



Office *of the* Inspector General

SOCIAL SECURITY ADMINISTRATION

Audit Report

Disability Insurance Claims with
Ohio Workers' Compensation
Benefits

A-04-17-50251 | September 2018

MEMORANDUM

Date: September 26, 2018

Refer To:

To: The Commissioner

From: Acting Inspector General

Subject: Disability Insurance Claims with Ohio Workers' Compensation Benefits (A-04-17-50251)

The attached final report presents the results of the Office of Audit's review. The objectives were to (1) identify Disability Insurance claimants who received Ohio workers' compensation benefits and (2) determine whether identified cases resulted in overpaid Disability Insurance benefits.

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.



Gale Stallworth Stone

Attachment

Disability Insurance Claims with Ohio Workers' Compensation Benefits

A-04-17-50251



September 2018

Office of Audit Report Summary

Objectives

Our objectives were to (1) identify Disability Insurance (DI) claimants who received Ohio workers' compensation (WC) benefits and (2) determine whether identified cases resulted in overpaid DI benefits.

Background

Under the Old-Age, Survivors and Disability Insurance program, the Social Security Administration (SSA) is required to provide monthly DI benefits to insured individuals who meet specific disability requirements. Individuals who qualify for DI benefits may also be eligible for State WC benefits.

When an injured worker qualifies for both DI and State WC, by law, SSA may be required to reduce DI benefits. SSA reduces the DI benefit based on an offset calculation set forth in its policies and procedures.

We reviewed a random sample of 1,000 DI beneficiaries who were not in WC offset as of November 2017 and had a date of entitlement from January 2015 through December 2016, an Ohio address, and earnings during their year of entitlement or during the 2 years before their year of entitlement.

Findings

SSA overpaid \$63,053 to five DI beneficiaries who received WC. In four cases, SSA overpaid DI benefits because it did not follow up and obtain WC information when the DI beneficiary reported he had filed, or intended to file, for WC. In the remaining case, the beneficiary did not report potential WC benefits during the DI application process, or upon receiving the WC benefits. We provided these five cases to SSA, and it took corrective action. Based on our sample results, we estimated SSA overpaid about \$391,000 to 31 beneficiaries who received WC benefits.

Additionally, the Bureau of Workers' Compensation (BWC) Website indicated Ohio awarded WC benefits to five other DI beneficiaries. However, the Website contained limited information and did not provide WC payment information for these employer self-insured claims.

SSA may pay incorrect DI benefits when it does not have correct or complete WC information. Since SSA has access to Ohio's BWC Website, we encourage SSA to use these third-party data to identify unreported, or resumed, WC payments and prevent DI overpayments. During our review of the BWC Website, it took us a minimum amount of time and resources to query individual claims and identify WC claims or benefits related to DI beneficiaries. We understand querying the BWC Website is a tool for identifying WC benefits, and staff would have to develop the WC information to determine whether SSA should offset the DI benefits. However, we believe SSA could have a high benefit relative to cost by querying Ohio's BWC for specific claims.

We have an ongoing audit to determine how accurately SSA is processing WC benefits during the DI application process. As such, we are not making recommendations for SSA to improve its process for following up and obtaining WC information.

Recommendation

We recommend that SSA obtain complete WC information for the five DI beneficiaries who may be receiving WC benefits from a self-insured employer and determine whether the Agency should impose a WC offset.

SSA agreed with our recommendation.

TABLE OF CONTENTS

Objectives	1
Background.....	1
Results of Review	2
DI Overpayments Resulting from WC Benefits	3
Self-insured WC Claims	5
Conclusions.....	6
Recommendation	6
Agency Comments.....	6
Other Matter.....	6
Appendix A – Access to Online Records by State	A-1
Appendix B – Scope and Methodology	B-1
Appendix C – Sample Methodology and Results	C-1
Appendix D – Disability Insurance Beneficiaries Who had a Workers’ Compensation Claim Filed in December 2016.....	D-1
Appendix E – Agency Comments.....	E-1

ABBREVIATIONS

Act	<i>Social Security Act</i>
BWC	Bureau of Workers' Compensation
DI	Disability Insurance
OIG	Office of the Inspector General
SSA	Social Security Administration
U.S.C.	United States Code
WC	Workers' Compensation

OBJECTIVES

Our objectives were to (1) identify Disability Insurance (DI) claimants who received Ohio workers' compensation (WC) benefits and (2) determine whether identified cases resulted in overpaid DI benefits.

BACKGROUND

The Social Security Administration (SSA) administers the Old-Age, Survivors and Disability Insurance program under Title II of the *Social Security Act* (Act).¹ Section 223(a) of the Act requires that SSA provide monthly DI benefits to insured individuals who meet specific disability requirements.² For example, SSA only pays DI benefits to individuals who have a substantial work history and a long-term physical or mental impairment that is expected to last at least 1 year or until death and prevents them from performing any substantial gainful activity,³ regardless of how they became disabled. DI benefits begin after a 5-month waiting period.⁴

Individuals who qualify for DI benefits may also be eligible for State WC benefits, which compensate workers injured on the job or with a work-related illness. When an injured worker qualifies for both DI and State WC, the combined benefits could result in the worker receiving more in disability payments than he/she earned before becoming disabled.⁵ By law, SSA may reduce DI benefits because the individual received another disability benefit paid under any law or plan of the United States, a State, or a political subdivision.⁶ SSA reduces the DI benefit based on an offset calculation in its policies and procedures.⁷ However, several States have reverse offset laws.⁸ When reverse offset applies, SSA pays the full DI benefit while the State offsets the WC benefits.⁹ SSA accepts verification from direct online access to State records when the verification includes all data necessary to impose, adjust, or remove an offset.¹⁰ Ohio

¹ *Social Security Act*, 42 U.S.C. § 423 (2015).

² See Footnote 1.

³ Substantial gainful activity is the performance of significant physical and/or mental activities in work for pay or profit, or work generally performed for pay or profit, regardless of the legality of the work. See SSA, *POMS*, DI 10501.001 (January 5, 2007).

⁴ SSA, *POMS*, DI 10105.070, A (March 2, 2011).

⁵ SSA, *POMS*, DI 52150.001 (September 25, 2008).

⁶ *Social Security Act*, 42 U.S.C. § 424a(a)(2)(B) (2014).

⁷ See SSA, *POMS*, DI 52150.001, C (September 25, 2008).

⁸ SSA, *POMS*, DI 52105.001 (April 4, 2018).

⁹ In Ohio, reverse offset may apply when Ohio's Disabled Workers' Relief Fund is involved. SSA, *POMS*, DI 52120.195, C (May 21, 2018). None of our error cases involved Ohio's Disabled Workers' Relief Fund.

¹⁰ SSA, *POMS*, DI 52145.001, F.4 (December 20, 2017).

provides SSA free online access to its WC data, but only a limited number of SSA employees had access to the database.¹¹

We identified 6,195 DI beneficiaries who were not in WC offset as of November 2017 and had a date of entitlement from January 2015 through December 2016, an Ohio address, a Disability Code of 7240 (Disorders of the Back—Discogenic and Degenerative),¹² and earnings in their year of entitlement or during the 2 years before their year of entitlement. From this population, we reviewed a random sample of 1,000 DI beneficiaries. We selected a large sample because we recognized that (1) not all DI claims for this disability involved a WC benefit, (2) most individuals reported their WC benefits to SSA, and (3) only minimal time was needed to query each DI beneficiary on the Ohio Bureau of Workers' Compensation (BWC) Website. For each sampled item, we queried the BWC Website to determine whether Ohio approved a WC claim and that claim affected the beneficiary's SSA benefits. See Appendix B for the scope and methodology for this review.

RESULTS OF REVIEW

SSA overpaid \$63,053 to five DI beneficiaries who received WC. In four cases, SSA overpaid DI benefits because it did not follow up and obtain WC information when the DI beneficiary reported he had filed, or intended to file, for WC. In the remaining case, the beneficiary did not report potential WC benefits during the DI application process, or upon receiving the WC benefits. We provided these five cases to SSA, and it took corrective action. Based on our sample results, we estimated SSA overpaid about \$391,000 to 31 beneficiaries who received WC benefits.¹³

Additionally, the BWC Website indicated Ohio awarded WC benefits to five other DI beneficiaries. However, the Website contained limited information and did not provide WC payment information for these employer self-insured claims.

SSA may pay incorrect DI benefits when it does not have correct or complete WC information. Since SSA has access to Ohio's BWC Website, we encourage SSA to use these third-party data to identify unreported, or resumed, WC payments and prevent DI overpayments. During our review of the BWC Website, it took us a minimum amount of time and resources to query individual claims and identify WC claims or benefits related to DI beneficiaries. We understand querying the BWC Website is a tool for identifying WC benefits, and staff would have to

¹¹ As of July 2018, SSA had online access to some type of WC data for 15 States: 11 provided SSA with free online access, 3 provided free access to the public, and 1 charged SSA a user fee. Only 2 of the 15 States' Websites provide WC payment information. SSA officials explained it had obtained access to all States with WC records available online. See Appendix A for details about the States with online access.

¹² We selected Disability Code 7240 for our review because about 37 percent of all DI claims with a WC offset had this Disability Code on their Master Beneficiary Record. In fact, for December 2016, 44 percent of DI claims were for Disability Code 7240 (see Table D-1).

¹³ See Appendix C for our sample methodology and results that details our straight-line estimation.

develop the WC information to determine whether SSA should offset the DI benefits. However, we believe SSA could have a high benefit relative to cost by querying Ohio’s BWC for specific claims.

DI Overpayments Resulting from WC Benefits

SSA overpaid \$63,053 to five DI beneficiaries who had received WC.¹⁴ The overpayments ranged from a high of \$20,073 to a low of \$4,165. See Table 1 for the reasons for, and amounts of, the overpayments. In four cases, SSA overpaid \$58,888 because it did not follow up and obtain WC information when the DI beneficiary reported he had filed, or intended to file, for WC. In the remaining case, SSA overpaid \$4,165 because the beneficiary did not report potential WC benefits during the DI application process or upon receiving the WC benefits. We provided these five cases to SSA, and it took corrective action. Based on our sample results, we estimated SSA overpaid about \$391,000 to 31 beneficiaries who received WC benefits.¹⁵

Table 1: Reasons and Amounts of Overpayments

Case	Reason for Error	Overpayment
1	SSA Did Not Obtain WC Data	\$20,073
2	SSA Did Not Obtain WC Data	17,545
3	SSA Did Not Obtain WC Data	15,155
4	SSA Did Not Obtain WC Data	6,115
5	Beneficiary Did Not Report WC to SSA	4,165
Total		\$63,053

The following examples illustrate overpayments SSA made to beneficiaries who also received WC, but SSA did not offset their DI benefits.

- SSA overpaid one DI beneficiary \$20,073. When the beneficiary applied for DI, he reported to SSA he had filed, or intended to file, for WC benefits. SSA established a record showing a WC claim was pending and did not offset his DI benefits when they began in February 2016. However, in August 2016, Ohio paid the beneficiary \$21,864 in retroactive WC benefits (for November 2015 through August 2016) and continued paying him WC benefits through September 2017. SSA should have offset the beneficiary’s DI benefits from his date of entitlement in February 2016 through September 2017. In January 2017, SSA staff established an alert to follow up on the potential WC until resolved, as required by policy.¹⁶ However, SSA did not work this case until we notified it of the potential overpayment.

¹⁴ We did not consider two overpayments of \$20 and \$582 as errors. For these two beneficiaries, SSA identified WC but processed their offsets incorrectly.

¹⁵ See Table C–1 in Appendix C.

¹⁶ SSA, *POMS*, DI 52140.010, B.1.a.4 (December 20, 2017).

- SSA overpaid one beneficiary \$17,545. When the beneficiary applied for DI, he reported to SSA he had filed or intended to file for WC benefits. Ohio paid him WC in April 2016, but his WC stopped in July 2016, the month he became entitled to DI. Accordingly, SSA did not offset his DI benefits. Although his WC stopped in July 2016, we determined that, in January 2017, Ohio paid him retroactive WC benefits (for July through December 2016) and continued paying him WC benefits through June 2018. However, the beneficiary did not report when his WC benefits resumed. SSA should have offset the beneficiary's DI from his date of entitlement in July 2016.
- SSA overpaid one beneficiary \$15,155. When the beneficiary applied for DI, he reported to SSA his WC appeal was pending. Accordingly, SSA did not offset his DI benefits when he became entitled in September 2015. However, in March 2016, Ohio paid retroactive benefits (for December 2015 through January 2016), and, in May 2017, Ohio paid retroactive benefits (for March 2016 through May 2017). Ohio paid WC benefits through November 2017 and then paid 1 month of benefits for April 2018. SSA's systems generated a WC alert in April 2018, but SSA did not work the case until we notified it.

If a beneficiary fails to report WC benefits or subsequent changes to his/her WC benefits, SSA may pay incorrect DI benefits. Generally, SSA relies on the beneficiary to report WC benefits. During the DI application process, SSA staff is required to ask the applicant whether he/she has received WC benefits in the past 12 months; filed, or intends to file, for WC; or a WC claim pending appeal.¹⁷ If the applicant answers yes to any of these questions, SSA staff is required to obtain additional WC information. For example, if the applicant received, or is receiving, WC, SSA staff must determine the type of award, amount of payment, and beginning and ending dates.¹⁸ If the applicant filed a WC claim or has a claim under appeal, SSA staff must document the DI record for follow up to determine whether the applicant received WC benefits.¹⁹

When an applicant or attorney cannot, or will not, provide proof of WC benefits, SSA staff is required to obtain verification of payments from the insurance carrier; State WC agency, WC board, or WC commission; self-insured employer; courts or Federal, State, or local government entity established to pay public disability benefits.²⁰ However, when SSA staff cannot obtain proof of WC payments, policy permits the use of State maximum WC rates to offset disability benefits until SSA verifies the WC payments.²¹

¹⁷ SSA, *POMS*, DI 52140.001, A (September 13, 2017).

¹⁸ SSA, *POMS*, DI 52140.001, D (September 13, 2017).

¹⁹ SSA, *POMS*, DI 52140.001, H.1 (September 13, 2017).

²⁰ SSA, *POMS*, DI 52145.001, F.3 (December 20, 2017).

²¹ SSA, *POMS*, DI 52145.001, B.2 (December 20, 2017).

Ohio BWC's Website provided the payment information needed in our review for the five error cases. We provided the five error cases to SSA for its review. SSA staff followed up and obtained WC information to determine the error amounts. If the staff had relied on the Ohio BWC Website, they could have obtained the WC information much earlier and minimized the overpayments. Further, given that our query of 1,000 sampled DI records (using the DI beneficiary's Social Security number) through the Ohio BWC Website only required minimal resources but identified WC benefits that resulted in about \$391,000 in overpayments, we believe SSA could have a high benefit relative to cost if it queries the remaining 5,195 records in our population.

We have an ongoing audit to determine how accurately SSA is processing WC benefits during the DI application process.²² As such, we are not making recommendations for SSA to improve its process for following up and obtaining WC information on DI claims when applicants inform SSA they have filed, or intend to file, for WC.

Self-insured WC Claims

For the sampled DI claims, the BWC Website had documentation that indicated Ohio awarded WC benefits to five additional DI beneficiaries. However, the BWC Website contained limited information and did not contain WC payment information for these employer self-insured claims. SSA may pay incorrect DI benefits when it does not have correct or complete WC information. To ensure SSA is paying the correct DI benefits, SSA should obtain complete WC information for these five beneficiaries. We provided SSA these records, and it began developing to determine whether WC may have resulted in an offset.

According to SSA, it completed its preliminary review of the five self-insured cases. One beneficiary's WC payments did not result in an offset and therefore there was no overpayment. SSA stated that another beneficiary's WC claim was denied, but it will continue its efforts to obtain complete WC information to ensure BWC denied the WC claim. One beneficiary and his attorney acknowledged the ongoing receipt of WC payments but did not provide SSA with evidence of the payments. Additionally, SSA was unable obtain the payment information from the WC payer because it did not have consent from the beneficiary or his attorney. SSA stated if it is unable to obtain WC payment information, it is considering computing the offset based on earlier WC information obtained prior to the beneficiary's DI entitlement date. SSA estimated that this computation could result in an overpayment of about \$15,000. For the two remaining beneficiaries, SSA stated it will continue its effort to obtain complete WC information.

²² SSA, OIG, *Accuracy of the Determination of Workers' Compensation Offset During Disability Insurance Claims Processing*, A-02-14-34090.

CONCLUSIONS

SSA did not always follow up and obtain WC information when DI applicants alleged they had filed, or intended to file, for WC. In addition, not all DI applicants reported they had filed, or intended to file, for WC but received WC. Without correct and complete WC information, SSA may pay incorrect DI benefits.

Additionally, SSA did not readily use available third-party data to identify unreported, or resumed, WC payments to prevent overpayments. Although SSA had procedures in place to follow up and obtain WC information, it did not require that staff use such Websites as the Ohio BWC. Given WC is not always reported and it took us a minimum amount of time to query the BWC Website to identify WC claims or benefits related to DI beneficiaries, we believe SSA could have a high benefit relative to cost if it queried Ohio's BWC Website for specific claims. In addition, these queries could identify instances where Ohio awarded WC benefits for self-insured claims.

RECOMMENDATION

We recommend that SSA obtain complete WC information for the five DI beneficiaries who may be receiving WC benefits from a self-insured employer and determine whether the Agency should impose a WC offset.

AGENCY COMMENTS

SSA agreed with our recommendation. The Agency's comments are included in Appendix E.

OTHER MATTER

SSA stated the most efficient and accurate method of obtaining WC data is through State data exchanges, where, through agreed-upon procedures, States periodically provide SSA electronic WC data. SSA would then match the WC data with its DI data. This match would enable SSA to identify all DI beneficiaries receiving WC benefits and provide the information to calculate a WC offset when required.

As of the date of this review, SSA had not obtained WC information through a State data exchange and had no current plans to do so. Further, SSA explained it had not completed a cost-benefit analysis to determine whether the cost of obtaining electronic WC data, matching the data to the Agency's DI data, and processing payment errors would be lower than the expected reduction in overpayments. SSA expects it would encounter challenges with resources and funding needed to work with States to obtain complete WC data in a standard, useable format, notwithstanding the cost of modifying SSA systems to process the data and for staff to work resulting payment-error cases.

However, SSA officials stated that to improve efficiency and program integrity, the Agency requested legislation in the Fiscal Year 2019 President's Budget that would require that States provide SSA with WC information.²³ SSA further explained it has made this request every year since the Fiscal Year 2012 Budget. However, to date, the legislation has not been enacted. Additionally, SSA told us it would consider using the upcoming Enterprise Data Exchange Network to provide a potential gateway to obtain WC data.

Given that, in December 2016, SSA paid DI benefits to over 8.8 million disabled workers, of which 490,000 had filed for WC or public disability benefits,²⁴ we encourage SSA to continue pursuing legislation requiring that States provide the Agency with useful WC information. In the absence of legislation, we also encourage SSA to determine the viability of obtaining States' electronic WC data. See Appendix D for details on the number of DI beneficiaries who had a WC claim filed in December 2016.



Rona Lawson
Assistant Inspector General for Audit

²³ SSA, *FY 2019 Congressional Justification*, p. 26 (February 2018).

²⁴ SSA, *Annual Statistical Report on the Social Security Disability Insurance Program, 2016*, pp.12, 85, 86 (October 2017).

APPENDICES

Appendix A – ACCESS TO ONLINE RECORDS BY STATE

Online access is a method for Social Security Administration (SSA) staff to obtain workers' compensation (WC) information for a specific individual without contacting the worker or third party. While the online information often documents a claim was filed, it does not always provide payment information, and, in some States, it only provides insurance carrier or other contact information for the claim.

As of July 2018, SSA had online access to some type of WC data for 15 States: 11 provided SSA with free online access, 3 provided free access to the public, and 1 charged SSA a user fee. However, only two States' Websites provide WC payment information. SSA officials explained it had obtained access to all States with WC records available online. Table A-1 details the States with online WC records available to SSA.

Table A-1: Online WC Records by State

	State	Type of Access	Payment Data		State	Type of Access	Payment Data
1	California	Public	No	9	Nebraska	User-Fee	No
2	Florida	Free	No	10	New York	Free	Yes
3	Illinois	Public	No	11	North Carolina	Free	No
4	Iowa	Free	No	12	Ohio	Free	Yes
5	Kansas	Free	No	13	South Dakota	Free	No
6	Louisiana	Free	No	14	Tennessee	Free	No
7	Maryland	Public	No	15	West Virginia	Free	No
8	Mississippi	Free	No				

Source: SSA Office of Retirement and Disability Policy.

Appendix B – SCOPE AND METHODOLOGY

To accomplish our objectives, we:

- Reviewed applicable Federal laws and regulations related to the Social Security Administration (SSA) and sections of the workers' compensation (WC) offset requirements for Disability Insurance (DI) beneficiaries.
- Reviewed SSA policies and procedures related to its WC offset requirements.
- Obtained data from SSA's Master Beneficiary Record.
- Queried SSA's Paperless Processing Center and Claims File Records Management Systems for WC evidence.
- Selected a random sample of 1,000 beneficiaries who had an Ohio address, had a DI entitlement date during the period January 1, 2015 through December 31, 2016, and were not in WC offset. We selected a large sample because we recognized that (1) not all DI claims with this disability involved a WC benefit, (2) most individuals reported their WC benefits to SSA, and (3) only minimal time was needed to query each DI beneficiary on the Ohio Bureau of Workers' Compensation (BWC) Website. For each sampled item, we
 - queried the Ohio BWC Website for evidence that our sampled DI beneficiaries received WC benefits while they received DI and
 - determined whether the WC benefits resulted in a DI payment error.

We conducted our review in Atlanta, Georgia, between April and July 2018. The principal entity reviewed was the Office of Public Service and Operations Support under the Office of the Deputy Commissioner for Operations. We determined the data used in this report were sufficiently reliable given the review objectives and its intended use. 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 that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Appendix C – SAMPLE METHODOLOGY AND RESULTS

From the Social Security Administration’s Master Beneficiary Record, we identified a population of 6,195 Disability Insurance (DI) beneficiaries who were not in workers’ compensation (WC) offset as of November 2017 and had

- a date of entitlement from January 2015 through December 2016,
- an Ohio address,
- a Disability Code of 7240 (Disorders of the Back—Discogenic and Degenerative),¹ and
- earnings in their year of entitlement or during the 2 years before their year of entitlement.

From this population, we selected a random sample of 1,000 DI beneficiary records for detailed analysis. We selected a large sample because we recognized that (1) not all DI claims with this disability involved a WC benefit, (2) most individuals reported their WC benefits to SSA, and (3) only minimal time was needed to query each DI beneficiary on the Ohio Bureau of Workers’ Compensation Website.

Our tests of these 1,000 DI beneficiary records found 5 were overpaid \$63,053. We used a straight–line ratio methodology to estimate that SSA overpaid 31² DI beneficiaries \$390,941,³ as shown in Table C–1.

Table C–1: Straight-line Estimations

Description	Sample of DI Beneficiaries	Population of DI Beneficiaries
Sample Size	1,000	6,195
Overpaid DI Beneficiaries	5	31
Overpayments	\$63,053	\$390,941

¹ We selected Disability Code 7240 for our review because about 37 percent of all DI claims with a WC offset had this Disability Code on their Master Beneficiary Record.

² To calculate the estimated number of overpaid DI beneficiaries, we determined the percent of overpaid DI beneficiaries in our sample ($5 \div 1,000 = 0.005$). We then multiplied this percentage by the number of beneficiaries in our population ($0.005 \times 6,195 = 31$).

³ To calculate the estimated amount of overpayments, we determined the average overpayment per beneficiary in our sample ($\$63,053 \div 5 = \$12,611$). We then multiplied the average overpayment per beneficiary by the estimated number of overpaid DI beneficiaries ($\$12,611 \times 31 = \$390,941$).

Appendix D– DISABILITY INSURANCE BENEFICIARIES WHO HAD A WORKERS’ COMPENSATION CLAIM FILED IN DECEMBER 2016

As shown in Table D–1, in December 2016, approximately 490,000 Disability Insurance (DI) beneficiaries had filed for workers’ compensation (WC) or public disability benefits throughout the United States and its territories. Of these, 44 percent had a Disability Code 7240 (Disorders of the Back—Discogenic and Degenerative).

**Table D–1: Disabled Workers Who Received DI Benefits and had a
WC Claim Filed in December 2016**

	State/Territory	Total DI Claims per State	DI Claims with Disability Code 7240	Percent of Total DI Claims
1	Alabama	8,579	4,399	51.3
2	Alaska*	345	123	35.7
3	Arizona	6,057	2,421	40.0
4	Arkansas	4,093	1,933	47.2
5	California*	65,649	18,662	28.4
6	Colorado*	5,849	2,381	40.7
7	Connecticut	4,258	2,084	48.9
8	Delaware	1,461	787	53.9
9	District of Columbia	267	87	32.6
10	Florida*	25,840	11,947	46.2
11	Georgia	17,318	8,685	50.2
12	Hawaii	1,248	293	23.5
13	Idaho	1,674	673	40.2
14	Illinois	13,659	6,136	44.9
15	Indiana	3,515	1,441	41.0
16	Iowa	3,593	1,520	42.3
17	Kansas	2,505	1,100	43.9
18	Kentucky	12,248	6,135	50.1
19	Louisiana*	6,919	3,922	56.7
20	Maine	4,366	1,807	41.4
21	Maryland	3,722	1,637	44.0
22	Massachusetts	12,960	5,139	39.7
23	Michigan	25,243	11,072	43.9
24	Minnesota*	6,312	2,734	43.3

	State/Territory	Total DI Claims per State	DI Claims with Disability Code 7240	Percent of Total DI Claims
25	Mississippi	4,600	2,199	47.8
26	Missouri	8,511	3,922	46.1
27	Montana*	1,667	723	43.4
28	Nebraska	1,348	660	49.0
29	Nevada*	2,965	1,236	41.7
30	New Hampshire	3,123	1,087	34.8
31	New Mexico	11,233	4,412	39.3
32	New Jersey*	2,620	1,135	43.3
33	New York*	61,022	35,732	58.6
34	North Carolina	18,114	8,557	47.2
35	North Dakota*	551	229	41.6
36	Ohio*	11,706	4,498	38.4
37	Oklahoma	5,169	2,522	48.8
38	Oregon*	5,008	1,862	37.2
39	Pennsylvania	30,340	15,008	49.5
40	Rhode Island	2,397	867	36.2
41	South Carolina	11,110	5,574	50.2
42	South Dakota	676	305	45.1
43	Tennessee	11,040	5,165	46.8
44	Texas	8,911	3,649	40.9
45	Utah	1,217	506	41.6
46	Vermont	846	351	41.5
47	Virginia	8,111	3,579	44.1
48	Washington*	9,795	4,001	40.8
49	West Virginia	4,195	1,724	41.1
50	Wisconsin*	5,957	2,582	43.3
51	Wyoming	389	150	38.6
52	Puerto Rico	19,259	7,178	37.3
53	Other Territories	91	38	41.8
	Total	489,651	216,569	44.2

Source: SSA, *Annual Statistical Report on the Social Security Disability Insurance Program, 2016*, pp. 85 and 86 (October 2017) and Social Security Administration’s Office of Research, Evaluation and Statistics.

Note: *Reverse offset state—reverse offset applies to some or all WC benefits.

Appendix E – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: September 21, 2018

Refer To: S1J-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, "Disability Insurance Claims with Ohio Workers' Compensation Benefits" (A-04-17-50251) -- 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.

SSA COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT, “DISABILITY INSURANCE CLAIMS WITH OHIO WORKERS’ COMPENSATION BENEFITS” (A-04-17-50251)

We are updating our processing instructions to communicate the availability of online Workers’ Compensation (WC) data in each state. We expect these revised instructions to mitigate our reliance on beneficiary reporting by directing technicians to the [WC Resource Intranet Page](#) to determine whether online data, like Ohio’s Bureau of WC website, is available in a particular state. If online resources are not available, the page will direct technicians to key state contacts and other resource information.

Our response to the recommendation is below.

Recommendation 1

Obtain complete WC information for the five disability insurance beneficiaries who may be receiving WC benefits from a self-insured employer and determine whether the Agency should impose a WC offset.

Response

We agree.

MISSION

By conducting independent and objective audits, evaluations, and investigations, the Office of the Inspector General (OIG) inspires public confidence in the integrity and security of the Social Security Administration's (SSA) programs and operations and protects them against fraud, waste, and abuse. We provide timely, useful, and reliable information and advice to Administration officials, Congress, and the public.

CONNECT WITH US

The OIG Website (<https://oig.ssa.gov/>) gives you access to a wealth of information about OIG. On our Website, you can report fraud as well as find the following.

- OIG news
- audit reports
- investigative summaries
- Semiannual Reports to Congress
- fraud advisories
- press releases
- congressional testimony
- an interactive blog, “[Beyond The Numbers](#)” where we welcome your comments

In addition, we provide these avenues of communication through our social media channels.



[Watch us on YouTube](#)



[Like us on Facebook](#)



[Follow us on Twitter](#)



[Subscribe to our RSS feeds or email updates](#)

OBTAIN COPIES OF AUDIT REPORTS

To obtain copies of our reports, visit our Website at <https://oig.ssa.gov/audits-and-investigations/audit-reports/all>. For notification of newly released reports, sign up for e-updates at <https://oig.ssa.gov/e-updates>.

REPORT FRAUD, WASTE, AND ABUSE

To report fraud, waste, and abuse, contact the Office of the Inspector General via

Website: <https://oig.ssa.gov/report-fraud-waste-or-abuse>

Mail: Social Security Fraud Hotline
P.O. Box 17785
Baltimore, Maryland 21235

FAX: 410-597-0118

Telephone: 1-800-269-0271 from 10:00 a.m. to 4:00 p.m. Eastern Standard Time

TTY: 1-866-501-2101 for the deaf or hard of hearing