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SOCIAL SECURITY DISABILITY

SSA Is Making Progress Toward Eliminating Continuing Disability Review Backlogs

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Social Security Disability: SSA Is Making Progress Toward Eliminating Continuing Disability Review Backlogs

Mr. Chairman and Members of the Subcommittee:

Thank you for inviting me to testify on the Social Security Administration's (SSA) plan to eliminate the backlog of continuing disability reviews (CDR) in the Disability Insurance (DI) and Supplemental Security Income (SSI) programs. These programs together pay about \$60 billion annually to 9 million disabled beneficiaries. CDRs, required by law for all DI and some SSI beneficiaries, help ensure that only those eligible continue receiving benefits. During the last 20 years, however, SSA has conducted from as few as 36,000 to as many as 544,000 reviews in various years. We have reported on several occasions that because SSA has not consistently done the required CDRs, hundreds of millions of dollars in unnecessary costs have been incurred each year, and program integrity has been undermined. (See the list of related GAO products at the end of this statement.)

For almost a decade, budget and staff reductions and large increases in initial claims hampered SSA's efforts to conduct these reviews. Consequently, more than 4 million beneficiaries were due or overdue for CDRs by 1996. Both SSA and the Congress focused attention on CDRs in that year. As a result, SSA developed a plan to conduct 8.2 million CDRs between 1996 and 2002, and the Congress authorized funding of about \$4.1 billion over 7 years for this purpose. Soon after SSA developed its plan, the Congress established a new requirement for CDRs and for disability redeterminations for certain SSI children, for whom eligibility criteria were made more restrictive as part of welfare reform. SSA expects to complete an update of its plan in November 1997 to incorporate these SSI CDRs as well as its progress conducting CDRs.

My testimony today presents our observations on SSA's ability to achieve its current 7-year plan cost effectively and on schedule. I will discuss SSA's progress so far, its spending rate, and the status of selection formulas needed to meet future goals. My testimony is based on our previous reports and our ongoing work for you and Representative Kennelly.

In summary, we have found that SSA's experience in conducting CDRs during fiscal year 1997 is encouraging. For 1997, SSA expects to meet or exceed its goal to conduct 603,000 CDRs. And, for 1998, it is planning to increase its goal because it was able to meet its 1997 goal, while also processing at least 235,000 SSI childhood eligibility redeterminations. Reviewing more cases sooner than planned, to the extent possible, is clearly desirable because of the high costs—in taxpayer dollars and program integrity—of continuing benefits to those who are no longer

eligible. In addition, SSA's spending to date and estimates of future processing costs suggest that it will be able to complete its current 7-year plan with the funds the Congress has authorized, although its revised plan will not be available until November 1997. Key issues, however, such as deciding which beneficiaries should undergo a full medical review—a lengthy and costly process—are still unresolved but will determine how quickly and at what cost SSA can become current on its CDR workload.

Priority of CDRs Has Varied

SSA's disability programs provide cash benefits to people with long-term disabilities. The DI program provides monthly cash benefits and Medicare eligibility to severely disabled workers; SSI is an income assistance program for blind, disabled, or aged people whose income and resources fall below a certain threshold. The law defines disability for adults for both programs as the inability to engage in substantial gainful activity because of a severe physical or mental impairment that is medically determinable and has lasted or is expected to last at least 1 year or result in death. For children seeking SSI disability benefits, the impairment must meet the duration requirement and result in marked and severe functional limitations.

Both the DI and SSI programs are administered by SSA and state disability determination services (DDS). DDS receive their funding from SSA and make disability decisions in accordance with SSA's policies and procedures. They process initial disability applications, assess beneficiaries' potential for medical improvement, set due dates for CDRs, and conduct full medical reviews.

In early 1978, we reported on serious program administration weaknesses that allowed many medically ineligible recipients to go undetected.¹ Because of its concerns about the effectiveness of the CDR process and the growing number of disability beneficiaries, the Congress enacted a provision in a 1980 law requiring periodic CDRs for all DI beneficiaries.² This provision requires SSA to review—at least once every 3 years—the status of DI beneficiaries whose disabilities are not permanent to determine their continuing eligibility for benefits. The law also requires CDRs for DI beneficiaries with permanent impairments but gives SSA latitude in determining the frequency of these reviews. The 1980 provision does not require SSA to review cases involving SSI recipients. Before the 1980

¹See GAO numbered correspondence HRD-78-97.

²See the Social Security Disability Amendments of 1980 (P.L. 96-265) Sec. 311.

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legislation, SSA scheduled beneficiaries for medical reviews only if medical improvement was expected.

As a result of the 1980 law, SSA began increasing the number of CDRs in fiscal year 1981, using age, benefit amount, and medical characteristics as selection criteria. This resulted in the selection of a disproportionate number of young people with mental impairments for CDRs, as shown in table 1. Many of these cases were terminated because they did not meet new strict mental disability criteria that had been implemented after they had been put on the rolls.

Table 1: CDR Historical Data, Fiscal Years 1975-96

| Fiscal year | Number of CDRs^a | Benefit cessation rate (in percent)^c | Selected significant events in CDR history |
|--------------------|-----------------------------------|--|---|
| 1975 | 147,200 | 21 | |
| 1976 | 170,000 | 24 | |
| 1977 | 150,300 | 38 | |
| 1978 | 118,800 | 46 | GAO reported its concern that thousands of medically ineligible recipients were going undetected. |
| 1979 | 134,500 | 46 | |
| 1980 | 159,600 | 46 | The Congress established requirement for periodic reviews of DI beneficiaries. |
| 1981 | 257,100 | 47 | SSA increased CDRs and began targeting CDRs on the basis of age, benefit amount, and medical factors that disproportionately affected younger people and the mentally impaired. |
| 1982 | 496,800 | 45 | |
| 1983 | 544,200 | 41 | |
| 1984 | 156,600 | 24 | The Congress enacted medical improvement review standard, and SSA declared moratorium on CDRs. |
| 1985 | 35,900 | 11 | |
| 1986 | 47,700 | 6 | SSA lifted the CDR moratorium after publishing regulations for the medical improvement review standard. SSA also published criteria for scheduling CDRs. |
| 1987 | 206,000 | 13 | |
| 1988 | 353,800 | 12 | |
| 1989 | 366,800 | 9 | |

(continued)

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| Fiscal year | Number of CDRs^a | Benefit cessation rate (in percent)^c | Selected significant events in CDR history |
|--------------------|-----------------------------------|--|---|
| 1990 | 195,100 | 11 | SSA began diverting CDR resources to initial disability claims, which were growing rapidly. |
| 1991 | 73,500 | 10 | |
| 1992 | 73,100 | 13 | |
| 1993 | 64,800 ^b | 11 | SSA implemented mailer CDR process for certain DI beneficiaries under age 59. |
| 1994 | 118,400 ^b | 14 | The Congress enacted requirement for 100,000 SSI CDRs annually during fiscal years 1996-98. |
| 1995 | 217,000 ^b | 17 | |
| 1996 | 498,400 ^b | 11 | The Congress authorized \$4.1 billion for CDRs during fiscal years 1996-2002 and required additional SSI childhood disability reviews and redeterminations for which it authorized an additional \$250 million. |

^aCDR data for 1975 through 1994 include "work" CDRs for which DDSs conduct full medical reviews. Work CDRs are unscheduled reviews that SSA's field offices initiate when, for example, they receive reports indicating a beneficiary is working or has income. SSA estimates that DDSs annually conduct about 20,000 full medical reviews as a result of work CDRs.

^bFor 1993-96, the number of mailers, respectively, were about 34,600, 31,000, 76,500, and 248,000.

^cData represent initial cessation rate before appeals.

Source: SSA.

In response to this situation, the Congress enacted a law in 1984 establishing the Medical Improvement Review Standard, which prohibits benefit termination unless SSA can show that the beneficiary's medical condition has improved since the last medical decision and that this improvement relates to the individual's ability to work.³ As a result, SSA declared a moratorium on conducting CDRs until the new medical improvement standard was implemented by regulation in late 1985. Since enactment of the new standard, the cessation rate for CDRs has declined greatly.

³See the Social Security Disability Benefit Reform Act of 1984 (P.L. 98-460).

SSA's regulations require CDRs every 6 to 18 months for DI beneficiaries expected to improve medically and at least once every 3 years if medical improvement is considered possible. For DI beneficiaries whose impairments are judged to be permanent, the regulation requires CDRs once every 5 to 7 years. Until 1993, all CDRs were labor-intensive full medical reviews. In full medical reviews, one of SSA's 1,300 field offices first contacts the beneficiary to determine whether he or she is engaged in any gainful activity that would make the beneficiary ineligible for benefits. If not, the field office forwards the case to a DDS, which determines whether the beneficiary still meets the medical eligibility requirements. SSA currently estimates that a full medical review costs about \$800.

To conduct CDRs more cost effectively, SSA developed an alternative to full medical reviews.⁴ Under this alternative, SSA mails a questionnaire (referred to as a "mailer") to beneficiaries who have a low likelihood of benefit termination for them to report information on their medical conditions, treatments received, and work activities. About 2 percent of these beneficiaries eventually undergo a full medical review because their responses to the mailer and statistical information used to indicate the likelihood of cessation indicate that a more comprehensive review is warranted. SSA currently estimates that a mailer CDR costs about \$50 to process.

Due to budget and staff reductions after 1986 and large increases in initial disability claims beginning in 1990, SSA diverted resources from CDRs and could not conduct all required DI CDRs; nor could the agency conduct many SSI CDRs. In 1994, the Congress established the first statutory requirement for SSI CDRs, mandating that SSA review one-third of the SSI beneficiaries who reach age 18 and at least 100,000 additional SSI beneficiaries annually in fiscal years 1996 to 1998.⁵

We reported in October 1996 that about 2.4 million DI beneficiaries were due or overdue for CDRs, all required by law, and about 1.9 million SSI beneficiaries were due or over due for CDRs, of which 118,000 were

⁴To develop the mailer CDR process, SSA used the outcomes of previous DI CDRs to statistically estimate the likelihood that a CDR would result in benefit termination. The estimate is based on characteristics such as age, impairment, length of time on the disability rolls, and previous CDR activity. If the estimated likelihood of benefit termination is high, SSA routes the case to a DDS for a full medical review. If the estimated likelihood of benefit termination is low, SSA sends a mailer to the beneficiary, permitting SSA to do more CDRs than if all cases were forwarded to DDSs for full medical reviews.

⁵See the Social Security Independence and Program Improvements Act of 1994.

required by law.⁶ SSA calculated a smaller number of due or overdue CDRs—1.4 million for DI beneficiaries and 1.6 million for SSI beneficiaries. SSA excluded from its calculation DI worker beneficiaries aged 59 and older, disabled adult children and disabled widows and widowers of DI worker beneficiaries, and SSI beneficiaries aged 59 and older. SSA officials have acknowledged that CDRs were required for all DI beneficiaries excluded from its calculation but stated that because of the CDR backlog it was focusing on the portions of the CDR population that the agency estimated as the most cost effective to review.

In early 1996, SSA developed an ambitious 7-year plan to conduct 8.2 million CDRs during fiscal years 1996 to 2002, and, in March 1996, the Congress authorized a total of about \$4.1 billion to fund SSA's plan.⁷ The current 7-year plan includes (1) CDRs for DI worker beneficiaries under age 59, (2) SSI CDRs required under the Social Security Independence and Program Improvements Act of 1994, and (3) about 2 million additional SSI CDRs.

In November 1997, SSA plans to complete its updated plan to include additional beneficiary groups mandated in recent legislation. SSA estimates adding about 600,000 cases to its plan during fiscal years 1998 to 2000 to comply with requirements to conduct (1) CDRs at least every 3 years for SSI children under age 18 who are likely to improve; (2) CDRs for infants in their first year of life who receive SSI benefits due to low birth weight; and (3) redeterminations for all SSI children beginning on their 18th birthdays, using adult disability criteria.⁸ The August 1996 legislation also required that SSA conduct SSI eligibility redeterminations for all children who previously qualified for disability on the basis of an individualized functional assessment (IFA), which the law eliminated, or on maladaptive behavior criteria, which the law revised to eliminate double counting of impairments. SSA estimated that about 300,000 children had been approved

⁶See *Social Security Disability: Alternatives Would Boost Cost-Effectiveness of Continuing Disability Reviews* (GAO/HEHS-97-2, Oct. 16, 1996) and *Social Security Disability: Improvements Needed to Continuing Disability Review Process* (GAO/HEHS-97-1, Oct. 16, 1996). Also see *Supplemental Security Income: SSA Is Taking Steps to Review Recipients' Disability Status* (GAO/HEHS-97-17, Oct. 30, 1996).

⁷The Contract With America Advancement Act of 1996 (P.L. 104-121) authorizes funding for 7 years for CDRs from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund.

⁸See the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. This act repealed the provision for CDRs for 18-year-olds in the 1994 legislation. SSA determined that newly required CDRs on low birth weight babies and children under age 18 whose impairments are likely to improve and redeterminations for 18-year-olds may count toward the 100,000 CDRs required under the Social Security Independence and Program Improvement Act of 1994. The Balanced Budget Act of 1997 permits SSA to schedule a CDR for a low birth weight child after the child's first birthday if it is determined that the child's impairment is not expected to improve within 12 months after birth.

on the basis of the IFA or maladaptive behavior criteria. These cases, which are not counted in the CDR workload, must be completed by February 1998.

SSA Met 1997 Target, Further Progress Expected

SSA data indicate that it will meet its CDR target for 1997, while also processing the newly required SSI childhood redeterminations. This result is due in part to SSA's working with the DDSS to increase case processing capacity to handle the unprecedented workloads in SSA's CDR plan. We find this progress encouraging and will continue to review SSA's progress in our ongoing work.

In fiscal year 1997, SSA faced a new SSI childhood redetermination workload that competed for the same resources that conduct CDRs. Even so, the DDSS were on track to meet or exceed the 1997 target of 603,000 CDRs (see table 2). Both SSA and DDS officials told us that they attributed part of their success to the decline in initial applications—from about 2.4 million in fiscal year 1996 to about 1.9 million through the first 11 months of fiscal year 1997. SSA is reassessing its CDR workload target for 1998 to determine the extent to which it can increase the CDR target beyond the 1.1 million the plan currently calls for.

To prepare for this ambitious CDR workload, SSA has negotiated with the DDSS to increase CDR workloads and increase the DDSS' efforts to hire, train, and supervise additional staff. After several months of training, the new staff would be expected to handle initial disability determinations, freeing more senior examiners to handle CDRs. Training and supervising new disability examiners, however, can require a great deal of the senior disability examiners' time. Our preliminary work indicates that the DDSS substantially succeeded in meeting their 1997 hiring goals, despite problems such as hiring freezes, shortages of qualified applicants, and limited office space, which sometimes caused DDSS to reach their hiring goals later in the year than planned. From 1996 to 1997, the number of full-time disability examiners in the DDSS increased from 5,459 to 5,724, not including 435 trainees. SSA also expects DDSS to be able to meet their 1998 hiring goals.

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Table 2: SSA's CDR and SSI Childhood Redetermination Workload Targets and Cases Completed, Fiscal Years 1996-2002

In thousands

| | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 |
|--|----------------|------------------|---------------------------|----------------|----------------|----------------|----------------|
| Current workload targets | | | | | | | |
| CDRs processed (mailers and full medical reviews) | 500 | 603 | 1,117 | 1,397 | 1,595 | 1,527 | 1,443 |
| SSI childhood initial redeterminations ^a | Not applicable | 288 | Not provided ^b | Not applicable | Not applicable | Not applicable | Not applicable |
| Actual cases completed | | | | | | | |
| CDRs ^c (mailers and full medical reviews) | 498 | 603 | Unavailable | Unavailable | Unavailable | Unavailable | Unavailable |
| SSI childhood initial redeterminations ^a | Not applicable | 235 ^d | Unavailable | Not applicable | Not applicable | Not applicable | Not applicable |

^aYears other than 1997 and 1998 are not applicable for childhood redetermination targets or cases completed because the Aug. 1996 legislation required that all childhood redeterminations be completed by Aug. 22, 1997, and in 1997 the Congress extended this deadline to Feb. 1998 in P.L. 105-33. Actual cases completed for 1998 are unavailable until the end of 1998.

^bSSA did not provide the current target workload for childhood redeterminations in 1998.

^cCDRs completed for 1996 represents CDRs for DI and SSI beneficiaries. CDRs completed for 1997 includes periodic CDRs, CDRs for SSI low birth weight babies, and redeterminations for SSI children after they reach age 18. The 603,000 cases for 1997 is an estimate based on actual cases completed through the end of Aug. 1997. Cases completed for fiscal years beyond 1997 are unavailable until the end of each fiscal year.

^dAs of the end of Aug. 1997, about 235,000 of the original 288,000 SSI childhood redeterminations had been processed. Of the 235,000 cases processed, SSA determined on the basis of a review of existing medical evidence that about 28,000 cases could be continued without referring them to DDSs for medical redeterminations. DDSs conducted medical redeterminations for the remaining 207,000 cases. SSA did not provide an estimate of the initial redeterminations it will complete by the end of Sept. 1997.

Source: SSA.

Budget Authority Appears Sufficient to Conduct Required CDRs

On the basis of SSA's current cost estimates, the congressionally authorized funding levels for fiscal years 1998 through 2002 will exceed the estimated costs of the CDR workloads in SSA's current plan. The Congress has authorized a total of about \$4.3 billion for DI and SSI CDRs and SSI redeterminations during fiscal years 1996 through 2002 (see table 3).⁹

⁹The Contract With America Advancement Act of 1996 (P.L. 104-121) authorized about \$4.1 billion for DI and SSI CDRs during fiscal years 1996 to 2002. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193) added a total of \$250 million to the authorized amounts for fiscal years 1997 and 1998.

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Table 3: Amounts Authorized, Requested, Appropriated, and Obligated for CDRs and SSI Redeterminations, Fiscal Years 1996-2002

| Dollars in millions | | | | |
|---|--------------|--------------------------|--------------------------|----------------------|
| Funding for DI and SSI CDRs and SSI redeterminations | | | | |
| | 1996 | 1997 | 1998 | 1999-2002 |
| Amount authorized | \$260 | \$510 | \$670 | \$720 ^a |
| SSA's budget request | 260 | 510 | 490 ^b | Not available |
| Amount appropriated | 260 | 510 ^b | 490 ^c | Not available |
| Amount obligated by SSA | | | | |
| CDRs | 207 | 288 | 366 | Not available |
| SSI redeterminations | 0 | 235 | 164 | Not available |
| Total obligations | \$207 | \$523^d | \$530^e | Not available |
| Amount not spent and carried forward | | | | |
| CDRs | 53 | 40 | 0 | Not available |
| SSI redeterminations | 0 | 0 | 0 | Not available |
| Total | \$53 | \$40 | \$0 | Not available |

^aThe annual authorization from 1999-2002 is \$720 million.

^bThe \$510 million appropriated in 1997 and the \$490 million requested for 1998 include \$200 million annually from SSA's administrative expenses to be used for CDRs. The remaining funds—\$310 million in 1997 and \$290 million in 1998—are from an additional budget authority that can be used to process either CDRs or SSI redeterminations.

^cThe Senate approved SSA's \$490 million request on Sept. 11, 1997. Final approval by the Congress is pending.

^dIn 1997, SSA obligated more than the amount appropriated because \$53 million of unobligated 1996 funds had been carried forward to 1997.

^eSSA estimates it will have \$530 million in obligations available in 1998—its \$490 million request plus the unobligated \$40 million carried over from 1997.

Source: SSA.

For fiscal year 1996, SSA requested and received \$260 million for CDRs, of which the Congress designated \$60 million as 2-year funding for use in 1996 or 1997. SSA spent a total of \$207 million in 1996 to conduct 498,000 CDRs—only 2,000 short of its goal of 500,000. In 1996, SSA found that full medical reviews cost less than previously estimated—about \$800 each, rather than \$1,000 each. As a result, SSA carried forward \$53 million from 1996 into 1997.

For fiscal year 1997, SSA requested and received \$510 million—\$200 million for CDRS and \$310 million of 2-year funding that could be used for either CDRS or SSI redeterminations. Including the \$53 million that SSA carried forward from 1996, SSA had a total of \$563 million available for 1997. Of this \$563 million, SSA estimates it will spend \$288 million to meet its goal of conducting 603,000 CDRS and will spend \$235 million to process more than 235,000 SSI redeterminations—or a total of \$523 million. This means SSA will spend \$13 million more than the \$510 million appropriated; however, it still will be able to carry forward \$40 million into 1998 because of the \$53 million carried forward from 1996 into 1997.

SSA officials told us that in fiscal years 1996 and 1997 the agency could not have effectively spent the unused funds (\$53 million and \$40 million, respectively) to greatly increase the number of full medical reviews conducted during those years because the DDSS were gearing up to handle the increased CDR workloads. As mentioned previously, some DDS officials told us they could not have expanded any faster.

In 1996, the Congress authorized \$670 million for CDRS and SSI redeterminations in fiscal year 1998. This \$670 million consisted of \$570 million authorized by Public Law 104-121 for CDRS and an additional \$100 million authorized by Public Law 104-193, which enacted the SSI redetermination requirements. SSA officials told us that the \$570 million authorization assumed that the DDSS would conduct 533,000 full medical reviews costing \$1,000 each. In formulating its budget request for 1998, however, SSA reduced the full medical review workload from 533,000 to 428,000 (costing \$800 each). SSA reduced the workload because of the size of other DDS workloads. As a result, SSA submitted a budget request of \$490 million or \$180 million less than the total amount authorized for CDRS and SSI redeterminations.

On the basis of SSA's current 7-year plan and the current estimated average cost of processing CDRS, it appears that the \$720 million authorized for each year from 1999 to 2002 will exceed the cost of conducting CDRS (see table 4). For example, the current plan calls for the largest number of CDRS to be conducted in 2000. At an average estimated cost of \$800 per full medical review and \$50 per mailer, the estimated total cost for CDRS in 2000 is about \$668 million, compared with the authorized amount of \$720 million.

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Table 4: Estimated Costs of Conducting CDRs During Fiscal Years 1999-2002 Under SSA's Current CDR Workload Plan

| | 1999 | 2000 | 2001 | 2002 |
|---|--------------|--------------|--------------|--------------|
| Workload targets specified in current plan (CDRs in thousands) | | | | |
| Full medical reviews | 593 | 780 | 778 | 678 |
| Mailer CDRs | 880 | 890 | 820 | 840 |
| Estimated average cost per CDR in FY 1998 | | | | |
| Full medical reviews | \$800 | \$800 | \$800 | \$800 |
| Mailer CDRs | 50 | 50 | 50 | 50 |
| Estimated total cost (dollars in millions) | | | | |
| Full medical reviews | 474 | 624 | 622 | 542 |
| Mailer CDRs | 44 | 44 | 41 | 42 |
| Total cost | \$518 | \$668 | \$663 | \$584 |
| Amount authorized (dollars in millions) | | | | |
| | 720 | 720 | 720 | 720 |
| Authorized amount less estimated cost (dollars in millions) | | | | |
| | 202 | 52 | 57 | 136 |

Source: GAO computations based on SSA data.

Timely Completion of Selection Formulas Needed to Meet Future Goals

To make the CDR process more cost effective, SSA has been developing selection formulas to identify which beneficiaries should receive lower cost mailers and which should be designated for higher cost full medical reviews. In October 1996, we reported that SSA had sufficiently developed the selection formulas to apply them to about one-half of the beneficiaries due for CDRs. SSA is still developing selection formulas for many of the other beneficiaries due for CDRs, however, and the extent of SSA's success could affect its ability to complete its 7-year plan cost effectively and on schedule.

We reported that although SSA had developed selection formulas for beneficiaries under age 59 who have potential for medical improvement, the formulas could not identify for most beneficiaries in this group who should receive a mailer or be referred for a full medical review. Recently, however, SSA began full medical reviews for the 10 percent of these beneficiaries with the highest probability of benefit cessation. Successful completion of selection formulas for the remainder of the beneficiaries is important because if SSA has to do full medical reviews for all of them, it could jeopardize meeting the 2002 goal.

SSA is also developing selection formulas to apply to more than 600,000 SSI childhood cases that will be coming due for a CDR by fiscal year 2000. Completing these CDRs on schedule may depend on SSA's ability to develop and implement a reliable mailer process for children.

SSA has finished developing selection formulas for beneficiaries aged 59 and older and for beneficiaries not expected to improve medically. Of this latter group, SSA sent mailers to 44,000 beneficiaries in early 1997. For beneficiaries aged 59 and older, SSA plans to send mailers to 60,000 beneficiaries in October 1997.

SSA officials also said that the agency is nearing the completion of selection formulas for disabled adult children and disabled widows and widowers of DI worker beneficiaries, and mailers for this group could start going out sometime in fiscal year 1998.

Concluding Observations

SSA plans to conduct over 8 million CDRs by 2002, more than double the number of CDRs conducted during the entire preceding 21-year period. Our preliminary findings indicate that SSA is meeting its capacity-building goals in the DDSS and should have adequate funding to carry out its current plan. In fact, SSA may be able to conduct these CDRs in a shorter time period. The more quickly SSA can remove those who are no longer eligible from the rolls, the more it can save in program costs. Therefore, in light of the lower levels of initial applications, SSA should increase its yearly CDR goals. Finally, we note that many beneficiaries who will not medically improve could nevertheless have or regain work capacity. In light of this, we continue to encourage SSA to consider ways to integrate return-to-work efforts into its overall management of the CDR process for all beneficiaries.

Mr. Chairman, this concludes my prepared statement. At this time, I will be happy to answer any questions you or the other Subcommittee members may have.

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Related GAO Products

Social Security Disability: SSA Must Hold Itself Accountable for Continued Improvement in Decision-Making ([GAO/HEHS-97-102](#), Aug. 12, 1997).

Social Security: Disability Programs Lag in Promoting Return to Work ([GAO/HEHS-97-46](#), Mar. 17, 1997).

Supplemental Security Income: SSA Is Taking Steps to Review Recipients' Disability Status ([GAO/HEHS-97-17](#), Oct. 30, 1996).

Social Security Disability: Alternatives Would Boost Cost-Effectiveness of Continuing Disability Reviews ([GAO/HEHS-97-2](#), Oct. 16, 1996).

Social Security Disability: Improvements Needed in Continuing Disability Review Process ([GAO/HEHS-97-1](#), Oct. 16, 1996).

Social Security: New Continuing Disability Review Process Could Be Enhanced ([GAO/HEHS-94-118](#), June 27, 1994).

Social Security: Continuing Disability Review Process Improved, But More Targeted Reviews Needed ([GAO/T-HEHS-94-121](#), Mar. 10, 1994).

Social Security Disability: SSA Needs to Improve Continuing Disability Review Program ([GAO/HRD-93-109](#), July 8, 1993).

Social Security: Effects of Budget Constraints on Disability Program ([GAO/HRD-88-2](#), Oct. 28, 1987).

Social Security Disability: Implementation of the Medical Improvement Review Standard ([GAO/HRD-87-3BR](#), Dec. 16, 1986).

More Diligent Followup Needed to Weed Out Ineligible Disability Beneficiaries ([HRD-81-48](#), Mar. 3, 1981).

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