

Why GAO Did This Study

For years, states and counties have helped individuals who receive state or county assistance apply for federal disability programs. Federal benefits can be more generous, and moving individuals to these programs can allow states and counties to reduce their benefit costs or reinvest savings into other services. Some states have hired private organizations to help individuals apply for federal benefits, but the extent and nature of this practice is not well-known. GAO was asked to study this practice.

This report examines (1) what is known about the extent to which states have SSI/DI advocacy contracts with private organizations, (2) how SSI/DI advocacy practices compare across selected sites, and (3) the key controls SSA has to ensure these organizations follow SSI/DI program rules and regulations. GAO reviewed relevant federal laws, regulations, and program rules; selected three sites to illustrate different contracting approaches; reviewed prior studies, including one by SSA's Office of the Inspector General with a generalizable sample of disability claim files; and interviewed SSA, state, and county officials and contractors.

What GAO Recommends

GAO recommends that SSA (1) consider ways to improve data and identify and monitor trends related to representatives, and (2) enhance coordination with states, counties, and other third parties with the goal of improving oversight and preventing potential overpayments. SSA partially agreed with our recommendations and noted that it may consider additional actions related to representatives.

View [GAO-15-62](#). For more information, contact Daniel Bertoni at (202) 512-7215 or bertonid@gao.gov.

SOCIAL SECURITY DISABILITY BENEFITS

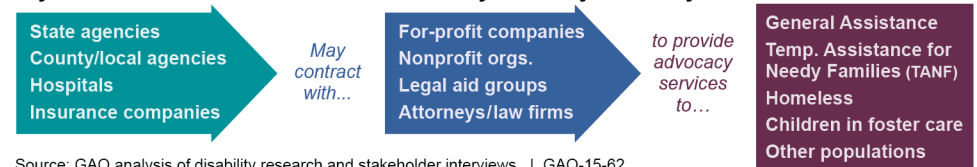
Agency Could Improve Oversight of Representatives Providing Disability Advocacy Services

What GAO Found

Little is known about the extent to which states are contracting with private organizations to help individuals who receive state or county assistance apply for federal disability programs. Representatives from these private organizations help individuals apply for Supplemental Security Income (SSI) and Disability Insurance (DI) from the Social Security Administration (SSA). Available evidence suggests that this practice—known as SSI/DI advocacy—accounts for a small proportion of federal disability claims. Using a variety of methods, including interviewing stakeholders, GAO identified 16 states with some type of SSI/DI advocacy contract in 2014. In addition, GAO analyzed a sample of 2010 claims nationwide and estimated that such contracts accounted for about 5 percent of initial disability claims with nonattorney representatives, or about 1 percent of all initial disability claims. Representatives working under contract to other third parties, such as private insurers and hospitals, accounted for an estimated 30 percent of initial disability claims with nonattorney representatives.

Three selected sites represented different approaches to SSI/DI advocacy, but were similar in many respects. For example, Minnesota contracted with 55 nonprofit and for-profit organizations, while Hawaii and Westchester County, New York, each had a single contractor: a legal aid organization, and a for-profit company, respectively. At the same time, all three sites targeted recipients of similar state and county programs, such as General Assistance, and generally paid contractors only for approved disability claims, among other similarities.

Key Stakeholders Involved with Social Security Disability Advocacy



Source: GAO analysis of disability research and stakeholder interviews. | GAO-15-62

SSA has controls to ensure representatives follow program rules and regulations, but these controls are not specific to those working under contract to states or other third parties and may not be sufficient to assess risks and prevent overpayments—known by SSA as fee violations. Specifically:

- Despite the growing involvement of different types of representatives in the initial disability determination process, SSA does not have readily available data on representatives, particularly those it does not pay directly. This hinders SSA's ability to identify trends and assess risks, a key internal control. SSA's existing data are limited and are not used to provide staff with routine information, such as the number of claims associated with a given representative. SSA has plans to combine data on representatives across systems, but these plans are still in development.
- SSA does not coordinate its direct payments to representatives with states or other third parties that might also pay representatives, a risk GAO identified in 2007. In cases involving SSI/DI advocacy contracts, a representative may be able to collect payments from both the state and from SSA, potentially resulting in an overpayment—a violation of SSA's regulations.