

**DOCUMENT RESUME**

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Review of the Eligibility of Persons Converted from State Disability Rolls to the Supplemental Security Income Program. HRD-78-97; B-164031(4). April 18, 1978. 7 pp. + enclosure (1 pp.).

Report to Secretary, Department of Health, Education, and Welfare; by Gregory J. Ahart, Director, Human Resources Div.

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Authority: P.L. 93-233.

The Social Security Administration's (SSA's) activities relating to assessment of the continued medical eligibility of over 2 million disabled Supplemental Security Income (SSI) recipients were reviewed. SSA was asked to evaluate two samples of SSI disabled recipients: (1) an evaluation of medical evidence supporting the disability determination of 402 recipients who were converted to the SSI program from State disability programs; and (2) evaluation of more recent medical evidence on 175 recipients. Of the 402 converted recipients, only 152 (38%) had sufficient medical evidence in their files to support a disability decision. Thirty-six of the 152 cases (24%) were not disabled as defined by appropriate State disability criteria. About 10% of the 175 recipients for whom current medical evidence was obtained were no longer disabled. Once they are approved for the program, the vast majority of SSI disabled recipients are not subject to medical reexaminations. SSA assumes that these recipients have impairments which will not improve. The Commissioner of the SSA should immediately establish appropriate mechanisms for systematically reviewing the disabled recipients' caseload so that persons no longer disabled can be removed from the rolls. SSA should establish and implement systems for periodically reassessing the adequacy of guidelines for establishing diaries for the total disability caseload and reviewing, on a priority basis, the disability determinations for converted recipients. (RHS)



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UNITED STATES GENERAL ACCOUNTING OFFICE  
WASHINGTON, D.C. 20548

HUMAN RESOURCES  
DIVISION

B-164031(4)

April 18, 1978

The Honorable  
The Secretary of Health, Education,  
and Welfare

Dear Mr. Secretary:

This letter is to inform you of the results of our review on the Social Security Administration's (SSA's) activities related to assessing the continued medical eligibility of over 2 million disabled Supplemental Security Income (SSI) recipients. We selected two samples of SSI disabled recipients and asked SSA to evaluate the recipients' continued eligibility. One sample required an evaluation of the medical evidence supporting the disability determination of 402 recipients who were converted to the SSI program from State disability programs. The other sample required SSA to obtain and evaluate more recent medical evidence on 175 recipients.

Of the 402 converted recipients, SSA found that only 152, or 38 percent, had sufficient medical evidence in their files to support a disability decision. Furthermore, of the 152 cases, 36 cases, or 24 percent, were not disabled as defined by the appropriate State disability criteria. SSA found that of the 175 recipients for whom current medical evidence was obtained, about 10 percent were no longer disabled.

It is important to note that under present operating procedures, SSA would not have reviewed the continued medical eligibility of many of the recipients in our samples. We believe that there is a serious weakness in the administration of the disability aspects of the SSI program which allows medically ineligible recipients, such as those identified in our samples, to go undetected.

While we did not review the 2.6 million disabled beneficiaries receiving benefits under the Social Security Disability Insurance program, the procedures for monitoring this program are similar to those used for the SSI program. Therefore, payments to beneficiaries who are no longer disabled could also occur under the Disability Insurance program and go undetected.

HRD-78-97  
(10503)

We believe that it is important for SSA to monitor and evaluate the continued medical eligibility of disabled recipients and to identify weaknesses in the medical aspects of its programs that need strengthening.

Details of our findings and recommendations are presented in the following sections.

### THE DISABILITY DETERMINATION PROCESS

The SSI disabled population consists of (1) persons who were converted from State programs of assistance for the blind and permanently and totally disabled to the SSI program when it became effective January 1974 and (2) those persons who entered the program after that date. To be eligible for SSI benefits, converted recipients have to meet State disability definitions, and new applicants have to meet Federal disability definitions. <sup>1/</sup>

A claimant can apply for disability benefits at any SSA district or branch office. The application is forwarded to a State agency where medical and other evidence necessary for evaluation is developed. By law, State agencies under contract with the Department of Health, Education, and Welfare (HEW) make disability determinations. A State team consisting of a physician and a professional adjudicator is to determine whether disability exists under SSA prescribed medical criteria and guidelines.

If an applicant is found to be disabled, the team recommends to SSA whether a future medical reexamination should be scheduled, and if so, the date. A reexamination is scheduled when a beneficiary's impairment is expected, after continuing for 12 months or more, to improve sufficiently for the person to engage in substantial gainful activity. The establishment of a reexamination date is called a "diary."

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<sup>1/</sup> Public Law 93-233, December 31, 1973, required that a disabled individual entered on the States' rolls after June 30, 1973, must meet Federal SSI eligibility criteria to be converted to the Federal rolls.

CONVERTED RECIPIENTS DC NOT MEET  
DISABILITY CRITERIA

We selected a sample of 402 converted recipients residing in 7 States and requested that SSA review and determine whether the evidence used by the States in making the disability determination was sufficient.

SSA found that only 152 of the 402 cases, or 38 percent, were supported by evidence sufficient to support a disability decision. Of the 152 cases, medical evidence showed that 36 recipients, or about 24 percent, were not disabled as defined by the appropriate State criteria. The following table shows SSA's case review results by State.

<u>State</u>	<u>Total cases reviewed</u>	<u>Adequate documentation available for decision</u>		<u>Additional documentation needed to render decision</u>
		<u>Disabled</u>	<u>Not disabled</u>	
Colorado	64	12	6	46
Maryland	57	6	1	50
Massachusetts	58	10	5	43
New Mexico	62	28	8	26
New York	55	13	7	35
Oregon	49	26	3	20
Washington	57	21	6	30
	<u>402</u>	<u>116</u>	<u>36</u>	<u>250</u>
	<u>100%</u>	<u>29%</u>	<u>9%</u>	<u>62%</u>

Concerning the 36 recipients found to be not disabled, SSA reviewers commented that the beneficiaries' impairments (1) were not of sufficient severity to preclude substantial gainful employment, (2) could be improved through medication to permit working, or (3) were not supported by the medical evidence. However, only 12 of the 36 cases had been covered by a medical diary for a medical reexamination.

NONDISABLED PERSONS RECEIVE DISABILITY  
PAYMENTS

We also selected a sample of 175 disabled SSI recipients residing in 8 States and the District of Columbia, and had them readjudicated by the appropriate State agency. SSA reviewed and agreed with the State agencies' disability deter-

minations. The cases were adjudicated based on current medical evidence except for those which were not reexamined because the recipients' SSI casefiles showed that the recipients had severe medical impairments, were aged (65 years old), or had recently been determined disabled. See enclosure I for the criteria used to determine if current medical evidence did not have to be obtained.

About 10 percent, or 17 of the 175 sample cases (as shown in the following table) were found to be not disabled. Nine of the 17 failed to meet the Federal criteria, and 8 were converted cases that failed to meet the State criteria.

	<u>Total cases reviewed</u>	<u>Disabled</u>	<u>Not disabled</u>
California	36	33	3
Delaware	2	2	-
District of Columbia	15	15	-
Maryland	20	20	-
Nevada	7	6	1
New Jersey	24	22	2
Oregon	6	6	-
Pennsylvania	10	8	2
Washington	<u>55</u>	<u>46</u>	<u>9</u>
	<u>175</u>	<u>158</u>	<u>17</u>
	<u>100%</u>	<u>90%</u>	<u>10%</u>

None of the 17 cases found not disabled had been covered by a medical diary for a medical reexamination. Consequently, these recipients would not have been detected by SSA and removed from SSI rolls.

#### NEED FOR A SYSTEMATIC MEDICAL REVIEW OF THE DISABLED CASELOAD

SSA lacks an adequate system for reviewing its SSI disability caseload to insure that only medically eligible persons continue to receive disability payments. The decision on whether to review the continued disability of a recipient is based on guidelines for establishing a medical diary which have never been comprehensively reviewed. SSA estimates show that in 1976, 2.1 million disabled SSI recipients were paid \$2.6 billion. However, only about 70,000

are scheduled annually for a medical reexamination. SSA is not monitoring or evaluating recipients not covered by a medical diary to determine whether recipients' impairments improve.

SSA has two quality assurance systems which deal, in part, with verifying recipients' eligibility status. However, neither system is structured to identify recipients not covered by a medical diary and whose impairments improve.

One quality assurance system which is operated by SSA's office of Quality Assurance concentrates on reviewing and verifying SSI recipients' income and resources. Payment errors identified in this review are reported to the Congress, HEW, and others, and serve as an indicator of SSA's management of the SSI program. However, the medical aspects of disabled SSI recipients are not reviewed or reported. Our samples showed that many recipients are not disabled. Therefore, the SSI payment error amounts reported by SSA may be significantly understated.

SSA's other quality assurance system is operated jointly by its Bureau of Disability Insurance and the State agencies to insure uniform application of disability standards nationwide. This system covers initial disability determinations, reconsiderations of previously denied applicants, and SSI and Disability Insurance cases having a medical diary but not recipients who are not covered by a medical diary. This quality assurance system concentrates primarily on evaluating whether the disability criteria are applied correctly. However, it does not evaluate the adequacy of the guidelines for establishing medical diaries or if the guidelines are achieving their intended purpose--identifying those recipients whose impairments improve.

In our opinion, ineligible persons will continue to receive disability payments because SSA lacks an appropriate mechanism for systematically monitoring the disabled caseload so that persons who are no longer disabled can be removed from the rolls.

Subsequent to our discussions with SSA officials on the problems noted in this review, they informed us that SSA had recently begun two studies to medically review claims not normally scheduled for medical reexamination. The first deals with SSI conversion cases and the second with Disability Insurance cases in payment status for 15 years or longer.

The officials told us that if warranted by the studies, SSA may initiate a nationwide study of all disability cases without a medical diary to assess the adequacy of guidelines for establishing diaries.

### CONCLUSIONS AND RECOMMENDATIONS

The vast majority of SSI disabled recipients, once they are approved for the program, are not subject to medical reexaminations. SSA assumes that these recipients have impairments which will not improve. The results of our samples indicate that many recipients were no longer disabled or were not disabled at the time they entered the SSI program. Payments to beneficiaries who are no longer disabled could also occur under the Disability Insurance program and go undetected.

We believe that it is important for the integrity of these programs to have quality assurance efforts which provide for (1) systematically reviewing the disability caseload so that ineligible persons can be removed from the disability rolls and (2) periodically reassessing the adequacy of guidelines for establishing medical diaries. Also the SSI quality assurance system should review and report on the medical aspects of disabled recipients as part of its overview of SSA's management of the SSI program.

Accordingly, we recommend that you direct the Commissioner of SSA to act immediately to establish appropriate mechanisms for systematically reviewing the disabled recipients' caseload so that persons no longer disabled can be removed from the rolls. In this regard Social Security should:

- Establish and implement systems for (1) periodically reassessing the adequacy of guidelines for establishing medical diaries for the total disability caseload and (2) reviewing, on a priority basis, the disability determinations for converted recipients. The studies being conducted by SSA in these two areas should be concluded as soon as possible and the results evaluated in terms of identifying and making needed improvements.
- Incorporate, in the present SSI quality assurance system operated by the Office of Quality Assurance, a mechanism for (1) reviewing the medical aspects of

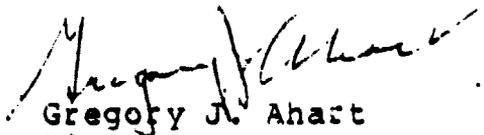
disabled recipients in the SSI program and (2) reflecting the results of these reviews in Social Security's report to the Congress and to others. In addition a similar mechanism in the Office of Quality Assurance should be established for assessing and reporting on the Disability Insurance program administered by the Bureau of Disability Insurance.

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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 taken on our recommendations to the House Committee on Government Operations and the Senate Committee on Governmental Affairs 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.

We are sending copies of this letter to the Chairmen of the House Committee on Government Operations; Senate Committee on Governmental Affairs; House Committee on Appropriations; Subcommittee on Labor, Health, Education, and Welfare, Senate Committee on Appropriations; House Committee on Ways and Means; and the Senate Finance Committee. We are also sending copies of this letter to the Director, Office of Management and Budget. We appreciate the cooperation and assistance given by SSA personnel during our review, and we would appreciate being advised of any actions taken or planned on the matters discussed in this letter.

Sincerely yours,

  
Gregory J. Ahart  
Director

Enclosure

LISTING OF CASE CHARACTERISTICS WHERE MEDICAL  
REEXAMINATION WAS NOT PERFORMED

1. Beneficiary will obtain age 65 before June 1977.
2. Amputation of two limbs.
3. Amputation of a leg at the hip.
4. Total deafness.
5. Statutory blindness.
6. Bed confinement or immobility without a wheelchair, walker, or crutches, due to a longstanding condition.
7. Cerebral palsy, muscular dystrophy, or muscular atrophy and marked difficulty in walking, speaking, or coordination of the hands or arms.
8. Diabetes with amputation of a foot.
9. Down's Syndrome (Monogolism or established IQ of 49 or less.)
10. Severe mental deficiency, at least 7 years of age, and requires care and supervision of routine daily activities.
11. Cases having a medical reexamination after July 1, 1976.