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BY THE U.S. GENERAL ACCOUNTING OFFICE

Report To The Mayor Of The District Of Columbia

Improvements Needed In The District's General Public Assistance Program

The District of Columbia's Department of Human Services has eliminated some general public assistance payments to ineligible recipients. However, additional changes in the program's methods and procedures would provide greater assurance that timely and appropriate case reviews are made and that only eligible persons receive financial assistance.

GAO recommends actions to improve program administration.



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

GENERAL GOVERNMENT
DIVISION

B-205015

The Honorable Marion S. Barry, Jr.
Mayor of the District of Columbia
Washington, D.C. 20004

Dear Mayor Barry:

This report summarizes the results of our review of the General Public Assistance program and recommends specific actions which we believe will enhance the District's administration of the program.

This report contains recommendations to you on pages 28 and 29. As you know, the Mayor is required, within 90 days after receiving our audit report, to state in writing to the District Council what has been done to comply with our recommendations and to send a copy of the statement to the Congress (31 U.S.C. §715(c)(1), as recently codified by Public Law 97-258, formerly section 736(b) of the District of Columbia Self-Government and Governmental Reorganization Act, Public Law 93-198). The Mayor is also required to report, in the District of Columbia's annual budget request to the District Council, on the status of efforts to comply with such recommendations (Section 442(a)(5) of Public Law 93-198).

We are sending copies of this report to interested congressional committees; the Director, Office of Management and Budget; and to each member of the Council of the District of Columbia.

Sincerely yours,

W. J. Anderson

William J. Anderson
Director



D I G E S T

The District's Department of Human Services (DHS) has taken positive steps to improve the administration of its General Public Assistance (GPA) program, but inadequate procedures and methods continue to hamper its efforts to see that appropriate and timely eligibility reviews are made and that only eligible recipients receive financial benefits.

The District's GPA program was established in 1962. The program's goals are to provide (1) temporary financial assistance to persons in need and unable to work, (2) interim assistance to disabled individuals pending approval of their applications for Supplemental Security Income (SSI), and (3) rehabilitation. The maximum cash grant a recipient can receive is \$189.56 a month.

As of July 1982, there were 4,610 active cases certified as being medically incapacitated and receiving benefits under the program. For fiscal year 1983 the GPA budget is about \$14.1 million and is totally District funded.

BENEFITS PAID TO RECIPIENTS
WHO RECEIVED WAGES OR
UNEMPLOYMENT BENEFITS

Some recipients worked and earned income in excess of allowable earnings or received unemployment compensation while they received GPA benefits. For 10 of 41 cases GAO reviewed, GPA benefits of about \$6,900 had been paid to recipients while they were working or receiving unemployment compensation.

Increased use of the reports which list recipients who may have earned wages or received unemployment compensation will ensure that correct payments are being made to eligible

recipients. Also, recipients need to be adequately informed of the program's eligibility requirements and the consequences of failure to report changes in their medical condition or social status. (See pp. 5 to 12.)

BETTER INFORMATION NEEDED FOR CERTIFICATIONS

Many recipients either should not have been certified to receive GPA or sufficient information was not available to make a determination of eligibility. GAO estimates that 317 of the 529 recipients listed on a recent wage and unemployment compensation verification report should not have been certified for GPA. Guidelines, tailor-made to the District's needs, have not been developed to assist the Medical Review Team (MRT) in making determinations for GPA eligibility. (See pp. 9 to 11.)

CASE REVIEWS NEED IMPROVEMENT

Timely followup reviews of case files of recipients referred for SSI are not being made. Some cases have not been reviewed for as long as 233 days to 681 days. GAO estimates that of the 726 SSI cases on the December 1981 payroll, reviews were not made for 444 of them.

Also, since recipients referred for SSI are not regularly certified, many continue to receive GPA benefits without a current medical evaluation. (See p. 12.)

DHS is to be reimbursed for GPA benefits paid while the recipients were awaiting approval of their SSI applications. It lost about \$156,000 in SSI reimbursements for the 7-month period ending April 1982. (See p. 15.)

About 450 of the 3,949 recipients on the March 1982 payroll were to receive benefits even though DHS records showed that their period of eligibility had expired. Also, GAO's analysis of a sample of judgmentally selected cases showed that data concerning other recipients' periods of eligibility were not being accurately entered into the computer data base. (See pp. 16 to 21.)

OTHER IMPROVEMENTS NEEDED

To help recipients become less dependent on public assistance, DHS should seek authority to implement a policy that recipients act on MRT referrals for training/treatment as a condition of program eligibility unless they offer adequate justification for their failure to do so. (See p. 21.)

DHS does not regularly evaluate GPA operations. Cases are not sampled periodically to verify accuracy of factors determining recipient eligibility and correctness of payment. Also, formal instructions are not available to assist program personnel in carrying out the day-to-day operations of the GPA program.

The collection of money erroneously paid to GPA recipients has not been made. In response to our inquiry the Corporation Counsel concluded in September 1982 that overpayments can be recovered by reducing the current assistance payment.

RECOMMENDATIONS TO THE MAYOR

GAO recommends that the Mayor direct the DHS Director to take various specific actions to help identify and eliminate ineligible recipients, improve management controls over program operations, and ensure compliance with program requirements. (See p. 28.)

AGENCY COMMENTS

The DHS Director said that the Department has begun to implement many of the recommendations and that other recommendations will be implemented with a proposed revision of the GPA program. Concerning our recommendation to review cases referred for SSI, the Director said that 3-month reviews, although desirable, are not feasible because of the heavy workload of GPA caseworkers and because of lack of data on referrals.

The text of the Director's comments appear in the appendix. Our analysis of the comments are included in the report. (See p. 29.)



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ABBREVIATIONS

DHS	Department of Human Services
GAO	General Accounting Office
GPA	General Public Assistance
IMA	Income Maintenance Administration
IMMS	Income Maintenance Management System
MRR	Matched Recipient Report
MRT	Medical Review Team

OER Office of Eligibility Review
OIC Office of Inspection and Compliance
SSA Social Security Administration
SSI Supplemental Security Income
VRSA Vocational Rehabilitation Services
Administration

CHAPTER I

INTRODUCTION

The District's General Public Assistance (GPA) program was established by the District of Columbia Public Assistance Act of 1962 (Public Law 87-807). The purposes of the program, according to the Department of Human Services' (DHS) Policy Handbook, are to provide (1) temporary financial assistance to adults who are unemployable because of a physical or mental incapacity, (2) interim assistance to disabled individuals pending approval of their Supplemental Security Income (SSI) applications, and (3) rehabilitation.

The District's Inspector General reported in March 1980 on DHS' efforts to identify and remove ineligible recipients from the GPA rolls and the timeliness of such actions. The report showed that a large number of GPA recipients continued to receive financial assistance even though DHS records indicated that their period of eligibility had expired. The Inspector General reported that in March 1980, 4,055 checks--or about 59 percent of the total checks issued--totaling about \$726,000 were issued to recipients whose eligibility had expired from 1 month to over 2 years earlier. This condition was attributed to the failure to routinely process termination actions when recipients failed to reapply for GPA benefits. The Inspector General recommended that the computer system be reprogrammed to provide for automatic termination of benefits unless the recipient had reapplied and had not been denied.

Over the years there have been serious problems in the operation of the GPA program. This report discusses DHS' administration of the GPA program including the actions taken on the Inspector General's report as well as other DHS efforts to identify and remove ineligible recipients from the GPA rolls.

PROGRAM BENEFITS, FUNDING, AND ELIGIBILITY REQUIREMENTS

A GPA recipient receives a cash grant of \$189.56 a month (prior to February 1982 the grant was \$180.53) and may be eligible also for food stamps and medical assistance. The estimated fiscal year 1983 GPA budget is about \$14.1 million and is totally District funded. In fiscal year 1981 the average monthly caseload was about 5,260. As of July 1982, there were 4,610 active cases certified as being medically incapacitated and receiving GPA. DHS administers the program. The Bureau of Eligibility Determination in the Income Maintenance Administration (IMA) is responsible for the day-to-day operations.

DHS' policy handbook describes the eligibility requirements for GPA which includes that an individual must be (1) between the ages of 18 through 64, (2) determined to be incapacitated or disabled by DHS' Medical Review Team (MRT), (3) in need of assistance based on the standards for the District of Columbia, (4) ineligible for the Federal Aid to Families with Dependent Children program, and (5) a resident of the District of Columbia.

Individuals are certified to receive GPA for 1 to 6 months. Once the certification period has expired, cases are to be terminated and removed from the GPA rolls. However, because of continued inability to work, recipients can be recertified for additional periods of 1 to 6 months.

Current statistics are not available showing the general characteristics of the GPA caseload. A 1978 DHS sample of 600 cases showed that about 64 percent of the recipients were between the ages of 21 and 50. A sample of 350 persons who applied for GPA in August 1979 showed that 59 percent were males and that the major reasons for incapacity were alcoholism, psychiatric problems, hypertension, fractures, and back pain.

Our analysis of data on the April 1982 listing of 4,320 recipients receiving a GPA check showed that about 2,400 recipients started to receive GPA over 1 year ago, and many of these started to receive GPA over 2 years ago. Data is not readily available showing whether these recipients received GPA continuously during that time but it does indicate that many recipients are being certified for more than the initial certification period.

OBJECTIVES, SCOPE, AND METHODOLOGY

The objective of our review was to assess the effectiveness of DHS' overall management of the GPA program. We reviewed the adequacy of practices and procedures for (1) identifying recipients who are receiving other income, (2) MRT certification of persons receiving GPA benefits, (3) accuracy of the computer data base for automatically terminating recipients whose period of eligibility had expired, (4) monitoring of recipients referred for Supplemental Security Income (SSI) and vocational rehabilitation services, (5) collecting overpayments to GPA recipients, and (6) other management controls for program operation and evaluation.

We reviewed legislation, policy, and procedures relating to the GPA program; reviewed and analyzed reports, records, case files, and other data concerning program operations; and

held discussions with District officials responsible for administering the program. We verified employment with employers for those recipients reviewed for the receipt of wages. Also, we visited and obtained information from Virginia and Maryland State officials concerning their general public assistance programs.

We used statistical sampling to select cases to review the receipt of other income, certifications, and referrals for SSI and vocational rehabilitation. The estimates that were developed from statistical samples have measurable precisions, or sampling errors, which are further discussed in the report. We used judgmental sampling techniques to evaluate the adequacy of the recently implemented automatic termination process. We used this method because of the time that would have been required to select and review a statistical sample of cases before implementation of the new Income Maintenance Management System (IMMS). Our review of selected cases showed that not all cases were subject to the automatic termination process, and information for other cases was incorrectly entered into the computer data base. Because of the pending IMMS implementation, we notified the DHS Director of our findings in early April 1982. In his May 1982 reply, the Director agreed with our findings and said corrective action would be taken. The General Accounting Office's (GAO) medical advisor reviewed the medical information concerning MRT certifications of selected recipients. He subsequently verified his findings with a physician from DHS.

Our work was performed in accordance with generally accepted Government auditing standards.

CHAPTER 2

IMPROVEMENTS NEEDED IN THE ADMINISTRATION OF THE DISTRICT'S DEPARTMENT OF HUMAN SERVICES

GENERAL PUBLIC ASSISTANCE PROGRAM

Many problems exist in the administration of the GPA program. Inadequate procedures and methods hamper the District's efforts in ensuring that appropriate and timely medical reviews are made and that only eligible recipients receive financial benefits. Because of one procedural weakness, the District failed to recover about \$156,000 in SSI reimbursements for a 7-month period ending April 1982.

In an effort to improve GPA operations, DHS implemented an automatic termination system in October 1981. This system was installed because many recipients continued to receive benefits after their eligibility expired. Required medical reviews for recertification were not being performed. The DHS Director told us that the GPA caseload has been reduced from 6,849 cases in March 1980 to 4,320 cases in April 1982 and that a high percentage of the case closings resulted from the implementation of the automatic termination system. In addition, the number of overdue reviews was reduced from 59 percent in March 1980 to 9.3 percent in April 1982.

The IMA Administrator and top officials of his staff responsible for GPA operations generally agreed with our findings and recommendations. The District is working to resolve some of the problems, however, more needs to be done.

METHODS AND PROCEDURES TO MINIMIZE IMPROPER PAYMENTS NEED IMPROVEMENT

Some GPA recipients received benefits to which they were not entitled. We found that, for 10 of 41 cases reviewed, GPA benefits of about \$6,900 were paid to recipients in excess of actual entitlements while they were either working or receiving unemployment compensation. The amount of benefits paid in error to the 10 recipients involves payments made at various times between October 1980 and August 1981. Also, benefits were being paid to many recipients who were not currently medically certified for GPA and to recipients whose MRT certifications appeared questionable. Further, inaccurate information in the computer data base could prevent timely and appropriate recertification reviews. Because of the time that would be involved and the uncertainty of whether current, complete medical reviews would enable the recipients to continue to receive GPA, we did not estimate the amount of benefits paid.

Improvements could decrease payments made to GPA recipients who are working or receiving other resources

Some GPA recipients worked and earned income in excess of allowable earnings or received unemployment compensation while receiving GPA benefits. Recipients receiving other income are subject to termination from the GPA program or reduction of their GPA benefits. Improved procedures concerning the (1) review and identification of recipients receiving other income, (2) MRT certification of recipients, and (3) requirements for recipients to report changes in their medical condition or social status could decrease inappropriate GPA payments.

For the period reviewed, we estimate that about \$89,000 in GPA benefits were paid to recipients who earned income in excess of allowable earnings or who were receiving unemployment compensation. For each quarter, DHS prepares a Matched Recipient Report (MRR) which lists GPA recipients who have earned wages in the District or received District unemployment compensation benefits. A separate report is prepared for each recipient. The current GPA payroll is matched against wage and unemployment compensation benefit information obtained from the District's Department of Employment Services. A MRR is also prepared quarterly by DHS for GPA recipients who worked or received unemployment benefits in Maryland. A Virginia MRR is prepared by State officials quarterly.

The MRR is only an indication that a recipient may be working or receiving unemployment compensation benefits at the same time they are on the GPA payroll. The MRR shows only the total amount of wages earned in the quarter and/or unemployment compensation benefits paid. An analysis must be made to determine if the dates the recipient worked or received unemployment compensation benefits correspond to the dates the recipient received GPA. Also, an analysis must be made to determine if the amount of earned income would make the recipient ineligible for GPA or eligible only for a reduced payment. Recipients receiving unemployment compensation benefits are ineligible for GPA. DHS does not, however, review all cases listed on the MRR.

For the first quarter of calendar year 1981, 529 GPA recipients appeared on the District's MRR. Two hundred and thirty-five recipients were listed as receiving only wages, 253 recipients were listed as receiving only unemployment compensation benefits, and 41 recipients were listed as receiving both wages and unemployment compensation benefits.

These 529 recipients represent about 10 percent of the average monthly GPA caseload for the same quarter.

We reviewed a random sample of 50 cases from the District's MRR for the first quarter of 1981. We reviewed only the District's MRR because of the time required to make the analysis. We used the first quarter report because it was the most recent report that could be used to see if recipients also appeared on a prior or subsequent report.

Of the 50 cases selected for review, 23 cases were listed as receiving unemployment benefits, and 24 cases were listed as having earned wages. Three cases were listed as receiving both wages and unemployment compensation.

With the assistance of investigators of the Office of Eligibility Review (OER), employers were contacted to obtain information concerning the dates of employment and the amount of earnings for each recipient with reported wages. The dates unemployment compensation benefits were paid were obtained for those who received these benefits and compared with the dates the recipients received GPA. OER investigators concurred in each case where we determined that an overpayment existed.

Because case files or wage information was not available at the time of our review, we reviewed only 20 of the 27 cases with reported wages. For 8 of the 20 cases we determined that the recipients worked and received GPA at the same time. The amount of GPA benefits paid to the eight recipients while they were working totaled about \$6,400. In determining whether the amount of wages earned would cause the recipients to be ineligible for GPA, we excluded, as provided for by Department policy, a general disregard of \$7.50, mandatory deductions such as taxes, Social Security, and an amount to cover the cost of transportation, extra clothing, lunches, and personal needs.

We reviewed 23 of the 26 cases where the recipients were reported as receiving unemployment compensation benefits because case files were not readily available for 3 cases. We determined that in two cases GPA benefits were paid at the same time. The amount of GPA benefits paid to those recipients at the same time unemployment benefits were available totaled about \$542. For the cases reviewed, the MRR included benefits paid as far back as 1975 and as current as July 1981. DHS officials responsible for OER investigations advised us that even though some of the data is not current, the information provides leads for investigators in determining the recipients' eligibility for GPA.

Based on a review of a random sample of 50 cases, we estimate that 129, or 24.4 percent, of the 529 GPA recipients who appeared on the District's MRR could have received GPA and

other income at the same time. The estimated overpayment would be \$89,000.

Since the estimates were developed from a random sample, they have measurable precisions or sampling errors. For the recipients who received GPA and other income at the same time, the sampling error is 67 cases. The sampling error of the overpayments is \$60,400. The sampling errors are stated at the 95 percent confidence level. This means the chances are 19 out of 20 that the estimates obtained from the sample would differ from the results of a review of all 529 cases by less than the sampling error.

We did not include any cases from the Maryland or Virginia MRRs. For the first quarter of calendar year 1981, 84 recipients were listed on the Maryland MRR. We could not locate the Virginia MRR. However, about 100 recipients were listed on the Virginia MRR for the third quarter of calendar year 1980.

All matched recipient reports
should be reviewed

Although DHS identifies recipients who may have worked or received unemployment compensation benefits, not all cases are reviewed to ensure that correct payments are being made to eligible recipients.

Timely identification of recipients who work and/or receive unemployment compensation benefits is extremely difficult primarily because the MRRs are prepared several months after the end of the quarter. For example, MRRs received by OER for the quarter ending March 31, 1981, were dated July 30, 1981.

During our review, an official in the Department's Income Maintenance Administration advised us that consideration is being given to preparing monthly MRRs for unemployment compensation benefits. This procedure, if implemented, will greatly assist investigators in quickly identifying and terminating GPA benefits paid to recipients receiving unemployment benefits.

Information on wages earned by recipients is reported by employers to the District's Department of Employment Services following the end of each calendar year quarter. Because of the time required to process the data both by the Department of Employment Services and DHS, MRRs generally are delayed.

The OER is responsible for reviewing information on the MRRs to determine if recipients are receiving other resources

at the same time. At the time of our review, two staff members were assigned to reviewing cases on the MRRs. During calendar year 1981, the OER investigators closed a total of 430 cases and reduced the GPA benefits for another 8 cases. The savings attributable to the closed cases were about \$70,000. ^{1/} According to an OER official, about 74 percent, or about \$52,000, was attributable to MRR case reviews.

Records were not available showing the number of MRR cases reviewed. The OER Monthly Activity Reports show the total number of cases completed and closed, but the data includes other case reviews as well as MRR case reviews. However, the following data does indicate that not all cases on the MRRs are being reviewed. To illustrate, the Monthly Activity Reports for calendar year 1981 show that a total of 709 case reviews were completed; whereas, the number of cases on the MRRs for the District and Maryland and received in calendar year 1981 totaled about 2,800. OER investigators advised us that, because of other duties and because of the large number of recipients on the MRRs, they do not have sufficient time to review all the cases.

In 6 of the 10 cases where we determined that the recipients received other income at the same time, OER investigators had reviewed the cases because they appeared on an MRR. However, in three of the six cases the recipients were listed on a prior MRR that could have been used to review the case sooner. In one case not reviewed, action could have been taken to review and possibly close the case.

One case that could have been reviewed sooner involved a recipient who was certified to receive GPA benefits through September 30, 1981. The recipient appeared on three successive MRRs, the first one dating back to March 9, 1981. Our review showed that the recipient started to work in September 1980. An OER investigator started a review of this case in October 1981 using the two latest MRRs and the recipient was terminated from the program effective November 30, 1981. Timelier action on an earlier MRR could have resulted in terminating the case sooner and avoiding payments for several months.

Our review included recipients who received other income prior to implementation of automatic termination procedures in October 1981. Since cases are now to be regularly reviewed,

^{1/}Information on dollar savings was available for only 11 months.

more timely identification of recipients with other income should be possible. However, as discussed below, certain actions can be taken to make increased use of MRR data.

Under current procedures, MRRs generally are reviewed by the OER investigators. Cases reviewed are selected in descending order on the basis of the amount of earnings or unemployment benefits received; i.e., cases with large dollar payments are reviewed first. This procedure is followed until a new MRR is received.

Increased utilization of the MRRs could be made by distributing the reports to the caseworker responsible for handling the case. Once preliminary inquiry is made, such as contacting the recipient or employer to obtain more evidence that the recipient is receiving other resources at the same time, the cases with potential could be returned to the OER investigators for complete investigation. This procedure would ensure that some action would be taken on all MRR cases. The MRRs would also provide caseworkers with information on the employment history of the recipient.

GPA officials agreed that distributing the MRRs to caseworkers is the ideal way to process them, but it is not feasible because of the already large caseworker workload. While we did not analyze the impact handling MRRs would have on their workload, or if additional staff would be required, it would seem that the Department should assess its workload priorities to effect increased use of MRRs.

Better information needed for certifications

On the basis of review by GAO's medical advisor of the most recent medical information in the files, we estimate that 317 of the 529 recipients listed on the first quarter MRR either should not have been certified to receive GPA or sufficient medical information was not available to make a determination of eligibility to receive GPA. More complete medical information and more definite criteria would ensure greater compliance with the program's eligibility requirements.

Persons applying for or receiving GPA must have a physical or mental incapacity which, in the judgment of the MRT, limits their ability to care for or support themselves. According to the Department's handbook concerning public and medical assistance, the physical or mental defect, illness, or disability must be verified by means of a written medical report from a physician or treatment facility and include clinical/laboratory findings. In making determinations, the MRT would also consider employment opportunities on the basis of the individual's education and experience.

We selected 10 cases to evaluate the MRT certifications. The cases reviewed were selected from our random sample of 50 cases from the first quarter 1981 MRR. This review was performed by GAO's medical advisor who then verified his findings with a physician from the District's Vocational Rehabilitation Services Administration.

For 6 of the 10 cases reviewed, we concluded that the medical information concerning the most recent MRT certification in the files either did not support a determination of incapacity--4 cases--or the medical information was insufficient to make a judgment of the recipient's incapacity--2 cases. On the basis of the sample results, we estimate that for 317, or about 60 percent, of the 529 cases listed on the reports the medical information did not support a determination of incapacity or the determination was based on insufficient medical information. Since these estimates were developed from a random sample, they have measurable precisions or sampling errors. For the 317 recipients whose certification is questionable, the sampling error is 184. The sampling error is stated at the 95 percent confidence level. This means the chances are 19 out of 20 that the estimates obtained from the sample would differ from the results of a review of all 529 cases by less than the sampling error.

In one case a male in his mid-twenties was certified as being incapacitated because of poor vision in his left eye. He had been employed as a laborer and truck driver. On August 14, 1980, he was certified as being unemployable through November 30, 1980. We believe that poor vision in one eye was insufficient justification to grant an award for GPA benefits. We concluded that his visual defect should not prevent him from working.

In addition to the 10 cases reviewed to make our estimate, our medical advisor also reviewed the certifications for 13 other cases. For nine of these cases we concluded that the most recent MRT certifications did not support a determination of incapacity or sufficient information was not available to make a determination. In one of the nine cases the MRT determined that the recipient was employable, however, we concluded that sufficient information was not available to make a decision.

An example of a questionable certification would be the case of the recipient who had been on public assistance since 1979. He was employed as a laborer mixing concrete from the early 1970's to 1979 at which time he had an accident in which he broke his left leg. He was certified to receive GPA in November 1979 and has been recertified three additional times;

the latest recertification at the time of our review, was from July 1981 to September 1981. According to the medical information, the fracture of the left leg had healed, and there was no medical information indicating the existence of any current medical problem which would support a determination of incapacity.

In another case, a male in his late twenties, who is a drug addict maintained on methadone, was medically certified on July 8, 1980, as being incapacitated through October 31, 1980. However, the most recent medical information in the case file indicates that he is "questionably employable." We felt that more specific information than that included in the file should have been secured before certifying the recipient for GPA.

Guidelines have not been prepared to assist the MRT members in making incapacity determinations. The only criteria available were general definitions of incapacity contained in the Department's Public and Medical Assistance Handbook.

The Social Security Administration (SSA) has issued specific rules to be followed in making disability and blindness determinations for people applying for SSI. We believe that similar rules, tailor-made to the District of Columbia government's needs, would be helpful. DHS officials responsible for the GPA program also agreed that guidelines are needed and should be prepared.

Need to provide more emphasis to recipients to report medical/social changes

More effective means of advising recipients of their responsibilities to report changes in their medical condition or social status could reduce the number of ineligible GPA recipients or the amount of improper payments.

The fact that some recipients receive other resources that could affect their eligibility or GPA payments indicates either a disregard of the program's eligibility requirements or a misunderstanding of the need to report changes. With any program of this nature, in any locality, it is inevitable that some people will try to "beat the system," but others can be discouraged through complete and effective notification of the program's eligibility requirements.

The Department requires people applying for GPA to sign an application which includes the following statement:

"* * * I will notify the Department whenever there are changes in the information I reported on this form. If I give false information, I will be subject to prosecution for fraud."

The above statement, included on the last page in small print on the application, is the only notification to potential recipients of their responsibilities to adhere to the program requirements. There is nothing specifically given to them advising them that if they start to work or receive other income such information must be reported to the Department so that a determination can be made as to whether such changes affect their eligibility for GPA benefits or the amount of assistance.

In our opinion, a separate form, given to and signed by the recipient, outlining the program's eligibility requirements and the consequences of failing to comply with such requirements would highlight the recipient's responsibility to report medical or social changes and could reduce improper GPA payments. The GPA Section Chief agreed that such a form would increase the program's effectiveness.

Need to review cases referred for SSI

Timely followup reviews are not being performed on GPA cases referred for SSI. Some cases referred for SSI have not been reviewed for as long as 233 days to 681 days. In other cases, followup reviews were performed but further reviews have not been made for as long as 220 days to 550 days. We estimate that 444, or about 61 percent, of the 726 SSI cases on the December 1981 payroll have not been reviewed since the cases were referred for SSI. As a result, DHS does not know if appropriate action has been taken on the referral. Also, because these cases are not subject to regular recertification procedures, many recipients are not being medically recertified to continue to receive GPA benefits.

If, during the medical certification process, the MRT determines that a person is totally and permanently disabled, the person is referred to the SSA to apply for SSI. Once this decision is made, the recipient is classified for administrative purposes as a 5S case but receiving GPA. Under current operating procedures, cases remain classified as 5S until information is received showing that the recipient is receiving SSI or the application has been denied. Once SSI is received, the recipient is to be removed from the GPA payroll; if the application is denied, the recipient must be recertified to remain on the GPA rolls. Also, according to DHS' policy handbook, persons are ineligible for GPA if they refuse to apply or accept benefits, for which they may be eligible. During the time the case is classified as 5S, no medical recertifications are performed. As of December 1981, there were 726 cases classified as 5S.

According to GPA officials, cases classified as 5S are to be reviewed every 3 months to determine if the recipient has applied for SSI and/or the status of the application. The unit supervisor responsible for 5S cases advised us that, because of inadequate staff, the reviews are not being performed. She estimated that there were delays of 6 months or longer in performing such reviews.

To evaluate the extent that the 3-month reviews were being made, we reviewed the case files for 18 cases. These 18 cases were all the 5S cases included in a random sample of 100 cases on the December 1981 GPA payroll.

Generally, the case file will include a record of each case action. When a recipient is sent to apply for SSI, a referral form is to be prepared. These forms are also to be prepared when there is a followup referral. Using the dates of the referral forms, where available, we computed the elapsed time from the date of referral to the date of followup and from the date of followup to April 30, 1982. If a referral form was not available in the file, we used a date which the record indicated that a referral was made. If no followup was made, we computed the elapsed time from the referral date to April 30, 1982, or the date action was taken to close the case. Where there was more than one MRT referral, we used the most recent one. We also reviewed the case files to determine any review actions on the SSI referral.

Our analysis of the 18 cases showed that for 11 cases, followup reviews were not made since the dates the cases were referred to SSI. The average elapsed time from the referral to April 30, 1982, or the date action was taken to close the case, was 435 days--the range was from 233 days to 681 days. For six cases, followup action was taken, but there were substantial delays in taking such action. The average elapsed time from the date of referrals to the date of followup was 410 days--the range was from 127 days to 949 days. For five of the six cases no further action was taken to review the cases. The average elapsed time from the date of followup to April 30, 1982, was 387 days--the range was from 220 days to 550 days. In one case adequate followup action was taken.

On the basis of the sample results, we estimate that followup reviews were not made for 444, or about 61.1 percent, of the 726 SSI cases and that the average elapsed time from the date of referral to April 30, 1982, or the date action was taken to close the case for these cases would be about 435 days. Since the estimates were developed from a random sample, they have measurable precisions or sampling errors. For the 444 recipients where followup reviews were not made,

the sampling error would be 174 and for the average elapsed time of 435 days the sampling error would be 100 days. The sampling errors are stated at the 95 percent confidence level. This means that the chances are 19 out of 20 that the estimates obtained from the sample would differ from the results of a review of all 726 cases by less than the sampling error.

We also obtained data from the SSA on whether the recipient applied for SSI and the status of the application. According to the most recent data available in SSA's computer system, not verified by us, we found that in only one case was the recipient approved for SSI. In the remaining 17 cases the recipients either did not apply for SSI or their applications were denied.

Recipients classified as 5S cases, and awaiting a determination of their eligibility to receive SSI benefits, are not subject to the regular medical recertification procedures. Thus, the recipients continued to receive GPA benefits without a current medical evaluation. A DHS official advised us that persons denied SSI benefits would be subject to a medical recertification to determine if GPA benefits should continue. Some recipients could, upon medical review, be determined ineligible for GPA.

An example of the need to regularly review SSI cases involves a recipient who the MRT referred to apply for SSI on July 29, 1980. There was no information in the case file to indicate that a review had been made since the referral date. The case was closed in January 1982 because the recipient was receiving SSI benefits. We noted that the recipient received a lump sum payment of over \$3,400 in December 1981 for SSI benefits retroactive to October 1980. Regular reviews of the case could have shown that an SSI application was filed. Action could have been taken to determine if the initial SSI payment could have been obtained by DHS, as required by its procedures, to reimburse DHS for GPA benefits paid while the recipient was awaiting a decision on the SSI application.

In another case the recipient was referred by the MRT to apply for SSI on July 28, 1981. No followup action was taken. The recipient applied for SSI on September 10, 1981, and was denied benefits on November 13, 1981. The case was closed effective June 30, 1982, because an OER investigator found that the recipient had been working full time. Regular reviews could have alerted the caseworker that the recipient was denied SSI benefits and possibly aided in detecting that the recipient was working.

We also noted a case where information was in the case file, dated February 1981, indicating that the recipient was denied SSI benefits but no action was taken at that time to review the case. The unit supervisor responsible for 5S cases advised us that the recipient should have been reviewed for medical recertification when the February 1981 notice was received.

Failure to make timely followup reviews and properly reclassify 5S cases could also result in increased medical costs to the District. This happens because 5S recipients are eligible to receive Medicaid benefits, whereas regular GPA recipients are eligible only for the District's Medical Charities program. Since, for example, the cost per day for hospital inpatient care under the Medical Charities program is \$76 as compared to an average of \$362 under the Medicaid program, the District may be incurring additional medical costs. We did not attempt to estimate such additional costs.

Our review showed also that there was a need for improved reporting on 5S cases. Monthly reports are prepared showing such data as the number of cases on hand, closed, and transferred in and out of the unit. The reports, however, do not provide other essential information for evaluating operations primarily because the reports do not show the length of time the cases have been on hand in the unit and when actions were last taken on them. In our opinion, reports that provide management with such information would be helpful to ensure that delays in reviewing cases are minimized.

Loss of SSI reimbursements

For the 7-month period ending April 30, 1982, DHS lost about \$156,000 in SSI reimbursements. This occurred because initial SSI benefits were not being offset against GPA benefits paid to recipients while they were awaiting approval of their SSI application.

When a GPA recipient is referred to apply for SSI benefits, the recipient, according to DHS' policy handbook, must agree to have SSA make the first SSI benefit payment to DHS. A form, signed by the recipient, authorizes DHS to deduct from the first payment an amount sufficient as reimbursement for interim GPA benefits paid while the recipient was awaiting approval of his/her SSI application. After making the deduction, the remainder is to be paid to the recipient.

In many instances, the first SSI payment was made directly to the recipient instead of DHS. We did not evaluate

the reasons why the District did not receive the initial payment, however, we did note that, according to a DHS memorandum, many recipients applied for SSI on their own, i.e., without being referred by DHS, and reimbursement authorization forms would generally not have been prepared.

DHS started in October 1981 to develop data on the amount of unrecovered reimbursements. A report prepared by the SSI reimbursement specialist for the 7-month period ending April 30, 1982, shows that \$156,000 was lost because the initial SSI benefits were paid directly to 171 GPA recipients.

DHS has been working with SSA representatives in an effort to develop procedures and increase coordination to make sure that reimbursement authorization forms are prepared for GPA recipients and are processed properly. Because of time constraints, we did not make a detailed analysis of this segment of the GPA program.

Improvements needed to ensure effective automatic termination procedures

Many recipients are receiving GPA benefits even though DHS records showed that their eligibility expiration dates are past due. Also, inaccurate information in the computer data base could affect DHS' efforts to effectively perform timely and appropriate reviews.

On April 9, 1982, we wrote to the DHS Director on these matters because revisions were being made to DHS' procedures for identifying and reviewing recipients for continued GPA benefits. The Director said improvements would be made.

Automatic termination procedures

Under automatic termination, recipients are sent computer-generated termination notices 60 days prior to the expiration of their periods of eligibility. Recipients are advised to complete and return to DHS medical and social information reports if they want to continue to receive financial assistance. When the medical reports are received, the recipients' eligibility periods are automatically extended 6 months. The medical information is then submitted to the MRT to determine eligibility and the period of eligibility. Recipients who do not return the medical reports are sent 30-day termination notices and, if they do not request a hearing within 15 days, they are terminated from the program at the end of 30 days.

Eligibility dates for many recipients had expired when automatic termination began so DHS assigned new dates for the purpose of sending the 60-day notices. Generally, all recipients whose eligibility expired prior to August 1981 were

assigned expiration dates 10 months in the future. For example, a recipient with an expiration date of August 31, 1981, was assigned a new expiration date of June 30, 1982. In this case the recipient would be sent a 60-day notice in April 1982. If the recipient returned the medical report, the expiration date would automatically be extended to December 31, 1982. This latter date would then be changed if the MRT determined that the period of eligibility differed from that provided by automatic termination.

In March 1980, the District's Inspector General reported on DHS' public assistance programs, including its efforts to identify and terminate ineligible GPA recipients and the timeliness of such actions. The report showed that a large number of recipients continued to receive financial assistance even though DHS records indicated that their period of eligibility had expired. Of 6,849 GPA benefit checks issued in March 1980, the Inspector General reported that 4,055 checks totaling about \$726,000 were issued to recipients whose eligibility had expired from 1 month to over 2 years earlier. This condition was attributed to the failure to routinely process termination actions when recipients failed to reapply for GPA benefits within the time limits specified by law. The Inspector General recommended that the computer system be reprogrammed to provide for automatic termination of benefits unless the recipient had reapplied and had not been denied. In a follow-up report issued in July 1981, the Inspector General reported that automatic termination had not been implemented, and efforts to manually remove ineligible recipients had been inadequate.

In July 1981, the DHS Director advised the Inspector General that the automatic termination system would be implemented. Actual implementation started in October 1981.

The DHS Director told us that the GPA caseload has been reduced from 6,849 cases in March 1980 to 4,320 cases as of April 1982 and that a high percentage of the case closings resulted from the implementation of the automatic 6-month termination system. Also, according to the Director, the number of overdue reviews was reduced from 59 percent in March 1980 to 9.3 percent in April 1982.

During our review we noted that (1) data concerning recipients' periods of eligibility are not being accurately entered into the computer data base, and (2) some cases with past-due expiration dates are not being covered by automatic termination procedures.

DHS has developed a new IMMS which includes the GPA program. Among other things, IMMS provides for the complete termination notification and closure aspects of GPA case processing.

Inaccurate information in the
computer data base

Our analysis of cases, judgmentally selected, showed that for some recipients, the expiration dates in the computer data base were inaccurate. We also noted that medical information was not being submitted promptly to the MRT for review. As a result, full benefits of DHS' automatic termination initiatives were not being realized.

We selected about 150 cases from four recertification units. For 57 of the cases, the expiration dates shown in the case files differed from the expiration dates in the computer data base. For 16 cases, we concluded that the differences were attributable to the assignment of future expiration dates at the time automatic termination was implemented. However, for 17 cases for which information was available, the differences were attributable to the failure to accurately update the computer data base. The following examples illustrate these updating problems.

Recipient A

Expiration date in the case file records--March 31, 1982.
Expiration date in March 1982 computer data base--July 1982.

This recipient had an expiration date of March 31, 1981. When automatic termination was implemented the expiration date was extended to January 1982 on the basis of the procedures previously described. In November 1981, the recipient was sent a computer-generated 60-day notice. The medical report was received in December 1981 and the expiration date was automatically extended to July 1982. According to information in the case file, the case was referred to the MRT in September 1981 and the recipient was determined eligible for GPA through March 31, 1982. The computer data base was not changed to show the March 1982 date and, as a result, eligibility continued until July 1982. In June 1982 the MRT certified the recipient through January 1983.

Recipient B

Expiration date in the case file records--June 30, 1982.
Expiration date in March 1982 computer data base--April 1982.

The expiration date for this recipient was October 31, 1981. In August 1981, the recipient was sent a 60-day notice. The medical report was received and the expiration date was automatically extended to April

1982. In December 1981, the MRT determined that the recipient was eligible for GPA through June 30, 1982. This latter date was not entered into the computer data base. In May 1982 the MRT certified the recipient through August 1982.

Recipient C

Expiration date in the case file records--December 31, 1981. Expiration date in March 1982 computer data base--May 1982.

This recipient was certified for GPA through July 31, 1981. When automatic termination was implemented, the expiration date was extended to May 1982. In June 1981 the MRT determined the recipient was eligible for GPA through December 31, 1981. The computer data base was not changed to show the December 31, 1981, expiration date. In June 1982 the MRT certified the recipient through November 30, 1982.

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We also noted that four cases were not forwarded promptly for medical review. For example, a recipient was assigned, apparently under automatic termination, a November 1981 expiration date. On September 17, 1981, she was sent a 60-day notice requesting that she submit a new medical report to continue to receive GPA. The medical report was received on September 28, 1981, and the recipient's expiration date was updated to May 1982. Another medical report was received on June 21, 1982. The June 1982 payroll extended her expiration date to November 1982. As of August 9, 1982, neither the September 28, 1981, nor the June 21, 1982, medical reports were submitted to the MRT, although the recipient, who was last certified on October 17, 1980, continues to receive GPA benefits.

Cases with past-due expiration dates

Our review also showed that current payroll records include many recipients whose period of eligibility has expired. It would seem that, with implementation of automatic termination procedures, payroll records should include only those recipients with current eligibility periods.

We reviewed the March 1982 GPA payroll, which listed 3,949 recipients, and identified about 450 recipients whose eligibility periods had expired in February 1982 and earlier--some as early as January 1981. We did not include recipients classified as 5S because reviews to update their

GPA eligibility are generally not performed. The number of recipients with past-due expiration dates on the April 1982 payroll--4,320--was also about 450, indicating a continuing problem.

Our analysis of certain of these cases indicates that one reason for past-due expiration dates could be that timely data is not being entered into the computer data base. We found that because of the short authorization periods for some recipients, the data is not entered into the computer data base in sufficient time to be covered by automatic termination procedures. As a result, 60-day termination notices are not being sent, the cases are not receiving timely reviews and the recipients continue to receive financial assistance.

An example is the case of a recipient who, according to the March 1982 payroll, was authorized to receive GPA benefits from December 1981 to February 1982. Information in the case folder shows that a payment authorization form was prepared on December 14, 1981, to include the recipient on the monthly payroll. However, the recipient was not listed on the monthly payroll until January 20, 1982. Sixty-day notices for recipients with February 1982 expiration dates were sent on December 18, 1981, 1 month before this recipient was actually entered into the computer data base. Also, there was no evidence in the case file to indicate that any action was being taken to review the case.

In another case, the March 1982 payroll shows that the recipient was to receive GPA benefits from November to December 1981. Information in the case file shows that the recipient was certified on July 23, 1981, to receive financial assistance through December 1981. A payment authorization form was prepared on October 26, 1981, to include the recipient on the monthly payroll for the period November 1981 through December 1981. A form was prepared requesting retroactive payments for August, September, and October 1981. The recipient was not listed on the monthly payroll until November 18, 1981. Sixty-day notices for recipients with December 1981 expiration dates were sent on October 19, 1981, 1 month before this recipient was actually entered into the computer data base. There was no evidence in the case folder to indicate that any action was being taken to review the case.

Under the automatic termination procedures, cases with past-due expiration dates would continue to appear on the GPA payroll and not be sent a 60-day notice, unless done manually by the caseworker, until the yearly cycle for sending termination notices is complete. For example, a case with an expiration date of February 1982 would continue on the payroll until 60-day notices are sent for cases with February 1983 expiration dates.

We discussed the past-due expiration dates with the Chief, Program Eligibility and Payments Division, Office of Information Systems. He expressed concern that cases with past-due expiration dates were on the current payroll. A special computer printout was subsequently prepared listing all cases with past-due expiration dates. The cases are to be reviewed and updated manually by GPA caseworkers. He said also that a reemphasis of procedures is needed to ensure that data is accurately entered in the GPA computer data base and that the problems noted in our review need to be addressed and resolved.

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We notified the DHS Director of our findings on April 9, 1982. In his reply dated May 3, 1982, the Director advised us that the Department recognized that there were serious problems in the GPA program and that they were constantly exploring ways to eliminate ineligibles from the GPA rolls. Concerning our findings, the Director said that the improved automatic tracking capabilities contained in IMMS will substantially enhance the Department's ability to maintain accurate expiration dates for GPA cases and ensure that 60-day notices are issued in a timely manner. He further stated that two changes in procedures are under consideration which would address the updating of expiration dates in the computer data base and advise recipients certified for short periods of time of their expiration dates.

As of November 1982, the proposed IMMS has not been implemented. The IMA Administrator advised us that he is uncertain when the system will be implemented. Because of the delay in implementing IMMS, we did not evaluate the changes proposed by the Director. However, management needs to monitor operations to ensure that when IMMS is put in effect the deficiencies we noted are corrected.

NEED TO INCREASE CONTROL OVER
RECIPIENTS REFERRED FOR
TRAINING OR TREATMENT

Although the MRT refers many recipients for training or treatment, acceptance of such referrals is voluntary. We believe that where recipients do not followup on referrals for training or treatment, the District should be authorized to discontinue GPA in those cases where recipients offer inadequate justification for their failure to act on the referral.

During the medical certification process, the MRT will often refer recipients for vocational rehabilitation or medical treatment, such as for alcoholism. The purpose of these

referrals is to help rehabilitate the recipients to the point where they can attain the maximum economic and personal independence of which they are capable. Recipients acceptance of MRT recommendations is voluntary. On the basis of a sample of 100 cases on the December 1981 payroll, 31 cases were referred for vocational rehabilitation services or medical treatment.

To evaluate the referral process, we reviewed the GPA case files for 18 recipients referred to the District's Vocational Rehabilitation Services Administration (VRSA). These 18 cases were all the recipients with VRSA referrals in the sample 100 cases.

Under current operating procedures, caseworkers prepare referral forms and send them, together with the recipients' medical reports, to the VRSA intake office. VRSA, in turn, is required to contact the recipients and determine if they are eligible for VRSA services. The referral forms are to be completed and returned to the GPA office. GPA caseworkers are not required to regularly followup on case referrals.

Our analysis of data in the GPA case files showed that, although referral forms were prepared (for 17 of the 18 cases), the files did not contain complete data to determine whether the recipients applied for, received, or were denied VRSA services. In only one case was information available showing that VRSA returned the referral form. In another case, VRSA used a different form to communicate the actions taken on the referral.

We also reviewed records at VRSA to determine if the recipients received vocational rehabilitation services. We performed this review for 12 of the 18 cases. Generally, these 12 cases were the most recent referrals to VRSA.

VRSA could only locate case files for 7 of the 12 cases. For four cases, VRSA had no record of the recipient being referred and could not locate the case file for one recipient even though its records indicated that the person was referred for vocational rehabilitation.

For the seven recipients for which case files were available, information showed that VRSA closed two cases because the recipients failed to keep appointments or did not want VRSA services. In one case VRSA determined the recipient was totally disabled and VRSA could not provide vocational rehabilitation. The four remaining cases are considered active; however, for one case, the records show that the referral was made by a local hospital rather than GPA, and another case was subsequently reopened because the person applied on his own for assistance.

In October 1980, the IMA Acting Administrator proposed that DHS reinstitute a policy of having recipients accept recommended training or treatment as a condition of program eligibility. According to the Acting Administrator, this policy had been in effect in the early 1970's. The rationale behind the proposed policy was that it could help recipients regain or increase their earning capacity and enhance IMA's ability to better manage the GPA program. According to the proposed policy, recipients would follow through with the recommended treatment that is aimed at restoring potential for self-support and is likely to reduce or eliminate their illnesses, unless the medical care is against the recipients' religious beliefs or involves surgery or a surgical procedure. In December 1980, the DHS Director advised IMA that, because of the long time--8 years--since the policy was last imposed, DHS' authority to promulgate such a requirement would be legally challenged. The Director recommended that the regulation be held until the City Council has granted the Department rulemaking authority for the GPA program. At the time of our review, no further action had been taken on this matter.

In our opinion, absent adequate justification, failure to act on MRT referrals for training or treatment should result in discontinuance of GPA program eligibility. Such a policy would assist DHS in rehabilitating recipients and could reduce program costs. To ensure effective compliance, better coordination would be needed between IMA and VRSA in exchanging data on recipients referred for such services, and procedures should be established for regular followup by GPA caseworkers on all case referrals.

GPA recipients are also referred for appropriate medical treatment such as referrals for alcoholic rehabilitation. Because of time constraints, we did not review these referrals. Actions taken on VRSA referrals should also, where appropriate, include all other MRT referrals.

NEED TO ESTABLISH A QUALITY
CONTROL SYSTEM FOR THE GPA
PROGRAM

Cases are not sampled periodically to test the application of eligibility criteria. A quality control system would help identify the causes and amounts of erroneous payments. Corrective actions could then be developed to reduce them.

Quality control systems are in effect for the Aid to Families with Dependent Children, Food Stamp, and Medicaid programs. Under these systems, the Department periodically selects a statistical sample of cases which are reviewed by

quality control workers to verify the accuracy of factors determining recipient eligibility and payment amounts. Results of the quality control reviews are used to compute each program's case and payment error rates both for the sample cases and for the Department's universe of cases.

DHS, at one time, performed semiannual quality control reviews for the GPA program. According to the Quality Control Division Chief, these reviews were stopped in 1977 because of the planned implementation of the 6-month recertification reviews. The results of the last review for the period July 1976 through December 1976 illustrate that problems existed in the program's operation. The Quality Control Division found that of the 66 cases reviewed, 17, or about 26 percent, were in error. Of the 17 cases in error, 13 were found to be ineligible. Projecting the ineligible error rate to the total GPA caseload, the Quality Control Division estimated that 1,203 cases were ineligible and that the amount of GPA benefits paid to these recipients totaled about \$2.4 million annually. In determining the number of cases in error, the Quality Control Division did not include 23 cases with past-due medical certification dates which would have added to the error rate but were excluded on the assumption that the previous MRT decisions continued unchanged.

Under the Department's Special Initiative Plan for the GPA program, several actions have been taken to control GPA expenditures, such as automatic termination procedures (see p. 16) and the centralization of the GPA intake function. While these management improvements made by the Department should increase the GPA program's effectiveness, we believe that to ensure program integrity and to provide management with the capability to assess program implementation and develop further corrective action plans, top priority should be given to developing and installing a quality control system for GPA.

A PROCEDURE MANUAL IS NEEDED FOR GPA OPERATIONS

Formal instructions are not available to guide personnel in the day-to-day operations of the GPA program. A procedure manual providing detailed instructions is necessary for effective implementation of all program requirements.

In January 1981, the DHS Director issued the General Public Assistance Policy Handbook which sets forth governing policy statements of DHS for GPA. At the time of our review, a procedure manual providing detailed guidelines and instructions for implementation of the Department's established policy statements had not been issued. The only formal guidance

for use by caseworkers and other program personnel was the public and medical section of the then Department of Human Resources handbook issued in 1973. While there have been some revisions to the handbook, it would seem that operations have significantly changed, such as implementation of automatic termination, which would necessitate a new manual being issued.

We believe that a manual outlining the procedures to be followed from the time a person applies for GPA until terminated would help caseworkers in performing their work, decrease errors, and ensure better conformance with all program requirements.

BETTER COLLECTION EFFORTS NEEDED

The District's Corporation Counsel concluded on September 24, 1982, that the District could recover overpayments made to GPA recipients caused by either error or recipient fraud. Recovery of such overpayments could be made by reducing current assistance payments or by court action.

Overpayments may occur because of administrative errors by DHS workers or because of misunderstanding or willful deception by recipients, i.e., client errors. Overpayments are discovered by caseworkers and investigators during case reviews.

Once an overpayment has been determined, a report is to be prepared which includes the amount of the overpayment. Reports involving client error are to be sent to the Office of Inspection and Compliance (OIC) for review and, if appropriate, referral to the Office of Corporation Counsel. Reports involving administrative error are to be sent to DHS' Office of the Controller.

Records are not complete showing the total amount of overpayments. OIC started in January 1981 to maintain a log of overpayment reports. For the period January 1981 through August 1982, overpayments involving client error totaled about \$222,400--the amounts ranged from \$88 to \$9,568. Summary records are not available showing the amount of overpayments because of administrative errors. Reports of these overpayments were available, but they were commingled with other overpayment reports for other assistance programs and could not be readily summarized.

Persons obtaining GPA through fraud are subject to a fine and/or imprisonment. We found no recent evidence that GPA recipient fraud has been prosecuted in the District. OIC officials advised us that very few GPA fraud cases have been

referred to the Office of the Corporation Counsel. Officials in the Corporation Counsel's Criminal Division said that, during the past several years, no GPA fraud cases were prosecuted. An official in the Civil Division said that no GPA fraud cases were referred for civil remedy during the last 2 years.

At the time of our review, recovery of such overpayments was nonexistent because DHS was advised that it lacked administrative recovery authority. This advice was based on a 1969 opinion of the then Corporation Counsel which concluded that the District did not have the authority to recoup GPA overpayments except in cases of fraud on the part of the recipient and that recovery of overpayments could only be accomplished through civil action or criminal prosecution.

On July 13, 1982, we wrote to the Corporation Counsel requesting a reexamination of the 1969 opinion in light of relevant statutory provisions. On September 24, 1982, in response to our inquiry, the Corporation Counsel concluded that the 1969 opinion will no longer represent the position of the District and that the District does have the authority to recover GPA overpayments not occasioned by recipient fraud as well as those fraudulently obtained. The Corporation Counsel noted, however, that any actions taken by DHS in reliance on the 1969 opinion were proper and that changes in procedures necessitated by the September 1982 opinion would be prospective. The Counsel now maintains that in addition to recovering overpayments through court action, recovery can also be made through a reduction of current assistance payments.

In view of the Corporation Counsel's revised position, we assume efforts will be made to recover overpayments. Therefore, we are not making formal recommendations. When developing procedures to recover GPA overpayments, DHS should make use of procedures that have been established to offset overpayments against current assistance payments for recipients of the Aid to Families With Dependent Children program. We will monitor the development and implementation of these procedures.

In a November 1981 report to the Mayor, we commented on the lack of prosecution of Aid to Families With Dependent Children welfare fraud cases. 2/ Subsequently, the Office of

2/"More Vigorous Action Needs to be Taken to Reduce Erroneous Payments to Recipients of the Aid to Families With Dependent Children Program" (GGD-82-15, Nov. 9, 1981).

Corporation Counsel and DHS developed new procedures for referral of cases for prosecution. A Corporation Counsel official advised us that the procedures would be applicable to GPA and that referred GPA cases will be prosecuted, if warranted.

CONCLUSIONS

GPA benefits were being paid to some recipients at the same time they were working or receiving other income. Although timely identification of recipients who are working is difficult, the Department should take action to ensure that all MRRs are reviewed promptly and that ineligibles are removed from the GPA rolls. Monthly unemployment compensation MRRs should be prepared to assist caseworkers and investigators in identifying recipients receiving unemployment benefits at the same time. Increased program effectiveness could also be achieved by strengthening the procedures concerning the requirement that recipients must notify the Department of any changes in their medical condition or social status.

Many MRT certifications appear questionable. A sample of cases indicated that some recipients either should not have been certified to receive GPA or that sufficient medical information was not available for the MRT to make a determination of unemployability. Guidelines should be prepared to assist the MRT in making a determination of a person's eligibility for GPA benefits.

Followup reviews of recipients referred for SSI are not being performed. Substantial periods of time have elapsed--ranging from 233 days to 681 days--since the recipients were referred, but reviews have not been performed. As a result, recipients are not being medically reviewed for recertification to continue to receive GPA even though they have been denied SSI or have not filed an SSI application. Complete and regular reviews of cases referred for SSI should be made.

Because of weaknesses in procedures or noncompliance with existing procedures, data concerning recipients' eligibility expiration dates has been inaccurately entered into the computer data base. Also, recipients certified for GPA for short periods of time are not being covered by automatic termination procedures, and other recipients with past-due certification dates are not being reviewed. The DHS Director advised us that actions are under consideration to correct these problems. Also, in some cases, medical reports were not being forwarded promptly to the MRT. To ensure current and accurate medical certifications, medical reports should be made available to the MRT when they are received.

DHS should take the necessary action to implement a policy that recipients act on MRT referrals for training or treatment as a condition of program eligibility unless they offer adequate justification for their failure to do so. Procedures should also be established for better exchange of information on referred cases and to provide that caseworkers regularly followup to determine the status of cases referred for treatment or training.

GPA program operations and administration are not being fully evaluated for compliance with legal and Department requirements. A quality control system should be implemented to periodically review cases, determine compliance with all requirements, identify problems, and initiate corrective action plans.

A procedure manual has not been issued for the GPA program. A manual setting forth detailed instructions would greatly assist operating personnel and provide a basis for consistency in the implementation of all legal and administrative program requirements.

Collection of overpayments has not been made. Improved procedures for referring fraud cases for prosecution and the Corporation Counsel's recent determination that overpayments can be recovered by reducing the current assistance grant should enhance DHS' efforts to make operational improvements.

During the review, GPA officials advised us that there is a need for more staff to adequately carry-out GPA operations. We did not evaluate the staffing requirements for the GPA program. Any assessment of staffing needs by DHS should include a review of workload priorities before deciding that additional staff is needed.

RECOMMENDATIONS

We recommend that the Mayor instruct the Department of Human Services Director to:

- Establish procedures to require that all MRRs be reviewed. Such reviews can be accomplished by distributing MRRs to caseworkers for preliminary review before complete investigation by the OER.
- Prepare monthly MRRs for GPA recipients who received unemployment compensation benefits.
- Develop guidelines for use by the MRT for determining medical eligibility for GPA benefits.

- Devise a new form, or revise existing forms, to strengthen the procedures concerning the requirement that recipients report changes in their medical condition or social status and the consequences of not reporting such changes.
- Review all cases referred for SSI every 3 months and those cases determined not eligible for SSI should be reviewed for recertification for continued GPA benefits. Periodic reports should be made to management on the number of cases pending and the status of case reviews.
- Ensure that all information concerning recipients' eligibility expiration dates in the computer data base is accurate and that all cases with past-due expiration dates are reviewed.
- Emphasize to caseworkers the need to forward all medical reports to the MRT when they are received.
- Seek authority to discontinue assistance in those cases where the recipient offers inadequate justification for refusing to act on referrals for training or treatment.
- Implement procedures requiring followup and exchange of data on recipients referred for training/treatment.
- Implement a quality control system for the GPA program.
- Prepare and issue a procedure manual for the day-to-day operations of the GPA program.

AGENCY COMMENTS AND GAO ANALYSIS

The DHS Director concurred with most of the recommendations and said the Department has begun to implement many of them. He said that other recommendations would be implemented with the proposed revision of the GPA program.

Concerning our recommendation for the need to review cases referred for SSI, the Director said that, while 3-month reviews of such cases are desirable, it is not feasible at this time because of the lack of notification from SSA concerning SSI referrals and because of the heavy workload of the GPA caseworker. He said also that since June 1982 the GPA/SSI Coordinator has been working with SSA and GPA staff to establish more effective procedures for SSI referrals. He said

further that improved relations with SSA and more valid automated information from the District's Office of Information Systems have led to a drastic improvement in DHS' ability to track SSI cases.

While the actions taken by the GPA/SSI Coordinator should improve operations, our review concerned the handling of cases by the unit responsible for 5S cases rather than the activities of the GPA/SSI Coordinator. The GPA/SSI Coordinator works primarily with SSA on the referral; whereas the 5S unit's work is geared to ensure that correct followup action is taken on the case. We found that delays occurred in handling cases in the 5S unit. The GPA/SSI Coordinator agreed that the procedures will help in obtaining data on the SSI referral, but the procedures will not ensure that correct and timely followup action will be taken on the cases by the 5S unit. We continue to believe that periodic reviews should be made of 5S cases to minimize the delays noted in our review.

Concerning the Director's comment that 3-month reviews are not feasible because of the heavy caseworker workload, we did not evaluate staffing needs of the GPA program. In view of the delays in handling cases, this matter should be given consideration. However, before deciding if additional staff is needed, an assessment of all workload priorities should be made.

We also recommend that periodic reports should be made to management on 5S cases. In response to this recommendation, the Director said that monthly activity reports on all GPA/SSI activities have been submitted to management since the inception of the program. We agree that reports are prepared on 5S cases, but we believe that the reports do not contain sufficient detail to assist management in evaluating 5S case processing operations. As a result of the District's comments, we expanded the explanation of the need for better reporting on page 15 to specifically note the additional data that could help management assess this area of concern.

In our draft report, we proposed that the DHS Director monitor procedural changes being made to improve SSI coordination and ensure that all SSI reimbursements are being received. In commenting on the proposed recommendation, the DHS Director said program modifications already made address the area of concern to GAO. We subsequently discussed this matter with the GPA/SSI Coordinator and were advised that additional procedural changes were implemented in October 1982. Because of the actions taken we have not included the recommendation in the final report.

In commenting on our recommendation concerning the need to develop guidelines for use by the MRT, the DHS Director agreed that the definitions in use regarding incapacity and disability are vague but said that the definitions were consistent with the GPA regulations established by the City Council. He said that according to the Department's proposal to revise the GPA program, short-term disability is stressed and guidelines for more clearly identifying these disabilities are established. In our opinion, the development of better guidelines for MRT use should not be dependent on the proposed restructuring of the GPA program. If the program is not restructured, DHS should still take action to clarify definitions of incapacity and disability for MRT use.

The DHS Director did not specifically address our recommendation concerning the need to ensure that recipients' eligibility expiration dates in the computer data base are accurate and that all cases with past-due expiration dates are reviewed. However, during our review the Director, in response to our inquiry, said that action would be taken to correct these problems.

With regard to our recommendations concerning the need for (1) procedures requiring followup and exchange of data on recipients referred for training/treatment and (2) a procedure manual for the GPA program, the DHS Director indicated that action would be taken once final revisions to the GPA program are made. In our opinion, the above recommendations should be implemented even if the proposed restructuring of the GPA program does not occur.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
EXECUTIVE OFFICE

OFFICE OF THE CITY ADMINISTRATOR



ELIJAH B. ROGERS
CITY ADMINISTRATOR
1350 E STREET, N.W. - ROOM 507
WASHINGTON, D.C. 20004

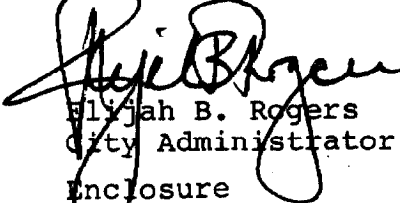
FEB 1 1983

Mr. William J. Anderson
Director, United States General
Accounting Office
Washington, D.C. 20548

Dear Mr. Anderson:

I enclose a copy of a report to me from Mr. James
Buford, Director of the Department of Human Services,
which responds to your draft report entitled
"Improvements Needed In the District's General
Public Assistance Program."

Sincerely,


Elijah B. Rogers
City Administrator
Enclosure

cc: James Buford
Gladys Mack
Betsy Reveal

D.C. - 44
APRIL 1980

Memorandum • Government of the District of Columbia

TO: Elijah Rogers
City Administrator

**Department, Human Services
Agency, Office:**

FROM: James A. Buford
Director

Date: JAN 31 1983

SUBJECT: Response to the GAO Draft Report Entitled "Improvements Needed in the District's General Public Assistance Program"

The Department of Human Services (DHS) has carefully reviewed the above referenced draft report and has begun to implement many of the recommendations cited. The following addresses the specifics of the recommendations listed on pages 32 and 33 of the draft.

Recommendation

Establish procedures to require that all Matched Recipient Reports (MRRs) be reviewed. Such reviews can be accomplished by distributing MRRs to caseworkers for preliminary review before complete investigation by the Office of Eligibility Review (OER).

Response

DHS prepares two MRRs: (1) for GPA recipients who receive unemployment compensation and (2) for recipients who have earned wages. In October 1982, procedures were established for recertification caseworkers and OER investigators to review monthly MRRs for recipients of unemployment compensation benefits. Upon receipt of the MRR indicating that a GPA client is also receiving unemployment compensation, the caseworker may determine ineligibility. However, if further investigation is necessary for a determination, an OER investigator will follow-up.

MRRs indicating wage data are produced quarterly based on receipt of the latest wage information from the Department of Employment Services (DOES). DOES sends the information to the DHS Office of Information Systems (OIS). There the information on GPA recipients and wage earners is matched. OIS then forwards wage MRRs to the OER investigators for follow-up.

OER investigators review all cases indicating earned income. Since October 1982, the investigators are reviewing all MRRs within a month's time.

Recommendation

Prepare monthly MRRs for GPA recipients who received unemployment compensation benefits.

Response

As mentioned above, since October 1982, monthly MRRs are prepared for GPA recipients receiving unemployment compensation benefits. Therefore, a recipient of both programs should be terminated from GPA more expeditiously.

Recommendation

Develop guidelines for use by the Medical Review Team (MRT) for determining medical eligibility for GPA benefits.

Response

Currently, the MRT is using definitions for incapacity and disability contained in the GPA policy handbook. DHS agrees that these definitions are vague; however, they are consistent with the regulations for GPA established by the D.C. City Council. According to the Department's current proposal to revise the GPA Program, short-term disability is stressed, and guidelines for more clearly identifying these disabilities are established.

Recommendation

Devise a new form, or revise existing form, to strengthen the requirement that recipients report changes in their medical condition or social status and the consequences of not reporting such changes.

Response

DHS agrees that such a form is needed and would increase the program's effectiveness. This form, outlining the program's eligibility requirements, the recipient's responsibilities, and the consequences of failing to comply, will be signed by the recipient at intake. One copy will be given to the recipient and another copy retained in the case file.

Recommendation

Review all cases referred for Supplemental Security Income (SSI) every three (3) months, and those cases determined not eligible for SSI should be reviewed for recertification for continued GPA benefits. Periodic reports should be made to management on the number of cases pending and the status of case reviews.

Response

While the three-month review of pending SSI cases is desirable, it is not feasible at this time because of a frequent lack of notification by the Social Security Administration (SSA) staff concerning SSI referrals and because of the heavy workload of the GPA caseworkers who carry an average of 285 cases. During FY '82, GPA referred 987 clients to SSA under the established procedure) but received award or denial notice on only 871. Since June 1982, however, the GPA/SSI Coordinator has been working more closely with the SSA District Manager, the SSA Regional Commissioner, and GPA staff to establish more effective procedures. Improved relations with SSA and more valid automated information from OIS have led to a drastic improvement in DHS's ability to track SSI cases.

Monthly statistical reports on all GPA/SSI activities, including cases pending and case status, have been submitted to management since the inception of this program.

Recommendation

Monitor procedural changes being made to improve SSI coordination and ensure that all SSI reimbursements are being received.

Response

The SSI Coordinator's Office has been working diligently to strengthen methods in both of these areas. Reimbursements have increased from \$170,000 in FY '79 to over \$269,000 in FY '82. In addition, a process to collect the reimbursement amount directly from the clients when received by them in error was initiated in October 1982.

Monthly reports on all GPA/SSI activities have been revised and are available for inspection. DHS believes that the program modifications already made address the areas of concern to GAO. These steps were taken prior to the GAO report. Progress made during that year was obviously overlooked.

Recommendation

Ensure that all information concerning recipients' eligibility expiration dates in the computer data base is accurate and that all cases with past-due expiration dates are reviewed.

Response

In order to ensure that all cases with past-due expiration dates are reviewed, a six-month automatic termination system was instituted in October 1981. This system has resulted in a reduction of the GPA caseload from 6,849 in March 1980 to 4,320 in April 1982.

Recommendation

Emphasize to caseworkers the need to forward all medical reports to the MRT when they are received.

Response

Since June 1982, all medical reports received by GPA intake staff are now being forwarded to the MRT upon receipt. Some slippage, however, is occurring with the timely submission of medical information by GPA recertification staff. Procedures will be developed to address this slippage.

Recommendation

Seek authority to discontinue assistance in those cases where the recipient offers inadequate justification for refusing to act on referrals for training or treatment.

Response

DHS concurs and is acting on this recommendation.

Recommendation

Implement procedures requiring followup and exchange of data on recipients referred for training/treatment.

RESPONSE

In December 1982, staff of the Income Maintenance Administration (IMA), and the Vocational Rehabilitation Administration (separate Administrations within the Commission of Social Services) met concerning this recommendation. After some preliminary discussion, it was determined that further meetings will be necessary to establish procedures once final revisions to the GPA program are made.

Recommendation

Implement a quality control system for the GPA Program.

Response

The DHS Office of Inspection and Compliance (OIC), Quality Control Division, reviews cases in the AFDC, Food Stamp, and Medicaid programs for compliance with federal regulations and indication of error rates. As a management tool to assess the effectiveness of public assistance programs, the IMA Office of Management Systems (OMS) has developed a proposal to establish an internal quality control mechanism, based on case sampling. OMS established the internal quality control system for AFDC on January 24, 1983. This system will be expanded to all public assistance programs.

Recommendation

Prepare and issue a procedural manual for the day-to-day operations of the GPA Program.

Response

Following the proposed restructuring of the GPA Program, a new manual will be issued.

Attachment

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