

# Single Decision Maker Needs a Decision

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## Executive Summary

The purpose of the two disability programs administered by the Social Security Administration (SSA) is, in general, to provide cash benefits to workers who can no longer work due to disability. Adjudicators of the program aim to provide accurate decisions as swiftly as possible to applicants who meet SSA's definition of disability. In an effort to reduce the complexity of the decision-making process, the Social Security Administration (SSA) has been testing the Single Decision Maker (SDM) model for disability evaluation in twenty states since 1999. SDM gives disability examiners the authority to make certain decisions without requiring a medical consultant's (MC) review.

SSA's evaluation of the SDM authority suggests that a nationwide implementation would enable disability examiners to decide cases more quickly, with lower administrative cost, and higher accuracy. While SSA's Office of Quality Performance (OQP) predicts that expanding SDM nationwide would lead to a fraction of a percent increase in allowance rates, the predicted increase would result from more decisions being correctly allowed earlier in the evaluation process. The Social Security Advisory Board recommends expanding SDM nationwide.

## Introduction

SSA administers two disability programs: Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI). Through its nationwide network of field offices, SSA processes disability applications in conjunction with state agencies known as Disability Determination Services (DDSs). The DDSs, which are fully funded by the federal government, develop medical records and determine whether claimants are disabled or blind under SSA guidelines. SSA field offices help the public with submitting claims and adjudicate non-medical aspects of the claim. SSA strives for three main objectives in disability determinations: consistency, timeliness, and correctness.

## Implementation

In the early 1990's, demographic shifts and legislative changes led to a rapid expansion of workloads that began to overwhelm SSA's ability to process disability claims. Responding to these pressures, SSA proposed the Disability Redesign in 1994 – 83 changes to improve the disability decision-making process. One proposal was the Single Decision Maker (SDM) -- giving authority to DDS examiners to make additional disability determinations without

requiring a medical consultant's (MC) signature.<sup>1</sup> The SDM enabled earlier decisions and freed MCs to concentrate on more difficult cases.

After receiving and addressing public comments on the SDM proposal, SSA finalized rules for the new model in 1995. From 1996 to 1999, SSA tested the SDM model at select sites and determined the model to be effective. In 1999, the agency started the SDM pilot at 10 DDS sites—referred to as the SDM prototype. Later that year, SSA expanded the pilot to an additional 10 DDS sites<sup>2</sup>—referred to as SDM II<sup>3</sup>. These 20 DDSs continue to operate with SDM authority.<sup>4</sup>

## Measurements

To determine efficacy of the SDM model, the Board has spoken with current and former SSA executives, DDS administrators, Center for Disability Directors, and disability examiners. The Board has reviewed published reports by SSA from the Office of Quality Review and the Office of Inspector General. From our conversations and research, we have determined there are three areas that should be examined in order to understand the advantages and disadvantages of the SDM model: processing time, accuracy, and allowance rates.

## Processing Time

In our discussions with SSA disability experts over the past year, we heard unanimous support for expanding SDM authority nationwide. DDS directors and examiners told us that the authority allowed them to move cases to a decision faster since they do not need to wait for a medical consultant in cases where their input is not required. While DDSs using the SDM still use medical consultants, these services are allocated to only more complex cases.

A recent OQP study<sup>5</sup> analyzed the potential impact of nationwide SDM authority. The analysis predicts that nationwide implementation of SDM authority would reduce overall processing time by an approximately 11 days.<sup>6</sup>

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<sup>1</sup> For some claims, such as mental impairment denials, policy requires a MC's signature.

<sup>2</sup> Florida, Guam, Kansas, Kentucky, Maine, Nevada, North Carolina, Vermont, Washington, and West Virginia

<sup>3</sup> Alabama, Alaska, California (LA North and LA West only), Colorado, New York, Louisiana, Michigan, Missouri, New Hampshire, and Pennsylvania

<sup>4</sup> The Disability Examiner Authority (DEA), also known as "new authority SDM" allows disability examiners in all sites to make fully favorable allowance without the approval of a State agency medical or psychological consultation on QDD and CAL cases – this authority has been extended to 11/13/2015. <https://federalregister.gov/a/2014-20535>.

<sup>5</sup> SSA, Office of Quality Performance. *Estimating the Effects of National Implementation of Single Decision Maker*, August 2013.

<sup>6</sup> OQP had released an earlier version of this report (2010) but reported that this update used a more reliable indicator of which cases were processed using SDM authority.

| <b>SDM change in processing time</b> |                |             |            |
|--------------------------------------|----------------|-------------|------------|
|                                      | <b>Overall</b> | <b>SSDI</b> | <b>SSI</b> |
| <b>Days</b>                          | -11            | -11         | -13        |

A decrease in processing time would provide better service to the public as well as administrative savings when less staff time is spent processing cases.

Prior to the release of OQP’s updated study, the SSA Office of the Inspector General (OIG) conducted its own study of SDM. The OIG study examined two impairments: back disorders and genito-urinary cases.<sup>7</sup> In their sample, cases were processed, on average, sooner at SDM sites than at non-SDM sites.<sup>8</sup>

| <b>SDM change in processing time</b>   |                      |                             |
|--|----------------------|-----------------------------|
|  | <b>Back disorder</b> | <b>Genito-urinary cases</b> |
| <b>Days, SDM to non-SDM</b>  | -26                  | -11                         |
| <b>Days, SDM (without MC signature) to non-SDM (with MC signature)<sup>9</sup></b> | -38                  | -22                         |

### Accuracy

Using quality assurance reviews on DDS cases, the 2013 OQP study found: “Cases for which SDM was used were associated with lower decision errors and lower rates of case deficiencies.” These findings suggest that the small increase in initial allowance rates associated with SDM suggest that these are correct adjudicative decisions. While the OIG report did not analyze accuracy empirically, it noted that SDM pilot sites, as well as organizations that represent DDS employees, reported that SDM authority maintained or improved case quality.<sup>10</sup>

### Allowance Rate

OQP estimates that extending SDM nationwide would slightly increase the allowance rate.<sup>11</sup> As a result, expanding SDM nationwide would increase the number of awards and benefit payments

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<sup>7</sup> The OIG study examined a representative sample of cases from calendar year 2011. The OIG chose back impairments because it was the most frequent impairment in their data file and genito-urinary cases based on SSA staff input.

<sup>8</sup> SSA, Office of the Inspector General. *Single Decisionmaker Model – Authority to Make Certain Disability Determinations Without a Medical Consultant’s Signature*, August 2013.

<sup>9</sup> Cases processed at an SDM site may still require review by a medical consultant. This particular comparison specifically compares cases that were processed by the single decision maker (under the DDS examiner signature) to those cases processed without the benefit of the single decision maker process (under the MC signature).

<sup>10</sup> P. 18, SSA OIG, August 2013

<sup>11</sup> SSA OQP, March 2013.

from the DI trust fund. The estimate takes into account an estimate for the percentage of cases that would ultimately be allowed on appeal to ODAR, based on historical appeal rate data.

OQP's 2013 study predicts that extending the SDM nationwide would increase the number of disability awards.

| <b>Allowance change for original authority SDM</b> |             |            |
|--|-------------|------------|
|  | <b>SSDI</b> | <b>SSI</b> |
| <b>Rate increase estimate</b>                      | +0.89%      | +0.87%     |
| <b>Case increase estimate</b>                      | ~14,000     | ~4,000     |

In contrast to the OQP study, the OIG analysis of their sample of two impairments reported that SDM II sites have lower final allowance rates than non-SDM sites.<sup>12</sup>

| <b>Overall allowance rates through Appeals Council</b> |               |                |
|--|---------------|----------------|
|  | <b>SDM II</b> | <b>Non-SDM</b> |
| <b>Back disorder</b>                                   | 52%           | 57%            |
| <b>Genito-urinary</b>                                  | 74%           | 78%            |

In addition, the OIG reported that their finding of lower initial allowance rates for SDM II sites were echoed by initial allowance rates nationwide (including all impairments and all claims).<sup>13</sup>

| <b>CY 2011 initial allowance rates at DDS sites nationwide</b> |       |
|--|-------|
| <b>SDM II</b>  | 28.8% |
| <b>Non-SDM</b>   | 33.3% |

The OIG findings for its sample of two impairments are neither in line with the OQP study nor with the nationwide allowance rate pattern cited in the OIG report. However, the OQP used a more statistically sophisticated method of analysis that was designed to control for systematic differences by impairment and DDS site.

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<sup>12</sup> The OIG report included a comparison to Prototype states but the removal on the reconsideration step of appeals prevents a clear comparison to these sites.

<sup>13</sup> SSA OIG, August 2013.

## Nationwide implementation of SDM for Quick Disability Decision (QDD) and Compassionate Allowance Cases (CAL)<sup>14</sup>

The Disability Examiner Authority (DEA) is a new authority (November 2010) that enables disability examiners in all sites to make fully favorable allowance without the approval of a State agency medical or psychological consultation on QDD and CAL cases.

### Processing Time – SDM for QDD/CAL

The 2013 OQP study also analyzed the current impact of the new DE authority. The study found that the new nationwide SDM authority for QDD/CAL cases reduced case processing by approximately 3 days. For cases where the goal is to make the decision within days, a 3 day reduction in processing time is significant.

### Accuracy – SDM for QDD/CAL

OQP reported no statistically significant difference in quality measures when the new SDM authority was used, suggesting that “the very small increase in initial allowances... reflects correct and appropriate adjudicative decisions.”<sup>15</sup>

### Allowance Rate – SDM for QDD/CAL

Using post-implementation data (April 2011 to December 2011), OQP found that the new SDM authority for QDD/CAL cases was associated with a small increase in allowance rates resulting in a relatively small number of new allowances.

| <b>Allowance change for SDM with QDD/CAL cases</b> |                             |
|--|-----------------------------|
|  | <b>all disability cases</b> |
| <b>Rate increase estimate</b>                      | +0.21%                      |
| <b>Case increase estimate</b>                      | ~250                        |

The results of a national rollout of a limited SDM authority demonstrated a decrease in processing time, no change in accuracy, and a small increase in allowances. Since cases flagged for quick processing are categorically different than other cases, it is unclear how these results will compare to a national rollout of SDM for most cases.

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<sup>14</sup> This new authority has been extended to 11/13/2015. <https://federalregister.gov/a/2014-20535>

<sup>15</sup> P. 14, SSA, OQP, August 2013.

## Conclusion

The SDM authority remains in limbo, leaving the nation without a uniform disability policy. The SDM model streamlined the disability determination process without negatively impacting quality measures. The OQP study does predict slightly higher allowance rates, but this appears to result from correctly-awarded decisions. Given the goal of providing financial support to claimants correctly identified as eligible, the slightly higher allowance rate with its associated predicted costs can be seen as a by-product of a better and more streamlined disability decision-making process, which clearly is in alignment with agency goals.

SSA and the states agree that it is important to restore a unified disability application process across the states. Since 1999, SSA has been conducting a national program with two different decision-making processes. In 2010, SSA took a first step in restoring unity to the decision-making process by rolling out the SDM for QDD/CAL cases nationwide. In keeping with the goal of a nationally consistent program that provides much-needed support for those qualified to receive it, the Board supports also expanding the SDM authority for most impairments nationwide.