

Monday, March 18, 1996
For Immediate Release



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

News Release

SOCIAL SECURITY

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:

- o a process to screen out cases that have a high likelihood of continuing eligibility;
- o a statutory standard requiring SSA to show medical improvement related to the person's ability to work before benefits are ceased; and
- o 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.

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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.

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The Sun : Monday, March 18, 1996

More disability case reviews sought

Social Security effort aimed at discovering if recipients can work

By JOHN B. O'DONNELL
NATIONAL STAFF

WASHINGTON — The Clinton administration plans to ask Congress this week for special funding to sharply increase the review of disability check recipients to determine whether they can return to work, officials said yesterday.

In a move that could save the government hundreds of millions of dollars, 1.4 million

cases over the next two years would be reviewed — 600,000 more cases than had been planned.

Beyond that, the Clinton administration proposes to increase the reviews to more than 1 million annually by 2002, said Phil Gambino, a spokesman for the Social Security Administration, which conducts the reviews.

While more than 90 percent of recipients retain their benefits after being reviewed, the 6 percent or 7 percent who are dropped from the rolls represent significant savings to the government. The General Accounting Office, the investigative arm of Con-

gress, said two years ago that the government saves as much as \$6 for every \$1 it spends on these reviews.

The Clinton administration will request a special allocation of \$320 million for SSA to perform the additional reviews, officials said.

"It is good news," said Jane Ross, a GAO official

who follows the Social Security program closely.

The scale of the reviews is similar to a Reagan administration sweep of the disability rolls in the early 1980s when 1.4 million recipients were reviewed and 40 percent were terminated — half of whom won their benefits back. The [See SSA, 4A]

U.S. seeks more reviews of disability cases

[SSA, from Page 1A]

public outcry was so loud that Congress stopped the purge and passed legislation to make it more difficult for Social Security to remove a beneficiary.

Under that law, a beneficiary — even one who got on the rolls through a Social Security error — cannot be removed unless case-workers can show an improvement in his or her condition.

"It hobbles the process," said Ms. Ross, "but it was put there so something like the 1980s won't happen again."

The reviews are conducted in several steps. The first consists of a questionnaire which asks recipients about their current condition. Based on the responses and a review of their files, about one-third of the recipients are kept on the rolls at this point.

The other two thirds are subjected to further review, including updated medical checks — for which Social Security pays if the recipients don't submit information from physicians.

Currently, 4 million disabled workers collect an average of \$682 a month from the Social Security trust fund through a program called Disability Insurance (DI).

Social Security is required to review each recipient whose improvement is considered possible. Each case is studied every three years. Those with permanent con-

ditions, such as quadriplegics or AIDS patients, are exempted.

During the early 1990s, Social Security virtually abandoned those re-examinations so it could concentrate on an explosion of applications for new benefits, which rose from 1.5 million in 1988 to 2.7 million in 1994.

As a result, Social Security has a backlog of 1.5 million disability cases that are overdue for their triennial review. The funds proposed by the Clinton administration would permit Social Security to do 400,000 reviews that should be done annually to keep pace and to begin chipping away at the backlog as well.

The GAO estimated two years ago that if Social Security had done the required reviews between 1990 and 1993, it could have saved \$1.4 billion by next year through termination of beneficiaries who are no longer disabled.

Last year, the Clinton administration sought funding to do 400,000 reviews this year and next, but the agency's budget has been caught in the spending deadlock on Capitol Hill, and it hasn't received that money.

Last year, under criticism from the GAO and Congress, the agency did 184,000 reviews, half of what it needs to do but far more than the 118,000 it did in 1994.

The agency still has a backlog of 1.2 million applications. It now takes an applicant 80 days to get

an initial decision. If benefits are denied and the claimant appeals to an administrative law judge, the average wait from the date of application is 16 months.

In addition to the \$41 billion DI program, Social Security also runs a second disability program, Supplemental Security Income (SSI) for people who can't qualify for DI because they have little or no work history. Until last year, Social Security was not required to do any reviews of SSI recipients, although it does a few. A law that took effect last year now requires the agency to annually review a small fraction of SSI recipients.

Congress is expected to welcome the Clinton administration proposal, which seeks to exempt the added money for the reviews from the overall cap on discretionary spending that applies to the federal budget. Normally, an agency like Social Security which is subject to that cap can receive additional funds only if they are taken from another agency.

Indeed, a bill passed by the House and awaiting Senate action contains a different financing mechanism that would also exempt the reviews from the spending cap.

One Clinton administration official said it was possible that the mechanism being proposed would be included in that bill, which is expected to come to the Senate floor possibly as early as this week.

PM-CA--Social Security-Review,230

Report: Review of Social Security Disability Program Planned
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LOS ANGELES (AP) The Social Security Administration will reportedly announce today a proposal to scrutinize recipients of disability payments in a review that could drop nearly 200,000 people from the program.

The review would cost about \$320 million, but is expected to save about three times that amount, the Los Angeles Times reported Sunday, citing unidentified Social Security officials.

The review would examine, through medical records, whether someone getting disability payments is well enough to return to work. When a beneficiary has not seen a doctor recently, the government would pay for an exam.

People considered permanently and totally disabled, such as those with AIDS, would be excluded from the review of 1.4 million disability cases over two years. About 4 million people receive an average of \$682 a month in the disability program.

Social Security disability programs cost about \$36 billion a year. They provide money to people whose mental or physical disabilities prevent them from earning a living.

Social Security officials expect about 196,000 recipients to be declared ineligible for benefits. Those jettisoned could appeal the decision.

A similar review by the Reagan Administration looked at 1.4 million cases and dropped 40 percent of the beneficiaries from the payment rolls. However, nearly half of those were reinstated through appeals.

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