

**Statement of
Hal Daub, Chairman,
Social Security Advisory Board
To
National Training Conference
National Association of Disability Examiners
Kansas City, Missouri
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I am pleased to have the opportunity to once again attend a NADE conference to talk with you about the work of the Social Security Advisory Board. Attending these conferences also gives me a chance to hear from you and learn about your ideas and concerns. At all times, but especially at this time of unprecedented change, it is crucial for the Board to hear from the people who do the work of the disability program.

You need to know that your president, Terri Klubertanz, has done an excellent job of keeping the Board informed. I want to thank and recognize Terri as she ends her very successful presidency. Terri's active leadership has impressed the Board. She has represented you very well by making sure that the Board and the Social Security Administration are well informed about the issues and problems affecting the disability program from the perspective of the DDS staff. We have seen some really first rate NADE position papers issued during her term. On behalf of the Board I would like to thank Terri for her excellent work and also congratulate your new president Marty Marshall. We look forward to continuing to work with Marty.

I would like to start by talking a bit about what the Board does and how we go about carrying out our responsibilities, and then get into some of the issues we are currently looking at.

Most people in the disability program have heard of the Board, but I think they don't always know exactly who we are or how we function.

In 1994 Congress passed a law that took the Social Security Administration out of the Department of Health and Human Services and set SSA up as an independent agency of government headed by a Commissioner with a fixed term of office. In that same law, Congress created another, very much smaller, separate body—the Social Security Advisory Board. The legislation created a 7-member bipartisan Board to advise the President, Congress, and the Commissioner of Social Security on matters related to the Social Security and Supplemental Security Income Programs. There are two things that I want to emphasize about this legislation. First, the Board is “independent” and not a part of the Social Security

Administration. Second, the Board is “bipartisan”. Both of these issues are very important to the Board since we work very hard to function independently and keep our deliberations and recommendations bipartisan.

The Advisory Board members are appointed to 6-year terms. The President appoints three of the Board; two are appointed by the Speaker of the House. And the President pro tempore of the Senate also appoints two. Since there are restrictions on how many can be appointed from each party, there will be four appointees from one party and three appointees from the other party. The President designates one member of the Board to serve as Chairman for a 4-year term.

There is a vacancy on the Board, so the Board currently has six members. My fellow Board members are a talented group of people with diverse backgrounds.

- **Dorcas Hardy was Commissioner of Social Security from 1986 to 1988.**
- **Martha Keys served in the Congress. She and I both were members of the Committee on Ways and Means which has jurisdiction over Social Security.**
- **David Podoff, an economist, was the minority staff director for the Senate Committee on Finance.**
- **Sylvester Schieber worked for Social Security as the Deputy Director of Policy Analysis and is currently the Director of Research and Development at Watson Wyatt Worldwide.**
- **Gerry Shea is currently assistant to the president for Government Affairs for the AFL-CIO.**

This wide range of experience and expertise is needed considering the responsibilities that Congress gave the Board to advise the President, Congress, and the Commissioner. The Board has to analyze the retirement and disability programs and make recommendations on how Social Security and SSI in combination with other public and private systems can most effectively assure economic security. This includes recommendations on coordination with health security programs, solvency, quality of service, program policies, long-range research, and the public understanding of the Social Security programs. As you can see, almost every aspect of the work of the Social Security Administration is the business of the Board.

To be able to fulfill these responsibilities the Board members must be well informed about a wide variety of issues that affect Social Security directly and indirectly. Besides our reading and research we depend on several resources to provide us with the information we need for analysis and recommendations.

- **We have seven fulltime staff with expertise in Social Security, Medicare, Medicaid, disability, budget, and retirement to do research and keep us informed about changes and issues.**

- **The Board has monthly public meetings. We meet with staff from all the components of Social Security, with government officials from other agencies, and with outside experts from the academic world and the private sector.**
- **At least twice a year the Board visits Social Security and DDS offices in different parts of the country. Last June we visited a Field Office, a Hearings office, a DDS, a teleservice center and a program center in Northern California. This November we will visit the Mississippi DDS so we can get a first hand view of eDib implementation. These visits are valuable because they allow us to talk to the front line workers and get an unfiltered view of issues and problems.**
- **We occasionally contract with individuals to do specialized research and analysis. For example, in 2002 we had research done on alternative approaches to the judicial review of Social Security disability claims.**
- **The Board organizes forums to have an exchange of ideas on specific topics. We recently sponsored a Forum in Washington DC on the definition of disability.**
- **Finally attending conferences like these lets Board members and the staff hear your concerns and ideas. At the end of my talk this morning, I would like to hear from you about your concerns or questions. Also, a Board staff member, Jack Dalton will be here until Thursday. I hope many of you will get a chance to talk with him, and he will make sure the Board hears your opinions.**

The Board's biggest challenge is to take all of this information representing a wide range of perspectives and provide the President, the Commissioner, and Congress with recommendations. If you look at the reports issued by the Board over the last several years, you will see that we are working hard to fulfill the responsibility to make recommendations to improve the Social Security and SSI programs. Here is a sampling of some of the reports that the Board has released:

- **Increasing Public Understanding of Social Security**
- **How SSAs Disability Programs Can be Improved**
- **How Can Social Security Improve Service to the Public**
- **Charting the Future of Social Security's Disability Programs; The Need for Fundamental Change**
- **Social Security: Why Action Should Be Taken Soon**
- **SSA's Obligation to Ensure that the Public's Funds are Responsibly Collected and Expended**
- **The Social Security Definition of Disability**

You can find these and all of the other SSAB reports on our web site: SSAB.gov or SocialSecurityAdvisoryBoard.gov.

You can see from these reports that the Board covers a wide range of topics, but also that we have a special interest in the disability program. This special interest is

because of our growing concern about the disability program's problems and how these problems are affecting service to the public. I expect the disability program to continue to be a major interest of the Board because of growing workloads, limited resources, and inconsistency in decision-making. The Board is very interested in the changes that we hope will improve in the program. The implementation of eDib and the Commissioner's New Approach for improving the disability process are important changes that we will be closely monitoring.

The Board often hears from SSA and DDS staff that our reports accurately identify the problems of the program and provide realistic solutions. We do not have an ivory tower view of the program because we make an effort to listen to both administrators and front line staff. We count on organizations like NADE to give us accurate information and keep us grounded in the real world of the disability program.

While the Board has a strong interest in the administration of the disability program and in the current efforts to improve it from a process standpoint, we also think that the time has come to take a more fundamental look and to reexamine the half-century old definition of disability that the program operates under.

In October of 2003 the Board released a report that addresses the question of whether it is time to change the definition of disability. The purpose of the paper was to focus attention on the problems and inconsistencies with the current definition and start a national dialogue on whether a new definition will better serve the disabled and society. This report does not make a recommendation on a new disability definition. Instead it asks some important questions and identifies key issues that need to be addressed. We recognize that this is a complicated and controversial topic with no easy solutions. However, we believe that definition of disability is an important issue that deserves our time and attention.

A recent Harris poll that was done for the National Organization on Disability provides some disturbing statistics about the disabled in this country:

- 29% of people with disabilities are working compared 79% of people without disabilities**
- Three times as many people with disabilities live in poverty with an annual household income below \$15,000**
- 34% of people with disabilities say they are very satisfied with their lives compared to 61% of people without disabilities**

In some respects these are not surprising statistics. Having a severe impairment is a very unfortunate and disruptive life event. But we need to find ways to improve these numbers and the lives of the disabled in this country. In particular, we have an obligation to take a close look at the Social Security definition of disability to see whether changes can help accomplish our national goal of self sufficiency for people with disabilities.

The core definition of disability has not changed significantly since the disability program started in 1956, but American society has changed dramatically. The United States in 2004 is very different country than the United States 50 years ago. There have been significant changes in the economy, medicine, rehabilitative technology, jobs, attitudes about the disabled, and the laws that protect the disabled. The disability program is also very different. When the disability program was established it was an early retirement program for older workers that were totally and permanently disabled. Legislation, regulations, and court rulings have moved us a long way from the original program, but the basic definition of disability has not changed.

Many people believe that current disability definition is at odds with the desire of many disabled individuals who want to work but who need financial or medical assistance. It seems poorly aligned with national disability policy as presented in the Americans with Disabilities Act. The stated goal of the ADA was to assure the disabled equality of opportunity, full participation, independent living, and economic self sufficiency. The Social Security definition by contrast emphasizes what the impaired cannot do rather than what they can do.

In the simplest terms the disability program rewards people that demonstrate they cannot work. After they receive benefits, they are reluctant to work because of fear that they will lose their benefits and health care. There are numerous work incentives that have been added to the program. But beneficiaries are sometimes confused by the complex maze of incentive provisions and by the fact that the program still is based on a definition which offers help only if you don't work. The end result is that the disincentive created by a rigid definition of disability undermines the motivation of people who may be capable of working. This loss of motivation is crucial since we know that motivation is one of the most important factors that determine whether a person with a disability will return to work.

Finding a solution won't be easy, but there are a number of promising avenues to explore such as starting with a temporary program that focuses on helping the impaired individual to stay in the workforce or perhaps looking at a program that that evaluates the degree of impairment instead of treating disability as an all-or-nothing matter. There are probably of dozens of other ideas that should be discussed and studied. The important thing is to start the long process of exchanging ideas, debating ideas, and coming up with feasible solutions that should be carefully studied.

The Board helped to advance this process by conducting a Definition of Disability Forum in April of this year. We brought together experts from throughout the country to discuss the definition of disability and the future of the disability program. We were pleased with the amount to interest in these topics – about 150 people—including your NADE president—attended the Forum.

The Forum presenters and the panelists had a range of perspectives and opinions on the disability program and the definition of disability, but there was also general agreement on several issues:

- **They agreed that very few people on disability are returning to work. (The disagreement was over the reasons why people weren't going back work.)**
- **They agreed that important disincentives to return to work are the difficult and lengthy disability process, and the requirement that a person prove they cannot work before they receive benefits.**
- **They agreed that early intervention is crucial. The longer a person is on disability the less likely they are to return to work.**
- **They agreed that the current work incentives are complex and they are not working.**
- **They agreed that the focus should not just be on cash benefits. Health care benefits and support services are very important, in many cases more important than cash benefits.**

Many of the concerns expressed about changing the definition of disability were about the potential for harming people if the wrong changes are made. One panelist advised that Social Security should carry out studies, research, and demonstration projects. As many of you are aware, SSA is doing exactly this through the work demonstration projects they have planned in various places across the country such as Vermont, Wisconsin, and New Mexico. The Board, in its recent trip to California, had the opportunity to look at one of those projects and meet with both those who are running it and some of the disabled participants. These demonstration projects will test providing cash supports, various forms of medical benefits, and employment supports to see whether these will help people return to work. The results of these demonstration projects will provide valuable information as we consider whether to change the definition of disability.

Let me conclude by reading a part of the Disability Definition report that sums up the Board's position on the importance and urgency of considering a change in the definition:

“There is always an inertia that attaches itself to the existing ways of doing business. That inertia is all the stronger when change affects an institution like Social Security disability that provides vital income support to a large and vulnerable population. But the Board believes that this is an issue that needs attention. The Board finds widespread dissatisfaction with the existing system. It may be that, in the end, the existing definition will be retained, and ways will be found to administer it in a manner more consistent with society's current approach to disability policy. Or it may be that only a definitional change will serve to meet the needs of today's impaired population in a way that society can approve. In any case, the problems and inconsistencies of the existing system are significant and demand action. The time has come to address these issues intensively.”

I was pleased to hear that NADE has formed a work group to prepare a position paper on the definition of disability. I would encourage workgroup and other interested NADE members to go to the Board website, www.ssab.gov, to see the Definition of Disability report and the papers prepared by the Forum presenters. The Board looks forward to receiving the NADE position paper. I can assure you that it will get our careful consideration.

I would like to take any questions or comments you have, but before I do, let me say for myself and for the Board that we know very well how hard you work, many times under difficult circumstances, to serve the disabled people of this country. You are going to be under additional pressure in the next couple years as you implement the eDib system and the procedural changes that will follow, but I know you will succeed in making this a better and more efficient program. Unfortunately, what sometimes makes the news are the problems such a large backlogs caused by inadequate resources. But, we know that you do an excellent job and the people of this country—and especially the disabled—owe you a debt of gratitude.