



Disability Program Reform Principles

CCD Social Security Task Force

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The Social Security disability programs, including the Supplemental Security Income (SSI) program and disability coverage in the Old Age, Survivors, and Disability Insurance programs,¹ provide vital and much-needed economic security and access to health care for individuals whose impairments are so severe that they preclude substantial work, given their current circumstances, as well as to children with marked and severe functional limitations. These income support programs are an integral component of our nation's safety net, reflecting the core American value of assisting those in need.

Many adults receiving Social Security disability benefits have made repeated attempts to work, often exacerbating their impairments, before finally turning to the Social Security disability programs for critical income support. Eligibility criteria for the programs are extremely strict and the beneficiary populations receiving benefits through these programs are very diverse. Some are terminally ill. In fact, about one in five male Social Security Disability Insurance (SSDI) beneficiaries and one in seven female SSDI beneficiaries die within the first five years of receiving benefits. Nearly 70% of SSDI beneficiaries in 2010 were age 50 or older and nearly 1 in 3 was age 60 or older. Forty-six percent of people receiving SSDI benefits would characterize their health as being poor or very poor. Additionally, the health of people receiving benefits appears to worsen over time. Nearly 1 in 2 beneficiaries reported in a recent National Beneficiary survey that their health had declined over the past year.

Although some Social Security disability program beneficiaries may have the capacity to increase their employment, and should receive every support and encouragement to do so, available data suggest that a large percentage will not have the capacity for ongoing employment at any significant level. Experience shows that the disability program beneficiaries who are eventually able to attain a significant level of employment often take a long time to do so and may encounter many "stops and starts" along the way.

Any reforms contemplated to these critical safety net programs should conform to the following principles:

Principle 1: Preserve the basic structure of Social Security’s disability programs, including the definition of disability.

Social Security’s disability programs are critical to people with disabilities and their families. Their basic structure is effective and should be preserved. Any efforts to change the Social Security disability programs must protect and expand the effectiveness of these income support programs, as well as protect access to the corresponding health coverage provided through Medicare and Medicaid. Additionally, because the intent of the Social Security disability programs is to provide income support for individuals who do not have the capacity to work, the existing definition of disability is appropriate. The current definition is strict, providing benefits only to individuals with the most significant impairments. The current structure also provides sufficient flexibility to allow for policies that promote employment for beneficiaries who are able to do some work.

Principle 2: Efforts should be made to increase employment opportunities and improve employment outcomes for Social Security disability beneficiaries, but those efforts should not be achieved through any tightening of eligibility criteria for cash benefits and/or narrowing of health care benefits.

CCD supports new legislative and regulatory proposals that could increase employment opportunities for individuals with disabilities who receive Social Security disability benefits. However, new initiatives should be funded outside of the Social Security disability benefit structure and should not come at the expense of existing Social Security disability benefits. A top priority for CCD is to retain current eligibility criteria for income support and associated health care benefits while also promoting ways to improve employment outcomes for individuals with disabilities who have the capacity for work.

Programs designed to allow flexibility for people with disabilities to return to work, including programs authorized under the Ticket to Work and Work Incentives Improvement Act (TWWIIA), should be supported in order to provide Social Security disability beneficiaries with the flexibility they need to return to work. These programs offer people with disabilities the options to try different work opportunities without risk of losing their benefits should a return to work be unsuccessful. Providing individuals with disabilities the opportunities to work up to their capacity without risking the vital income support and health care coverage allows them the chance to increase their independence and self-sufficiency. For a full list of CCD recommendations, see <http://waysandmeans.house.gov/UploadedFiles/TTWWIIATest.pdf>.

Principle 3: Given that Social Security disability program beneficiaries have already been found unable to perform substantial gainful activity, participation in work or activities to prepare for work should remain voluntary.

While it is critical that high-quality employment services be made readily available to all beneficiaries, the person with a disability is in the best position to evaluate his or her own health condition and ability to participate in such activities. Because many people with disabilities face great challenges in returning to work, and because of the significant diversity of disabilities represented within the Social Security disability programs, receipt of Social Security disability benefits should not be conditional on participation in work or work preparation activities. CCD therefore opposes any type of work requirements in the Social Security disability programs, including any requirements that beneficiaries participate in community service, volunteer work,

vocational rehabilitation, training, or other pre-employment activities as a condition of receiving benefits or to avoid sanctions.

Principle 4: Eligibility and cash benefits should not be subject to time limits

As stated above, even those beneficiaries who eventually attain self-supporting employment may take a long time to do so. Placing arbitrary time limits on benefits could be counterproductive and exacerbate physical or mental health problems. It is also impossible to predict who might be able to work at a self-sustaining level as the course a disability or illness may take is unpredictable and definitely not known ahead of time. For those who are not able to attain a significant level of employment, or not able to do so within the prescribed time frames, a time-limited program would greatly increase the need for repeated applications and adjudications, causing great stress for beneficiaries as well as increased administrative costs for the Social Security Administration (SSA). The current policy of conducting continuing disability reviews avoids these problems and additional costs, while ensuring that individuals who no longer qualify for the program have their benefits terminated.

Principle 5: Preserve and strengthen the SSI childhood disability program.

Children's SSI serves as a critical lifeline for low-income families caring for children with severe physical and/or mental impairments. SSI benefits replace lost income when a parent must stay home to care for the child, and also cover various extra expenses for children with special needs, enabling families to stay together and care for their children at home instead of in costly publicly-funded institutions. The children's SSI program should be preserved in its current structure and continue to be part of the SSA's responsibilities. SSA should be given adequate funding to conduct the continuing disability reviews authorized by law. Caregivers should not be required to work, so that they can provide the care that these severely impaired children require. In addition, given that children and youth with disabilities are quite diverse with varying needs and abilities, like adults, there should be no requirement that SSI youth work. However, youth disability beneficiaries, just like adult Social Security disability program beneficiaries, should be supported in developing early work experiences and accessing vocational rehabilitation programs that will help them be as prepared as possible for the world of work as adults.

Principle 6: Fully fund the administrative expenses of the Social Security Administration.

SSA must have sufficient funding to ensure that the service needs of the public are met, including the needs of people applying for and receiving Social Security disability benefits. The delivery of services must be strengthened, not weakened, during times of economic crisis. Adequate administrative funding is needed so that SSA can continue making strides to reduce the disability claims backlog, as well as to prevent deterioration of other critical services primarily caused by the underfunding of SSA for many years. Finally, sufficient funding is necessary to ensure that SSA can effectively perform its program integrity functions, such as continuing disability reviews and efforts to prevent and recover overpayments.

¹ This includes all individuals with disabilities receiving benefits through the Old-Age, Survivors, and Disability programs, including disabled workers, surviving disabled spouses, and disabled adult children.