

Office of the Inspector General

Dale Sopper
Acting Deputy Commissioner
for Finance, Assessment and Management

Assistant Inspector General
for Audit

Supplemental Security Income Stewardship Review

The attached final management advisory report presents the results of our examination of the Supplemental Security Income (SSI) Stewardship Review (A-03-95-02610). The Stewardship Review is an annual quality assurance review performed by the Office of Program and Integrity Reviews (OPIR) to determine: (1) nondental payment accuracy of SSI payments, and (ii) the Social Security Administration's (SSA) compliance with national policies and procedures. The Stewardship Review is also designed to assist SSA management in formulating operating policy and improving procedures for better administration of the SSI program.

We found one area of concern. There is a lack of controls over the disposition of OPIR-identified payment errors forwarded to field office (FO) staff for correction. Follow-up and/or feedback is an essential part of a quality assurance function. Without follow-up controls, OPIR makes data base entries that do not parallel FO actions. As a result, the payment accuracy rates projected from the data base may not accurately reflect SSA's benefit payment performance. A recent OPIR report found similar problems and recommended corrective action. We reviewed OPIR's recommended corrective action. We concur with OPIR's recommendations as noted in the attached report.

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You may wish to comment on any further action taken or contemplated. If you choose to offer comments, please provide your comments within the next 60 days. If you wish to discuss the final report, please call me or have your staff contact Donald G. Franklin, Director, Systems and Financial Management Audits, at (410) 965-9706.

Pamela J. Gardner

Attachment

CC:

Reading File

Subject File

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Report File

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This management advisory report is to advise the Social Security Administration (SSA) of a problem with the Stewardship Review that could potentially affect the integrity of SSA's Supplemental Security Income (SSI)¹ payment accuracy rate. In addition to the Office of the Inspector General (OIG) review, an Office of Program and Integrity Reviews' (OPIR)² study confirmed the problem and recommended corrective action.

Background

Each year, OPIR conducts a Stewardship Review to determine the Agency's SSI payment accuracy rate. This review analyzes SSI nonmedical eligibility criteria to determine payment accuracy and compliance with national policies and procedures. It is also used for program management and policy formulation in administering the SSI program.

During the Stewardship Review, OPIR's Quality Review Analysts (QRA) select and review a sample of SSI payments. As part of OPIR's review, they conduct interviews with recipients and obtain relevant collateral information from third-party sources. The QRA analyzes the data and determines if the payment is correct. If a payment error exists, the QRA determines the correct payment and reports the type of error and the necessary corrective action on the *SSI Quality Review Feedback Report, SSA-93-U4 or Facsimile SSA-93*. A copy of this form is

¹ The SSI program, authorized by title XVI of the Social Security Act, is administered by SSA and provides a minimum level of income for the aged, blind, and disabled with limited income and resources. In Fiscal Year 1996, the SSI program accounted for \$27.7 billion, or 6.54 percent, of SSA's \$380.9 billion program expenses. During Fiscal Year 1996, SSA processed checks for almost 6.6 million SSI recipients monthly with annual Federal benefit payments totaling \$24.9 billion and States' supplementation of \$2.8 billion.

² On February 13, 1998, OPIR was renamed the Office of Quality Assurance and Performance Assessment.

used to notify the field office (FO) responsible for the error of both the error and needed corrective action.

For certain errors,³ the FO must respond by returning the feedback form to the QRA designating any corrective actions taken. However, if the form is not returned, QRAs are required to follow-up with the FOs to ensure that corrective actions were made.⁴

Concurrent with FO notification, the reported payment errors are entered into the Quality Assurance (QA) data base at SSA Headquarters. This data base provides the basis for calculating OPIR's Stewardship-related payment accuracy rates.

Recently, OPIR completed a study and issued a report⁵ on the Stewardship Review error feedback process. This review was designed to determine whether:

(1) QRA staff consistently followed the feedback report policies and procedures in the Quality Review Manual System (QRMS), and (2) FO's corrected OPIR identified errors in a timely manner.

Scope and Methodology

We reviewed a sample of Stewardship cases to determine the effectiveness of the feedback controls. We analyzed a random sample of 100 out of 239 Stewardship cases in OPIR's regional office in Philadelphia. OPIR's QRA identified incorrect payments in 27 of the 100 sampled cases. For these 27, we reviewed the QRA case files and verified that the recommended dollar corrections were recorded in the QA data base. Also, for these 27 error cases, we verified whether or not the FO made the QRA's recommended changes. Nineteen of the 27 cases had errors in excess of \$5. However, we did not independently verify the accuracy of OPIR's determination of a payment error.

We also reviewed the results of OPIR's 1997 study on the SSI quality review error feedback process. Our field work took place from January 1996 to April 1997.

³ The SSA-93-U4 is used when the FO is required to respond to any of the following situations: 1) deficiencies are subject to a rebuttal by a recipient, e.g., joint bank accounts, designated burial funds, unknown assets, medical confinement that results in the \$30 payment cap or ineligibility; 2) FO assistance is needed to help locate the recipient or obtain cooperation; 3) any payment deficiencies are \$5 or more; 4) any payment is made to an ineligible; 5) there are any large retroactive payment dollars and evidentiary deficiencies; and 6) the FO needs to develop potential entitlement for other benefits.

⁴ QRMS, section 9040 requires the QRA to monitor FO actions.

⁵ "Supplemental Security Income Quality Review Feedback Report (SSA-93-U4) Consistency Review," OAIPQ/OPIR, December 1997. This review examined 275 Stewardship cases with payment errors in excess of \$5.

Results of Review

Nineteen of the 27 cases had errors in excess of \$5. Neither the FO nor the QRA completed 2 important follow-up steps in 5 of these 19 Stewardship cases. For two of the five cases, the FO made benefit payment adjustments that differed from the QRA's recommendation. In the remaining three cases, the FO made none of the recommended changes. For all five cases, no file documentation existed to explain why the FO did not make the QRA's recommended adjustment(s).

Additionally, the QRA did not follow-up to assure the FO made the recommended changes.

Conclusions

We are concerned that the integrity of the underlying data used to calculate and report the Agency's SSI payment accuracy is compromised when the FO does not make the QRA's recommended changes and the QRA does not monitor to see if the changes are made. This inaction allows for an incongruence between the information recorded in the QA data base and what actually took place at the FO level. Since the payment accuracy rate is calculated using QA data base information, the QRA recorded data and the FO's action must match.

Additionally, adjusting the payments for amounts different than the QRA's recommendation—or not making an adjustment at all—raises concerns about the QA process. If the FO considered the recommended adjustments to be incorrect, then the reliability of the QRA's error determinations and recommendations are called into question. So too is the projection used to compute the overall SSI payment accuracy rate. Conversely, if the QRA's recommendations were indeed correct, then the FO's lack of response suggests that some SSI recipients were denied the proper payments due them or that SSA was not reimbursed for overpayments. We were unable to determine why the FO did not implement the QRA's recommendations.

In an earlier memorandum, the OIG urged SSA to review its QA process to assure that the QRA's error determinations and related projections are correct and that any necessary follow-up procedures are monitored to assure payment corrections are implemented properly. Subsequently, we were advised that OPIR had recently completed a study on the feedback error process. The results of OPIR's study confirm that additional work is needed to ensure more effective controls over the feedback process.

We commend OPIR for its review efforts and its recommended corrective actions to:

1. Revise the QRMS procedures for completing the FO response due date and include a definition of the exact time frame the FO response should be received by OPIR. These instructions will also include procedures to encourage the FO to acknowledge receipt of the feedback form.
2. Request the Deputy Commissioner for Programs and Policy to issue a program circular to remind FOs to annotate the back of the SSA-93-U4 to document the action to correct the Supplemental Security Record.

OIG concurs with OPIR's recommended corrective actions and will provide comments on the revised QRMS feedback reporting procedures when they are finalized.

Pamela J. Gardiner

APPENDICES

APPENDIX A

MAJOR CONTRIBUTORS TO THIS REPORT

Office of the Inspector General

Donald G. Franklin, Director, Systems and Financial Management Audits

Gale Stone, Audit Manager

Richard Berliner, Auditor-in-Charge

Jean Lynch, Senior Auditor

Lou Faiola, Senior Auditor

Richard Devers, Auditor

Frank Cassidy, Auditor

APPENDIX B

SSA ORGANIZATIONAL CHART
