

Office of the Inspector General

March 1, 2000

William A. Halter
Deputy Commissioner
of Social Security

Inspector General

Performance Measure Review: Reliability of the Data Used to Measure Welfare Reform Childhood Disability Reviews (A-01-99-91003)

Attached is a copy of our final report. The objective of this review was to assess the reliability of the Social Security Administration's (SSA) performance data used to measure the number of Welfare Reform childhood disability reviews conducted during Fiscal Years 1997 and 1998. The number of childhood disability redeterminations conducted during this period was one of the workload measures requested by Congress to gauge SSA's progress in meeting workload goals proposed in its budget.

Please comment on corrective action taken or planned on each recommendation within 60 days from the date of this memorandum. If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

James G. Huse, Jr.

Attachment

**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**PERFORMANCE MEASURE REVIEW:
RELIABILITY OF THE DATA USED TO
MEASURE WELFARE REFORM
CHILDHOOD DISABILITY REVIEWS**

March 2000

A-01-99-91003

AUDIT REPORT



Office of the Inspector General

William A. Halter
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The Social Security Administration (SSA) is required to report to Congress on 17 selected measures of workload and performance as part of its budget process. These commitments were made to Congressman John E. Porter, Chairman of the Labor, Health and Human Services, Education and Related Agencies Subcommittee, who wanted to gauge SSA's progress in meeting workload goals proposed in its annual budget. These commitments are often called the "Porter Commitments." The objective of this review was to assess the reliability of SSA's performance data used to measure the Porter Commitment related to the number of Welfare Reform childhood disability reviews conducted during Fiscal Years (FY) 1997 and 1998. This Porter Commitment is shown below, with the FY 1997 count representing the actual number of reviews processed and the FY 1998 count representing the number of reviews planned:

Childhood Reviews Processed (Welfare Reform):

FY 1997: 229,000 (actual)

FY 1998: 266,000 (planned)

RESULTS OF REVIEW

We were unable to audit the number of childhood reviews conducted during FY 1998 since SSA has not reported this information to Congress. However, since SSA conducted childhood redeterminations during this period and maintained data on this workload, we estimated the number of childhood reviews conducted to provide Congress the information requested. To perform this work we utilized a data file created by SSA to track the childhood workload. This file represented 246,378 children reviewed during FYs 1997 and 1998.

SSA originally determined that of the 1 million disabled children in the Supplemental Security Income (SSI) program, approximately 288,000 children, with a disability based on an individualized functional assessment and/or maladaptive behavior, needed to be redetermined under the Welfare Reform law. SSA later reduced this number to approximately 260,000 children after completing an initial screening process.

Our testing of SSA's data file showed that the data was reliable in representing childhood reviews performed in FYs 1997 and 1998. Also, our tests of the data support that SSA performed an estimated 231,595 reviews in FY 1997 and 14,783 childhood reviews in FY 1998.

REPORTING CHILDHOOD REVIEW NUMBERS TO CONGRESS

In February 1998, SSA reported on 17 Porter Commitments, including the fact that it processed 229,000 Welfare Reform childhood reviews in FY 1997. On January 28, 1999, SSA provided Chairman Porter with a status report on 16 of the 17 Porter Commitments for FY 1998. However, the one Porter Commitment not mentioned in the report was the FY 1998 childhood reviews under Welfare Reform. We asked SSA staff about the absence of this commitment information in the report to Congress. We found that several SSA staff did not seem to be aware that the information was missing from their letter to Congress. Others told us that SSA had not reported the FY 1998 information to Congress because of the difficulty in separating the FY 1997 reviews from the FY 1998 reviews.

When we asked SSA staff for an explanation of what was being counted as a childhood review in the Porter Commitment, we were told that the reviews referred to redeterminations, reconsiderations,¹ and reworked cases.² An employee from SSA's Office of Budget told us that the FY 1997 commitment primarily represented redeterminations of children, while the FY 1998 commitment represented redeterminations, reconsiderations and reworked cases. However, we were not able to verify the actual method used to calculate the Porter Commitment since SSA did not provide a final number representing childhood reviews conducted in FY 1998.

In estimating the number of redeterminations performed by SSA, we did not include reconsiderations or reworked cases, since we do not believe SSA should count reconsiderations in the workload measure and the reworked cases were never anticipated in the FY 1998 planned workload number. A SSA staff person noted that SSA planned to count the redeterminations, reconsiderations and reworks as childhood

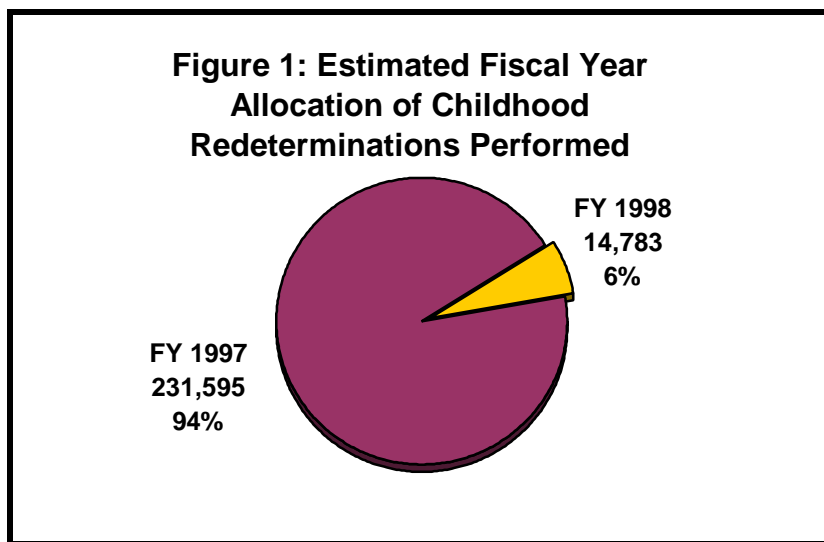
¹ If an individual is not satisfied with the results of his or her redetermination, he or she may request a reconsideration. In such a case, the Disability Determination Services reviews the evidence again, and either confirms or modifies the original determination. In a further appealed case, an administrative law judge of the Office of Hearings and Appeals may issue an independent decision.

² In March 1998, SSA issued a listing of approximately 38,000 cessation cases to be screened/reworked. We discuss this further in our report "Welfare Reform Childhood Redetermination Accuracy," (A-01-98-62012), March 3, 1999.

reviews to provide Congress with information on all the activities related to the redeterminations required under the Welfare Reform law. Nonetheless, this counting methodology is inconsistent with a similar measure for periodic continuing disability reviews (CDR), also a Porter Commitment. Over the years, SSA has included only initial CDRs when reporting its annual productivity to Congress under both the Porter Commitment and other Congressional requirements, even though reconsiderations are also generated from SSA's CDR workload.

ESTIMATED NUMBER OF CHILDHOOD REVIEWS PERFORMED

To test the reliability of the data used to measure this Porter Commitment, and to estimate the number of reviews performed in FY 1998, we obtained data from SSA's Office of Disability (OD) for 246,378 children SSA tracked for the Welfare Reform redetermination workload. SSA stated that these children had undergone initial redeterminations under Welfare Reform during either FY 1997 or FY 1998. Of these childhood cases, we tested a sample of 100 and found evidence that redeterminations were performed for all 100 children. Also, we found that 94 of the 100 sampled redeterminations were processed in FY 1997, while the remaining 6 were processed in FY 1998. We projected our sample results to the population to estimate the number of reviews performed in FYs 1997 and 1998. Of these 246,378 redeterminations, we estimate that 231,595 initial redeterminations were conducted in FY 1997 and 14,783 initial redeterminations were conducted in FY 1998 (see Figure 1).



Our testing included the total number of childhood redeterminations performed during a 2-year period, since SSA could not separate the reviews by FY. We compared the childhood data provided by OD to SSA's internal reports generated from the same information to test the completeness of our data. SSA's internal report stated that approximately

249,907 redeterminations had been completed during FYs 1997 and 1998.³ Although we were able to confirm that reviews were performed for all 100 of the sample cases, we were unable to locate paper copies of full medical decisions from the Disability Determination Services (DDS) offices for 6 of the sample items. To resolve these six

³ "SSI Welfare Reform Childhood Status Report: Through October 31, 1998," Office of Disability, SSA, December 23, 1998. This report was designed to track the progress of the childhood reviews. The numbers in this report also contain 1 month of FY 1999.

cases, we reviewed other documents provided by SSA as well as information found in SSA's information management systems. Based on the documentation⁴ and data in SSA's information management systems, we determined that redeterminations had been completed for all six cases. We also established, for each case, the FY during which the redetermination was completed.

CONCLUSION AND RECOMMENDATION

Congress required SSA to establish workload measures to determine whether SSA is meeting targets set during budget discussions. For this process to be effective, SSA must be able to properly measure the workload and accurately report the results to Congress. In the case of the childhood review Porter Commitment, SSA has not been able to separate the reviews by FY. In addition, SSA did not report the 2-year review results to Congress in any form, even though they were being reported to SSA's managers.

We recommend that SSA provide Congress with the number of childhood reviews processed in FY 1998 related to the Porter Commitment and clearly explain the methodology used as well as a breakout of all categories, such as redeterminations, reconsiderations, and reworked cases.

AGENCY COMMENTS

In response to our draft report, SSA agreed with our recommendation. SSA noted that it was not able to put into place an automated workload measurement system due to the one-time nature of this workload. SSA stated that it will provide Congress with a report on the number of FY 1998 childhood reviews conducted when submitting its FY 2001 President's budget request. However, SSA also stated that it still believes both initial childhood reviews and reconsiderations should be reported to Congress in order to show the entire redetermination workload related to earmarked funding. (See Appendix D for SSA's comments to our draft report).

OFFICE OF THE INSPECTOR GENERAL RESPONSE

In reporting the FY 1998 childhood review numbers to Congress, we still believe SSA should clearly explain the methodology used as well as a breakout of all categories, such as redeterminations, reconsiderations, and reworked cases. In this way, SSA can convey its entire redetermination workload while Congress will have sufficient detail to understand the nature of the work performed.

⁴ Some of the evidence we reviewed in the medical folders included correspondence with the families of the children, reconsideration decisions by the DDS offices, and documentation prepared by the Office of Hearings and Appeals.

OTHER MATTERS

While reviewing cases to meet our audit objective, we also determined for each sample case whether SSA's data bases had been properly updated to reflect the DDS office's decision on the cases. See Appendix C for the results of this analysis.

James G. Huse, Jr.

APPENDICES

APPENDIX A - Background

APPENDIX B - Scope and Methodology

APPENDIX C - Other Matters

APPENDIX D - Agency Comments

APPENDIX E - Major Contributors to this Report

APPENDIX F - SSA Organizational Chart

BACKGROUND

In August 1996, Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), also called the Welfare Reform law. This law mandates continuing disability reviews (CDR) and/or redeterminations¹ be performed for specific Supplemental Security Income (SSI) cases, including:

- redeterminations for children with a disability based on an individualized functional assessment and/or maladaptive behavior;
- redeterminations for all SSI recipients attaining age 18 under the adult initial eligibility rules; and
- CDRs at least once every 3 years for all SSI recipients under age 18 whose impairments are likely to improve (or, at the option of the Commissioner, recipients whose impairments are unlikely to improve).

The Welfare Reform law also authorized \$150 million in Fiscal Year (FY) 1997 and \$100 million in FY 1998 in additional funds to assist with these CDR and redetermination mandates.

Redetermination of SSI Children

The Social Security Administration (SSA) originally determined that of the 1 million disabled children in the SSI program, approximately 288,000 children, with a disability based on an individualized functional assessment and/or maladaptive behavior, needed to be redetermined under the Welfare Reform law. This number was later reduced to approximately 260,000 after an initial screening process² was completed. Under this law, the previous "comparable severity" standard for childhood disability was replaced with a new and stricter "marked and severe functional limitation" standard. As a result, individuals under age 18 are considered disabled if their impairment meets the statutory duration requirement and if they have a medically determinable physical or mental impairment that results in marked and severe functional limitations. The law also eliminated the use of individualized functional assessments for children and eliminated

¹ The purpose of a CDR or redetermination is to determine whether a disabled individual is still medically eligible to receive benefits.

² An initial review of the approximately 288,000 children scheduled to be redetermined, identified approximately 28,000 children who were not the intended target of Welfare Reform.

reference to maladaptive behavior in the prior personal/behavioral domain in childhood mental disorder listings. These redeterminations were performed by the State Disability

Determination Services offices, which are SSA's primary contractors responsible for performing initial disability determinations for the SSI and Disability Insurance programs.

SSA Budget Commitments

SSA is required to report to Congress on the number of childhood redeterminations conducted under the Welfare Reform law. This information was promised to Congressman Porter, Chairman of the Labor, Health and Human Services, Education and Related Agencies Subcommittee, who wanted to gauge SSA's progress in meeting workload goals proposed in its annual budget. These performance goals (17 in FY 1998) are often called the "Porter Commitments." Table 1 shows the number of childhood disability reviews completed and planned by SSA.

Table 1: SSA's Porter Commitment for Welfare Reform Childhood Reviews

	FY 1997 (Actual)	FY 1998 (Planned)	FY 1999 (Planned)
Childhood Reviews	229,000	266,000	0

Note: The FY 1999 column is included because although the reviews themselves are to be completed by this point, Agency efforts related to hearings and appeals on some of these cases will continue.

Source: SSA's FY 1999 budget presentation.

By October 31, 1998, SSA's Office of Disability reported internally that the Agency had completed 245,241 redeterminations at the initial level, deciding to cease benefits for 146,368 children and continue benefits for 98,873 children.

SCOPE AND METHODOLOGY

The objective of this review was to assess the reliability of the Social Security Administration's (SSA) performance data used to measure the number of Welfare Reform childhood disability reviews conducted during Fiscal Years (FY) 1997 and 1998. To accomplish our objective, we:

- obtained from the Office of Disability (OD) a data file containing the information on 246,378 individuals who had undergone initial childhood disability redeterminations during FYs 1997 and 1998;
- compared the information in the OD data file to our own analysis of the National Disability Determination Services System;
- selected a random sample of 100 childhood cases from the 246,378 individuals included in the file provided by OD and projected our sample results to the population;
- requested from SSA copies of the medical files that supported the redetermination decisions for each of these sample cases;
- determined for each sample case whether: (1) the contents of the medical folder supported SSA's claim that an initial redetermination had been performed, and (2) the Continuing Disability Review Control File and Supplemental Security Record had been properly updated to reflect the decision on the case;
- reviewed a copy of OD's "SSI Welfare Reform Childhood Status Report: Through October 31, 1998;"
- interviewed SSA staff in the Office of Financial Assessment and Management, the Office of Budget, and OD to understand the source of the Porter Commitment numbers, determine how the redetermination numbers were being used, and obtain copies of any information shared with Congress as it related to the childhood reviews;
- contacted both Disability Determination Services and field office personnel to obtain updated information on sample cases where we had questions; and
- reviewed pertinent laws and regulations related to childhood redeterminations.

Sample Results

Population Size	246,378
Sample Size	100
Number of Supported Initial Reviews in Sample	100
Number of FY 1997 Reviews in Sample	94
Number of FY 1998 Reviews in Sample	6
Projected Number of Total Reviews Conducted	246,378
Projection Lower Limit	239,108
Projected Number of FY 1997 Reviews Conducted	231,595
Projection Lower Limit	215,330
Projection Upper Limit	240,874
Projected Number of FY 1998 Reviews Conducted	14,783
Projection Lower Limit	5,504
Projection Upper Limit	31,048

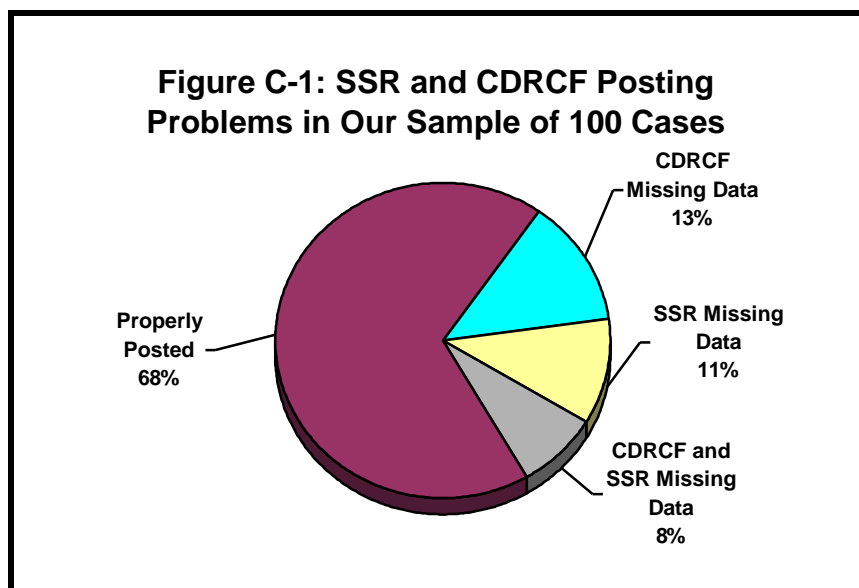
Note: All precision figures were calculated at the 95-percent confidence level.

We limited our review to initial childhood disability redeterminations and did not count cases reopened under the Commissioner's review as part of the population tested. In addition, we did not review the internal control procedures associated with processing the redeterminations. These controls were the subject of an earlier Office of the Inspector General review.¹ We performed our review in Baltimore, Maryland, and Boston, Massachusetts, between April and July 1999. We conducted our review in accordance with generally accepted government auditing standards.

¹ "Performance Measure Review: Periodic Full Medical Continuing Disability Review Data Collection," (A-01-98-94003), September 1999.

OTHER MATTERS

In our testing of the childhood redetermination cases we also determined for each sample case whether the Supplemental Security Record (SSR) and the Continuing Disability Review Control File (CDRCF) had been properly updated to reflect the Disability Determination Services (DDS) office's decision on the case. The SSR is the Social Security Administration's (SSA) primary database for all individuals receiving Supplemental Security Income (SSI) payments. The SSR includes data related to an individual's eligibility for payments, the nature of any disability, an individual's payment status, and other information. The CDRCF was developed to assist the Office of Disability in managing the increasing number of continuing disability reviews (CDR) and redeterminations mandated by legislation.¹ This system is used to notify field offices when a review is due, track the progress of the review, and interface with other SSA systems to update the recipients' records. Both the SSR and CDRCF are updated with CDR information generated by the DDS office conducting the review.²



In total, 32 of the 100 childhood redetermination cases in our sample were not properly posted to either the SSR, the CDRCF, or both systems. In 19 of the cases, DDS decisions were not properly posted to the SSR (see Figure C-1). In particular, we found that DDS decisions were either missing from the SSR, were incorrectly posted to the SSR, or

¹ Program Operations Manual System DI 40503.004.

² Although the National Disability Determination Services System remains the primary management information system used at the national level to monitor CDR and redetermination workloads, the proper recording of review results on other systems, such as the SSR and the CDRCF, is also important since these systems are also used by SSA staff to review post-entitlement activities.

were never updated on the SSR. However, we did not find any childhood cases in our sample where payments continued in error at the time of our review due to incorrect information on the SSR.

Our review of the sample cases also found that DDS decisions on 21 of the childhood redeterminations were not properly posted to the CDRCF. Out of the 100 cases we reviewed, information on initial decisions for 9 cases, and appeals information for another 12 cases, was either missing, posted late, or incorrect. Although the CDRCF included only SSI CDRs and redeterminations during our review, SSA recently expanded the capability of the system to include Disability Insurance (DI) and concurrent reviews as well.³ As a result, any uncorrected problems in the current system will be magnified in the future as SSA increases usage of the CDRCF.

We believe that incomplete CDR data in the information management systems weakens the ability of SSA's staff to properly monitor CDRs in progress and the post-entitlement status of SSI recipients. We plan to continue to test the accuracy of the information in the SSR and CDRCF in future audits.

³ Concurrent cases relate to individuals receiving both SSI and DI benefits.

AGENCY COMMENTS

COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) EVALUATION REPORT, "PERFORMANCE MEASURE REVIEW: RELIABILITY OF THE DATA USED TO MEASURE WELFARE REFORM CHILDHOOD DISABILITY REVIEWS" (A-01-99-91003)

Thank you for the opportunity to review the subject draft report. The report states that SSA did not report the 2-year childhood review results to Congress. However, SSA has consistently forwarded copies of the SSI Welfare Reform Childhood Status Report each time it was issued to the appropriate members of Congress and Committees with jurisdiction. As requested, below are our comments on the audit report and a response to the report's recommendation.

RECOMMENDATION

SSA should provide Congress with the number of childhood reviews processed in fiscal year (FY) 1998 related to the Porter Commitment and clearly explain the methodology used as well as a breakout of all categories, such as redeterminations, reconsiderations, and reworked cases.

COMMENT

We agree. Because of the one-time nature of the Welfare Reform work, SSA was not able to put in place automated workload measurement systems to capture the relevant data. A more time-consuming manual effort was required to collect the data from ongoing DDS workload reports. Based on this data, the number of childhood redetermination reviews in FY 1998 was: 39,580 initial childhood reviews, approximately 89,100 evidentiary reconsideration actions (the exact number cannot be determined due to reporting limitations), and 65,301 disability hearing unit actions (face-to-face interviews), making a total of approximately 194,000 reviews.

The top-to-bottom review of childhood cases announced by Commissioner Apfel in a report that was published in December 1997 called for SSA to rereview certain redetermination cessation cases and mental retardation denials, and send new notices to beneficiaries whose benefits were ceased, but had not appealed the cessation. The Disability Determination Services had to temporarily suspend childhood redetermination processing and retrain adjudicators in order to complete these rereviews. Training was completed by the end of March 1998. Although implementation of the top-to-bottom review findings enhanced the quality of redeterminations, it reduced the number of redeterminations processed in FY 1998 compared with planned numbers and meant that the remaining redeterminations had to be deferred.

Per the OIG's request, SSA will provide a report to the Appropriations Committee on the number of childhood reviews in connection with the FY 2001 President's budget request.

OTHER COMMENTS:

Results of Review; Reporting Childhood Review Numbers to Congress

OIG states that SSA should not count reconsiderations in the childhood review workload measure since the reworked cases were never anticipated in the FY 1998 planned workload number and this method would be inconsistent with the way workload measures are counted.

SSA's workload estimates (265,900) for FY 1998 did include initial childhood reviews (79,200) as well as evidentiary and face-to-face reconsiderations (186,700). SSA chose to present the workload in this manner because of the one-time nature of the work, the compressed timeframe to complete it, its impact on other SSA workload processing and the fact that Congress provided earmarked funding for that purpose. Because SSA's performance commitment for this measure included both initial reviews and reconsiderations, it would be misleading to report to Congress only a portion of the total workload (i.e., initial reviews).

MAJOR CONTRIBUTORS TO THIS REPORT

Office of the Inspector General

Roger J. Normand, Director, Disability Program Audit Division

Rona Rustigian, Deputy Director

Walter Bayer, Auditor

Steven Kurker, Auditor

For additional copies of this report, please contact the Office of the Inspector General's Public Affairs Specialist at (410) 966-5998. Refer to Common Identification Number A-01-99-91003.

SSA ORGANIZATIONAL CHART
