



Human Resources Division

B-253398

April 28, 1994

The Honorable Shirley S. Chater, Ph.D.  
Commissioner  
Social Security Administration

Dear Dr. Chater:

We recently reviewed the Social Security Administration's (SSA) regional structure for ensuring the quality of disability decisions made by state disability determination services (DDS). Each region's Disability Quality Branch (DQB) works jointly with regional medical consultants (RMC) to review the accuracy of random samples of disability decisions. Based on these quality assurance reviews, SSA assesses whether DDSs comply with regulatory performance accuracy standards.

Since July 1987, DQBs have been organizationally independent of the regional commissioners' offices, which are responsible for disability program management. By contrast, however, the RMCs--who also perform an equally vital quality assurance review function--remain organizationally part of the regional commissioners' offices.

In April 1987, the Department of Health and Human Services' Inspector General reported to the Commissioner of Social Security that the organizational placement of the DQBs impaired their independence. As the Inspector General stated, it is widely recognized that entities performing review or evaluation work should be free from personal, external, or organizational impairments of their independence. For example, the Comptroller General discusses organizational impairments as they relate to independent auditors.<sup>1</sup> In response to the Inspector General, the Commissioner transferred responsibility for DQBs from the regional commissioners' offices to an organizational unit with no program management

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<sup>1</sup>United States General Accounting Office, Government Auditing Standards: Standards for Audit of Government Organizations, Programs, Activities, and Functions, (1988 Revision).

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responsibility, currently the Office of Program Integrity and Reviews located at SSA's headquarters.

#### RMCs LACK ORGANIZATIONAL INDEPENDENCE

Like DQBs, RMC staff serve a vital quality assurance review function for SSA's disability programs. However, RMC staff have remained under the management and supervision of the regional commissioners' offices.

RMC staff spend the majority of their time performing quality assurance reviews of DDS disability decisions. For fiscal year 1993, about 88 percent of SSA's budget for RMC staff, not including the regional medical advisor, was allocated to quality assurance case reviews. From the quality assurance reviews, RMCs provide the medical bases for DQBs to charge DDSs with performance accuracy errors. Thus, reviews by RMCs can result in poor DDS performance statistics that may reflect negatively not only on individual DDSs but also on the regional commissioners' offices. Even so, the Disability Program Branch within each regional commissioner's office handles the contracting for and supervision of RMCs.

Regional Disability Program Branches interpret disability policy, perform administrative monitoring of DDSs, and provide technical and management assistance to DDSs that consistently fail to meet minimum performance standards or that have deteriorating performance. The Disability Program Branches may sometimes use RMCs to provide technical assistance to DDSs. In commenting on DQBs' lack of organizational independence before July 1987, the Inspector General said that providing technical assistance while at the same time assessing the quality of DDSs' work was an impairment to the DQBs' independence.

#### RECOMMENDATION

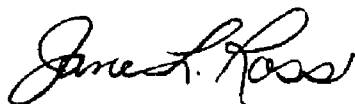
In order to ensure the independence of the quality assurance review function for SSA's disability programs, we recommend that the organizational responsibility for RMCs be transferred from the regional commissioners' offices to an SSA unit with no disability program management responsibility.

I would appreciate your views on these matters and any specific action SSA plans to take with respect to our recommendation. If you or your staff have any questions

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about the matters discussed in this correspondence,  
please call me at (202) 512-7215.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Jane L. Ross".

Jane L. Ross  
Associate Director,  
Income Security Issues

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