

Report Summary

Social Security Administration Office of the Inspector General

July 2010



Objective

To determine the status of corrective actions the Social Security Administration (SSA) had taken to address recommendations in our September 2005 report, *Follow-up of Pending Workers' Compensation: The Social Security Administration Can Prevent Millions in Title II Disability Overpayments* (A-08-05-25132), and update the volume of Title II disability cases with pending workers' compensation (WC) claims.

Background

All States require that employers provide WC insurance for employees in the event they suffer work-related injuries or occupational diseases. The *Social Security Act* requires that SSA offset disability benefits for individuals who receive Federal, State, or locally administered WC benefits in most States.

To view the full report, visit <http://www.ssa.gov/oig/ADO/BEPDF/A-08-09-19167.pdf>

Follow-up of Pending Workers' Compensation (A-08-09-19167)

Our Findings

SSA had not taken corrective actions to address recommendations in our September 2005 report. Specifically, SSA had not (1) followed through with steps to reduce its backlog of Title II disability cases having pending WC claims; (2) developed and implemented an automated process to ensure it systematically and routinely follows up on new pending WC cases; or (3) explored systems enhancements that would detect situations in which WC is not applicable to prevent personnel from retrieving and analyzing cases that no longer require development. As a result, the volume of cases with WC claims pending for 2 or more years increased from 227,615 in January 2005 to 268,825 in November 2009, an 18-percent increase over the past 4 years. In addition, we estimated SSA had overpaid Title II beneficiaries between \$44 and \$58 million because of unreported WC payments since our June 2003 report.

Our Recommendations

Accordingly, SSA needs to:

1. Develop a plan for addressing its backlog of Title II disability cases having pending WC issues and establish target goals for reducing improper payments resulting from unreported WC payments.
2. Develop and implement an automated process to ensure the Agency systematically and routinely follows up on new pending WC cases.
3. Explore systems enhancements that would detect situations in which WC is not applicable to prevent personnel from retrieving and analyzing cases that no longer require development.
4. Work with the Office of Management and Budget to develop legislation that would require that State and local governments and other entities that administer WC plans provide the Agency with WC payment information.