November 2014

SSA DISABILITY BENEFITS

Enhanced Policies and Management Focus Needed to Address Potential Physician-Assisted Fraud

GAO Highlights

Highlights of GAO-15-19, a report to congressional requesters

Why GAO Did This Study

SSA relies on medical evidence to determine whether the millions of new claimants each year qualify for disability benefits. This evidence—and those who provide it—have been the subject of intense scrutiny as questions have been raised about the potential for fraud schemes that include falsified medical evaluations. GAO was asked to study physician-assisted fraud in SSA's disability programs.

GAO reviewed (1) how well SSA's policies and procedures are designed and implemented to detect and prevent physician-assisted fraud, and (2) the steps SSA is taking to improve its ability to prevent physician-assisted fraud. GAO reviewed relevant federal laws and regulations, visited 5 of the 54 DDS offices that were selected to obtain geographic and office structure variation, and analyzed DDS data to identify whether federally sanctioned physicians (as of the end of January 2014) may have submitted evidence on behalf of claimants. GAO also interviewed SSA officials, as well as private disability insurers and others knowledgeable about SSA's programs to identify key practices for fraud prevention.

What GAO Recommends

GAO recommends SSA identify ways to remove potential disincentives for detecting and referring potential fraud, enhance its training efforts, evaluate the threat of physician-assisted fraud, and ensure that new and existing fraud efforts are coordinated. SSA agreed with four of our five recommendations, partially agreed with one, and noted plans to address all of them.

View GAO-15-19. For more information, contact Daniel Bertoni at (202) 512-7215 or bertonid@gao.gov

What GAO Found

The Social Security Administration (SSA) has policies and procedures in place for detecting and preventing fraud with regard to disability benefit claims. However, GAO identified a number of areas that could leave the agency vulnerable to physician-assisted fraud and other fraudulent claims:

- SSA relies heavily on front-line staff in the offices of its disability determination services (DDS)—which have responsibility for reviewing medical evidence—to detect and prevent potential fraud. However, staff said it is difficult to detect suspicious patterns across claims, as directed by SSA policy, given the large number of claims and volume of medical information they review. Moreover, DDS offices generally assign claims randomly, so staff said it would only be by chance that they would review evidence from the same physician.
- SSA and, in turn, DDS performance measures that focus on prompt processing can create a disincentive for front-line staff to report potential fraud because of the time it requires to develop a fraud referral. Four of the five DDS offices GAO visited count time that staff spend on documenting potential fraud and developing fraud referrals against their processing time. Some staff at these DDS offices said this creates a reluctance to report potential fraud.
- The extent of anti-fraud training for staff varied among the five offices GAO visited and was often limited. SSA requires all DDSs to provide training to newly hired staff that includes general information on how to identify potential fraud, but does not require additional training. The five DDS offices GAO visited varied in whether staff received refresher training and its content—such as how to spot suspicious medical evidence from physicians—and staff at all levels said they needed more training on these issues.
- SSA has not fully evaluated the risk associated with accepting medical evidence from physicians who are barred from participating in federal health programs. Although information from these physicians is not necessarily fraudulent, it could be associated with questionable disability determinations.

SSA has launched several initiatives to detect and prevent potential fraud, but their success is hampered by a lack of planning, data, and coordination. For instance, SSA is developing computer models that can draw from recent fraud cases to anticipate potentially fraudulent claims going forward. This effort has the potential to address vulnerabilities with existing fraud detection practices by, for example, helping to identify suspicious patterns of medical evidence. However, SSA has not yet articulated a plan for implementation, assigned responsibility for this initiative within the agency, or identified how the agency will obtain key pieces of data to identify physicians who are currently not tracked in existing claims' management systems. Furthermore, SSA is developing other initiatives, such as a centralized fraud prevention unit and analysis to detect patterns in disability appeals cases that could indicate fraud. However, these initiatives are still in the early stages of development and it is not clear how they will be coordinated or work with existing detection activities.