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Phil Gambino / Tom Margenau
410-965-8904 Fax 410-966-9973

URGENT
Bill White

News Release
SOCIAL SECURITY

Post-it® Fax Note 7671
To Becky Ogle
Fax # 703-525-3409
From Tom 61053
Phone # 965-3987
Fax # 965-6503

The Clinton Administration Seeks Additional Funding For Disability Reviews

As part of the Administration's commitment to ensure the integrity of its major disability programs, Social Security Commissioner Shirley S. Chater today announced that the Administration is asking Congress for a special funding mechanism that will permit her agency to spend a total of $720 million during 1996 and 1997 to review, as required by law, the cases of 1.4 million people currently receiving disability benefits to make sure they still meet basic medical and other eligibility criteria.

The special funding -- which would provide $320 million of the $720 million to pay for 600,000 of the 1.4 million case reviews -- is, according to Chater, "an innovative funding approach that will allow us to preserve the integrity of the disability program without having to cut back on services in other areas." In the past, there was no separate funding for disability reviews. Because all of SSA's administrative expenses were funded together, an increase in spending in one area could result in a cutback in spending in another. "This special authorization," said Chater, "would allow us to handle the growth in new disability claims while we continue to ensure the integrity of current disability benefits."

But Chater emphasized she is committed to protecting the rights of those whose cases are being reviewed. "We currently have safeguards built into the review process to ensure that people are treated fairly," she said. They include:

- a process to screen out cases that have a high likelihood of continuing eligibility;
- a statutory standard requiring SSA to show medical improvement related to the person's ability to work before benefits are ceased, and
- access to continued benefits while a case is being appealed.

The Social Security Act requires SSA to review the continuing eligibility of non-permanently disabled individuals at least once every three years, and the eligibility of permanently disabled beneficiaries at times determined by the Commissioner, which is generally every seven years.

Chater said the special commitment of funds and resources would allow her agency to fulfill the legal mandate to conduct eligibility reviews in a timely manner. And Chater added, "Under the proposal, additional funding would be authorized to finance more reviews between 1998 and 2002, thus ensuring that we stay current with our legally-mandated disability review workloads."

SSA administers two disability programs for the government. The Social Security disability insurance program currently pays $36 billion annually to 4 million people who at one time worked at jobs covered by Social Security but became disabled and unable to continue working. In addition, the agency pays $24 billion yearly out of general revenues through the Supplemental Security Income program to 5 million low income people with disabilities who are unable to work.

# # #

Talking Points

New York Times Article on SSI Children's Regulations

August 15, 1997

Main Points

- As the New York Times noted today, 95,000 children are no longer eligible for SSI benefits under the Social Security Administration's regulations.

  -- The 95,000 is about half of the 180,000 cases that SSA has reviewed as of August 2, 1997

  -- SSA still needs to review another 85,000 cases.

  -- The initial reviews should be completed by early October.

- Those SSA regulations are designed to implement last year's welfare reform law.

- While these early figures suggest that SSA's initial estimate that 135,000 children would lose their benefits may be exceeded, you have to remember:

  -- SSA cautions that this early data is not representative and should not be used for projections.

  -- Moreover, a portion of these children will appeal their cases and be found eligible once their cases have gone through SSA's normal appeals process.

- To minimize the adverse effects of the law (and its regulations), the Administration convinced Congress in the recent balanced budget law to retain Medicaid coverage for those disabled children who are kicked off the SSI rolls.

  -- Without such action, many of these children would have lost Medicaid as well.

Background

- Last year's welfare law, enacted on August 22, 1996, tightened the eligibility standards for childhood disability benefits in the Supplemental Security Income (SSI) program.

  -- The legislation could have been much worse.

    -- Initial Republican proposals in early 1995 would have eliminated cash benefits for 80 percent of future applicants, replacing the cash with State block grants to provide services at much reduced funding levels.

    -- In the final bill, the Administration managed to maintain the SSI childhood disability program as a cash benefit program for all those children found eligible.

- SSA released regulations on February 6, 1997, to implement the new law.

  -- These regulations were prepared by SSA under the supervision of then-Commissioner Shirley Chater.

  -- They were reviewed by OMB and the DPC as part of the normal regulatory review process.

- Soon thereafter, SSA notified 264,000 children of the nearly 1 million children receiving SSI benefits that they might be affected by the new law and that their cases would be reviewed.

- At the time the regulations were issued, SSA estimated that 135,000 children would have their benefits terminated as a result of the tighter eligibility standards.

- SSA's regulations adhered to its reading of Congressional intent, but also provided several new procedures (that the law did not specify) to ensure continued eligibility for severely disabled children.

  -- SSA estimated that, without these new procedures, approximately 190,000 children would lose benefits.

- As the New York Times noted today, 95,000 children have been found no longer eligible as a result of initial determinations.

  -- About 180,000 cases have been reviewed as of August 2, 1997, with another 85,000 cases still to be reviewed.

-- The initial reviews should be completed by early October.

- While the majority of cases involve mental impairments, it is too early to definitively classify the nature of the disabilities of the children being effected.

  -- However, SSA is monitoring the results of these redeterminations.

  -- No children who are mentally retarded as that term is clinically defined are losing benefits.

  -- Children with mild learning disabilities and attention deficit disorder appear to be the types of children most affected.