



UNITED STATES GENERAL ACCOUNTING OFFICE
WASHINGTON, D.C. 20548

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HUMAN RESOURCES
DIVISION

June 3, 1982

B-207749

RELEASED

The Honorable Jim Sasser
United States Senate

Dear Senator Sasser:

Subject: Results of Investigation Into Alleged Quotas
Being Used by the Social Security Administration
to Terminate Disability Insurance Benefits
(GAO/HRD-82-88)

In accordance with your April 29, 1982, request, we visited the Social Security Administration (SSA) District Office in Memphis, Tennessee, to investigate an anonymous allegation that quotas were used to terminate the benefits of disability insurance recipients. The allegation, purportedly from a District Office employee, claimed that employees were being pressured to meet quotas in terminating disability benefits under SSA's continuing disability investigation (CDI) program.

We visited the main District Office in downtown Memphis and its three branch offices. We talked to the District Manager, his assistants, the three branch chiefs, nine claims representatives, three service representatives, and three data review technicians. Included in this group were the local employee union's president and two union stewards. We also met with Mr. Gay Moskowitz, a representative from your office in Memphis.

The primary purpose of our visit to Memphis was to locate the anonymous source of the allegation and determine its validity. We also wanted to obtain from the District Office employees their perspective on the CDI program, its impact on their workload, and the nature of any beneficiary complaints. In addition to using private rooms to interview the various employees, we had a telephone line available after normal working hours to encourage employees to contact us (see the enclosed letter we distributed to SSA employees in Memphis). The individual who made the allegation failed to identify himself or herself.

We concluded that the allegation regarding a specific quota for terminations was groundless at the Memphis District Office. We base this conclusion on the following.

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1. The District Office employees are not directly involved in making CDI decisions. Their only involvement is to support the State Disability Determination Service (DDS) by helping locate beneficiaries, answering claimants' questions, helping set up consultative examinations, and performing other support functions.
2. For initial disability claims, the District Office accepts applications and makes earnings determinations, but does no medical development or evaluation.
3. Even though most employees we talked to had criticisms of the CDI program, they seemed to understand the philosophy behind CDIs, the constraints the State operates under, and the reasons why people were terminated. No one indicated to us that they knew of quotas imposed on anyone at either the District Office or the State.
4. As several employees were rather outspoken in their criticism of management, we believe it is unlikely that management could have prevented their telling us of situations involving quotas. The after-hours telephone number, known to all SSA employees in Memphis, also provided ample opportunity for SSA employees to contact us anonymously with information or opinions regarding quotas.

Employees voiced many criticisms regarding the recent CDI initiatives, the disability program in general, and other Social Security matters. These criticisms often paralleled those heard in other States we have visited regarding CDI issues, which leads us to believe that the program in Tennessee, and its problems, are not unlike those found in Ohio, New York, Pennsylvania, and California. As you may know, we submitted testimony on these problems on May 25, 1982, to the Subcommittee on Oversight of Government Management, Senate Committee on Governmental Affairs. A copy of our testimony is being provided to you.

Most of the critical comments from the employees were directed at the quality of consultative examinations being performed at the request of the State DDS. The District Office has historically received many complaints that consultative examinations were too short, were not comprehensive, and did not adequately cover the claimants' impairments. The District Office has also heard complaints that some consultative physicians are rude, prejudiced (racially and programmatically), and unprofessional. Opinions differed as to how well the DDS monitors the consultative physicians, but generally, the employees said that, because of a shortage of available physicians to do examinations, the DDS had to continue with the physicians used.

Most employees said there was a need for CDIs, but thought the program could be improved. Suggestions included

- more selective screening of those reviewed;
- a need to show medical improvement as justification for termination;
- gradually declining benefits so terminated beneficiaries can be "eased off" their dependency on disability insurance income; and
- "grandfathering" all those currently on the rolls or, alternatively, only those of an advanced age or with certain impairments.

The employees also believed the Tennessee DDS is experiencing organizational and workload problems because of the current CDI program. Several said that there had been high turnover among examiners and some morale problems and that the State had not been able to hire enough new staff. They said there was a high case backlog and some pressure to reduce it.

On a more positive side, many employees said that, although some errors had been made, the State was doing a reasonably adequate job with the CDI program. The criticisms generally related to the procedures governing the CDI reviews, which were developed by SSA.

Many complaints have been received from beneficiaries about the CDI program, and filings for reconsiderations and appeals have increased. However, the types of complaints are apparently not much different from those received before the recent CDI initiatives began in March 1981. SSA employees have a great feeling of empathy for terminated beneficiaries, who are often confused about the circumstances and fearful for their economic future.

We did not visit the DDS in Nashville, Tennessee, to pursue the allegation further because we did not believe such a trip would have been any more productive than our visits to other States where we found no evidence of "quotas." The Administrator of the Tennessee DDS testified on May 25, 1982, before the previously named Subcommittee. In his testimony, he confirmed the workload and other staffing problems described by the District Office employees. He also addressed the issue of "quotas":

"* * * With all the emphasis we and SSA have and are now placing on processing time, there has never been so much as a hint to sacrifice quality.

"Neither in my 26 years in this program has there ever been a quota established or implied for allowances, denials, continuances, or cessations. Adjudicative climates may have changed, but never a hint of a quota."

We found no evidence of a quota system for CDIs (in Tennessee or anywhere else), and we were not contacted by the anonymous individual who made the allegation. It is possible that the individual misinterpreted SSA "goals," or projected savings, as quotas because a 20-percent termination rate, as referred to in the allegation, initially surfaced in an internal SSA study. This termination rate was later referred to in our March 1981 report 1/ on CDIs and was also publicized by the media. It is possible that some employees had varying interpretations of this termination rate, but we found no evidence that it was intended to be used as, or was interpreted as being, a direct quota.

We trust the above information is responsive to your request. As agreed with your office, unless you publicly announce its contents earlier, we plan no further distribution of this report for 30 days. At that time, we will send copies to interested parties and make copies available to others upon request.

Sincerely yours,


Gregory J. Ahart
Director

Enclosure

1/"More Diligent Followup Needed to Weed Out Ineligible SSA Disability Beneficiaries" (HRD-81-48, Mar. 3, 1981).



UNITED STATES GENERAL ACCOUNTING OFFICE

WASHINGTON, D.C. 20548

May 7, 1982

HUMAN RESOURCES
DIVISIONAll Social Security Employees
Memphis, Tennessee Area

At the request of Senator Jim Sasser, the U.S. General Accounting Office (GAO) is reviewing various aspects of the Social Security Administration's disability investigations. These investigations are currently being conducted by the various State Disability Determination Services (DDSs) throughout the country. Senator Sasser and GAO are very concerned about the impact of these investigations on the disabled population, and specifically with the manner in which they are being conducted.

GAO representatives--Bruce Fairbairn and Russell Keeler--will be in Memphis, Tennessee on May 10-13, 1982, to discuss the issues with district office employees. While we have recently met with DDS examiners in several States, we have not visited district offices to obtain first-hand the views of SSA personnel who often meet face-to-face with the disabled population.

Recognizing that some employees may be reluctant to share their views in person for various reasons, GAO wants to assure every employee that his or her view will be kept confidential and their identity protected. To help in this regard, we have made arrangements to have a private meeting room available between the hours of 1:00 and 4:00 p.m. on May 12, 1982, to receive your views. The room is located at the North Branch Office (Interview Room) and we encourage every employee who has information they wish to share to talk with us.

If further anonymity is desired, GAO representatives can be reached by telephone on 332-1130 (X322) between the hours of 6:00-7:00 p.m. on May 10, 11, and 12.

We recognize that some employees may have specific allegations to report while others have more general views concerning these disability investigations. We welcome your views and appreciate your cooperation.

Sincerely,

Handwritten signature of Peter J. McGough in black ink, with a red mark below the name.

Peter J. McGough
Associate Director

NOTE: This letter was distributed at one of the branch offices. Similar letters were distributed at the other offices.