

**Social Security Advisory Board
Board Meeting Summary
January 8, 2014**

Board Business

The Board began the January meeting in Executive Session to discuss upcoming meetings, particularly the planned trip to New York scheduled for March 23-25. Day 1 of the trip is tentatively an “SSA Day,” where the Board will meet with SSA regional executives, ALJs, OIG, DDS administrators from New York and New Jersey, and Field Office staff. In addition, the Board could visit an SSN Card Center on the trip. Day 2 includes several non-SSA specific options: MetLife, MarkLogic, and/or Legal Aid of South Brooklyn.

One major issue emphasized at the meeting was the fact that New York is a “prototype” state, while New Jersey is not. Prototype states are states where the reconsideration level of the disability appeals process is “excluded,” i.e. a claimant who has received an initial denial can appeal directly to an Administrative Law Judge (ALJ) as opposed to receiving a “second look” by a different DDS examiner. Ten states participate in the prototype model, which SSA began 16 years ago. The Board concluded that it would be useful to explore differences between prototype and non-prototype states when they meet with the NY and NJ DDS executives. Some initial questions suggested included: What was the point of the prototype project (i.e. what “problem” was it attempting to solve or explore)? Are data available on the effectiveness (or ineffectiveness) of prototype states? What was the required legislation that established the prototype project?

The Board revisited the idea of skipping the May meeting since April’s Board meeting is scheduled late in the month (24th) while the June meeting is scheduled for early that month (2nd). Alternatively, the June meeting could be changed to a later date.

Meeting with Andrew LaMont Eanes

The Board met with Andrew LaMont Eanes, who was nominated by President Obama in July 2014 to serve as SSA’s Principal Deputy Commissioner. Pending confirmation, Mr. Eanes is currently working as a Senior Advisor to Acting Commissioner Carolyn Colvin. He is new to the agency, but has an extensive background in the private sector – specifically the telecommunications industry. In his current role, he is assisting the Ms. Colvin on cybersecurity, telecommunications and labor-management issues.

Mr. Eanes introduced himself to the Board and discussed his background and experience working in the telecommunications industry, including the diverse management roles he has held throughout his career.

Mr. Eanes also discussed the work he is doing in his current Senior Advisor role, and specifically discussed his work in developing a succession management plan at SSA. Today roughly 50% of the agency is eligible to retire, and that number will rise to almost 70% in just a few years. Currently, SSA has no comprehensive succession plan in place. Mr. Eanes emphasized his desire to develop a more formalized approach to succession planning, where former positions are filled based on strict performance criteria rather than, for example, how “well-connected” a person might be.

Meeting with Nancy Berryhill to discuss SSA Operations Workloads

Nancy Berryhill, Deputy Commissioner for Operations, met with the Board to provide an overview of the Office of Operations’ workloads and the challenges it currently faces. The Office of Operations is SSA’s largest component, and oversees the approximately 1,300 field offices and ten regional headquarters located nationwide.

The meeting included a discussion of Social Security cards, as one Board member questioned the utility of the paper card itself. Despite the fact that transactions are largely handled online, SSA staff noted that the paper Social Security card is still in high demand. For example, it can be required for anything from applying to certain jobs to something as simple as signing a child up for Little League. While Ms. Berryhill stated that at some point in the future there will no longer be any need for the physical card, she felt that that day had not yet come. She also noted that SSN card centers centralize this workload which frees up the field offices to focus on other issues.

There was also some discussion on technology and how it has impacted service in the field. Ms. Berryhill noted that, due to budget cuts, the agency has been consolidating some field offices and closing others. These cuts are causing the agency to reconsider how service is delivered, and develop more innovative ways to harness technology. Some examples include:

- self-help “kiosks” located at SSA field offices and other federal buildings to help streamline service,
- A “click to communicate” feature on the SSA website, as well as a secure “Message Center” similar to what’s already available for Online Banking, and
- More flexible video options for taking claims.

Working Lunch with Kathleen Romig to discuss the WEP/GPO Report

Kathleen Romig joined the Board for lunch to discuss the current draft of the position paper on reforming the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). Specifically, she gave some background on WEP/GPO as well as a status update on where the report currently stands. Since Kathleen has finished her detail at SSAB, Jeremy will be taking over the project. The report is almost ready for the Board's review; the primary hold-up at this point is waiting on estimates from the Office of Retirement Policy (ORP) and the Office of the Chief Actuary (OCACT).

Meeting with Daniel L. Hatcher to discuss SSI and foster children issues

The Board met with Daniel L. Hatcher, formerly an advocate for vulnerable populations and currently a professor of law at the University of Baltimore's Civil Advocacy Clinic. Professor Hatcher worked on children's issues for several years and authored a law review article that analyzed the current process for foster children receiving SSI benefits and the state's role as representative payee for these children.

Professor Hatcher explained that SSI children in foster care can receive Social Security and SSI benefits as well as benefits based on whether the parents are disabled or deceased. State agencies, often through contractors, refer foster kids for these benefits and keep the benefits to pay for maintenance of the child's well-being. State agencies charge parents for cost of care when possible, but compliance is very low. If foster kids receive SSI as well, the states can potentially double-dip benefits. States do not keep track of both to see if this is occurring.

The *Keffeler* decision was also discussed. The U.S. Supreme Court upheld that states could use foster children's Social Security benefits to reimburse state costs but did not address whether states were acting in the best interest of the child. According to Hatcher, the language of the case is ambiguous about whether the state may take these funds, and nobody has challenged the best interests of the child standard yet.

Mr. Hatcher also stated that SSA is supposed to find the best payee, but that private companies such as MAXIMUS, Inc. have developed revenue maximization strategies for states to become the representative payee and then to use foster care children's SSI and DI or survivor benefits as a state funding source. States have saved \$12 million from the practice and MAXIMUS takes a 12.5% cut for its services.

According to SSA rules, state agencies are the least preferred representative payee for Social Security recipients. When a foster care agency files to be the representative payee for multiple beneficiaries, SSA uses a computer programming shortcut function to process applications faster

and virtually automatically. This allows state agencies to easily become representative payees for large groups of foster children without further review for more suitable options.

Mr. Hatcher also argued that states were violating due process by failing to provide the notice of representative payee to the child or advocates, citing a recent Maryland case where this happened as an example. He stated that POMS requires fiduciaries to work with the beneficiary to determine best use of the money. The beneficiary must get notice that payee is appointed, but this does not happen when the payee is the state.

Meeting with David Wittenburg and Manasi Deshpande to discuss SSI research

The Board met with David Wittenburg, Associate Director of Health Research at Mathematica, and Manasi Deshpande, Ph.D. in Economics at MIT and Post-Doctoral Fellow at NBER. Specifically, Mr. Wittenburg was invited to discuss his ideas for SSI reform, and Ms. Deshpande was invited to present the results of her doctoral research on SSI children.

Ms. Deshpande presented the findings from her dissertation on the effect of removing children from SSI on child and household outcomes. Her research focused on two questions in particular: 1) how removing children from SSI at age 18 affects their long-term outcomes including earnings and income in adulthood; and 2) how removing young children (under age 18) from SSI affects their parents' earnings and income, and their outcomes in adulthood. Ms. Deshpande's presentation focused primarily on the first research question.

Ms. Deshpande implemented a regression discontinuity design based on a change in the probability of SSI removal at age 18 created by the welfare reform law of 1996. This allowed her to estimate direct causal effects on outcomes. She found that SSI youth removed from SSI at age 18 earn an average of \$4,000/year. Ms. Deshpande also found that those youth removed at age 18 also lost \$73,000 in observed income over the next 16 years, or 80 percent of the original SSI loss. By age 30, removed youth earned 1/5 of other disadvantaged youth. Removal also discouraged these youth from applying and receiving SSDI.

In addition, Ms. Deshpande found that:

- When the child is removed from SSI, parents make up lost SSI income one-for-one with earned income.
- Loss of child's SSI payment discourages disability applications by other family members, especially siblings.
- However, loss does not affect disability receipt by other family members, suggesting that it discourages mostly marginal applicants only.

David Wittenburg's presentation was entitled, "*Better Data, Incentives, and Coordination: Policy Options for Transition-Age Child SSI Recipients.*" In the area of SSI reform, he argued that some stagnation has occurred and that not much progress has been made over the years. His presentation centered around three main ideas that could better inform the SSI policy reform discussion:

1) Using administrative data to track the progress of transitioning youth

There is very little data available on transition age youth (age 16+), which makes it difficult to measure progress. Employment is a key outcome that SSA does not track. Options include using SSA and Vocational Rehabilitation (VR) data to track outcomes. One example is to collect wage data (employment, average earnings, and VR participation) on 16-18 year olds and for 19-30 year olds and compare the outcome. This could be used to create an SSI statistical report and would allow us to track data across states.

2) Align outcomes with current policy initiatives

The SSI rules create fear of working among youth and can be discouraging. They are also administratively burdensome to SSA since the agency does not have adequate resources to track reporting. One suggestion is to waive the rules for reporting earnings to SSA for youth beneficiaries. This is a legislative proposal that SSA could move on quickly.

3) Rapid implementation and assessment

Better transition planning for recipients is needed. Children's needs change as they get older and there is no set plan for the transition. Some of them will not have another CDR until they turn 18. An option could be to introduce transition services sooner. The Work Incentives Planning & Assistance (WIPA) could be used to reach out to these youth and connect them to other services. SSA could reach out to youth around age 14 and start setting up plans. One requirement could be to have the child meet with a counselor. Mr. Wittenburg emphasized that age 14 is just a suggestion. He is not sure what the "optimal" age would be, but age 16 should be the latest age this conversation. Another option would be to conduct the adult-standard CDR (aka age-18 CDR) at an earlier age - if the youth (and their support systems) knew whether or not disability benefits would continue past age 18 at an earlier stage, they would have more time and motivation to prepare for the transition off of benefits.