



Highlights of [GAO-03-662](#), a report to the Chairman, Subcommittee on Social Security, Committee on Ways and Means, House of Representatives

Why GAO Did This Study

The Social Security Administration (SSA) has had difficulty in conducting timely reviews of beneficiaries' cases to ensure they are still eligible for disability benefits. SSA has been taking steps to improve the cost-effectiveness of its review process. SSA has linked the review process to eligibility for a new benefit that provides return-to-work services.

This report looks at SSA's ability to stay current with future reviews, identifies potential improvements to the review process, and assesses the review process–return-to-work link.

What GAO Recommends

GAO recommends that the Commissioner of SSA

- pursue a more comprehensive, data-driven approach to the method it uses to decide when to assess individuals for on-going eligibility;
- rely more readily on current assessments of beneficiary information rather than on assessments made at time of program entry when deciding which review method to use; and
- study, and incorporate if cost-effective, the more comprehensive use of Medicare/Medicaid data into SSA's decisions about the review method to use.

In its comments on a draft of this report, SSA generally agreed with GAO's recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-03-662.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robert E. Robertson at (202) 512-7215 or RobertsonR@gao.gov.

SOCIAL SECURITY DISABILITY

Reviews of Beneficiaries' Disability Status Require Continued Attention to Achieve Timeliness and Cost-Effectiveness

What GAO Found

SSA will likely face a backlog of about 200,000 continuing disability review (CDR) cases by the end of fiscal year 2003. SSA officials attribute the pending backlog to its decision to reduce the number of cases reviewed as a result of the delay in obtaining fiscal year 2003 funding. In addition, the pending backlog resulted from putting more emphasis on initial applications over CDRs. To ensure CDRs receive adequate attention, SSA has requested some fiscal year 2004 funds be "earmarked" for these reviews. Given SSA's ability to eliminate its previous CDR backlog using targeted funds, this maneuver could help SSA. Over the next 5 years, SSA has estimated that 8.5 million CDRs, costing about \$4 billion, are needed to stay current. If SSA generates another backlog, cost savings and program integrity may be compromised by paying benefits to disability beneficiaries who are no longer eligible to receive them.

SSA is not making the best use of available information when conducting its CDRs, leaving opportunities for improvement. First, SSA's decisions on the timing of CDRs are not based on systematic analysis of available information. Second, SSA's process for determining which CDR method to use is not always based on the best available information. For example, SSA requires an in-depth review for all beneficiaries who, upon entering the program, are expected to medically improve even if current information on certain of those beneficiaries indicates that improvement is unlikely and that the review would be better handled through a shorter, less expensive method. Third, SSA has not fully pursued medical treatment data available from the Medicare and Medicaid programs despite their potential to improve SSA's decisions regarding which review method to use. Fourth, SSA's CDRs continue to be hampered by missing or incomplete information on beneficiaries' case history.

SSA delays the provision of new return-to-work benefits to beneficiaries expected to medically improve based on the assumption that such beneficiaries are least likely to need them. However, according to SSA data, about 94 percent of such beneficiaries are not found to have medically improved upon completion of a disability review. As a result, some individuals who might benefit from return-to-work services are initially denied access to them. SSA is reviewing this policy and while doing so, will need to consider how to best balance its financial stewardship and return-to-work goals.