

Summary of Childhood Disability Beneficiaries with an Incorrect Waiting Period

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Objective

To determine whether the Social Security Administration (SSA) awarded childhood disability benefits based on an incorrect waiting period.

Background

Disabled children age 18 or older may be entitled to childhood disability benefits on a parent's earnings record if they have a disability that began before they reached age 22 and has lasted, or is expected to last, at least 12 consecutive months or result in death. Disabled workers must wait 5 full calendar months to be awarded disability benefits. However, disabled children do not have to wait 5 months.

As a result, disabled children may receive benefits in the 1st month after their disability began rather than in the 6th month. In addition, a childhood disability beneficiary is entitled to Medicare coverage after 24 months of entitlement as a disabled child.

Our Findings

SSA needs to improve its controls to ensure childhood disability beneficiaries do not serve a 5-month waiting period before becoming entitled to disability benefits. We found that SSA incorrectly applied a 5-month waiting period before childhood disability beneficiaries became entitled to benefits. Based on our random sample, we estimate that SSA

- established an incorrect initial date of entitlement to disability benefits for 5,104 beneficiaries;
- underpaid 3,202 of the 5,104 beneficiaries about \$7.3 million in childhood disability benefits; and
- established an incorrect initial date of entitlement to Medicare for 4,977 of the 5,104 beneficiaries.

Generally, these beneficiaries were entitled to disability benefits and Medicare coverage 5 months sooner than the date SSA established.

Our Recommendations

We recommended that SSA:

1. Take appropriate corrective action for the 161 beneficiaries identified by our audit.
2. Evaluate the results of its corrective action for the 161 beneficiaries and determine whether it should review our population of 6,340 disabled children who may have incorrectly served a 5-month waiting period.
3. Evaluate the results of its corrective actions in Recommendations 1 and 2 and determine whether it should improve controls to ensure childhood disability benefits are awarded without a 5-month waiting period.

SSA agreed with all our recommendations.