

United States Senate

WASHINGTON, DC 20510

February 29, 2024

Martin O'Malley
Commissioner
Social Security Administration
6401 Security Blvd.
Baltimore, Maryland 21235

Dear Commissioner O'Malley,

We write to you today regarding the Social Security Administration's (SSA) efforts in addressing the longstanding challenge to prevent and reduce overpayments for Social Security recipients. We have heard from numerous Michiganders regarding the impact unexpected overpayments that were sent by the SSA have caused on some of the most vulnerable beneficiaries of Social Security, who often include the elderly, disabled, retirees, and many who struggle to get by on limited income and resources. Overpayments can pose incredibly difficult hardships on beneficiaries who've committed no wrongdoing and are now responsible for repaying improper payments. Because of their devastating impact, it is critical for the agency to improve its processes and controls to reduce the number of overpayments for beneficiaries who rely on these critical benefits.

The SSA serves a critical role by providing \$1.4 trillion in essential benefits to more than 71 million people each year. But with an outstanding balance of more than \$20 billion in overpayments, it is all-important for the agency to address the root cause of benefits the agency-improperly paid in excess to beneficiaries and incorporate systems improvements without causing undue harm to Social Security beneficiaries, many of whom are already struggling to make ends meet.

According to the SSA's recent financial report for fiscal year 2023, the agency paid over \$11 billion worth of new overpayments to Social Security and SSI beneficiaries during federal fiscal year 2022. Over the past several years, the agency distributed more than \$6 billion in new overpayments each year. Many overpayments can accumulate over several years until SSA realizes payments to the beneficiary have been inaccurate. And in many cases, the overpayments were caused by the agency rather than the beneficiary. There must be proactive control checks in place to prevent beneficiaries being overpaid.

As the SSA conducts a review of its Overpayment Procedures and Policies, the agency must work to take greater accountability in the event of an overpayment and rectify these payments before the recipient is deprived altogether from these vital benefits, which is continuing to create economic hardship, unnecessary confusion, and increased difficulties for both the Social Security beneficiary and agency.

While we're encouraged to see SSA's announcement regarding a proposed rule that would better streamline the process to help reduce financial hardships, additional processes and controls need to be in place to better address the challenges of overpayments.

For these reasons, please provide responses to the following questions by April 1, 2024:

- 1.) What guidelines and internal controls are being enhanced by SSA to ensure the agency can reduce overpayments from occurring? What legislative efforts are needed by Congress to help improve the timely and accuracy of payments?
- 2.) What tools and resources are the agency enhancing to utilize data to help mitigate overpayment discrepancies that can occur when beneficiaries self-report information?
- 3.) How is the SSA addressing the root causes of overpayments to prevent their occurrence?
- 4.) How can the agency develop and enhance automated alerts to ensure timely case assignments and follow-up on aged cases are being conducted in an efficient manner?
- 5.) What information does the agency consider to determine if a beneficiary's overpayment waiver request is granted or denied?
- 6.) How is the agency working to simplify the overpayment waiver request to ensure the form is less burdensome and more accessible to beneficiaries?

Thank you in advance for your consideration. We look forward to working with you to make the necessary improvements to prevent and reduce overpayments and the harmful impact they have on beneficiaries.

Sincerely,



Gary C. Peters
United States Senator



Debbie Stabenow
United States Senator