



REPORT TO
THE SPECIAL STUDIES SUBCOMMITTEE
COMMITTEE ON GOVERNMENT
OPERATIONS
HOUSE OF REPRESENTATIVES

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**Further Improvements Needed In
Processing Widows' Claims For
Black Lung Benefits**

Social Security Administration
Department of Health, Education, and Welfare

B-164021(4)

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

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DEC. 31, 1974



COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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The Honorable Floyd V. Hicks
Chairman, Special Studies Subcommittee
Committee on Government Operations
House of Representatives

H-1512

Dear Mr. Chairman:

This is our report entitled "Further Improvements Needed in Processing Widows' Claims for Black Lung Benefits."

We made our review pursuant to your April 12, 1974, request. As agreed with your office, we have obtained comments from the Department of Health, Education, and Welfare and have incorporated them into the report.

We plan no further distribution of this report unless you agree or publicly announce its contents. In this connection, we want to invite your attention to the fact that the report contains recommendations to the Secretary of Health, Education, and Welfare. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions he has taken on recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report. Your release of this report will enable us to send it to the Secretary and the four Committees for the purpose of setting in motion the requirements of section 236.

Sincerely yours,

James B. Axtell

Comptroller General
of the United States

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ABBREVIATIONS

GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
MBR	Master Beneficiary Record
SSA	Social Security Administration

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COMPTROLLER GENERAL'S REPORT TO
THE SPECIAL STUDIES SUBCOMMITTEE
COMMITTEE ON GOVERNMENT
OPERATIONS
HOUSE OF REPRESENTATIVES

FURTHER IMPROVEMENTS NEEDED
IN PROCESSING WIDOWS' CLAIMS
FOR BLACK LUNG BENEFITS
Social Security Administration
Department of Health,
Education, and Welfare

D I G E S T

WHY THE REVIEW WAS MADE

The Chairman asked GAO to determine if the Social Security Administration could process faster claims for black lung benefits by widows of miners who had received benefits before their deaths.

though the Bureau received most of the applications within a week after filing. (See pp. 2 and 4.)

As a result, the Bureau, in 1974, changed its procedures for processing widows' claims. (See p. 4.)

FINDINGS AND CONCLUSIONS

A miner's black lung benefits are increased if he has a wife. His wife receives no benefits, in her own right, unless the miner dies, and, as his surviving widow, she applies for benefits.

In June 1974, GAO examined 98 cases processed under the revised procedures. The median processing time between a widow's application and her award of benefits had been reduced from 12 to 6 weeks. (See p. 5.)

As of July 31, 1974, about \$70 million in monthly benefit payments were made to 177,600 miners (137,300 with wives) and 133,100 widows.

Additional actions that could improve the conversion process

As an interim measure to expedite claims processing, the Social Security Administration agreed to GAO's suggestion for improving the existing manual conversion process by using a teletype network, instead of surface mail, to transmit claims data from district offices to the Bureau of Disability Insurance.

Because of complaints that it was taking 4 months or more to process an application by a widow of a miner whose eligibility had already been established, the Social Security Administration's Bureau of Disability Insurance, in November 1973, tried to find out if processing could be improved.

This change could reduce the median conversion time from 6 to about 4 weeks. (See p. 6.)

A study of 100 cases showed that after an application was filed by the widow it often took almost 12 weeks to complete the processing even

In addition, GAO believes

that the conversion process can be further improved by using a fully automatic death-termination and benefit-conversion process (see pp. 7 and 8) and a joint payment procedure similar to that authorized by section 205(n) of the Social Security Act for the Old-Age Retirement and Survivors program that would permit a surviving widow to cash her husband's benefit check.

The Social Security Administration believes, however, that a joint payment procedure would require specific authority in the black lung law. (See p. 8.)

RECOMMENDATION

To further improve the process of converting black lung miner's benefits to widow's benefits, the Secretary of Health, Education, and Welfare should have the Social Security Administration develop an automated system to handle the death-termination and widow's benefit-conversion process in the black lung benefits programs. (See p. 8.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Department of Health, Education, and Welfare commented that GAO's recommendation had been authorized and the system was

tentatively scheduled to be implemented by the end of fiscal year 1975. (See p. 9.)

MATTERS FOR CONSIDERATION BY THE SUBCOMMITTEE

Under existing law, a surviving widow cannot properly cash a deceased miner's check. In this connection, three bills concerning the black lung benefits program have been introduced in the 93d Congress and referred to the House Committee on Education and Labor for consideration. None of the bills provide for making over a miner's check to his widow. Therefore, to better insure that surviving widows have a continuous source of income while their claims are being processed, the Subcommittee may wish to consider proposing to the Committee on Education and Labor a technical amendment to incorporate section 205(n) of the Social Security Act, into the black lung law. This amendment would give SSA the specific authority to make over a miner's check to his widow.

HEW advised GAO that if a provision similar to section 205(n) of the Social Security Act was incorporated into the black lung law, its implementation would not present major administrative difficulties. (See p. 9.)

CHAPTER 1

INTRODUCTION

The Chairman, Special Studies Subcommittee, House Committee on Government Operations, in an April 12, 1974, letter, asked us to review Social Security Administration (SSA) procedures for processing black lung benefit claims by widows of miners who had received benefits before their deaths to determine if the widows' claims could be processed faster. (See app. I.)

We made our review at SSA headquarters in Baltimore, Maryland, and examined SSA's policies, practices, and procedures in processing widows' claims. We sampled 98 cases to determine processing times for widows' claims. We talked with Bureau of Disability Insurance officials--the Bureau having primary responsibility for processing black lung claims--and met with officials of the Bureau of Retirement and Survivors Insurance and the Bureau of Data Processing to discuss procedures used in processing similar claims under other SSA programs.

BACKGROUND

The Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 801), enacted on December 30, 1969, was amended by the Black Lung Benefits Act of 1972 (30 U.S.C. 901), approved on May 19, 1972. The amended act provides for monthly cash payments from general tax funds to

- coal miners who are totally disabled due to black lung resulting from employment in coal mines and
- survivors of deceased coal miners who were entitled to such benefits.

The Department of Health, Education, and Welfare (HEW) (which delegated administrative responsibility to SSA) and the Department of Labor administer the black lung benefits program. SSA is responsible for processing and paying miners' claims filed through June 30, 1973, and survivors' claims filed through December 31, 1973. The Department of Labor is responsible for claims filed after these dates. An exception is when a miner receiving benefits through SSA dies and his widow files a claim within 6 months. Regardless of the date of the miner's death, these claims are the responsibility of SSA.

CHAPTER 2

BLACK LUNG CLAIMS--CONVERSION OF MINER'S BENEFITS TO WIDOW'S BENEFITS

A miner's black lung benefits are increased if he has a wife. His wife receives no benefits in her own right unless the miner dies and she, as his surviving widow, applies for benefits.

As of July 31, 1974, about \$70 million in monthly benefits were being paid to 177,600 miners (137,300 with wives) and 133,100 widows. 1/ Since the program's beginning in 1969, there have been about 24,400 conversions from miner's benefits to widow's benefits. SSA officials advised us that conversions are currently averaging about 800 a month.

Before February 1974, SSA manually processed the widow's application before awarding and paying benefits. The chart on the following page shows the general process of converting black lung miner's benefits to widow's benefits.

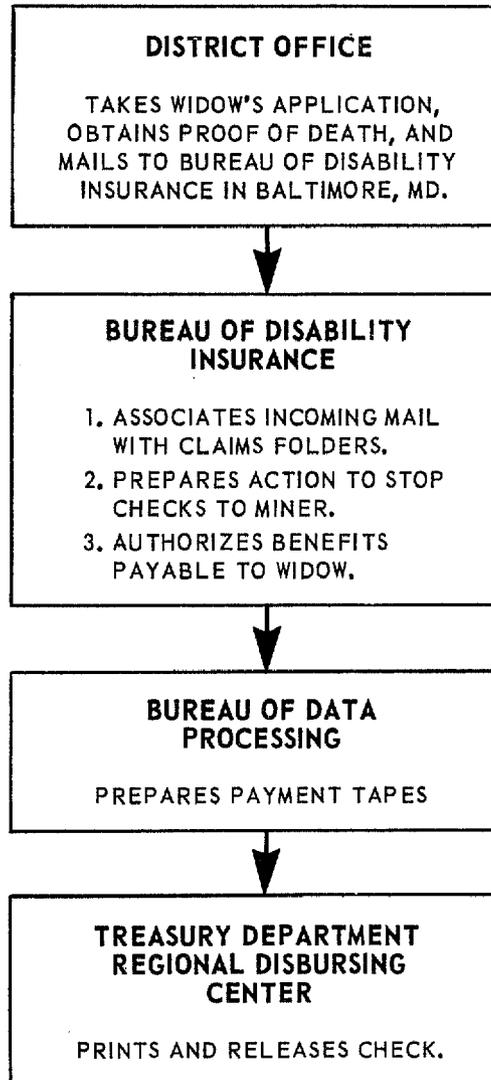
SSA ANALYSIS OF CONVERSION PROCESSING TIMES UNDER ORIGINAL PROCEDURES

Because of complaints that it was taking 4 months or more to process a widow's application, the Bureau of Disability Insurance, in November 1973, studied a sample of 100 cases to determine if the process could be improved. The study showed that it took almost 12 weeks 2/ after a widow filed an application to complete the conversion process even though the Bureau received most applications within a week after filing. The study also showed that it took about 8 weeks after a miner's death to stop payments, resulting in one and probably two checks being issued in the decedent's name. The checks could not be cashed by his widow.

1/ An additional 1,500 monthly payments are being made to orphans, parents, brothers, and sisters.

2/ Does not include the time required after an award is made to certify payment to the Treasury Department and for the Department to print and release the check. This additional time averages about 2 weeks for SSA and about 1 day for the Department.

**CONVERSION PROCESS –
MINER'S BENEFITS TO WIDOW'S BENEFITS**



Below is a Bureau of Disability Insurance summary of the time factors for the significant steps in the conversion process.

- A. Interval between date of death and stop-payment action on the miner's check by the Bureau.

Range -- 17 to 196 days Median -- 8 weeks

- B. Interval between date of widow's application and receipt by the Bureau.

Range -- 2 to 110 days Median -- 1 week

- C. Interval between date of widow's application and award of benefits by the Bureau.

Range -- 18 to 315 days Median -- 12 weeks

The December 13, 1973, report of the study concluded that (1) the conversion process was very slow and subject to high degrees of error and (2) the Bureau could expect increasingly heavy workloads of conversion cases as more aged miners die, leaving their widows as survivors.

The report discussed both short- and long-range solutions for improving the conversion process. As a long-range solution, it discussed eliminating the manual-conversion process and implementing an automatic death-termination and benefit-conversion process similar to that used for Retirement and Survivors Insurance claims.

The report concluded, however, that unless the black lung law was amended to eliminate the widow's application, an automatic benefit-conversion process could not be recommended or developed. ^{1/} Instead, as a short-range solution, the report recommended changes in the existing manual procedure to expedite handling of widows' claims; the changes were adopted by the Bureau in February 1974.

Under the changed procedure, the Bureau would not wait for a widow's application to be developed and forwarded by the district office before awarding benefits. Upon receipt of a death notice, the Bureau would immediately begin processing the award and, at the same time, notify the district office to obtain an application and proof of death.

^{1/} Subsequently, SSA concluded that a change in the black lung law was unnecessary. (See p. 7.)

ANALYSIS OF CONVERSION PROCESSING
TIMES UNDER REVISED PROCEDURES

In June 1974 we examined 98 conversion cases 1/ that were processed under the revised procedures.

Our examination showed the following time factors.

- A. Interval between date of death and stop-payment action on the miner's check by the Bureau of Disability Insurance.

Range -- 16 to 99 days Median -- 6 weeks

- B. Interval between date of widow's application and receipt by the Bureau. 2/

Range -- 2 to 48 days Median -- 1 week

- C. Interval between date of widow's application and award of benefits by the Bureau. 2/

Range -- 21 to 103 days Median -- 6 weeks

In comparing the results of our analysis with those of the Bureau's 1973 analysis (see pp. 2 and 4), the median processing time between a widow's application and her award of benefits was reduced from 12 to 6 weeks. 3/ According to Bureau officials, the primary reason for the reduced processing time was due to their not waiting for a widow's application to begin the conversion process. These officials also stated that the claims were identified and given priority handling by the Bureau.

1/ The widows' median age in these cases was 68 years; their ages ranged from 50 to 87 years.

2/ Because the widow's application and other information was not available for all 98 cases, items B and C represent 75 and 78 cases, respectively.

3/ Does not include the time required after an award is made to certify payment to the Treasury Department and for the Department to print and release the check. This additional time averages about 2 weeks for SSA and about 1 day for the Department.

CHAPTER 3

ADDITIONAL ACTIONS THAT COULD IMPROVE THE CONVERSION PROCESS

As an interim measure to expedite claims processing, SSA agreed with GAO's suggestion for improving the existing manual-conversion process by using the Advanced Record System (a teletype network), instead of surface mail, to transmit claims data from its district offices to the Bureau of Disability Insurance. In addition, we believe that the conversion process can be further improved by using an automatic death-termination and benefit-conversion process and a joint payment procedure similar to those used in the Retirement and Survivors Insurance program.

These three matters are discussed in the following sections of the report.

USING THE ADVANCED RECORD SYSTEM TO TRANSMIT BLACK LUNG CLAIMS DATA

The Advanced Record System is a teletype network operated by Western Union. Each SSA district office is equipped with a unit so that it can quickly forward information to SSA headquarters. Instead of using this system to notify the Bureau of Disability Insurance of a miner's death, the district offices used surface mail. Data from our sample showed that the median time for the Bureau to receive death notifications from district offices was about 1 week by surface mail. Since the Advanced Record System is used for transmitting claims information in other SSA programs, we suggested to Bureau officials that, as an interim measure, the system be used in the conversion process for black lung widows' claims. These officials agreed that the proposal had merit and said that they would study it further.

On July 29, 1974, the acting Bureau Director announced that the district offices would begin using the Advanced Record System to transmit black lung claims data in about 3 weeks. He stated that use of the system would reduce the time it takes to notify the Bureau of a miner's death by about 5 to 7 days. He also commented that an additional 7 to 10 days processing time could be saved at the Bureau because claims carried on the system are given automatic priority handling. Therefore, this change could reduce the median conversion time from 6 to about 4 weeks.

AUTOMATED DEATH-TERMINATION AND
BENEFIT-CONVERSION PROCESS

Under the Retirement and Survivors Insurance program, a wife can receive benefits in her own right on her husband's social security account if she is age 62 or over or caring for a child entitled to benefits and the husband is fully insured. If the husband dies, the conversion process to widow's benefits is automatic and can usually be completed in about 1 week. Automatic conversion is facilitated because each SSA district office has terminal access to the central Master Beneficiary Record (MBR)--a computerized file on SSA beneficiaries--and can use it for making post entitlement changes.

The central MBR is not used for processing black lung widows' claims. Bureau of Data Processing officials said that the short leadtime when the legislation was enacted plus higher priorities in other programs and uncertainties about the extent of SSA's involvement in the black lung program were primary reasons for not developing a fully automated system closely integrated with MBR.

Another obstacle to automating the conversion process was that SSA had interpreted the black lung law as requiring an application from the widow. At the request of the Senate Subcommittee on Labor; Health, Education, and Welfare of the Committee on Appropriations in March 1974, SSA reviewed the matter and concluded that the widow's application was required by HEW regulation and not by law.

HEW then proposed a new regulation 1/--printed in the Federal Register on July 29, 1974--providing that an application form need not be filed by a miner's surviving dependents in cases where the miner had previously filed a written statement on behalf of such dependents and was entitled to receive increased benefits on behalf of such dependents.

In view of the proposed regulation change, we asked Bureau of Data Processing officials if they had given further thought to developing an automatic system for the black lung program. The officials said they were examining the feasibility of setting up a system to process change-of-address, death-termination, and widow's conversion cases. They anticipated that the shortest possible processing time frame using this approach would be 3 workdays--1 day in the district office,

1/ The final regulation was printed in the Federal Register on November 29, 1974.

1 day in the MBR system, and 1 day in the black lung benefits system. In addition, several more days would be needed to notify the beneficiary. They estimated that the feasibility study and recommendations on the study would be completed by the end of calendar year 1974.

USE OF A JOINT PAYMENT PROCEDURE

In the Retirement and Survivors Insurance program, monthly payments to a husband and wife both entitled to benefits on the same social security account are usually combined in one joint check. Section 205(n) of the Social Security Act provides that if one of the joint payees dies before the check is negotiated, the surviving spouse may return the check to an SSA district or branch office and have it made over to the survivor. The procedure permits the surviving spouse to cash the check.

Under the black lung benefits program, checks are not issued for joint payment to the husband and wife. The check usually is made out to the miner and his benefits are increased if he has a wife. There is no comparable authority in the black lung law for the making over of a joint check to a surviving spouse.

Our June 1974 sample of conversion cases showed that about half were in process for more than 6 weeks while benefit checks made out to deceased miners continued to be sent by the Treasury. These checks, however, could not properly be cashed by the widow.

SSA officials advised us that a technical amendment to the black lung legislation would be necessary to authorize the implementation of a procedure enabling a deceased miner's check to be made over to the surviving widow. In addition, SSA would have to establish procedures for both names to be on the check.

Although a joint payment procedure would not reduce the time it takes to process a surviving widow's claim, it would provide the widow with a source of income while her claim was being processed.

RECOMMENDATION TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

To further improve the conversion process from black lung miner's benefits to widow's benefits, we recommend that the Secretary of HEW arrange for SSA to develop an automated system to handle the death-termination and widow's benefit-conversion process in the black lung benefits program.

AGENCY COMMENTS

In response to our recommendation that SSA develop an automated conversion system, HEW commented that SSA had authorized such a task and the system was tentatively scheduled for implementation by the end of fiscal year 1975.

MATTERS FOR CONSIDERATION BY THE SUBCOMMITTEE

Adoption of an automated system should improve the processing times for converting miner's benefits to widow's benefits. Under existing law, however, a surviving widow cannot properly cash a deceased miner's check. In this connection, three bills (H.R. 16448; H.R. 17134; H.R. 17178) concerning the black lung benefits program have been introduced in the 93d Congress and referred to the House Committee on Education and Labor for consideration. None of the bills provide for making over a miner's check to his widow. Therefore, to better insure that surviving widows have a continuous source of income while their claims are being processed, the Subcommittee may wish to consider proposing a technical amendment to the Committee on Education and Labor incorporating section 205(n) of the Social Security Act into the black lung law. This amendment would give SSA the specific authority to make over a miner's check to his widow.

HEW advised us that if a provision similar to section 205(n) of the Social Security Act was incorporated into the black lung law, its implementation would not present major administrative difficulties.

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NINETY-THIRD CONGRESS
Congress of the United States
House of Representatives
 SPECIAL STUDIES SUBCOMMITTEE
 OF THE
 COMMITTEE ON GOVERNMENT OPERATIONS
 RAYBURN HOUSE OFFICE BUILDING, ROOM B-349-A
 WASHINGTON, D.C. 20515

April 12, 1974

The Honorable Elmer B. Staats
 Comptroller General of the
 United States
 441 G Street, N. W.
 Washington, D. C. 20548

Dear Mr. Staats:

The Special Studies Subcommittee is making a study of problems involving the aged under several Federal benefit programs.

As part of our study, we are interested in certain aspects of the Black Lung benefits program. Although we realize the Department of Labor has taken over most of the responsibilities of the program, the Social Security Administration (SSA) is still responsible for miners and survivors who were receiving benefits from SSA.

It has come to our attention that it takes SSA a considerable amount of time to process surviving widows' claims of miners whose eligibility has already been determined. Therefore, the Subcommittee requests that the General Accounting Office review the procedures SSA utilizes in processing such claims to ascertain whether improvements can lead to faster processing and payment of surviving widows' claims based on prior eligibility of the deceased. In this connection, a comparison of the procedures for processing similar claims under other SSA programs and the resulting times for payment would be of interest.

Your prompt consideration would be appreciated.

Sincerely yours,


 FLOYD V. HICKS
 Chairman

FVH:lc