



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Accuracy of the Determination of
Workers' Compensation Offset
During Disability Insurance Claims
Processing

A-02-14-34090 | September 2018



Office of the Inspector General

SOCIAL SECURITY ADMINISTRATION

MEMORANDUM

Date: September 25, 2018

Refer To:

To: The Commissioner

From: Acting Inspector General

Subject: Accuracy of the Determination of Workers' Compensation Offset During Disability Insurance Claims Processing (A-02-14-34090)

The attached final report presents the results of the Office of Audit's review. The objective was to assess the accuracy of the Social Security Administration's determination of Workers' Compensation and Public Disability Benefit offset during Disability Insurance claims processing.

If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, 410-965-9700.

A handwritten signature in black ink that reads "Gale Stallworth Stone".

Gale Stallworth Stone

Attachment

Accuracy of the Determination of Workers' Compensation Offset During Disability Insurance Claims Processing

A-02-14-34090



September 2018

Office of Audit Report Summary

Objective

To assess the accuracy of the Social Security Administration's (SSA) determination of Workers' Compensation (WC) and Public Disability Benefit (PDB) offset during Disability Insurance (DI) claims processing.

Background

When beneficiaries receive both DI and WC/PDB, SSA must reduce, or offset, their DI payments to ensure the combined amount of DI and WC/PDB does not exceed whichever is greater of (1) 80 percent of their average current earnings or (2) the total family benefits.

During DI claims processing, SSA staff should obtain WC/PDB information, verify WC/PDB payments, retain WC/PDB documents, and remind beneficiaries of their responsibility to report WC/PDB payments to SSA. SSA systems calculate DI payments based on WC/PDB information entered by SSA staff. Incomplete and inaccurate WC/PDB information can cause improper payments.

From 1 segment of the Master Beneficiary Record, we identified 4,558 beneficiaries awarded DI benefits in Calendar Year 2014 who indicated they had filed, or intended to file, for WC/PDB. From this population, we reviewed a random sample of 200 cases.

Findings

SSA did not always accurately determine WC/PDB offset during DI claims processing. Of the 200 cases in our review, SSA

- did not obtain sufficient information for 60 beneficiaries' WC/PDB claims and/or payments before it processed their DI claims;
- obtained sufficient WC/PDB information for 43 beneficiaries but did not accurately enter it into SSA's records; and
- did not retain the documents that supported the WC/PDB information entered for 6 beneficiaries.

Additionally, SSA did not always provide required printed reminders to beneficiaries of their responsibility to report changes to their WC/PDB payments to SSA.

The insufficient information and inaccurate records caused SSA to improperly pay 25 beneficiaries \$266,929—\$207,941 in underpayments and \$58,988 in overpayments. Based on these results, we estimate 11,400 beneficiaries were under- and overpaid \$121.7 million because SSA did not properly offset their DI benefits when it processed their DI claims.

SSA subsequently detected the improper payments in 15 of the 25 cases after it processed the DI claim. In one additional case, SSA detected some, but not all, of the improper payments. For the remaining nine cases, SSA did not detect the improper payments. Although SSA found many of the improper payments, the errors that occurred when it processed the DI claims still had negative effects, including SSA's inability to recover some of the resulting overpayments.

Recommendations

We made five recommendations, including that SSA review the erroneous cases we identified and take appropriate actions to improve the accuracy of WC/PDB offset determinations during DI claims processing.

SSA agreed with our recommendations.

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ABBREVIATIONS

DI	Disability Insurance
MBR	Master Beneficiary Record
OIG	Office of the Inspector General
POMS	Program Operations Manual System
PDB	Public Disability Benefit
SSA	Social Security Administration
U.S.C.	United States Code
WC	Workers' Compensation

OBJECTIVE

Our objective was to assess the accuracy of the Social Security Administration's (SSA) determination of Workers' Compensation (WC) and Public Disability Benefit (PDB) offset during Disability Insurance (DI) claims processing.

BACKGROUND

When beneficiaries receive both Social Security DI and WC/PDB payments, the *Social Security Act*¹ requires that SSA reduce, or offset, their DI payments² to ensure the combined amount of DI and WC/PDB does not exceed whichever is greater of (1) 80 percent of their average current earnings or (2) the total family benefits.³ During the DI application process, SSA staff interviews beneficiaries and reviews their applications and related documents to determine whether beneficiaries are receiving WC/PDB, intend to file for WC/PDB, or have pending WC/PDB claims or appeals.⁴

Per policy, if beneficiaries receive WC/PDB payments, SSA staff should obtain proof, such as pay stubs, to verify the amounts and dates of the payments.⁵ If beneficiaries have not yet filed claims or the claims are pending, SSA staff should establish systems alerts to remind staff to

¹ *Social Security Act*, 42 U.S.C. § 424a (govinfo.gov 2016).

² SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52101.001 (December 14, 2015). DI payments are not reduced if the State WC/PDB law or plan provides for a reverse offset (the State reduces the WC/PDB benefit to a worker also receiving DI payments) that is recognized by SSA.

³ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52150.015, sec. A (September 25, 2008) explains how SSA determines whether offset applies. The total family benefits are the total of all DI benefit monthly amounts for the primary beneficiary and any beneficiaries entitled on the record on the first month of concurrent DI and WC/PDB payments, when offset is considered.

⁴ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52140.001, sec. A-B (September 13, 2017); and SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52155.001 (July 16, 2018).

⁵ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52145.001, sec. A-D (December 20, 2017). SSA staff must verify WC/PDB payments, as indicated in POMS, sec. C. However, SSA staff is not required to verify payments that are not WC/PDB payments, payments that ended at least 1 year before the first possible month of offset, and payments from a State that had reduced the payments under a reverse offset plan, as indicated in POMS, sec. A. Under certain conditions, verification of payments can be deferred, as indicated in POMS, sec. B.

follow up about the status of the claim.⁶ Additionally, SSA staff should enter WC/PDB information into its records⁷ and retain the WC/PDB documents it receives.⁸

When DI claims are processed, SSA systems use WC/PDB payment information to calculate the combined monthly DI and WC/PDB amounts, compare them to the statutory limit,⁹ and determine the DI payment amounts after offset. SSA staff should inform beneficiaries that they need to report entitlement to and changes in the amount of WC/PDB payments to SSA immediately, and they may be responsible for repaying any DI overpayments that result from WC/PDB offset.¹⁰

From 1 segment of the Master Beneficiary Record (MBR), we identified 33,842 beneficiaries awarded DI payments in Calendar Year 2014. Of these, 4,558 beneficiaries indicated they had filed, or intended to file, for WC/PDB. We reviewed a random sample of 200 cases. See Appendix A for our scope and methodology.

⁶ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52140.001, secs. H.1 and H.2 (September 13, 2017); *DI-Disability Insurance*, ch. DI 521, subch. DI 52140.010, sec. B.1.a (December 20, 2017); and *DI-Disability Insurance*, ch. DI 521, subch. DI 52155.005 (November 6, 2009). These POMS references specify that SSA's Modernized Claims Systems, which SSA uses to process DI applications, will establish a diary code of 042 when specific data fields have "Y" coded. These are the intend-to-file, initial claims pending, and appeal pending cases. Although SSA's systems should automatically generate a 042 diary for cases where specific data fields have "Y" coded, it is ultimately SSA staff's responsibility to ensure a system alert, such as the 042 diary, is established to follow up on the status of the WC/PDB claims for these cases.

⁷ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52155.001, sec. B (July 16, 2018).

⁸ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52145.015, sec. A (December 21, 2017).

⁹ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52150.001, sec. C (September 25, 2008) refers to the statutory limit as the "applicable limit." This limit is the greater of (1) 80 percent of the beneficiary's average current earnings or (2) the total family benefits.

¹⁰ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52140.001 (September 13, 2017). For all claims involving potential WC/PDB offset, SSA requires that its staff inform beneficiaries of their reporting responsibilities during interviews. SSA, *POMS, GN-General*, ch. GN 002, subch. GN 00203.005, sec. C (October 6, 2016), instructs staff to provide beneficiaries with a reporting sheet from their printed DI applications to remind them to report changes that may affect their benefits. Additionally, for claims where beneficiaries are not receiving WC/PDB but the WC/PDB is pending, SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52140.001, sec. F (September 13, 2017) requires that its field office staff obtain a repayment statement. The repayment statement, which the beneficiaries sign, includes language that they agree to report entitlement to, and changes in the amount of WC and other PDB payments and agree to repay promptly any overpayment. SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52155.001, sec. C (July 16, 2018) requires a repayment statement from beneficiaries who intend to file for WC/PDB. Additionally, SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52140.010, sec. A (December 20, 2017) extends the responsibility to secure a repayment statement, when necessary, to its processing center staff.

RESULTS OF REVIEW

SSA did not always accurately determine WC/PDB offset during DI claims processing. Of the 200 beneficiaries reviewed, SSA

- did not obtain sufficient current information for 60 beneficiaries' WC/PDB claims and/or payments before it processed their DI claims;
- obtained sufficient WC/PDB information for 43 beneficiaries but did not accurately enter it into SSA records; and
- did not retain documents that supported the WC/PDB information entered for 6 beneficiaries.¹¹

The insufficient information and inaccurate records caused SSA to improperly pay 25 beneficiaries \$266,929, which included \$207,941 in underpayments and \$58,988 in overpayments.¹² Based on these results, we estimate that 11,400 beneficiaries were under- and overpaid \$121.7 million because SSA did not properly offset their DI benefits when it processed their DI claims.

We reviewed how SSA handled these cases after it processed the DI claim and found it subsequently detected the improper payments in 15 of the 25 cases; detected some, but not all, of the improper payments in 1 case; and did not detect the improper payments in 9 cases. The undetected improper payments totaled \$41,170.

SSA waived two of the overpayments it detected after the beneficiaries appealed SSA's determinations that they were overpaid. Accordingly, SSA will not collect \$33,194 that it improperly paid the two beneficiaries.¹³ Adding this total to the amount of improper payments SSA did not detect, SSA will not collect or did not detect \$74,364 in improper payments because it did not properly offset DI benefits involving WC/PDB payments. We estimate SSA did not collect or detect \$33.9 million in improper payments made to 5,460 beneficiaries because it did not properly offset their DI benefits because of WC/PDB payments.

¹¹ The 60, 43, and 6 cases are mutually exclusive. We identified the 60 cases where SSA did not obtain sufficient current WC/PDB information or verify payments. From the remaining 140 cases, we identified the 43 cases with inaccurate information. From the 97 remaining cases, we identified the 6 cases where SSA did not retain documents that supported WC/PDB payments entered as verified.

¹² For these 25 beneficiaries, we included the improper payments paid to auxiliaries, when applicable. Four of the 25 cases had auxiliaries on the record. In two of these four cases, a total of \$7,588 in improper payments was paid to the auxiliaries on the records. The portion of the improper payments paid to auxiliaries is 2.8 percent of the \$266,929 total amount.

¹³ One beneficiary was overpaid \$13,383 and the other \$23,052. However, when the Agency detected the \$23,052 overpayment, it also detected a \$3,241 underpayment for the beneficiary for a different period. The Agency used the underpayment to reduce the overpayment to \$19,811. The Agency advised the beneficiary of the \$19,811 overpayment, which the beneficiary appealed and the Agency waived.

Finally, SSA did not always provide required printed reminders to beneficiaries to report WC/PDB changes to SSA during the DI application process.

Identification and Verification of WC/PDB Information

SSA did not detect the beneficiaries' WC/PDB claims, obtain sufficient current information about the claims or related payments, or verify the payments before processing the DI awards in 60 of the 200 cases we reviewed. Examples of these errors follow.

- SSA did not obtain current WC/PDB claim status or payment information. DI claims can be pending for many months or years before SSA awards benefits, so WC/PDB claim status or payments that beneficiaries initially reported could change and need to be updated to accurately compute WC/PDB offset. Some beneficiaries reported their WC/PDB claims were pending when they applied for DI benefits and subsequently began receiving WC/PDB payments, of which SSA was unaware.
- SSA did not verify the WC/PDB payment amounts beneficiaries alleged they were receiving.¹⁴ SSA will use alleged payment amounts to calculate DI payments after WC/PDB offset. However, we found actual payment amounts or dates of payments differed from the information alleged in some cases, and the DI payment amounts calculated were incorrect, which resulted in improper payments.
- SSA did not obtain basic information about the WC/PDB claims, such as the WC/PDB payer's name, address, and contact information.¹⁵

¹⁴ Alleged WC/PDB payments are WC/PDB payments asserted by beneficiaries without any proof. SSA staff must verify WC/PDB payments, as indicated in SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52145.001, sec. C (December 20, 2017). However, SSA staff is not required to verify payments that are not WC/PDB payments, payments that ended at least 1 year before the first possible month of offset, and payments from a State that had reduced the payments under a reverse offset plan. Additionally, under certain conditions, verification of payments can be deferred.

¹⁵ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52145.001, secs. F.3 and F.4 (December 20, 2017) provides a list of sources other than the beneficiary or the beneficiary's attorney that SSA staff can use to verify WC/PDB payments. SSA should obtain basic information for WC/PDB claims because it may need to contact WC/PDB payers or other sources, such as self-insured employers and State WC agencies, boards, or commissions for WC/PDB information that beneficiaries cannot or will not provide.

- SSA obtained some WC/PDB payment information, but it was not sufficient to accurately calculate DI benefit payment amounts. Specifically, documents beneficiaries submitted did not clearly establish the payments as WC/PDB payments, had conflicting information, did not provide details about expenses SSA could have used to reduce WC/PDB payment amounts, or were insufficient in other ways.¹⁶
- SSA did not detect the beneficiaries' WC/PDB claims even though the medical evidence in SSA's records indicated a WC/PDB claim was involved.

Staff did not always follow procedures to obtain relevant information. Additionally, SSA procedures did not always guide staff to obtain the necessary information. For example, SSA procedures on DI claims processing did not instruct staff when it needs to update previously received WC/PDB information to ensure it is current. See Appendix B for additional details on the causes of the errors we identified.

In 17 of the 60 cases, the errors caused SSA to improperly pay the beneficiaries. The errors did not lead to improper payments in the remaining 43 cases for several reasons.

- In 34 cases, both the incorrectly entered information and the correct information resulted in either no DI offset or full offset.
- In two cases, SSA corrected the errors before an improper payment occurred.
- In the remaining seven cases, the WC/PDB information was not sufficient to determine whether the offset was correct.¹⁷

¹⁶ Other ways payment information was not sufficient included not obtaining (1) information about a beneficiary's periodic payments when he/she had received periodic payments before they received a lump-sum payment, and such information was needed to determine the appropriate start date to use for prorating the lump sum payment or (2) additional information to determine whether PDB payments received may have been exempt from offset when there was information on the record that indicated an exemption may have been possible.

¹⁷ We referred all cases requiring further development to SSA for appropriate actions.

Accuracy of WC/PDB Information

In 43 of the cases we reviewed, SSA obtained sufficient WC/PDB information, but staff did not accurately enter the information into SSA's records or establish alerts to follow up with beneficiaries who intended to file WC/PDB claims or had pending claims or appeals. In 32 of the 43 cases, SSA staff did not accurately enter information in SSA's systems used to calculate DI payment amounts after WC/PDB offset.

SSA's policies related to entering WC/PDB information were complex and could have contributed to the data entry errors we identified. For example, for beneficiaries who received a lump-sum WC/PDB payment, SSA's procedure states that an order of priority must be followed to determine whether the WC/PDB start date should be

- the date specified in the WC/PDB award letter,
- the day after the periodic payment ended,
- the date of the illness or injury for WC/PDB, or
- the date of the beneficiary's employment termination for occupational disease.¹⁸

In addition, if a lump-sum payment is for a disfigurement, staff should use a different set of priorities.¹⁹ There are additional instructions SSA staff must follow for more complex lump-sum awards and settlements, such as life-expectancy awards and structured settlements.²⁰ Moreover, some States have specific procedures involving lump-sum awards, and these may differ greatly from general lump-sum instructions.²¹

In the remaining 11 cases, the inaccurate data entries could lead staff to take unnecessary actions or not take necessary actions later. For example, SSA staff coded WC/PDB payments as unverified after it verified them, which could lead staff to unnecessarily attempt to verify the payments again. Also, staff did not establish alerts to follow up with beneficiaries who reported pending WC/PDB claims. Staff would need to follow up on the status of these claims to determine whether beneficiaries started to receive WC/PDB payments that could affect DI benefit payment amounts. Appendix B provides additional information on the accuracy of WC/PDB information.

¹⁸ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52150.060, sec. D.2 (December 18, 2015).

¹⁹ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52150.060, sec. D.2 (December 18, 2015). See NOTE within the sec. D.2.

²⁰ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52150.065 (December 11, 2015).

²¹ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52150.060 (December 18, 2015). See NOTE before sec. A.

Because of the data-entry errors, eight beneficiaries were improperly paid. The errors did not lead to improper payments for the remaining 35 beneficiaries for various reasons. The reasons included errors not related to WC/PDB payment information used to calculate DI benefit payment amounts or the incorrect and correct combined DI and WC/PDB payment amounts were both lower than the statutory limit for offset, so there were no reductions to the DI payment amounts.

Retention of WC/PDB Documents

When SSA staff obtains proof of WC/PDB payments, it should retain all the documents received and used to confirm the payments.²² WC/PDB documents often involve complex, State-specific awards, forms, or settlements that require some degree of interpretation and analysis. Therefore, SSA needs the documents to support the WC/PDB payment information SSA staff enters into its records.

We were unable to find evidence that SSA retained the documents for six cases. For two of these cases, SSA subsequently obtained WC/PDB documents to support the payments after the DI claims were processed. For the remaining four cases, we were unable to locate any WC/PDB documents, so we could not verify the payment information SSA had entered was correct.

Improper Payment Cases Detected by SSA

Because of errors made during DI claims processing, SSA inaccurately offset the DI benefits of 25 of the 200 beneficiaries we reviewed, improperly paying them \$266,929, which included \$207,941 in underpayments and \$58,988 in overpayments. After the DI claims were processed, SSA detected the improper payments in 15 of the 25 cases, identifying \$172,981 of the underpayments and \$52,778 of the overpayments.

SSA identified the improper payments from 1 to 37 months after it processed the DI claims.²³ While SSA later found many of the improper payments, the underpaid beneficiaries received less in monthly benefit payments than they should have until SSA found the improper payments. Also, of the \$52,778 in overpayments SSA detected, it waived the collection of two of the overpayments, totaling \$33,194, after the beneficiaries appealed SSA's determinations they were

²² SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52145.015, sec. A (December 21, 2017).

²³ The number of months that passed before SSA detected the errors for these 15 cases is as follows: 1 month (1 case), 2 months (2 cases), 4 months (3 cases), 5 months (1 case), 6 months (1 case), 9 months (1 case), 11 months (1 case), 14 months (1 case), 15 months (1 case), 25 months (1 case), 36 months (1 case), and 37 months (1 case).

overpaid.²⁴ Additionally, some cases required that SSA take multiple actions to correct the cases, which consumed additional SSA staff time.

Finally, in some cases, the improper payments caused inaccurate representative fees. Eleven of the beneficiaries had representatives help them with their DI claims. The representatives had fee agreements with the beneficiaries, which stipulated the representatives would receive a portion of the past-due benefits paid to the beneficiaries when their DI claims were awarded.²⁵ When WC/PDB offset was incorrectly applied, it resulted in an incorrect determination of the representative fees for six cases²⁶ and a delay in the payment of the fees for another three cases.

Communications with Beneficiaries

The status of WC/PDB claims or payments initially reported by beneficiaries when they apply for DI benefits can change during the application process. SSA policy requires its staff to inform beneficiaries of their responsibilities to report changes that may affect their benefits before their DI award is processed.²⁷ Additionally, staff should provide beneficiaries with a reporting sheet that informs them of their reporting requirements when it provides them with a printed version of their DI application.²⁸ When printing a DI application for beneficiaries, staff must select an option to include the reporting sheet.

In our sample of 200 beneficiaries, we identified 107 cases where the WC/PDB payments or claims reported by the beneficiaries could have caused potential offset to DI benefits. We

²⁴ SSA detected \$52,778 in overpayments for six cases. In one case, the beneficiary was overpaid \$13,383, and SSA granted the beneficiary's request for waiver. In another case, SSA detected a \$23,052 overpayment and an underpayment of \$3,241 for the same beneficiary for a different period. SSA posted a \$19,811 overpayment for the beneficiary, which the beneficiary appealed and SSA waived.

²⁵ Past-due benefits are calculated from the first month of entitlement to DI benefits to the month before the month the DI claim was processed. For example, if a beneficiary had a first month of entitlement to DI benefits of September 2013, but the DI claim was not processed until August 2014, the beneficiary's past-due benefits would be the total DI benefits paid from September 2013 through July 2014.

²⁶ SSA, *POMS, GN-General*, ch. GN 039, subch. GN 03920.040, sec. A-B (March 26, 2012). Even though SSA detected the improper payments for these six cases, any change in the amount of past-due benefits will not change the fee amount already paid to a representative unless an exception applies.

²⁷ SSA, *POMS, GN-General*, ch. GN 002, subch. GN 00203.005, sec. C.1 (October 6, 2016) informs staff interviewing beneficiaries to "ask the claimant to report to the field office any changes before receipt of an award notice."

²⁸ SSA, *POMS, GN-General*, ch. GN 002, subch. GN 00203.005, sec. C.4 (October 6, 2016).

reviewed these cases to determine whether the beneficiaries received a reporting sheet.²⁹ In 32 cases, SSA did not include a reporting sheet as part of the printed DI application. In 5 of the 32 cases, we found other evidence in SSA's records that indicated SSA discussed reporting responsibilities with the beneficiaries. In the remaining 27 cases, we could not determine whether SSA notified beneficiaries of their reporting responsibilities.³⁰

In addition to providing reporting sheets to beneficiaries, SSA staff is required to obtain repayment statements from beneficiaries with pending WC/PDB claims or payments.³¹ The statements document the beneficiaries' wish to receive full DI benefits while their WC/PDB claim is pending and their agreement to repay promptly any overpaid DI amounts due to WC/PDB offset once they begin to collect WC/PDB payments. In 44 of the 200 cases we reviewed, the beneficiaries indicated an intention to file or had a pending WC/PDB claim in their DI applications and SSA should have provided them with repayment statements before it processed their DI award.³² In 34 cases, we did not find any repayment statement in SSA's records.³³

²⁹ The reporting sheet should be provided to all Old-Age, Survivors and Disability Insurance applicants and serves as a general reminder to report various types of changes to SSA. However, SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52140.001 (September 13, 2017) specifically requires that SSA staff inform beneficiaries of their reporting responsibilities during interviews in cases that involve potential WC/PDB offset. We determined there were 107 cases from our sample that involved potential offset, which included beneficiaries whom SSA indicated had continuing WC/PDB payments, had received WC/PDB payments for a period that was concurrent with their DI benefits, had a pending WC/PDB claim, or indicated an intention to file for WC/PDB. We limited our review to these 107 cases because the reporting sheet should have served as a reminder to report WC/PDB claim status and payment changes for these beneficiaries.

³⁰ Aside from providing beneficiaries with reporting sheets, SSA staff is not required to document it had discussions with beneficiaries on their reporting responsibilities, except in pending WC/PDB claim cases. In these cases, SSA staff is required to obtain repayment statements, which documents, amongst other things, the beneficiary's agreement to report entitlement to, and changes in, WC/PDB payments.

³¹ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52140.001, sec. F (September 13, 2017) requires that SSA field office staff obtain a repayment statement from beneficiaries with pending WC/PDB claims or payments. SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52155.001, sec. C (July 16, 2018) requires a repayment statement from beneficiaries who intend to file for WC/PDB. Additionally, SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52140.010, sec. A (December 20, 2017) extends the responsibility to secure a repayment statement, when necessary, to its processing center staff.

³² These 44 beneficiaries are a subgroup of the 107 cases where the WC/PDB claims or payments could cause potential offset to DI benefits.

³³ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52140.001, sec. E-F (September 13, 2017) requires that SSA field office staff document the repayment statement in a DI application screen or development screen, or on a paper form, or document the beneficiary's refusal to sign one. The repayment statement should be obtained before SSA pays DI benefits. In 34 cases, we did not find evidence of a repayment statement in SSA's records before SSA processed the DI awards. However, in two cases, SSA subsequently obtained repayment statements after the DI awards were processed.

CONCLUSIONS

SSA did not always detect beneficiaries' WC/PDB claims, obtain sufficient current information about the claims, or verify the payments before processing the DI awards. When WC/PDB information was obtained, SSA staff did not always accurately enter it into SSA's records, establish alerts to follow up with beneficiaries who reported pending claims and appeals, or retain WC/PDB documents received.

SSA relies on beneficiaries to self-report their WC/PDB payments to the Agency. However, SSA did not always provide required printed reminders to beneficiaries to report WC/PDB changes to SSA during the DI application process and did not always obtain repayment statements from beneficiaries with pending WC/PDB claims before paying them full DI benefits.

RECOMMENDATIONS

We recommend that SSA:

1. Review the cases with errors we identified and take appropriate actions to ensure beneficiaries received accurate DI payments.
2. Determine whether it should review additional cases in the population of DI beneficiaries who filed or intended to file for WC/PDB.
3. Take appropriate actions to improve the accuracy of WC/PDB offset determinations during DI claims processing. For example, determine whether it should clarify policy, improve access to online resources, improve systems controls, and/or initiate data matches with WC/PDB payers. See Appendix B for our specific suggestions.
4. During systems modernization, consider requiring that reporting sheets be included in printed applications provided to beneficiaries in every case. The reporting sheets should not be an optional selection staff have to select to include them in the printed applications.
5. Remind SSA staff to obtain repayment statements from beneficiaries who filed or intend to file for WC/PDB, when such statements are required.

AGENCY COMMENTS

SSA agreed with our recommendations. The Agency's comments are included in Appendix D.

OTHER MATTER

Our audit objective focused on the accuracy of WC/PDB offset calculations during DI claims processing. During our review, we identified an issue that occurred after the DI claims were initially processed, which we bring to the Agency's attention here.

After claims were initially processed, SSA sometimes incorrectly identified cases for WC/PDB development when WC/PDB was not involved. Seven beneficiaries in our sample reported they were denied their WC/PDB claims and they did not have pending claims or appeals, so WC/PDB offset did not apply. However, SSA's systems still incorrectly generated a system alert for staff to develop these cases for pending WC/PDB payments.³⁴

In five of these cases, when SSA staff received the alert, it took unnecessary development actions, such as sending letters to the beneficiaries to inquire about the pending WC/PDB claim, before concluding WC/PDB offset did not apply and deleting the WC/PDB information from the beneficiaries' records. In another case, SSA did not contact the beneficiary and it deleted the WC/PDB information in response to the alert. In the last case, SSA staff obtained evidence that WC/PDB offset did not apply but did not delete the WC/PDB information from the beneficiary's record. Since then, the system has generated another alert for WC/PDB development, which staff has yet to review.

To help prevent unnecessary alerts and workloads, SSA should instruct its staff through its policies to delete WC/PDB information from its records when applicants report that their WC/PDB claims were denied, and they did not have any pending claims or appeals.



Rona Lawson
Assistant Inspector General for Audit

³⁴ Although these beneficiaries did not have any WC/PDB claims, the information SSA coded on their records about the WC/PDB denials caused SSA to generate a false automatic system alert for these cases.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we:

- Reviewed the applicable sections of the *Social Security Act* and the Social Security Administration's (SSA) Program Operations Manual System.
- Obtained from 1 of the 20 segments of SSA's Master Beneficiary Record (MBR), data for 33,842 beneficiaries awarded Disability Insurance (DI) payments¹ in Calendar Year 2014. We identified a population of 4,558 beneficiaries who had indicated they had filed or intended to file for Workers' Compensation (WC) and Public Disability Benefit (PDB) on their DI application.
- Selected a random sample of 200 beneficiaries.
- Reviewed queries from SSA's MBR, Modernized Claims System, Certified Electronic Folder, Online Retrieval System, WC/PDB offset datasheet, Non-Disability Repository for Evidentiary Documents, Paperless, and Single Payment System for the 200 beneficiaries.
- Reviewed the actions SSA took for the 200 cases from the time it processed the DI claim to the time we reviewed the case. We reviewed the DI application that resulted in the DI award and earlier DI applications, the remarks about development actions SSA staff took during the application process and after the beneficiaries had been awarded benefits, forms and documents SSA had obtained, letters SSA sent to beneficiaries pertaining to their DI and WC/PDB claims and/or payments, and representative fees SSA paid, if applicable.
- Obtained additional WC/PDB information for some cases for which SSA had online access. We used this information to finalize our determinations for these cases.
- Determined whether SSA correctly processed the DI claims for the 200 beneficiaries we selected and whether errors resulted in improper payments. We determined whether SSA obtained sufficient current information about the beneficiaries' WC/PDB claims, verified the amounts and dates of WC/PDB payments, entered information correctly into SSA's records, established controls to follow up on pending claims, retained WC/PDB documents, informed beneficiaries of their responsibility to report WC/PDB payments/changes to SSA, and applied the appropriate offset to the beneficiaries' DI payments when it processed the DI claim.
- Determined the improper payment amounts for 25 beneficiaries. We only included improper payments that occurred as a direct result of the WC/PDB errors made when the DI claim was processed. We included improper payments paid to auxiliaries on the record, when applicable.

¹ These DI awards were based on initial claims and appeals.

- Determined whether SSA subsequently reviewed the cases with errors we had identified, and detected and corrected the errors. Additionally, if an overpayment had occurred, we determined whether SSA recovered the overpayment, the beneficiaries requested a waiver of the overpayment, and SSA granted the waiver. We also determined whether SSA adjusted the representative fee, if involved, when it corrected cases involving improper payments.

We provided the Agency with information on the results of our work for its review in April 2018. We provided updated results to the Agency in July 2018.

We determined the computer-processed data were sufficiently reliable for our intended use. We conducted tests to determine the completeness and accuracy of the data. These tests allowed us to assess the reliability of the data and achieve our audit objective. We conducted this audit in New York, New York, between April and July 2018. The entity reviewed was the Office of the Deputy Commissioner for Operations.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Appendix B – CAUSES AND SUGGESTED SOLUTIONS

Of the 200 beneficiaries reviewed, Social Security Administration (SSA) staff

- did not obtain sufficient current information about the beneficiaries' Workers' Compensation (WC) and Public Disability Benefit (PDB) claims and/or payments before it processed the Disability Insurance (DI) claims in 60 cases and
- obtained sufficient WC/PDB information but did not accurately enter it into SSA's records in 43 cases.

The insufficient information and inaccurate records caused SSA to improperly pay 25 beneficiaries \$266,929: \$207,941 in underpayments and \$58,988 in overpayments. Based on these results, we estimate 11,400 beneficiaries were under- and overpaid \$121.7 million in under- and overpayments because SSA did not properly offset their DI benefits when it processed their DI claims.

We concluded there were multiple reasons why SSA did not always obtain sufficient WC/PDB information or accurately enter the information into its records. We detail the causes below. We have also included possible solutions to address the causes for the Agency's consideration.

SSA Did Not Always Obtain Current WC/PDB Claim Status or Payment Information

Causes

- SSA staff did not always appear to have used the Program Operations Manual System (POMS) to determine when specific types of WC/PDB payments needed to be updated. SSA has specific WC/PDB POMS for each State, which provide such information as payment types, maximum payment amounts, and payment duration. For example, SSA POMS specified that the majority of PDB payments from California last for a maximum of 52 weeks.¹ However, SSA did not always develop for a possible payment stop date for these payments after 52 weeks.
- SSA policy for DI claims processing for field office staff did not explicitly state that current WC/PDB information should be obtained or provide sufficient guidance on how to determine whether WC/PDB information previously received is current or may need to be updated. For example, SSA post-entitlement policy instructed staff to re-verify the WC/PDB information on the record if the WC/PDB proof in file was over 2-years-old, and re-verify every year if State WC proof was readily available online or involved a known annual cost-of-living adjustment.² However, SSA's initial DI claims policy was not as specific.

¹ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52135.030, sec. A.1 (January 25, 2018). The majority of California employees is covered by the State plan, which pays full PDBs for a maximum of 52 weeks.

² SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52145.001, Sec. G (December 20, 2017).

- SSA staff may not have been aware of when the beneficiary last reported the WC/PDB status or payments. Specifically, the date a beneficiary reported WC/PDB information was not recorded on the DI application and WC/PDB information reported in prior DI applications were pulled into later applications, so SSA staff could not always easily determine when WC/PDB information was reported.
- SSA staff may not have known when to follow up on the status of a pending WC/PDB claim. While the DI application contained a field where SSA staff could enter an expected decision date for WC/PDB pending appeals, there was no equivalent field for cases involving an intention to file for WC/PDB or a pending initial claim, so SSA staff may not have known when the beneficiaries expected a decision for these cases. Expected decision dates can help staff determine whether a WC/PDB claim status may have changed prior to the DI award, and if not changed, establish a more accurate follow-up diary date to control for post-entitlement development of the claim status.

Possible Solutions

- Initial DI claims policy should specify when SSA staff should re-verify WC/PDB information. While SSA may not be able to identify all WC/PDB changes that occurred since the last update, it will help minimize improper payments because the period in which undetected changes occurred will be limited to the recent past. Additionally, establishing a defined timeframe for followups, instead of relying on individual staff's judgment on what is current/non-current information, will increase uniformity in SSA's processing of cases.
- Consider establishing automatic, criteria-driven controls to ensure SSA staff obtains updated WC/PDB information. Consider system enhancements that will automatically direct staff to relevant POMS based on WC/PDB type(s) reported in the DI application. Also, systems could alert cases that require SSA staff to obtain updated WC/PDB information. This will provide SSA with additional controls, other than those established by staff, to detect cases that require followup.

SSA Did Not Always Verify Alleged WC/PDB Payments

Causes

- SSA staff did not always appear to have complied with policy to verify WC/PDB payments alleged to have ended less than 1 year before the earliest possible DI entitlement month³ or concurrent payments where reverse jurisdiction⁴ may not apply.
- SSA staff did not always appear to have used available online resources to obtain WC/PDB information. To help SSA staff with the verification process, SSA has online access to information for some State or Federal WC/PDB payments. However, the State- or Federal-specific WC/PDB POMS did not always explicitly indicate that online information might be available, or provide instructions on how to obtain it.⁵ Additionally, only certain SSA employees had online access. SSA staff may not have always known whom it should have contacted and contact availability varied depending on where the requestor worked.
- There were no systems alerts generated to identify cases where SSA staff should verify WC/PDB payments. Additionally, when beneficiaries reported WC/PDB payments, the payments reported may have been old and immaterial. SSA policy did not require staff to delete old and immaterial WC/PDB payment information before it processed DI claims. As a result, staff coded more cases than necessary with WC/PDB information.

Possible Solutions

- To increase SSA staff's awareness of online resources, consider revising policy to clearly indicate that online information may be available and instruct staff how to access the information. While this information is available elsewhere on the Agency's intranet, placing the information, reminder, or link within the specific WC/PDB procedure that pertains to the WC/PDB type and State will help increase awareness of online information.
- To improve SSA staff's access to online resources, consider developing an automated tool staff can use to request WC/PDB information.

³ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52145.001, sec. A (December 20, 2017). Verification is not required when WC/PDB payments ceased at least 1 year before the first possible month of offset.

⁴ See SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52105.001, sec. E (April 4, 2018). Some States have plans that reduce WC/PDB payments when the disabled worker is also receiving SSA DI payments. This is known as reverse jurisdiction or reverse offset. SSA does not have to verify WC/PDB payments from these States unless the State only reduces certain types of WC/PDB.

⁵ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52120.175, sec. G (February 7, 2017) and SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52120.215, sec. H (March 30, 2016) provide instructions for verifying WC payment amounts from New York and Puerto Rico, respectively. However, the instructions do not state that online information is available or instruct staff on how to request the information from SSA staff who have online access.

- Consider establishing automatic, criteria-driven controls to improve SSA staff's verification of WC/PDB payments. Consider system enhancements that will alert SSA staff to payments it needs to verify based on alleged payment dates and types of WC/PDB payment involved, both at the time DI claims are processed and post-entitlement.
- Instruct staff through policy to delete old and immaterial WC/PDB payment information before processing the DI award. This will prevent the information posting to the Master Beneficiary Record (MBR). Old and immaterial WC/PDB information retained in SSA's records can hinder SSA's ability to detect payments needing verification.

SSA Did Not Always Obtain Basic WC/PDB Information

Causes

- SSA staff did not always appear to have complied with policy to obtain all available information about the WC/PDB claim.
- Although SSA expected its staff to obtain all available information about a WC/PDB claim, POMS did not specify which data fields SSA staff should complete in all situations. For example, when a beneficiary informs SSA he/she intends to file a WC/PDB claim, the beneficiary may not have had the payer name, address, or contact information. However, a beneficiary who had already filed an initial WC/PDB claim should have the payer name, address, and contact information. Moreover, a beneficiary who had already filed an appeal should have an injury date and claim number established for the WC/PDB claim, if applicable. Policy did not specify the type of information that SSA staff should collect in these situations.
- SSA's systems did not require that SSA staff complete certain data fields or validate the information entered. We found some fields for basic WC/PDB information blank or with invalid data, such as "Unknown."

Possible Solutions

- Revise SSA policy to specify the fields SSA staff is required to complete for various situations. For example, a beneficiary awarded New York State WC payments should have an eight-digit New York State WC Board claim number already established for the WC claim. SSA staff should obtain this claim number, if one exists for the case.
- Consider establishing system controls to improve staff's compliance with policy to obtain all available WC/PDB information, such as establishing mandatory fields based on the case situation, and incorporating data validation.

SSA Did Not Always Obtain Sufficient WC/PDB Payment Information

Cause

When the WC/PDB information SSA obtained was not sufficient to calculate WC/PDB offset, it was likely due to SSA staff errors because obtaining and reviewing WC/PDB information is a manual process. For example, when a beneficiary received a lump-sum payment and the information obtained mentioned expenses were involved but did not provide details of the expenses, SSA staff should have obtained this information as some expenses could reduce the lump-sum payment and therefore could have affected offset calculations.

Possible Solution

Remind staff to obtain sufficient WC/PDB payment information.

SSA Did Not Always Detect WC/PDB Claims

Causes

- SSA staff did not always appear to have complied with policy on identifying potential WC/PDB involvement. For example, SSA staff was required to obtain an explanation for why a beneficiary did not file a WC/PDB claim when he/she reported a work-related injury or illness.⁶ We did not find evidence that staff did so in all such cases.
- SSA policy informs staff that reviewing forms and other records, including medical records, can help it identify potential WC/PDB offset.⁷ We found evidence of WC/PDB in medical records of which SSA staff processing the DI awards was not aware.⁸ Additionally, different staff than those who process DI awards was responsible for conducting a detail review of medical evidence, which could have consisted of hundreds of pages. Staff with the primary responsibility for reviewing the medical evidence was not required to identify possible WC/PDB involvement. As a result, SSA may not be fully leveraging information in medical records to identify potential offset cases.
- SSA did not appear to have used knowledge of medical providers to help it detect possible WC/PDB claims. SSA does not require medical providers submitting evidence to SSA to report whether the medical treatments they provided to the beneficiaries were paid for under a WC/PDB claim.

⁶ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52155.001, sec. A.4 (July 16, 2018).

⁷ SSA, *POMS, DI-Disability Insurance*, ch. DI 521, subch. DI 52140.001, sec. B (September 13, 2017).

⁸ We determined that SSA staff may not have been aware of these WC/PDB claims because it did not enter information about these claims in the DI application or development screens.

- SSA relied solely on beneficiaries to self-report WC/PDB payments. SSA did not conduct data matches with WC/PDB payers to detect beneficiaries receiving concurrent WC/PDB and DI payments.

Possible Solutions

- Remind SSA staff to comply with policy that helps it identify potential WC/PDB offset, such as obtaining an explanation for why a beneficiary did not file a WC/PDB claim when he/she reported a work-related injury or illness.
- Instruct SSA staff who are primarily responsible for reviewing medical evidence to indicate if the medical evidence shows WC/PDB involvement.
- Consider asking medical providers who are submitting medical evidence to indicate whether they billed a beneficiary's medical treatment to a WC/PDB claim.
- Consider computer matching with entities that have WC/PDB payment information.

SSA Did Not Always Accurately Enter WC/PDB Payment Information into Its Records

Cause

SSA staff did not always follow policy on how to enter WC/PDB information into Agency records. SSA policy is complex and challenging for staff to navigate, which could have contributed to coding errors.

Possible Solutions

- Remind staff of common errors when entering WC/PDB information into SSA's records. For example, a common error we found was using an incorrect start or stop date for periodic payments.
- SSA is developing a new tool called eWC, which should help technicians process WC/PDB faster and more accurately and avoid improper payments. SSA should ensure the tool helps staff comply with policy on how to enter WC/PDB information into SSA's records.

Appendix C – SAMPLING METHODOLOGY AND RESULTS

From 1 segment of the Master Beneficiary Record (MBR), we extracted data for 33,842 beneficiaries awarded Disability Insurance (DI) payments in Calendar Year 2014.¹ We identified 4,558 beneficiaries who had indicated that they had filed or intended to file for Workers Compensation/Public Disability Benefits (WC/PDB) on their DI applications.

From this population, we reviewed a random sample of 200 cases. We found SSA improperly paid 25 of these beneficiaries \$266,929. Specially, SSA underpaid 17 beneficiaries \$207,941 and overpaid 8 beneficiaries \$58,988.

Table C–1: Population and Sample Size

Description	Beneficiaries
Population Size (identified in 1 segment of the MBR)	4,558
Sample Size	200
Total Population (Population Size x 20 segments)	91,160

Table C–2: Improper Payments

Description	Beneficiaries	Amount
Sample Results (for 1 segment)	25	\$266,929
Point Estimate (for 1 segment)	570	\$6,083,312
Projection – Lower Limit	407	\$3,424,143
Projection – Upper Limit	771	\$8,742,481
Population Estimate (Point Estimate x 20 segments)	11,400	\$121,666,240

Note: All statistical projections are at the 90-percent confidence level.

We selected the 200 beneficiaries in our sample from 1 of 20 MBR segments. Estimating our sample results to the full population, we estimate that 11,400 beneficiaries had \$121,666,240 in under- and overpayments because SSA did not properly offset their DI benefits when it processed their DI claims.

¹ We had extracted data for 34,141 beneficiaries. However, we excluded 299 beneficiaries who were in suspension status at the time of the data extraction for various reasons. These reasons included: development for address, performing substantially gainful work, confinement or imprisonment, development for new representative payee, development for possible death, miscellaneous reasons, failure to be lawfully present in the United States, absence of U.S. citizenship proof, voluntary suspension to earn delayed retirement credit, and unknown whereabouts. There were 33,842 beneficiaries who remained after we excluded the 299 cases.

SSA’s Processing of the Improper Payments

We reviewed how SSA handled these cases after it processed the DI claim and found it subsequently detected the improper payments in 15 of the 25 cases; detected some, but not all, of the improper payments in 1 case; and did not detect the improper payments in 9 cases. The undetected improper payments totaled \$41,170.

Two of the improper payments SSA detected were overpayments the Agency waived after the beneficiaries appealed SSA’s determinations that they were overpaid. Accordingly, SSA will not collect \$33,194² that it improperly paid the two beneficiaries because SSA did not properly offset their DI benefits due to WC/PDB payments. Adding this total to the amount of improper payments SSA did not detect, SSA will not collect or did not detect \$74,364 in improper payments because SSA did not properly offset their DI benefits due to WC/PDB payments.

Table C–3: Improper Payments Not Collected or Detected

Description	Beneficiaries	Amount
Sample Results (for 1 segment)	12 ³	\$74,364
Point Estimate (for 1 segment)	273	\$1,694,756
Projection – Lower Limit	162	\$335,697
Projection – Upper Limit	431	\$3,053,814
Population Estimate (Point Estimate x 20 segments)	5,460	\$33,895,120

Note: All statistical projections are at the 90-percent confidence level.

Estimating our sample results to the full population, we estimate that SSA did not collect or detect \$33,895,120 in improper payments made to 5,460 beneficiaries because SSA did not properly offset their DI benefits due to WC/PDB payments.

² While SSA subsequently found these overpayments after it processed the DI claims, the Agency waived, and will not recoup, these funds. Had SSA initially processed the DI claims accurately, it would not have incurred this cost.

³ The 12 cases include 1 case where SSA detected some, but not all, of the improper payments, 9 cases where SSA did not detect any of the improper payments, and 2 cases where SSA detected the improper payments but waived their collection.

Appendix D – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: September 19, 2018 Refer To: SIJ-3

To: Gale S. Stone
Acting Inspector General
Stephanie Hall

From: Stephanie Hall
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Accuracy of the Determination of Workers’ Compensation Offset During Disability Insurance Claims Processing” (A-02-14-34090) -- INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Trae Sommer at (410) 965-9102.

Attachment

SSA COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT, “ACCURACY OF THE DETERMINATION OF WORKERS’ COMPENSATION OFFSET DURING DISABILITY INSURANCE CLAIMS PROCESSING” (A-02-14-34090)

GENERAL COMMENTS

In addition to regular reminders and additional training for technicians, we are updating our processing instructions to communicate the availability of online workers’ compensation and public disability benefits (WC/PDB) data in each state. We expect these revised instructions to mitigate our reliance on beneficiary reporting by directing technicians to access the *WC Resource Intranet Page* to determine whether online data is available in a particular state or, if online resources are not available, to obtain key state contacts and other resource information. Additionally, we continue to support the legislative proposal in the President’s Fiscal Year 2019 Budget that would require all states to provide us with WC/PDB payment information.

Our responses to the recommendations are below.

Recommendation 1

Review the cases with errors we identified and take appropriate actions to ensure beneficiaries received accurate disability insurance (DI) payments.

Response

We agree.

Recommendation 2

Determine whether it should review additional cases in the population of DI beneficiaries who filed, or intended to file for WC/PDB.

Response

We agree.

Recommendation 3

Take appropriate actions to improve the accuracy of WC/PDB offset determinations during DI claims processing. For example, determine whether it should clarify policy, improve access to online resources, improve systems controls, and/or initiate data matches with WC/PDB payers.

Response

We agree.

Recommendation 4

During system modernization, consider requiring that reporting sheets be included in printed applications provided to beneficiaries in every case. The reporting sheets should not be an optional selection staff have to select to include them in the printed application.

Response

We agree.

Recommendation 5

Remind SSA staff to obtain repayment statements from beneficiaries who filed, or intended to file for WC/PDB, when such statements are required.

Response

We agree.

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