

The Social Security Administration's Reconsideration Level of Appeal

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Office of Audit Report Summary

Objective

To gather information on the Social Security Administration's (SSA) reconsideration level of appeal.

Background

If a claimant disagrees with SSA's initial disability determination, he/she can appeal that determination. In most cases, the first level of review is a reconsideration by the disability determination services. In 1999, SSA eliminated the reconsideration level in 10 States. In these 10 States, the first level of appeal was a hearing by an administrative law judge (ALJ).

In 2019, SSA began reinstating the reconsideration level in the 10 States. SSA reinstated the reconsideration step in California, Colorado, Louisiana, New Hampshire, and New York in January 2019; Pennsylvania in April 2019; Alabama and Michigan in October 2019; Missouri in January 2020; and Alaska in March 2020.

Summary

For this review, we analyzed Calendar Year (CY) 2015 data to allow time for the cases denied to be resolved through later appeals. We also analyzed Fiscal Year (FY) 2018 data because it was the most recent available for ALJ decisions when we started our audit. In CY 2015, claimants waited an average of 310 days to receive an allowance determination at the reconsideration level. This was 535 days fewer than claimants waited in FY 2018 in States where the first level of appeal was a hearing by an ALJ.

Of the 616,917 claimants denied at the reconsideration level in CY 2015, we estimate 86,400 (14 percent) did not take action after the reconsideration denial while 530,500 claimants (86 percent) appealed to an ALJ and/or filed new claims. Of the 530,500 claimants, we estimate 290,000 (55 percent) subsequently received allowance decisions.

In FY 2018, it took on average 79 days longer for a claimant to receive an allowance decision by an ALJ in States with the reconsideration level of appeal. Specifically, it took an average 924 days for a claimant in a State with the reconsideration level to receive an allowance decision by an ALJ, as compared to 845 days for a claimant in a State without the reconsideration level.

Reinstating the reconsideration level allows for a uniform disability process that standardizes services for all claimants nationwide. With reinstatement of the reconsideration level, the Agency estimated \$3.9 billion in program savings over a 10-year period (FYs 2019 to 2028).