OIG Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

*Audit Report*

# Completeness of the Social Security Administration's Disability Claims Files

*A-01-13-23082 | July 2014*

OIG Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

**MEMORANDUM**

**Date:** July 29, 2014 **Refer To:**

**To:** The Commissioner

**From:** Inspector General

**Subject:** Completeness of the Social Security Administration's Disability Claims Files (A-01-13-23082)

The attached final report presents the results of our audit. Our objective was to determine whether staff fully developed all available medical evidence before making a disability determination.

If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.

Patrick P. O'Carroll, Jr.

Attachment

# Completeness of the Social Security Administration's Disability Claims Files
# A-01-13-23082

SOCIAL SECURITY ADMINISTRATION
OIG

**July 2014** **Office of Audit Report Summary**

## Objective

To determine whether staff fully developed all available medical evidence before making a disability determination.

## Background

Claimants are required to prove they are disabled by providing medical and other evidence of disability. However, the Social Security Administration (SSA) is responsible for making every reasonable effort to help the claimant get medical reports from medical sources. The Agency considers all evidence in the claimant's case record when it makes any determination.

On February 20, 2014, SSA's Notice of Proposed Rulemaking—*Submission of Evidence in Disability Claims*—was published in the Federal Register. This proposed regulation would require that claimants inform the Agency about, or submit all evidence known to them that relates to, their disability claim (subject to two exceptions).

We identified a population of 627,587 individuals who had a hearing decision in Fiscal Year 2012. From this population, we reviewed a sample of 275 cases to determine whether, at the initial or reconsideration level, the disability determination services (DDS) could have obtained any evidence provided at the hearing level. If the evidence was available at the time of the initial or reconsideration level, we determined why it was not obtained.

Additionally, we determined whether the Office of Disability Adjudication and Review (ODAR) obtained medical evidence from all sources alleged by the claimant at the hearing level.

## Our Findings

Staff did not always obtain all existing medical evidence before making a disability determination. Although DDSs generally followed policy, we found staff was unable to obtain all evidence at the initial and reconsideration levels because the claimant did not tell them about all sources or the sources did not respond to the DDS' requests. Additionally, ODAR staff did not always obtain all existing evidence at the hearing level and did not follow the regulations and policies to make every reasonable effort to obtain evidence and document the attempts in the disability folder.

Based on our sample results, we estimated that about 214,500 cases contained medical evidence at the hearing level that did not appear in the file at the DDS level, even though it existed at the time. Additionally, we estimated that about 235,000 claimants reported medical sources when requesting a hearing, but ODAR did not obtain medical evidence from them.

## Our Recommendation

We recommend that SSA remind ODAR staff to follow the regulations and policies to make every reasonable effort to obtain all evidence and document attempts in the disability folder.

SSA agreed with the recommendation.

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# ABBREVIATIONS

| | |
|---|---|
| AC | Appeals Council |
| ALJ | Administrative Law Judge |
| C.F.R. | Code of Federal Regulations |
| DDS | Disability Determination Services |
| DI | Disability Insurance |
| Fed. Reg. | Federal Register |
| FY | Fiscal Year |
| NPRM | Notice of Proposed Rulemaking |
| ODAR | Office of Disability Adjudication and Review |
| POMS | Program Operations Manual System |
| SSA | Social Security Administration |
| SSI | Supplemental Security Income |
| U.S.C. | United States Code |

# OBJECTIVE

Our objective was to determine whether staff fully developed all available medical evidence before making a disability determination.

# BACKGROUND

A determination as to disability under either Title II or XVI of the *Social Security Act*[1] requires medical evidence from an acceptable medical source to establish the medically determinable impairment. Claimants are required to prove their disability by providing medical and other evidence. However, the Social Security Administration (SSA) is responsible for making every reasonable effort[2] to help the claimant get medical reports from the claimant's medical sources when the claimant gives SSA permission to request the reports. The Agency considers all evidence in the claimant's case record when it makes any determination.

Generally, State disability determination services (DDS) make the initial disability determination using SSA's regulations.[3] Before the Agency determines that a claimant is not disabled, it develops the claimant's complete medical history for at least the 12 months preceding the month the application is filed, unless there is reason to believe that development of an earlier period is necessary or if the claimant alleged the disability began less than 12 months after the application was filed.[4] If an individual disagrees with the initial determination, he/she can file an appeal within 60 days after the date of notification of the determination. In most cases, an individual may request up to four levels of appeal: (1) reconsideration by a DDS, (2) hearing by an administrative law judge (ALJ), (3) review by the Appeals Council (AC), and (4) review by a Federal Court.[5] See Appendix A for more information about the initial disability determination and appeals processes.

SSA proposed a rule to require that claimants inform the Agency about, or submit all evidence known to them that relates to, their disability claim (subject to two exceptions). Specifically, this proposed rule—if finalized—would require that claimants or their representatives submit all evidence obtained from any source in its entirety, unless subject to an exception. This proposal also included a requirement that representatives help claimants obtain the information or

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[1] SSA provides Disability Insurance (DI) benefits and Supplemental Security Income (SSI) disability payments to eligible individuals under *Social Security Act* §§ 223 and 1611, 42 U.S.C. §§ 423 and 1382.

[2] To make every reasonable effort, SSA will (1) make an initial request for evidence from the claimant's medical source, (2) if it is not received, make one follow-up request any time between 10 and 20 calendar days after the initial requests, and (3) allow a minimum of 10 calendar days from the follow-up request for the medical sources to reply. 20 C.F.R. §§ 404.1512(d)(1) and 416.912(d)(1). *See also* SSA, POMS, DI 22505.001B4 (December 17, 2013).

[3] 20 C.F.R. §§ 404.1503 and 416.903. SSA, POMS, DI 00115.001D (October 11, 2012).

[4] 20 C.F.R. §§ 404.1512(d) and 416.912(d).

[5] 20 C.F.R. §§ 404.909, 404.933, 404.968, 404.981, 416.1409, 416.1433, 416.1468, and 416.1481.

evidence the claimant must submit. This rule would update SSA's current requirement that claimants notify the Agency about everything that shows they are disabled.[6] On February 20, 2014, SSA's Notice of Proposed Rulemaking—*Submission of Evidence in Disability Claims*—was published in the Federal Register.[7] SSA accepted public comments through April 21, 2014 (see Appendix B). SSA's next step is to evaluate the public comments.

We obtained a file of 819,947 hearing decision records from Fiscal Year (FY) 2012. From this file, we removed dismissals, duplicate records, and all records other than initial hearing requests, which gave us a population of 627,587 individuals who had a hearing in FY 2012. From this population, we reviewed a sample of 275 cases.[8] For each case, we reviewed the electronic disability folder to determine whether, at the initial or reconsideration level, the DDS could have obtained medical evidence provided at the hearing level. We determined why the Agency did not obtain medical evidence that was available at the initial or reconsideration level. Additionally, we determined whether the Office of Disability Adjudication and Review (ODAR) obtained medical evidence from all sources alleged by the claimant at the hearing level. See Appendix C for more information on our scope and methodology.

# RESULTS OF REVIEW

Staff did not always fully develop all available medical evidence before making a disability determination. Although DDSs generally followed policy, we found staff was unable to obtain all evidence at the initial and reconsideration levels because the claimant did not tell them about all sources or the sources did not respond to the DDS' requests. Additionally, ODAR staff did not always obtain all available evidence at the hearing level or follow the regulations and policies to make every reasonable effort to obtain evidence and document the attempts in the disability folder.

Based on our sample results, we estimated that about 214,500 cases contained medical evidence at the hearing level that DDS staff could have obtained at the initial decision level but did not. Additionally, we estimated that about 235,000 claimants reported medical sources when requesting a hearing, but ODAR did not obtain medical evidence for them.

## Medical Evidence at the DDS Level

Of the 275 cases in our sample,

- 181 had no issues with medical evidence obtained at the DDS level, and

[6] 20 C.F.R. §§ 404.1512 and 416.912.

[7] 79 Fed. Reg. 9663-9670 (February 20, 2014).

[8] Of the 275 sample cases, 244 had a full hearing while 31 were decided without a full hearing.

- 94 had medical evidence at the hearing level that did not appear in the file at the DDS level, even though it existed at the time.[9] The medical evidence in these cases related to the time period and alleged impairment(s) the DDS was evaluating at the initial and/or reconsideration levels. However, we could not conclude whether the disability determination would have changed or still resulted in an appeal if the DDSs had obtained this evidence.

## *Reasons DDSs Did Not Obtain Evidence*

There were three main reasons DDS staff did not obtain the medical evidence.

1. DDSs could not request the medical evidence in 55 cases because the claimant did not inform them of the medical source. For example, a woman filed for disability benefits in April 2011 alleging that she had a heart condition. She did not mention her cardiologist when asked who would have medical records about her condition. The DDS denied her claim in July 2011. She requested a hearing in September 2011 and provided ODAR with records from the cardiologist. The ALJ allowed her claim in July 2012.

2. DDSs requested the medical evidence in 17 cases but did not receive it.[10] For example, a man filed for disability benefits in April 2010 alleging he had a mental impairment. He told SSA he was seeing a counselor once a week. The DDS requested information from this counselor in June, July, and December 2010 and again January 2011. The DDS denied his claim in January 2011. He requested a hearing 1 month later, and his counselor finally provided his medical records in May 2011. The ALJ allowed his claim in January 2012. An advocate represented the claimant throughout the claims process.

3. DDSs did not attempt to obtain the medical evidence in four cases.[11] For example, a woman filed for disability benefits in December 2010 alleging she had a mental impairment. When filing the claim, she reported to SSA that she was seeing a therapist. The DDS denied the claim in March 2011 without requesting evidence from the therapist. The claimant's representative filed a hearing in April and provided ODAR with medical records from the therapist. The ALJ denied her claim in November 2011.

Additionally, 18 cases had more than 1 reason DDS staff did not obtain medical evidence:

- 16 cases fell into Categories 1 and 2, and

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[9] For most of these cases, DDS staff could not request the medical evidence because the claimant did not inform them of the source.

[10] In these 17 cases, the DDS made every reasonable effort to obtain the evidence, as instructed in 20 C.F.R. §§ 404.1512(d) and 416.912(d).

[11] The DDS did not request the evidence in these cases and did not document any reason on the case development summary worksheet for not requesting the evidence. DDSs do not make routine requests for medical information to a source who is consistently uncooperative (that is, will not submit information on any patient), deceased, or retired. SSA, POMS, DI 22505.006A3 (September 13, 2012) and DI 20503.001E (April 17, 2014).

- 2 cases fell into Categories 1 and 3.

## *Characteristics of the Cases Lacking Documentation at the DDS Level*

We analyzed the cases lacking documentation at the DDS level to look for trends. We found

- 61 cases were allowed at the hearing level;
- 35 cases were filed in person, 36 were filed by telephone, 11 were filed over the Internet, 2 were filed by mail, 2 were filed by a representative, and 8 were filed by indeterminable means;
- 1 case had the medical source section of the disability report left blank;
- 25 cases had missing medical evidence related to a mental impairment;
- 66 cases had missing medical evidence that was available when the claim was initially filed; and
- 90 cases had a representative at some point during the claim process. Representatives must obtain and submit evidence and assist with SSA's or DDS' requests for evidence.[12] See Table 1 for a summary of the represented cases.

**Table 1: Summary of Represented Cases**

| Category[13] | Represented at the DDS Level (initial claims, reconsiderations, or both) | Represented at the Hearing Level |
|---|---|---|
| Claimant did not inform DDS of the medical evidence | 44 | 70 |
| DDS requested medical evidence but did not receive it | 21 | 31 |
| DDS did not attempt to obtain the medical evidence | 4 | 6 |
| No Issues with Medical Evidence Obtained at the DDS Level | 116 | 161 |

[12] SSA, POMS, GN 03970.010 (August 13, 2013). Also, *see* OIG report *Claimant Representatives at the DDS Level* (A-01-13-13097), February 2014.

[13] A case may be in more than one category or in both the DDS and Hearing Level columns.

### *Requests for Claimants' Medical Sources*

SSA asks claimants to identify their medical sources. SSA's policy requires that employees explain to the claimant the importance of identifying all medical sources to assist the DDS in processing the case.[14] Specifically, when a person applies for disability benefits, SSA asks the person (regardless of whether he/she applies in-person, on the telephone, or using the Internet):

> Tell us who may have medical records about any of your physical and/or mental condition(s) (including emotional or learning problems) that limit your ability to work. This includes doctors' offices, hospitals (including emergency room visits), clinics, and other health care facilities. Tell us about your next appointment, if you have one scheduled.

Once the claimant files an application for disability benefits, SSA sends the claim to the DDS. The DDS sent correspondence (such as forms for the claimant to complete or notices about a consultative examination) in all 94 sample cases in which medical evidence could have been obtained sooner. Also, we found that some, but not all, DDSs sent the claimant an introduction letter. In these introduction letters, the DDS examiner describes the disability determination process and informs the claimants of their reporting responsibilities, for example reporting whether he/she has been, or is going, to a doctor, hospital, emergency room, clinic, or treatment facility other than those listed on the application. These introduction letters are not mandatory and are not always sent.

Additionally, when a claimant's application is denied, SSA notifies the person of his/her appeal rights. If a claimant decides to appeal an initial determination, SSA again requests the claimant to, "Tell us who may have medical records or other information about your illnesses, injuries, or conditions since you last completed a disability report."[15]

## Medical Evidence at the Hearing Level

Of the 275 cases in our sample, claimants in 195 cases identified medical sources when filing their appeal, but ODAR did not always obtain medical evidence from these sources. Additionally, staff did not document attempts to obtain this evidence.

After the claimant files a hearing request, ODAR sends the claimant (and representative if appropriate) a copy of all the evidence in the electronic folder. Additionally, ODAR informs the claimant that it is their responsibility to provide medical evidence related to their impairment, including all medical records from 1 year before the alleged onset date to the present and any other relevant medical, school, or other records not already in file.

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[14] SSA, POMS, DI 11005.001B3 (July 10, 2014).

[15] SSA, *Disability Report – Appeal - Form SSA-3441-BK*, (08-2010) ef (07-2012), p. 2.

Additionally, ODAR's business process is that staff requests the claimant or representative identify medical sources and provide all evidence that is available from those sources.[16] If the claimant or representative does not provide the evidence within 30 days, ODAR staff should follow up. Depending on why the evidence was not provided, staff may request the evidence directly from the medical source. If ODAR staff requested the evidence and did not receive it within 10 days after the initial telephone or fax request, or within 15 days after the initial written request, ODAR staff must follow up with the medical source. If ODAR staff still does not receive the evidence within 10 days of the telephone or fax followup, or 15 days after the written followup, they should contact the source again to determine the status.[17]

As shown in Table 2, in 103 of the 275 sample cases, the claimant reported additional medical sources at the hearing level, but ODAR did not obtain medical evidence from these sources. ODAR documented attempts to obtain this medical evidence in only 1 of the 103 cases. Additionally, in 11 cases, ODAR purchased a consultative examination, although SSA's regulations generally require that staff make every reasonable effort to obtain evidence from the claimant's medical sources before requesting a consultative examination.[18]

**Table 2: Medical Sources Reported to ODAR**

| | Total Cases in Sample | Cases Allowed | Cases Denied | Cases with a Representative |
|---|---|---|---|---|
| Reported medical sources for which ODAR obtained medical evidence | 92 | 59 (64%) | 33 (36%) | 87 (95%) |
| Reported medical sources but ODAR did not obtain medical evidence | 103 | 74 (72%) | 29 (28%) | 93 (90%) |
| Claimant informed ODAR there were no other medical sources with medical evidence | 80 | 47 (59%) | 33 (41%) | 70 (88%) |
| **Total** | **275** | **180 (66%)** | **95 (34%)** | **250 (91%)** |

For example, a woman filed for disability benefits alleging she had bipolar disorder. The DDS denied her initial claim in January 2011, and she requested a hearing in May 2011. She had a

[16] SSA requires that staff make every reasonable effort to obtain medical records from the individual's medical sources covering at least the 12 months preceding the month in which he/she filed the application unless there is reason to believe development of an earlier period is necessary or the individual says his/her disability began fewer than 12 months before the application was filed and to document all attempts to obtain the evidence. 20 C.F.R. §§ 404.1512(d) and 416.912(d), SSA, HALLEX I-2-5-14 (September 28, 2005).

[17] SSA, HALLEX 1-2-5-14 (September 28, 2005).

[18] 20 C.F.R. §§ 404.1512(e) and 416.912(e).

non-attorney representative and waived her right to appear at the hearing. When filing the hearing request, she reported a 5-day hospital stay in February 2011 because of a suicide attempt and outpatient therapy with a new counselor. ODAR did not obtain this new medical evidence. The file did not document any contacts with the non-attorney representative or attempts to obtain this evidence. ODAR denied her claim in April 2012 for not attending a consultative examination. The claimant filed a new claim in May 2013, which was denied by the DDS but pending at ODAR as of July 2014.

## Potential Savings

Had staff been able to obtain all existing medical evidence for the cases in our sample at the DDS level, the claims may not have needed a hearing. Therefore, SSA would achieve administrative cost savings for any case that was not appealed. For Fiscal Year 2012, SSA reported that it cost the Agency $607 to process an initial DI claim and $463 to process an initial SSI claim, while it cost $2,328 to process a DI case and $1,431 to process an SSI case at the hearing level.[19]

We could not determine how many, if any, of our sample cases would still be appealed to the hearing level if the case had been fully developed.[20] Therefore, we do not know what percentage of cases would have a decisional change. However, if 5 percent of the cases that were not fully developed at the DDS level did not need a hearing, SSA could save about $23 million. These dollar savings could be more or less because we do not know what percentage of cases would not be appealed to the hearing level. (See Appendix E for this calculation.)

# CONCLUSIONS

Staff did not always obtain all existing medical evidence before making a disability determination. Although DDSs generally followed policy, we found staff was unable to obtain all evidence at the initial and reconsideration levels because the claimant did not tell them about all sources or the sources did not respond to the DDS' requests. SSA's proposed regulation may encourage claimants or their representatives to provide the Agency with all medical sources earlier in the disability claims process. We plan to do further work on this issue once a decision is made regarding the proposed regulation.

Additionally, ODAR staff did not always obtain all existing evidence at the hearing level and did not follow the regulations and policies to make every reasonable effort to obtain evidence and document the attempts in the disability folder. Based on our sample results, we estimated that staff did not—or could not—fully develop approximately 214,500 cases at the DDS level. We also estimated that about 235,000 cases were not fully developed at the hearing level.

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[19] SSA, Office of Financial Policy and Operations, Division of Cost Analysis, Cost Analysis System, *SC3-SUM Report*, FY 2012, Category Codes 01-02 Claims Disabled and 02-02 Hearings, pgs. 63, 66, 116 and 119.

[20] See Appendix D for list of initial and reconsideration sample cases by office.

Even if a small percentage of the cases at the DDS level resulted in the case not being appealed to the hearing level, SSA could save administrative costs in processing these cases.

## RECOMMENDATION

We recommend that SSA remind ODAR staff to follow the regulations and policies to make every reasonable effort to obtain all evidence and document attempts in the disability folder.

## AGENCY COMMENTS

SSA agreed with the recommendation; see Appendix F.

# APPENDICES

# Appendix A – Initial Disability Determination and Appeals Process

## Initial Disability Determination Process

Generally, State disability determination services (DDS) make the initial disability determinations for the Social Security Administration (SSA). SSA reimburses the States all allowable DDS expenses and oversees the quality of the DDS' work. DDS staff use SSA's regulations to request the medical evidence and other evidence and evaluate the evidence to determine whether a claimant meets the definition of disability under the *Social Security Act*.

## Appeals Process

If the claimant disagrees with the initial determination, he/she can file an appeal within 60 days from the date of notification of the determination. There are up to four levels of appeal: reconsideration, hearing, Appeals Council (AC) review, and Federal Court review.[1]

### *Reconsideration*

DDS staff who did not make the initial determination will evaluate all existing evidence plus any additional evidence submitted and make a new determination.

### *Hearing*

An administrative law judge (ALJ) generally conducts a hearing at a hearing office. Before the hearing, the claimant and his/her representative may examine the claim(s) file and submit new evidence. At the hearing, the ALJ can question the claimant and any witnesses the claimant brings. The ALJ may request other witnesses, such as medical or vocational experts, to testify at the hearing. The claimant and his/her representative may also question the witnesses.

The ALJ does not determine whether the DDS' decision was correct but issues a new (de novo) decision based on the evidence. If the claimant waives the right to appear at the hearing, the ALJ may make a decision based on the evidence on file and any new evidence submitted for consideration.

[1] 20 C.F.R. §§ 404.909, 404.933, 404.968, 404.981, 416.1409, 416.1433, 416.1468, and 416.1481.

Under certain circumstances, an attorney advisor may conduct prehearing proceedings before the hearing. As part of the prehearing proceedings, the attorney advisor, in addition to reviewing the existing record, may request additional evidence and schedule a conference with the parties. If, after completion of these proceedings the attorney advisor can make a decision that is fully favorable, an attorney advisor may issue the decision.[2]

## AC Review

The AC consists of administrative appeal judges and appeal officers. A claimant who is dissatisfied with the hearing decision can ask the AC to review that decision. The AC may deny, dismiss, or grant a request for review. If the AC denies or dismisses the request for review, the hearing decision becomes SSA's final decision. If the AC grants the request for review, it can (1) issue its own decision affirming, modifying, or reversing the ALJ decision or (2) remand the case to the hearing office for a new decision, additional evidence, or other action. If the AC issues its own decision, that decision becomes SSA's final decision. The AC may also review a case within 60 days of the hearing decision on its own motion; that is, without a claimant requesting the review.

## Federal Court Review

If a claimant is dissatisfied with SSA's final decision, he/she may file a civil action with the following Federal Courts in this order: U.S. District Court, U.S. Court of Appeals (Circuit Court), and the U.S. Supreme Court. Federal Courts have the power to dismiss, affirm, modify, or reverse SSA's final decisions and may remand cases to SSA for further action, including a new decision. If SSA's final decision is supported by "substantial evidence" and consistent with the *Social Security Act* and the Commissioner's regulations the court should affirm the decision.

[2] 20 C.F.R. §§ 404.942 and 416.1442.

# Appendix B – SUBMISSION OF EVIDENCE IN DISABILITY CLAIMS NOTICE OF PROPOSED RULEMAKING

Below is an excerpt from the Federal Register with the Social Security Administration's (SSA) Notice of Proposed Rulemaking related to the submission of evidence in disability claims.[1]

**SOCIAL SECURITY ADMINISTRATION**

**20 CFR Parts 404, 405, and 416**

**[Docket No. SSA–2012–0068]**

**RIN 0960–AH53**

**Submission of Evidence in Disability Claims**

**AGENCY:** Social Security Administration.

**ACTION:** Notice of proposed rulemaking (NPRM).

**SUMMARY**: We propose to clarify our regulations to require you to inform us about or submit all evidence known to you that relates to your disability claim, subject to two exceptions for certain privileged communications. This requirement would include the duty to submit all evidence obtained from any source in its entirety, unless subject to one of these exceptions. We also propose to require your representative to help you obtain the information or evidence that we would require you to submit under our regulations. These modifications to our regulations would better describe your duty to submit all evidence that relates to your disability claim and enable us to have a more complete case record on which to make more accurate disability determinations and decisions.

**DATES:** To ensure that your comments are considered, we must receive them by no later than April 21, 2014.

[1] *Submission of Evidence in Disability Claims*, 79 Fed. Reg. 9663-9670 (February 20, 2014).

# Appendix C – Scope, Methodology, and Sample Results

To conduct our review, we:

- Reviewed applicable sections of the *Social Security Act* and the Social Security Administration's regulations, proposed regulations, policies, and procedures.
- Obtained a file of 819,947 hearing decision records from Fiscal Year (FY) 2012. From this file, we removed dismissals, duplicate records, and all records other than initial hearing requests to end up with a population of 627,587 individuals who had a hearing in FY 2012. We tested the data and concluded they were reliable to meet our audit objective.
- Randomly sampled 275 cases from the population of 627,587. For each case, we reviewed the electronic disability folder to determine whether, at the initial or reconsideration level, the disability determination services (DDS) could have obtained any medical evidence provided at the hearing level. If the medical evidence could have been obtained at the initial or reconsideration level, we determined why it was not obtained. Additionally, we determined whether medical evidence was obtained by the Office of Disability Adjudication and Review (ODAR) from all sources alleged by the claimant at the hearing level.
- Calculated potential savings if cases were completed at the DDS level and did not need a hearing.

## Sample Results and Projections

**Table C–1: Population and Sample Size**

| | |
|---|---|
| Population Size | 627,587 |
| Sample Size | 275 |

**Table C–2: Number of Cases Where the Evidence at the Hearing Level Could Have Been Obtained at the DDS Level but Was Not**

| Attribute Projections | |
|---|---|
| Sample cases | 94 |
| Point estimate | 214,521 |
| Projection lower limit | 184,768 |
| Projection upper limit | 245,884 |

Note Projections were calculated at the 90-percent confidence level.

**Table C–3: Number of Cases Where the Claimant Reported Sources to ODAR, but ODAR did not Obtain this Medical Evidence**

| Attribute Projections | |
|---|---|
| Sample cases | 103 |
| Point estimate | 235,060 |
| Projection lower limit | 204,541 |
| Projection upper limit | 266,855 |

Note Projections were calculated at the 90-percent confidence level.

We conducted our audit from November 2013 through July 2014 in Boston, Massachusetts. The entities audited were DDSs under the Office of the Deputy Commissioner for Operations and administrative law judges under the Office of the Deputy Commissioner for Disability Adjudication and Review. 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 the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

# Appendix D– Sample Cases by Office

Below is a summary of the initial and reconsideration cases in our sample by site. We did not find any sites that specifically stood out. Similarly, we did not find any patterns for hearing offices that did not obtain all the evidence at the hearing level.

**Table D–1: Sample Cases by Office that Adjudicated the Initial and Reconsideration Claims**

| Initial Level | Reconsideration Level | Cases with No Issues | | Cases with Issues[1] | | Total |
|---|---|---|---|---|---|---|
| Alabama DDS | None | 5 | 71% | 2 | 29% | 7 |
| Alaska DDS | None | 0 | 0% | 0 | 0% | 0 |
| Arizona DDS | Arizona DDS | 3 | 100% | 0 | 0% | 3 |
| Arizona DDS | Pennsylvania DDS | 1 | 100% | 0 | 0% | 1 |
| Arkansas DDS | Arkansas DDS | 5 | 83% | 1 | 17% | 6 |
| Arkansas DDS | California DDS | 1 | 50% | 1 | 50% | 2 |
| California DDS | California DDS | 6 | 50% | 6 | 50% | 12 |
| California DDS | Idaho DDS | 1 | 50% | 1 | 50% | 2 |
| California DDS | None | 1 | 100% | 0 | 0% | 1 |
| Chicago Federal Unit | None | 0 | 0% | 1 | 100% | 1 |
| Chicago Federal Unit | Wisconsin DDS | 1 | 100% | 0 | 0% | 1 |
| Colorado DDS | None | 0 | 0% | 2 | 100% | 2 |
| Connecticut DDS | Connecticut DDS | 2 | 100% | 0 | 0% | 2 |
| Dallas Federal Unit | None | 1 | 100% | 0 | 0% | 1 |
| Delaware DDS | Delaware DDS | 1 | 100% | 0 | 0% | 1 |
| District of Columbia DDS | District of Columbia DDS | 0 | 0% | 0 | 0% | 0 |
| Florida DDS | Florida DDS | 5 | 56% | 4 | 44% | 9 |
| Georgia DDS | Georgia DDS | 3 | 43% | 4 | 57% | 7 |
| Georgia DDS | Mississippi DDS | 1 | 33% | 2 | 67% | 3 |
| Georgia DDS | Southeast Federal Unit | 2 | 67% | 1 | 33% | 3 |
| Guam DDS | None | 0 | 0% | 0 | 0% | 0 |
| Hawaii DDS | Hawaii DDS | 0 | 0% | 0 | 0% | 0 |
| Idaho DDS | Idaho DDS | 0 | 0% | 0 | 0% | 0 |
| Illinois DDS | Illinois DDS | 5 | 42% | 7 | 58% | 12 |
| Illinois DDS | None | 1 | 100% | 0 | 0% | 1 |
| Indiana DDS | Indiana DDS | 3 | 75% | 1 | 25% | 4 |
| Iowa DDS | Iowa DDS | 1 | 50% | 1 | 50% | 2 |
| Kansas DDS | Kansas DDS | 1 | 100% | 0 | 0% | 1 |
| Kentucky DDS | Kentucky DDS | 3 | 38% | 5 | 63% | 8 |
| Louisiana DDS | None | 5 | 71% | 2 | 29% | 7 |
| Maine DDS | Baltimore Federal Unit | 1 | 100% | 0 | 0% | 1 |
| Maine DDS | Maine DDS | 1 | 50% | 1 | 50% | 2 |
| Maryland DDS | Maryland DDS | 2 | 100% | 0 | 0% | 2 |

[1] Ninety-four had medical evidence at the hearing level that staff could have obtained at the DDS level.

| Initial Level | Reconsideration Level | Cases with No Issues | | Cases with Issues[1] | | Total |
|---|---|---|---|---|---|---|
| Massachusetts DDS | Massachusetts DDS | 2 | 50% | 2 | 50% | 4 |
| Michigan DDS | None | 6 | 55% | 5 | 45% | 11 |
| Minnesota DDS | Minnesota DDS | 2 | 100% | 0 | 0% | 2 |
| Mississippi DDS | Mississippi DDS | 2 | 67% | 1 | 33% | 3 |
| Missouri DDS | None | 5 | 71% | 2 | 29% | 7 |
| Montana DDS | Montana DDS | 0 | 0% | 1 | 100% | 1 |
| Nebraska DDS | Nebraska DDS | 0 | 0% | 0 | 0% | 0 |
| Nevada DDS | Nevada DDS | 1 | 100% | 0 | 0% | 1 |
| New Hampshire DDS | New Hampshire DDS | 1 | 100% | 0 | 0% | 1 |
| New Jersey DDS | New Jersey DDS | 4 | 80% | 1 | 20% | 5 |
| New Mexico DDS | New Mexico DDS | 3 | 75% | 1 | 25% | 4 |
| New York Federal Unit | New Jersey DDS | 0 | 0% | 1 | 100% | 1 |
| New York DDS | None | 10 | 77% | 3 | 23% | 13 |
| North Carolina DDS | North Carolina DDS | 5 | 63% | 3 | 38% | 8 |
| North Dakota DDS | North Dakota DDS | 0 | 0% | 0 | 0% | 0 |
| Ohio DDS | Ohio DDS | 14 | 70% | 6 | 30% | 20 |
| Oklahoma DDS | Oklahoma DDS | 2 | 100% | 0 | 0% | 2 |
| Oklahoma DDS | None | 1 | 100% | 0 | 0% | 1 |
| Oregon DDS | Oregon DDS | 2 | 50% | 2 | 50% | 4 |
| Pennsylvania DDS | None | 13 | 81% | 3 | 19% | 16 |
| Philadelphia Federal Unit | Virginia DDS | 1 | 100% | 0 | 0% | 1 |
| Puerto Rico DDS | New York DDS | 1 | 50% | 1 | 50% | 2 |
| Puerto Rico DDS | Puerto Rico DDS | 1 | 50% | 1 | 50% | 2 |
| Rhode Island DDS | Rhode Island DDS | 1 | 100% | 0 | 0% | 1 |
| San Francisco Federal Unit | Arizona DDS | 1 | 100% | 0 | 0% | 1 |
| San Francisco Federal Unit | None | 1 | 33% | 2 | 67% | 3 |
| South Carolina DDS | South Carolina DDS | 3 | 100% | 0 | 0% | 3 |
| South Dakota DDS | South Dakota DDS | 0 | 0% | 0 | 0% | 0 |
| Southeast Federal Unit | Alabama DDS | 1 | 100% | 0 | 0% | 1 |
| Southeast Federal Unit | Southeast Federal Unit | 0 | 0% | 1 | 100% | 1 |
| Tennessee DDS | Tennessee DDS | 10 | 67% | 5 | 33% | 15 |
| Texas DDS | Texas DDS | 10 | 77% | 3 | 23% | 13 |
| U.S. Virgin Islands | U.S. Virgin Islands | 0 | 0% | 0 | 0% | 0 |
| Utah DDS | Utah DDS | 2 | 100% | 0 | 0% | 2 |
| Vermont DDS | None | 0 | 0% | 0 | 0% | 0 |
| Virginia DDS | Virginia DDS | 5 | 71% | 2 | 29% | 7 |
| Virginia DDS | None | 1 | 100% | 0 | 0% | 1 |
| Washington DDS | Washington DDS | 4 | 50% | 4 | 50% | 8 |
| West Virginia DDS | West Virginia DDS | 2 | 67% | 1 | 33% | 3 |
| Wisconsin DDS | Wisconsin DDS | 2 | 67% | 1 | 33% | 3 |
| Wyoming DDS | Wyoming DDS | 0 | 0% | 0 | 0% | 0 |
| **TOTAL** | | **181** | **66%** | **94** | **34%** | **275** |

# Appendix E – Potential Savings Estimate

The following tables illustrate how we calculated potential savings for the Disability Insurance (DI) and Supplemental Security Income (SSI) cases that may not have needed a hearing if all the medical evidence was obtained at the disability determination services (DDS) level.

**Table E–1: Administrative Costs to Process a Claim at the Hearing Level[1]**

| Type of Claim | Administrative Cost to Process Claim |
|---|---|
| DI only | $2,327.88 |
| SSI only | $1,430.87 |

**Table E–2: Step 1 - Calculate the Percent of Each Claim Type in Our Sample**

| Type of Claim | Number of Cases in Our Sample | Percent of Our Sample |
|---|---|---|
| DI only or Concurrent | 205 | 75% |
| SSI only | 70 | 25% |
| **Total** | **275** | **100%** |

**Table E–3: Step 2 - Calculate Savings if 5 Percent of Cases Did Not Need a Hearing**

| Claim Type | Estimated Cases with Medical Evidence at the Hearing Level that Could Have Been Obtained at the DDS Level | Estimated Savings[2] |
|---|---|---|
| **Savings if Percent of Cases Not Needing a Hearing was 5 Percent** | | |
| DI/Concurrent | 8,044[3] | $18,724,885 |
| SSI | 2,681[4] | $3,836,520 |
| **Total** | **10,725[5]** | **$22,561,405** |

[1] SSA, Cost Analysis System, *SC3-SUM Report*, FY 2012, Category Code 02-02 Hearings, pages 66 and 119.

[2] We multiplied the Estimated Cases with Evidence at the Hearing Level that Could Have Been Obtained at the DDS Level" with the cost to process the claim shown in Table E–1 ($2,327.88 for DI/Concurrent and $1,430.87 for SSI).

[3] We multiplied the total in this section by the DI/Concurrent percentage in Table E–2 (10,725*75%=8,043.750).

[4] We multiplied the total in this section by the SSI percentage in Table E–2 (10,725*25%=2681.250).

[5] We multiplied the point estimate from Table C–2 by 5 percent (214,500*5%=10,725).

# Appendix F – AGENCY COMMENTS

SOCIAL SECURITY

Date: July 3, 2014 Refer To: S1J-3

To: Patrick P. O'Carroll, Jr.
Inspector General

From: Katherine Thornton
Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, "Completeness of the Social Security Administration's Disability Claim Files" (A-01-13-23082) - 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 Gary S. Hatcher at (410) 965-0680.

Attachment

## COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT, "COMPLETENESS OF THE SOCIAL SECURITY ADMINISTRATION'S DISABILITY CLAIMS FILES" (A-01-13-23082)

### Recommendation

Remind the Office of Disability Adjudication and Review staff to follow the regulations and policies to make every reasonable effort to obtain all evidence and document attempts in the disability folder.

### Response

We agree. We will issue a Chief Judge memorandum to remind staff to follow the regulations and policies to make "every reasonable effort" to obtain all evidence and document those attempts. We plan to issue this memorandum shortly after IG releases its final report so that we may include a link to the report in the memorandum.

# Appendix G – Major Contributors

Judith Oliveira, Director, Boston Audit Division

Phillip Hanvy, Audit Manager

David Mazzola, Audit Manager

Katie Greenwood, Senior Auditor

Toni Paquette, Program Analyst

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