Aspects of Disability Decision Making: Data and Materials

February 2012

Summary

In January 2001, the Social Security Advisory Board issued the first edition of *Disability Decision Making: Data and Materials*. At that time we had spent over three years studying the question of how the Social Security Administration (SSA) could improve its service to the public. During the course of that study, it became clear that the administration of the agency's disability programs was a primary contributor to SSA's service delivery problems.

Although there had been attempts in the past to shed light on aspects of the disability programs, those attempts were often hampered by the lack of available data to help those outside of SSA understand how the disability programs operate. It was in response to that lack of information that we first assembled this data compendium. We consider such information to be essential to our continuing efforts to help Congress, the President, SSA, and the public to understand and address important issues of policy and public service. That is also why we updated this publication in 2006, and why we are updating it a second time. The need is no less now than it was 10 years ago.

The Social Security Disability Insurance (SSDI) and the Supplemental Security Income (SSI) programs provide essential income support (approximately $163 billion annually) to approximately 15.7 million people with disabilities and their dependents. Administration of the disability programs accounts for about $7 billion, or nearly two-thirds of the agency's administrative budget. And in terms of executive management time and attention, the disability programs consume even more of SSA's resources than these numbers suggest.

Over the past 10 years we have tracked closely SSA's progress as it has worked to improve the disability programs and its disability determination process. Since issuing that first edition of *Disability Decision Making: Data and Materials*, we have released several related reports and issue briefs including:

- *Charting the Future of Social Security's Disability Programs: The Need for Fundamental Change* (January 2001)
- *The Social Security Definition of Disability* (October 2003)
- *Disability Decision Making: Data and Materials* (May 2006)
- *Statement on the Supplemental Security Income Program: Transition from Childhood to Adulthood* (May 2006)
- *A Disability System for the 21st Century* (September 2006)
- *Improving the Social Security Administration's Hearing Process* (September 2006)
- *Disability Programs for the 21st Century: Substantial Gainful Activity* (April 2009)
- *Social Security: Why Action Should be Taken Soon* (December 2011, 4th ed.)

Together these reports describe, in great detail, our continuing, serious concerns about the disability programs, both in terms of their fundamental nature and their administration. These include concerns that:

- The longstanding lack of consistency in the disability determination process that may award benefits to individuals who do not meet the SSA disability criteria and deny benefits to individuals who do meet the criteria;
- The large gap between disability policy ideals and administrative feasibility;
- The need for ongoing, in-depth assessment of the disability decision making process;
- The progress being made on an agency-wide quality assurance management system that produces the real-time analysis SSA must have to ensure consistent and accurate disability decision making;
- The need for fundamental, structural reform necessary for SSA to meet its disability program challenges;
- Work incentive policies that do not provide sufficient assistance and incentives for employment;
- The need to determine how best to encourage rehabilitation and employment;
- A fundamental definition of disability that appears to be at odds with the *Americans With Disabilities Act*, that is "to assure equality of opportunity, full participation, independent living, and economic self-sufficiency" for individuals with disabilities;
- Continued reliance on medical labels rather than functional criteria to determine both disability and ability; and
- The use of the grossly outdated Dictionary of Occupational Titles to determine a claimant's ability to perform work available in the national economy.

SSA has made some progress in addressing its disability program challenges, although much recent progress was overwhelmed by the large increase in applications due to the recent recession. The challenges will likely continue, and even increase over the coming years if the applicant and beneficiary populations continue to grow at the same time that administrative budgets remain tight. The agency is very likely going to have to do more with less, which will require progress in modernizing systems and introducing more efficient claims processing and adjudication procedures. Growing workloads will make it increasingly important for SSA to have clear and workable program policies, as well as sound and perhaps simplified administrative rules and guidelines.

Improving the operation efficiency of the agency, will require SSA to make better use of the administrative and management data it already collects and to invest in more data and/or better analysis where necessary. This will require sharing more of its data and analysis, not only internally but also with those experts outside of the agency. The public use files that are now available on SSA's internet site are a positive step. Future research supported by the agency should be aimed at providing a better understanding of the factors that influence the dynamics of the disability rolls.

As a result of the rapid growth of the program, the SSA actuaries project that the DI trust fund will likely be exhausted and only be able to pay about 86 percent of scheduled benefits in as little as four or five years. Some public policy changes will be required in the near term to keep the

program on a sound financial footing well into the future. The agency, therefore, should develop an agenda that will help provide the information and insights necessary to allow policy makers to design and implement urgently needed administrative and public policy reforms.