RAILROAD RETIREMENT BOARD

Actions Needed to Improve the Effectiveness and Oversight of Continuing Disability Reviews

Why GAO Did This Study

RRB is an independent agency that administers disability benefits for railroad workers. In fiscal year 2016, about 31,000 railroad workers with disabilities received $1.1 billion in disability benefits. RRB is generally required to periodically assess beneficiaries' medical condition or earnings through continuing disability reviews (CDRs) to verify that they remain eligible for disability benefits.

This report examines the extent to which RRB (1) conducts medical and earnings CDRs to ensure the continued eligibility of disability beneficiaries, and (2) oversees the CDR program. GAO analyzed data provided by RRB for CDRs completed in fiscal years 2014-2016, the only years for which complete data were available. GAO also reviewed RRB's policies and procedures, a nongeneralizable random sample of 14 CDR cases that were completed in fiscal year 2016, and relevant federal laws and regulations; and interviewed RRB officials.

What GAO Recommends

Congress should consider giving RRB access to the National Directory of New Hires, a national database of wage and employment information that would enable it to identify potential overpayments sooner. GAO is also making three recommendations to RRB, including that it reconsider the purpose and value of high-risk CDRs, and routinely compile and analyze CDR data to improve oversight. RRB agreed with these recommendations.

View GAO-18-287. For more information, contact Elizabeth Curda at (202) 512-7215 or curdae@gao.gov.

What GAO Found

In fiscal years 2014-2016, the Railroad Retirement Board (RRB) completed continuing disability reviews (CDRs) of various types for 427 beneficiaries (see figure below), covering slightly more than 1 percent of the railroad workers who received disability benefits during that period. These reviews included:

- *Scheduled Medical Reviews* –These are scheduled at different intervals depending on the likelihood of medical improvement. RRB data suggest that most beneficiaries are not subject to these CDRs because they are older than 54½, which RRB defines as the age at which they are unlikely to return to work. Of 43 medical CDRs that were scheduled, RRB identified 3 ineligible beneficiaries and 1 overpayment of about $28,000.
- *High-Risk Reviews* – In fiscal year 2015, RRB began conducting medical CDRs on cases it considered to be at high risk for fraud. It completed 166 of these reviews in fiscal years 2015 and 2016, but none identified any ineligible beneficiaries or overpayments.
- *Earnings Reviews* – During fiscal years 2014-2016, 163 earnings CDRs identified 47 ineligible beneficiaries and at least $970,550 in overpayments. However, RRB uses earnings information that can be up to 2 years old, thereby delaying the detection of ineligible beneficiaries and increasing the potential for lost federal dollars. Other federal agencies have access to a national federal database with more recent earnings data. Providing RRB access to these data would enable it to identify overpayments sooner.
- *Medical + Earnings Reviews* – In some cases, RRB conducts both a medical and earnings CDR. RRB's data do not allow GAO to attribute the outcome to either type of CDR.

Continuing Disability Reviews (CDR) Completed by the Railroad Retirement Board for Fiscal Years 2014-2016, by Type and Outcome
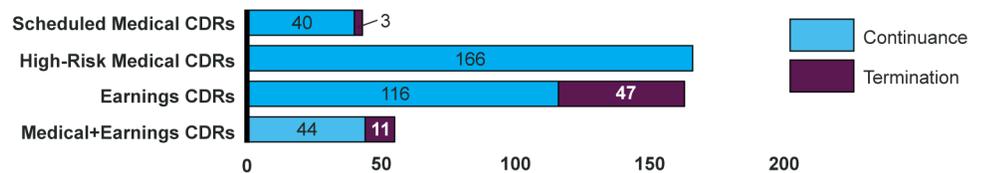
Source: GAO analysis of Railroad Retirement Board (RRB) data. | GAO-18-287

RRB oversight has primarily been limited to conducting two internal reviews of high-risk medical CDRs, one of which concluded, consistent with the above results, that these CDRs demonstrated no return on investment. Nevertheless, RRB continues to do them. RRB does not routinely compile and analyze data for all of the CDRs it conducts, which limits its ability to identify potential gaps in oversight and to monitor program performance. For example, RRB lacks data that would help it determine how many medical CDRs it should expect to conduct. RRB officials said compiling data can be challenging because it uses multiple data systems. However, by more efficiently collecting and compiling key CDR data, RRB could enhance its capability to routinely assess program performance.