

SOCIAL SECURITY ADVISORY BOARD

STATEMENT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM

Public Law 104-193 requires that members of the Social Security Advisory Board be given an opportunity, either individually or jointly, to include their views in the Social Security Administration's annual report to the President and the Congress on the Supplemental Security Income (SSI) program.

We appreciate the opportunity to present our views on this important program and we have asked the Social Security Administration to include the following statement of views in this year's annual report, due May 30, 2001.

VIEWS OF THE BOARD REGARDING SERVICE TO THE PUBLIC

In 1994, when the Congress passed legislation establishing the Social Security Administration as an independent agency, it also created a bipartisan Advisory Board to advise the Congress, the President, and the Commissioner of Social Security on matters relating to both the Social Security (OASDI) programs, and the Supplemental Security Income (SSI) program. The statute directs the Board, among other responsibilities, to make recommendations with respect to the quality of service that SSA provides to the public.

In response to that mandate, the Board has undertaken an extensive study of the agency's service to the public as it relates to beneficiaries of both the Social Security and SSI programs. Since the Board began its work in 1996, it has made on-site visits to Boston, Massachusetts; Los Angeles, San Francisco, Pasadena, Oakland, and Downey, California; Philadelphia and Harrisburg, Pennsylvania; Dallas and Austin, Texas; New York City and Brooklyn, New York; Atlanta, Marietta, Rome, and Tucker, Georgia; Fort Lauderdale and Miami, Florida; Kansas City, Missouri; Kansas City, Kansas; Chicago, Illinois; Detroit and Lansing, Michigan; New Orleans and Baton Rouge, Louisiana; Richmond, Virginia; Birmingham, Alabama; and Wilmington, Delaware. These visits have given the Board a point-of-service view of the challenges facing those who administer the SSI and OASDI programs, and the needs of those whom the programs are intended to serve. The Board has met with Social Security Administration staff at all levels, State and local officials, and advocates for SSI applicants and beneficiaries. It has also held public hearings in San Francisco, Dallas, Chicago, and Philadelphia.

The following comments reflect the work we have completed at this point in time. The Board has issued several reports that discuss service delivery issues, including *How SSA's Disability Programs Can Be Improved*, issued in August 1998; *How the Social Security Administration Can Improve Its Service to the Public*, issued in September 1999; *Charting the Future of Social Security's Disability Programs: The*

Need for Fundamental Change, issued in January 2001; and *Agenda for Social Security: Challenges for the New Congress and the New Administration*, issued in February 2001.

In our comments in previous annual reports, we have discussed a broad range of issues and recommendations relating to the SSI program specifically. Because of its urgency, in this year's report we have chosen to emphasize one particular issue that we believe requires priority attention by the agency, the Administration, and the Congress: the need to ensure that the Social Security Administration has sufficient resources not only to avert the potential crisis in service delivery that we believe is on the agency's horizon, but to move beyond to provide the higher level of service that the public deserves.

When the Congress enacted the SSI program in 1972, it gave SSA the responsibility of administering the new program largely because of the agency's record of providing high quality service to aged and disabled individuals and because it wanted the individuals who were to become its beneficiaries to receive this same high quality service. It was assumed that SSA could fairly easily absorb this new responsibility because estimates by the agency indicated that a large portion of SSI beneficiaries would also be receiving Social Security benefits. During the discussions leading up to enactment, the Congress was assured that the agency would be able to take on the additional administrative burden without compromising its earlier high standards.

In fact, SSA badly underestimated the difficulties it would experience in administering the needs-based SSI program. At the time SSI was enacted it was estimated that the aged would constitute nearly three-quarters of the caseload. In reality, in the early months of the program approximately three out of every four applications were for disability benefits, which required far more work on the part of the agency and the State Disability Determination Services than had been anticipated. Interviewing and making determinations of income and resource eligibility for both aged and disabled claimants required substantially more time than had been budgeted by the agency.

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Many of the agency's field offices were overwhelmed by the large number of applicants who lined up outside their doors and large backlogs developed. Newspapers carried stories describing nearly chaotic conditions. Despite these problems, most individuals who were transferred to SSI from State welfare rolls received their benefit checks. There were thousands, however, who did not, and many who were paid received more or less than they were owed. Field offices, particularly in large urban areas, were flooded with individuals seeking to correct their payments.

To prevent a serious breakdown in service, SSA requested a major increase in staffing (which was only partially provided) and instituted massive use of overtime. Despite extraordinary efforts by SSA employees throughout the system, service in many parts of the country for both Social Security and SSI claimants remained far below SSA's own standards for a number of years after implementation of the SSI program. It took SSA almost a decade to recover from this unfortunate experience and to conduct SSI operations relatively smoothly.

We cite this brief history of the early days of the SSI program to underscore the damage that can occur to both individuals and institutions when there is failure to provide the level of resources needed to carry out important governmental responsibilities.

When policy makers and the public think about the work of the Social Security Administration, they think first of all of Social Security retirement benefits – the benefits enacted by the Congress in 1935 that today make up more than 80 percent of the agency's total benefit expenditures. But over the years the agency has been given additional responsibilities. Foremost in importance from the perspective of resources – because they are the most complex and costly to administer – are the Disability Insurance program, which was implemented in 1957, and the SSI program, which was implemented in 1974. In addition, SSA has been given the task of determining eligibility for Medicare and performing work on behalf of the Medicaid, Food Stamp, Railroad Retirement, and Black Lung programs. Most recently, in 1999, the Congress enacted legislation giving SSA the responsibility for overseeing implementation of a new Ticket to Work program aimed at returning SSI and DI beneficiaries to work. All of these important and varied responsibilities add to the complexity and the volume of the work that employees must perform.

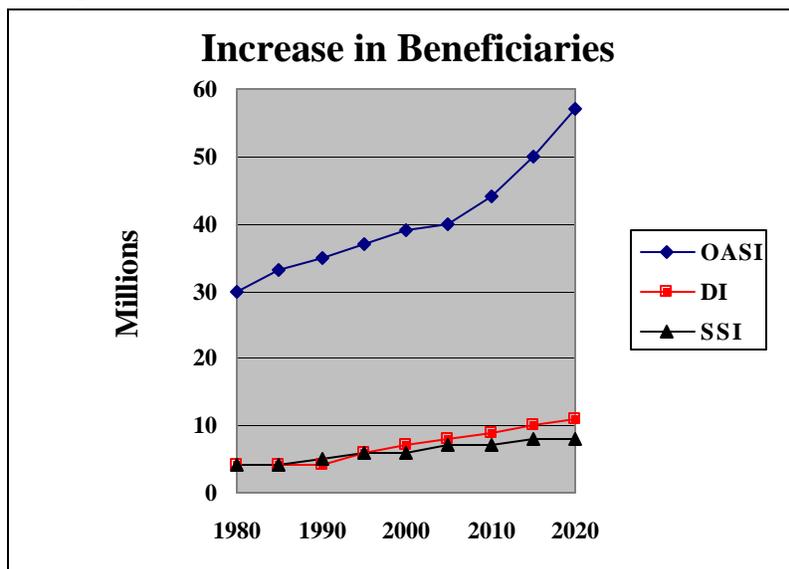
Today, SSA is not operating in the same extreme crisis mode that it experienced in the early years of the SSI program, but its problems are serious and will soon worsen to an extreme crisis if the agency does not have the level of resources required to carry out the complex tasks that policy makers have given it.

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SSA's large service delivery responsibilities are reflected in its basic workload statistics. In fiscal year 2000, the agency processed more than 277 million earnings reports and more than 6.6 million claims for Social Security and SSI benefits. The agency's 1,300 field offices had about 27 million visitors and about 87 million calls were placed to its 800 number. A determination as to whether a claimant was disabled was made on behalf of more than two million individuals.

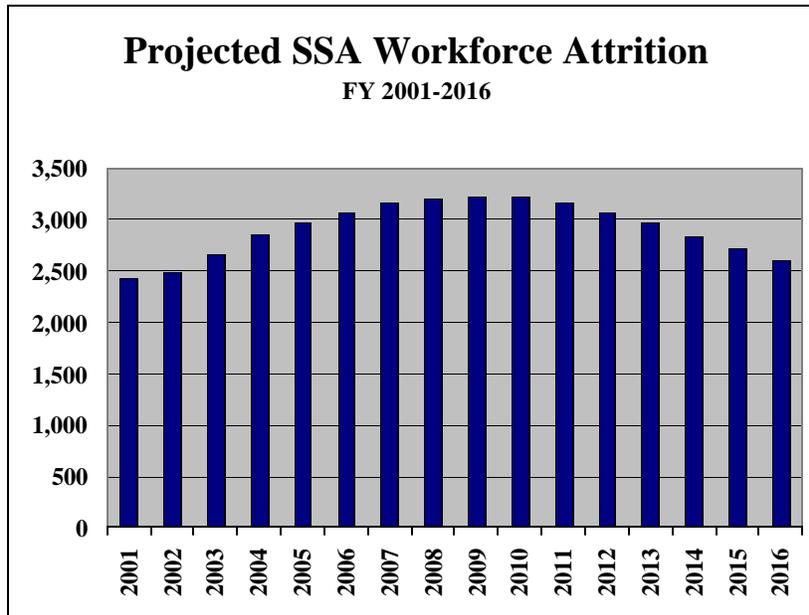
Over the last decade, the number of people receiving Social Security and SSI benefits grew at a rate significantly faster than the population as a whole. This disproportionate growth will accelerate as the baby boom generation ages, placing increasing pressures on the Social Security Administration to find ways to keep pace.

Between 2000 and 2020, the general population is expected to grow by about 16 percent. But the number of Social Security beneficiaries is expected to grow by 53 percent, from more than 45 million today to more than 69 million. The number of SSI beneficiaries has also experienced dramatic growth over the last two decades, increasing by nearly 60 percent between 1980 and 2000. Between 2000 and 2020, SSA's actuaries are projecting growth of 20 percent. Moreover, more than 9 out of 10 applications for SSI are for disability, which, because of the intensive nature of the work these applications require, will have important consequences for SSA's administrative capacities.



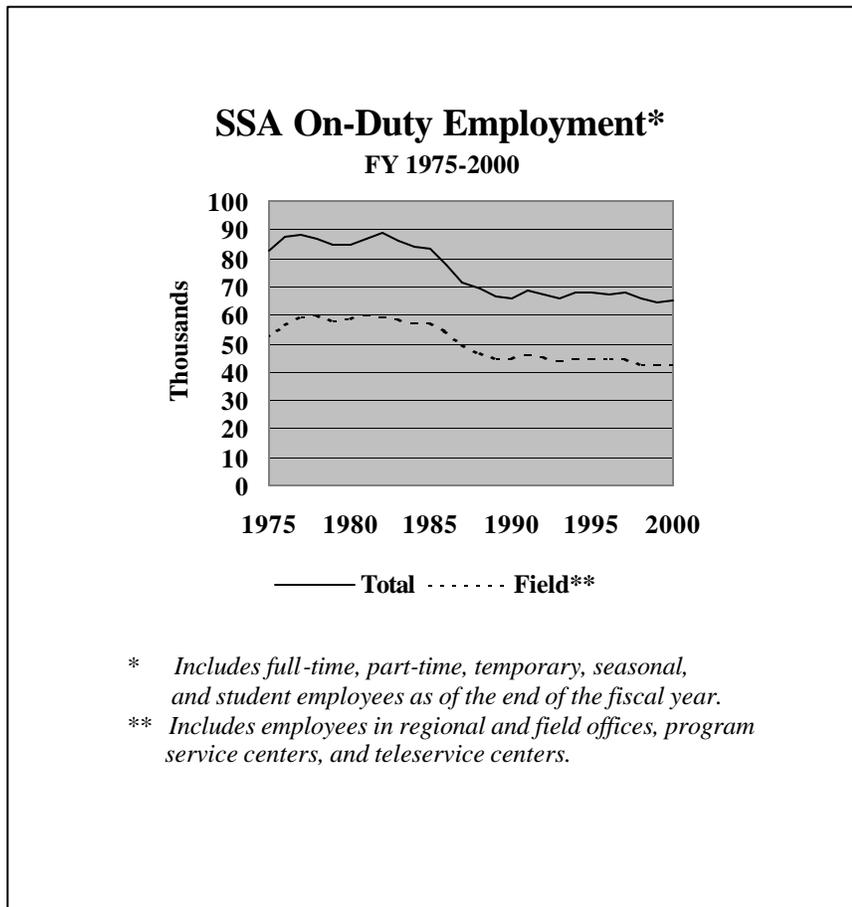
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The combination of the growth in workloads with a large wave of retirements by SSA's own aging workforce will place extraordinary pressures on the agency to meet the public's needs for service. SSA estimates that by 2010 over 22,000 of its 62,000 permanent Federal employees will retire and another 7,000 will leave the agency for other reasons. This is nearly half of the current workforce. More than 80 percent of the agency's upper level managers and executives will be eligible to retire by 2010. The loss of large numbers of experienced employees will make training and mentoring of new employees extremely difficult. In addition, many believe that the agency will be required to adapt to a new type of workforce. Instead of the long-term employees that SSA has been able to count on in the past, they expect future employees, who they believe will have different expectations about long term employment, to remain with the agency for much briefer periods.



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SSA will be facing these challenges with a workforce that is already inadequate to meet its needs. Since 1982, downsizing has resulted in a 29 percent decline in the number of employees who work in the agency's regional and field offices, teleservice centers, and program service centers. Over recent years the number of managers and supervisors in field offices and teleservice centers has been cut by nearly one-half, reducing the capacity to provide the training and mentoring needed to ensure the quality and accuracy of the work that is being performed.



The agency's resource problems are most apparent in direct service delivery settings. Heavy workloads and pressures to meet processing times mean that field office employees often do not have sufficient time to help claimants understand complex disability and SSI eligibility rules or to help them file adequately documented claims. The result may be an improper denial of benefits, and a claimant may suffer a prolonged period without benefits while going through the agency's slow and overloaded appeals process.

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As the Board has stated in its reports, many who visit one of SSA's field offices encounter overcrowded waiting areas and long waits for service. Field office managers and other employees, as well as witnesses at the Board's public hearings, have told the Board that in many offices, primarily urban offices, lengthy waits of as much as 2, 3, or 4 hours are not uncommon.

In a recent survey of field office managers by the National Council of Social Security Management Associations (NCSSMA), more than three-quarters said that the quality of work produced by their office has declined. More than half attributed this to five factors: the reduction in the number of supervisory staff, the elimination or reduction of case reviews, the increasing complexity of the work, a decrease in staff training, and staff shortcuts in performing their work. Managers express frustration that they cannot provide the level of service they think they should. They are also frustrated that the situation seems to continue to deteriorate. In a recent meeting with the Board, a group of managers from the San Francisco area expressed agreement with the statement of one who observed that "Things are worse than two years ago," when the Board first drew attention to the service to the public issue in its report titled, *How the Social Security Administration Can Improve Its Service to the Public*.

At a recent hearing by the Board in Philadelphia, a witness from Community Legal Services referred to SSA's field offices as "gravely understaffed." A witness from the Mayor's Commission on Services to the Aging, commenting on the lack of assistance and tedious waits that individuals experienced in one field office, recommended that SSA staff be given the tools and training they need to deliver good service.

As witnesses at this and other hearings have pointed out, however, there are other components of the SSA system that also need improvement. Telephone service is inadequate, with too many callers unable to get prompt service either through the agency's 800 number or in field offices. In 2000, of the more than 76 million calls actually received by the 800 number, nearly 17 million were abandoned by the caller, either while waiting for an agent to handle the call or before using automated services. The 800 number cannot serve anyone who speaks a language other than English or Spanish.

Telephone service in field offices is also inadequate. Nearly 73 percent of field office managers who responded to the NCSSMA survey said that their office did not provide acceptable telephone service to the public. Nearly 84 percent said this was due to lack of staff.

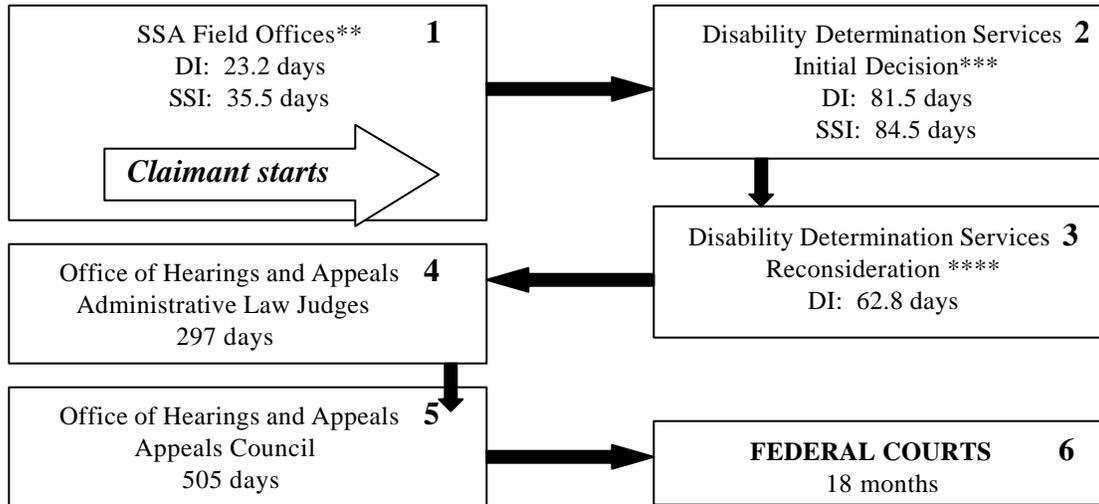
The overburdened disability claims process is complex and slow, with every component lacking the staff needed to process cases both carefully and timely. In 2000, it took on average about 4 months for an SSI claim to be processed through the initial stage of the process. Those filing an appeal to the administrative law judge level waited nearly an additional year for a determination. Average processing time at the Appeals Council level of appeal was 505 days.

DI and SSI Claims Process: Steps and Average Processing Time *

FY 2000

SOCIAL SECURITY ADMINISTRATION

STATE AGENCIES



* Processing times shown above are additive.

** Field office processing time includes all components of the field office work, including taking the claim and processing it after the State agency makes a determination.

*** SSA reports DDS initial processing time by programs; average total processing time (DI and SSI) is not available.

**** SSA does not have data available for SSI reconsideration processing times.

Processing applications for retirement and survivor benefits can sometimes involve complex issues, such as determination of child dependency or existence of common-law marriages. But nearly all SSI applications are complex in that they require determinations of an individual's income, resources, living arrangements, age, and citizenship, some or all of which may be very difficult to ascertain and may change over time.

The problem is compounded when the application is for disability benefits. Disability applications, whether they are for DI or SSI, are inherently difficult and time consuming to evaluate, involving the gathering of lengthy work and medical histories. Many claimants have language, mental impairment, or other barriers to communication and lack documentation of their impairments. The work of the disability adjudicator has also become considerably more difficult as the result of court decisions and the agency's own regulations and rulings, which require them

increasingly to apply subjective judgment, for example, in determining the weight that should be given to the opinion of the claimant's treating physician, or whether the claimant's allegations of pain are credible.

SSI disability beneficiaries also confront a major problem in the form of overpayments by the agency. At a hearing before the Ways and Means Social Security Subcommittee, one witness commented, "the disability community often views the potential for overpayments as a distinct work disincentive." The experience of people with disabilities is that "numerous reports to SSA and their request to adjust benefits often go unheeded by the administration."

It is clear from our visits to the field that lack of sufficient staff to process earnings information provided by beneficiaries is a significant factor contributing to the growth in the number and amount of SSI overpayments. In fiscal year 2000, SSA processed 3.3 million SSI overpayments, more than twice as many as in 1990. Despite this large number of clearances, the number of unresolved SSI overpayments pending in field offices at the end of fiscal year 2000 was twice what it was at the end of 1990.

The above-cited examples are among the most obvious serious gaps in SSA's service delivery. But it is also important to note that high quality service to the public includes ensuring that taxpayers' dollars are expended accurately, which means that fraud, waste, and abuse must be minimized. It includes safeguarding individual privacy, a responsibility that becomes ever more challenging as SSA moves toward delivering service by the Internet, and it also includes an issue that has been highlighted by SSA's Inspector General – the need of the agency to do more to protect the integrity of the enumeration process. We agree that greater care needs to be taken to ensure that Social Security numbers are issued properly, which could reduce the likelihood of the use of fraudulent numbers to commit financial fraud or other crimes.

In recent years, SSA has issued a number of reports outlining the steps that it is taking to address some of the problems cited above and to improve its service to the public. These include increased efforts to plan the workforce transition to respond to the impending retirement wave, new and expanded training programs, changes in the disability process, increased availability of services over the Internet, upgrading of telephone equipment, and increased program integrity efforts, including additional uses of data sharing across government programs.

All of these efforts are helpful, but they are dependent upon a trained cadre of employees to carry them out. At present staffing levels, we believe that SSA's service to the public is at high risk of being unable to meet the public's needs and expectations for service.

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We are pleased that the Commissioner used the authority provided in the 1994 independent agency legislation to submit a budget request for 2001 and 2002 that provided for modest but much-needed increases in staffing for the agency. Although the Office of Management and Budget and the Congress did not agree to support the Commissioner's 2001 request, we would urge that as the appropriations process proceeds this year, close attention be given to the agency's urgent resource needs. We believe that the Commissioner's request understates the agency's needs, and that the agency should provide the documentation needed to make clear where and how its service delivery needs to be improved and aggressively seek the resources needed to carry out its mission.

The Social Security and Supplemental Security Income programs provide vital income support to millions of individuals and their families. They have broad public support, generated not only by the benefits that are paid each month, but also by the responsive and caring service that employees of the Social Security Administration have provided for more than six decades. SSA's dedicated workers have a tradition of providing high quality service to the public. In our observation, they care deeply about safeguarding the funds that they dispense and are concerned about the integrity of their work. But today, they lack the tools they need to do their job. We strongly urge the new Administration and the new Congress to provide them with the resources and support they need to fulfill their important responsibilities.

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THE SSI ANNUAL REPORT

This fifth “Annual Report of the Supplemental Security Income Program” by the Social Security Administration provides a comprehensive review of program data. However, we continue to be troubled by the fact that the agency is not using its annual report to address broad policy issues.

In October 1998, SSA issued a report on the management of the SSI program that described administrative initiatives that the agency has established to improve its stewardship of the SSI program. In March 1999, a report was issued on the management of the disability programs, and more recently, in November 2000, SSA issued a report that updated and expanded its earlier report on the SSI program. Although these reports provide useful information on activities that the agency is undertaking that affect the SSI program and its beneficiaries, we believe that policy makers would find it helpful if the agency would use the SSI annual report as a forum in which it formulates and communicates a comprehensive overview of the program.

As we have stated previously, we believe that the SSI annual report should be more than a statistical report. In the future, the Social Security Administration should consider using it as a way of bringing to the attention of policy makers both the policy issues that it believes need to be resolved, and the difficulties the agency is encountering in administering the program. This is vital information that can help the Congress, the Administration, and the public to become better informed about the challenges SSA faces with respect to the SSI program, and the need to address them.

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