the purposes of this report, SSA's appropriations refers to SSA's budget authority. SSA's budget authority generally includes Limitation on Administrative Expenses, dedicated program integrity funding, research funding, and funding for the Office of Inspector General. Limitation on Administrative Expenses is the amount of money Congress allows SSA to spend annually to carry out the administrative functions of the Agency.

funding to perform 510,000 full medical CDRs and more than 2.4 million non-medical redeterminations.¹⁸

Despite improvements, SSA was performing less program integrity work than it had in the past. For example, SSA performed about half the number of full medical CDRs in FY 2013 than it performed in FY 2002. Further, SSA had performed non-medical redeterminations for nearly 30 percent of SSI recipients since FY 2010, but this amount was still less than the 36 percent it performed in FY 2003. Therefore, SSA missed opportunities for potential savings.

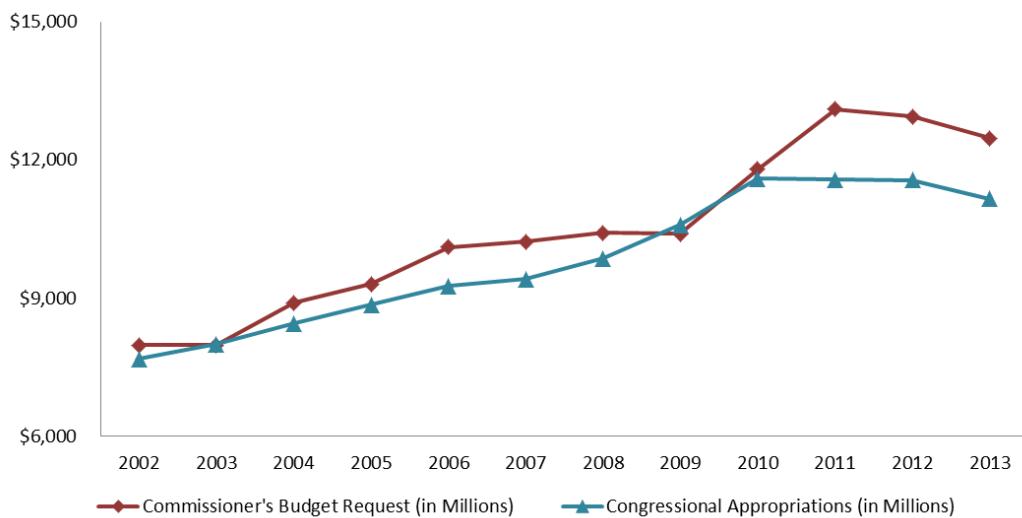
Since it performed less program integrity work, SSA had developed a backlog of full medical CDRs since FY 2002. We estimated SSA might only be able to temporarily reduce the full medical CDR backlog based on the Agency's plans for program integrity workloads under different funding scenarios.

Effect of Funding on Program Integrity Workloads

Since FY 2002, SSA's appropriations have generally been less than SSA requested (see Figure 1 and Appendix B). Each September, SSA submits a Commissioner's Budget to the Office of Management and Budget (OMB). OMB uses the Commissioner's Budget to prepare the President's budget request to Congress. Congress then votes on the funding levels that will be appropriated to SSA. In most years, Congress appropriated less than SSA requested in the Commissioner's Budget.

¹⁸ SSA's MIVision National RZ Volume Tracker indicated the Agency's FY 2014 goal is to conduct more than 2.4 million non-medical redeterminations and 178,900 limited issues, also known as targeted redeterminations. Limited issues are selected for limited review because of a single issue, such as an alert resulting from a match between SSA's records and those of another agency. See SSA, POMS, SI 02305.015 A.1 (October 14, 2011).

**Figure 1: SSA Budget Requests and Appropriations
FYs 2002 Through 2013**

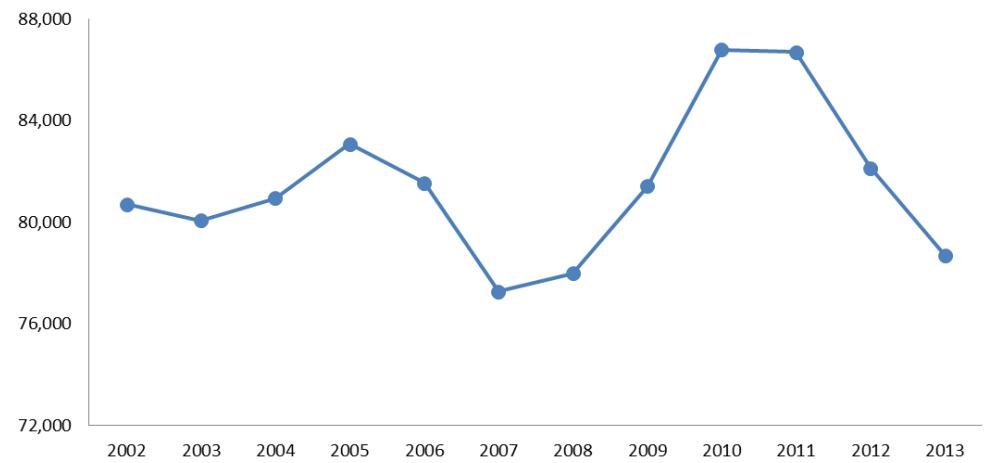


Although SSA's funding increased every year from FYs 2002 through 2010, the number of work years SSA employees completed did not increase accordingly (see Figure 2 and Appendix B).¹⁹ For example, work years declined in FYs 2006 and 2007 while congressional appropriations increased. SSA had a boost in work years in FYs 2009 and 2010 as a result of the *American Recovery and Reinvestment Act of 2009* (ARRA), which Congress passed to preserve and create jobs and promote economic recovery. ARRA provided SSA with an additional \$500 million beyond regular congressional appropriations to assist with processing disability and retirement workloads.²⁰ Of the \$500 million, SSA spent over \$463 million on labor costs for Federal and State employees. However, ARRA funds were a one-time, non-recurring appropriation outside of the standard budget process. Therefore, as SSA's appropriations declined after FY 2010, its work years also declined. As a result, SSA's FY 2013 work years were slightly lower than in FY 2002.

¹⁹ Work years represent both direct and indirect time used by SSA employees. Indirect time includes overhead, such as time spent on training, travel, leave, and holidays.

²⁰ See Pub. L. No. 111-5, Title VIII, 123 Stat. 115, 185-186.

Figure 2: SSA Work Years Completed, FYs 2002 Through 2013



Program Integrity Funding

We previously reported that, according to SSA, resource limitations and increases in its core workloads prevented it from conducting full medical CDRs and redeterminations at previously high levels.²¹ Specifically, without dedicated program integrity funding from FYs 2003 through 2008 (see Table 1), SSA chose how to allocate its funding between program integrity and other core workloads.²² In those years, spending on program integrity generally declined, which resulted in the completion of fewer full medical CDRs and redeterminations. In FY 2009, when SSA began receiving funding dedicated to program integrity workloads, the Agency increased spending on program integrity while taking less funding away from other workloads.

²¹ SSA OIG, *Full Medical Continuing Disability Reviews* (A-07-09-29147), March 2010, p. 2; and *Supplemental Security Income Redeterminations* (A-07-09-29146), July 2009, p. 2.

²² FY 2002 marked the end of a 7-year plan to eliminate a backlog of about 4.3 million CDRs that existed in FY 1996. According to SSA, the backlog of full medical CDRs occurred because of budget constraints on conducting CDRs. In response to this backlog, Congress authorized about \$4 billion in the *Contract with America Advancement Act of 1996* (Pub. L. No. 104-121, Title I, § 103, *Senior Citizens' Right to Work Act of 1996*, 110 Stat. 847, 848-849) to eliminate the CDR backlog. From FYs 1996 through 2002, SSA conducted an estimated 9.4 million CDRs and became current with its CDR workload.

Table 1: Program Integrity Funding, Spending, and Workloads, FYs 2002 Through 2013

Fiscal Year	Dedicated Program Integrity Funding (Millions)	Program Integrity Spending (Millions) ²³	Mailer Only CDRs Completed ²⁴	Full Medical CDRs Completed	Number of Redeterminations Completed ²⁵
2002	\$630	\$976	729,242	856,849	2,311,499
2003	\$0	\$922	701,870	669,385	2,449,674
2004	\$0	\$891	923,670	681,010	2,278,566
2005	\$0	\$757	985,096	530,381	1,724,875
2006	\$0	\$523	1,020,725	316,913	1,070,822
2007	\$0	\$417	557,215	207,637	692,485
2008	\$0	\$555	845,915	245,388	899,507
2009	\$504	\$715	785,023	316,960	1,389,931
2010	\$758	\$879	631,615	324,567	2,248,163
2011	\$756	\$909	1,063,405	345,492	2,223,097
2012	\$756	\$979	961,069	443,233	2,407,836
2013	\$743	\$1,098	1,146,947	428,568	2,436,705

The *Budget Control Act of 2011* (BCA) was to provide more funding for program integrity workloads for FYs 2012 through 2021 than SSA had received in past years.²⁶ While SSA received less than BCA-level dedicated program integrity funding in FYs 2012 and 2013, the *Consolidated Appropriations Act, 2014*, provided full BCA funding for program integrity workloads in FY 2014.²⁷ Specifically, SSA received almost \$1.2 billion in dedicated program integrity funding for FY 2014.

SSA does not plan to request program integrity funding at BCA levels beginning in FY 2016. Rather, SSA will request higher funding levels to establish a dedicated, dependable source of mandatory funding to conduct CDRs and redeterminations.²⁸ This funding would be in addition to SSA's annual appropriations and maintained in a Program Integrity Administrative Expenses

²³ Program integrity funding includes spending on CDRs and redeterminations. CDR spending includes costs for full medical CDRs, mailers, overhead, and associated appeals related to CDRs. Redetermination spending prior to FY 2008 does not include spending on limited issues.

²⁴ This number only includes mailer CDRs that did not result in full medical CDRs. Mailer CDRs resulting in a full medical CDR are included in the count of full medical CDRs completed.

²⁵ The number of redeterminations does not include limited issues.

²⁶ Pub. L. No. 112-25, Title I, § 101 125 Stat. 240, 243-244.

²⁷ Pub. L. No. 113-76, § 2, Division H, Title IV, 128 Stat. 5, 406-407.

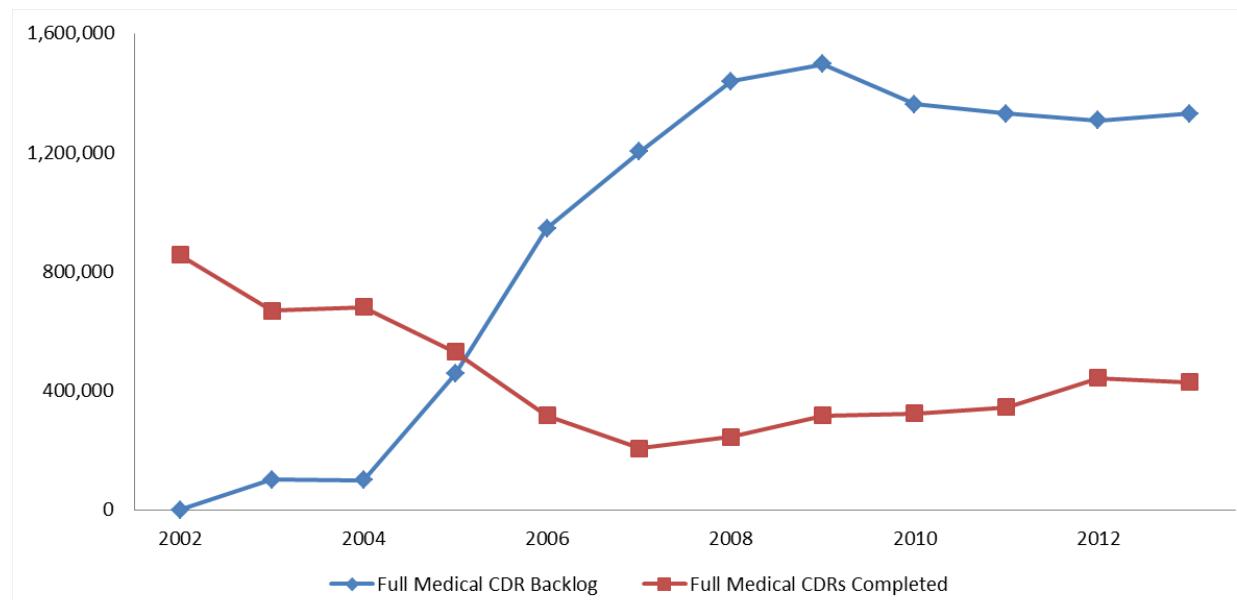
²⁸ SSA, *Justification of Estimates for Appropriations Committees Fiscal Year 2015*, Budget Overview, March 2014, pages 11-12.

(PIAE) account, which would be used solely for program integrity workloads. In addition, SSA could still spend regularly appropriated funds for program integrity workloads.

Continuing Disability Reviews

By regulation, review diaries are set to conduct periodic CDRs on disabled individuals.²⁹ However, with years of reduced spending on program integrity, SSA had not been completing all CDRs when they came due. Therefore, SSA created a backlog of full medical CDRs and missed opportunities for potential savings. The backlog had decreased somewhat since FY 2009, when SSA began receiving dedicated funding for program integrity workloads (see Figure 3 and Appendix C, Table C-1). Nonetheless, there was still a backlog of about 1.3 million full medical CDRs at the end of FY 2013.

Figure 3: Full Medical CDR Backlog and Completions, FYs 2002 Through 2013



Because of budget uncertainty, SSA estimated the numbers of full medical CDRs it could complete in the future based on different funding scenarios. For example, SSA reported it would need \$11.8 billion from FYs 2014 through 2023 to eliminate the full medical CDR backlog by FY 2018 and prevent its recurrence through FY 2023 (see Appendix D, Table D-1). At this funding level, SSA estimated it would conduct more than 8.8 million full medical CDRs. Further, SSA estimated it would identify several billion dollars in lifetime Federal benefit savings each year.³⁰

²⁹ *Supra* notes 8 and 9.

³⁰ Federal benefit savings include savings to SSA, Medicare, and Medicaid.

At the BCA funding level, the Agency estimated it would conduct approximately 7.8 million full medical CDRs at a cost of \$10.3 billion during FYs 2014 through 2023 (see Appendix D, Table D–2).³¹ Under this funding scenario, SSA estimated it would identify several billion dollars in lifetime Federal benefit savings each year. Further, we estimated SSA would reduce the full medical CDR backlog to 382,500 by the end of FY 2018. However, we estimated the backlog would grow in subsequent years and exceed 1 million full medical CDRs by FY 2023.

Another option is that SSA receives funding for the PIAE account beginning in FY 2016, with funding at BCA levels in FYs 2014 and 2015. Under this funding scenario, SSA estimated it would conduct more than 8 million full medical CDRs at a cost of approximately \$10.7 billion during FYs 2014 through 2023 (see Appendix D, Table D–3). As opposed to the BCA-only funding level, SSA would further reduce the backlog by FY 2018. However, the backlog would begin to grow in subsequent years.

SSA also identified the impact on CDRs if it received dedicated program integrity funding at levels similar to FYs 2010 through 2013. Specifically, SSA estimated it would conduct approximately 3.1 million full medical CDRs at a cost of \$4.1 billion during FYs 2014 through 2023 (see Appendix D, Table D–4). Under this funding scenario, we estimated the full medical CDR backlog would grow to more than 5.7 million by the end of FY 2023.

With the funding SSA received for FY 2014, the Agency expects to conduct 510,000 full medical CDRs. While the number of CDRs planned for FY 2014 is higher than the number completed in FY 2013 (see Table 1), it is still lower than historic rates. For example, if, during FY 2014, SSA conducted full medical CDRs at the FY 2002 level of 856,849 full medical CDRs, we estimated SSA would identify more than \$4.6 billion in additional Federal benefit savings (see Appendix D, Table D–5). It would cost SSA approximately \$372 million to complete these additional CDRs, which represent 3 percent of SSA's FY 2014 appropriated funding.³²

SSA must balance its workloads and priorities between public service and stewardship. However, by making more funds available for CDRs, SSA will achieve substantial savings. Further, SSA will ensure only eligible individuals continue receiving benefits and receive the correct payment amounts. Therefore, SSA should prioritize resources toward medical CDR workloads.

Redeterminations

SSA is not required to perform a specific number or percentage of non-medical redeterminations each year. Rather, SSA determines how many redeterminations to conduct during the year based

³¹ The BCA provided funding levels through FY 2021. Therefore, SSA estimated program integrity funding for FYs 2022 and 2023 would be the same as funding for FYs 2017 through 2021 under the BCA.

³² In FY 2014, SSA received more than \$11.8 billion in appropriated funding, including the almost \$1.2 billion in dedicated program integrity funding.

on the dedicated program integrity funding it expects to receive in its budget appropriations. In addition, SSA considers the amount of program integrity funding it will use for CDRs.

We previously found SSA completed redeterminations on a smaller percentage of SSI recipients than it had in the past.³³ For example, in FY 2003, SSA completed redeterminations on 36 percent of SSI recipients (see Table 2). However, in FY 2007, as the number of SSI recipients continued growing, SSA completed redeterminations for only 10 percent of SSI recipients. While the number of redeterminations had increased since FY 2007, especially since FY 2009 when SSA began receiving dedicated funding for program integrity workloads, SSA still completed redeterminations on a lower percentage of recipients than in FY 2003. For example, in FY 2013, SSA completed redeterminations on 29 percent of recipients.

SSA indicated that decreases in the number of redeterminations were directly linked to decreases in payment accuracy. For example, in FY 2003, when SSA completed redeterminations on 36 percent of SSI recipients, the percent of payments free of overpayment error was at a high of 93.9 percent (see Table 2). However, in FY 2013, SSI overpayment accuracy was 92.4 percent.

**Table 2: Redeterminations as a Percentage of SSI Recipients
FYs 2002 Through 2013**

Fiscal Year	Number of Redeterminations ³⁴	SSI Recipients ³⁵	Redeterminations as a Percentage of SSI Recipients	SSI Overpayment Accuracy Percentage ³⁶
2002	2,311,499	6,709,984	34	93.4
2003	2,449,674	6,781,168	36	93.9
2004	2,278,566	6,893,912	33	93.6
2005	1,724,875	7,024,979	25	93.6
2006	1,070,822	7,109,241	15	92.1
2007	692,485	7,267,526	10	90.9
2008	899,507	7,383,815	12	89.7
2009	1,389,931	7,504,271	19	91.6
2010	2,248,163	7,682,338	29	93.3
2011	2,223,097	7,905,492	28	92.7
2012	2,407,836	8,116,250	30	93.7
2013	2,436,705	8,277,694	29	92.4

³³ SSA OIG, *Supplemental Security Income Redeterminations* (A-07-09-29146), July 2009, p. 3.

³⁴ The number of redeterminations does not include limited issues.

³⁵ The number of SSI recipients receiving a Federal SSI payment, State supplement, or both at the beginning of each FY, as found in SSA's *SSI Monthly Statistics* publications.

³⁶ This number represents the percentage of SSI payments free of overpayment error.

Based on our previous findings, we recommended SSA establish a methodology to identify the number of redeterminations needed each year, and SSA agreed with our recommendation.³⁷ However, SSA did not establish a methodology to identify the number of redeterminations that need to be completed because it used a predictive model to determine which SSI recipients receive a redetermination each year. While the predictive model ranks SSI recipients based on the predicted amount of SSI overpayment error, SSA determines the annual number of redeterminations to complete based on the dedicated program integrity funding it expects to receive. Since there are no statutory requirements to complete redeterminations on a given number or percentage of SSI recipients each year, SSA uses discretion when determining the number of redeterminations to complete.

With the funding SSA received for FY 2014, the Agency estimated it would conduct over 2.4 million redeterminations.³⁸ However, if, during FY 2014, SSA conducts redeterminations on 36 percent of SSI recipients, the same rate as FY 2003, we estimated SSA would conduct more than 574,000 additional redeterminations than it has planned. If the additional redeterminations result in the same savings rate as that anticipated for FY 2014 redeterminations, SSA could realize more than \$416 million in savings by investing an additional \$83 million in redeterminations (see Appendix E, Table E-1).³⁹ Since SSA uses a predictive model to select and conduct redeterminations based on the predicted amount of SSI overpayment error, the amount of savings realized by performing additional redeterminations could be lower than we estimated. However, even if SSA only realizes half of the savings we estimated, it could still realize more than \$208 million in savings.

To perform additional redeterminations, SSA would need to use appropriated funding beyond the amount it had planned for redeterminations. Therefore, SSA should prioritize resources toward redeterminations to ensure only eligible individuals continue receiving benefits and are receiving the correct payment amounts.

CONCLUSIONS

Because of budget uncertainty, SSA faces many possible funding scenarios. However, under three of the four funding scenarios we analyzed, SSA eventually expects to return to historically high program integrity workloads by FY 2018. Based on these three funding scenarios, we estimated SSA would reduce or eliminate the full medical CDR backlog by FY 2018. Ultimately, only one of the four scenarios results in SSA preventing the backlog from returning through FY 2023.

³⁷ *Supra* note 33 at p. 6.

³⁸ SSA's MIVision National RZ Volume Tracker indicated the Agency's goal is to conduct more than 2.4 million non-medical redeterminations and 178,900 limited issues in FY 2014.

³⁹ In FY 2014, SSA expects average net savings of \$5 per \$1 spent on redeterminations, including savings to Medicaid. See SSA *Full Justification of Estimates for Appropriations Committees Fiscal Year 2014, Budget Overview*, April 2013, page 16.

Regardless of the amount of dedicated program integrity funding the Agency receives, one of SSA's primary responsibilities is performing stewardship duties. By failing to conduct all of its stewardship duties, SSA not only misses opportunities for potential savings, it risks losing the public's confidence in the Agency's programs.

RECOMMENDATION

We recommend SSA prioritize resources toward medical CDR and non-medical redetermination workloads to ensure only eligible individuals continue receiving benefits and are receiving the correct payment amounts.

AGENCY COMMENTS

SSA agreed with our recommendation. The Agency's comments are included in Appendix F.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed applicable Federal laws and regulations and sections of the Program Operations Manual System related to continuing disability reviews (CDR) and redeterminations.
- Reviewed prior Office of the Inspector General and Government Accountability Office reports related to CDRs, redeterminations, and backlogs in other Social Security Administration (SSA) workloads.
- Reviewed SSA's plans to reduce the initial disability claims and hearings backlogs.
- Reviewed periodical SSA publications, such as the *Full Justification of Estimates for Appropriations Committees* and *Supplemental Security Income (SSI) Monthly Statistics*, to identify SSA's annual budget requests and the numbers of SSI recipients at the beginning of Fiscal Years (FY) 2002 through 2014.
- Obtained information from SSA's Offices of Budget, Finance, Quality, and Management; Public Service and Operation Support; and the Chief Actuary to obtain and verify the number of CDRs and redeterminations performed during FYs 2002 through 2013 and expected to be performed during FYs 2014 through 2023. We also obtained information on the annual budget process and the annual Commissioner's Budget request.
- Calculated estimated savings for CDRs (see Appendix D) and redeterminations (see Appendix E) for FYs 2014 through 2023.

The entity reviewed was the Office of Operations. Our work was conducted at the Office of Audit in Kansas City, Missouri, from December 2013 through March 2014. We determined that the data used in this report were sufficiently reliable given the review objective and its intended use. We conducted our review in accordance with the Council of the Inspectors General on Integrity and Efficiency's *Quality Standards for Inspection and Evaluation*.

Appendix B – BUDGET REQUESTS, APPROPRIATIONS, AND WORK YEARS

Since Fiscal Year (FY) 2002, the Social Security Administration's (SSA) appropriations have generally been less than SSA requested (see Table B–1).¹ Although SSA generally received less funding than requested, its funding levels increased every year from FYs 2002 through 2010. However, the number of work years SSA employees completed did not increase accordingly.²

**Table B–1: SSA Budget Requests, Appropriations, and Work Years
FYs 2002 Through 2013**

Fiscal Year	Commissioner's Budget Request (Millions)	President's Budget Request (Millions)	Congressional Appropriations (Millions)	Work Years Completed
2002	\$7,982	\$7,679	\$7,682	80,689
2003	\$7,974	\$8,050	\$8,005	80,043
2004	\$8,895	\$8,650	\$8,448	80,926
2005	\$9,310	\$8,997	\$8,858	83,064
2006	\$10,106	\$9,523	\$9,265	81,531
2007	\$10,230	\$9,619	\$9,417	77,254
2008	\$10,420	\$9,719	\$9,864	77,963
2009	\$10,395	\$10,460	\$10,587	81,394
2010	\$11,800	\$11,603	\$11,598	86,779
2011	\$13,100	\$12,528	\$11,569	86,675
2012	\$12,938	\$12,667	\$11,564	82,121
2013	\$12,470	\$11,916	\$11,159	78,682

¹ For the purposes of this report, SSA's appropriations refer to SSA's budget authority. SSA's budget authority generally includes Limitation on Administrative Expenses, dedicated program integrity funding, research funding, and funding for the Office of Inspector General. Limitation on Administrative Expenses is the amount of money Congress allows SSA to spend annually to carry out the administrative functions of the Agency.

² Work years represent both direct and indirect time used by SSA employees. Indirect time includes overhead, such as time spent on training, travel, leave, and holidays.

Appendix C – CONTINUING DISABILITY REVIEWS, FISCAL YEARS 2002 THROUGH 2013

By regulation, review diaries are set to conduct periodic continuing disability reviews (CDR) on disabled individuals.¹ However, the Social Security Administration (SSA) did not always complete CDRs when they became due. At the end of Fiscal Year (FY) 1996, there was a backlog of about 4.3 million full medical CDRs. According to SSA, there was a backlog of CDRs because of budget constraints on conducting CDRs. In response to this CDR backlog, Congress authorized about \$4 billion to fund SSA's 7-year plan to eliminate the CDR backlog.² From FYs 1996 through 2002, SSA conducted about 9.4 million CDRs and became current with its CDR workload.

With reductions in full medical CDRs since FY 2002, SSA re-created a backlog of full medical CDRs. The backlog had decreased somewhat since FY 2009; however, the backlog remained around 1.3 million full medical CDRs at the end of FY 2013 (see Table C-1).

**Table C-1: CDRs Completed and Full Medical CDR Backlog
FYs 2002 Through 2013**

Fiscal Year	CDRs Completed (including mailer and full medical CDRs)	Full Medical CDRs Completed	Full Medical CDR Backlog
2002	1,586,091	856,849	0
2003	1,371,255	669,385	102,000
2004	1,604,680	681,010	101,000
2005	1,515,477	530,381	458,000
2006	1,337,638	316,913	946,000
2007	764,852	207,637	1,202,000
2008	1,091,303	245,388	1,438,000
2009	1,101,983	316,960	1,496,000
2010	956,182	324,567	1,361,000
2011	1,408,897	345,492	1,330,000
2012	1,404,302	443,233	1,308,000
2013	1,575,515	428,568	1,330,000

¹ 20 C.F.R. §§ 404.1590 and 416.990. The Commissioner of Social Security can waive the requirement to conduct CDRs on non-permanent disabilities due every 3 years. 20 C.F.R. §§ 404.1590(g) and 416.990(g).

² *Contract with America Advancement Act of 1996*, Pub. L. No. 104-121, *Senior Citizens' Right to Work Act of 1996*, Title I, § 103,110 Stat.847, 848-849.

Appendix D– CONTINUING DISABILITY REVIEWS UNDER DIFFERENT PROGRAM INTEGRITY FUNDING SCENARIOS, FISCAL YEARS 2014 THROUGH 2023

Because of budget uncertainty, the Social Security Administration (SSA) estimated the numbers of full medical continuing disability reviews (CDR) it could complete in the future based on different funding scenarios. For example, SSA reported it would need \$11.8 billion during Fiscal Years (FY) 2014 through 2023 to eliminate the full medical CDR backlog by FY 2018 and prevent its recurrence through FY 2023 (see Table D–1). At this funding level, SSA estimated it would conduct more than 8.8 million full medical CDRs. Under this funding scenario, SSA estimated it would identify several billion dollars in lifetime Federal benefit savings each year.¹

¹ Federal benefit savings include savings to SSA, Medicare, and Medicaid.

Table D–1: Projected Full Medical CDR Costs and Savings to Eliminate the Backlog by FY 2018 and Prevent its Recurrence Through FY 2023²

Fiscal Year	Projected Full Medical CDRs	Projected Total Cost	Estimated Federal Lifetime Benefit Savings	Estimated Year-end Full Medical CDR Backlog ³
2014	700,000	\$749,000,000	\$9,494,000,000	
2015	1,000,000	\$1,124,000,000	\$13,044,000,000	
2016	1,100,000	\$1,298,000,000	\$10,526,000,000	
2017	1,025,000	\$1,270,000,000	\$8,146,000,000	
2018	858,000	\$1,116,000,000	\$8,393,000,000	
2019	850,000	\$1,161,000,000	\$8,980,000,000	
2020	843,000	\$1,208,000,000	\$9,009,000,000	
2021	835,000	\$1,257,000,000	\$8,840,000,000	
2022	812,000	\$1,284,000,000	\$8,963,000,000	
2023	804,000	\$1,335,000,000	\$9,163,000,000	
Total	8,827,000	\$11,802,000,000		

At the funding level provided by the *Budget Control Act of 2011* (BCA), SSA estimated it would conduct approximately 7.8 million full medical CDRs at a cost of \$10.3 billion during FYs 2014 through 2023 (see Table D–2).⁴ Under this funding scenario, SSA estimated it would identify several billion dollars in lifetime Federal benefit savings each year. Further, we estimated SSA would reduce the full medical CDR backlog to 382,500 by the end of FY 2018. However, we estimated the backlog would grow in subsequent years and exceed 1 million full medical CDRs by FY 2023.

² SSA provided the projected number of full medical CDRs it would conduct and the projected total cost. SSA’s Office of the Chief Actuary provided the estimates of net Federal benefit savings. Estimates are based on the intermediate sets of assumptions of the 2013 Old-Age, Survivors and Disability Insurance (OASDI) and Medicare Trustees Reports and the assumptions underlying the projections in the 2013 Supplemental Security Income (SSI) Annual Report.

³ The full medical CDR backlog is calculated by subtracting the numbers of full medical CDRs conducted from the numbers of CDRs that become due each year. SSA did not provide the number of full medical CDRs that became due each year. However, according to SSA, it needs to conduct 3,825,000 full medical CDRs during FYs 2014 through 2017 to eliminate the full medical CDR backlog by FY 2018. Thus, we calculated the number of full medical CDRs that would become due during FYs 2014 through 2017 by subtracting the 1,330,000 full medical CDRs backlogged at the end of FY 2013 (see Appendix C, Table C–1) from 3,825,000. As such, we estimated SSA would conduct 2,495,000 of the CDRs that would become due during FYs 2014 through 2017 as full medical CDRs. According to SSA, the full medical CDRs backlog could be reduced because beneficiaries due for a full medical CDR reach full retirement age or die. Our analysis did not account for this reduction. In addition, we did not consider CDRs that would become due during FYs 2014 through 2017 that SSA would process as mailers.

⁴ Pub. L. No. 112-25, Title I, § 101,125 Stat. 240, 243-244.

**Table D–2: Projected Full Medical CDRs Costs, Savings, and Backlog
Under BCA Funding, FYs 2014 Through 2023⁵**

Fiscal Year	Projected Full Medical CDRs	Projected Total Cost	Estimated Federal Lifetime Benefit Savings	Estimated Year-end Full Medical CDR Backlog ⁶
2014	764,000	\$817,000,000	\$10,338,000,000	
2015	887,800	\$997,000,000	\$11,770,000,000	
2016	865,100	\$1,021,000,000	\$9,935,000,000	
2017	922,000	\$1,143,000,000	\$8,275,000,000	386,100
2018	861,600	\$1,121,000,000	\$8,357,000,000	382,500
2019	803,700	\$1,098,000,000	\$8,875,000,000	428,800
2020	748,500	\$1,073,000,000	\$8,858,000,000	523,300
2021	696,000	\$1,048,000,000	\$8,578,000,000	662,300
2022	646,000	\$1,021,000,000	\$8,548,000,000	828,300
2023	598,000	\$993,000,000	\$8,261,000,000	1,034,300
Total	7,792,700	\$10,332,000,000		

Another option is that SSA receives funding for the Program Integrity Administrative Expenses (PIAE) account beginning in FY 2016, with funding at BCA levels in FYs 2014 and 2015.⁷ At this funding level, SSA estimated it would conduct more than 8 million full medical CDRs at a cost of approximately \$10.7 billion during FYs 2014 through 2023 (see Table D–3). Under this funding scenario, SSA estimated it would identify several billion dollars in lifetime Federal benefit savings each year. Further, we estimated SSA would reduce the full medical CDR

⁵ SSA provided the projected number of full medical CDRs it would conduct and the projected total cost. SSA's Office of the Chief Actuary provided the estimates of net Federal benefit savings. Estimates are based on the intermediate sets of assumptions of the 2013 OASDI and Medicare Trustees Reports and the assumptions underlying the projections in the 2013 SSI Annual Report.

⁶ *Supra* note 3. SSA assumed 3,825,000 of the CDRs that become due during FYs 2014 through 2017 would be conducted as full medical CDRs. Therefore, to determine the CDR backlog at the end of FY 2017 assuming BCA funding, we subtracted the number of full medical CDRs conducted during FYs 2014 through 2017 (3,438,900) from 3,825,000, which resulted in a backlog of 386,100 CDRs. To determine the backlog at the end of FYs 2018 through 2023, we subtracted the number of CDRs conducted during the year from the number of CDRs due. We calculated CDRs due by adding the CDR backlog of the prior year to the CDRs SSA assumed would become due and conducted as full medical CDRs in the current year. For example, in FY 2018, SSA assumed 858,000 of the CDRs that become due would be conducted as full medical CDRs (see Table D–1). Combined with the backlog of 386,100 CDRs at the end of FY 2017, there would be 1,244,100 CDRs due in FY 2018 that SSA would conduct as full medical CDRs. We subtracted the 861,600 full medical CDRs SSA would conduct in FY 2018 from the 1,244,100 CDRs due and determined the FY 2018 year-end CDR backlog would be 382,500.

⁷ Funding for the PIAE account would be in addition to SSA's annual appropriations, maintained in a separate account, and used solely for program integrity workloads.

backlog to 98,000 by the end of FY 2018. However, we estimated the backlog would grow in subsequent years.

Table D–3: Projected Full Medical CDRs Costs, Savings, and Backlog Under BCA Funding for FYs 2014 and 2015 and PIAE Funding for FYs 2016 Through 2023⁸

Fiscal Year	Projected Full Medical CDRs	Projected Total Cost	Estimated Federal Lifetime Benefit Savings	Estimated Year-end Full Medical CDR Backlog ⁹
2014	510,000	\$621,000,000	\$7,485,000,000	
2015	888,000	\$997,000,000	\$12,643,000,000	
2016	1,129,000	\$1,332,000,000	\$14,077,000,000	
2017	1,098,000	\$1,361,000,000	\$8,595,000,000	200,000
2018	960,000	\$1,249,000,000	\$8,634,000,000	98,000
2019	835,000	\$1,141,000,000	\$9,086,000,000	113,000
2020	721,000	\$1,034,000,000	\$8,834,000,000	235,000
2021	670,000	\$1,009,000,000	\$8,530,000,000	400,000
2022	621,000	\$982,000,000	\$8,391,000,000	591,000
2023	575,000	\$954,000,000	\$8,118,000,000	820,000
Total	8,007,000	\$10,680,000,000		

SSA also identified the impact on CDRs if it received dedicated program integrity funding at levels similar to FYs 2010 through 2013. Specifically, SSA estimated it would conduct approximately 3.1 million full medical CDRs at a cost of \$4.1 billion during FYs 2014 through 2023 (see Table D–4). Under this funding scenario, SSA estimated it would identify several billion dollars in lifetime Federal benefit savings each year. However, we estimated the full medical CDR backlog would grow to more than 5.7 million by the end of FY 2023.

⁸ SSA provided the projected number of full medical CDRs it would conduct and the projected total cost. SSA's Office of the Chief Actuary provided the estimates of net Federal benefit savings. Estimates are based on the assumptions underlying the President's Fiscal Year 2015 Budget.

⁹ *Supra* notes 3 and 6.

Table D–4: Projected Full Medical CDRs Costs, Savings, and Backlog for FYs 2014 Through 2023 Under Program Integrity Funding Similar to FYs 2010 Through 2013¹⁰

Fiscal Year	Projected Full Medical CDRs	Projected Total Cost	Estimated Federal Lifetime Benefit Savings	Estimated Year-end Full Medical CDR Backlog ¹¹
2014	357,000	\$382,000,000	\$5,303,000,000	
2015	345,000	\$387,000,000	\$5,206,000,000	
2016	334,000	\$395,000,000	\$5,025,000,000	
2017	324,000	\$402,000,000	\$5,038,000,000	2,465,000
2018	314,000	\$409,000,000	\$5,101,000,000	3,009,000
2019	305,000	\$417,000,000	\$5,163,000,000	3,554,000
2020	294,000	\$421,000,000	\$5,190,000,000	4,103,000
2021	284,000	\$428,000,000	\$5,219,000,000	4,654,000
2022	273,000	\$431,000,000	\$5,246,000,000	5,193,000
2023	263,000	\$436,000,000	\$5,246,000,000	5,734,000
Total	3,093,000	\$4,108,000,000		

With the funding SSA received for FY 2014, it expects to conduct 510,000 full medical CDRs. While the number of CDRs planned for FY 2014 is higher than the number completed in FY 2013 (see Appendix C, Table C–1), it is still less than historic rates. For example, if, during FY 2014, SSA conducted full medical CDRs at the FY 2002 level of 856,849 full medical CDRs, we estimated SSA would identify more than \$4.6 billion in additional benefit savings (see Table D–5).

¹⁰ SSA provided the projected number of full medical CDRs it would conduct and the projected total cost. SSA's Office of the Chief Actuary provided the estimates of net Federal benefit savings. Estimates are based on the intermediate sets of assumptions of the 2013 OASDI and Medicare Trustees Reports and the assumptions underlying the projections in the 2013 SSI Annual Report.

¹¹ *Supra* notes 3 and 6.

Table D–5: Additional Cost and Savings by Conducting CDRs at FY 2002 Level in FY 2014

	Full Medical CDRs Based on FY 2014 Funding	Full Medical CDRs at FY 2002 Level	Difference
Full Medical CDRs	510,000 ¹²	856,849 ¹³	346,849
Projected Total Cost¹⁴	\$621,000,000	\$992,766,632	\$371,766,632
Estimated Federal Lifetime Benefit Savings	\$7,485,000,000 ¹⁵	\$12,132,082,900 ¹⁶	\$4,647,082,900

¹² SSA, *Full Justification of Estimates for Appropriations Committees Fiscal Year 2015*, Budget Overview, March 2014, page 9.

¹³ See Appendix C, Table C–1.

¹⁴ SSA expects to conduct 510,000 full medical CDRs at a cost of \$621 million and realize estimated Federal lifetime benefit savings of almost \$7.5 billion (see Table D–3). This equates to an average cost of almost \$1,218 per full medical CDR and savings per \$1 spent of \$12.05. However, according to SSA, the \$621 million includes funding to build up resources to enable higher levels of full medical CDRs in future years. Without considering the funding to build up CDR resources, SSA estimates the 510,000 full medical CDRs would result in savings of \$13.72 per \$1 spent. Therefore, to calculate the costs of additional full medical CDRs, we first multiplied the 346,849 additional full medical CDRs by \$1,218, for a total cost of \$422,462,082. Since this cost is overstated, we multiplied \$422,462,082 by the ratio of 12.05 to 13.72 (0.88), for a cost of \$371,766,632. Therefore, if SSA conducted 856,849 full medical CDRs, we estimated the total cost would be \$992,766,632 (\$371,766,632 plus \$621,000,000), including the cost to build up resources for future years.

¹⁵ See Table D–3.

¹⁶ SSA estimated that the additional 346,849 full medical CDRs would result in average savings of \$12.50 per \$1 in costs. Therefore, the projected present value of Federal lifetime benefit savings on the additional CDRs would be \$4,647,082,900 (\$12.50 times \$371,766,632). Therefore, if SSA conducted 856,849 full medical CDRs, we estimated SSA would realize Federal lifetime benefit savings of \$12,132,082,900 (\$4,647,082,900 plus \$7,485,000,000).

Appendix E – REDETERMINATIONS, FISCAL YEAR 2014

With the funding the Social Security Administration (SSA) received for Fiscal Year (FY) 2014, the Agency estimated it would conduct over 2.4 million non-medical redeterminations.¹ However, if, during FY 2014, SSA conducts redeterminations on 36 percent of Supplemental Security Income (SSI) recipients, the same rate as FY 2003, we estimated SSA would conduct more than 574,000 additional redeterminations than it has planned. If the additional redeterminations result in the same savings rate as that anticipated for FY 2014 redeterminations, SSA could realize more than \$416 million in savings by investing an additional \$83 million towards redeterminations (see Table E-1). Since SSA uses a predictive model to rank and conduct redeterminations based on the predicted amount of SSI overpayment error, the amount of savings realized by performing additional redeterminations could be lower than we estimated. Even if SSA only realizes half of the savings we estimated, the Agency could still realize more than \$208 million in savings.

¹ SSA's MIVision National RZ Volume Tracker indicated the Agency's goal is to conduct 2,443,100 non-medical redeterminations and 178,900 limited issues in FY 2014. Limited issues are selected for limited review because of a single issue, such as an alert resulting from a match between SSA's records and those of another agency.

Table E–1: Additional Cost and Savings from Redeterminations by Conducting Redeterminations at the FY 2003 Level in FY 2014

	Redeterminations Based on FY 2014 Funding	Redeterminations at FY 2003 Level (36 percent) ²	Difference
Estimated Redeterminations	2,443,100 ³	3,017,115	574,015
Estimated Cost per Redetermination⁴		\$145	
Estimated Total Cost (Estimated Redeterminations times Estimated Cost per Redetermination)	\$354,249,500	\$437,481,675	\$83,232,175
Approximate Savings from Redeterminations—Upper Estimate (Estimated Total Cost times \$5) ⁵	\$1,771,247,500	\$2,187,408,375	\$416,160,875
Approximate Savings from Redeterminations—Lower Estimate (Difference in Approximate Savings from Redeterminations times 50 percent)	N/A	N/A	\$208,080,438

² There were 8,380,874 SSI recipients receiving a Federal SSI payment, State supplement, or both at the beginning of FY 2014. See SSA's *SSI Monthly Statistics*, Table 1, October 2013. To calculate the number of estimated redeterminations, we multiplied the number of SSI recipients (8,380,874) by 36 percent.

³ *Supra* note 1.

⁴ The average cost per redetermination was provided by SSA's Office of Budget.

⁵ In FY 2014, SSA expects average net savings of \$5 per \$1 spent on redeterminations, which includes savings to Medicaid. See SSA *Full Justification of Estimates for Appropriations Committees Fiscal Year 2014*, Budget Overview, April 2013, page 16.

Appendix F – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: July 17, 2014 Refer To: S1J-3

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

From: Katherine Thornton /s/
Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, "The Social Security Administration's Completion of Program Integrity Workloads (A-07-14-24071) --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 Gary S. Hatcher at (410) 965-0680.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT,
"THE SOCIAL SECURITY ADMINISTRATION'S COMPLETION OF PROGRAM
INTEGRITY WORKLOADS" (A-07-14-24071)**

Recommendation 1

Prioritize resources toward medical CDR and non-medical redetermination workloads to ensure only eligible individuals continue receiving benefits and are receiving the correct payment amounts.

Comment

We agree that SSA needs to conduct timely continuing disability reviews (CDR). Our ability to conduct timely CDRs, though, depends greatly upon the funding we receive – we must have adequate and sustained funding to address our annual CDR workload. We will continue to employ our systematic strategy of prioritizing resources to accomplish program integrity workloads, including medical CDRs and non-medical Supplemental Security Income (SSI) redeterminations, based on the annual appropriation we receive from Congress. We must always balance our service delivery demands against our stewardship responsibilities for ensuring the integrity of our programs, both of which are dependent upon the annual appropriation we receive and the resources the appropriation will support. In addition, our fiscal year (FY) 2015 President's Budget requests the Budget Control Act (BCA) funding level for our program integrity work. If enacted, this funding level will allow us to conduct 2,622,000 non-medical SSI redeterminations and 888,000 medical CDRs in FY 2015, which is a 74 percent increase over the 510,000 medical CDRs budgeted for in FY 2014. Continued support by Congress to fund us at BCA levels will position us to eliminate the CDR backlog over time.

Appendix G – MAJOR CONTRIBUTORS

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