

Supplemental Security Income Overpayments Resulting from the Goldberg-Kelly Procedures

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Office of Audit Report Summary

Objective

To quantify the Supplemental Security Income (SSI) overpayments the Social Security Administration (SSA) assessed because of the Goldberg-Kelly procedures.

Background

To afford due process required by the 1970 U.S. Supreme Court decision, *Goldberg v. Kelly*, SSA provides (a) written advance notice to an SSI recipient about stopping or reducing an SSI payment based on a non-medical factor and (b) the opportunity to appeal that decision within 10 days of receiving the notice before it can effectuate the decision.

If SSA does not mail the notice at least 15 days before the following month (SSA allows 5 days for mail time), it cannot change the payment for the following month and must assess an overpayment for that month.

To process adverse actions, staff should use the Modernized SSI Claims System (MSSICS) whenever possible since this System is designed to force them to select the appropriate advance notice. There are three types of advance notices: automated, online, and manual. The automated notices take longer to mail than the other notices.

Findings

From 1 segment of the Supplemental Security Record, we identified 4,893 recipients who had a Goldberg-Kelly indicator in Calendar Year (CY) 2014. Of those, we selected a random sample of 275 recipients. We estimated that, in CY 2014, SSA assessed \$21.5 million in overpayments for 66,540 recipients because of the Goldberg-Kelly procedures. However, we found that SSA could have avoided approximately

- \$4.2 million in overpayments for 13,160 of these recipients had staff applied the Goldberg-Kelly procedures correctly. Specifically, either staff did not provide (a) the appropriate advance notice when the adverse action took place in MSSICS or (b) a manual notice and calculate the payment changes when the adverse action took place outside MSSICS.
- \$9.2 million in overpayments for 22,780 of these recipients if it did not take 7 days to mail the automated notices that were generated from the automated processes for the adverse actions.

SSA could *not* have avoided the remaining \$8.1 million in overpayments because it had to provide sufficient advance notice to the recipients before it adjusted their SSI payments.

We had similar results in our CY 2016 random sample of 50 recipients from a population of 3,166.

Recommendations

We recommended SSA:

1. Determine whether it is cost-effective to identify and correct the issue with MSSICS to ensure staff provides the appropriate advance notice.
2. Evaluate the feasibility of having automated notices processed in less than 7 days when the current print contracts expire.

SSA agreed with the recommendations.