

*Audit Report*

Overall Processing Times for 2010  
Childhood Supplemental Security  
Income Claims

**OIG** Office of the Inspector General  
SOCIAL SECURITY ADMINISTRATION

**MEMORANDUM**

**Date:** February 8, 2013 **Refer To:**  
**To:** The Commissioner  
**From:** Inspector General  
**Subject:** Overall Processing Times for 2010 Childhood Supplemental Security Income Claims  
(A-04-12-11230)

The attached final report presents the results of our audit. Our objective was to determine the average overall processing times for childhood Supplemental Security Income disability claims decided in Calendar Year 2010 by the disability determination services, hearing offices, Appeals Council, and Federal Courts.

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

# **Summary of Overall Processing Times for 2010 Childhood Supplemental Security Income Claims**

**A-04-12-11230**



**February 2013**

## **Objective**

To determine the average overall processing times for childhood Supplemental Security Income (SSI) disability claims decided in Calendar Year (CY) 2010 by the disability determination services (DDS), hearing offices, Appeals Council, and Federal Courts.

## **Background**

The Social Security Administration (SSA) provides SSI disability payments to eligible children. If the claimant disagrees with the initial disability determination, he/she can file an appeal within 60 days of the date of notification of the determination. In most cases, an individual may request up to three levels of administrative review: (1) reconsideration by the DDS, (2) hearing by an administrative law judge, and (3) review by the Appeals Council. If a claimant is dissatisfied with the Appeals Council's decision, he/she may appeal to the Federal Courts.

## **Our Findings**

In CY 2011, nearly 1.2 million disabled children received SSI payments. By any measure, SSI recipients are among the poorest of our country's citizens. For them, SSI is truly the program of last resort.

We determined the average overall processing times for childhood SSI disability claims decided in CY 2010 by the DDSs, hearing offices, Appeals Council, and Federal Courts. The performance measure we present in this report tracks the time it takes a person to go through the entire disability process. In contrast, SSA's measures track the time it takes a person to go through specific segments of the process so the Agency can manage workloads within each component.

Compared to our prior review of all disability claims completed in Calendar Year 2009, the processing times for our sampled DDS childhood SSI cases were marginally longer, whereas the times for our sampled hearing office, Appeals Council, and Federal Courts cases were shorter than the times we reported for all disability claims for CY 2009.

Using SSA's performance measure for disability claims, we calculated the claim processing time at each of the decision levels—DDS, hearing offices, and Appeals Councils (SSA does not measure processing time at the Federal Court level)—for our sampled claims. We found the processing times for our sampled DDS and hearing office cases were longer than what SSA reported in its FY 2010 Performance and Accountability Report (for all disability claims). However, the processing times for our sampled Appeals Council cases were shorter than SSA's reported times during its FY 2010 performance period.

## **Our Recommendations**

We did not make any recommendations in the report.

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## **ABBREVIATIONS**

Act	<i>Social Security Act</i>
ALJ	Administrative Law Judge
C.F.R.	Code of Federal Regulations
CY	Calendar Year
DDS	Disability Determination Services
DQB	Disability Quality Branch
FY	Fiscal Year
POMS	Program Operations Manual System
SSA	Social Security Administration
SSI	Supplemental Security Income

## OBJECTIVE

Our objective was to determine the average overall processing times for childhood Supplemental Security Income (SSI) disability claims decided in Calendar Year (CY) 2010 by the disability determination services (DDS), hearing offices, Appeals Council, and Federal Courts.

## BACKGROUND

The Social Security Administration (SSA) provides SSI disability payments to eligible children<sup>1</sup> under Title XVI of the *Social Security Act* (Act).<sup>2</sup> To receive SSI payments, an individual must first file an application with SSA. An SSA field office then determines whether the individual meets the non-medical criteria for benefits<sup>3</sup> and, if so, generally forwards the claim to a DDS<sup>4</sup> for a disability determination. Once the DDS makes a determination, it sends the claim back to the field office for final processing or to the Disability Quality Branch (DQB) for review before final processing.<sup>5</sup>

If the claimant disagrees with the initial disability determination, he/she can file an appeal within 60 days of the date of notification of the determination. In most cases, an individual may request up to three levels of administrative review: (1) reconsideration by the DDS, (2) hearing by an administrative law judge (ALJ), and (3) review by the Appeals Council. If a claimant is dissatisfied with the Appeals Council's decision, he/she may appeal to the Federal Courts. See Appendix A for details about the role each component plays in SSA's disability process.

As a claimant goes through the disability process, his/her condition may worsen or additional evidence may become available. As a result, he/she may be denied by one component and allowed by another.

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<sup>1</sup> An eligible child can neither be married nor a head of household and is either (1) under age 18 or (2) under age 22 and a student regularly attending school, college, or training to prepare him or her for a paying job. Program Operations Manual System (POMS), SI 00501.010, February 8, 2012.

<sup>2</sup> Act §1611 et seq., 42 U.S.C. §1382 et seq.

<sup>3</sup> For SSI payments, the non-medical criteria include such factors as low income and resources.

<sup>4</sup> Disability determinations under the Social Security Disability Insurance and SSI programs are performed by DDSs in each State or other responsible jurisdiction.

<sup>5</sup> By statute, SSA must review half of all allowances, which are selected by a predictive model. See Act § 221(c)(3)(A), 42 U.S.C. 421(c)(3)(A). DQBs also perform a quality assurance review on 70 initial allowances and 70 initial denials per State per calendar quarter. This sample ensures statistically valid findings for all DDSs irrespective of size. For each review, a Federal quality reviewer determines whether the record supports the DDS' determination and whether the evidence and determination conform to SSA's policies and procedures.

In its annual Performance and Accountability Report, SSA has performance measures for the average processing times of (1) initial disability claims, (2) hearing decisions, and (3) Appeals Council decisions.<sup>6</sup> SSA designed each measure to capture the average processing time for a specific segment of the disability process, instead of the average overall claim time. For example, the performance measure for hearings captures the average processing time from the date the claimant requests a hearing to the date the hearing office renders a decision, not from the date the claimant first files an application to the date the hearing office denies or allows the claim and SSA pays the benefits.

See Table 1 for the average processing times that SSA reported in its Fiscal Year (FY) 2010 Performance and Accountability Report.

**Table 1: SSA's Reported FY 2010 Overall Processing Times**

Initial Disability Claims	Hearing Decisions	Appeals Council Decisions
111 days	426 days	345 days

In our May 2011 report, *Overall Disability Claim Times for 2009* (A-01-10-10168), we determined the average overall processing time for disability claims decided in CY 2009 by DDSs, hearing offices, Appeals Council, and Federal Courts. The October 2011 *Hearing on Supplemental Security Income Benefits for Children* before the House Subcommittee on Human Resources, Committee on Ways and Means, discussed the growth in the number of children applying for SSI payments and methods for improving the efficiency and effectiveness of the SSI program. Our review focused on the overall processing times for childhood SSI disability claims decided in CY 2010. Table 2 details the increase in childhood SSI claims from CYs 2007 through 2011.<sup>7</sup>

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<sup>6</sup> The average processing times that SSA reports are for all disability claims, including Titles II and XVI. Our review focused only on childhood Title XVI disability claims.

<sup>7</sup> Because SSA does not routinely report management information for the number of childhood SSI disability claims filed, we determined these figures from extracts of SSA's electronic Forms SSA-831, Disability Determination and Transmittal. For consistency of comparisons, we also determined the number of total SSI claims filed from these extracts.

**Table 2: Increase in Childhood SSI Claims (2007 Through 2011)**

CY	Total SSI Claims	Childhood SSI Disability Claims	Percent Increase in Childhood SSI Disability Claims from Prior Year
2007	2,115,970	450,251	--
2008	2,205,675	463,285	3%
2009	2,387,940	499,153	8%
2010	2,668,763	552,435	11%
2011	2,799,249	562,649	2%

To conduct our current review, we obtained data for all childhood SSI disability decisions made in CY 2010. We randomly selected decisions from each of the four populations—DDSs, hearing offices, Appeals Council, and Federal Courts. For each sampled decision, we determined the total processing time from the application date to the date of denial, the date SSA began monthly benefits, or the date SSA paid the past-due benefits. See Table 3 for the population of decisions and sample sizes for each deciding entity.

**Table 3: Populations and Sample Sizes of CY 2010 Childhood SSI Decisions**

Deciding Entity	Number of Decisions	Sample Size
DDSs	500,720	275
Hearing Offices	48,198	100
Appeals Council	8,613	100
Federal Courts	373	50

See Appendix B and Appendix C for more information on our scope, methodology, and sample results.

## RESULTS OF REVIEW

We determined the average overall processing times for childhood SSI disability claims decided in CY 2010 by the DDSs, hearing offices, Appeals Council, and Federal Courts. Table 4 details the CY 2010 average processing time from the claim application date to the date an SSA component or Federal Court denied the case or SSA paid benefits on the claim.

**Table 4: OIG's Measure of Average Overall Claim Time**

CY	DDS		Hearing Office	Appeals Council	Federal Courts
	Initial	Reconsideration			
2010	128 days	268 days	730 days	1,074 days	1,651 days

Our measure includes time from the date an SSA component denied a claim to the date the claimant filed an appeal—we refer to this as appeal time. We acknowledge SSA has no control over appeal time or the time it takes the Federal Courts to review a case and render a decision.

SSA has a performance measure for disability claims processing times. However, it does not have a measure specific to SSI childhood disability claims. As such, for comparison purposes, we used SSA's disability claim measurement to calculate the processing time for our sampled claims. Specifically, we calculated the claim processing times at each of the decision levels—DDSs, hearing offices, and Appeals Council. Our comparison found the processing times for our sampled DDS and hearing office cases were longer than what SSA reported in its FY 2010 Performance and Accountability Report (for all disability claims). However, the processing times for our sampled Appeals Council cases were shorter than SSA's reported times. Table 5 compares, by component, our calculated processing times to SSA's reported processing times.

**Table 5: Comparison of Processing Times by Component**

Claims Processing Time Measurement	DDS Days	Hearing Office Days	Appeals Council Days
OIG Determined Processing Times for CY 2010—Sampled SSI Childhood Disability Claims DDS	128	477	290
SSA's FY 2010 Performance and Accountability Report—Processing Times for All Disability Claims	111	426	345
<b>Difference in Processing Days</b>	<b>+17</b>	<b>+51</b>	<b>-55</b>

We also compared the processing times we calculated for childhood SSI disability claims for this report to the processing times in our May 2011 report. Our comparison found the processing times for our sampled DDS childhood SSI cases were marginally longer than the processing times we reported for all disability claims for CY 2009. However, the processing times for our sampled hearing office, Appeals Council, and Federal Courts cases were shorter than the processing times we reported for all disability claims for CY 2009. Table 6 compares, by component, our calculated processing times for CY 2010 childhood SSI claims to our reported processing times for all CY 2009 disability claims.<sup>8</sup>

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<sup>8</sup> In processing a childhood SSI disability claim, SSA may need to obtain information from the child's school and teachers. Obtaining educational information may add additional DDS processing time for childhood claims.

**Table 6: Comparison of OIG Calculated Processing Times**

OIG Calculated Processing Times	DDS Days	Hearing Office Days	Appeals Council Days	Federal Courts Days
2010 Childhood SSI Claims	128	730	1,074	1,651
2009 Overall Disability Claims	119	812	1,164	1,895
<b>Difference in Processing Days</b>	<b>+9</b>	<b>-82</b>	<b>-90</b>	<b>-244</b>

Moreover, SSA's FY 2011 Performance and Accountability Report stated DDS and hearing office processing times improved by 2 and 66 days, respectively, from FY 2010 while the Appeals Council processing time increased by 13 days. We attribute the decrease in the hearing office processing times to SSA's efforts to improve processing times.

### **DDS Sample Results**

DDSS obtain and evaluate evidence from medical and other sources to determine whether a claimant is disabled. If the claimant is dissatisfied with the DDS determination, the claimant may request that the DDS reconsider it.<sup>9</sup>

SSA measures the average processing time from the date of filing to the date the Agency initiates payment or issues the denial notice. Using SSA's measure, for the 275 sampled cases, SSA took an average 128 days<sup>10</sup> to process an initial childhood SSI claim—ranging from 9 days to over 1 year. In its FY 2010 Performance and Accountability Report, SSA reported the processing time for all disability claims was 111 days. Figure 1 compares our average overall processing time<sup>11</sup> for childhood disability claims by component, including transfer time<sup>12</sup> to SSA's average processing time for all initial disability claims.

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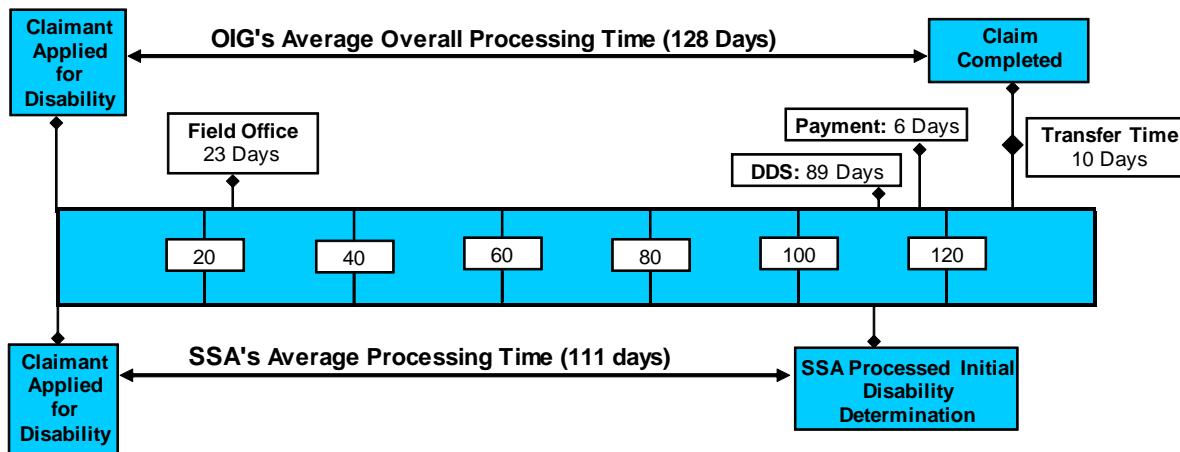
<sup>9</sup> SSA eliminated the reconsideration process in 10 States: Alabama, Alaska, California (Los Angeles North and West Branches), Colorado, Louisiana, Michigan, Missouri, New Hampshire, New York, and Pennsylvania.

<sup>10</sup> Assuming the average overall time of the population of DDS cases is normally distributed and using inferential statistical techniques, we are 90-percent confident the average overall time for the entire population would be between 125 and 140 days.

<sup>11</sup> The component processing times combine all the days each component had the case and do not necessarily fall in the adjudicative order on the timeline.

<sup>12</sup> Transfer time includes all claim application transfer days. For example, transfer time occurs from the date the field office sends an application to the date the DDS receives it.

**Figure 1: Timeline 1 - 2010 DDS Childhood SSI Processing Times**



For example, a claimant applied for SSI in May 2010, and the DDS allowed the claim in September 2010. That same month, the field office processed the claim and initiated payment. SSA took 128 days to process the claim from the filing date to the award processing date. The total processing time for this claim was the same as the average processing time for all of our sampled DDS claims.

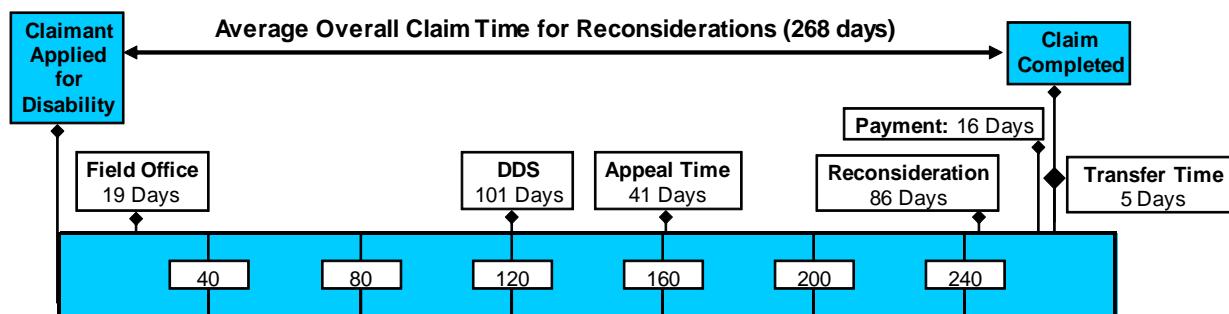
Of the 275 sample cases, the DDSs allowed 101 cases (37 percent) and denied 174 cases (63 percent). SSA took an average 128 days to process the approved cases and 129 days to process the denied claims. For the 101 allowances, SSA took an average 17 days to initiate payment following a DDS determination.

Further, of the 275 sample cases, 8 had reconsideration determinations.<sup>13</sup> For these 8 cases, we determined it took SSA an average 268 days to completely process a reconsidered claim—ranging from 6 to 12 months. SSA did not have a performance measure for the processing time of reconsiderations. Figure 2 details the average CY 2010 DDS processing times for reconsideration childhood SSI claims.

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<sup>13</sup> Of these eight cases, the DDSs upheld the initial determination in six cases and reversed the initial determination in two.

**Figure 2: Timeline 2 - 2010 DDS Childhood SSI Processing Times—Reconsideration Claims**



## Hearing Office Sample Results

A claimant may request a hearing before an ALJ if he/she is dissatisfied with the DDS' determination and, if applicable, the reconsideration decision. When the claimant does not waive his/her right to appear at the hearing, the ALJ reviews information obtained from questioning the claimant, his/her representative, and witnesses. In addition, the ALJ reviews the evidence on file and any additional evidence submitted for consideration. The ALJ then issues a decision. Under certain circumstances, an SSA attorney advisor may conduct prehearing proceedings. After these proceedings are complete, if the decision is fully favorable, the attorney advisor may issue the decision.<sup>14</sup>

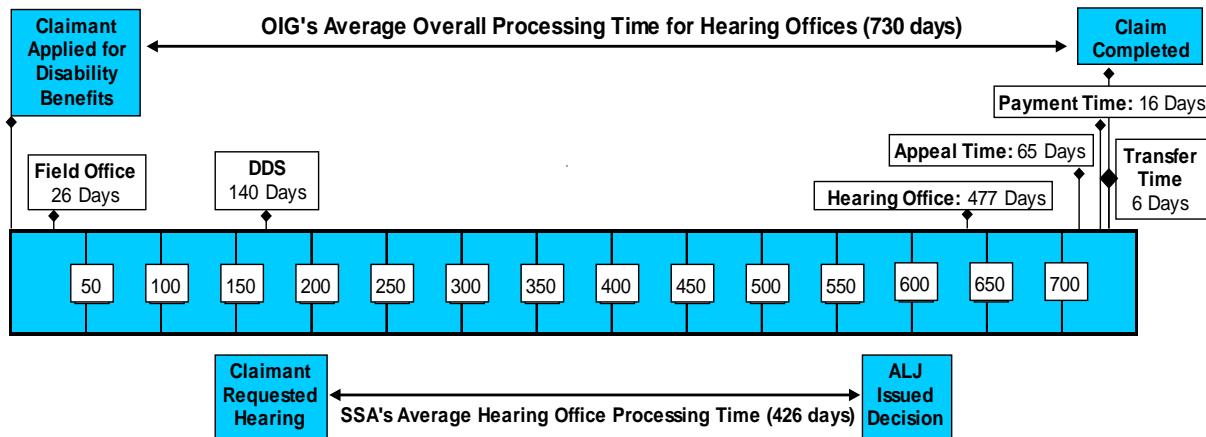
Based on our review of 100 sampled cases, SSA took, on average, 730 days<sup>15</sup> to process a childhood SSI disability claim through the hearing level—ranging from 6 months to 3.75 years. SSA measures the average processing time from the date the claimant requests a hearing to the date the hearing office issues a decision. In its FY 2010 Performance and Accountability Report, SSA reported a 426-day average processing time for hearing decisions. Using SSA's measure, we determined SSA took an average 477 days to process a childhood SSI disability claim at the hearing level.

Figure 3 compares OIG-calculated average overall hearing office processing time for childhood SSI disability claims by component (including transfer and appeal time) to SSA's average hearing office processing time for all initial disability claims.

<sup>14</sup> See 20 C.F.R. §§ 404.942 and 416.1442.

<sup>15</sup> Assuming the average overall time of the population of hearings cases is normally distributed and using inferential statistical techniques, we are 90-percent confident the average overall time for the entire population would be between 693 and 768 days.

**Figure 3: Timeline 3 - 2010 Hearing Office Childhood SSI Processing Times**



For example, a claimant applied for SSI in May 2008, which the DDS denied. The claimant then requested a reconsideration, which the DDS also denied. In December 2008, the claimant requested a hearing by an ALJ, who allowed the claim in April 2010. In May 2010, the field office initiated payment and issued the back payments due. In total, SSA took about 2 years to process this claim. About 1.5 years of that time was from the hearing request date to the ALJ decision date. The total processing time for this claim was 732 days, which is consistent with the average processing time for all of our sampled hearing office claims.

Moreover, of the 100 sampled hearing office cases, the ALJs denied 44, dismissed 20, and allowed 36. SSA took an average 738 days to deny a claim, 662 days to dismiss<sup>16</sup> a claim, and 759 days to allow a claim. For the 36 allowed claims, SSA took an average 43 days to initiate payment following a DDS determination.

Finally, of these 100 hearing office cases, 51 had reconsideration determinations and 49 did not.<sup>17</sup> The cases with reconsiderations took 800 days, on average, to complete through the hearing level while cases without reconsiderations took 658 days, on average, to complete through the hearing level. Based on our sampled cases, SSA allowed cases with and without reconsideration at about the same rate (35 percent and 37 percent, respectively). However, the cases with reconsiderations took 142 days longer than those without reconsiderations. Table 7 details the hearing office decisions for cases with and without reconsiderations.

<sup>16</sup> An ALJ may dismiss a case when (1) the claimant does not timely file the request for hearing, (2) the claimant fails to appear for the hearing, (3) the claimant withdraws the request for hearing, and (4) administrative res judicata applies, which prevents claimants from re-litigating their claims before ALJs and the Appeals Council after the matters raised have already been finally decided.

<sup>17</sup> Of the 49 cases that did not have a reconsideration, 43 cases were from States that do not perform reconsiderations and 6 cases were from States that perform reconsiderations.

**Table 7: Hearing Office Decisions with and Without Reconsiderations**

Decision Type	Cases with Reconsiderations		Cases Without Reconsiderations		Total	
Denied	21	41%	23	47%	44	44%
Dismissed	12	24%	8	16%	20	20%
Allowed	18	35%	18	37%	36	36%
<b>Total</b>	<b>51</b>	<b>100%</b>	<b>49</b>	<b>100%</b>	<b>100</b>	<b>100%</b>

## Appeals Council Sample Results

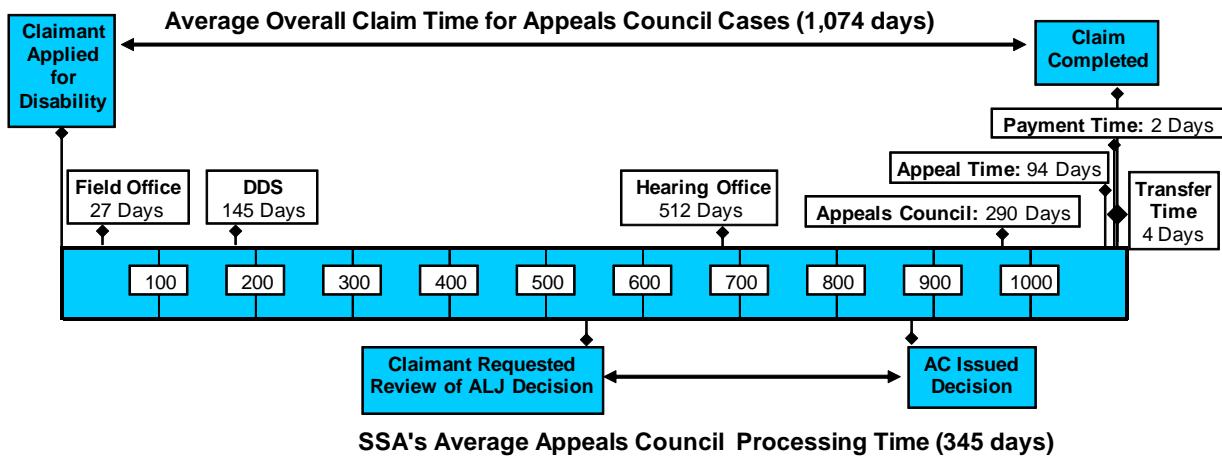
If a claimant is dissatisfied with a hearing office decision, he/she may request the Appeals Council review the case. If the Appeals Council agrees to review the case, it considers the evidence on file, additional evidence submitted by the claimant, and the hearing office findings and conclusions. The Appeals Council then (1) upholds or reverses the hearing office decision or (2) remands the case to the hearing office to issue a new decision, obtain additional evidence, or take additional action.

Based on our review of 100 sample cases, SSA took, on average, 1,074 days<sup>18</sup> to process a childhood SSI disability claim through the Appeals Council level—ranging from 10 months to over 5 years. SSA measures the average processing time from the date the claimant requests an Appeals Council review to the date the Appeals Council makes a decision. Using SSA's measure, SSA took, on average, 290 days to process our sampled CY 2010 cases. In its FY 2010 Performance and Accountability Report, SSA reported the average processing time for Appeals Council decisions was 345 days. Figure 4 compares OIG average overall Appeals Council processing time for childhood SSI disability claims by component (including transfer and appeal time) to SSA's average appeals council processing time for all initial disability claims.

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<sup>18</sup> Assuming the average overall processing time of the population of Appeals Council cases is normally distributed and using inferential statistical techniques, we are 90-percent confident the average overall time for the entire population would be between 1,014 and 1,134 days.

**Figure 4: Timeline 4 - 2010 Appeals Council Childhood SSI Processing Times<sup>19</sup>**



Of the 100 sampled cases, the Appeals Council upheld 78, dismissed 9, remanded 10, and reversed 3. SSA took, on average, 1,068 days to deny/dismiss claims and 1,111 days to process the reversed claims.

For example, a claimant filed her application in May 2007. The DDS denied her application (at the initial and reconsideration levels), and the ALJ upheld the denial decision. In November 2009, the claimant requested the Appeals Council review the case. After reviewing the case, the Appeals Council upheld the denial decision in April 2010. In total, SSA took about 3 years to process this claim and about 5 months to process the claim from the Appeals Council request date to the Appeals Council decision date. The total processing time for this claim was 1,073 days, which is similar to the average processing time for all of OIG's sampled Appeals Council claims.

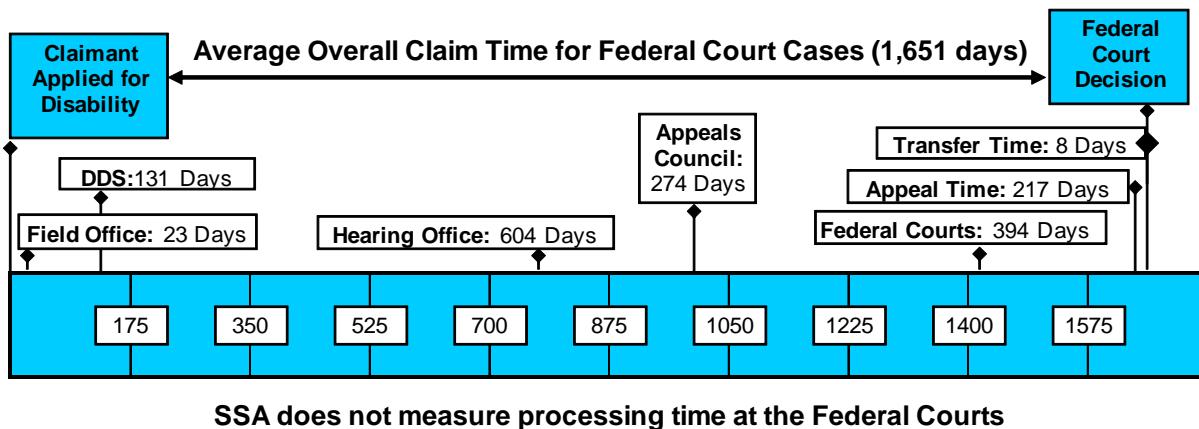
## Federal Court Sample Results

If a claimant is dissatisfied with SSA's final decision, he/she may file a suit with the U.S. District Court. The U.S. District Court reviews all evidence on file as well as the hearing office and Appeals Council findings and conclusions. The U.S. District Court has the power to dismiss, uphold, modify, or reverse SSA's final decisions and may remand cases to SSA for further action, including a new decision. If the U.S. District Court does not find in the claimant's favor, he/she can continue appealing to other Federal Courts, including the U.S. Circuit Court of Appeals and the Supreme Court.

<sup>19</sup> We computed the processing times only through the Appeals Council decision date. For the 10 remanded cases, SSA completed the claim on average, 399 days after the Appeals Council remand decision.

Based on our review of 50 sampled cases, SSA took, on average, 1,651 days<sup>20</sup> to process a childhood SSI disability claim through the Federal Court level—ranging from about 2.5 years to about 8 years. We acknowledge SSA has no control over how long it takes a Federal Court to review a case and render a decision. As such, SSA does not have any performance measures associated with these cases. Figure 5 details OIG’s average overall Federal Courts processing time for childhood SSI disability claims by component (including transfer and appeal time).

**Figure 5: Timeline 5 - 2010 Federal Court Childhood SSI Processing Times<sup>21</sup>**



For example, a claimant applied for SSI payments in May 2005. The DDS denied the application, and the ALJ and Appeals Council upheld the denial decision. In October 2008, the claimant filed a suit with the U.S. District Court, and in January 2010, the U.S. District Court upheld SSA’s denial decision. It took over 4.5 years for this claim to go through the disability process. The total processing time for this claim was 1,695 days, which is consistent with the average processing time for all of our sampled Federal Court claims.

Of the 50 sampled cases, the Federal Courts upheld the decision in 24, dismissed 7, remanded 17, and reversed 2. For the two reversals, it took SSA 122 days, on average, to initiate payment following the Federal Court decision.

<sup>20</sup> Assuming the average overall processing time of the population of Federal Court cases is normally distributed and using inferential statistical techniques, we are 90-percent confident the average overall time for the entire population would be between 1,506 and 1,796 days.

<sup>21</sup> We computed the processing times only through the Federal Court decision date. For the 17 remanded cases, SSAs Appeals Council made a final decision, on average, 324 days after the Federal Court remand decision.

## **CONCLUSIONS**

In CY 2011, nearly 1.2 million disabled children received SSI payments. By any measure, SSI recipients are among the poorest of our country's citizens. For them, SSI is truly the program of last resort. Because of the growth in childhood SSI claims in recent years and congressional interest, we conducted this audit to determine whether there were significant differences in the processing times of these cases versus all disability claims.

Compared to our prior review of all disability claims completed in CY 2009, the processing times for our sampled DDS childhood SSI cases were marginally longer, whereas the times for our sampled hearing office, Appeals Council, and Federal Courts cases were shorter than the times we reported for all disability claims for CY 2009.

Using SSA's performance measure for disability claims, we calculated the claim processing time at each of the decision levels—DDS, hearing offices, and Appeals Councils—for our sampled claims. Similarly, we found the processing times for our sampled DDS and hearing office cases were longer than what SSA reported in its FY 2010 Performance and Accountability Report (for all disability claims). However, the processing times for our sampled Appeals Council cases were shorter than SSA's reported times during its FY 2010 performance period.

The performance measure we present in this report tracks the time it takes a person to go through the entire disability process. In contrast, SSA measures track the time it takes a person to go through specific segments of the process so the Agency can manage workloads within each component. We believe our measure would better help SSA officials and the Congress make decisions about the overall disability programs. However, in response to our prior report, SSA stated its measures are equally sound and that it chooses not to alter its techniques. Therefore, we did not make a recommendation in this report.

## **AGENCY COMMENTS**

SSA reviewed the draft report, but did not have any comments.

# *APPENDICES*

## **Appendix A – THE SOCIAL SECURITY DISABILITY PROCESS**

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The Social Security disability process begins when a person files a disability claim and does not end until the Social Security Administration (SSA) completes the claim. As a claim moves through the process, it goes through a network of components, with each component responsible for some aspect of the claim. The components involved in the process may include the field offices, teleservice centers, disability determination services (DDS), Disability Quality Branches, payment service centers, hearing offices, Appeals Council, and Federal Courts.

### **Field Office and Teleservice Center Roles**

Field offices and teleservice centers perform similar functions. The field offices conduct business in person, over the telephone, and over the Internet while teleservice centers conduct business only over the telephone and Internet. The field offices and teleservice centers help claimants complete applications for disability benefits and requests for appeals. In addition, they determine whether the claimants meet the non-medical criteria for benefits, such as limited income and resources (requirements for the Supplemental Security Income program). They also send the initial claim and appeal requests to the appropriate components for further processing<sup>1</sup> and may receive them back for final processing.<sup>2</sup>

### **DDS Role**

The DDS is generally a State-run agency that makes disability determinations for SSA. SSA reimburses the State for all allowable reported DDS expenses up to its approved funding authorization and oversees the quality of the DDS' work. At most DDSs, a disability adjudicatory team comprised of a disability examiner and medical/psychological consultant,<sup>3</sup> using SSA's regulations, policies, and procedures, obtains the relevant medical and other evidence and makes a determination whether a claimant meets the definition of disabled under the *Social Security Act* (Act).

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<sup>1</sup> SSA may defer determining whether a person meets the non-medical criteria until it receives a favorable medical decision from a DDS.

<sup>2</sup> If the field office cannot process or partially processes the claim, it sends the claim to the payment service center for final processing.

<sup>3</sup> Medical/psychological consultant refers to physicians, psychologists, psychiatrists, optometrists, podiatrists, and speech-language pathologists employed by the DDS. See 20 C.F.R. §§ 404.1616 and 416.1016. See also SSA, Program Operations Manual System, DI 24501.001, September 11, 2012. At DDSs that use Single Decision Makers, a disability examiner can make the disability determination in many cases without sign-off by a medical/psychological consultant.

## **Disability Quality Branch Role**

SSA is required to report to Congress annually on the benefits and costs of the pre-effectuation reviews; therefore, the Disability Quality Branches review half of all DDS allowances. To ensure a high level of accuracy, the Disability Quality Branches review a statistically valid quality assurance sample of initial and reconsideration allowances and denials made per calendar quarter per State. For each review, a Federal quality reviewer determines whether the evidentiary record supports the determination and the evidence and determination conform to SSA's operating policies and procedures. If the Disability Quality Branch finds the DDS determination is not supported, it returns the claim to the DDS to reverse the determination or gather additional evidence.

## **Payment Service Center Role**

The payment service center processes favorable hearing office decisions, Appeals Council reviews, and Federal Court decisions. It also processes initial disability determinations when the field office cannot complete them, such as when the field office needs assistance in determining the amount of back payments due the claimant.

## **Hearing Office Role**

An administrative law judge (ALJ) generally conducts a hearing at a hearing office. Before the hearing, the claimant and his/her representative may examine the evidence used in making the determination under appeal and submit new evidence. At the hearing, the ALJ can question the claimant and any witnesses the claimant brings. The ALJ may request other witnesses, such as medical or vocational experts, to testify at the hearing. The claimant and his/her representative may also question the witnesses.

The ALJ does not determine whether the DDS' decision was correct but issues a new decision based on the evidence. If the claimant waives the right to appear at the hearing, the ALJ makes a decision based on the evidence on file and any new evidence submitted for consideration.

Under certain circumstances, an attorney advisor may conduct prehearing proceedings before the hearing. As part of the prehearing proceedings, the attorney advisor, in addition to reviewing the existing record, may request additional evidence and schedule a conference with the parties. If, after completion of these proceedings, the attorney advisor can make a decision that is fully favorable, an attorney advisor may issue the decision.<sup>4</sup>

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<sup>4</sup> 20 C.F.R. §§ 404.942 and 416.1442.

## **Appeals Council Role**

The Appeals Council consists of administrative appeal judges and appeal officers. A claimant who is dissatisfied with the hearing office decision can ask the Appeals Council to review that decision. The Appeals Council may deny, dismiss, or grant a request for review. If the Appeals Council denies or dismisses the request for review, the hearing office decision becomes SSA's final decision. If the Appeals Council grants the request for review, it can (1) issue its own decision affirming, modifying, or reversing the hearing office decision or (2) remand the case to the hearing office for a new decision, additional evidence, or other action. If the Appeals Council issues its own decision, that decision becomes SSA's final decision. The Appeals Council may also review a case within 60 days of the hearing office decision on its own motion; that is, without a claimant requesting the review.

## **Federal Court Role**

If a claimant is dissatisfied with SSA's final decision, he or she may file a civil action with the following Federal Courts in this order: U.S. District Court, U.S. Court of Appeals (Circuit Court), and U.S. Supreme Court. Federal Courts have the power to dismiss, affirm, modify, or reverse SSA's final decisions and may remand cases to SSA for further action, including a new decision. If SSA's final decision is supported by "substantial evidence" and consistent with the Act, the court should affirm the decision.

## **Appendix B – SCOPE AND METHODOLOGY**

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To achieve our objective, we:

- Obtained data files of all childhood Supplemental Security Income (SSI) disability decisions made in Calendar Year (CY) 2010. From these files, we identified the latest decision on a claim.
- Randomly selected 275 sample cases from the disability determination services (DDS) population, 100 sample cases from the hearing office and Appeals Council population, and 50 sample cases from the Federal Courts population—for a total of 525 cases. For each case, by a Social Security Administration (SSA) component, we:
  - ✓ Obtained and reviewed records from SSA's systems, such as the DDS and Office of Hearings and Appeals Queries.
  - ✓ Reviewed documents in SSA's electronic disability folder.
  - ✓ Calculated the number of days from the application filing date to the date of denial or the date SSA made a benefit payment.
  - ✓ Calculated the average overall processing time.
- Obtained and reviewed SSA's performance measures for processing disability insurance claims.
- Reviewed SSA's Performance and Accountability Report for Fiscal Year 2010 and the Office of the Inspector General report, *Overall Disability Claim Times for 2009* (A-01-10-10168), May 2011.
- Reviewed the *Social Security Act* and SSA regulations, rules, policies, and procedures on disability case processing and routing.

We conducted our audit between April and July 2012 in Atlanta, Georgia. The entities audited were SSA's field offices, DDSs, and payment service centers under the Office of the Deputy Commissioner for Operations; SSA's Disability Quality Branches under the Office of the Deputy Commissioner for Quality Performance; and SSA's administrative law judges and Appeals Council under the Office of the Deputy Commissioner for Disability Adjudication and Review. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We tested the data obtained for our audit and determined them to be sufficiently reliable to meet our objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

## **Appendix C – SAMPLING METHODOLOGY AND RESULTS**

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### **Sampling Methodology**

We obtained data files of all childhood Supplemental Security Income (SSI) disability decisions made in Calendar Year (CY) 2010. From these files, we identified the latest decision on a claim made at the disability determination services (DDS), hearing office, Appeals Council and Federal Court levels. We then randomly sampled 275 cases from the DDS, 100 cases from the hearing office and Appeals Council, and 50 sample cases from the Federal Courts populations—for a total of 525 cases. The following chart details our population and sample selection.

**Table C-1: Population and Sample Details**

	<b>DDS</b>	<b>Hearing Office</b>	<b>Appeals Council</b>	<b>Federal Courts</b>
Population size	500,720	48,198	8,613	373
Sample size	275	100	100	50

### **Sampling and Test Results**

We projected our results at the 90-percent confidence interval. The following chart details our results and projections.

<b>DDS Results and Projections</b>	
Average—Overall Claim Time	128 days
Lower Limit—Overall Claim Time	125 days
Upper Limit—Overall Claim Time	140 days
<b>Hearing Office Results and Projections</b>	
Average—Overall Claim Time	730 days
Lower Limit—Overall Claim Time	693 days
Upper Limit—Overall Claim Time	768 days
<b>Appeals Council Results and Projections</b>	
Average—Overall Claim Time	1,074 days
Lower Limit—Overall Claim Time	1,014 days
Upper Limit—Overall Claim Time	1,134 days
<b>Federal Courts Results and Projections</b>	
Average—Overall Claim Time	1,651 days
Lower Limit—Overall Claim Time	1,506 days
Upper Limit—Overall Claim Time	1,796 days

## **Appendix D– AGENCY COMMENTS**

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### **SOCIAL SECURITY**

#### **MEMORANDUM**

Date: January 7, 2013 Refer To: S1J-3

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

From: Dean S. Landis /s/  
Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, "Overall Processing Times for 2010 Childhood Supplemental Security Income Claims" (A-04-12-11230)--INFORMATION

Thank you for the opportunity to comment on the draft report. We reviewed the report's findings and conclusions and have no comment.

Please let me know if we can be of further assistance. You may direct staff inquiries to Amy Thompson at (410) 966-0569.

## **Appendix E – MAJOR CONTRIBUTORS**

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Kimberly Byrd, Director, Atlanta Audit Division

Frank Nagy, Audit Manager

Mike Leibrecht, Senior Auditor

Jordan Sherman, Auditor

Kenley Coward, IT Specialist

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