2/17/95 Disab.

1/4 Moratorium on regs - impact on disabled beg
Kaleidoscope
Bill Burrell
Ask Judy + Susan re: DOL Who does she think
speaks for her on policy? Dead people who
can do policy.

Susan:
Childhood mental regs sunset in Dec. We either
have to issue regs/regs or issue statement that
regs are extended for another year.
Any IS in SSI program will have to
Reengineering adj. process & that requires
new regs. We'd be stuck w/current stat

Disab. backlog: Who to process all cases if they didn't get
new case! 600 000 cases in queue.
400,000-500,000 cases - target; nobody called
it a problem.
Processing time:
Indust. DDS to time to get decision
75 days or so. Varies from state to state
42 days to 140 days range.

35% of cases pending
65% are denied

Timetable:
100 000 claims backlog from in 1994
End 96' -

Processing time target: 62 days on first decision

1/2 of denial requests hearing

Hearings level:
Processing time: Aug '95
Target: 260 days (by '96 budget) (by 96
Percentage has increased over
4-5 yrs
35%
- More people have access to lawyers.
- ~~The~~ People believe chances are pretty
high to appeal

Hearings allowed granted

Lawyers vs. ombudsman + physicians

Almost 80% become eligible after hearings.
b/c of enormous diff. in what judges do
(judges take direction from district courts precedents)

5000 cases pending in ct at any one time.

two diff. processes that yield very diff. results
Any decision that gov't makes can be appealed to an ALJ

Studied process last yr. Commissioner accepted redesign plan last Sept. for process. They're implementing redesign.
Disability claims mgr handles case from start to finish
Adjudicative officer hears appeals before it goes to ALJ
People involved in face to face contact

Pilot, 5-yr implementation plan
24,000 people @ initial level doing claims
1,000 people @ ALJ

Re: REGO:
DDS initial claims - State monopoly. Orig SSDisab program in 50s
Voc Rehab agency would help them go back to work. If unsucc., they'd send to SSA for SSDI
State VR agencies ended up having right to be eligible for fed programs.
Contractors would follow redesign plan.

Re: REGO + disability:
- RA
- VR + other employment + training activities
DOL/Ed/SSA
6:30PM evening mtg. Wed 6

(DOL Ed)

The Arc
Governmental Affairs Office
1522 K Street, N.W., Suite 516
Washington, D.C. 20005
(202) 785-3388 / FAX (202) 467-4179
TDD (202) 785-3411

April 15, 1994

Carol Rasco
Assistant to the President
for Domestic Policy
The White House
Second Floor, West Wing
Washington, D.C. 20500

Dear Carol,

A belated thank you for your outstanding presentation at The Arc's Governmental Affairs Seminar. Not surprisingly, the evaluations filled out by our participants were replete with high praise for you and your stirring message. Everyone thought you were terrific.

I believe it's time to take you up on your kind offer to meet with the Governmental Affairs staff again to further discuss and pursue our mental retardation and developmental disabilities public policy issues. Among the items we wish to explore with you are:

- o continuing concerns about the Supplemental Security Income program;
- o DOL job initiatives and their relationship to our constituency;
- o the need to expeditiously appoint a vice chair and members to PCMR; and
- o President Clinton's (and/or Mrs. Clinton's) participation in the May 2 disability march for health care reform.

I hope your hectic schedule can accommodate this meeting request in the near future. I will call your secretary to check on possible dates next week.

Again, thank you for participating in our Seminar and for your continued advocacy on behalf of our constituency.

Sincerely,

Paul Marchand

cc: Stan Herr

Consortium for Citizens with Disabilities

TESTIMONY BEFORE THE SUBCOMMITTEE ON SOCIAL SECURITY

COMMITTEE ON WAYS AND MEANS

REGARDING THE PROPOSAL TO RESTRUCTURE THE SOCIAL SECURITY ADMINISTRATION'S DISABILITY DETERMINATION PROCESS

BY

MARTHA E. FORD

CO-CHAIRPERSON

CONSORTIUM FOR CITIZENS WITH DISABILITIES

TASK FORCE ON SOCIAL SECURITY

APRIL 14, 1994

Contact: Marty Ford, Assistant Director
The Arc (formerly Association for Retarded Citizens)
Governmental Affairs Office
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TESTIMONY OF MARTHA E. FORD
FOR THE CCD TASK FORCE ON SOCIAL SECURITY
COMMITTEE ON WAYS AND MEANS, SUBCOMMITTEE ON SOCIAL SECURITY
APRIL 14, 1994

On behalf of the Consortium for Citizens with Disabilities Task Force on Social Security, I want to thank the Subcommittee for this opportunity to testify regarding the Social Security Administration's proposal to restructure the disability determination process.

CCD is a working coalition of over 100 national consumer, advocacy, provider, and professional organizations which advocate on behalf of people of all ages with physical, mental, and sensory disabilities and their families. Since 1973, CCD has advocated for federal legislation, regulations, and funding to benefit people with disabilities.

My testimony today represents initial reactions of the CCD Social Security Task Force to the SSA Reengineering Team's proposals. Due to the timing of this hearing, the Task Force has not yet completed its analysis of the reengineering proposal. We expect to complete a thorough analysis and submit extensive comments to SSA Commissioner Shirley Chater by the end of the public comment period. In addition, we will submit our complete comments to this Subcommittee.

ENTRY AND INTAKE

Upon initial review of the proposed changes in the procedures for entry and intake into the system, we believe that the Reengineering Team has indeed moved toward a substantial restructuring and improvement in the process. The proposed streamlining of the number of agency employees who handle a claim and the empowering of front line disability claims managers to work with claimants, gather evidence, and make initial decisions could result in more efficient and improved service to claimants. Reduction in the time exhausted while claimants wait for an initial decision, and for decisions regarding appeals, is long overdue.

In addition, the proposals for informing claimants about the basics of the system and requesting their assistance in developing evidence should help to reduce waiting periods. Using multiple formats for information dissemination will also be key in ultimate success of the restructuring.

For the above to be successful, training of the new disability managers will be critical as well as availability of on-line computer programs which assist in claims development. Further, it will be important to ensure that a wide variety of formats for contact with claimants be in use, including videos, phone, in-person, mail, and electronic mail. These systems must be made accessible, not only to accommodate people's varying disabilities, but also to accommodate multiple languages.

REDEFINING DISABILITY THROUGH THE PROCESS REDESIGN

During SSA's first public presentation of the reengineering efforts to the Save Our Security Coalition, members of the CCD Task Force raised concerns regarding the failure to include consumer advocates on the Reengineering Team. We believed that, regardless of the number of outside consumers consulted, it would be critical to include disability consumer advocates in the day-to-day brainstorming and review of proposals so vital to the team's reengineering efforts. It is possible that the failure to include the consumer voice is at least partially responsible for what we believe is a major flaw in the Reengineering Team's work: the proposal to redefine disability through changes in the disability determination methodology and the heavy, and misplaced, emphasis on the Americans with Disabilities Act (ADA) for assessing disability.

The new process would encompass several changes which have the potential for devastating the notion of disability as it has evolved over time. These proposed changes include:

(1) replacing the Listings of Impairments with an Index of Disabling Impairments which incorporates an inappropriate use of ADA criteria, including removal of any functional criteria from the Index;

(2) SSA's plan to develop a baseline of occupational demands as the standard for evaluating the ability to perform substantial gainful activity including consideration of "any reasonable accommodations that employers are expected to make" under the ADA; and

(3) the apparent intention to revisit, so soon after promulgation, the extensive work of the agency in developing the childhood functional impairment criteria in response to the *Sullivan v. Zebley* Supreme Court decision.

The final point is particularly disturbing since the Reengineering Team seems to be calling into question the criteria upon which the Supreme Court provided such specific and excellent guidance. Our initial concerns regarding each of the above issues follow.

Overall, the Task Force believes that the proposed changes in the disability decision methodology constitute a fundamental change in the basic definition of disability. Granted, the agency is not proposing a change to the statutory definition. However, the proposed changes in the regulatory scheme for determining disability would constitute a major change in the characteristics and number of people who could be determined disabled. **We believe that this system/process reengineering effort is not the appropriate time or place to conduct the thorough review of the definition of disability that is necessary for a comprehensive modernization of eligibility criteria in the Social Security programs.**

A number of CCD Task Force member organizations have been calling for just such a broad review and revision to address the evolving understanding of disability. Such an effort must be carefully undertaken in partnership by policymakers within the administration, in the Congress, and in the consumer advocacy community with a full understanding of the potential implications for individuals with severe disabilities.

Over time, as society's understanding of disability has improved, the regulatory and statutory approaches to defining disability in the Social Security and Supplemental Security Income programs have evolved and improved while the basic statutory definition has remained more static. Important examples of these evolving approaches include the establishment of the Section 1619 program (which recognizes that some people are able to work despite continuing severe disability with necessary supports) and the inclusion of functional assessment criteria in the mental impairment listings (a recognition that disability cannot always be determined by diagnosis alone). Further evidence of the changing understanding of the nature of disability has been this Subcommittee's own interest in previous hearings and testimony concerning the need to update the definition of disability and the request by the Subcommittee and full Ways and Means Committee to the National Academy of Social Insurance to study this, among other issues. Through its proposal, however, the Reengineering Team ignores the evolution of the definition of disability and returns to an interpretation of the statutory language which is no longer accepted by medical or vocational experts. We believe that the following discussion regarding the specific concerns referenced above will help to illustrate the difficulties inherent in redefining disability and, therefore, the need to proceed with extreme caution in a separate policy context.

(1) The advocacy community has viewed the inclusion of functional criteria within the mental impairment listings as a major improvement in the system for determining disability. In fact, recently, SSA officials were publicly discussing their intention to address functional issues in the scheduled revisions of each of the listings, where appropriate. The Reengineering Team's approach in eliminating functional aspects of the listed disabilities would be a step backward in applying our understanding of various disabilities and their consequent limitations.

Further, the Reengineering Team has proposed to inject the notion of a "reasonable accommodation" into the basic definition of each disability to be included in the new Index.

> The index will describe impairments that will result in death or impairments that are so debilitating that **any individual** would be unable to engage in substantial gainful activity **regardless of any reasonable accommodation** that an employer might make in accordance with the Americans with Disabilities Act. (p. 39) (emphasis added)

Under a literal interpretation of the above and given the vast range of reasonable accommodations that might be required by the ADA (because of the varied needs of individuals and because the ADA defines "reasonable" based upon the individual characteristics of the employer), it would be difficult to describe a disability which could be included in this new Index. It appears that the Reengineering Team lacks a fundamental understanding of the potential interaction between the requirements of the ADA and the requirements of the Social Security disability programs and the resulting potential impact on people with disabilities.

In a June 1993 memorandum to administrative law judges and associated hearings and appeals staff, SSA Associate Commissioner for Hearings and Appeals Daniel Skoler wrote: "In summary, we must remember that the ADA and the disability provisions of the Social Security Act have different purposes, and have no direct application to one another." His memo

discusses that and numerous other complex, related issues which should be fully addressed in any future revision of the definition of disability.

(2) The injection of the ADA reasonable accommodation standard into the fourth step of the evaluation of disability may further indicate a basic misunderstanding of the relationship between the ADA and the disability standards under the Social Security Act. Essentially, the ADA is a civil rights law. The Social Security Administration is not charged with enforcement over employers under the ADA. Therefore, to establish a standard which assumes reasonable accommodations for the purpose of establishing eligibility for Social Security disability programs may potentially establish barriers for the individual by, in effect, shifting the employer's burden of compliance with ADA onto the claimant or potential employee.

> In establishing the functional activities that comprise an appropriate baseline of occupational demands, SSA will ensure that: ... 3) the baseline of occupational demands that becomes the standard for evaluating the ability to perform substantial gainful activity **considers any reasonable accommodations that employers are expected to make** under the Americans with Disabilities Act. (p. 42) (emphasis added)

Two interpretations are possible: the SSA Reengineering Team was unaware of the substantial negative impact the proposed standard would have on claimants or the proposal is a deliberate attempt to significantly and fundamentally change the disability definition and reduce the number of people who could potentially be found eligible. Regardless of intent, the potentially drastic consequences of this proposed shifting of the burden to the claimant require that this aspect of the proposal be rejected.

Even if the ADA references were removed from the proposal to create a baseline of occupational demands, the CCD Task Force questions whether the baseline concept is feasible, given the vastness of the economy and the potential expense of such an effort, and whether SSA would reasonably be able to constantly maintain the timeliness of the baseline.

(3) Finally, regarding the intent to revisit the extensive expert work done in devising the childhood functional disability criteria, the CCD Task Force disagrees with the report's characterization of the current system: that it "may not appropriately define how much functional loss or interference with growth and maturity is comparable to inability to perform any substantial gainful activity". The report ignores the Supreme Court's instructions to the agency to address the aspects of daily life for children which correspond to work for adults. The Team seems to have forgotten the exhortations of SSA's own expert panel on childhood disability to avoid mathematical percentages or formulas in assessing "how much" delay or deficit it takes to be considered disabled.

The work of the 1990 childhood disability expert panel represented the best thinking of the time regarding the development of children and the assessment of disability in children. It is discouraging for the agency to be so quick to dismiss the panel's work and the instructions of the Supreme Court. If the expert panel's work, and the regulations which resulted from it, can be dismissed so lightly, then the stability of any proposals, including those put forward by the Reengineering Team, are called into question. Further, SSA should remember the efforts to develop the childhood functional criteria and the difficulty in coming up with an objective standard when it considers something so extensive as the proposed baseline of occupational standards.

Any proposals of this magnitude to revise the definition of disability, whether through statute or regulation, should be subjected to a careful analysis of the effects on people with disabilities and a realistic assessment of the true meaning of disability, including for those who are able to work with necessary on-going supports. Such an effort is deserving of the full attention of policymakers and consumers and should not take place in the context of an effort to streamline an administrative process.

CONCLUSION

In conclusion, the CCD Task Force on Social Security urges a halt in any effort to redefine disability through regulations during this process redesign. On the other hand, we urge SSA to continue to move forward in its efforts to streamline the claims process itself.

There are several other areas addressed by the reengineering team which will require the CCD's attention, including evidentiary development, the administrative appeals process, quality assurance, measurements, and the new process "enablers". The Task Force will review the proposals in these areas from the perspective of people with disabilities and considering whether the proposals would enhance the disability determination process while respecting the rights and concerns of the individuals involved.

Finally, the CCD Task Force must take this opportunity to once again point out that, in order for the Social Security Administration to adequately carry out its statutory mandates, it must have adequate administrative resources. Process reengineering alone will not solve the problems of the agency regarding the massive backlog in disability determinations. Reengineering is a step. It will not be accomplished overnight. In the meantime, it is imperative that the administration request and be given adequate resources to serve people who are entitled to benefits under the law.

As stated above, the Task Force will provide this Subcommittee with its final comments as submitted to the Social Security Administration. Thank you for this opportunity to testify.

from Jenny Bar-Nes

Disability Group Agenda

I Attributes of DI and SSI Recipients: Who Are the Disabled?

A Breakdown of recipients by program and impairment
B Trends in recipient growth by attributes: -

1) impairment,
2) income
3) work experience

C Denied applicants

II What is Driving the Growth in Disability Programs?

A Programmatic and Administrative Issues - Changes in the program and the administration of SSA's disability programs that may directly or indirectly contributed to the growth in awards

1) Statutory, regulatory and judicial program changes in DI and SSI, for example:

a) Medical improvement standard
b) Expansion of criteria for determining eligibility, for example: mental impairment, pain and substance abuse
c) Non DI, SSI laws: Immigration Reform and Control Act of 1987, Qualified Medicare Beneficiary (QMB) program

2) Administrative actions, for example:

a) Variation in processing of continuing disability reviews
b) Program outreach
c) Loosening of the decisionmaking climate

3) Judicial actions and climate, for example:

a) Class actions: i.e. *Zebley, Stieberger*
b) Acquiescence
c) Increased remands by courts and ALJs

B Changes in other programs that could be increasing claims and awards

1) Workers compensation
2) Reductions and restrictions in welfare benefits and eligibility
3) Health care availability and cost

C Actions by non-Federal entities

1) State initiatives to place welfare assistance recipients on the disability roles
2) Private disability insurance providers
3) Health care providers

D Macro Factors

1) The economy
2) Demographic aging
3) Morbidity

III International trends and programs

IV Future outlook: Are these temporary or permanent trends

V Policy Alternatives

A Programmatic alternatives

1) Eligibility
2) Benefits
3) Vocational Rehabilitation

B) Administrative alternatives, and the impact of administrative changes on applications and allowances

Briefing on SSA Disability Research Agenda

03/18/94

What This Briefing Is About

In this briefing we will:

- Explain the genesis and objectives of the disability research program.
- Describe what's been done and what is yet to come.
- Present preliminary findings about trends in applications and awards and some factors that appear to be driving them.
- Suggest some program change issues for discussion.

Genesis and Objectives

SSA caught by surprise by the rate of increase in DI rolls since 1988:

- Virtually no disability research during the last decade.
- Spring, 1993 started research effort to find out:
  - -- What was happening and why.
  - -- How to improve cost (program and administrative) and workload projections.
- Research effort not designed to support recommendations for program change.
- Nevertheless, will provide some useful information.

What's Been Done

Accomplishments so far include:

- Development of major data base that for first time has comparable DI and SSI data; tracks process from application to termination; permits analysis by application cohort.

- Preliminary analysis of trends in applications and awards and of reasons for increase by in-house staff and contractor (Lewin VHI).

- Survey of all applicants in district offices on two days asking what prompts them to apply now for benefits.

This briefing is based largely on Lewin's analysis of data in our new research file.

What We Know So Far About Application and Award Trends

- Most of the increase in DI applications is due to the increase in concurrent applications. Most of the increase in SSI disability applications is due to the increase in childhood claims. [Chart 1]

  -- Absent children, the increase in SSI only cases is similar to increases in other welfare programs (i.e., AFDC, food stamps). [Chart 2]

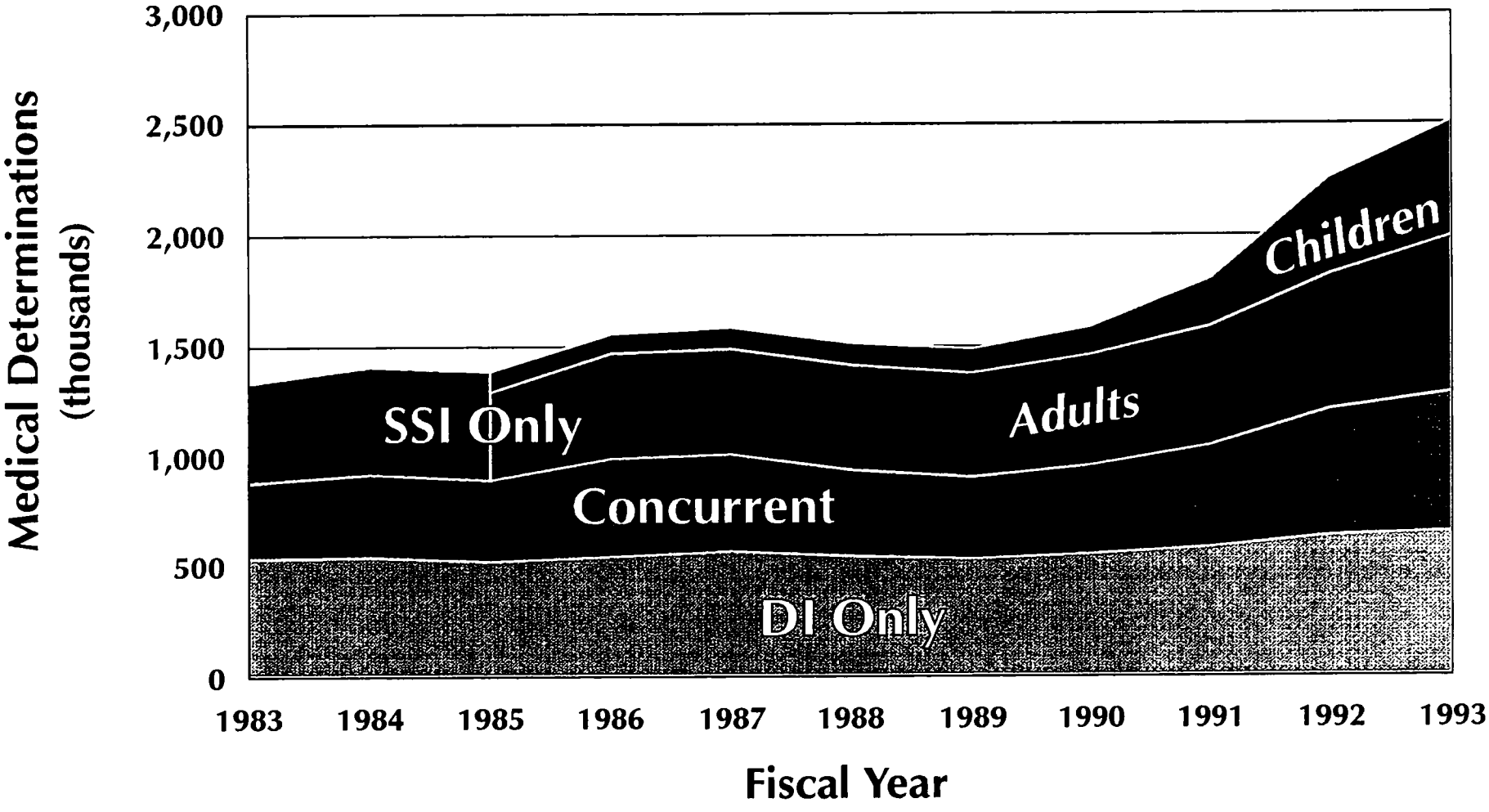
- DI application and award rates are high, but not so high if viewed from historical perspective. [Chart 3]

- SSI applications and awards are at historic highs (largely due to childhood claims). [Chart 4]

- Application pattern varies widely between programs and among States. [Charts 5, 6 & 7 (Maps)]

Chart 1

Medical Determinations, 1983-1993
(DI, SSI & Concurrent)



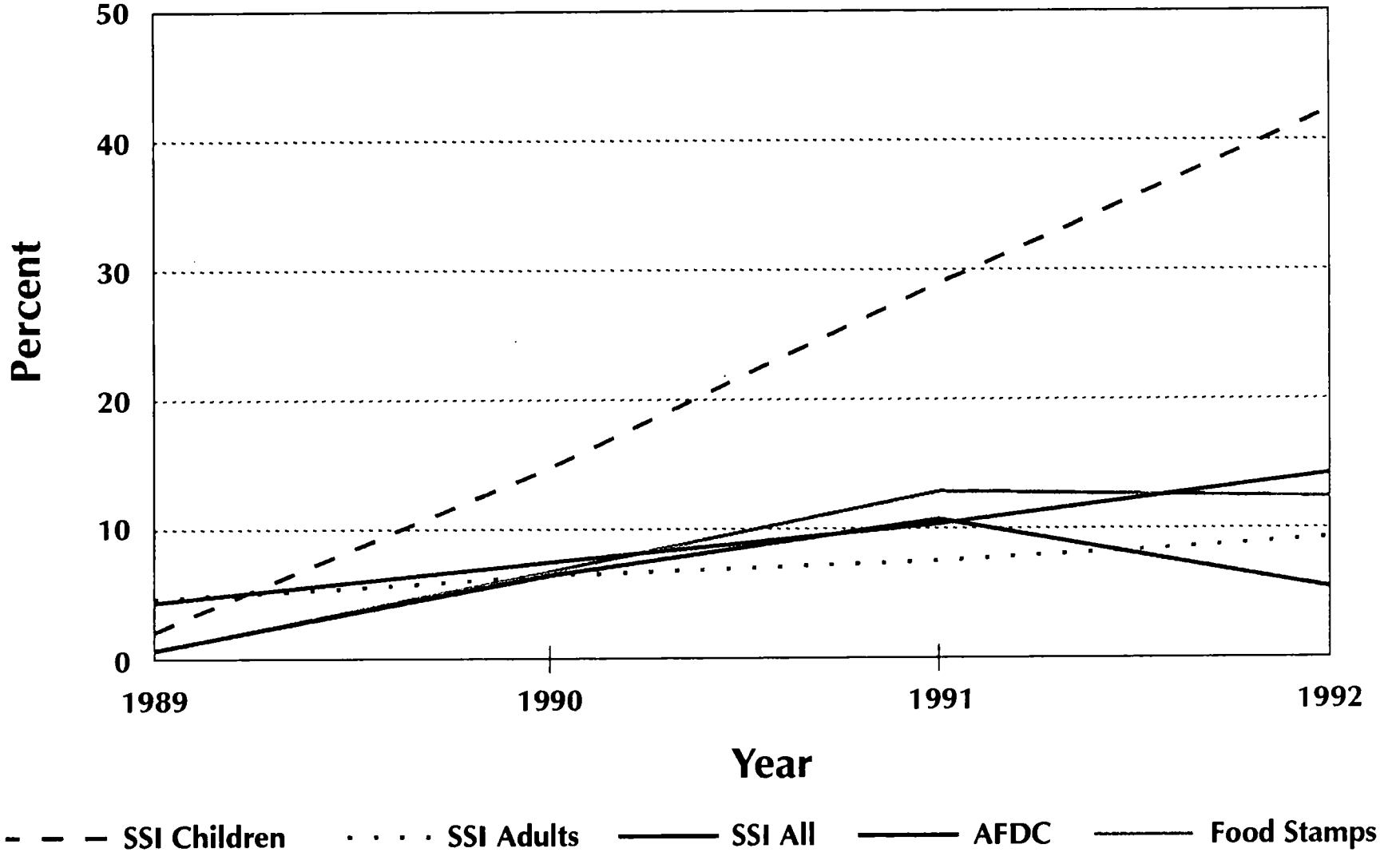
Note: Excludes DDS "no decision" clearances

Source: State Agency Operations Report & SSA State Disability Determination Files

03/18/94

Chart 2

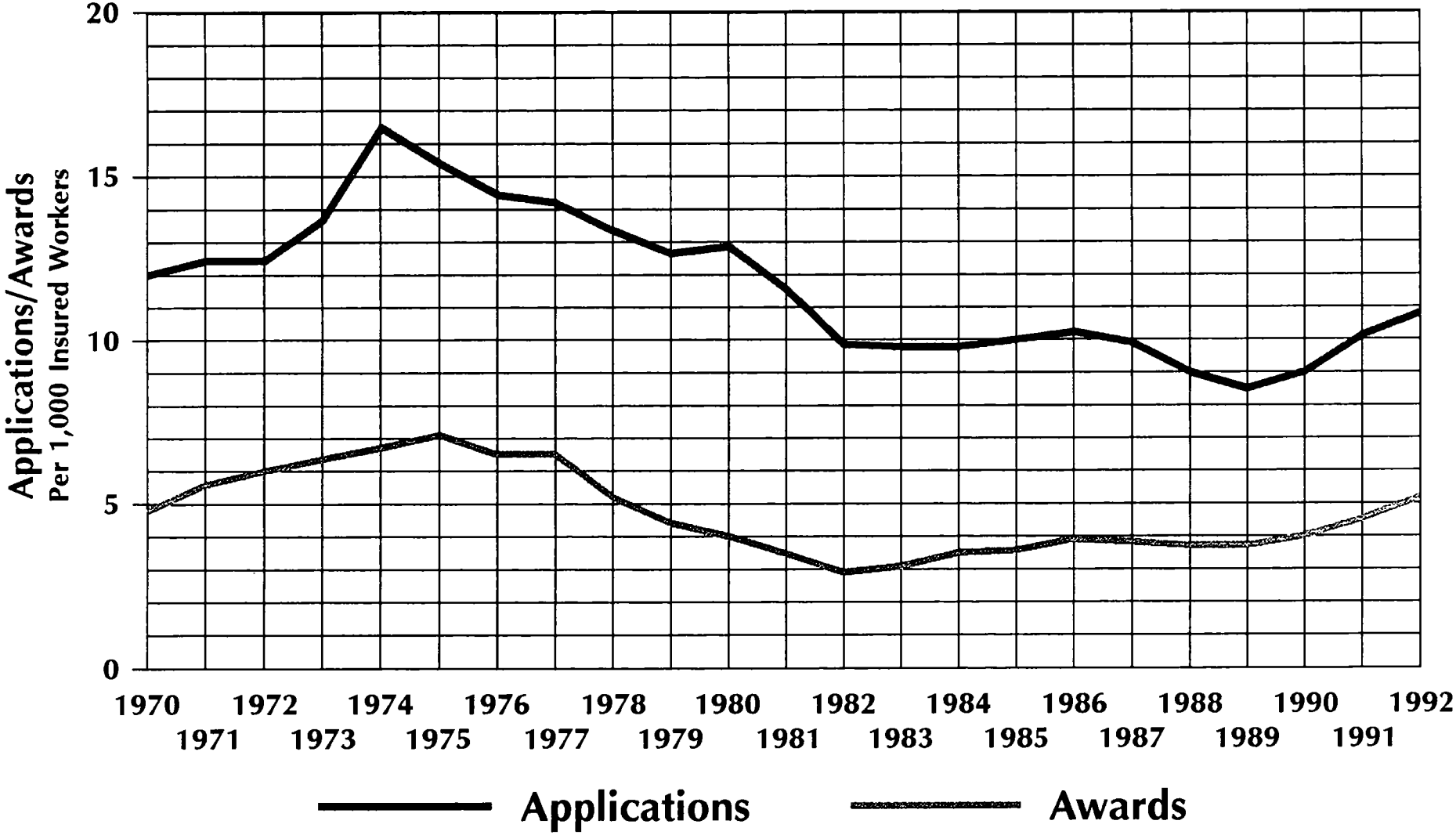
Percent Increase in Social Programs, 1989-1992



03/18/94

Chart 3

Historical DI Application/Award Rates, 1970-1992

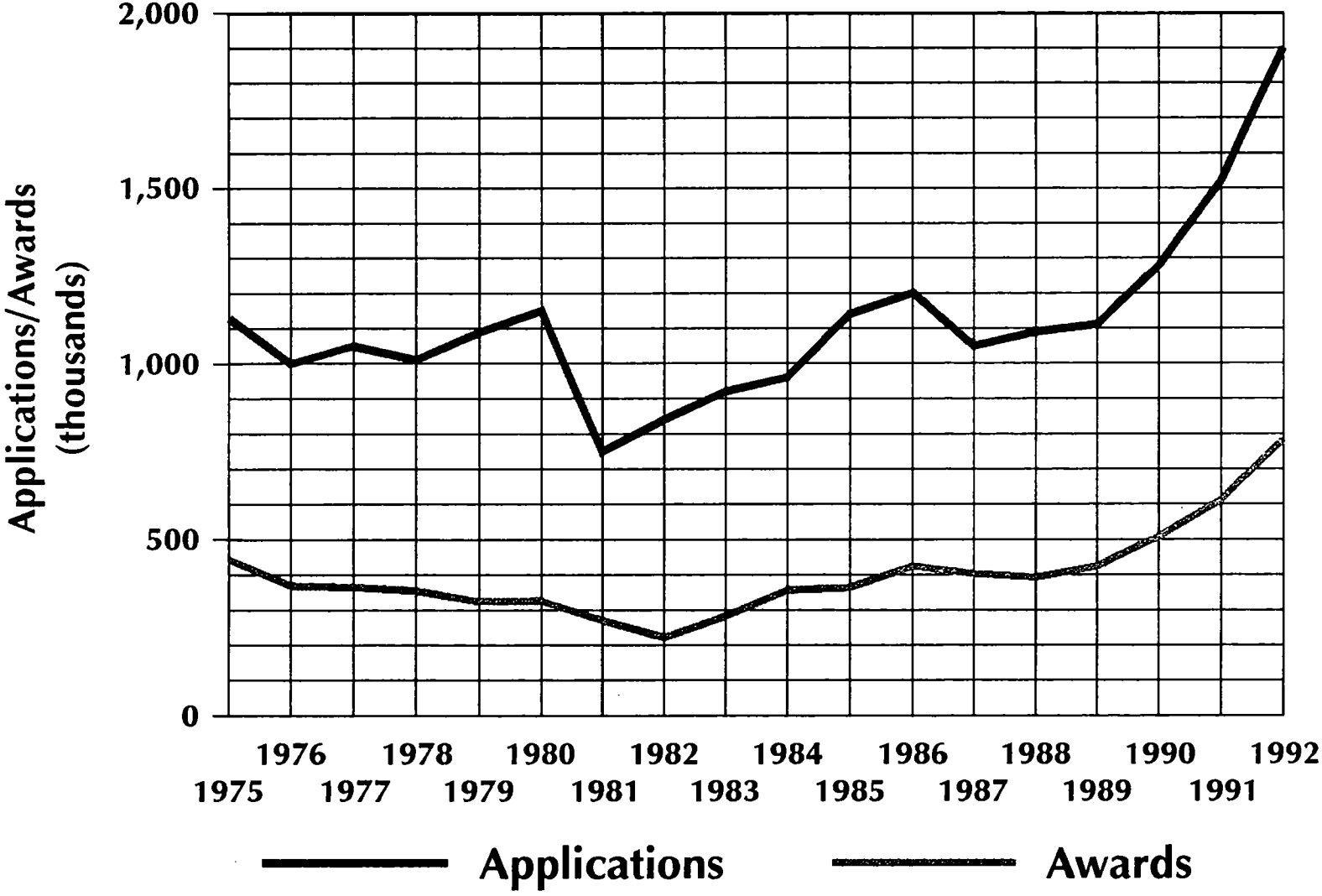


Source: Social Security Trustees Report

03/18/94

Chart 4

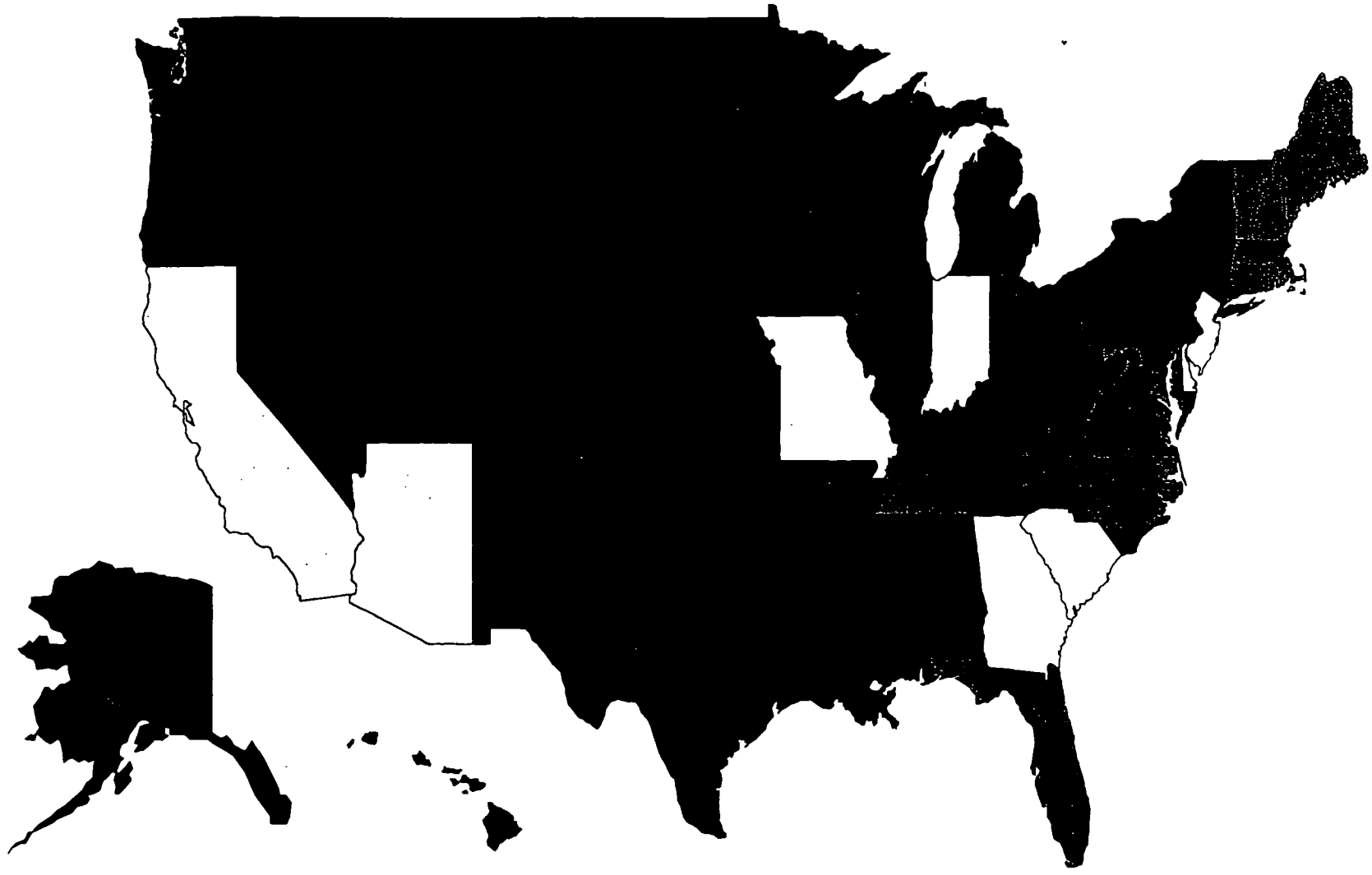
Historical SSI Applications/Awards, 1975-1992



Source: State Agency Operations Report & SSA State Disability Determination Files

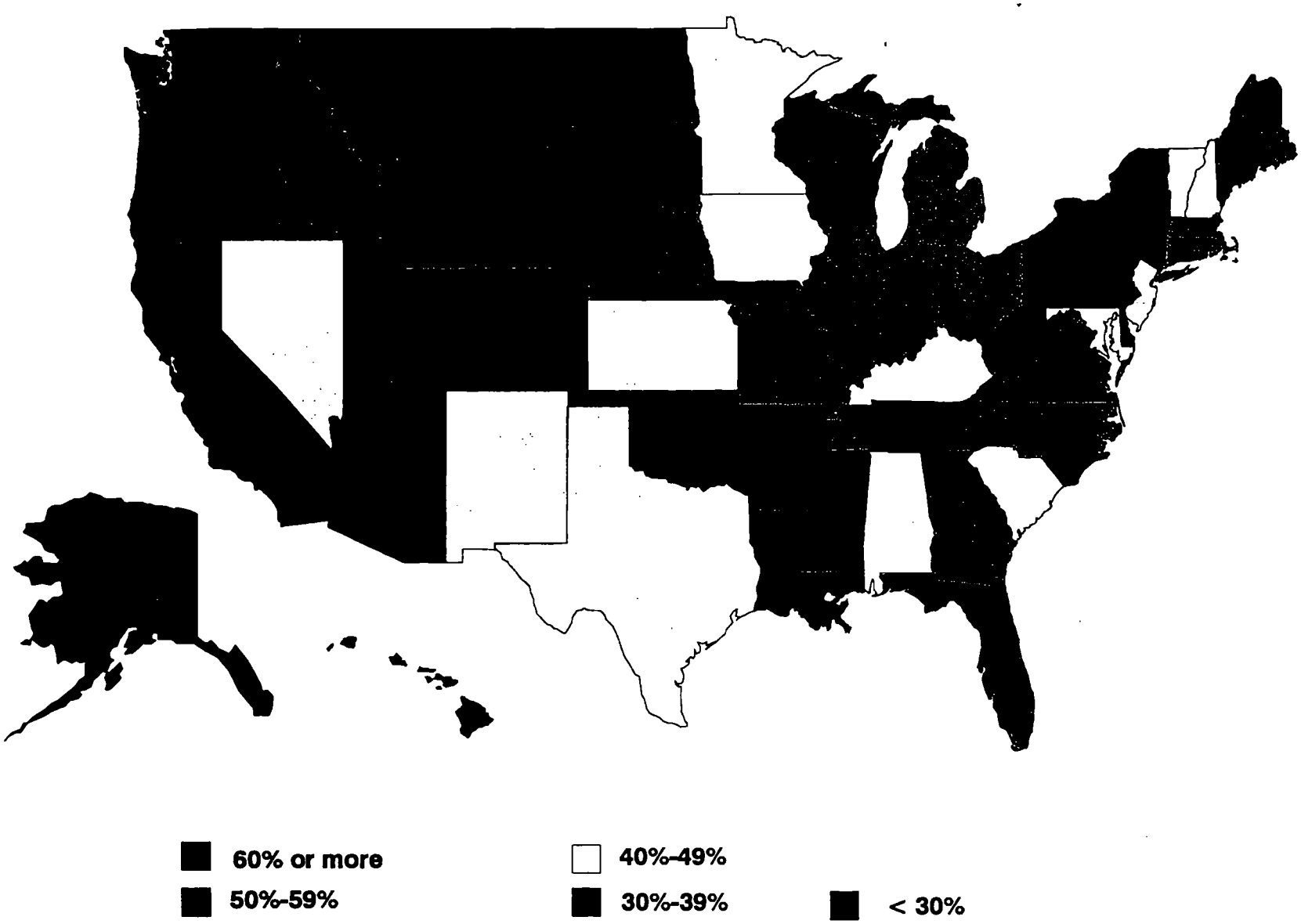
03/18/94

Percent Increase in Applications Filed
1988-1992–TITLE II Disabled Workers



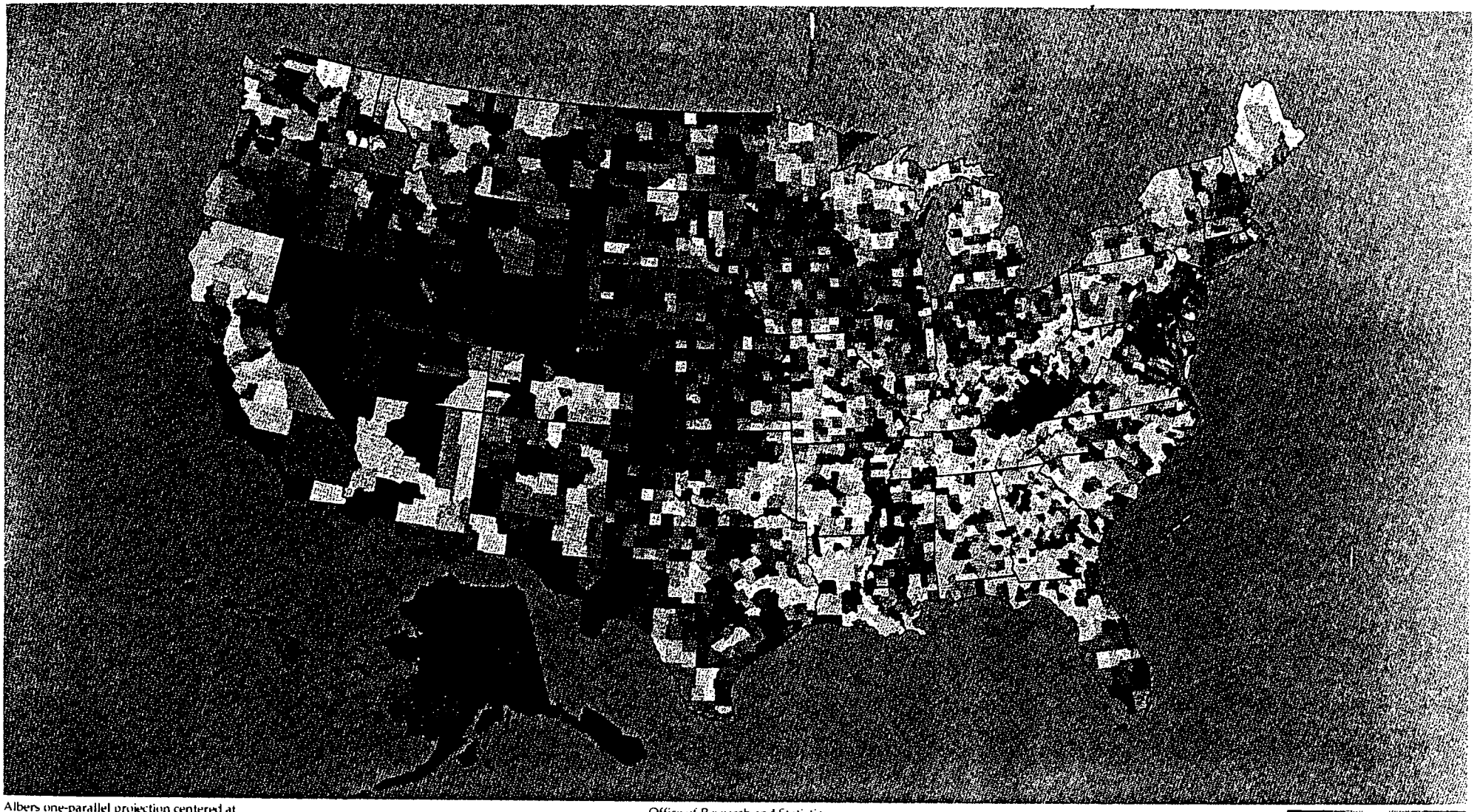
60% or more
50%-59%
40%-49%
30%-39%
< 30%

Percent Increase in Applications Filed
1988-1992--TITLE XVI Disabled Adults



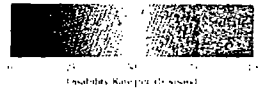
Counties in the United States of America

Rate of Social Security Title II, Title XVI and Concurrent Disability Beneficiaries per Thousand Persons Aged 18-64, in 1990



Albers one-parallel projection centered at
longitude 97.00 W and latitude 38.00 N
with scale 1 : 15000000
1 cm = 150.00 km or 1 inch = 236.74 miles

Office of Research and Statistics
Social Security Administration
United States of America



What We Know So Far About What's Going On

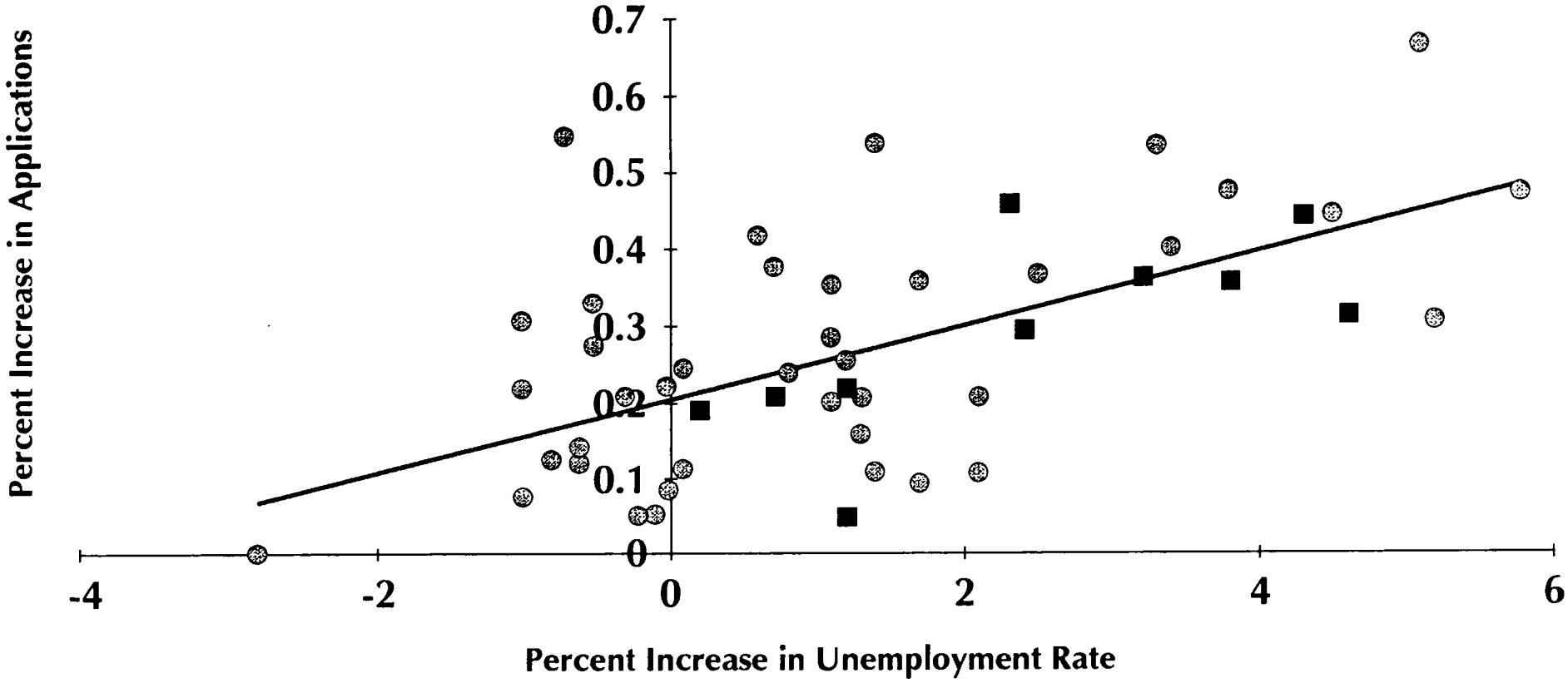
Lewin estimates that the **business cycle**, as measured by change in the unemployment rate, appears to explain:

- About 30 percent of the increase in applications for DI benefits only.
- About 28 percent of the increase from persons applying concurrently for DI and SSI disability benefits.
- None of the increase in applications for SSI benefits only.

[Charts 8, 9 & 10]

Chart 8

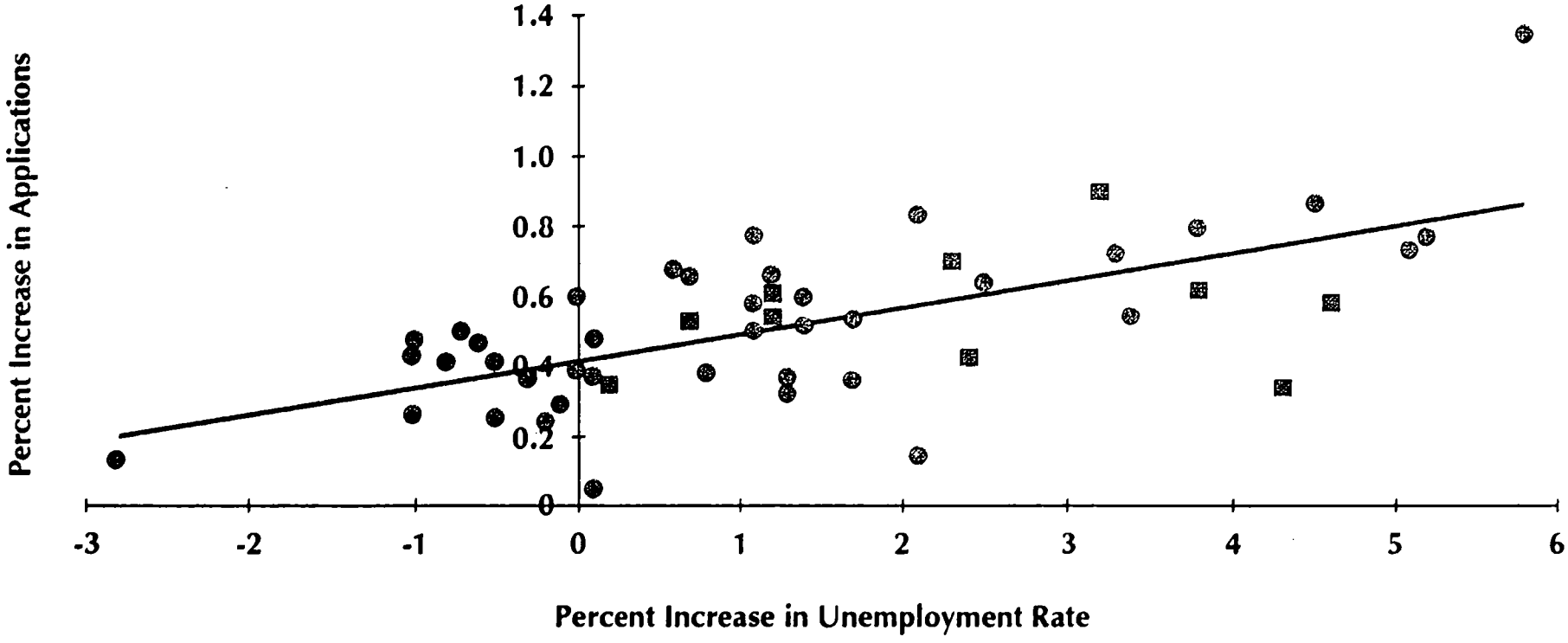
Cross-State Regression of Percent Increase in DI-Only Applications on Percentage Point Increase in Unemployment Rate, 1988-1992



Source: SSA Disability Research File, 1993; *Economic Report of the President,* 1993; and Lewin-VHI calculations

03/18/94

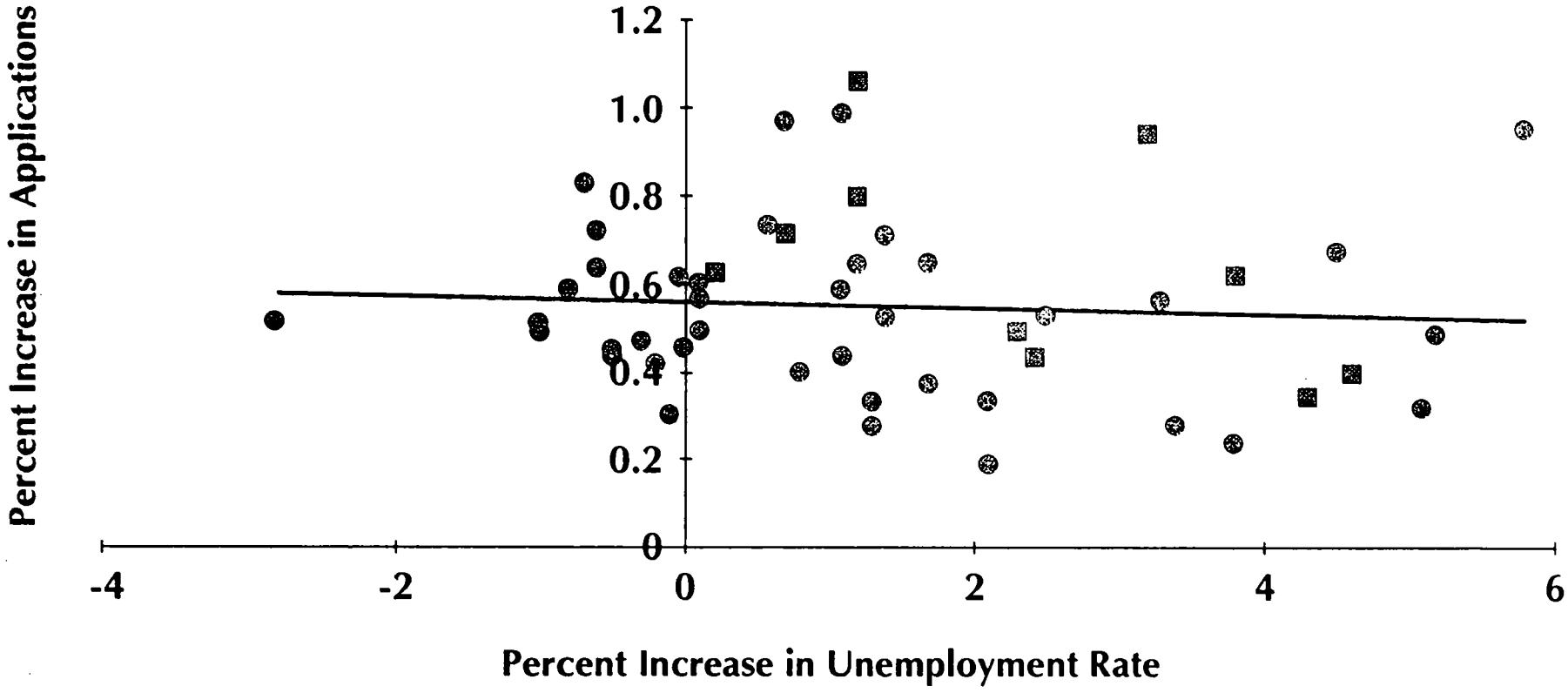
Cross-State Regression of Percent Increase in Concurrent Applications on Percentage Point Increase in Unemployment Rate, 1988-1992



Source: SSA Disability Research File, 1993; *Economic Report of the President,* 1993; and Lewin-VHI calculations

Chart 10

Cross-State Regression of Percent Increase in Adult SSI Disability Applications on Percentage Point Increase in Unemployment Rate, 1988-1992



■ *States with 10 largest populations (which account for over 50% of both DI & SSI applications).*

● *Remaining 40 States.*

Source: SSA Disability Research File, 1993; *Economic Report of the President,* 1993; and Lewin-VHI calculations

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Demographics

Demographics were important:

- Oldest baby boomers moved into their 40s, becoming more likely to become disabled, thus increasing the pool of potential eligibles and lowered the average age of awardees. This phenomenon will continue into the next century. [Chart 11]

- More women became insured for DI benefits.

As a result:

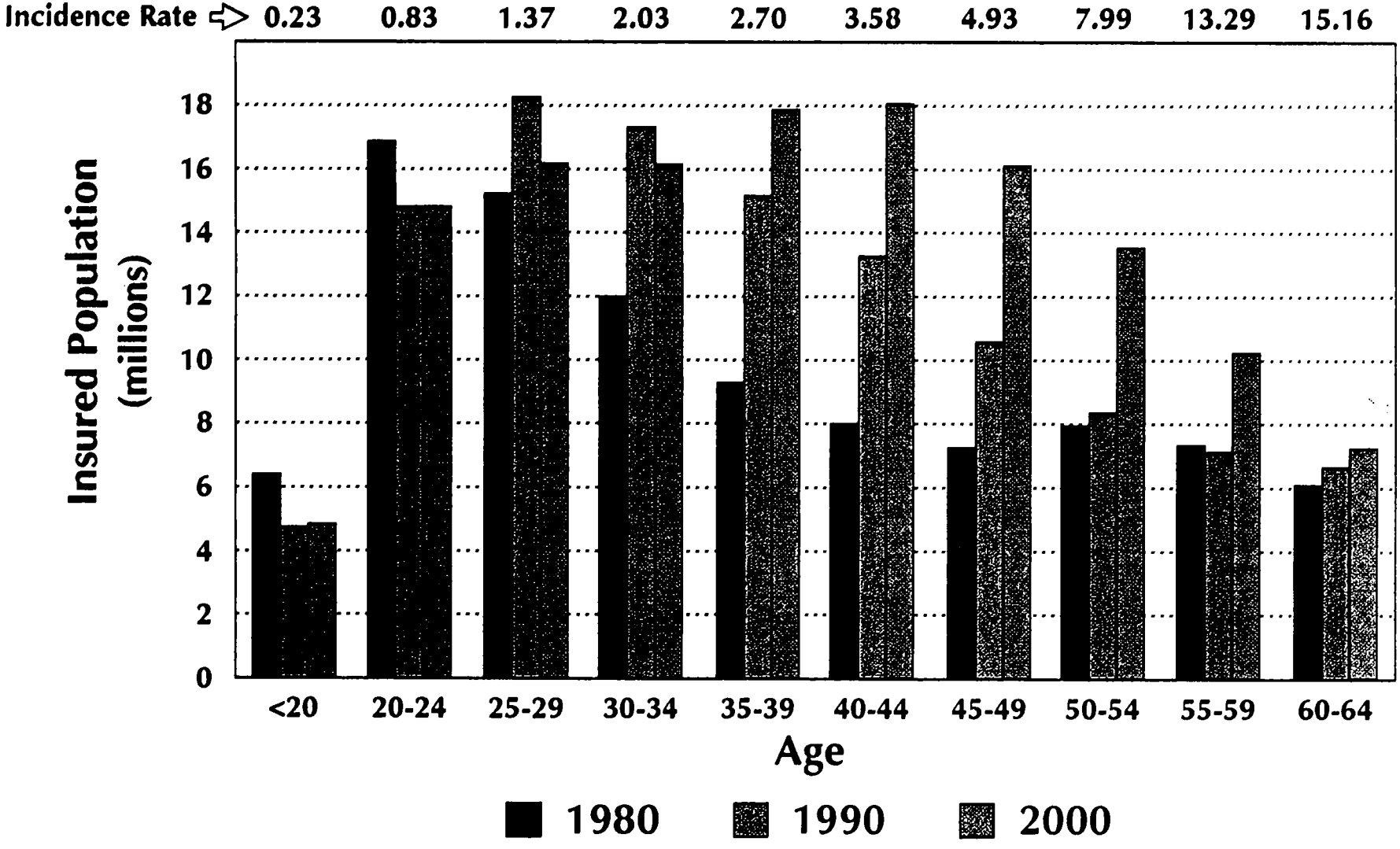
- These two factors together account for 14% of the increase in DI applicants between 1988 and 1992.

- The first **increased** the number of SSI disability applicants; the second **decreased** the number of SSI applicants--for a net effect of 9%.

Chart 11

Disability Insured Population by Age in 1980, 1990 and 2000

(Assuming 1990 Incidence Rates)*



* *Awards Per Thousand Insured in 1990*

Source: SSA Office of Disability

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Mental Impairments

Mental impairments also contributed:

- Regulations defining eligibility for benefits based on mental impairment were revised in 1985 (as required by 1984 disability amendments).

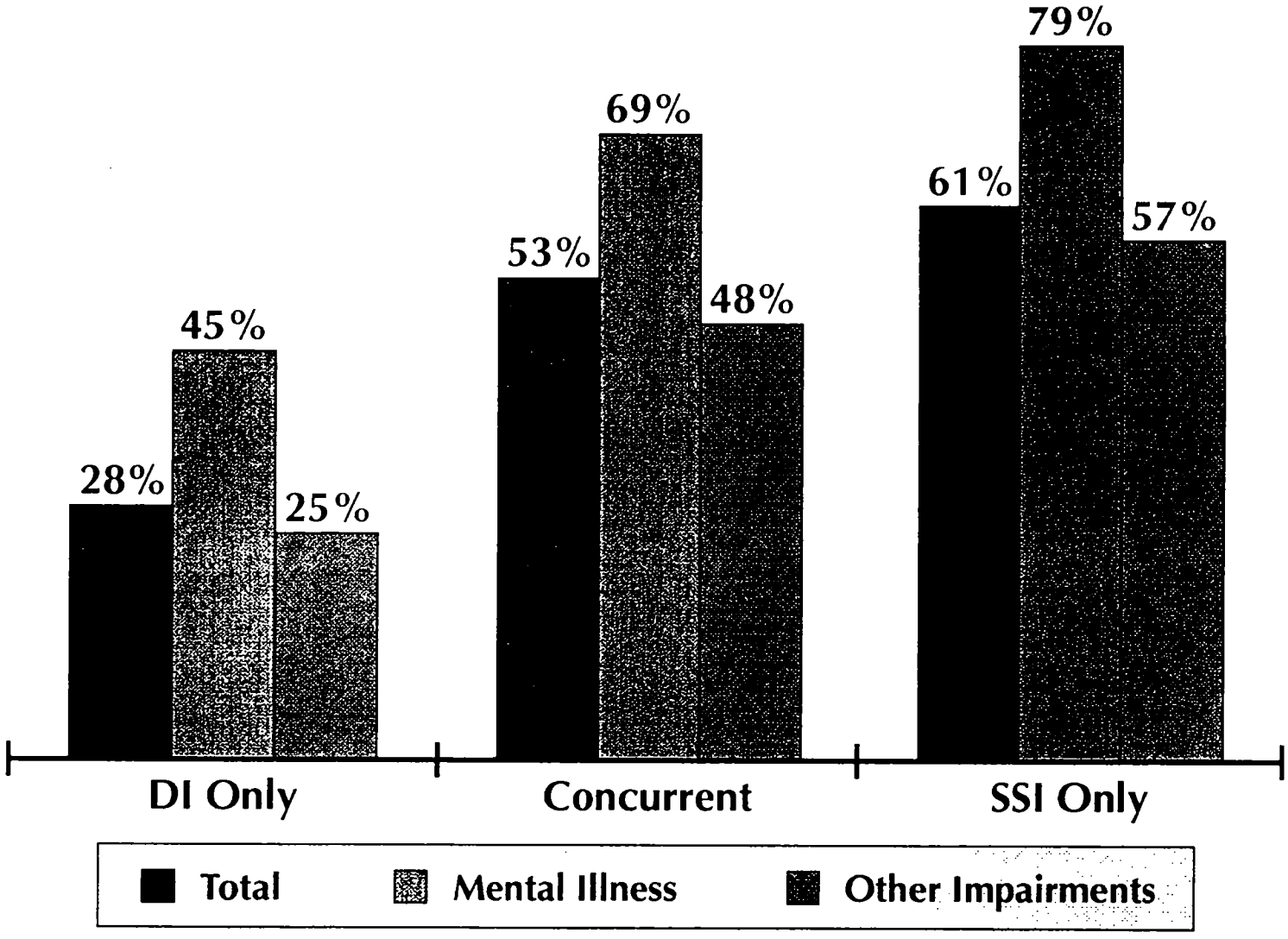
- Rate of increase has slowed substantially since 1987. Nevertheless, had growth in applications on the basis of mental impairments been the same as for other impairments during 1988 to 1992 period:
  [Chart 12]

  -- The change in DI-only applications would have been 7% lower.
  -- The change in Concurrent applications would also have been 7% lower.
  -- The change in SSI-only applications would have been 8% lower.

- Factors other than the change in the regulations--such as more vulnerability of mentally impaired to a recession--undoubtedly also contributed to increase in applications on this basis.

Chart 12

Percent Growth in Applications, Mental Illness vs. Other Impairments, 1988-1992



Source: SSA Research Files and Lewin-VHI calculations

03/18/94

Children

Although not yet included in our analysis, children account for much of the increase in applications for the SSI disability program:

- The percentage of SSI disability applicants who are children nearly doubled from 1988 to 1992--from 11 to 21 percent of all applicants.

- Changes made based on the Zebley court case appear to explain some of the increase in childhood applications. Children in the Zebley class generally are not included in the data base because most first applied before 1988. However:

  -- Adults applying on the basis of mental disorders (including mental retardation) increased from 25 to 28 percent of all adult applications.

  -- Children applying on the same basis increased 42 to 48 percent of all childhood applications.

Immigration Reform and Control Act

While there has been no increase in aliens in SSI disability program comparable to the increase in the SSI aged program, the *Immigration Reform and Control Act* had a small effect:

- Aliens made legal by the IRCA amnesty provisions became immediately eligible for SSI.

- Lewin estimates that this may explain 1% to 3% of the increase in SSI applications.

- The number of noncitizens applying for adult SSI disability benefits almost doubled, but noncitizens still accounted for only about 5% of SSI disabled applicants by 1992.

Factors Potentially Contributing to Increases
(But Not Yet Quantified)

- In summary, there are some factors we can quantify and some we can't. [Chart 13]

  -- For example, on the issue of **State Support Reductions**, anecdotal reports (2-Day FO Survey of DI Applicants) indicate that the largest source of referrals to SSA for disability benefits comes not from State agencies, but from friends, relatives, and doctors.

Factors Affecting Increase in DI and SSI Applications, 1988-1992

	Percent of Increase Explained for:		
Additive Factors	**DI-Only Applications**	**Concurrent Applications**	**SSI-Only Applications**
Business Cycle	30%	23%	0%
Demographics	14%*	--	9%*
IRCA	--	--	1-3%*
AIDS	--	--	--
Non-Additive Factor			
Mental Impairments	7%	7%	8%
Factors Not Yet Quantified			
Medicaid Long-Term Care		X	X
SSI/Medicaid Outreach, QMBs		X	X
Need for Health Insurance	X	X	X
Reduction in State Support		X	X
Court Cases/Legislation	X	X	X
Increasing Appeals Rates	X	X	X
3rd Party Representation	X	X	X

* *Includes Concurrents.*

03/18/94

What's Happening in DI?

- The DI program is not growing out of control, but the composition of the rolls is changing:

  -- Benefit amounts are falling and largest growth component is people concurrently entitled to SSI.

  -- Applicants are younger and are more likely to suffer from mental disorders and musculo-skeletal impairments.

  -- These younger applicants are expected to stay on the rolls longer.

- Changing age/impairment mix calls for exploration of relationship of current definition of disability and capacity for work.

What's Happening in SSI?

- **Children**--Fastest growing component of SSI increase. Increase raises many issues:

  -- Does the use of "adult" definition of disability make sense for children?
  -- What are the income support needs of disabled children?
  -- What effect does "disabled" label have on long-term employability?

- **Adults**--As real earnings of marginal workers has declined, the related benefits flowing from SSI eligibility (food stamps, rent subsidies, etc.) have made filing for SSI more attractive. We need to learn:

  -- What are implications of education/labor market interaction for future program growth?
  -- Are SSI cash disability benefits effective means of income support for special populations (e.g., drug addicts and alcoholics)?

Examples of Research to Come

In 1994:

- Analysis of earnings of disabled to see whether applicants are among long-term underemployed, or recent victims of labor market shifts.
- More in-depth study of applications and awards, including case studies of trends in specific States.

Later:

- Medical Examination Study, a multimillion dollar, multi-year survey to provide estimates of:
  - -- Size of pool of potentially eligible applicants.
  - -- How many people are working despite impairments.
  - -- Effects of using functional definition of disability.
- Demonstration project (Project Network) to explore effects of various types of intervention on return to work.
- International comparison of effective means of reintegration into workforce for newly disabled.

Evolution of Thinking About Social Programs

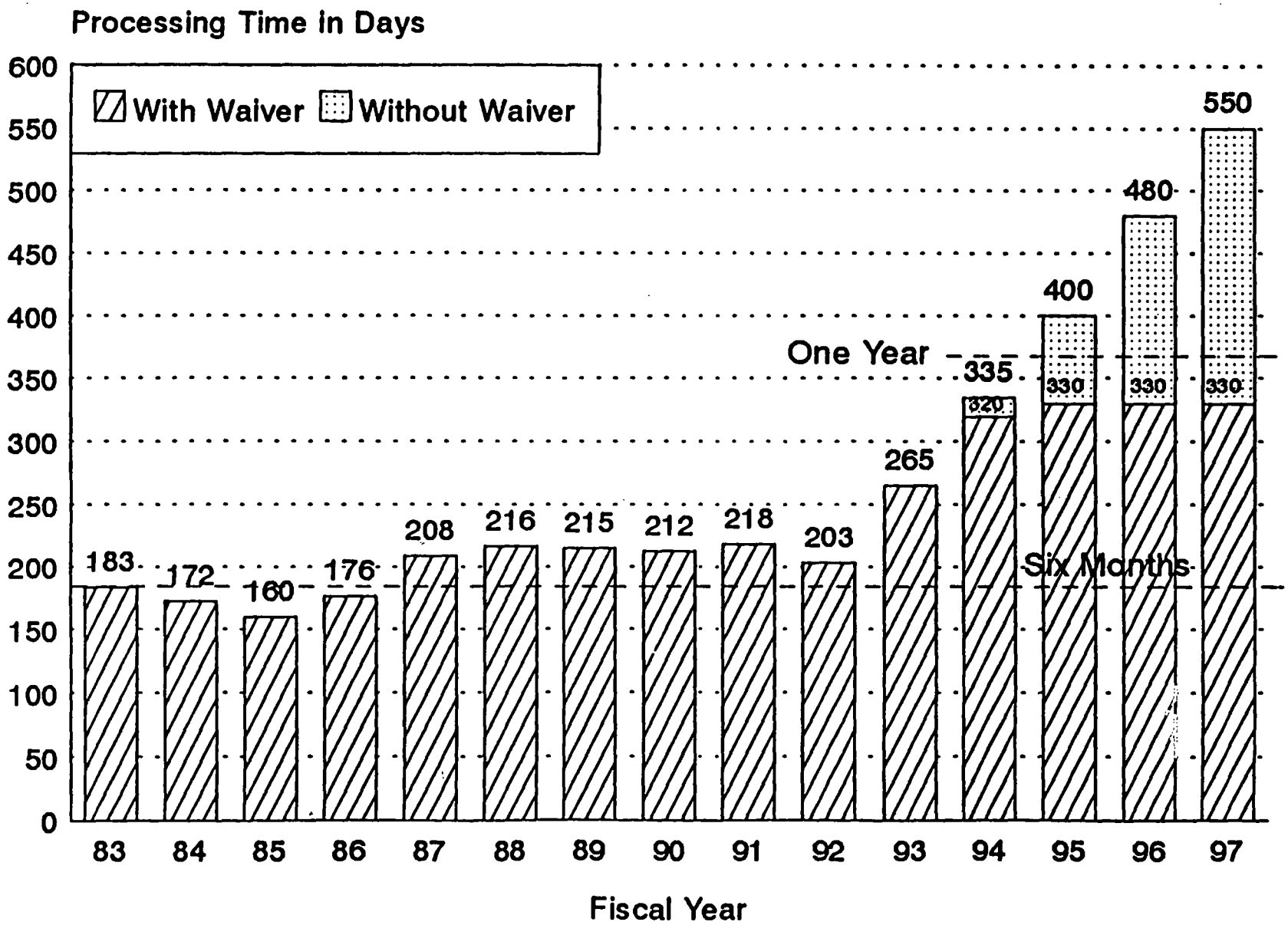
Just as AFDC program evolved from being a program for widows (who were legitimately staying at home to raise a family) to being a program for unwed mothers (who could seek jobs just like middle-class women), perceptions of SSA's programs for disabled also evolved.

- Public expects government will supply the intervention and support services necessary to return many of the disabled to productive employment.

- Public views support of people exhibiting anti-social behavior (DA&As and certain childhood recipients) as inappropriate.

Charts List

Hearings Processing Times Rising



Fiscal Years 1994-1997 are estimates.

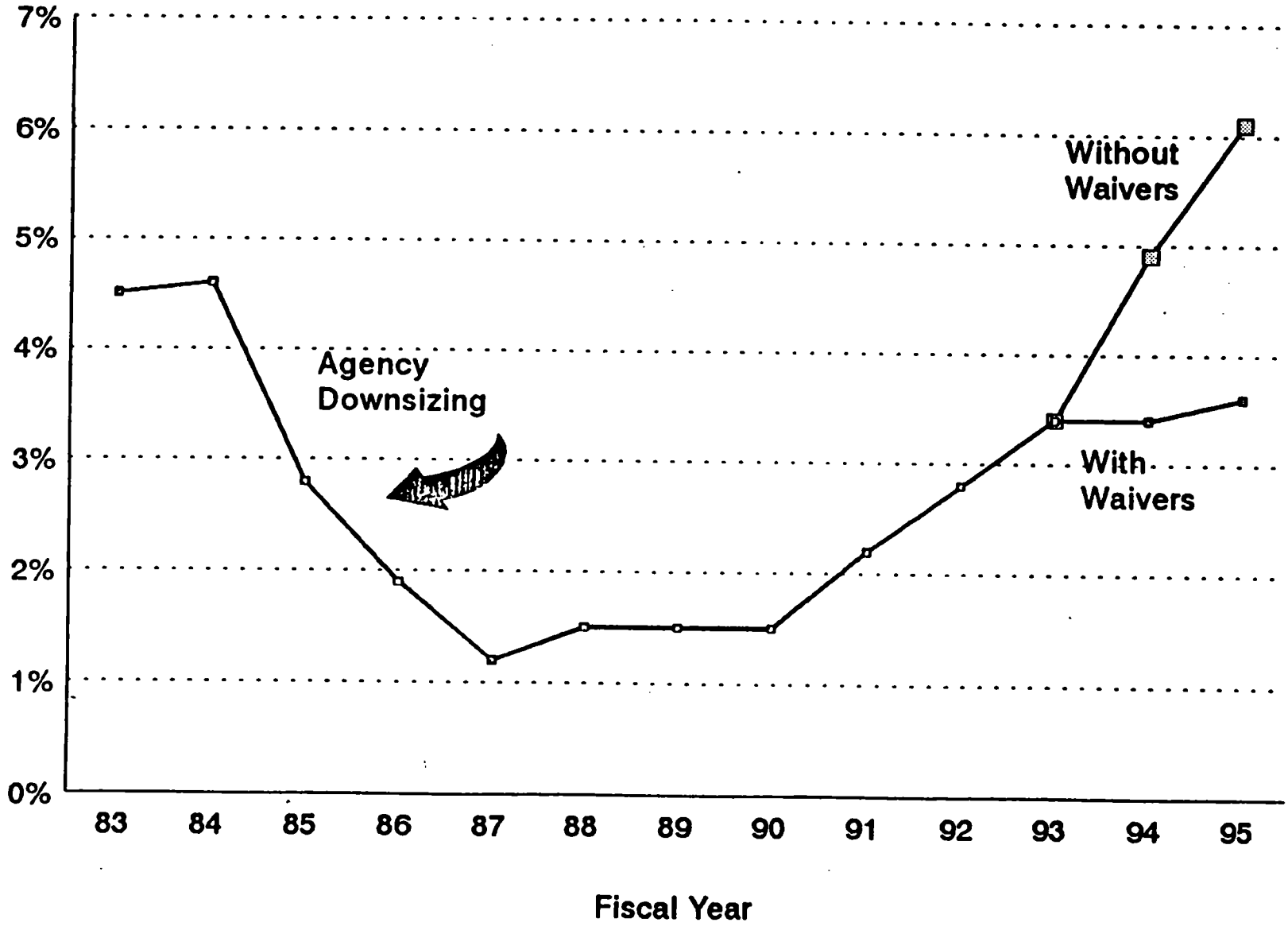
Hearings Processing Times

With FTE Waiver and Without FTE Waiver

Fiscal Year	With Waiver	Without Waiver
1993	265	265
1994	320	335
1995	330	400
1996	330	480
1997	330	550

Overtime Workyears

As a Percentage of Total Workyears



SSA's ADMINISTRATIVE BUDGET

Budget Authority in Millions	FY 1993 Estimated Actual	Fiscal Year 1994 President's Budget	Fiscal Year 1994 House Action	Fiscal Year 1995 Secretary's Request	Fiscal Year 1995 Secretary's Request (no waiver)	Maintain FY 93 Disability Level
LAE Base	$4,813	$4,874	$4,874	$5,144	$5,144	$5,144
Disability Investment	--	120	320	295	295	720
Subtotal Base	$4,813	$4,994	$5,194	$5,439	$5,439	$5,864
Automation Investment	--	1,125	330	385	385	385
Total Budget Authority	$4,813	$6,119	$5,524	$5,824	$5,824	$6,249
Total FTEs	65,020	64,431	65,506	65,728	63,833	69,127
(FTE Waiver)	--	--	(1,075)	(1,895)	(0)	(5,294)
Overtime Percentage	3.4%	2.8%	3.4%	3.6%	6.1%	4.5%
Pending DDS Claims	553,000	1,320,000	887,000	873,000	873,000	553,000
Disability Processing Time (Days)	97	185	145	143	143	97
Pending OHA Hearings	352,600	380,000	414,500	417,000	535,000	352,600
Hearings Processing Time (Days)	265	282	320	330	400	265

Court Cases Subject to Triage
(With FTE Waiver & Without FTE Waiver)

Fiscal Year	Cases Triaged With Wavier	Cases Triaged Without Waiver
1993	--	1,300 (est.)
1994	4,711	5,937
1995	4,701	9,436

Triage Strategy:

Request that federal courts decide Social Security disability cases based on the administrative record and plaintiffs' pleadings. The government will not submit a brief unless: (1) the Department of Justice prepares the brief, or (2) the court threatens to hold the government in contempt of court unless a brief is prepared.

POINT 4: LONGER-TERM PROCESS IMPROVEMENTS FROM ASP & LEGISLATIVE IDEAS

Disability Claims Process Improvements

- Further automation
- More presumptive disability determinations
- Alternative disability models
  - — Disability specialist to take claims
  - — Decision-maker to conduct initial interview
  - — Predenial interview between decision-maker and claimant
- Ultimately, a paperless disability adjudication process

Appeals Process Improvements

Process improvements:

- Expand implementation of prehearing conferences between OHA staff attorneys and claimants' attorneys
- Automate additional routine functions
- Move to a paperless adjudication process
- Test two-way video conferencing to conduct ALJ hearings

Legislative and Regulatory Changes for Discussion*

- *Eliminate SSA's role in approving and paying attorney fees***
  (Maximum fees would be prescribed in the statute, but SSA would not withhold attorney fees from benefits or approve specific fees)

- *Limit time to submit medical evidence***
  (Require that claimants submit all evidence at or before the ALJ hearing or establish good cause for late submission)

- *Permit senior staff attorneys to hear and decide certain cases***
  (Establish magistrate-like position with authority to decide, with ALJ oversight, certain small claims (e.g., small Medicare claims) and, with the consent of claimant, certain disability cases with likelihood of favorable decision)

- *Increase reliance on claimant's counsel*
  (At the Hearings level, the burden to fully develop the record would shift to the claimants' representative. Also, allow ALJs to authorize the claimants' attorneys to assist in the preparation of favorable decisions.)

* *None of these changes would be pursued without consultation with affected groups. Some may be appropriate for incorporation in future large-scale streamlining efforts.*

** *Requires legislation*

Options for Substantially Increasing Continuing Disability Reviews

1) Direct tap on the trust funds to fund increased CDRs

2) Program savings recycled to finance additional CDRs in following years

3) Separate appropriation (NPR recommendation)

POINT 5: REENGINEERING

Reengineering the Disability Process

Objective:

Starting with a blank slate, create customer-oriented, streamlined processes that take full advantage of modern technology and modern techniques of human resources mangement

- Only constraints are that we will retain:
  - — Statutory definition of disability
  - — Use of ALJs for administrative hearings

Schedule:

- Begin pilot test of reengineered process 10/01/95
- Implement new process 10/01/96

Expectations:

- Radical change in processes, allowing a dramatic improvement in service quality
- Ability to meet rising work loads without increases in staffing

Successful Reengineering Will Require:

- A temporary provision of additional start-up resources
- Significant changes in deployment of SSA's facilities and human resources

F. Conclusions: What We Need From OMB

Reengineering will achieve major service and process improvements over the long run (ideas with short-run payoff are already assumed in the budget)

In the near term, we need OMB's help in meeting minimal service-level and stewardship responsibilities. In particular:

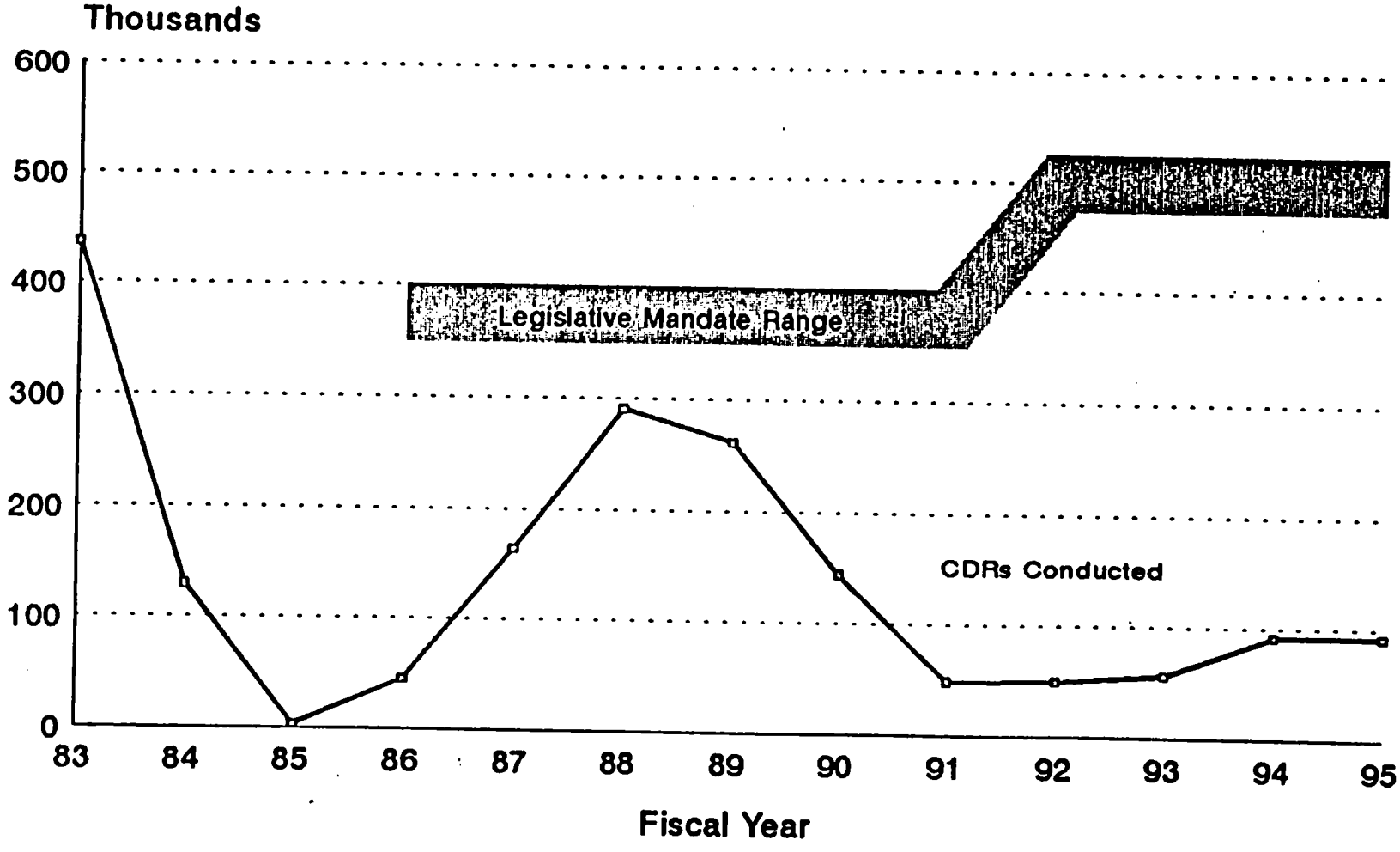
✓ Temporary FTE relief is critical for SSA or our client service will deteriorate further

✓ Substantially increasing CDR capacity is essential to program integrity

We will also need:

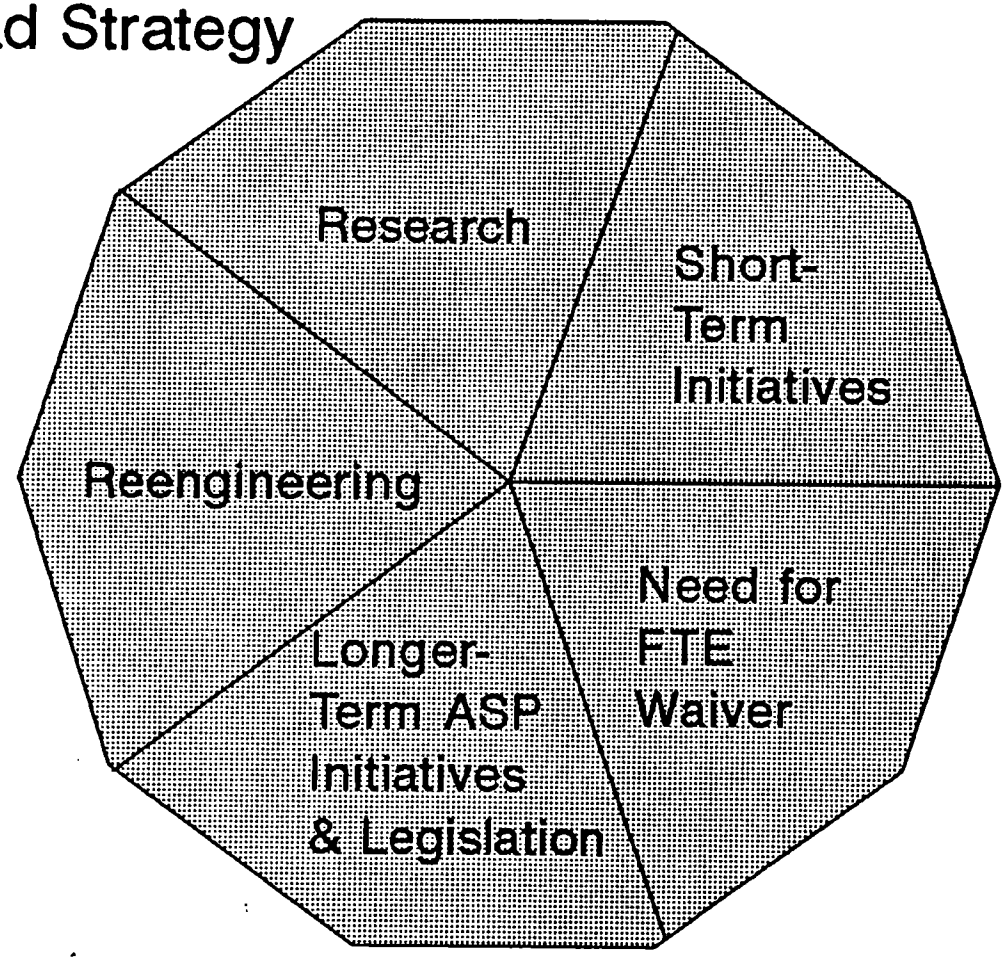
✓ Ongoing assistance from OMB in removing barriers to reengineering in many spheres

Program Monitoring Sacrificed:
Continuing Disability Reviews Curtailed
to Free Resources for New Claims Processing



Fiscal Years 1993-1995 are estimates.
Prior to FY 1986, regulations were not in place specifying n mbers of CDRs or medical improvement standards.

E. SSA's Multi-Year Disability Work Load Strategy



POINT 1: RESEARCH

Short-term Research Agenda

Crash effort to develop new database and other analytic tools to:

- Help determine whether program growth is short-run phenomenon or long-term trend
- Evaluate hypotheses about program growth
- Help determine whether program change is necessary to limit growth

Also hope to improve accuracy of:

- Trust fund projections
- Work load estimates

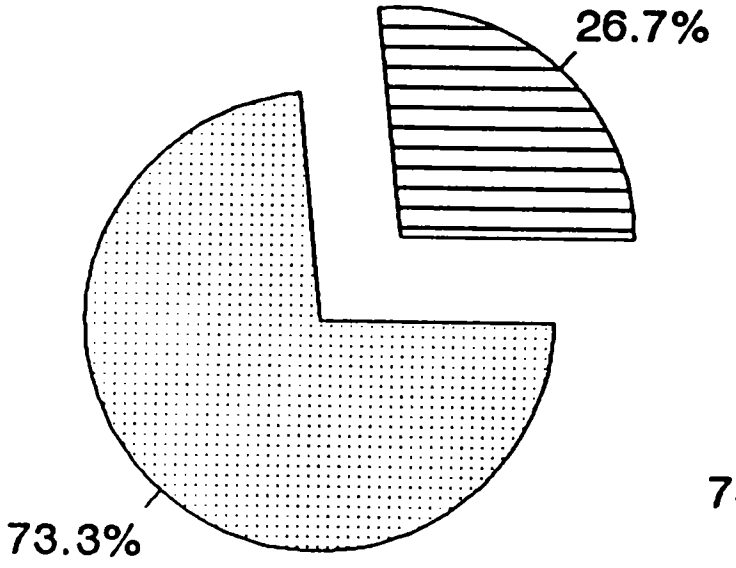
Long-term Research Agenda

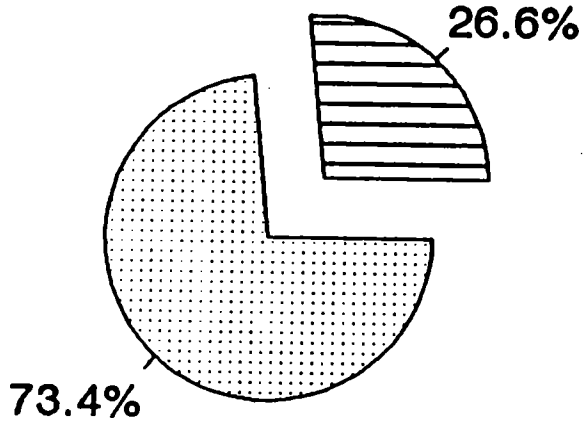
Longer-term, more sophisticated survey research program also being started:

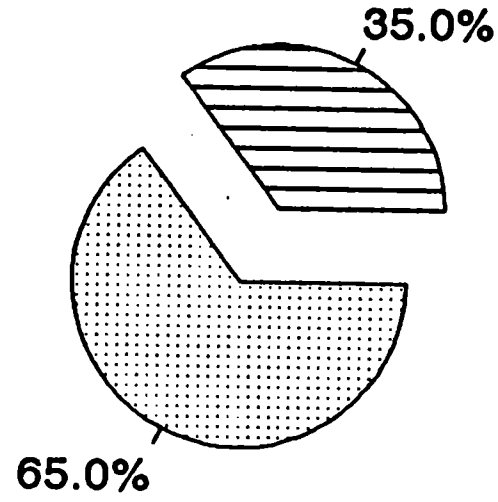
- Will help predict change in program size in the future
- Will help estimate costs/effects of proposals to change program
- Will help us to understand how to redesign program

POINT 2: RETARGETING OF RESOURCES & SHORT-TERM INITIATIVES

Retargeting Resources to Disability







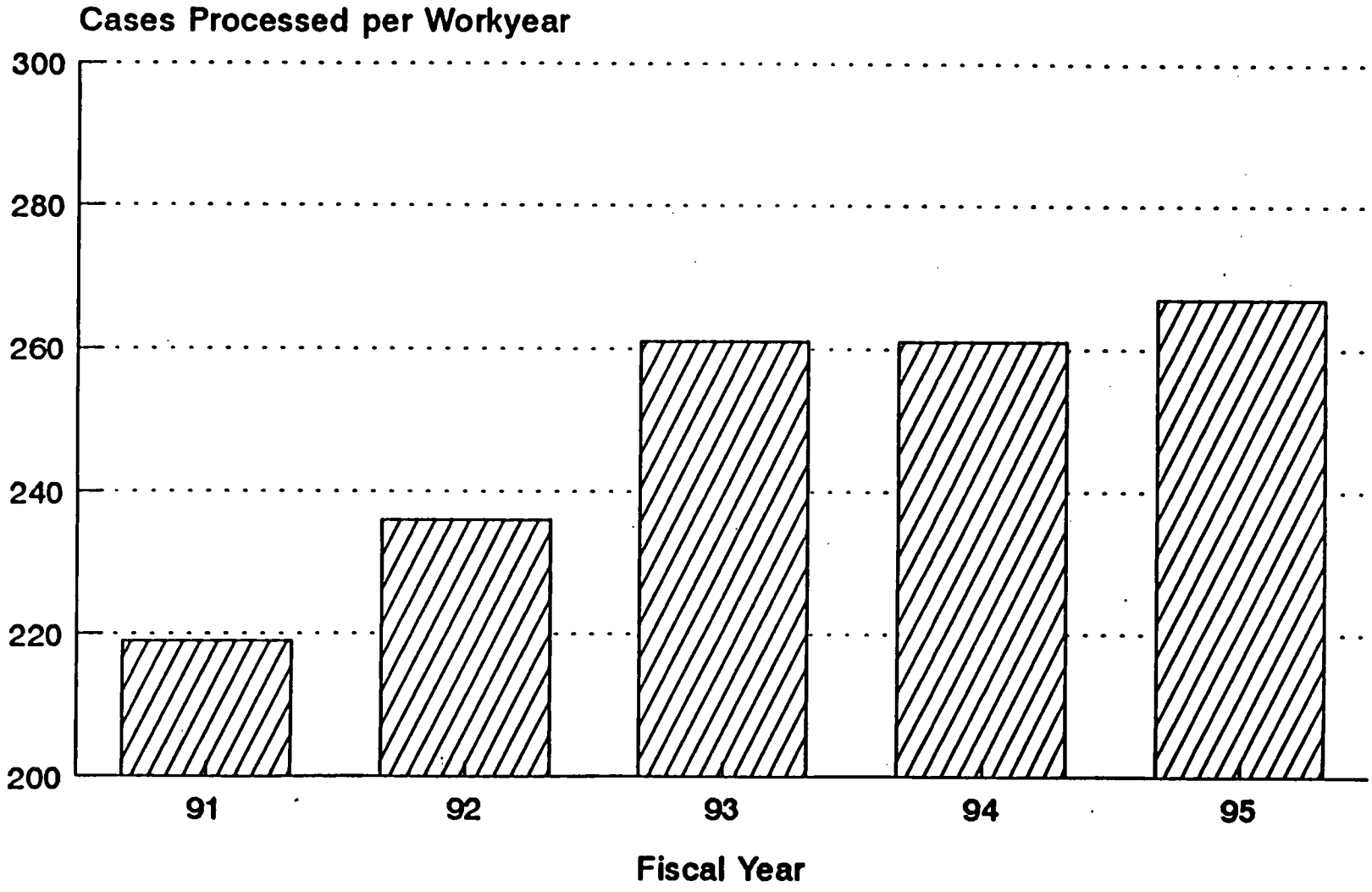
	FY 1985	FY 1990	FY 1995
Total LAE WYs	82,131	64,155	67,285
Disability	21,903	17,042	23,750
Other WYs	60,228	47,113	43,715

Cut-outs represent total workyears for processing disability claims, reconsiderations, and hearings and appeals in SSA.

Short-term Initiatives to Improve the Disability Claims Process

- Improved claims intake in field offices
- Expedited development of medical evidence by field offices
- Streamlined policies and procedures
- Assistance from other SSA components
- Increased flexibility for State DDS's
- Basic level of automation to all State DDS's
- More overtime

Disability Determination Service
Productivity Increasing
(Production per Workyear)

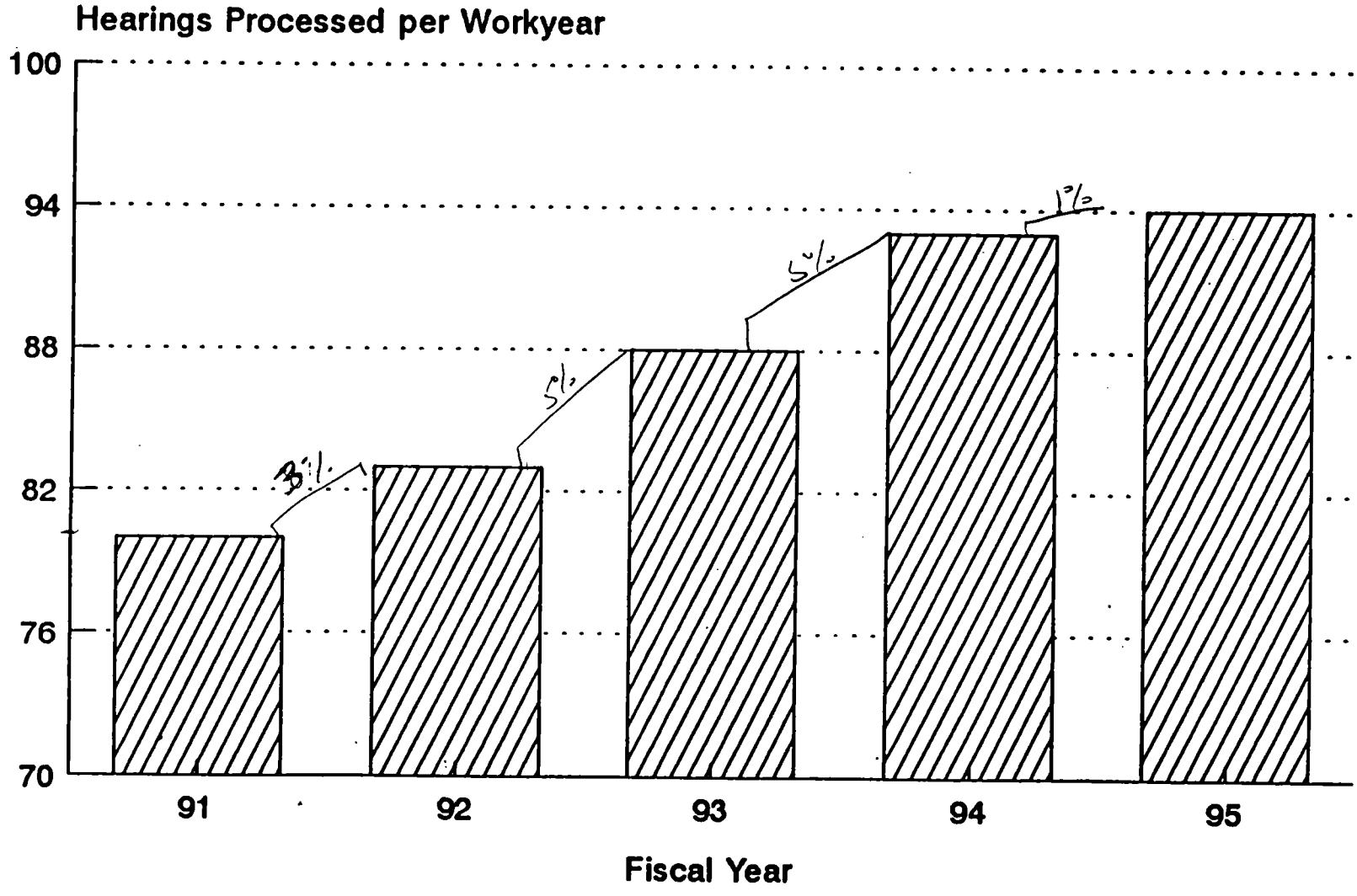


Fiscal Years 1993-1995 are estimates.

Short-term Initiatives to Improve the Appeals Process

- Use of Strike Teams for case preparation and decision-writing
- Contracting out for typing and photocopying services
- Asking ALJs to prepare decisions in certain cases
- Screening of cases for potentially favorable decisions
- Standardizing claims file preparation and establishing uniform practices and procedures
- Increased automation for decision-writers and implementation of a new computer network

Office of Hearings and Appeals
Productivity Increasing
(Production per Workyear)



Fiscal Years 1994-1995 are estimates.

POINT 3: NEED FOR FTE WAIVER

Surviving the Next Few Years

- The Secretary's budget request, including a limited FTE waiver for FY 1995, would prevent growth in disability backlogs while appellate backlogs grow only slightly

- SSA will need a limited FTE waiver

  - (1,000 for FY 1994 and 1,700 for FY 1995) to cope with critical Office of Hearings & Appeals backlogs, to avoid mandatory overtime in field offices, and to deal with growing additional workloads such as CDRs and PEBES

  - (75 for FY 1994 and 195 for FY 1995) for term-appointed lawyers to address increasing litigation in federal court resulting from enhanced processing of the OHA docket

GC

1075 ?

1895