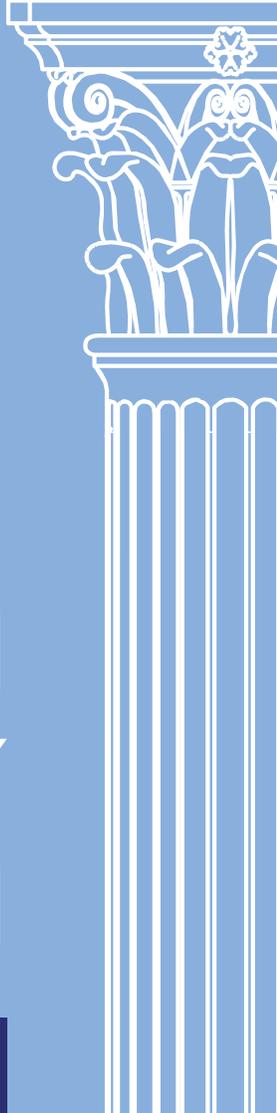


TRANSITION REPORT FOR THE NEW COMMISSIONER OF SOCIAL SECURITY:

**HOW TO ENSURE THE WORLD-CLASS
SERVICE THE AMERICAN PEOPLE DESERVE**

February 2013



**STRENGTHEN
SOCIAL SECURITY
COALITION**

PREFACE

Since the cornerstone was laid in 1935, we have built our Social Security structure carefully and deliberately. In 1939, we added Survivors Insurance for widows and dependent children. Disability Insurance was added in 1956, followed by Medicare and Medicaid in 1965. Automatic cost-of-living adjustments (COLAs) were added in 1972 in order to maintain the purchasing power of benefits no matter how long someone lives. We built, maintained and strengthened these institutions for a reason: to enable working men and women to protect themselves and their families. We built them because we, as a nation, value hard work, personal responsibility, and human dignity; we care for our parents, our children, our spouses, our neighbors and ourselves.

The Strengthen Social Security Coalition, made up of more than 320 national and state organizations representing more than 50 million Americans, cares deeply about maintaining and strengthening this cornerstone of American economic security. In this spirit, we offer this report to the next Commissioner of Social Security, to better equip him or her to lead the Social Security Administration in the coming years. It is also intended as a resource to the President, members of Congress, congressional committees with jurisdiction over the program, and the Social Security Advisory Board. The report is not designed to be exhaustive in covering every aspect of the agency's responsibility, nor does it address Trust Fund solvency or benefit adequacy issues.

We are grateful to the following people for writing portions of this report: T.J. Sutcliffe and Marty Ford (The Arc), Eric Shulman (American Federation of Government Employees), Gerald McIntyre (National Senior Citizens Law Center), Ethel Zelenske (National Organization of Social Security Claimants' Representatives), Jeff Cruz (Latinos for a Secure Retirement), and Ivy Ngo (Southeast Asia Resource Center/Diverse Elders Coalition). We offer a special thanks to Benjamin Veghte (Social Security Works) who served as overall editor and also researched various elements of the report. We acknowledge with appreciation the suggestions of Suzanne Blouin, formerly of the Office of Communications of the Social Security Administration (SSA) and Kurt Czarnowski, formerly Regional Communications Director for SSA in New England and currently Principal, Czarnowski Consulting. We also thank Dana Bell, Molly Checksfield, Daniel Marans and Lacy Crawford of Social Security Works for their assistance in the report's preparation, and Dan Redding for the report's graphic design.

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The mission of Social Security Works is to protect and improve the economic status of all Americans, especially disadvantaged and at-risk populations, and, in so doing, to promote social justice for current and future generations of children as well as young, middle-aged and older adults. www.socialsecurityworks.org

The Strengthen Social Security Coalition is made up of more than 320 national and state organizations, representing more than 50 million Americans. The Coalition is united around core principles, which include that Social Security benefits should not be cut and, instead, should be increased, and the belief that our nation's Social Security, Medicare and Medicaid systems are fundamental to the well-being of America's families and to the type of nation we are. www.strengthensocialsecurity.org

CONTENTS

EXECUTIVE SUMMARY	iii
INTRODUCTION	1
ADEQUATE FUNDING AND STAFFING FOR WORLD-CLASS SERVICE	3
• SSA Administers a Vast Caseload at Minimal Cost	
• Workload Growth Necessitates Additional Staff and Resources	
• SSA Budget and Program Impact	
• Adequate Staffing	
• Staff Morale	
• FY 2014 Budget Recommendation	
• Reforming the Process for Funding SSA Administrative Expenses	
• Recommendations	
IMPROVING ACCESS AND CUSTOMER SERVICE	8
• Access to All Services for People with Disabilities	
• Access for Limited English Proficient Individuals	
• Helping People Understand Benefit-Claiming Options and Consequences	
• SSI Education and Outreach	
• Mandatory Direct Deposit of Benefits	
STRENGTHENING PUBLIC UNDERSTANDING AND CONFIDENCE	13
• Actions to Promote Public Understanding and Confidence	
• Commitment by SSA Leadership and All Employees to Build Public Understanding and Confidence	
• Full Restoration of the Annual Mailing of the Social Security Statement	
• Incorporate Age-Specific Inserts to Educate the Public at Key “Teachable Moments”	
• Restrict Annual Statement to Providing Information about Benefits	
• Reinvest in the Communications Functions of the Agency	
• Review and Restore the Capacity of the Local Field Offices to Reach Out to the Public	
• Review and Strengthen National Communications Capacity	
TIMELY AND ACCURATE INITIAL DISABILITY DETERMINATIONS, HEARINGS, AND APPEALS	16
• Initial Determinations	
• The Disability Appeals Process	
• Appeals of SSI Suspensions and Benefit Reductions	
• Other SSI and OASDI Appeals	

- Waiver Requests
- Improper Payments

STRENGTHENING SOCIAL SECURITY THROUGH RESEARCH 22

- Research on Retirement
- Research on Disability
- Independence of the Office of the Actuary
- Research-related Administration
- Extend SSA's Title II Demonstration Authority

APPENDIX A – Strengthen Social Security Coalition Statement on Essential Attributes of Next Commissioner 24

APPENDIX B – Summary of Policy and Administrative Recommendations 26

EXECUTIVE SUMMARY



“This is not a program in which the Government or the well-to-do help people. On the contrary; it is primarily a program in which people help themselves, using Government as the instrument.”

– Former Commissioner Robert M. Ball
in the Journal of Commerce, June 15, 1964

The Social Security Administration (SSA) is not merely another arm of government, but the embodiment of a sacred trust that has been passed on from our grandparents to our parents, from our parents to us, and from us to our children, grandchildren, and those who come after. By means of the Old Age, Survivors, and Disability Insurance (OASDI) programs, we insure ourselves and our families against the risks of losing income when we retire or when unexpected disability or death occurs.

We pay into the program during our working years, knowing we will rely on the services of SSA to access and administer the benefits we have earned. As leader of the agency, the Commissioner is entrusted with ensuring that SSA excels at serving those who fund and rely on its services, including the low-income aged, blind, and disabled who need Supplemental Security Income (SSI).

This report is issued by the Strengthen Social Security Coalition (www.strengthensocialsecurity.org), an alliance of more than 320 national and state organizations committed to maintaining

and improving our nation’s Social Security system. While not designed to cover every aspect of the agency’s responsibility, the report sheds light on many core administrative functions SSA performs in executing this public trust. Some of our main findings and recommendations are summarized below.

FUNDING AND STAFFING

SSA collects payroll contributions from 157 million workers, and administers over \$850 billion in Social Security and SSI benefits to more than 65 million beneficiaries each year. It administers Social Security at a minimal administrative cost of less than one percent of revenues. Despite spending the program’s own dedicated resources and despite an accumulated reserve or surplus of \$2.7 trillion, Social Security’s administrative funds are subject to the annual appropriations process, essentially treated like expenditures that lack dedicated revenue. Its budget has been cut repeatedly in recent years, requiring staff reductions, field office closures, suspension of benefit statements and other measures that have significantly compromised the agency’s stellar customer service.

- The new Commissioner should urge Congress to treat the Social Security program separately from the annual appropriations process, as its dedicated revenue warrants, and allow sufficient FY 2014 administrative funding to enable the agency to retain sufficient staff to respond to the rapidly growing demands on the program from the aging of 76 million baby boomers and the effects of the Great Recession.

ACCESS AND CUSTOMER SERVICE

The programs administered by SSA – OASDI and SSI, as well as Medicare eligibility determinations and prescription drug subsidy applications – are essential components of the economic security of virtually all Americans, and especially so for many vulnerable populations. It is critical that people with disabilities have access to all SSA programs and services. Access to individuals with Limited English Proficiency (LEP) is equally important.

- SSA should enhance its capacity to communicate in its field offices and publications in a variety of languages, especially for the SSI program where over one-third of those applying on the basis of age are LEP, and where questions about benefit levels are far more likely to arise because of the program's complex rules.
- More funding and training should be provided to achieve better outreach to people who are homeless.

PUBLIC UNDERSTANDING AND CONFIDENCE

An essential role of the Commissioner is to promote public understanding and confidence in the program. This is all the more important in an era where there are so many myths about the program circulating in the media and public discourse. Historically, SSA's communications functions included the development of pamphlets, speeches, teacher kits, news releases and training materials and their dissemination to the regions and, most importantly, to local field offices. SSA should endeavor to calm and inform citizens about the insurance protections they are earning with their contributions through measures that include:

- Restoring the annual mailing of the Social Security Statement;
- Incorporating age-specific inserts that educate contributors about pertinent benefits in the life course such as the birth of a child;
- Restoring the capacity of local field offices to reach out to the public;
- Strengthening the agency's capacity and commitment to engage in media appearances, conference presentations and interaction with organizations representing business, communities of faith, labor and diverse constituencies.

DISABILITY DETERMINATIONS AND APPEALS

It is well known that SSA has struggled to keep pace with the growing number of disability claims it has received in recent years. While SSA has made improvements to its initial determination, hearing, and appeals processes over the last six years, significant work remains to ensure that applicants receive a correct determination in a timely manner. In FY 2011, claimants for disability benefits faced average wait times of 109 days for initial claims (from date of filing to date of payment or denial) and 345 days from a hearing request to a decision.

- SSA should be provided with adequate administrative funding to enable it to make significant additional strides in reducing the disability claims backlog.

- The new Commissioner should focus attention on the functioning of the process for appealing proposed SSI suspensions and benefit reductions.
- SSA also needs to develop a better reporting and recording system in order to promptly adjust benefit payments to prevent and reduce improper under- and overpayments.

RESEARCH

With Social Security at a critical juncture in its 77-year history, there is more need than ever for the agency to produce quality research on matters related to retirement and disability policy. However, the public policy and research resources at SSA have declined over the last 12 years. These resources have been diverted to researching operational matters, duplicating work done elsewhere in the agency. The new Commissioner should:

- Restore the public policy and research resources at SSA;
- SSA's research program should empirically examine benefit and income adequacy, as well as the distributional impact of reform options. New surveys of beneficiaries should be conducted to shed light on the real situations and needs of elderly persons, people with disabilities and survivors;
- Reorganize the public policy analysis and research previously housed in the Office of Policy into separate agency-wide offices like the Office of the Chief Actuary and Office of General Counsel to make it clear that they are focused on serving external clients, and not simply part of the operationally oriented components;
- Urge Congress to reauthorize Title II demonstration authority and research.

Finally, we strongly recommend maintaining the independence of the Office of the Chief Actuary from political interference, and urge the new Commissioner to respect the Office's autonomy.

INTRODUCTION

“We recognize that no matter how responsibly we live our lives, any one of us at any time may face a job loss or a sudden illness or a home swept away in a terrible storm. The commitments we make to each other through Medicare and Medicaid and Social Security, these things do not sap our initiative. They strengthen us. They do not make us a nation of takers. They free us to take the risks that make this country great.”



– President Barack Obama
Inaugural Address, January 21, 2013

As children age and become part of the workforce they, in turn, earn these protections for themselves and their families and the right to modest retirement income in old age.

Determined that Americans who had earned Social Security receive the world-class service they deserve – and that every customer-service business must provide to remain successful – Arthur Altmeyer, the first Commissioner of Social Security, wrote:

“Employees who would come in direct contact with the public were impressed with the importance of making certain that people were given necessary assistance in understanding their rights and duties. This included assisting claimants in the preparation of their applications for benefits under the federal old age insurance system and ensuring that those who had valid claims received the benefits to which they were entitled.”¹

That emphasis on first-class customer service has been a hallmark of the Social Security Administration. Nevertheless, budget cuts have taken their toll. Field offices have been closed and staff reduced, with the consequence that backlogs are longer than ever and service compromised.

Social Security is the face of the federal government. Nearly every worker in the country – over 157 million workers – contributes to Social Security, typically through highly visible deductions from every single paycheck. One in four households – over 57 million beneficiaries – receives monthly Social Security benefits as the result of the death, disability, or old age of a worker.

Households contact Social Security at times of transition, ones often involving sadness, vulnerability, and stress. Americans claim benefits when a loved one of the person contacting Social Security has died or when the person contacting Social Security or a family member has become seriously disabled or has attained old age and generally is retiring from work. From birth, nearly every child is protected against loss of household income arising from the death or disability of a working parent.



¹ AJ. Altmeyer, *The Formative Years of Social Security* (University of Wisconsin Press, 1966), p. 55.



- outreach and public information;
- the best possible applications, hearings and appeals processes; and
- the value of pilot projects and research.

Appendix A contains for ready reference a letter sent to the President regarding what the Strengthen Social Security Coalition considers to be the essential attributes of the next Commissioner. Appendix B contains a summary of the policy and administrative recommendations from this report.

In addition to the goal of first-class service and the provision of cash benefits, Social Security, as its name implies, is intended to provide more than cash benefits. It has been designed to provide the intangible benefit of security, peace of mind that in the event of disability, death, or old age, workers and their families will have some fundamental economic support and not be left destitute. Nevertheless, polls reveal that the American people, particularly younger Americans, lack confidence that Social Security will be there in the future.

The start of the term of a new Commissioner of Social Security provides an opportunity to improve both the service provided by Social Security and the confidence of the American people in the future of the program. The term of the current Commissioner expired on January 19. At the time of this writing, no new Commissioner has been appointed. When a new Commissioner is in place, this report is intended to guide him or her – as well as the administration as a whole – in addressing the challenges and opportunities the agency faces. It is also intended as a resource to Members of Congress, congressional committees with jurisdiction over the program, and the Social Security Advisory Board.

This Report discusses issues and makes recommendations with respect to the following topics:

- budget;
- personnel;
- access to benefits, including the need for personal service, as well as the best use of modern technology;

ADEQUATE FUNDING AND STAFFING FOR WORLD CLASS SERVICE

“... SSA rarely receives administrative funding equal to the President's request or its own independent budget request. These ... appropriations that are below the requested levels may make it difficult for the SSA to build on [its] progress.”

– Congressional Research Service,
January 25, 2013

SSA ADMINISTERS A VAST CASELOAD AT MINIMAL COST

This year SSA is expected to process over 5 million applications for retirement benefits. The agency will issue \$677 billion in OASI benefit payments to almost 46.7 million beneficiaries. SSA will pay almost \$143 billion in disability insurance benefits to almost 10.9 million beneficiaries, with the average individual collecting \$1,064/month. Just over \$46.3 million is distributed each month to 36.7 million retirees, an average of \$1,261. SSA estimates it will pay \$54.2 billion in federal benefits to an estimated 8.2 million Supplemental Security Income (SSI) recipients in FY 2013. Including state supplementary payments, SSA expects to pay a total of \$57.9 billion and administer payments to a total of almost 8.5 million recipients.

Social Security has always been America's most effective and efficient anti-poverty program. For the vast majority of middle class Americans, it also provides core protection against loss of income at retirement, disability or death. Less than one cent out of every dollar Americans pay into the OASDI system is spent on administration. In contrast, private life insurance companies in 2010 spent 21 cents of every dollar collected and 16 cents

of every dollar spent on administrative costs (not including additions to the reserves). Private-sector defined benefit plans spent 2.5 cents on administrative costs of every dollar of income and 5 cents of every dollar expended in 2010. Social Security provides life insurance, a defined benefit pension and disability benefits at minimal cost and continues to provide world class service to the public.

WORKLOAD GROWTH NECESSITATES ADDITIONAL STAFF AND RESOURCES

SSA's excellent reputation for public service is in jeopardy. The critical outreach and information service provided by SSA field offices has been dramatically scaled back in recent years. Too much emphasis on transferring responsibility for the applications process from well-trained, informative claims representatives to computers and internet programs offering mixed and largely unevaluated results, is a mistake that could be costing people thousands of dollars. Hours have been reduced, staff has been cut and the commitment to service – so long a cornerstone of the agency – has deteriorated.

Many problems at SSA are budget related as described below, but leadership is also critically important. The Commissioner



of SSA needs to understand and support the critical mission of customer service; articulate that vision to the employees; and educate the public on the effectiveness and financial soundness of the Social Security system.



Retired member of Tuskegee Airmen Dabney Montgomery and his wife, Amelia. Because they lost retirement savings in a market downturn, Social Security currently provides 70 percent of his and his wife Amelia's retirement income.

One of the greatest concerns for SSA is the extraordinary increase in new claims and appeals for benefits. This increase is driven by the aging of roughly 76 million baby boomers, the vast majority of whom will have filed for Social Security benefits by 2030 – an average of 10,000 per day. Concurrently, there has been an increase in claims filed due in part to the economic downturn, which began in 2008. In FY 2012, new disability claims exceeded 3 million for the fourth successive year.

Over the past two years, the program has seen an 11 percent increase in applications for Social Security retirement benefits and a 27 percent increase in disability insurance applications. *Given the rising caseload, SSA expects that pending initial disability claims will likely result in 1.1 million people waiting for a decision.* The average waiting time for a disability hearing will vary by state but as of November 2012, it was as long as 15 months in St. Louis, Missouri or as short as 8 months in Alexandria, Virginia.

SSA BUDGET AND PROGRAM IMPACT

The appropriation for administration, called the Limitation on Administrative Expenses account (LAE), funds SSA's administrative costs associated with the OASI, SSDI, and SSI programs as well as costs incurred by SSA to support the Medicare and Medicaid programs. This account also funds administrative functions such as the operations of SSA field offices, employment verification, agency information technology activities, and the Social Security Advisory Board.

Each year, the appropriation bill for the Department of Labor and Health and Human Services places a limit on spending for the administrative expenses of SSA through the LAE. This prevents SSA from having an unlimited administrative budget from the Social Security and Medicare trust funds, which finance administrative costs for OASDI and administrative support for Medicare, respectively.

Despite SSA's enormous and increasing challenges, the Commissioner's requests for administrative funding through the Limitation on Administrative Expenses (LAE) account have been underfunded for 14 out of the past 16 years, as the table on the following page shows. What is more troubling, over the past two years, just as the oldest baby boomers have reached age 65, the agency has received its lowest funding levels (as a percentage of the Commissioner's request) since SSA became an independent agency in 1995.

In FY 2012, the funding level was more than \$1 billion below the President's budget request and did not allow SSA to cover inflationary costs for fixed expenses. It resulted in significant reductions in the agency's vital services, including a continuation of the hiring freeze in most of SSA, the permanent closure or consolidation of approximately 42 field offices, the closure of all field offices to the public one-half hour earlier, the closure of hundreds of part-time remote contact stations, suspension of mailing annual benefit statements to the public (discussed further below), and postponement of several efficiency initiatives.

With SSA operating under a continuing resolution for the first six months of FY 2013 and the uncertainty posed by sequestration, the agency recently announced further reductions in public service hours. Since November 2012, SSA field offices have begun closing an additional 30 minutes earlier, and since January 2013 they are closing at noon on Wednesdays.

SSA Administrative Budget Requests and Appropriations

FY 1997 to FY 2012 (in Millions)

FISCAL YEAR	COMMISSIONER'S REQUEST	PRESIDENT'S BUDGET REQUEST	FINAL APPROPRIATION	FINAL AS % OF COMMISSIONER'S REQUEST
1997	\$6,239	\$6,703	\$6,406	102.68%
1998	\$6,754	\$6,526	\$6,409	94.89%
1999	\$6,734	\$6,448	\$6,418	95.31%
2000	\$6,931	\$6,706	\$6,572	94.82%
2001	\$7,390	\$7,134	\$7,124	96.40%
2002	\$8,015	\$7,574	\$7,562	94.35%
2003	\$7,997	\$7,937	\$7,885	98.60%
2004	\$8,920	\$8,530	\$8,313	93.20%
2005	\$9,341	\$8,878	\$8,732	93.48%
2006	\$10,143	\$9,403	\$9,108	89.80%
2007	\$10,250	\$9,496	\$9,298	90.71%
2008	\$10,440	\$9,597	\$9,745	93.34%
2009	\$10,427	\$10,327	\$10,454	100.25%
2010	\$11,842	\$11,451	\$11,400	96.27%
2011	\$13,143	\$12,379	\$11,425	86.93%
2012	\$12,983	\$12,522	\$11,453	88.22%
2013	\$12,513	\$11,760		

Source: U.S. Congressional Research Service, "Social Security Administration (SSA): Budget Issues" (R41716; January 25, 2013), by Scott Szymendera. Accessed: January 30, 2013.

Notes: Excludes funding for the Office of the Inspector General. "President's Request" includes LAE and funding for research and demonstrations. "Final Appropriation" includes all rescissions but does not include any supplemental appropriations.

After ramping up its hiring of Administrative Law Judges, SSA was making limited progress in addressing the enormous backlog of hearings cases, but inadequate funding – combined with the recent increase in claims – has reversed this progress. After December 2008, when the number of "pending hearings" rose to 768,540, the backlog was reduced for 19 straight months, to 694,417 on June 2010. However, pending hearings began to increase again in July 2010 and in May 2012 reached an all-time high of 823,828.

ADEQUATE STAFFING

SSA expects to lose an additional 2,000 employees in FY 2013, which means the agency will have lost a total of more than 9,000 federal and state employees from FY 2011

through FY 2013. The agency will have approximately the same number of employees in FY 2013 as it did in FY 2007, even though workloads have increased dramatically over the past two years, with retirement and survivor claims up 11 percent, and disability claims up 27 percent. GAO studied this problem in 2008/9 and found that SSA will be hard-pressed to meet future service delivery needs.² *The failure to maintain adequate staffing levels at SSA is a major contributor to lengthening backlogs and processing times, and a source of frustration for many citizens who have contributed to Social Security throughout their working years and should receive the same quality service provided to earlier generations.*

This understaffing is even more critical given the unsurprising but growing wave of disability claims requiring processing

² "Social Security Administration: Service Delivery Plan Needed to Address Baby Boom Retirement Challenges," GAO Report to the Committee on Finance, U.S. Senate, January 2009. Available at <http://gao.gov/assets/290/284778.pdf>.

by Disability Determination Service staff. Since FY 2008, the number of claims pending for a disability medical decision rose from 565,286 to 707,700 – an increase of 142,414, or 25.2 percent. Despite the fact that disability claims have increased at unprecedented rates, the current staffing level for the disability determination services (DDSs) is 14,262, which is 1,107 (7.2 percent) below the level at the end of FY 2011, and 1,831 (11.3 percent) below the level at the end of FY 2010. A continued hiring freeze in DDSs for FY 2013 will not allow SSA to complete as many disability claims as received.

STAFF MORALE

Having thousands of fewer staff being asked to handle a steadily increasing workload is a recipe for declining morale in any organization. SSA is no different. Consistently inadequate budgets requiring the closure of field offices, staff reductions, and potential layoffs or furloughs, further contribute to



Family of Army Chief Warrant Officer Christopher C. Johnson. Christopher Johnson's widow, Vivian, and their three children receive over 40 percent of their income from Social Security survivors benefits.

poor morale at SSA. Additionally, an overemphasis on online applications has effectively reduced SSA's historic commitment to outstanding public service and personal attention, further harming morale among SSA staff and implicitly undervaluing their work.

The years of doing more with less have taken a severe toll on employee morale. In a recent American Federation of Government Employees survey of SSA workers, 45 percent reported that they are dissatisfied or extremely dissatisfied with their work experience at SSA. Survey responses indicate that employees' greatest frustrations are staff shortages and a lack of time to process pending cases. Overwhelmingly, employees report that they do not have enough time to devote to a quality work product, i.e. to ensuring accuracy (including investigation of any and all inaccuracies) and providing complete and proper explanations of rights and responsibilities to clients, among other things. Instead of being reduced, backlogs are growing.

FY 2014 BUDGET RECOMMENDATION

For SSA to meet its multitude of public service responsibilities, we estimate the agency will require a minimum of \$12.3 billion for its FY 2014 administrative funding.³ This level of funding is the minimum necessary to respond to the rapidly growing demands on the program. Without adequate funding, SSA will be unable to provide the level of customer service Americans deserve, have already paid for through their contributions and have come to expect.

SSA teleservice centers, hearing offices, program service centers, DDSs, and the 1,233 field offices are in critical need of adequate resources to address their growing workloads. The recommended FY 2014 budget of no less than \$12.3 billion would allow SSA's budget to keep pace with inflation, continue efforts to reduce hearings and disability backlogs, increase money-saving program integrity work, and replace some staffing losses in SSA's components. It would also help to minimize the closure of additional field offices.

REFORMING THE PROCESS FOR FUNDING SSA ADMINISTRATIVE EXPENSES

As described above, the LAE account is discretionary and subject to annual appropriation. The funds that make up this account come from the OASDI trust funds, the Medicare trust fund, general revenue, and certain fees collected by SSA. Social Security trust funds make up 65 percent of the LAE budget authority. Nevertheless, all of these funds are subject to the annual appropriations process and the spending caps imposed by recent budget agreements. Given that OASDI is operating so efficiently and all of its funding for administration

³ Letter to OMB Acting Director Zients from organizations representing stakeholders of SSA regarding FY 2014 Administrative Funding for the Social Security Administration, November 7, 2012.

comes from the dedicated revenue of its trust funds rather than general revenue, OASDI administrative spending should not be subject to arbitrary, across-the-board, highly restrictive ceilings on domestic discretionary programs. Social Security benefits were exempted from these caps and the sequester because it is recognized that they are outside the budget of the federal government. No rationale exists for treating the program's administrative costs any differently.

RECOMMENDATIONS

Given Social Security's dedicated source of funding and \$2.7 trillion in reserves, it should not have to compete with other agencies for this funding in the annual appropriations process. One possible solution would be to remove OASDI's administrative costs from the budget and appropriations process, which the new Commissioner could urge Congress to do. One way to accomplish this result is through the enactment of legislation amending the Congressional Budget Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and more recent legislation as well. The legislative solution is quite straightforward and would only require that the words *"including social security administrative expenses (as defined in section 3(11) of the Congressional Budget Act of 1974)"* be added to these existing statutes. In addition, SSA's administrative costs related to OASDI would need to be exempted from the budget sequestration process. If this approach were taken, OASDI's expenditures would still be subject to the Congressional oversight process. Indeed, the House Ways and Means and Senate Finance committees have excellent track records of oversight regarding SSA, particularly in recent years regarding the problems associated with the Disability Program. Other solutions, maintaining jurisdiction of the appropriations committees, exist as well.

Allowing SSA to spend a tiny additional percentage of its dedicated income and, if necessary, its accumulated reserves on administration would have the effect of restoring the administrative capacity of the agency to deliver the high quality, effective and competent service beneficiaries and the public have come to expect from the Social Security Administration. The Commissioner and the Administration should urge Congress to correct the problem of Social Security being unable to spend its own money.

IMPROVING ACCESS AND CUSTOMER SERVICE



"This law ... represents a cornerstone in a structure which is being built but is by no means complete."

– Franklin D. Roosevelt
Statement on Signing
the Social Security Act.
August 14, 1935

ACCESS TO ALL SERVICES FOR PEOPLE WITH DISABILITIES

People with disabilities must be able to access all programs and services administered by SSA, including OASI, DI, and SSI, as well as Medicare eligibility determinations and prescription drug subsidy applications. SSA must also ensure accessibility to all aspects of its facilities and activities, including those of contractors who provide services, benefits, or activities on behalf of the agency.

Access by people with disabilities is both a matter of ensuring good customer service, and a right. Section 504 of the Rehabilitation Act guarantees the right to not be excluded from participation in, be denied the benefits of, or be subjected to discrimination on the basis of disability by a program or activity conducted by a federal agency. Section 504 regulations require agencies, including SSA, to take steps to ensure access and prevent discrimination, including:

- Ensuring that people receive information about the protections against disability discrimination provided under Section 504 (45 C.F.R. § 85.12);
- Refraining from using criteria or methods of administration which would subject people to disability discrimination or defeat or substantially impair accomplishment of the

objectives of the program with regard to people with disabilities (45 C.F.R. § 85.21);

- Locating program offices at sites that do not exclude people with disabilities (45 C.F.R. § 85.21);
- Making programs readily accessible to and usable by people with disabilities (45 C.F.R. § 85.41);
- Taking appropriate steps to ensure effective communications (45 C.F.R. § 85.51); and
- Providing effective complaint procedures to ensure that the agency complies with its obligations under Section 504 (45 C.F.R. § 85.61).

Additionally, Section 508 of the Rehabilitation Act requires access to electronic and information technology provided by the federal government, including but not limited to federal pages on the internet such as SSA's web site.

People with disabilities vary widely in their accommodation needs. These include the need for SSA to ensure that notices, rules, and written materials are in plain, understandable language, that SSA's website is fully accessible, that SSA field offices are fully accessible and in locations that people with disabilities can readily reach with public transportation, and that accessible options such as home visits exist for people with disabilities who are unable to visit a field office in person. Some people with disabilities may need accommodations to help them understand and navigate SSA's application, appeals, and review processes, such as assistance to understand and complete forms and to gather necessary documentation. Additionally, SSA must take steps to ensure effective communication, including for people with hearing impairments and others who communicate non-verbally or in alternative ways.

SSA must ensure that all aspects of its website, electronic communications, and information technology are fully accessible under Section 508, and must establish a comprehensive Section 504 policy that requires, at a minimum, the following elements:

1. SSA must make written assurances addressing methods of implementation and enforcement of every substantive Section 504 regulation as found at 45 C.F.R., part 85 et seq.

2. All relevant SSA policies must contain information to offer and provide every SSA applicant and beneficiary with reasonable accommodations and program modifications as necessary to ensure meaningful access to benefits administered by SSA, including those benefits for which disability is not a condition of eligibility. Section 504 policies must include specific assurances regarding physical and program access, processes for offering and providing reasonable accommodations and program modifications (including effective communications and auxiliary aids), and services.
3. SSA policies must require that notice of rights under Section 504 be given in a variety of forms and at every stage of the application and review process, particularly at any stage involving a decision affecting a person's benefits.
4. SSA policies must incorporate methods to ensure that SSA personnel appropriately screen and identify people who need reasonable accommodations and/or program modifications, including making people aware of the right to request an accommodation and of the kinds of accommodations that can be made available.

ACCESS FOR LIMITED ENGLISH PROFICIENT INDIVIDUALS

Individuals who are limited English proficient (LEP) face additional obstacles in learning about and gaining access to government programs. In no federal agency is overcoming these obstacles more important than in the Social Security Administration because of the critical nature of the benefits provided and the large number of LEP individuals served. In order to ensure that LEP individuals have meaningful access to the benefits to which they may be entitled, it is essential that SSA communicate with individuals in a language in which they are proficient and that up-to-date informational material on benefits be provided in a variety of different languages. This is especially important in the SSI program where over a third of people applying on the basis of age are LEP and where questions regarding eligibility or the correct amount of benefits are far more likely to arise because of the program's complex rules.

The area of language access policy where SSA needs to make the biggest change is in written notices affecting an individual's benefits. At present these notices are provided in English and some, but by no means all, are provided in Spanish. None are provided in any other language. SSA needs to develop a plan for translating all notices into Spanish and into the other major

languages spoken by beneficiaries of SSA programs. This should start with the SSI program because of the critical need to respond in timely fashion to SSI notices in order to assure continuation of benefits,⁴ but should extend to OASDI as well.

SSA has a very good policy on providing interpreters. It requires SSA to provide an interpreter free of charge upon request and prohibits the use of children as interpreters.⁵ SSA imposes the same requirement on the state agencies performing disability determinations (DDSs).⁶ However, at present, implementation is spotty, with advocates reporting that in many SSA offices LEP individuals are still asked to bring their own interpreters. SSA has shown considerable receptivity to improving language access. For example, after SSA installed kiosks at the point of entry in field offices and advocates pointed out that they were generally working in English only, SSA instructed local offices to make them available in several of the most commonly spoken languages. They have also arranged for monitors in SSA field office waiting rooms to inform clients of SSA's interpreter policy in English, Spanish, Chinese, Korean, Vietnamese and Russian.



"[T]he New Deal ... was, I think, basically an attitude. An attitude that found voice in expressions like 'the people are what matter to government,' and 'a government should aim to give all the people under its jurisdiction the best possible life.'"

– Frances Perkins
Labor under the New Deal and the New Frontier (1965)

Nevertheless, SSA needs to do more to ensure that its policy on interpreters is applied uniformly. This will require greater resources for training SSA personnel on the interpreter policy, stressing the importance of language access to the mission of the program. It will also require recognition of the additional time required for interviewing an individual with an interpreter

⁴ 20 CFR § 416.1336(b). Appeal must be filed within ten days in order to assure continuation of benefits.

⁵ SSA, POMS GN 00203.011A

⁶ SSA, POMS DI 23040.001A

so that appropriate work credit is given for this activity. This is important since it can determine staffing levels of SSA field offices. Thus a failure to provide adequate work credit for this activity can result in offices that serve large numbers of LEP individuals being severely understaffed.

A systems change is also required if SSA's interpreter policy is to be fully implemented. People are asked their language preference when they apply for benefits. However, if the question is not answered or the answer is not clear, there is a default option of English. The result is that arrangements are not made for interpreters when they should be. Compliance with the interpreter policy must also become a part of monitoring the performance of the state DDSs. At present there is considerable variation among states as to the level of compliance.

SSA has increasingly come to rely on the use of telephone interpreter services as a primary means of serving LEP individuals. Telephone interpreter services clearly have a useful role to play, for example in trying to determine why someone wants to make an appointment. However, for more complex matters, they should not be the primary means of serving LEP individuals. The best and most economical means of serving LEP individuals is through the use of bilingual SSA employees. When an interpreter is needed, the first response, before resorting to a telephone interpreter service, should be to look for a trained SSA employee to serve as interpreter. This is more effective because the SSA employee has knowledge of the program and is likely to be more sensitive to the needs of the individual and to the importance of confidentiality requirements.

The individual field offices are one important asset to utilize in serving LEP beneficiaries, particularly in targeted geographic areas with a high concentration of language access needs, such as newer immigrant communities. The new commissioner needs to make a concerted effort, as hiring opportunities arise, to hire more bilingual staff for assignment to field offices. This would be more economical as it would obviate the need for an interpreter and at the same time might provide a greater degree of cultural sensitivity. It is also important that the field offices liaison with community groups serving targeted language groups, as this will help SSA better reach vulnerable and isolated community members.

SSA has a good number of informational publications on Social Security and SSI benefits in 16 different languages in addition to English. It has recently made a commitment to update these materials and to budget for ongoing updates on a regular basis. However, these materials are no longer available in print format

in SSA District Offices and are only available online which greatly reduces their utility, especially since those who would most likely benefit from OASDI or SSI are the people least likely to have internet access. According to Census Bureau data, a majority of Americans over age 65 do not have internet access, nor do a majority of those residing in households with less than \$25,000 in annual income.⁷

Similarly, Hispanic and African-American households are far less likely to have internet access than the general population.⁸ SSA needs to rethink this policy and make informational publications available and visible to people who visit local offices. The time that people spend waiting in an SSA office needs to be seen



Disabled veteran Terrence Moakley. Social Security's disability benefits enabled him to return to school and regain economic self-sufficiency for over 30 years. At 63, he resumed Social Security disabled worker benefits because his condition worsened, and his wife and 14-year old daughter received Social Security as his dependents.

as an educational opportunity. This is important for everyone, but is especially important for those who are limited English proficient since they are less likely to have alternative sources of information about potential benefits for which they may be eligible. SSA also needs to have a plan for regularly distributing print versions of these informational publications to community groups serving targeted language groups.

HELPING PEOPLE UNDERSTAND BENEFIT-CLAIMING OPTIONS AND CONSEQUENCES

For millions of Americans, deciding when to start claiming Social Security benefits is one of the most important financial decisions they will make in their lives. Social Security is the only

⁷ U.S. Department of Commerce. "Exploring the Digital Nation: Computer and Internet Use at Home," 2011, pp. 12, 14. http://www.ntia.doc.gov/files/ntia/publications/exploring_the_digital_nation_computer_and_internet_use_at_home_11092011.pdf.

⁸ *Ibid.*, p. 15.

source of secure, lifetime, inflation-adjusted retirement income for the vast majority of Americans. Waiting from age 62 to age 66 to claim benefits increases the monthly benefit the worker, and a surviving spouse, will receive for the rest of their lives by 33 percent plus inflation. Waiting from age 62 to age 70 increases the monthly benefit by 76 percent.

But research studies⁹ as well as the experience of many nonprofit organizations working with and for retirees and near-retirees show that many people don't understand how the Social Security system works and the impact their decision about when to claim benefits will have on their own and a spouse's long-term financial security. Some may have the wherewithal to turn to paid financial advisers, but their advice about Social Security is often misinformed.¹⁰

SSA is – and should be – the most important and trusted source of information about Social Security. Starting with a clear policy articulated by the new Commissioner and training programs intended to carry out that policy, resources need to be directed toward assisting applicants through the process and providing them with the critical choices they need to make financially sound decisions.

We recommend that SSA:

- Issue written policy intended to provide employees with the clearest sense that high-quality, informed service is the most important job at SSA and that job performance will be measured on this basis;
- Undertake training programs intended to provide employees with not only a detailed understanding of eligibility and benefit criteria but also the knowledge and skills necessary to give the best advice to applicants;
- Make more complete information about benefits for spouses and surviving spouses available online and through SSA staff. Public understanding about this more complex part of the program is particularly limited, and requires well-trained employees to respond.
- Review and revise its online application process to ensure that applicants are fully informed about and have considered the consequences of their decision on the amount of income

that they, and possibly a surviving spouse, will have for the rest of their lives. While we recognize that applying for OASI benefits online is convenient for many applicants and efficient for SSA, the “it's so easy,” “takes only 15 minutes” messages don't convey how much is at stake. At a minimum, the online application process should include pop-up warning screens that inform applicants of their options and the consequences of their proposed choices, for themselves and a spouse, if any, and require applicants to affirmatively indicate that they have reviewed the information.

SSI EDUCATION AND OUTREACH

Just as people applying for OASDI benefits need to be advised of their benefit-claiming options and their long-term consequences, people applying for or inquiring about SSI need to be able to receive professional advice from a well-trained SSA employee if they are to successfully navigate the byzantine rules of the SSI program. Not only do they need to be given general information on continuing eligibility requirements, but they also often need to be given advice with respect to their specific situation. For example, if an SSI applicant has resources in excess of the \$2,000 limit, the application needs to be denied, but at the same time the applicant should be given advice on options for what she might be able to do to qualify in the future. He or she could also be warned about the danger of giving away money or another resource, which could result in a period of ineligibility because of the SSI transfer penalty.

Similarly, if someone is already receiving benefits and is receiving help from family members or friends, instead of simply reducing or suspending the SSI benefit, a well-trained SSA employee can and should counsel recipients about their options.

Estimates of participation rates in the SSI program vary significantly, ranging from 38.8 to 72.3 percent of eligible older individuals. What is clear is that a large number of the nation's most vulnerable older people and people with disabilities are not receiving the SSI benefits to which they are potentially entitled.

There are some fairly simple steps that can be taken to reach some of these people. For example, SSA regulations currently require that when a person applies for Title II (SSDI) benefits, they should receive an explanation of the requirements for SSI if (1) they are within two months of age 65 or older or appear to qualify as disabled and (2) it is not clear that their Title II benefits would make them ineligible for SSI.¹¹ This regulation is certainly positive. However, there is no reason for restricting it to people within two months of age 65, since the people with a

⁹ M. Greenwald, A. Kapteyn, O.S. Mitchell, and L. Schneider, “What Do People Know about Social Security?,” RAND Working Paper No. WR-792-SSA. Santa Monica, CA: RAND, 2010; S.K. Brown, “The Impact of Claiming Age on Monthly Social Security Retirement Benefits: How Knowledgeable are Future Beneficiaries?” Washington, D.C.: AARP, 2012.

¹⁰ M. Greenwald, A. Biggs, and L. Schneider, “How Financial Advisers and Defined Contribution Plan Providers Educate Clients and Participants about Social Security,” Pension Resource Council Working Paper PRC: WP2012-08, Philadelphia, PA: Pension Research Council, 2012.

¹¹ 20 C.F.R. § 416.350(a).

Title II benefit low enough to qualify for SSI can rarely wait much beyond age 62 to file their Title II claim. Even if a person at age 62 does not have an obvious disability, a good number may meet the disability standard given their age and limited work history. Also, anyone who files for Title II old age benefits before age 65 and has a low enough Title II benefit to potentially qualify for SSI should automatically be sent a reminder at age 65 that they now meet the age requirement for SSI.

There are also some people who may not be eligible for SSI when they file their claim for Title II benefits simply because they are over the resource limit. Since a person's resources are likely to be diminishing as they age, it would also be a good idea to consider the possibility of sending a reminder about possible SSI eligibility periodically (e.g., once every five years with the COLA announcement) to beneficiaries with low Title II benefits. There is also a need for outreach targeted at specific populations. Homeless people present a real challenge for SSA. Most of this population will need to establish disability in order to qualify for SSI, but often have not been receiving regular medical treatment and will not be able to provide necessary documentation of disability. Congress has in past years funded homeless outreach projects through SSA in several states. However, there is a need for greatly increased funding to reach homeless populations across the country. There is also a need to provide special training to specialized claims representatives on some of the unique problems they face in processing SSI claims for homeless people. There is a need for similar training at the state agencies responsible for making disability determinations.

SSI also has an important role to play in providing support for people being released from prison, many of whom have serious mental impairments which would qualify them for SSI. On paper, SSA has a prerelease program under which SSI applications can be taken several months before an individual's anticipated release. However, this program is hardly ever utilized. The new Commissioner should explore ways to implement this program with its potential for preventing homelessness and recidivism.

MANDATORY DIRECT DEPOSIT OF BENEFITS

With very limited exceptions, everyone who has applied for most federal benefits, including Social Security and SSI, since May 1, 2011 has been required to receive payment by means of Electronic Funds Transfer (EFT). As of March 1, 2013 this rule is scheduled to apply to those who were already receiving benefits on May 1, 2011 and the paper Social Security check will, for the most part, become a thing of the past. There are exceptions for people 1) born prior to May 1, 1921, 2) whose

Direct Express card has been cancelled or suspended, or 3) who qualify for a hardship waiver. There are only two bases for qualifying for a hardship waiver – remote geographic location or mental impairment. However, in order to obtain the waiver one must obtain a form from the Department of the Treasury Financial Management Service and certify before a notary public the basis on which the person qualifies for a waiver. The form must then be sent to the Dallas Regional Office of Treasury which decides whether the person is eligible for the waiver.

While we generally support the move to electronic payment of benefits and the overwhelming majority of beneficiaries have already chosen to receive direct deposit of their benefits, we believe that people should have a choice, but short of that, there is a need for a more liberal waiver policy. The requirement of a notary, in particular, is highly unusual for any federal agency. This is especially so when the government's stake, i.e., the cost of mailing a monthly check to a small number of people, is so insignificant. Furthermore, just finding a notary can be time consuming and difficult in many jurisdictions, especially for those who live in remote geographic locations or who have a significant mental impairment. Finally, it makes no sense for Treasury to make the determinations as to who qualifies for the waiver when Treasury has no experience dealing with SSA's customers or in assessing mental impairments. The new Commissioner needs to work with Treasury to make this process more consumer-friendly and to enable people who are unable to manage electronic deposit of benefits to continue receiving a paper check.

In addition, we encourage the Department of Treasury and SSA to continue robust outreach to and notification of beneficiaries. In particular, it is important that notices and news of the transition to mandatory direct deposit be able to reach LEP, disabled, and other vulnerable, isolated or hard-to-reach beneficiaries and future beneficiaries.

STRENGTHENING PUBLIC UNDERSTANDING AND CONFIDENCE

"Our Social Security Administration is one of the most efficient government programs in existence that serves the American people. Despite unprecedented workloads and declining budgets which have damaged SSA's service delivery, Social Security remains an extremely popular program because of the dedication and commitment of its employees nationwide."



– Rep. Elijah E. Cummings

Social Security is based on a special trust between the American people and our government, between past, current and future generations of working Americans, between those who may receive benefits one day and those receiving benefits today. Americans greatly value Social Security. This institution and its protections are so thoroughly embedded into the lives of working persons, their families and communities, and the economy that it is difficult to imagine contemporary American life in their absence.

But notwithstanding its popularity, Social Security – its benefits, financing and the way it works – is not always well understood by the public. With the program's staffing and budgets strained, the communications functions of the agency have been diminished at the very time that the retiring baby-boom cohorts move through their prime ages for risk of disability and into their retirement years. Unfortunately, many lack sufficient knowledge of the benefits they are earning for

themselves and their family members, a problem that stronger agency communications could help to address.

Equally concerning, the public, especially the young, while remaining very supportive of the program, lacks confidence that the program will be there for them. To the extent this lack of confidence is attributable to misunderstandings about Social Security's projected cost in the future or its relationship to the general fund of the federal budget, the commissioner and other employees at SSA can improve confidence by making the facts clear. Hence in addition to strengthening customer service and access to needed benefits (see previous section), we believe it is critically important that SSA give greater attention to strengthening public understanding and confidence through its outward-facing communications, presswork and publications.

ACTIONS TO PROMOTE PUBLIC UNDERSTANDING AND CONFIDENCE

Commitment by SSA Leadership and All Employees to Build Public Understanding and Confidence

Agency leadership can and should play a key role in educating the public through speeches, media appearances, conference presentations and interaction with organizations representing business, communities of faith, labor, and diverse communities. Moreover, all SSA employees – at every level and in district, regional and national offices – should be encouraged and empowered to do so. Employee orientations, trainings, workshops and internal communications should reinforce and encourage the importance of advancing public understanding of Social Security.

Full Restoration of the Annual Mailing of the Social Security Statement

Until abruptly stopped on March 31, 2011 (with only a website notice), annual earnings statements were automatically mailed, each and every year, from the Social

Security Administration directly into the homes of each of those workers aged 25 and older. (The statements listed the recipient's earnings to date and projected the amount of future Social Security benefits.)

The late Senator Patrick Moynihan, the principal advocate for legislation establishing the annual Social Security Statement, linked the statement to the need to "maintain Social Security as a system in which the public can have full confidence." Requiring SSA to provide "periodic account statements to workers to inform them how much they have paid into the Social Security system and how much they and their families could potentially receive" would strengthen public knowledge and confidence. And, he went on to say, it would "overcome a problem we currently have, which is we never hear from Social Security, until we become beneficiaries, even though we may see money withheld for Social Security with every paycheck."

Implemented in 1995 and improved in 1999, Social Security Statements were mailed annually to covered workers, informing them of payroll tax contributions withheld, covered earnings credited and anticipated benefits. Suspended by SSA due to budget constraints, they are now only available online. The savings represent less than 50 cents per statement, about \$60 million in FY 2012.

The annual statement should be available in paper annually for several reasons:

- The mailing of annual statements is mandated under the law.
- Annual statements sent through the mail more effectively communicate that government recognizes the contributions of workers and the commitment, in turn, to provide earned benefits, thus serving to reinforce and strengthen public understanding of Social Security.
- Hard copies of annual statements are more likely to be read and saved by citizens.¹²
- Internet access and facilities with computer technology vary by many factors, with some of the most disadvantaged groups (e.g., those for whom English is not their first language, and those with low-income) having the least access to information when it is provided only over the internet.
- American workers deserve easy access to a full accounting of their earnings records and the benefits they are earning.

¹² An October 2012 Social Science Research Solutions survey (n=1028) found a very strong preference for receipt of paper documents among persons 25 and older who have 401(k) or other pension retirement accounts, with roughly 70 percent saying they would be more likely to read and save paper as opposed to online documents.

Incorporate Age-Specific Inserts to Educate the Public at Key "Teachable Moments"

Prior to suspending Social Security Statements, SSA had implemented a special insert for persons aged 55 and over which provided information of particular use to persons nearing



Family of Army Specialist 4 Brent Slayton. Brent Slayton's widow, Sarah, and two sons receive about 40 percent of their income from Social Security survivors benefits.

traditional retirement ages. Since 2009, it also included a separate insert for workers aged 25-35, who may have greater concern about protections for their children should a family face the disability or death of a wage earner. We recommend continuing these paper inserts once the mailing of statements is restored.

- ***Provide New Parents with a Statement of Child's Benefits***
The birth or adoption of a new child presents a "teachable moment," a time when most new parents are open to information that will help their new child thrive. With roughly 4 million births a year, SSA has an important opportunity to educate new parents that their Social Security contributions have earned important life and disability protections for their new child and their family. Young Americans are often unaware that they, from the moment of birth, are protected by Social Security by virtue

of the participation of a parent in Social Security and that the same, in turn, is true for their children. To strengthen public understanding and confidence, we propose that SSA explore options for implementing a “New Parents Statement” at the point when a Social Security card is issued to a new child.

- ***Provide “Welcome to Social Security” Letter/Statement to Persons Newly Entering the Labor Force***

Another “teachable moment” occurs when new workers first receive paychecks which generally will include deductions for Social Security from their paycheck. SSA should consider the feasibility of sending a letter from the Commissioner or a brief statement explaining what they receive for their Social Security contribution.

Restrict Annual Statement to Providing Information about Benefits

The online statement includes the following passage which states that Social Security “is facing serious financial problems” and that “action is needed soon to make sure the system will be sound when today’s younger workers are ready for retirement.” It goes on to assert that:

Without changes, in 2033 the Social Security Trust Fund will be able to pay only about 75 cents for each dollar of scheduled benefits. We need to resolve these issues soon to make sure Social Security continues to provide a foundation of protection for future generations.

While virtually no one disputes that there is a projected long-term shortfall, whether this is a serious problem requiring action soon is a matter of opinion, that is not the proper subject for communications by an independent agency.

REINVEST IN THE COMMUNICATIONS FUNCTIONS OF THE AGENCY

Review and Restore the Capacity of the Local Field Offices to Reach Out to the Public

In the past, SSA had much more reach into local communities, establishing relationships across a broad set of local governmental, business and civic organizations including the media, state agencies, non-profits, and religious and educational institutions. Local offices had sufficient resources

to send representatives to community meetings to, for example, educate citizen organizations about the program and provide training to social service agencies. The local offices’ outreach efforts were backed up by the national communications office, the professional communications officer in the 10 regional SSA offices, and at any one time by between 120 and 150 public affairs specialists across the country whose responsibilities spanned multiple offices and domains. Budget exigencies have resulted in significant retrenchment of these functions. Attrition and reassignment of local office staff and public affairs specialists have greatly diminished SSA’s outreach function.

This is of particular concern to groups that have historically been at a significant disadvantage, including ethnic communities, persons with disabilities who may need special information, and low-income elderly and disabled beneficiaries who are or may be eligible for SSI (see discussion on SSI Education and Outreach above). It also compromises the ability of the agency to educate the public through local media. Moreover, as the nation faces a discussion about the future of Social Security, it is important that SSA have the means to provide factually correct – and to correct incorrect – information in the public domain.

Review and Strengthen National Communications Capacity

Historically, SSA’s communications functions included the development of pamphlets, other informational publications, speeches, teacher kits, news releases and training materials and their dissemination to the regions and, most importantly, to local field offices. A shared understanding of the agency’s mission, challenges, program structure and benefits is important to maintaining thoughtful direction across the various levels of the bureaucracy.

Shifts in priorities, budgets, and political circumstances across administrations have resulted in the diminution of SSA’s communications functions. We recommend careful review of current materials and priorities with the goal of significantly expanding the communications functions of the agency, especially as they relate to ethnic communities, groups experiencing particular risk, and media education.

TIMELY AND ACCURATE INITIAL DISABILITY DETERMINATIONS, HEARINGS, AND APPEALS

“Just as no American is immune from the frailty of old age, no American is immune from a disabling illness or injury. That is why Social Security Disability Insurance provides a reliable source of income to severely injured veterans, single mothers, and other Americans who have spent their lives contributing to [the] system ... This incredibly popular program is relied on by millions of Americans who need disability benefits in order to survive.”

– Rep. Ted Deutch (D-FL),
February 12, 2013

While SSA has made improvements to its initial determination, hearing, and appeals processes over the last six years, significant work remains to ensure that applicants receive a correct determination in a timely manner. In FY 2011, claimants for disability benefits faced average wait times of 109 days for initial claims (from date of filing to date of payment or denial), and 345 days from a hearing request to a decision.¹³ SSA must be provided with adequate administrative funds to make significant strides in reducing the disability claims backlog, improve other services to the public, and conduct its program integrity activities. In addition, the new SSA Commissioner should consider a number of procedural improvements to enhance the initial determination, hearing, and appeals processes.

INITIAL DETERMINATIONS

Establishing eligibility for disability benefits is not a rubber-stamp process. Applicants must have a physical or mental impairment established by medical evidence provided by a physician. Statements of symptoms alone are not sufficient.

Thus, the key to appropriate disability determinations is full and adequate development of the relevant evidence. Inadequate case development at the initial and reconsideration levels leads to unnecessary appeals and longer processing times at the hearing level. Improvements at the front end of the process can significantly reduce the backlog and delays later in the appeals process.

- SSA should improve the SSI application process by providing an option for individuals to complete an online application for SSI. Currently, applicants for Social Security Title II disability benefits can file online. Applicants for Title XVI (SSI) benefits can fill out a Disability Report online, but must schedule an appointment with their local SSA field office to complete their application. Providing a complete online application option would be particularly helpful for individuals filing concurrent applications for Title II and SSI benefits. The option of completing an SSI application online will be an important supplement to existing methods that, as discussed more below, will continue to be needed for those who lack internet access or are unable to navigate the online application.
- SSA should continue and expand its efforts to accelerate decisions and develop new mechanisms for expedited eligibility through the application and review process for people whose conditions are the most severe and/or terminal. This includes continuation and expansion of SSA's Quick Disability Determinations and Compassionate Allowances programs.

SSA should seek to improve development of evidence earlier in the claims process to minimize denials at the initial level based on incomplete record. Recommendations include:

- SSA should provide more assistance to claimants at the application level. At the beginning of the process, SSA should explain to the claimant what evidence is important

¹³ Social Security Administration, Annual Performance Plan for Fiscal Year 2013 and revised Final Performance Plan for Fiscal Year 2012. <http://www.ssa.gov/performance/2013/FY%202013%20APP%20and%20Revised%20Final%20Performance%20Plan%20for%20FY%202012.pdf>

and necessary. SSA should also provide applicants with more help completing the application, particularly in light of electronic filings, so that all impairments and sources of information are identified, including non-physician and other professional sources.

- SSA should ensure that Disability Determination Services obtain necessary and relevant evidence. DDS forms usually ask for general medical information (diagnoses, findings, etc.) without tailoring questions to the Social Security disability standards. One way to address this would be for SSA to encourage DDS to send simple forms that translate complex, detailed medical source opinions into practical functional terms useful to DDS adjudicators. SSA should review its own national forms and DDS forms, and set standards for state-specific forms to ensure higher quality.
- SSA should expand the list of “acceptable medical sources” (required to establish the existence of impairments) to include nurse practitioners, physician assistants, and licensed clinical social workers. Millions of Americans rely on these licensed practitioners as their primary providers of physical and mental health care. Expanding the list of acceptable medical sources in this manner streamlines the process, promotes timely access to benefits, and protects the integrity of the disability programs through the use of licensed professionals.
- SSA should consider increasing reimbursement rates for providers responding to requests for medical records and reports, to increase provider response to requests for records and improve the quality of medical expertise available to adjudicators.
- SSA should provide better explanations to all providers about the disability standards and should request evidence relevant to the standard.
- SSA should provide training and guidance to adjudicators on proper application of important evaluation rules, such as: weighing medical evidence; including treating source opinions; the role of non-physician evidence; the evaluation of mental impairments, pain and other subjective symptoms; the evaluation of childhood disability; and use of the Social Security Rulings.

- SSA should improve the quality of consultative examinations (CEs). Too often, applicants report inappropriate referrals (to the wrong type of physician, given their disabling impairments), perfunctory examinations, and examinations conducted in languages other than the applicant’s. SSA should explore ways to expand the use of treating physicians to provide CEs. SSA should also provide more oversight of the CE process, which is conducted by state agencies.

THE DISABILITY APPEALS PROCESS

Recent improvements at the hearings and appeals levels have made the appeals process work better for all parties involved: claimants, their representatives, and SSA. However, limits must be placed on the goal of administrative efficiency for efficiency’s sake alone. The purpose of the Social Security and SSI programs is to provide cash benefits to those who are eligible for them. SSA should continue and expand its efforts to improve the disability claims process, as long as these efforts do not infringe on claimants’ rights and are designed and evaluated with a focus on the impact on claimants and beneficiaries and on the accuracy of the determinations.

SSA should support and continue ongoing technological improvements including the ability to submit evidence electronically, the provision of online access to claimants’ electronic folders, the use of electronic appeals, and the use of video hearings. At the same time, SSA should remember that many disability program applicants and beneficiaries lack electronic access to SSA or may not be able to understand or navigate electronic communications. For example, a recent study by the Department of Commerce found that 46 percent of households headed by a person with a disability did not have a computer at home, compared to 20 percent of homes where the head of household had no disability.¹⁴ As SSA expands the use of technology, it must also exercise caution to ensure that beneficiaries are protected, particularly where they are unable to navigate the system and need assistance in correcting errors. Ensuring full and adequate access to field offices, as noted elsewhere in this document, is critical to achieving this goal.

Like the earlier administrative levels, SSA should also continue to seek to accelerate decisions and develop new mechanisms for expedited eligibility throughout the appeals processes, without sacrificing accuracy. This includes the use of ongoing

¹⁴ U.S. Department of Commerce, “Exploring the Digital Nation: Computer and Internet Use at Home,” 2011. http://www.ntia.doc.gov/files/ntia/publications/exploring_the_digital_nation_computer_and_internet_use_at_home_11092011.pdf.

screening as claimants obtain more documentation to support their applications. Key ongoing appeals initiatives include the Senior Attorney Program, the Virtual Screening Unit, the Informal Remand Project, and Compassionate Allowances (which can occur at any level of the administrative appeals process).

To improve the disability determination process at the hearing and appeals levels, SSA should consider:

- Increasing the time for hearing notices from the current 20 days to 75 days, to allow more time to obtain medical evidence and increase the likelihood that the record will be complete when the Administrative Law Judge (ALJ) reviews it; and
- Helping claimants obtain representation earlier in the process to assist with development of medical and other information.

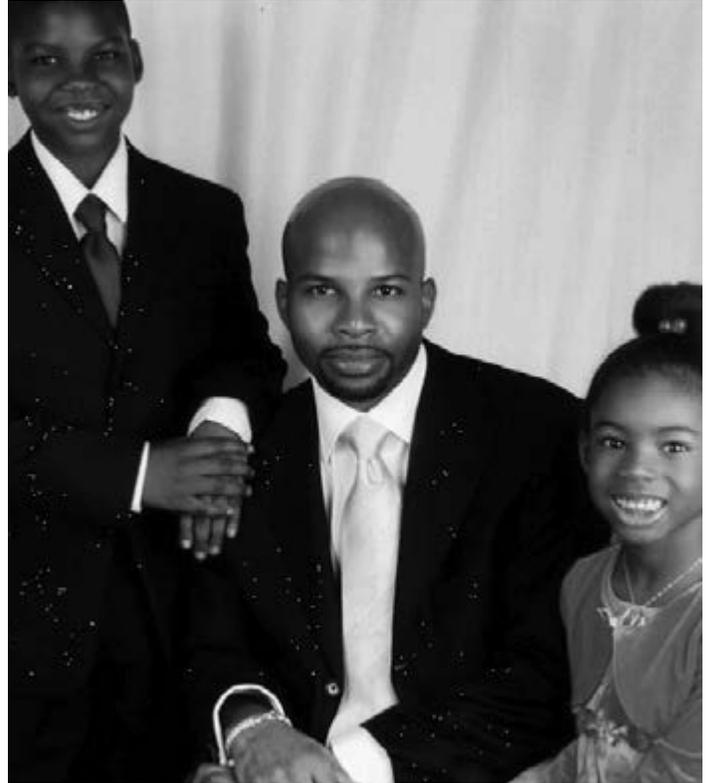
In addition, the new Commissioner should consider rescinding the policy, implemented in December 2011, that keeps the ALJ's identity undisclosed until the claimant and his/her representative enter the hearing room. The policy removes the ALJ's name from the hearing notice and precludes Office of Disability Adjudicative Reviews (ODAR) hearing staff from disclosing the ALJ's identity until the claimant and his/her representative enter the hearing room. We are very concerned about the negative impact of this policy on claimants, on the ability of representatives to effectively represent claimants, and on the efficient operation of ODAR hearing offices. We believe there are less drastic ways to address Agency concerns.

Finally, the role of ALJs in the Social Security and SSI disability determination process has been critical to people with disabilities by ensuring their right to a full and fair hearing before an impartial and independent adjudicator. ALJs should be retained as the adjudicators for the hearing requirement in the Social Security Act.

APPEALS OF SSI SUSPENSIONS AND BENEFIT REDUCTIONS

While concerns regarding the appeals process for SSI and Social Security disability determinations have been covered in the press and have been the subject of Congressional hearings, appeals on other issues have been largely ignored. It is particularly important that the new Commissioner focus

attention on the functioning of the process for appealing proposed SSI suspensions and benefit reductions. Everyone subject to this process a) has previously been determined to be eligible for SSI, b) is relying on a subsistence-level SSI benefit for their basic necessities and c) is threatened with the imminent loss of all or part of that benefit. In addition, very few people faced with a benefit suspension or reduction can find



Disabled veteran Sherman Gillums, Jr. and his two young children. Social Security's disability benefits and Ticket to Work program served as a family lifeline, helping him return to school, find work and return to self-sufficiency.

an attorney or other advocate to represent them since, unlike disability determination appeals, there is no prospect of a fee for representation. This makes it all the more important that the process work smoothly and fairly since, for the most part, there is no one to monitor it. Over forty years ago the U.S. Supreme Court ruled in *Goldberg v. Kelly*,¹⁵ that people in this situation were entitled to an evidentiary hearing with significant due-process protections before their benefits could be suspended.

While SSA has issued regulations to comply with *Goldberg*, the initial (reconsideration¹⁶) stage of the appeal process as

¹⁵ *Goldberg v. Kelly*, 397 U.S. 254 (1970).

¹⁶ 20 CFR § 416.1407. The reconsideration phase for appeals of adverse disability determinations is completely different from all other appeals at SSA. Reconsiderations for disability determinations are handled at the state agency that made the initial disability determination. Reconsiderations for all other SSI appeals are handled at Social Security District Offices, while reconsiderations for other OASDI appeals are handled at a District Office or at a Program Service Center.

it actually operates at the Social Security District Office level often falls far short of the basic due-process requirements. Among the regularly recurring flaws in the operation of the system are the following: 1) people incorrectly being told they cannot appeal an initial determination; 2) widespread practice of ignoring requests for reconsideration and not processing them at all; 3) implicitly treating a request for reconsideration of an alleged overpayment as a request for waiver of recovery of the overpayment in which it is assumed that SSA's assessment of the overpayment is correct; 4) failure to continue benefits unchanged pending a determination on a timely appeal as required by Goldberg; 5) failure to give the individual an opportunity to review the evidence in the file;¹⁷ 6) failure to hold the required formal or informal conference when requested;¹⁸ 7) persons conducting reconsideration conferences who are unfamiliar with the requirements for such conferences; 8) failure to provide an opportunity to cross-examine the witnesses relied on; and 9) reconsidered determinations which fail to state the reasons and the evidence relied on.

The Commissioner should establish a uniform, automated process for inputting requests for reconsideration into the system, to avoid the unintended failure to process reconsideration requests in a timely manner. As part of the system, there should be implemented a system for tracking reconsiderations. Unlike appeals from adverse decisions on DI applications for benefits where we have detailed information on how many appeals there are in each part of the country and how long they have been pending as well as dispositions, there is no such data maintained on reconsideration of SSI suspensions and benefit reductions.

When SSA sends a notice of a planned suspension of SSI benefits, the notice states that benefits will be continued unchanged if the individual requests reconsideration within fifteen days of the date on the notice. However, the issuance of the notice triggers an automated benefit suspension 15 days after the date on the notice. A manual entry is required to assure continuation of benefits upon receipt of a request for reconsideration. This automated suspension often makes it impossible for the worker in an SSA District Office to assure uninterrupted benefits for someone who is entitled to them by law. What is needed here is either an automated system for benefit continuation that is triggered upon the filing of a

request for reconsideration, or a requirement that on the 16th day someone verify that no request for reconsideration has been received in order to put the suspension or reduction into effect.

As part of increased training of the SSA work force, as described earlier in this report, we urge the Commissioner to include training of the appropriate employees on the reconsideration process, including what due process requires. Part of this training should include making clear the role of due process in fulfilling SSA's mission.

Subsequent phases of the administrative appeals process (Administrative Law Judge and Social Security Appeals Council) are the same as for disability determinations and all other SSA appeals and generally function as they are supposed to. However, relatively few appeals of SSI suspensions and reductions ever reach an Administrative Law Judge. Reconsideration is the last chance for most SSI recipients to challenge an improper benefit suspension¹⁹ and sometimes the last chance to avoid homelessness.

OTHER SSI AND OASDI APPEALS

People appealing other SSI and OASDI initial determinations are not legally entitled to the same due-process protections. Nevertheless, appeals of SSI and OASDI denials on other than disability grounds are also processed in SSA District Offices and may face some of the same problems discussed above. Moreover, they may involve Program Service Centers located hundreds or thousands of miles away, making it difficult if not impossible for a beneficiary to contact in person. We urge the Commissioner to include all appeals in the review of how best to improve the process.

WAIVER REQUESTS

When someone has been paid more than the correct amount of benefits in either OASDI or SSI, SSA will assess an overpayment and initiate action to recover the overpayment from future benefits.²⁰ A person can request waiver of recovery of the overpayment if the person was without fault in creating the overpayment and meets certain other conditions.²¹ The Supreme Court has ruled that people requesting a waiver of recovery of an overpayment are entitled to certain due-process

¹⁷ 20 CFR § 416.1413(a).

¹⁸ 20 CFR § 416.1413(b) & (c).

¹⁹ Even if someone who has not been able to get her reconsideration processed tries appealing to an Administrative Law Judge, the appeal will generally be dismissed for failure to first obtain a reconsidered determination.

²⁰ 20 CFR §§ 404.502a & 416.537(a).

²¹ 20 CFR §§ 404.506(a) & 416.550.

protections if the request for waiver is not granted, including a personal conference and benefit continuation pending a determination.²² Although the process is somewhat different from the process governing appeals of SSI suspensions and reductions, the problems with it are essentially the same and they should be addressed at the same time.

Improper Payments

SSA needs to develop a better reporting and recording system in order to promptly adjust benefit payments, to prevent and reduce improper payments.

Reducing the risk of an improper payment is essential to removing barriers for people with disabilities who are working or attempting to work. The Social Security Title II (SSDI) and Title XVI (SSI) disability programs both require beneficiaries to report earnings to ensure proper payments. Unfortunately, delays in processing earnings reports often have a very detrimental impact on people with disabilities. When beneficiaries faithfully notify SSA of earnings or other changes that may reduce their benefit payment amounts, it may be months or years before SSA sends an overpayment notice to the beneficiary, demanding repayment of sometimes tens of thousands of dollars of accrued overpayments. It is shocking to beneficiaries to receive these notices, when they reasonably assumed that SSA had processed the information they submitted in a timely fashion. And it is challenging, if not impossible, for someone subsisting on benefits alone to repay the overpayments. Many individuals with disabilities are wary of attempting a return to work out of fear that this may give rise to an overpayment, resulting in a loss of economic stability and health care coverage upon which they rely.

SSDI: An SSDI beneficiary who returns to work is required to report earnings to SSA so that a work continuing disability review (CDR) can be performed and benefits adjusted when appropriate. If the earnings report is processed in a timely manner, the benefits are adjusted and no overpayment results. However, if SSA lacks the staff to process earnings reports in a timely manner, the beneficiary is likely to receive an overpayment. The longer the delay in processing, the larger the overpayment will be. SSA has recently stated that it takes more than 270 days on average to complete a work CDR. Every month that passes from the time that a beneficiary reports earnings before a work CDR is completed increases the likelihood of a large overpayment.

SSI: The SSI program is very complex and benefits can change each month due to income and resource fluctuations and changes in living arrangements. There are complex program rules and delays in receiving income data. SSA has struggled over the years to improve its accuracy rate for SSI payments for both overpayments and underpayments. Given the many statutory requirements and the volume of work, some overpayments are unavoidable. The complexity of the return-to-work provisions is exacerbated when a beneficiary receives both SSDI and SSI, because the beneficiary is subject to two different sets of rules. About 30 percent of SSI beneficiaries aged 18-64 also receive Title II benefits.

The SSI program rules are challenging for administrators of the program and even more difficult for SSI beneficiaries to understand and accurately follow. SSI applicants and beneficiaries are under tremendous financial stress when they apply for SSI and while they are receiving SSI benefits. They often experience other stressful situations, including food insecurity, possible homelessness, and personal and family crisis due to economic hardship. For some, the very disability for which they have turned to the SSI program adds its own pressures to the situation and, in some cases, makes navigating the complexity of the SSI program extremely difficult.

We urge the Commissioner to develop a better reporting and recording system in order to promptly adjust benefit payments – thus preventing these overpayments. It is important to note that, in and of themselves, overpayments do not indicate fraud or abuse, as beneficiaries are encouraged to work if they are able. Problems arise when reported earnings are not properly recorded and monthly overpayments are not properly adjusted. SSA must have adequate resources and staffing to allow the agency to reduce both the backlog and processing time of earnings reports.

In its administrative processes, we urge the Commissioner to consider the following steps to reduce overpayments:

- Ensure that beneficiaries who follow the rules are not penalized. SSA should adopt an “estoppel” provision that gives SSA six months to stop overpayments to beneficiaries who have followed the law by properly reporting their earnings, and after six months prevents SSA from collecting back overpayments. Further, SSA field office staff should have the same incentives to process earnings reports as they do to complete other work. These changes would result

²² *Yamasaki v. Califano*, 442 U.S. 682 (1979).

in a system that is fairer to beneficiaries and would likely save a significant amount of taxpayer dollars.

- Develop a better earnings reporting and recording system – including providing an option for online wage reporting for Title II and SSI beneficiaries that allows the agency to promptly adjust benefit payments.
- Consider using its Continuing Disability Review Enforcement Model (CDREM) to help prevent overpayments before they happen. The CDREM is a computer algorithm that determines which disability cases should be prioritized for review to minimize large overpayments due to income from earnings, and initiate recovery efforts. SSA should also use it to target beneficiaries most in need of counseling about their benefits and their reporting responsibilities, to prevent overpayments before they happen.
- Establish an automated process for logging in appeals of adverse determinations that ensures benefits continue when an appeal or request for waiver is filed in a timely fashion.
- Continue to provide options to access services and request appeals and waivers in local field offices, not just through SSA's website. As noted earlier, many people with disabilities lack internet access or computer proficiency and remain unlikely to obtain information and access services through SSA's website. SSA should continue to ensure access to field offices through adequate hours and staffing, and should display and provide written publications in local field offices. This is vital not only for reducing improper payments but also for ensuring overall access to SSA's application and appeals process.

STRENGTHENING SOCIAL SECURITY THROUGH RESEARCH

RESEARCH ON RETIREMENT

SSA's Office of Retirement Policy conducts useful analyses on the effects of various Social Security reform proposals on benefit levels, and the Office of Research, Evaluation and Statistics performs excellent research on Social Security and retirement issues both internally and extramurally through the Retirement Research Consortium.

This work notwithstanding, the nation is facing the largest wave of retirement in its history, at a time when sources of retirement income other than Social Security – defined benefit pensions, 401(k)s, home equity and other personal savings – are less reliable than ever, not only for those with low career earnings, but for middle-class households as well. This environment calls for increased research on retirement income security at SSA, yet the public policy and research resources at SSA have declined over the last 12 years. These resources have been diverted to researching operational matters, duplicating work done elsewhere in the agency, while neglecting pressing public policy concerns.

Recommendations for retirement research:

Our recommendations for the new Commissioner include:

- The public policy and research resources should be restored at SSA. The agency should expand its efforts to fund policy-relevant research on retirement security and benefit adequacy issues and on how demographic and economic changes will affect retirement, savings and careers in the future.
- SSA's research program should empirically examine benefit and income adequacy, as well as the distributional impact of benefit formula reform options. New surveys of beneficiaries should be conducted to shed light on the real situations and needs of the elderly persons, people with disabilities and survivors.
- Conduct research on the interaction between early claiming of retirement benefits and the incidence of disability.

RESEARCH ON DISABILITY

Disability claims have risen in recent years, yet we understand that the agency has abandoned most of its public policy work on disability, focusing instead on disability administrative procedures related to reducing backlogs. This has resulted in an inability on the agency's part to respond as rapidly and effectively to policymakers' requests for information, research and analysis on disability issues as they can on retirement issues. Disability research, data collection and policy analysis are fragmented and not well coordinated, and the agency has no microsimulation model devoted to disability that is on par with its retirement and economic models (MINT, FEM, POLISIM, etc.). Fortunately, SSA recently established a new Disability Research Consortium to enhance its capacity for research on disability.

Unfortunately, most past SSA research in this area has focused on labor market participation and return-to-work potential among disability claimants (pre- and post-award; among applicants vs. those awarded benefits, etc.). SSA's new Disability Research Consortium should go beyond this focus to explore a wider range of topics of importance to people with disabilities and policymakers.

Recommendations for disability research:

Broaden research inquiry beyond measuring the labor supply of people with disabilities to encompass topics such as the following:

- adequacy of benefits (for SSI, this might include the federal benefit rate itself; the earned income and general income disregards, which have not been raised since the program's inception in 1972; and/or the resource limits, which have not been raised since 1989);
- quality of life of beneficiaries, including what beneficiaries spend their benefits on;
- what happens to claimants not awarded benefits;
- what happens to young adult recipients of SSI childhood benefits who lose benefits at age 18 as part of an age-18 redetermination;

- the link between health insurance and the decision to apply for benefits; and
- fragmentation of services (i.e., across agencies that serve people with disabilities – education, vocational education/rehabilitation, healthcare, etc.).

INDEPENDENCE OF THE OFFICE OF THE CHIEF ACTUARY

SSA's Office of the Chief Actuary has a proud and exemplary tradition – dating back four decades prior to the creation of the Congressional Budget Office – of independence and non-partisanship in providing estimates of Social Security's finances. It is widely regarded as having remained above the fray of internal and external partisan political interference throughout the program's 77-year history. While its intermediate projections – like all forecasts – can be criticized as too pessimistic or optimistic (and for this very reason it estimates low- and high-cost scenarios), no one can credibly claim that these estimates have represented anything other than the best judgment of the actuaries. Historically, both Democratic and Republican policymakers of all stripes have trusted and relied on the Office's analyses, viewing them as good-faith estimates made only with an eye to accuracy.

Recommendation:

We strongly recommend maintaining the independence of the Office of the Chief Actuary from any sort of political interference, and urge the new Commissioner to respect the Office's independence.

RESEARCH-RELATED ADMINISTRATION

SSA eliminated the Office of Policy in 2008 and housed the surviving offices within a component that is focused on supporting operations.

Operational recommendations:

- Create an Office of Public Policy, equivalent in stature to the Offices of General Counsel, Chief Actuary and Inspector General, that would be focused on meeting the policy needs of policymakers, researchers, and the American people (as opposed to administrative procedures or other types of operational support).
- The agency is the undisputed premier expert on its programs, rules and beneficiaries. The Commissioner should consider

improving its legislative development process so, if requested, it is able to provide Congress with proposals that address the goals of simplification, benefit adequacy, benefit equity, and cost savings.

- The agency is one of the premier sources of data in the federal government. However, we believe that it is failing to make full use of its data to meet the information needs of the agency's operations, policymakers and external researchers. The agency could better serve all of its varied clients' data and statistics needs by adopting state-of-the-art information technology (IT) to store and access data quickly and efficiently.

EXTEND SSA'S TITLE II DEMONSTRATION AUTHORITY

SSDI beneficiaries face a complex set of rules regarding earnings, and, if concurrently eligible for SSI, assets. Demonstrations allow SSA to test additional ways to help beneficiaries navigate the system and can provide important information about assisting beneficiaries to attempt to work or return to work. Currently, SSA has demonstration authority for its Title XVI programs, but demonstration authority for the Title II programs expired in 2005. For several years, the President's Budget has proposed a five-year reauthorization of SSA's Title II demonstration authority, to allow the agency to test program innovations such as the Work Incentives Simplification Pilot (WISP), which would provide beneficiaries with simplified work rules. SSA should continue to request reauthorization of Title II demonstration authority to permit innovative proposals such as the WISP.

**APPENDIX A –
STRENGTHEN SOCIAL SECURITY COALITION STATEMENT ON ESSENTIAL ATTRIBUTES OF
NEXT COMMISSIONER**

President Barack Obama
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20500

...

Dear Mr. President:

The Strengthen Social Security Coalition consists of 320 leading national and state organizations representing women, seniors, working families, people with disabilities, people of color, veterans, children, and others. Our heartfelt congratulations on your reelection!

During the next four years, we would welcome the opportunity to be of assistance as your Administration works to strengthen our nation's Social Security system. With that goal in mind, and as a first step, the Strengthen Social Security Coalition is developing a transition report, outlining the salient administrative issues that we believe need to be addressed for the Social Security Administration (SSA) to provide the first-rate services that the American public needs and, of course, deserves. We will be pleased to forward this report to the White House in January.

Because the current Social Security Commissioner's term expires on January 19, 2013, we write in advance of submitting the transition report to share our coalition's views regarding the attributes we believe are essential in the next Commissioner.

As with all cabinet and sub-cabinet appointments, candidates for this office should be of the highest character and have the training, experience, temperament, skills and knowledge of policy, politics and program necessary to give outstanding leadership. It goes almost without saying that every Social Security Commissioner must be concerned that benefits are paid and claims processed in timely ways. But we believe that the next Commissioner must do more.

First and foremost, he/she must have a thorough knowledge of the system and how it works, respect for its accomplishments and a deep understanding of its importance in the lives of virtually every American. Very importantly, the next Commissioner needs to have a clear vision for maintaining a strong Social Security system for both current and future beneficiaries. While public support for Social Security remains strong, public confidence in the program is fragile, a matter of concern for the future of this crucial institution and for the faith the American people place in our federal government.

The next Commissioner should have the ability to communicate to citizens, policymakers, and media alike, the central importance of this institution - not only to our families, but also to our communities and economic enterprises. Because Social Security is one of the few places where citizens interact most directly with their government and because that interaction often comes at moments of transition and vulnerability – the death of a loved one, the incidence of a serious and permanent disability that makes work impossible, or retirement that comes with old age -- the Administration's appointee should have an unwavering commitment to equip and inspire SSA's dedicated workforce to deliver world class service.

The next Commissioner should also have the ability to participate fully in interagency policy discussions on system solvency and the adequacy of benefits. He or she will also need to be well respected among the various constituency organizations in the Social Security policy arena and be a trusted source of information for congressional leaders and senior Administration officials.

We confront a pivotal moment in the life of the system. The population is aging, leading some to believe erroneously that Social Security is no longer affordable and must, therefore, be fundamentally restructured. The next Commissioner should be a visionary leader, who understands fully what has made Social Security successful over its 77 year history, and believes deeply that it is all of our responsibility to leave, as our legacy, a program that is stronger and better, just as past generations have done for us.

Thank you for considering our views.

Respectfully yours,

Nancy Altman
Co-Chair, Strengthen Social Security Coalition

Eric Kingson
Co-Chair, Strengthen Social Security Coalition

Joan Entmacher
Co-Chair, Adequacy of Benefits Committee, SSSC
Vice President for Family Economic Security,
National Women's Law Center

Paul Nathanson
Co-Chair, Adequacy of Benefits Committee, SSSC
Executive Director, National Senior Citizens
Law Center

Copies to:

Jack Lew, White House Chief of Staff
John Carson, Director, Office of Public Engagement
The Honorable Harry Reid, Senate Majority Leader
The Honorable Mitch McConnell, Senate Minority Leader
The Honorable John Boehner, House of Representatives
The Honorable Nancy Pelosi, House Minority Leader
The Honorable Max Baucus, Chair, Finance Committee
The Honorable Orrin Hatch, Ranking Member, Senate Finance Committee
The Honorable Dave Camp, Chair, House Ways & Means Committee
The Honorable Sander Levin, Ranking Member, House Ways & Means Committee

APPENDIX B – SUMMARY OF POLICY AND ADMINISTRATIVE RECOMMENDATIONS

FUNDING AND STAFFING

- Request a minimum of \$12.3 billion for SSA's FY 2014 administrative funding to enable the agency to retain sufficient staff to respond to the rapidly growing demands on the program.
- Urge Congress to change the process for appropriating administrative funds to SSA so that Social Security does not in essence have to compete with other programs for use of its own dedicated revenue.

IMPROVING ACCESS AND CUSTOMER SERVICE

Access for People with Disabilities

- Ensure that all aspects of SSA's web site, electronic communications, and IT are fully accessible under Section 504, and establish a comprehensive Section 504 policy that requires the following elements:
- Make written assurances addressing methods of implementation and enforcement of every substantive Section 504 regulation as found at 45 C.F.R., part 85 et seq.
- In all relevant SSA policies offer every applicant and beneficiary reasonable accommodations and program modifications as necessary to ensure meaningful access to benefits.
- In all SSA policies give notice of rights under Section 504 in a variety of forms and at every stage of the application and review process, particularly those affecting a person's benefits.
- In all SSA policies, incorporate methods to ensure that SSA personnel appropriately screen and identify people who need reasonable accommodations and/or program modifications.

Access for Limited English Proficient Individuals

- Develop a plan for translating all notices into Spanish and into the other major languages spoken by beneficiaries of SSA programs, starting with SSI program.
- Do more to ensure that SSA's policy on interpreters is uniformly applied.
- Make compliance with the interpreter policy part of monitoring the performance of state DDSs.

- Make a concerted effort, as hiring opportunities arise, to hire more bilingual staff for assignment to field offices, as this is the best and most economical means of serving LEP individuals.
- Make informational publications in different languages and English available and visible to people who visit local offices.
- Develop a plan for regularly distributing print versions of these informational publications to community groups serving targeted language groups.

Helping People Understand Benefit-Claiming Options

- Issue written policy informing employees that high-quality, informed service is the most important job at SSA and that job performance will be measured on this basis.
- Undertake training programs to provide employees with not only a detailed understanding of eligibility and benefit criteria but also the skills necessary to give the best advice to applicants.
- Make more complete information about benefits for spouses and surviving spouses available online and through SSA staff.
- Revise the online application process to ensure applicants are fully informed and have considered the consequences of their decision on the amount of their (and spouse's) future lifetime income.

SSI Education and Outreach

- Do not restrict to people within 2 months of 65 the requirement that SSDI applicants receive an explanation of SSI requirements if not clear their SSDI benefits would disqualify them for SSI.
- Anyone who files for Title II old-age benefits before age 65 and has a low enough Title II benefit to potentially qualify for SSI should automatically be sent a reminder at age 65 that they now meet the age requirement for SSI.
- Consider sending a reminder about possible SSI eligibility periodically (e.g., once every five years with the COLA announcement) to beneficiaries with low Title II benefits.
- Request greatly increased funding for outreach to homeless populations, and provide special training to specialized

claims representatives on some of the unique problems they face in processing SSI claims for homeless people.

Mandatory Direct Deposit of Benefits

- Implement a more liberal waiver policy for electronic payment of benefits, in particular rescinding the requirement of a notary.
- Work with Treasury to make the waiver process more consumer-friendly and to enable people who are unable to manage electronic deposit of benefits to continue receiving a paper check.
- Continue robust outreach to and notification of beneficiaries regarding the transition to mandatory direct deposit – particularly to the limited English proficient, disabled, and other vulnerable, isolated or hard-to-reach beneficiaries and future beneficiaries.

STRENGTHENING PUBLIC UNDERSTANDING AND CONFIDENCE

- Commit to building public understanding of the program, which should result in greater confidence in it.
- Fully restore the annual mailing of the Social Security Statement.
- Incorporate age-specific inserts in statement for those age 55 and over, 25-35, and upon birth of a child.
- Seek to educate the public by taking advantage of “teachable moments”.
- Reinvest in the communications functions of the agency.
- Review and strengthen the agency’s national communications capacity.

TIMELY AND ACCURATE INITIAL DETERMINATIONS, HEARINGS, AND APPEALS

Initial Determinations:

- Improve the SSI application process by providing an option for individuals to complete an online application for SSI.
- Continue and expand efforts to accelerate decisions for people whose conditions are the most severe and/or terminal.
- Provide more assistance to claimants at the application level, explaining to the claimant what evidence is important and necessary.
- Ensure that Disability Determination Services obtain necessary and relevant evidence.
- Expand the list of “acceptable medical sources” to include nurse practitioners, physician assistants, and licensed clinical social workers.

- Increase reimbursement rates for providers responding to requests for medical records.
- Provide better explanations to all providers about the disability standard.
- Provide guidance to adjudicators on proper application of important evaluation rules.
- Improve the quality of consultative examinations.

The Disability Appeals Process:

- Consider increasing the time for hearing notices from the current 20 days to 75 days.
- Consider helping claimants obtain representation earlier in the process, so that files are more complete earlier in the process.
- Consider rescinding the policy that keeps the ALJ’s identity undisclosed until the hearing.
- Retain ALJs as the adjudicators for the hearing requirement in the Social Security Act.

Appeals of SSI Suspensions and Benefit Reductions:

- Improve functioning of process for appealing proposed SSI suspensions and benefit reductions.
- Develop uniform, automated process for inputting requests for reconsideration into the system.
- Implement a system for tracking reconsiderations that are processed.
- Develop automated system for benefit continuation triggered upon filing of a request for reconsideration.
- Devote more resources to training staff on the reconsideration process and due process.

Improper Payments:

- Develop better reporting and recording system to promptly adjust benefit payments.
- Ensure that beneficiaries who follow the rules are not penalized.
- Give field office staff same incentives to process earnings reports as for completing other work.
- Develop better earnings reporting and recording system – including providing an option for online wage reporting for Title II and SSI beneficiaries.
- Use SSA’s Continuing Disability Review Enforcement Model to help prevent overpayments.
- Establish an automated process for logging in appeals of adverse determinations that ensures benefits continue when an appeal or request for waiver is timely filed.
- Continue to provide options to access services and request appeals and waivers in local field offices, not just through SSA’s website.

RESEARCH AGENDA

Retirement Research

- Restore the public policy and research resources at SSA.
- SSA's research program should empirically examine benefit and income adequacy, as well as the distributional impact of benefit formula reform options. New surveys of beneficiaries should be conducted to shed light on the real situations and needs of the elderly persons, people with disabilities and survivors.
- Conduct research on interaction between early claiming of retirement benefits and incidence of disability.

Disability Research

Conduct research on the following topics:

- adequacy of benefits;
- quality of life of beneficiaries, including what beneficiaries spend their benefits on;
- what happens to claimants not awarded benefits;
- what happens to young adult recipients of SSI childhood benefits who lose benefits at age 18 as part of an age-18 redetermination;
- the link between health insurance and the decision to apply for benefits; and
- fragmentation of services (i.e., across agencies that serve people with disabilities – education, vocational education/rehabilitation, healthcare, etc.).

Independence of the Office of the Chief Actuary

- Maintain independence of Office of the Chief Actuary from political interference.

Research-related Administration

- Create an Office of Public Policy, equivalent in stature to the Offices of General Counsel, Chief Actuary and Inspector General, that would be focused on meeting the policy needs of policymakers, researchers, and the American people (as opposed to administrative procedures or other types of operational support).
- Improve SSA's legislative development process to be able, upon request, to provide Congress with proposals that address the goals of simplification, benefit adequacy, benefit equity, and cost savings.
- Adopt state-of-the-art IT to store and access data quickly and efficiently.

Demonstrations

- Urge Congress to extend SSA's Title II demonstration authority.

STRENGTHEN
SOCIAL
SECURITY
...don't cut it.

