

# Vocational Rehabilitation Services Reimbursements for Supplemental Security Income and Disability Insurance Beneficiaries

## A-15-14-14095



June 2017

Office of Audit Report Summary

### Objective

To determine the validity and accuracy of the Social Security Administration's (SSA) reimbursements to State vocational rehabilitation (VR) agencies.

### Background

The *Social Security Act* authorizes SSA to pay State VR agencies for the costs of services they provide to beneficiaries with disabilities. The services provided by a State VR agency are identified in the *Rehabilitation Act of 1973*, as amended, Title I, Parts A and B, and are spelled out in an agreement between the disabled individual and the VR counselor in an Individualized Plan for Employment.

SSA does not directly provide rehabilitation services. State VR agencies furnish the services. Under Department of Education regulations, State VR agencies assess beneficiaries' rehabilitation potential, decide whether to accept a person as a client, notify SSA if it accepts a person as a client, and arrange for VR services.

### Findings

SSA did not (1) always verify beneficiaries met the primary conditions for reimbursement and (2) obtain required documentation (such as cost-containment certifications).

We determined that 29 of the 100 sampled reimbursement payments SSA made to State VR agencies did not meet the primary conditions for reimbursement. The State VR agencies received \$220,318 in overpayments and \$10,522 in underpayments. SSA automatically recoups any identified improper payments made to State VR agencies from future payments; therefore, based on our review, SSA recouped the \$220,318 in overpayments and paid the \$10,522 in underpayments. Since SSA recouped the overpayments and paid the underpayments, we did not make a recommendation regarding this condition. However, based on our sample results, we estimate SSA overpaid about \$22 million in Fiscal Year 2014 reimbursement payments that did not meet the primary conditions for reimbursement.

### Recommendation

We recommend SSA obtain the State VR agencies' written certification that cost-containment policies were in effect and adhered to before paying for goods and services.

SSA agreed with our recommendation.