



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

Statement for the Record

**Hearing on Securing the Future of the
Social Security Disability Insurance Program:
Combating Waste, Fraud, and Abuse**

**Subcommittee on Social Security
House Committee on Ways and Means**

January 24, 2012

Submitted on behalf of the undersigned members of the Consortium for Citizens with Disabilities Social Security Task Force:

American Council of the Blind
Association of University Centers on Disabilities
Bazelon Center for Mental Health Law
Easter Seals
Epilepsy Foundation
Health and Disability Advocates
National Alliance on Mental Illness
National Association of Councils on Developmental Disabilities
National Association of Disability Representatives
National Disability Rights Network
National Down Syndrome Congress
National Multiple Sclerosis Society
National Organization of Social Security Claimants' Representatives
Paralyzed Veterans of America
The Arc of the United States
United Spinal Association

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The Consortium for Citizens with Disabilities (CCD) is a working coalition of national organizations working together to advocate for national public policy that ensures the self-determination, independence, empowerment, integration and inclusion of the 54 million children and adults with disabilities in all aspects of society. The CCD Social Security Task

Force focuses on disability policy issues in the Title II disability programs and the Title XVI Supplemental Security Income (SSI) program.

The undersigned members of the CCD Social Security Task Force submit this Statement for the Record of the January 24, 2012, House Ways and Means Social Security Subcommittee hearing on Securing the Future of the Social Security Disability Insurance (SSDI) Program. The SSDI program¹ provides vital and much-needed economic security and access to health care for individuals whose impairments are so severe that they preclude substantial work. This income support program is an integral component of our nation's safety net, reflecting the core American value of assisting those in need. We appreciate Chairman Johnson's and Ranking Member Becerra's interest and attention to this critical program for people with disabilities and their families. The undersigned organizations recognize the importance of ensuring that Social Security disability payments are only made to people who are entitled to receive them and that the amount of the payments are accurate. The Social Security Administration (SSA) does a good job of ensuring that payments are accurate. As Deputy Commissioner Colvin points out in her testimony, SSA has one of the lowest error rates in the government, with a less than 1% rate of inaccurate payments for the SSDI program. Although this low error rate is good compared to other government agencies and programs, the undersigned organizations of the CCD Social Security Task Force believe that more needs to be done to prevent overpayments and are concerned that recent appropriations decisions will undermine these efforts.

The Social Security Administration Requires Adequate Resources for Program Integrity

Adequate resources and staffing are essential to ensuring that all payments made to SSDI beneficiaries are accurate and that SSA can perform necessary program integrity functions (e.g. medical and work continuing disability reviews (CDRs), redeterminations). Unfortunately, recent appropriations to SSA's limitation on administrative funding (LAE) have not been adequate to allow SSA to complete these vital tasks. In fact, by the end of FY2012, inadequate funding and reductions in staffing through attrition will result in the loss of nearly 8000 SSA staff members (see testimony of Steve Clifton, President, National Council of Social Security Management Associations, Inc). This staffing reduction, prohibition of overtime hours, and hiring freeze threaten SSA's ability to fully perform its program integrity functions.

SSA Deputy Commissioner Colvin specifically addressed the impact of reduced funding over the past several years on program integrity efforts in her testimony. Deputy Commissioner Colvin reported, for example, that SSA currently has a backlog of about 1.3 million medical CDRs due to inadequate funding and the lack of staff available to complete the reviews as a result. Medical CDRs save \$10 for every \$1 spent and are vital to SSA program integrity efforts. Based the overall LAE level, as staffing levels continue to be reduced in field offices, these backlogs will only increase. As Deputy Commissioner Colvin stated "The same employees who complete CDRs and redeterminations also have many other critical responsibilities, such as taking and adjudicating SSDI and SSI applications. While our

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,.

workloads continue to grow and expand, the number of people to do the work has decreased.” (p.8).

Delay in Processing Work CDRs Due to Inadequate Staffing Results in Significant Overpayments and Hurts People with Disabilities

When an SSDI beneficiary goes to work, she is required to report her earnings to SSA so that a work CDR can be performed and benefits can be 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. According to Deputy Commissioner Colvin’s testimony, SSA has allocated additional resources to work CDRs, targeting cases with the oldest earnings reports – those more than a year old (p.6). During the hearing, Deputy Commissioner Colvin stated that it takes more than 270 days on average for SSA 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.

This delay in processing of earnings reports often has 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, as noted above, 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, 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.

SSA needs to develop a better reporting and recording system and 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.** The 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.

We look forward to continuing to work with the Members of the Social Security Subcommittee to explore ways to secure the future of the SSDI program for the long-term and to protect the vital income support function the program provides for some of the most vulnerable Americans.

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