



SOCIAL SECURITY

The Commissioner

March 12, 2021

The Honorable Richard E. Neal
Chair, Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

Dear Committee Chair Neal:

Please find enclosed our report, as required under section 811(b) of the *Bipartisan Budget Act of 2015*, describing our progress in establishing Cooperative Disability Investigations units, subject to the availability of appropriations, to cover each of the 50 States, the District of Columbia, Puerto Rico, Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa.

If you have questions about this report, please feel free to contact me. Your staff may also contact Eric Skidmore, our Deputy Commissioner for Legislation and Congressional Affairs, at (202) 358-6030.

I am also sending the report to the Senate Committee on Finance.

Sincerely,

Andrew Saul
Commissioner

Enclosure

cc:

The Honorable Kevin Brady



SOCIAL SECURITY

The Commissioner

March 12, 2021

The Honorable Ron Wyden
Chair, Committee on Finance
U.S. Senate
Washington, DC 20510

Dear Committee Chair Wyden:

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Sincerely,

Andrew Saul
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Enclosure

cc:

The Honorable Mike Crapo



**Social Security Administration (SSA)
Expansion of Cooperative Disability Investigations (CDI) Units - FY 2021 Progress Report
As Required by the Bipartisan Budget Act of 2015**

Bipartisan Budget Act Reporting Requirements

Section 811 of the Bipartisan Budget Act (BBA) of 2015 requires the expansion of Cooperative Disability Investigations (CDI) units. Specifically, the BBA:

- Requires the Commissioner to expand the CDI program to cover all states and territories no later than October 1, 2022. This requirement is subject to the availability of funding and participation of local law enforcement agencies; and,
- Requires the Commissioner to issue a progress report 90 days after enactment with subsequent annual reports until 2022, or until the agency achieves national coverage -- whichever comes first.

Background

The CDI program is a key anti-fraud initiative that plays a vital role in combating fraud and abuse within our disability programs. CDI units, consisting of personnel from the Social Security Administration (SSA), the Office of the Inspector General (OIG), Disability Determination Services (DDS), and state/local law enforcement, review initial disability claims and post-entitlement activities involving suspected fraud.

The mission of the CDI program is to investigate questionable statements and activities of claimants, medical providers, and other third parties, as well as to obtain evidence of material fact sufficient to resolve questions of potential fraud in the agency's disability programs. The CDI units' contributions help disability examiners make informed decisions, ensure payment accuracy, and generate significant savings for Federal and State programs.

Statistics

During fiscal year (FY) 2020, the CDI program reported more than \$108 million in projected savings to SSA's disability programs and more than \$116 million to non-SSA programs, such as Medicare, Medicaid, housing assistance, and nutrition assistance programs. In addition, the CDI program reported 77 judicial actions in FY 2020, which includes sentencings, pre-trial diversions, civil settlements, and civil monetary penalties. The program totaled \$37 million in SSA recoveries, which include restitution, fines, penalties, judgments, and settlements. ¹

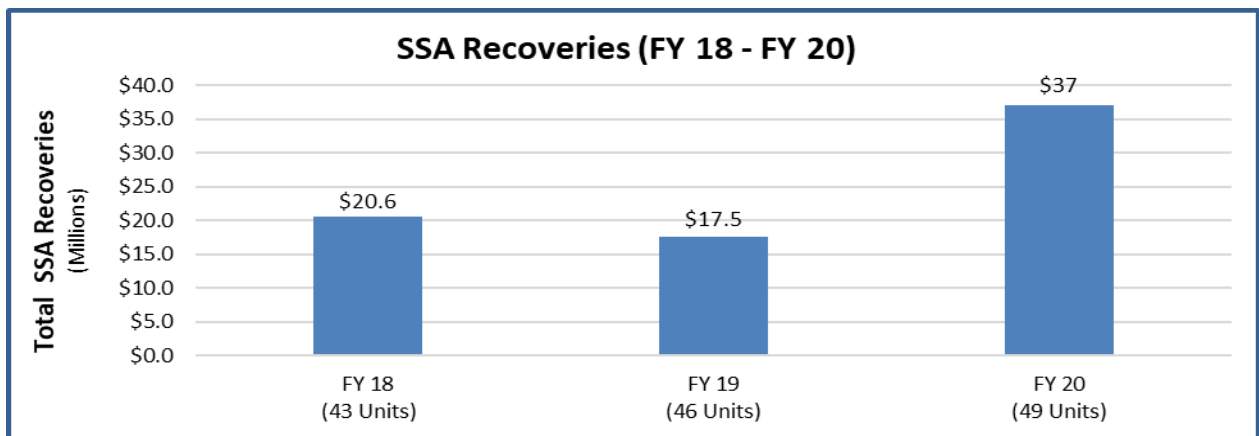
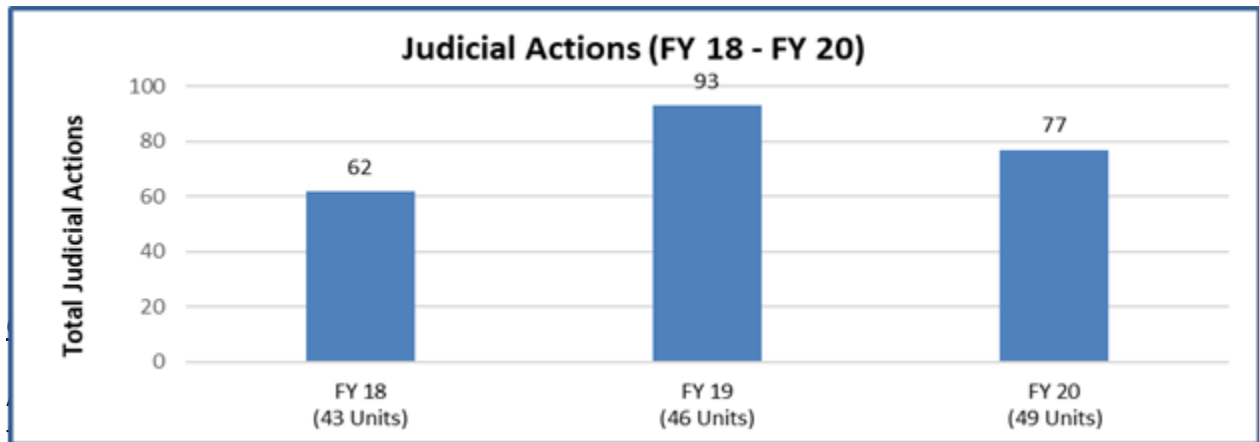
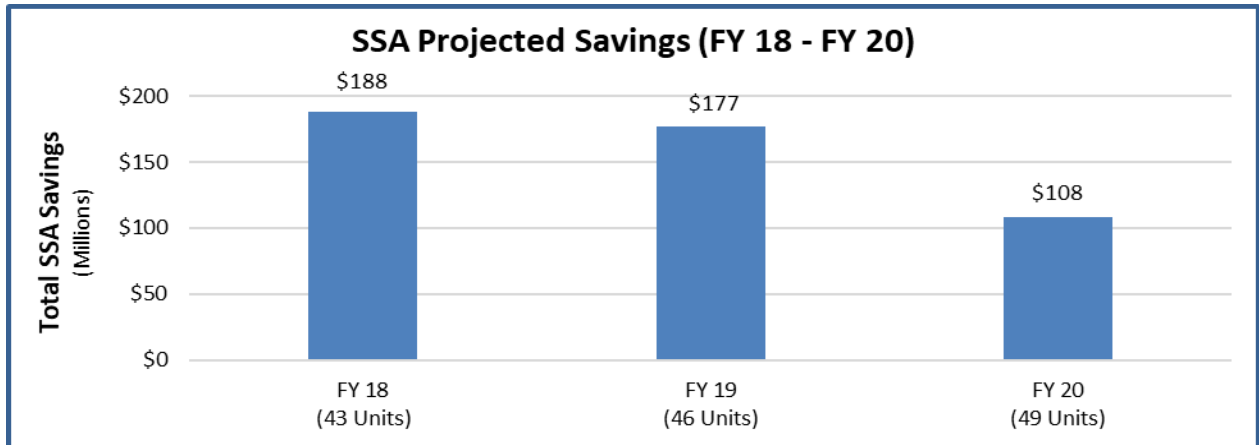
Since the program launched in 1997 through September 2020, CDI efforts contributed to

¹ Cited projected savings, judicial actions, and recoveries in this report are provided by OIG.



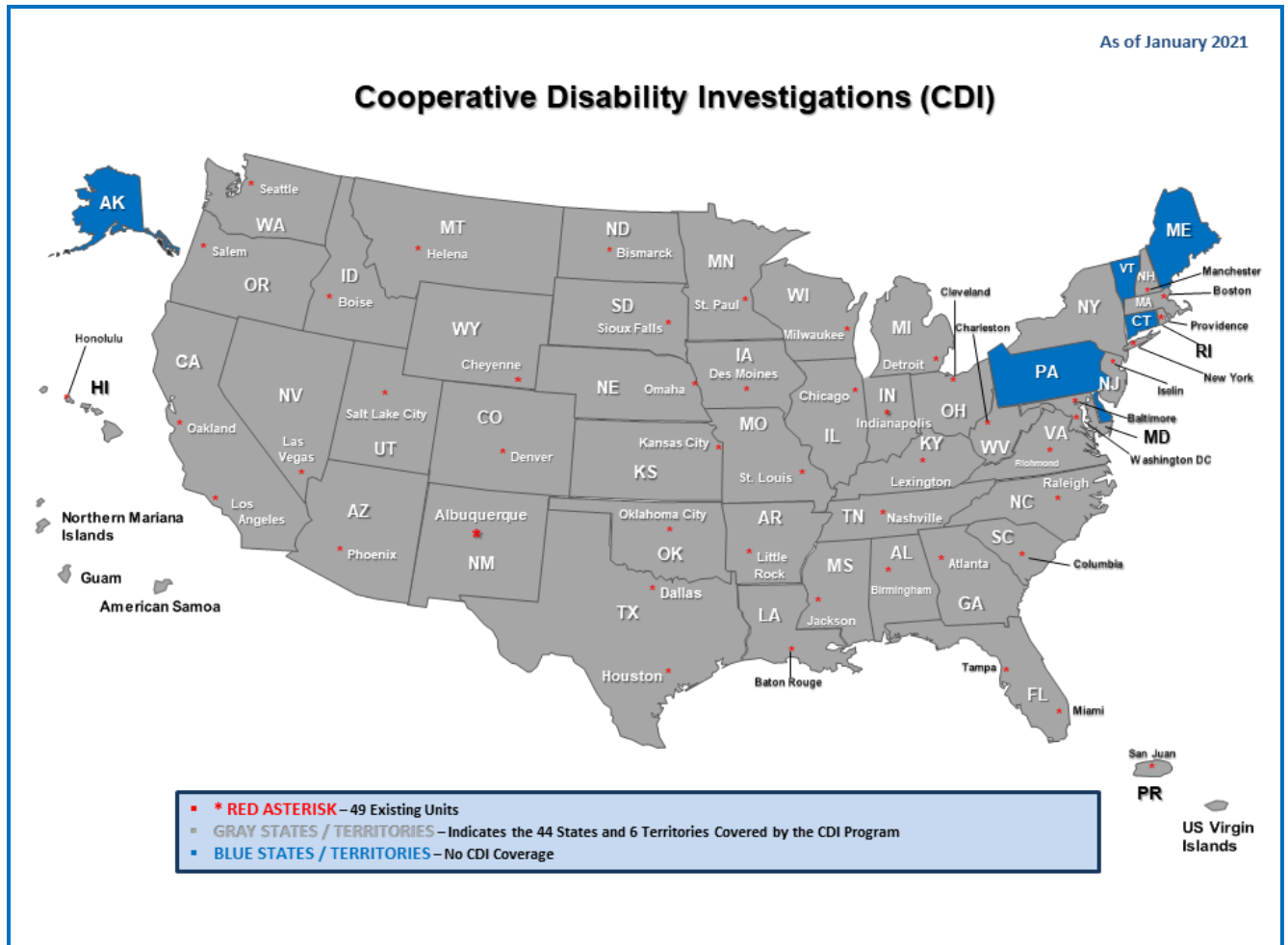
\$4 billion in projected savings for SSA’s programs, and \$3 billion in projected savings for non-SSA programs.

Below is a three-year snapshot of agency savings from FY 2018 through FY 2020, illustrating total projected SSA savings of more than \$473 million over the three-year period. In addition, below is a chart illustrating SSA recoveries during the same timeframe along with an illustration of judicial actions.





the U.S. Virgin Islands.²



CDI Expansion Plan

During FY 2020’s expansion efforts, we successfully added a CDI unit in four states: Nebraska, Nevada, New Hampshire, and Wyoming. With participation from local law enforcement agencies, SSA plans to expand CDI coverage to the six remaining states no later than October 1, 2022. In FY 2021, we will provide CDI coverage to Connecticut, Maine, and Vermont. The recruitment of local law enforcement partners for these states is underway but we have not secured any commitments.

Recruitment of law enforcement partnerships will remain a continuous effort. Receiving commitments from interested law enforcement agencies depends on factors, such as resource availability from respective state and local law enforcement agencies, as well as state and local

² Includes FY 2020 CDI unit openings, and closure of the Kansas City, Missouri CDI unit. The state of Missouri continues to have CDI coverage provided by the St. Louis, Missouri CDI unit.



fiscal determinations. In addition, some states require legislative action prior to law enforcement participation. In many instances, the willingness to offer investigative personnel for partnership is contingent on each law enforcement agency’s own budget approvals. Therefore, securing law enforcement commitment from a law enforcement agency typically is limited to the current fiscal period, usually a single year, and must be renewed periodically. Currently, there are 12 CDI units operating without a law enforcement partner.

In areas where we have been unable to secure a local law enforcement partner, such as Connecticut, Maine, and Vermont, we are exploring using neighboring CDI units to organize the investigations while we continue to recruit local law enforcement partners. For example, the existing Rhode Island CDI unit would be available to provide CDI coverage for Connecticut. Additionally, the existing New Hampshire CDI unit would be available to provide CDI coverage for Maine and Vermont.

Outlined below is the tentative expansion/rollout schedule and estimated start-up cost to complete nationwide CDI coverage.

CDI Expansion (FY 2021 - FY 2022)			
	Target # of States to Provide CDI Coverage	Target Locations	Estimated Total Agency Start-Up and Operating Costs
FY 2021	3	Connecticut Maine Vermont	\$2 – \$3.3 Million
FY 2022	3	Alaska Delaware Pennsylvania	\$2 – \$3.3 Million

The total estimated agency startup and operating expenses may cost up to \$1.1 million per added CDI unit. These costs include needed travel, personnel, equipment/supplies, and space acquisition/build out expenditures in the first year of implementation. Ongoing operating costs will be approximately \$600,000 - \$800,000 per CDI location. Given different geographical labor, overhead, and administrative costs, each CDI location will have varying overall costs to the agency. These costs represent a *maximum* cost estimation, and SSA continues to look for opportunities to reduce CDI coverage startup costs of new CDI units by utilizing existing space and equipment, for example.

Next Steps

SSA, OIG, and other pertinent stakeholders will continue to collaborate to expand the CDI program nationwide. The agency will share progress and milestones via subsequent annual reports, as the agency reinforces its commitment to combat fraud.