Social Security Administration
"Use of Functional / Vocational Expertise" Project

SSA Background Information

Transmittal Note

August 27, 2007

This document was an interim deliverable for a project commissioned by the Social Security Administration. The purpose of the project was to obtain expert advice on how to best use functional and vocational expertise in SSA's disability programs. The project was conducted by Webility Corporation and SSDC. It involved extensive input from a panel of twenty experts in relevant professions. This document was used to provide all participants with a basic foundation of knowledge about SSA disability programs relevant to the project.

The entire final report was recently accepted by SSA, which also granted permission to release it to the public. These materials will be of interest to a wide variety of audiences. We hope that readers will find them useful.

IMPORTANT NOTE: The opinions, findings, and recommendations expressed in this report reflect the professional expertise and recommendations of Webility Corporation and SSDC. The report should not be interpreted as representing the viewpoints or philosophy of SSA, nor should it be interpreted as representing any present or future changes to vocational or occupational policy administered by the Social Security Administration.

Components of the Final Report and additional project documents can be found at www.webility.md. While the project has officially concluded, we welcome dialogue with interested readers. Questions about Social Security's program policy should be directed to them, however.

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Social Security Administration
"Use of Functional / Vocational Expertise" Project

Task Three: Interim Report
Paper 1: SSA Background Information

Date:	June 30, 2006
Project Name:	Use of Functional / Vocational Expertise
Contract Number:	SS00-06-60072
Deliverable:	This report is one of several deliverable items under Task Three: Research Issues, Prepare Background and Interim Report.
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Task Three: Interim Report

Paper 1: SSA Background Information

1. Introduction, Purpose

This document contains background information about Social Security disability programs assembled by the FVE project team. The material was selected to quickly provide panelists with a solid foundation of relevant knowledge about SSA, without requiring extensive study and sifting of detailed information from other sources.

Much of the material is taken from published SSA and related sources, but some is the result of interviews and research the project team conducted within SSA, and in a few cases outside SSA.

The content is presented in relatively small chunks under many topic headings that have been sequenced as much as possible to provide a logically-progressing flow.

Wherever possible, references are provided to link the reader to more detailed information. You do not **need** to inspect these references unless you are curious – we have put all the information you need into the paper itself. Instead of traditional footnotes, the references look like "[ss 7.4]", which means "page 7.4 in the References section item designated as [ss]" (Statistical Supplement 2004 in this case). There is a wealth of information available online from www.ssa.gov/disability, and readers wanting more information should also explore there. There is also material from many other sources available on the web.

For a program as huge as Social Security disability, generalized statements will almost always have exceptions. The purpose of this document is **not** to document all those exceptions, but rather to make sure the big picture is very clear – so the exceptions are usually not mentioned. Please keep this fact in mind!

2. Project's Charge from SSA: Don't Be Mired in the Past

SSA's charge to this project team is to provide advice on the best way to obtain and utilize functional and vocational expertise to help improve performance and outcomes. They explicitly do **NOT** want us to figure out ways to just incrementally fix the current system, nor to be constrained by the detailed ways of the past.

Having said that, the panel must obviously be well-enough informed about current SSA operations, practices, and problems to understand the requirements to be met and the context in which functional and vocational expertise will be used. This paper is intended to provide that useful background.

3. SSA Situation Overview Relative to This Project

To set the context for this project, here is a summary of key aspects of the situation at SSA regarding disability benefit programs in general, and functional / vocational expertise in particular.

Recent Situation

1. SSA has made improvement to the management of disability programs a very high priority.

    a. The President asked Commissioner Barnhart to address this in their first meeting after her appointment, specifically posing three questions: Why does it take so long to make a disability decision? Why can't people who are obviously disabled get a decision immediately? Why would anyone risk going back to work after going through such a long process to receive benefits?

    b. GAO issued a major general alarm about federal disability programs in 2003, mentioning the five programs administered by SSA and the VA, and adding them to its High Risk list of government programs. GAO was concerned about decision delays and inaccuracies, slow adaptation to new medical and vocational realities, poor return-to-work performance, and skyrocketing payments, among other things.
    See pp. 25-28 in http://www.gao.gov/pas/2003/d03119.pdf

2. Commissioner Barnhart has testified before Congress numerous times regarding the situation, the plans for improvement, and progress made.
Home Page: http://www.ssa.gov/disability-new-approach/

3. The SSA Annual Strategic Plan also devotes much attention to this issue.
The Plan: http://www.ssa.gov/strategicplan.html

4. A long-awaited information system change that delivers an electronic claim file has finally been delivered, providing a foundation for process change and freeing up SSA resources to focus on process change.

5. On September 25, 2003, Commissioner Barnhart provided to Congress a statement of intent to develop a new approach for the disability determination process. The statement covered the situation, the improvements desired, the strategy to employ, and an outline of new procedures and responsibilities designed to deliver the improvements.
Testimony: http://www.socialsecurity.gov/disability-new-approach/testimony.htm

6. After a great deal of interaction with interested parties, proposed regulations to implement the major process changes were released on July 27, 2005. (No changes to federal law were required.) Many comments were received. SSA responded to these suggestions, making a number of changes. The final regulations were published on March 28, 2006 to be effective on August 1, 2006. (Later in this paper the new regulations are summarized briefly.)
Press release: http://www.ssa.gov/pressoffice/pr/DSI-pr.htm
Final regulations: http://www.ssa.gov/disability-new-approach/finalrule.pdf

7. The new process will be rolled out starting August 1, 2006 in the Boston region, taking a full year to work out any wrinkles before moving to any other regions. The program has taken on the name "Disability Service Improvement" or DSI.
   Testimony: http://www.ssa.gov/legislation/testimony_061506.html

8. The new regulations specify a number of things about the new process: steps that will be followed, roles to be played, organizational unit responsibilities, and management activities. But much of the operational details are left for SSA to define in its internal procedures.

9. One aspect of the new regulations is establishment of a "Medical-Vocational Expert System to enhance the expertise needed to make accurate and timely decisions. The MVES will be composed of a Medical-Vocational Expert Unit and a national network of medical, psychological and vocational experts who meet qualification standards established by the Commissioner."

10. Other projects and efforts have been commissioned to help address medical aspects of the SSA disability determination process: qualifications for medical experts, updating the "listings" of medical conditions that automatically lead to a disability award, improving the process of obtaining Consultative Exams (used when SSA needs a medical opinion in order to resolve a case), etc.

11. This current project is intended to address the companion expertise area to medical, that of functional and vocational expertise. Key questions are how and when can it best be applied, by whom, where, using what methods. What qualifications should these experts possess, what training should they receive, how should they be managed, etc.

Some History

1. A major re-engineering effort was undertaken in the mid 90s, dubbed "Disability Redesign." Many people were assigned to work on the effort, and extensive work was done to come up with a comprehensive plan for improvement. An ambitious far-reaching plan for change was established. The plan fell apart a few years into the execution phase, with many potential causes identified afterwards: lack of the promised electronic disability claim file, too fast a rollout, not enough training, compromises that gutted the heart of the strategy, poorly aligned incentives for major stakeholders, etc. etc. etc. Most of the program was abandoned in 2001. The current plan appears to be intent upon not making those mistakes again.

4. SSDI and SSI Program Summaries

SSA administers two similar but different disability benefit programs: **Social Security Disability Insurance** (**SSDI**) and **Supplemental Security Income** (**SSI**).

SSDI is often referred to as "**Title II**", the part of the Social Security Act that defines its provisions, or as **DI**. It is part of the **Old Age, Survivors, and Disability Insurance** program (**OASDI**). The other part of OASDI is retirement benefits, often referred to as **OASI** (**Old Age**

and Survivors Insurance). Social Security pays out a much larger amount in benefits each year for OASI than for DI, but OASI incurs much less administrative burden.

SSI is often referred to as "**Title XVI**", the part of the act that defines its provisions.

Program Definitions

Key differences and similarities between the program definitions are listed in the following table. **Many of these statements are broad generalizations that are true for most cases, but which have particular provisions or exceptions that differ for some cases.** The intent of this table is to give you the high-level view, not the detailed specifics.

SSDI – Title II	***SSI – Title XVI***
A disability insurance program for workers funded by premiums collected via payroll tax. Funds are held in a separate Disability Income trust fund.	A social welfare program for low income people who are aged, disabled or blind funded out of the current federal operating budget.
Payable to disabled workers, surviving disabled spouses of deceased workers, and disabled adult children of retired, deceased or disabled workers.	Payable to persons aged 65 or older, disabled or blind adults, and disabled or blind children meeting the resource and income qualifications.
Monthly benefit amounts are a function of beneficiary's past earnings and payroll taxes paid.	Monthly benefit amounts are a function of beneficiary's living arrangements and income. E.g. monthly benefit in 2005 for single beneficiary living in own home with no other countable income was $579.
Administrative qualification generally based on having worked enough calendar quarters and paid enough payroll taxes over a range of past years. Once benefits are awarded, this matter is not revisited.	Administrative qualification based on current financial resources and income being below a threshold level. Periodic redeterminations of eligibility are required, since financial circumstances change.
Typical adult beneficiaries have significant work history.	Typical adult beneficiaries have spotty work history, or none at all.
Benefits terminate at full retirement age - payments then convert over to the Old Age and Survivor's Insurance (OASI) trust fund.	SSI payments are not limited by age. Any OASI retirement benefits received are figured into the financial circumstances that determine SSI eligibility.
Benefits only payable if the applicant is unable to engage in any substantial gainful employment. The recent definition is $830 per month or equivalent.	Exact same criteria as for SSDI.

SSDI – Title II	*SSI – Title XVI*
Benefits for awardees start after a waiting period of 5 months from disability onset.	Benefits start immediately - no waiting period.
Medicare benefits (federal program) awarded after two years of entitlement to benefits (29 months after disability onset including the 5 month waiting period).	Medicaid benefits (state program) awarded immediately.
SSDI benefits can be used to offset or reduce LTD and (some) WC benefits payable by others.	SSI beneficiaries seldom have other non-assistance based benefits to which offsets will apply.
Program began in 1954.	Program began paying benefits in January 1974.

Program Differences - Observed Characteristics

Here are some of the key observations about differences between the programs:

SSDI	*SSI*
Many applicants have been under medical treatment. Medical records often available.	Many applicants **do not** have health coverage, and are un-treated or under-treated, and un-medicated or under-medicated. Medical records often do not exist, are scattered, or are otherwise difficult to obtain
All applicants have had some employment success in the past (though not necessarily spouses and dependents).	Many applicants have never had employment "success" and some have never been employed at all.
Other organizations may benefit financially from an applicant's SSDI award (ex-employer, or workers comp or LTD insurer, pension fund) and engage representatives to help the applicant obtain it.	Unusual for another party to have a stake in benefits (other than state administered assistance programs), help applicants obtain benefits.
Many applicants have or have had reasonable life coping skills.	Most applicants have minimal life coping skills.
Psychological diagnoses represent a large and growing fraction of awards, along with soft tissue musculoskeletal conditions in middle-aged men.	Psychological diagnoses are much more prevalent than for SSDI.

SSDI	*SSI*
Demographic changes underway: decreasing average age of claimant, larger fraction of claimants age 40-49.	Increasing proportion of children.
Once benefits are awarded, administrative eligibility to benefits is settled.	Since eligibility is based on financial circumstances, periodic eligibility redeterminations are required in addition to any review of disability status.

5. Program Magnitudes

Here are some very large scale measures of the SSDI and SSI programs. Many more details can be found on the SSA web site, and in later sections of this report. See the References section for specific sources.

NOTE: Since (a) the program definitions are complex and specifying the data to include is correspondingly complex, (b) time periods used for measurements differ, and (c) sources of original information differ, the numbers in these exhibits often do not match up exactly from one exhibit to another.

Key: B = billion M = million

Benefit Payments – 2004 and 2005 [par 117]

	SSDI	SSI (including aged)
2004	$ 75.2 B	$ 35.2 B
2005	89.7 B	36.2 B
Compare: 2004 SSDI Admin Costs	$ 2.2 B	

Beneficiaries – SSDI and SSI

	Applicants Receiving Benefits From ...		
	SSDI only	Both SSDI and SSI blind & disabled	SSI blind & disabled only
Insured Workers	146,100,000	n/a	n/a
Beneficiaries [ss 3.9]	5.8 M	1.2 M	2.9 M

New Applications Received – Fiscal 2004 [ss 2.65]

	Programs		
	SSDI Total	SSDI Worker	SSI Blind / Disabled
New Applicants	2,504,600	2,240,000	2,361,700

Comparative Sizes of Similar Programs [ss 6-8]

Program / Period	*Benefits Paid*	*# Recipients*
SSDI 2004	$78.2 B	8.0 M
SSI 2004	37.0 B	7.1 M
Unemployment insurance 2004 (all states)	34.4 B	
Workers Compensation 2004 (all states, all payers)	indemnity 29.3 B medical 25.6 B	
Veterans Disability Benefits 2004		3.0 M
TANF (Temporary Assistance for Needy Families)	9.4 B	4.7 M

SSDI Beneficiaries by Type – 2004 [ss 5.33]

	Number	%	Average Monthly Benefit
Workers	6,198,271	86 %	$ 894.10
Disabled Adult Children	759,264	11 %	587.60
Widow(er)s	210,735	3 %	582.70
Total	7,168,270	100 %	

SSI Beneficiaries by Type – 2004 [ss 7.1]

Recipients of federally administered SSI payments. (A small fraction are state-administered.)

	Number [ss 7.1]	%	**ROUGH** Total Benefits Paid (=monthly x 12)	Average Monthly Benefit [ss 7.1]
Disabled	5,700,754	82 %	$ 30.4 B	$ 444.40
Aged	1,211,167	17 %	5.1 B	350.53
Blind	75,924	1 %	0.4 B	463.44
Total	6,987,845	100 %	35.9 B	428.29

Beneficiaries by Year - 1996 thru 2005 (millions) [par 8]

"SSDI" includes some also receiving SSI.

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
SSDI	6.0	6.1	6.3	6.5	6.6	6.8	7.1	7.5	7.8	8.2
SSDI & SSI	2.4	2.4	2.4	2.4	2.4	2.4	2.4	2.5	2.5	2.5
SSI only	4.2	4.2	4.2	4.2	4.2	4.3	4.4	4.4	4.6	4.6

Administrative Cost Comparisons – 2005 [par 50]

Program	% of SSA Benefit Payments	% of SSA Administrative Resources Used
SSDI	16.1 %	23.7 %
SSI	6.5 %	30.2 %

6. SSA's Definition of Disability

The definition of disability used by both SSDI and SSI is grounded in federal law – the Social Security Act. (More about what the law contains appears later in this paper.) An excerpt of key provisions in the definition appears below with our emphasis added in boldface type and indented for legibility. The full text is in 42 U.S.C. 423 (d) at: http://www.ssa.gov/OP_Home/ssact/title02/0223.htm

(d)(1) The term "disability" means—

> (A) inability to engage in **any substantial gainful activity** by reason of any medically determinable physical or mental impairment which can be **expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months**; or
>
> ... [special terms for blindness omitted here]

(2) For purposes of paragraph (1)(A)—

> (A) An individual shall be determined to be under a disability only if his physical or mental impairment or impairments are of such severity that he is **not only unable to do his previous work but cannot, considering his age, education, and work experience, engage in any other kind of substantial gainful work which exists in the national economy,** regardless of whether such work exists in the immediate area in which he lives, or whether a specific job vacancy exists for him, or whether he would be hired if he applied for work. For purposes of the preceding sentence (with respect to any individual), "work which exists in the national economy" means work which exists in significant numbers either in the region where such individual lives or in several regions of the country.
>
> ... [special terms for multiple conditions omitted here]
>
> (C) An individual shall not be considered to be disabled for purposes of this title if alcoholism or drug addiction would (but for this subparagraph) be a contributing factor material to the Commissioner's determination that the individual is disabled.

(3) For purposes of this subsection, a “physical or mental impairment” is an impairment that results from anatomical, physiological, or psychological abnormalities which are **demonstrable by medically acceptable clinical and laboratory diagnostic techniques**.

7. Performance Concerns

This section briefly describes in several categories a number of concerns expressed about the Social Security disability programs

Hard-fact Issues

A number of sources have commented on outcomes that need improvement in the current SSA disability system - the President, SSA itself, GAO, the Social Security Advisory Board, etc. This section briefly lists those widely-recognized issues.

1. For individuals requiring a hearing to resolve their initial claim, it frequently takes well over a year to get a decision.

2. A high number of initial denials are appealed and go to reconsideration or hearing - about 1/3.

3. The percent of initial denials that go to hearing and are then awarded benefits is very high – 63% of appealed denials that go to hearing are overturned at hearing.

4. The number of hearing decisions that are overturned or remanded (sent back to SSA) in District Court is also high - roughly 1/3.

5. Very few beneficiaries voluntarily leave the disability rolls as a result of finding gainful employment: only 0.1% of active beneficiaries.

Additional Concerns Expressed by SSA Management

In discussions with the project team, SSA management informally expressed a number of key concerns (in addition to the hard-fact issues related above). The major themes that the project team took away from these conversations follow, expressed in our own words and with our own interpretations.

The domains of some of these issues are outside the purview of this project. (Note that SSA has a number of pilot projects planned and underway designed to test potential solutions to many of these issues. See http://www.ssa.gov/disabilityresearch/demos.htm for some.) The issues are mentioned here to help give the panel a full view of the awareness level and concerns of SSA management.

1. The often-lengthy disability award process confirms people in their belief that they cannot work – so it is not surprising that few voluntarily go back to work. The model is "get past the dragon to win the treasure." How can that effect be avoided?

2. A number of people that deserve and need benefits are probably too dysfunctional to apply, or they apply in such a manner that they do not receive an award. This is especially a concern regarding SSI. How can those people be better served?

3. Most people that apply for SSA benefits are experiencing some type of life crisis, regardless of whether they qualify for benefits. The application process today does little to help them unless and until they are awarded benefits, even though the disability determination process often turns up information that could be useful in addressing the applicant's life crisis. Is there a way to serve applicants better in this regard?

4. Many people that are denied when first applying for benefits have progressive conditions that will worsen. They will return later with more serious medical conditions and be awarded benefits then. Interventions in the interim, such as medical treatment, could delay the onset of disability and improve the applicant's quality of life. How can these people be better served?

5. Many people that apply for disability benefits have no healthcare coverage for treatment of their medical condition, and see a disability award as the only way to obtain it. They will fight hard to prove they are unable to work because that is their only or best-perceived option for obtaining healthcare coverage.

6. Projected growth in benefit payments is extremely, alarmingly high even in light of population growth statistics.

7. The use of functional and vocational experts, the qualifications required of them, and their training is very loosely managed or not managed at all today at the DDS level, and not managed fully enough at the federal level.

8. There are some observable patterns of inconsistency in the making of award decisions. For example, a given set of circumstances will tend to result in an award in one hearing jurisdiction but a denial in another.

9. Much of the disability determination process today is driven by formulas and rules rather than the application of expertise to the facts of the applicant's situation. Obtaining an award becomes an exercise in mastering the formulas and rules rather than dealing with the question of whether and how a specific applicant could return to gainful employment in spite of their medical condition.

10. The quality management process has been very rudimentary, and primarily focused on inspection at the end of the disability determination process. A much more robust quality assurance process is needed and planned. including "in-line" components to ensure quality is built in throughout the process.

11. In many ways SSA has been "penny wise and pound foolish" in allocation of administrative resources. Skimping on up-front activities appears to save administrative cost but results in larger expense for hearings and larger payouts over the course of beneficiaries' entitlement to benefits.

8. Organizational Entities, Roles, and Responsibilities

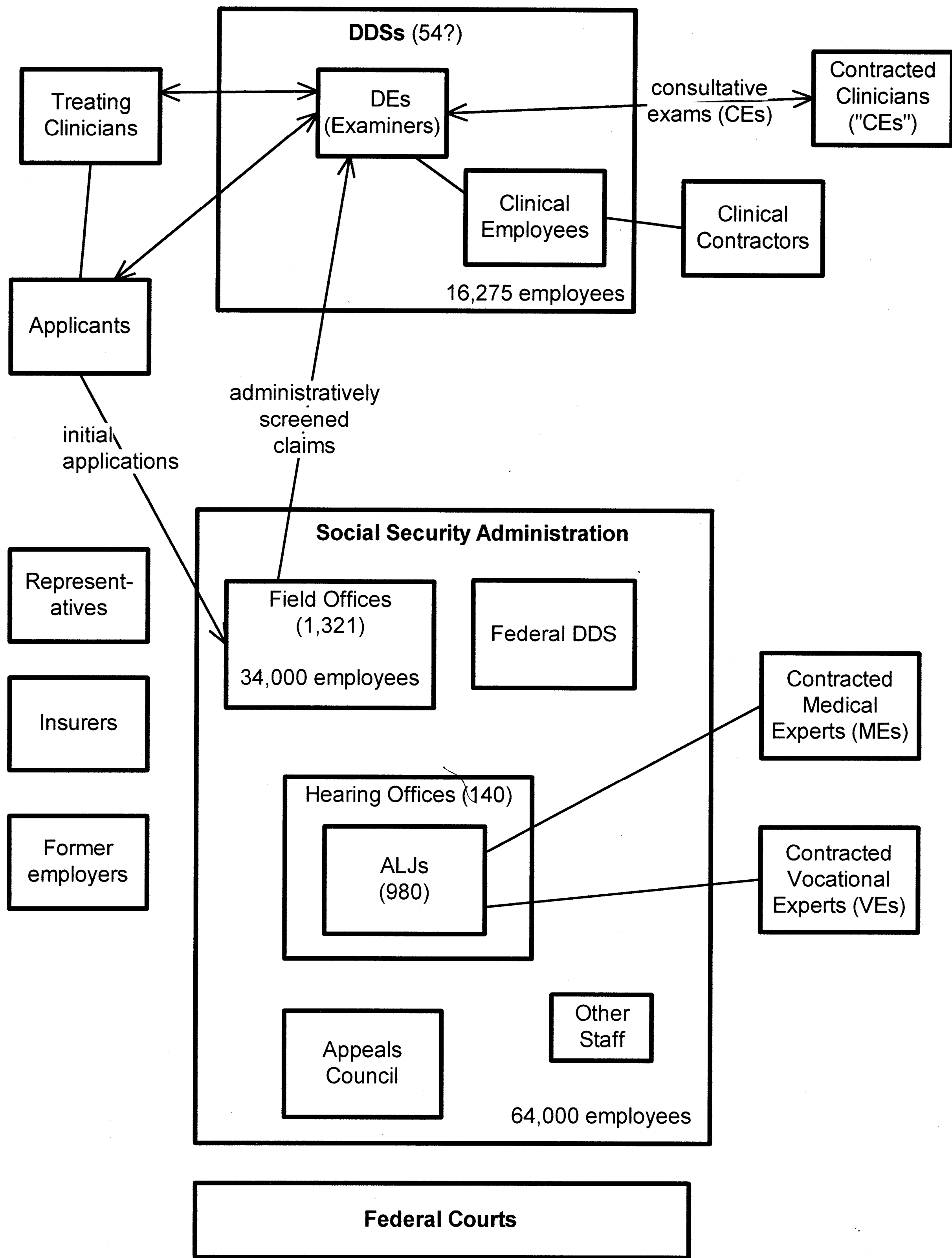
This topic describes the major organizational entities and major roles played in the disability determination process. For clarity the descriptions are interwoven with a very abbreviated description of the disability determination process. More details on that process are included later in this paper.

The new regulations make a number of changes to process and roles. They are being deployed in a phased implementation, so for some period of time both the old and new processes and roles will be in place. This section presents the new roles, with appropriate notes to describe the old.

Diagram

Key **current** organizational entities are depicted below in roughly the order (from top to bottom) in which they engage with the disability determination process. This diagram is meant only to show key organizational entities for our purposes and their rough relationships to each other. A **few** of the typical interconnections between parties are shown.

(diagram appears on next page)


DDSs (54?)
Treating Clinicians
DEs (Examiners)
consultative exams (CEs)
Contracted Clinicians ("CEs")
Clinical Employees
Clinical Contractors
16,275 employees
Applicants
administratively screened claims
initial applications
Social Security Administration
Represent-atives
Field Offices (1,321)
34,000 employees
Federal DDS
Insurers
Contracted Medical Experts (MEs)
Hearing Offices (140)
ALJs (980)
Former employers
Contracted Vocational Experts (VEs)
Other Staff
Appeals Council
64,000 employees
Federal Courts

Overview of Major Players, Organizational Entities, and Roles

DDSs

One of the most prominent features of the SSA disability determination system is that the initial decisions are made by state organizations known as Disability Determination Services - DDSs. These organizations are completely funded by SSA, must adhere to SSA regulations in carrying out their roles, and have performance standards they must meet. They also are state agencies staffed by state employees fully subject to each state's individual employment regulations and policies. There are about 54 DDSs, including one Federal DDS. The Federal DDS is staffed with SSA employees and handles special cases and overflow from the state DDSs when necessary. There are 16,275 employees in all the state DDSs combined [par 13].

Within each DDSs, Disability Examiners (DEs) have responsibility for making the initial determination: award or deny. Internal medical consultants that are either employed by or contracted to the DDS make an assessment of the medical condition, extent of impairment, limitations and restrictions, and residual functional capacity of applicants when that is required to make the determination, and assist as required in the determination process. When needed, the DDSs draw on contracted medical experts known as CEs to conduct and document a medical examination of the applicant when there is not enough medical evidence in the applicant's file, or when there is an unresolved question.

DDSs used to employ formally-designated Vocational Experts to help address questions in that realm, but for various reasons that position was essentially eliminated. Such expertise is generally found now from within the DE ranks or home-grown vocational specialists.

Under the old regulations, DDSs provided the first level of appeal for an applicant that appealed the initial disability decision. This step was called Reconsideration. It resulted in very few decision reversals, and most reconsidered claims went on to hearing. It is being replaced by a different process done by a Federal Reviewing Official (FRO) employed by SSA.

SSA

SSA has 1,321 field offices of various levels / sizes [ss 63] that are able to answer applicant questions and help an applicant fill out their disability application. There are 36 call centers that applicants can use to call in their application. At the highest organizational level are the central office complex located in Baltimore, Maryland and the ten regional offices corresponding to the ten federal regions found in almost all federal agencies.

SSA had 64,409 employees on September 30, 2004. Of these 34,000 work in the field offices. We understand a large number of these – perhaps 75% – are involved in disability processing as opposed to other programs administered by SSA.

The field office staff makes an initial determination of administrative eligibility (worked enough quarters?, meet economic criteria?, etc.) and sends claims that pass that screen to the DDS for an initial disability determination.

Under the new regulations, if an applicant appeals their initial determination from the DDS, a Federal Reviewing Official (FRO) will look at the claim and make an award determination or prepare the claim for a hearing. All FROs will be lawyers.

If the applicant wants to appeal the FRO decision, (and under the old regulations, if an applicant wants to appeal the DDS's reconsideration decision), they contact the SSA field office to request a hearing before an Administrative Law Judge (ALJ). SSA has 980 ALJs [ss 2.67] that operate out of 140 hearing offices [ss 2.63]. They disposed of 599,875 cases in 2005. The ALJs can draw on contracted Medical Experts and Vocational Experts to support the hearing process.

The new regulations establish a Medical and Vocational Expert System – a nationwide resource staffed with qualified medical and vocational experts (employees and contractors) able to provide expert assistance in any part of the disability determination process where they are needed.

Within SSA there is one more level of review above the ALJ's hearing. Under the old regulations, an applicant could request a review by the Appeals Council. 101,859 appeals at this level were received in 2005 [ss 2.67]. Under the new regulations, applicants cannot make such a request. Instead, SSA will select a number of cases to go before the newly-constituted Disability Review Board, both awards and denials, as part of the quality control process. The Appeals Council will be phased out as the new disability process is rolled out.

Representatives

Many applicants retain Representatives to help them navigate the disability determination system and win an award. Representatives are paid fees set by SSA. Representatives may be provided to applicants by interested third parties such as insurance companies or ex-employers.

Federal District Court

An applicant may appeal the highest-level SSA administrative decision in Federal District Court.

9. Medical / Functional / Vocational Expertise Roles at SSA

Medical and vocational expertise is currently provided to SSA in the following four ways:

1. **Treating sources:** the applicant's own medical providers – who are the primary source of medical evidence. By regulation, DDSs must seek medical evidence and opinions from treating sources, and unless there are inconsistencies or ambiguities, give their evidence controlling weight in the determination process.

2. SSA's internal **medical and vocational consultants:** Medical consultants are physicians and psychologists who work in the DDSs, most of whom are part-time contractors. In most DDSs, the medical consultant and the disability claims examiner make disability decisions jointly (or at least both of them sign the decision). Vocational specialists, where they formally exist, provide assistance to DDS staff in decision-making. (Years ago there were many such formal positions, but they were widely dropped a number of years ago as a result of workload issues.) Some disability claims examiners have vocational rehabilitation backgrounds and draw on that knowledge to address vocational issues. Regardless of professional background, some DDS or SSA claims examiners

become very familiar with the details of SSA vocational policy and serve as "vocational specialists."

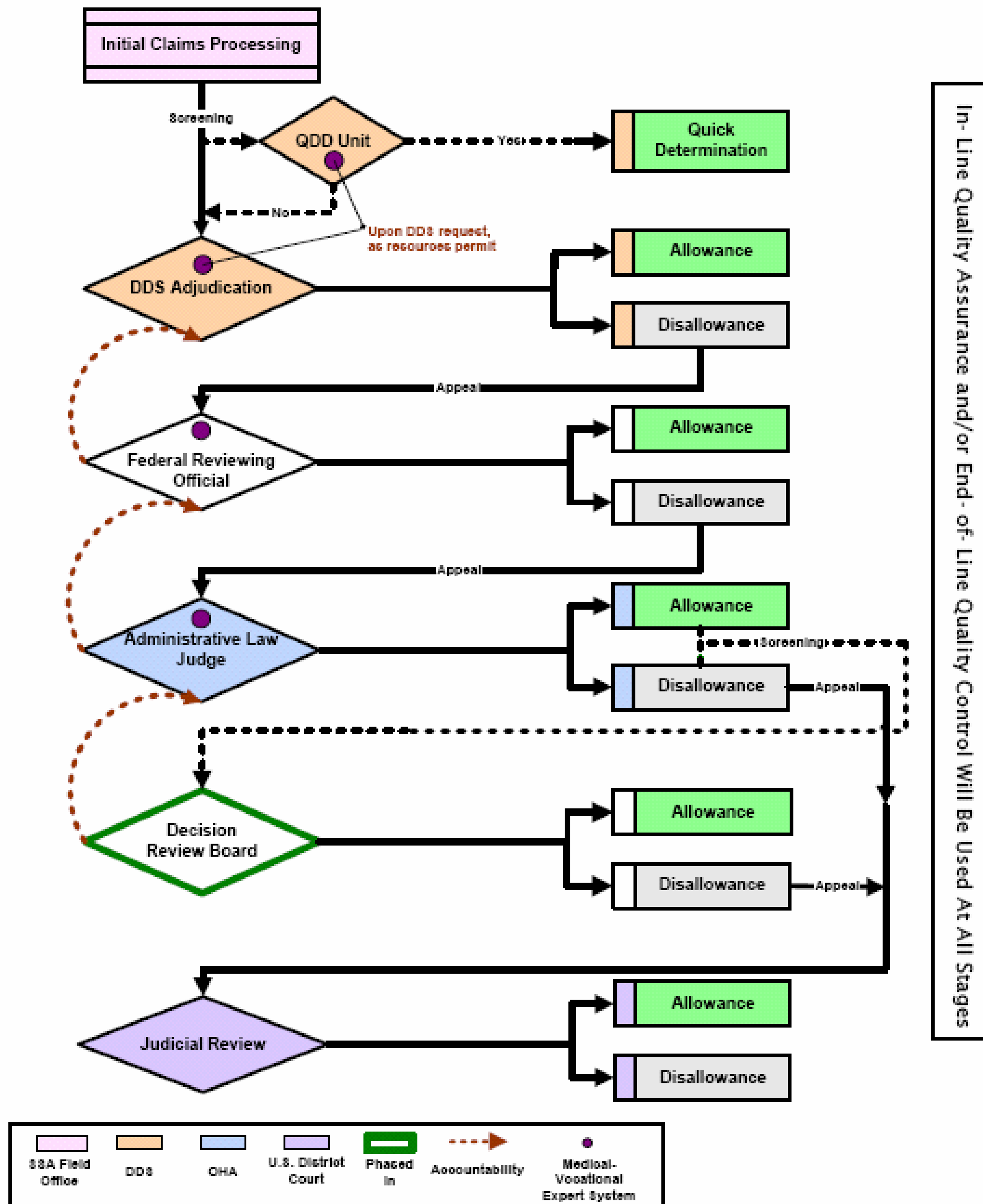
3. **Consultative Examiners (CEs):** These are physicians / psychologists in private practice who upon SSA's formal request perform medical evaluations (examinations and tests) and provide reports to SSA when needed information is not available from existing medical records, or when SSA wants an independent opinion. They are recruited by the state DDDs. (SSA currently has one or more studies underway to evaluate the effectiveness of the CE process and suggest improvements.)

4. **Medical and Vocational Experts (MEs and VEs):** MEs and VEs are expert witnesses who are private practitioners and agree to serve for a fee. They are recruited by the SSA's regional office of Hearings and Appeals. The ALJ involved can retain one or both as desired when hearing a case.

10. Overall Process Description – Roles – New Regulations

This section and the next describe the overall process of disability determination from the viewpoint of who does what when. Later in the paper other aspects of the process will be described, most notably the information used in the process, and the logical sequence of disability determination steps.

(diagram appears on next page)


The Disability Service Improvement Process
Initial Claims Processing
Screening
QDD Unit
Yes
Quick Determination
No
Upon DDS request, as resources permit
DDS Adjudication
Allowance
Disallowance
Appeal
Federal Reviewing Official
Allowance
Disallowance
Appeal
Administrative Law Judge
Allowance
Screening
Disallowance
Appeal
Decision Review Board
Allowance
Disallowance
Appeal
Judicial Review
Allowance
Disallowance
In- Line Quality Assurance and/or End- of- Line Quality Control Will Be Used At All Stages
SSA Field Office
DDS
OHA
U.S. District Court
Phased In
Accountability
Medical-Vocational Expert System

11. Overall Process Description – Roles – Old Regulations

Even though the panel has not been asked to suggest changes to the old process, it is important to understand how it works for several reasons: to understand available historical metrics, to understand terminology found in descriptive documents, and to understand the motivation for changes made in the new regulations. A very brief description of the old process follows:

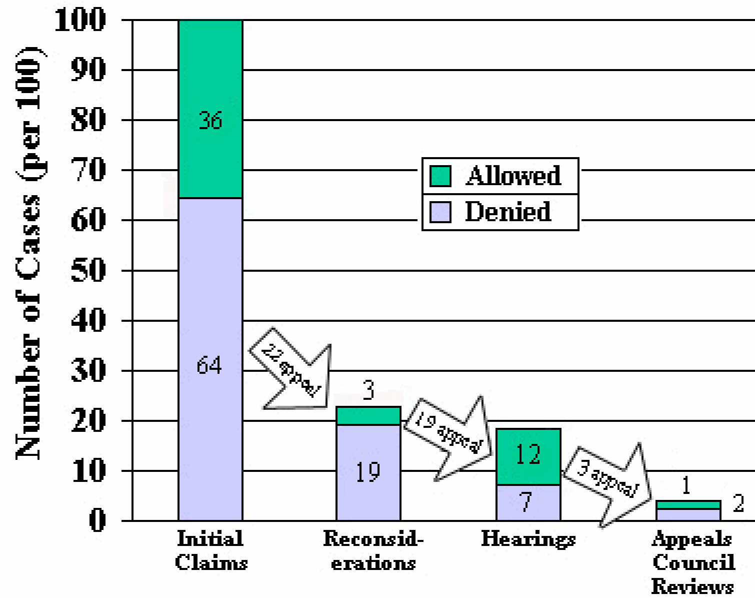
1. Claims are screened by the SSA field offices, and those needing a decision are sent to the DDS.
2. The DDS gathers the required information, obtains a Consultative Exam if required, and makes the initial determination. Functional and vocational expertise is typically provided in house by clinicians (employees or contractors) and by examiners. (No Quick Determination process exists.)
3. Applicants that object to the initial determination can request a Reconsideration. The DDS does the reconsideration. (This step is being eliminated and replaced by the Federal Reviewing Official, who works for SSA, not the DDS.)
4. Applicants that object to the Reconsideration result can request a *de novo* hearing in front of an ALJ. The ALJ can utilize the services of a Medical Expert and/or a Vocational Expert.
5. Applicants that object to the ALJ's decision can request a hearing by the Appeals Council. (Under the new process, the applicant will have no right to further administrative appeal by SSA after the ALJ's decision, and the Appeals Council will be replaced over time by a Disability Review Board that will select cases to review.)
6. Applicants that object to the Appeals Council decision can take their case to Federal District Court.

12. Key Process Metrics – Old Regulations

Since the new regulations have not yet been put in effect, the process metrics available are all based on the old regulations.

The following chart and table show the proportions of claims going through the initial determination process stages of the old process. These are based on counts of the claims going through each stage in the given year, which is slightly different than taking all the claims that started in a given year and following them through to their final disposition (which could take, and often does take, over a year).

This diagram shows the proportions for 2005:



The following table shows the same numbers as in the diagram above for 2001-2005. They are very similar each year.

	initial - allowed	initial - denied	initial - appealed	recon - allowed	recon - denied	recon - appealed	hearing - allowed	hearing - denied	hearing - appealed	council - allowed	council - denied
2001	40	60	25	4	21	19	12	7	5	1	4
2002	38	62	21	3	18	19	12	7	5	1	4
2003	37	63	22	3	19	19	12	7	4	1	3
2004	37	63	22	3	19	19	12	7	4	1	3
2005	36	64	22	3	19	19	12	7	3	1	2

Source for this data:
http://www.ssa.gov/disability/disability_process_welcome.htm

13. Underlying Challenges and Responses

An administrative system as large as the two SSA disability programs poses a number of significant challenges, and some aspects of the processes that have emerged (and which will be described next) can best be understood in light of these challenges, documented in the following table:

Challenge	*Responses Made So Far by SSA*
The enormous volume of applications received each year cries out for efficient processing and a drive to maintain pace – inefficiencies can easily lead to swamping the system.	• Codify, simplify, document, routinize the process steps • Set production standards • Don't require more work than necessary to reach a good decision: go through the fewest steps possible.
It is difficult to find enough fully trained people to play the roles needed to handle so many applications.	• Create forms that embody some experience and judgment, reduce the expertise required.
Government pay rates are chronically low relative to the private sector, which leads to various problems in attracting and retaining both examiners and experts.	• "Tough it out"
It is often difficult and time-consuming to get treating physicians to send adequate and informative medical information to support an application.	• Ask the applicant to get the records • Wait, cajole the doctor • Order a Consultative Examination (CE) • Make the decision even without adequate information
Decisions come under much scrutiny after the fact. Perceived inconsistency or unfairness will be pounced on by applicants and the courts.	• Set up and religiously follow a system of rules to protect against charges of inconsistency • Accept the notion that the process is a disability "determination" and that results can be characterized by their "accuracy", and work to increase "accuracy"
Published, formal information about career and job positions in the entire economy is widely regarded as inaccurate in the details, and individual expert knowledge is variable.	• Consistently use the most suitable tool actually available
Administrative funding levels are managed very tightly by Congress.	• Live within available means
Information systems are expensive, time-consuming, and risky to change	• Focus on the biggest payback opportunities • Avoid making changes to data collection processes unless absolutely necessary

14. Key Distinctions and Terms

Knowing the definitions of the following terms will be important to your understanding of the descriptive materials in many of the remaining sections of this paper.

Substantial Gainful Activity (SGA): Generally speaking, SGA defines a level of employment that provides a basic income to the worker. (The precise definition is quite detailed and multi-dimensional.) Someone only able to work a partial week at low wages would not be earning at the SGA level.

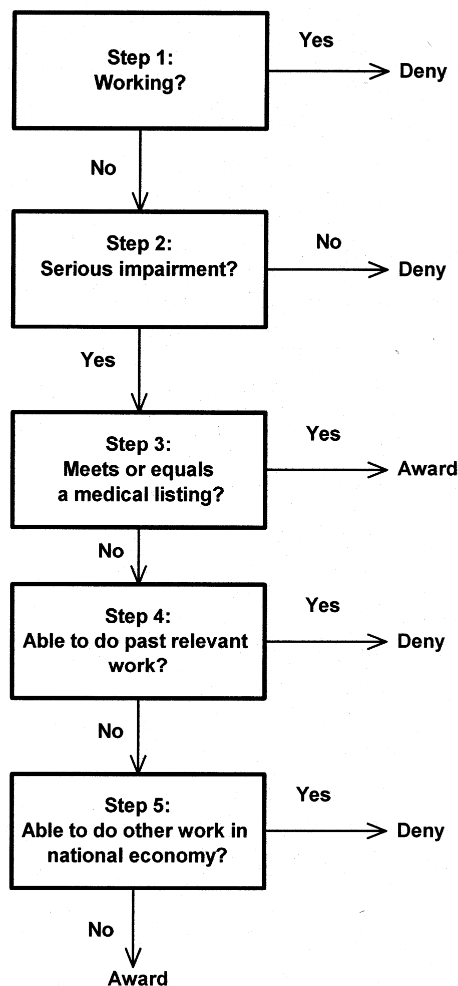
Medical Listings ("the listings"): SSA publishes a book with medical conditions that are severe enough that anyone meeting the defined conditions is presumed unable to work. This list has become somewhat dated (new conditions, new test, new treatments, etc.), so efforts to update it are underway.
http://www.ssa.gov/disability/professionals/bluebook/listing-impairments.htm

Residual Functional Capacity (RFC): A formal assessment made by the medical experts at the DDSs of the functional capacity of an applicant, defined in a very precise way that is not equal to the "actual" capacity of the applicant.

15. The 5-Step Determination Process

A key foundation of the SSA disability determination process is the so-called "5-Step" process. This conceptual approach is applied at all points in the process steps described earlier (once administrative eligibility of the applicant has been established). The steps are embodied in regulations, as is the requirement for their sequential application.

A diagram of the 5 Step process is below, followed by a description of each step.



A basic definition of the steps follows. There are many nuances, special conditions, and additional rules that apply in the real world, but the following presents their essence.

Step 1: Is the applicant working now at SGA level ($860/month)? If yes, deny the claim.

Step 2: Is the medical condition a "severe" impairment? If not, deny the claim.

While this seems like a reasonable and useful step, in practice the bar is so low for this assessment that few claims are denied because of it in most states. Recommendations have been made to drop it or combine it with other steps.

Step 3: Does the applicant's condition meet or equal one of the medical listings? If yes, accept the claim.

To "meet" the listing means the applicant's condition matches the definition exactly as stated in the guide. To "equal" the listing means a definition is not matched exactly, but that a judgment has been made that the medical condition and circumstances are equivalent to a defined listing.
http://www.ssa.gov/disability/professionals/bluebook/listing-impairments.htm

Step 4: Can the applicant do any of their past relevant work? If yes, deny the claim.

Past relevant work is roughly defined as anything the applicant has done to earn at the SGA level in the past fifteen years. This step is further broken down into two parts. The distinction reveals how precise these steps must be applied in the current environment.

Step 4A: ... in the way they have performed it? If the applicant did their work in a non-standard way – say with some accommodations or in an old-fashioned way – then if they can do the job in that manner, they will be found able to do their past relevant work and the claim denied. This is particularly important since SSA does not normally consider whether the applicant would be able to work if accommodations were available – the automatic assumption is that not even simple accommodations will be available.

Step 4B: ... as it is normally performed in the national economy? If the worker cannot do their past relevant work in the way they used to do it, can they do it in the way that it is typically done now? If so, their claim will be denied.

NOTE: The burden of proof rests on the applicant up until this point. In Step 5, the burden of proof shifts to SSA.

Step 5: Can the applicant do any work available in the national economy for which they are (or can become) qualified given their age, education, and skills? If yes, deny the claim.

This step is where most of the difficulty lies, and where functional and vocational expertise is most sorely needed. Several key points of importance:

- There has to be suitable evidence that there are enough job positions in the economy that it is reasonable to assert the applicant could earn a living by pursuing such a job. (If the applicant can only be an elevator operator and there are only twenty-five such positions in the Northeast, that is not enough of an employment base to reasonably assert the applicant can work as an elevator operator.)

- There is no need to prove that job **openings** exist, or that the applicant would be given a job if so, just that real jobs exist. (If the person cannot find an opening, that is an unemployment problem, not a disability problem.)

- The jobs need not be in the applicant's local area – just within their general region of the country.

- A different standard for SGA has arisen in Step 5 than Step 1. In Step 5, SSA must show that the applicant is able to work a full week (32-40 hours) in addition to earning a minimum dollar amount.

- Currently the assumption is automatically made that as a person ages, they are less able to adapt to new work.

16. Step 5 Process Essence – Approximate in Order to Survive!

SSA has developed a highly structured method of evaluating applicant situations in Step 5 that utilizes a series of **multiple** approximations to arrive at an answer to the question: "Is there enough job opportunity for this applicant, given the effect of their claimed medical condition, and their age, education, and skills, that we should declare they are able to engage in gainful employment."

The approximations occur in two realms.

Applicant's Situation: Approximations are made of the applicant's impairment; functional abilities remaining; and the effects of age, education, and accumulated skills.

Vocational Universe: Approximations have been made of the following theoretically knowable facts in the development of administrative tools to support the determination methodology:

- the identity of specific occupations and jobs in the economy
- the physical, mental, and skill requirements of those jobs and occupations
- the probable numbers of positions of those jobs and occupations in each region of the country.

As just one example of the effect of using these approximations, SSA essentially uses the number of Occupations for which an applicant qualifies as a proxy for the likelihood of success at re-employment (or looked at from the other side, the degree of occupational disadvantage that exists).

The approximations remove a great deal of relevant detail from the analysis of any one case, but have been necessary in order to have a manageable, practical, and affordable process, and to have a process that has the appearance of precision, consistency, and fairness.

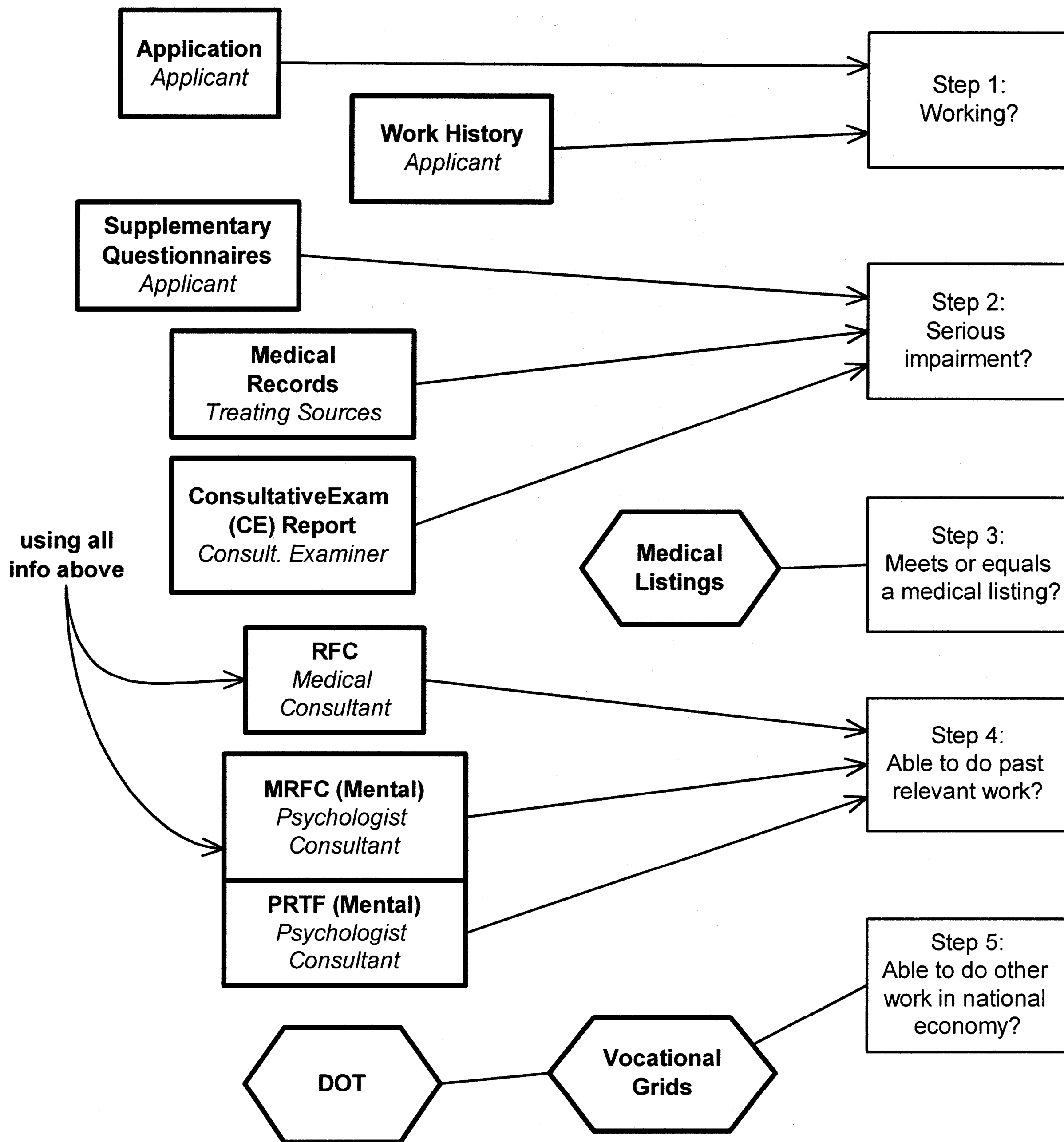
17. Information Sources and Uses in Disability Determination

The disability determination process is based on the accumulation and evaluation of information, virtually all of which is in written form up until a hearing occurs (other than a possible Consultative Exam by an outside CE). This section presents a diagrammatic representation of the main types of written / formal information gathered and used at various stages of the process, along with commentary on each.

This diagram does not show everything that everyone does, nor all information! In particular, it does not show who USES information, but rather who GENERATES it.

Key and comments:

- Boxes on the right show the 5 steps.
- Boxes on the left show forms / documents filled out and by whom.
- The connections to the Steps show the **earliest time** the information is used – it will also be used later on. (Showing all connections would create a spaghetti diagram!)
- The hexagons show key reference works that are used in making the determination. We have selected a few key ones - many others also are used.



Application: The applicant fills this out in person or over the web. It collects basic information. When the DDS receives it from the SSA Field Office, they will send out one or more other questionnaires for the applicant to fill out. A sample application is in the Forms section of the project binder.

Work History: The applicant provides a detailed history of their work over the last fifteen years.

Supplementary Questionnaires: Based on the medical condition(s) in the application, the DDS sends the applicant one or more questionnaires they have developed over time to gather relevant information. These have not been validated in tests, but ask quite a few questions of obvious relevance to the applicant's situation. There are perhaps twenty such forms - cardiac, cancer, etc.

Medical Records: The application includes the names and contact information for all treating clinicians. The DDS sends letters to these clinicians asking for the applicant's medical records. It is often difficult to get any response at all, or the returned information is unhelpful.

Consultative Exam Report: If the medical evidence is unsatisfactory, or if there is an issue in dispute, the DDS can obtain a Consultative Exam from a CE provider. The results of that exam become medical evidence that goes into the determination process.

Medical Listings: The information in the Medical Listings is used to perform Step 3. They have been created by medical experts.

Physical Residual Functional Capacity (RFC): The medical consultant at the DDS utilizes the medical information received to create the RFC. This becomes a key driver for steps 4 and 5. We note elsewhere that the technical definition of RFC is fairly tricky (it is **NOT** intended to measure the applicant's actual functional capability – it should exclude the effects of any conditions that are outside those considered by SSA), and apparently widely misunderstood both within and outside SSA and the DDSs. A separate form is used for mental impairments. A sample Physical RFC is included in the Forms tab of the project binder.

Mental Residual Functional Capacity (MRFC): This is similar to the Physical RFC, but for mental conditions. It must be filled out by a clinician with mental health expertise. A sample appears in the Forms tab of the project binder.

Psychological Review Technique Form (PRTF): This form lists the methodology used in creating the MRFC.

Dictionary of Occupational Titles: This large reference work was used to create the conceptual foundation for the disability evaluation process utilized in Step 5. It drove the contents of the Physical RFC form and the structuring of the Vocational Grids. A major aspect of the disability determination process is description of jobs by their physical capacity requirements, as laid out in the DOT: very heavy, heavy, medium, light, and sedentary.

Vocational Grids: These are the heart of Step 5 in many cases. The Vocational Grids are tables developed as lookup tools that determine whether someone should be considered disabled based on a summary of their circumstances. The determination is a function of

(a) the exertional capacity in their RFC (e.g. heavy, light, sedentary), (b) their age, categorized into several groups and subgroups, (c) their education level, categorized into four groups, and (d) their skill level, categorized into several groups and subgroups. You pick one of three tables based on the maximum sustained work capability expressed in the RFC, and then look up the age, education, and skill categories in the table. If an exact match on the lookup factors is made, the table tells the outcome: disabled or not. If not an exact match (an intricate set of rules applies), then the table is used as a "framework" for a decision based on some judgment rather than only the rules.

The Vocational Grid is intended to embody the occupation and job information of the DOT that would be used on a case-by-case analysis to determine whether there are enough feasible employment opportunities for the applicant to find that they can reasonably be expected to work in spite of their medical condition.

18. Continuing Disability Reviews (CDRs)

SSA periodically reviews claims for which benefits are being paid to see if the beneficiary still meets the definition of disability. These reviews are called Continuing Disability Reviews (CDRs). If the beneficiary has returned to work or their medical condition has improved and they are now capable of work, their benefits will be terminated. (Remember that SSI claims are also subject to an eligibility redetermination, which verifies that the financial conditions required are still met.)

A major push during the Reagan presidency to remove ineligible people from various welfare rolls resulted in a sharp rise in claims terminated via CDRs. This was widely perceived as draconian, and a backlash followed that resulted in limitations being set on the conditions which SSA could use to trigger a CDR and to determine benefits should be terminated.

SSA sets targets for when CDRs should occur - more frequently for conditions or circumstances where medical improvement is expected, less frequently if not. In general, every SSDI claim is supposed to be reviewed at least every three years.

In 2005, 1,515,477 CDRs were performed, and 1,724,875 SSI redeterminations (checking for continued financial eligibility).

The budget for conducting CDRs has been limited, and SSA fell far behind in conducting them. In the late 1990s, extra funds were provided by Congress to catch up on these CDRs, and that had expired by 2003. Quite a few claims were terminated as a result. The return on investment was calculated at 10 to 1. This extra funding has expired recently, however, and it is possible that budget constraints will lead to falling behind again.

The disability determination criteria used in CDRs are identical to those used in initial determinations, although the process is obviously different since the starting point is an awarded claim.

19. Program Rules Overview: Laws, Regulations, Rulings, Procedures

The SSA disability program rules and procedures are embodied in several tiers of official documentation. A brief list of each type of rule appears below.
Program Rules Home Page http://www.ssa.gov/regulations/index.htm

Laws: The Social Security Act. Passed and amended over time by Congress. Establishes the very broadest framework for the program, including the definition of disability. A surprisingly small number of program details are set here.
www.ssa.gov/OP_Home/ssact/comp-toc.htm

Regulations: Formulated by SSA to implement the intent of the law. Draft versions are published for comment before being implemented. The process of creating regulations is subject to federal law. The regulations are subject to review and critique by Congress, but not formally subject to their approval. Regulations legally bind SSA to behave accordingly, and also set requirements for the public.
http://www.ssa.gov/OP_Home/cfr20/cfrdoc.htm

Rulings: Selected decisions from all levels of the disability process (including hearings and federal court) that the Commissioner declares to be precedent setting, so that they are binding upon SSA and can be relied upon by applicants and their representatives.
http://www.ssa.gov/OP_Home/rulings/rulings.html

Procedures – Program Operations Manual System (POMS): In aggregate, these documents essentially constitute an operating manual for SSA and DDS employees, and specify how the laws, regulations, and rulings are to be implemented. Part but not all of the POMS are available to the public. These are not subject to review and comment by the public.
https://s044a90.ssa.gov/apps10/poms.nsf/aboutpoms

Procedures – Hearings, Appeals, and Litigation Law (HALLEX): These are instructions used by SSA employees in the Office of Hearings and Appeals.
http://www.ssa.gov/OP_Home/hallex/hallex.html

20. Financial Interests of Third Parties

In a number of common circumstances, other benefit programs can be financially advantaged by an SSDI award. It is important to understand this underlying force.

Long Term Disability insurance typically includes a provision that a claimant **must** apply for SSDI. If the claimant is given an SSDI award, that payment is used to offset the payment by the insurer, reducing the insurer's costs. If the claimant does not apply, the insurer has the right to assume the award was made and reduce their payment to the claimant by the amount that SSDI would have paid the claimant.

Other public and private disability / pension programs have similar provisions.

In a similar way, laws in a few states allow workers' compensation payments to be reduced by the amount SSDI pays.

The Medicare benefit available to SSDI beneficiaries can also be valuable to a third party. Employers that pay for healthcare benefits for retired employees can reduce their costs when those former employees receive Medicare as a result of an SSDI award.

21. Abbreviated Timeline – Key Historical Events

1935	Social Security Act passed
1954	Disability Insurance program established for disabled workers over 50
1972	Supplemental Security Income program established

22. Oversight Groups, Associations

For those interested in digging deeper, there are many organizations within and outside the federal government dedicated to helping, advising, monitoring, working with, and otherwise co-existing with the Social Security Administration. Some key ones follow:

The **Government Accounting Office (GAO)** regularly comments on SSA matters. See http://www.gao.gov/ and search on Disability, SSA, SSDI, etc. Their latest comment from the High Risk Series update follows:

> Since GAO designated modernizing federal disability programs as a high-risk area in 2003, the Social Security Administration (SSA) and VA have made some progress toward improving their disability programs. A key initiative involves SSA's proposal to improve the timeliness and accuracy of disability decisions and to foster return to work at all stages of the decision-making process. In addition, the Congress established a commission to study the appropriateness of veterans' benefits. Moreover, SSA and VA have both made some gains in timeliness in their disability claims decisions. While these actions have yielded some progress, SSA's and VA's disability programs still face significant challenges. For example, despite the slowdown in workforce growth nationwide, increased employment opportunities for persons with disabilities have been afforded by advances in medicine and technology and the growing expectation that people with disabilities can and do want to work. Nevertheless, federal disability programs remain grounded in outmoded concepts that equate medical conditions with work incapacity. In addressing these challenges, GAO believes that SSA and VA should take the lead in examining the fundamental causes of program problems and seek both the management and legislative solutions needed to transform their programs so that they are in line with the current state of science, medicine, technology, and labor market

conditions. At the same time, these agencies should continue to develop and implement strategies for improving the accuracy, timeliness, and consistency of disability decision making.
http://www.gao.gov/new.items/d05207.pdf GAO-05-207
Also contains links to other related GAO publications.

The **Social Security Advisory Board (SSAB)** is an independent, bipartisan board created by Congress and appointed by the President and the Congress to advise the President, the Congress, and the Commissioner of Social Security on matters related to the Social Security and Supplemental Security Income programs. http://www.ssab.gov/ SSAB just recently published *Disability Decision Making: Data and Materials* that presents an excellent visually-engaging summary of relevant material for this project (though it goes into much detail that is unlikely to be of use to us). http://www.ssab.gov/documents/chartbook.pdf

23. Key References - Annotated

The code to the left within brackets is used throughout the text to indicate the reference source used for factual information.

[ff] *Fast Facts and Figures About Social Security 2005*
A very readable booklet with many charts and graphs that describe all Social Security programs - very informative and an easy read.
http://www.ssa.gov/policy/docs/chartbooks/fast_facts/2005/fast_facts05.pdf

[sp] *Social Security Administration Strategic Plan FY 2006 – FY 2011*
A very good picture of the overall situation, including underlying forces and issues, along with clear statements of direction about the strategy chosen and initiatives being pursued.
http://www.ssa.gov/strategicplan.html

[par] *FY 2005 Performance and Accountability Report*
A detailed look at how SSA performed in 2004, assessing progress against all the objectives in the Strategic Plan.
http://www.ssa.gov/finance/2005/FY_05_PAR.pdf

[srdi] *Annual Statistical Report on the Social Security Disability Insurance Program, 2004*
http://www.ssa.gov/policy/docs/statcomps/di_asr/2004/index.html

[srssi] *Annual Statistical Report on the Supplemental Security Income Program, 2004*
Comprehensive program description and numerous tables describing beneficiaries, applicants, the application process, etc.
http://www.ssa.gov/policy/docs/statcomps/ssi_asr/2004/index.html

[ssi] *Annual Report of the Supplemental Security Income Program*
Detailed description of the SSI program, its history, statistics on recipients and awards, projections, issues, and plans.
http://www.ssa.gov/OACT/SSIR/SSI06/index.html

[ss] *Annual Statistical Supplement to the Social Security Bulletin, 2005*
Huge compilation of facts about all SSA programs as well as brief overviews of other social welfare programs in the US.
http://www.ssa.gov/policy/docs/statcomps/supplement/2005/

[dm] *Disability Decision Making: Data and Materials* (May 2005) (published by SSAB)
Presents an excellent visually-engaging summary of relevant material for this project (though it goes into much detail that is unlikely to be of use to us).
http://www.ssab.gov/documents/chartbook.pdf

Selected Statistics of Importance to This Project

Many charts with comments to be added here - maybe 20 or so - to come from the Annual Statistical Report and the SSAB Data and Materials book.

SSDI Awards by Age Groups [ss 6.19-20]

Termination of SSDI Benefits for Disabled Workers – 2004 [ss 6.42]

"SSDI disabled workers" excludes widow(er)s and children.

	Number	Percent
All SSDI Disabled Worker Beneficiaries	X	100%
SSDI Benefits Terminated in 2004	458,359	X
– Death of worker	191,344	X
– Full retirement age reached	203,920	X
– Found to not meet medical standards (CDRs)	53,687	X
– Other - e.g. returned to work	6,048	X
– Entitled to a better SSA benefit	3,360	X

Social Security Administration
"Use of Functional / Vocational Expertise" Project

Task Three: Interim Report
Paper 1: SSA Background Information
Addendum 1 - Charts

Date:	July 4, 2006
Project Name:	Use of Functional / Vocational Expertise
Contract Number:	SS00-06-60072
Deliverable:	This report is one of several deliverable items under Task Three: Research Issues, Prepare Background and Interim Report.
Report Submitted to:	Suzanne Payne, Project Officer
Report Submitted by:	Jennifer Christian, Project Director SSDC / Webility Project Team

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Task Three: Interim Report

Paper 1: SSA Background Information

Addendum 1 - Charts

The following charts provide a visual overview of SSA disability programs. They were extracted from larger reference works, and have been grouped in several broad topics that correspond roughly to the timeline involved in claim processing.

The SSA Background Information paper should be read before examining this material - important concepts for understanding the charts are explained there.

Each chart lists the source from which the information was taken (listed in the References section at the end of this Addendum). In some cases we have added a comment to help describe the data. The original references often have more extensive commentary. The links in the References section provide an easy way to find the original material.

We have drawn extensively on the charts in Social Security Advisory Board's *Disability Decision Making: Data and Materials* (May 2005), which in turn were based upon published SSA documents.

Selected Statistics – Applications

Chart 1

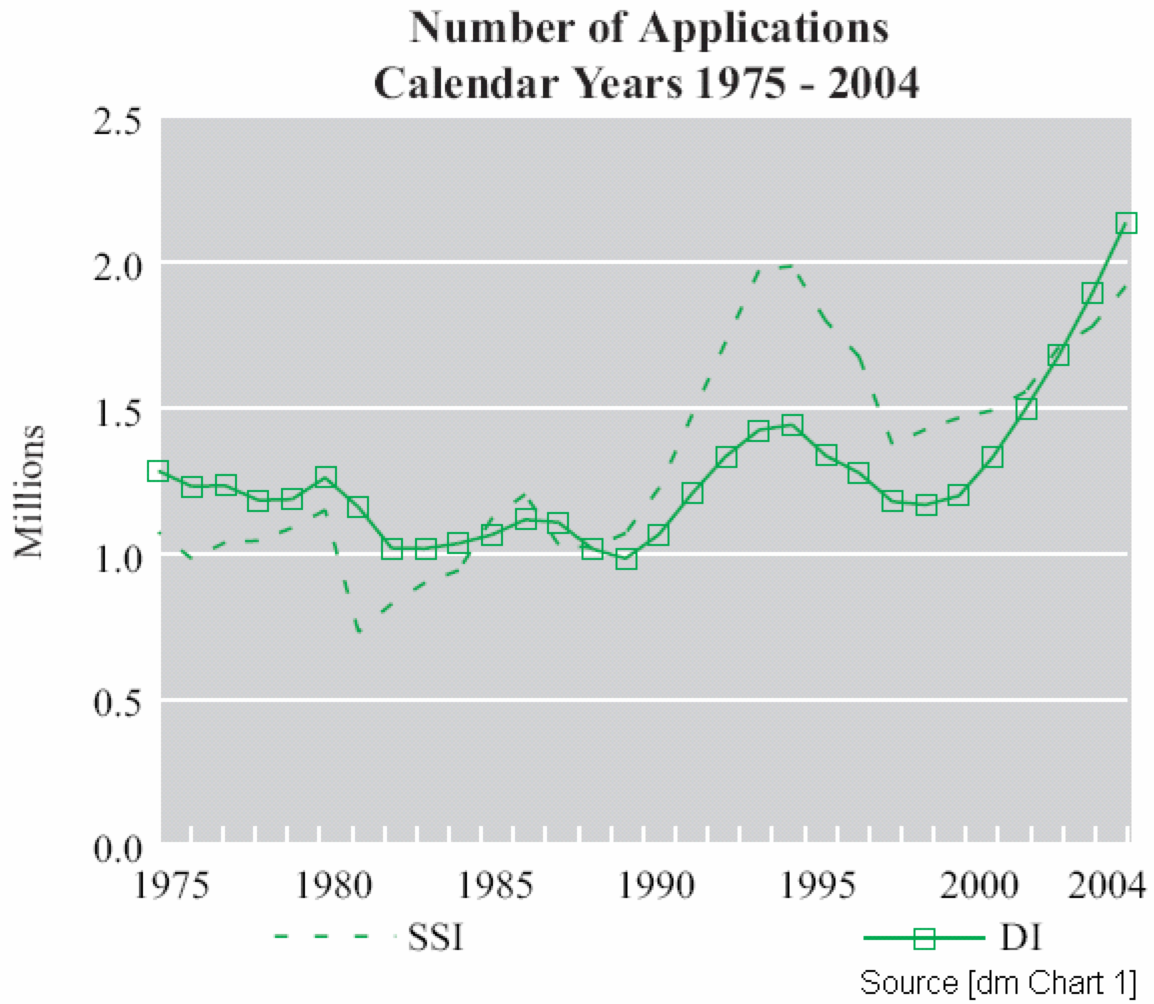
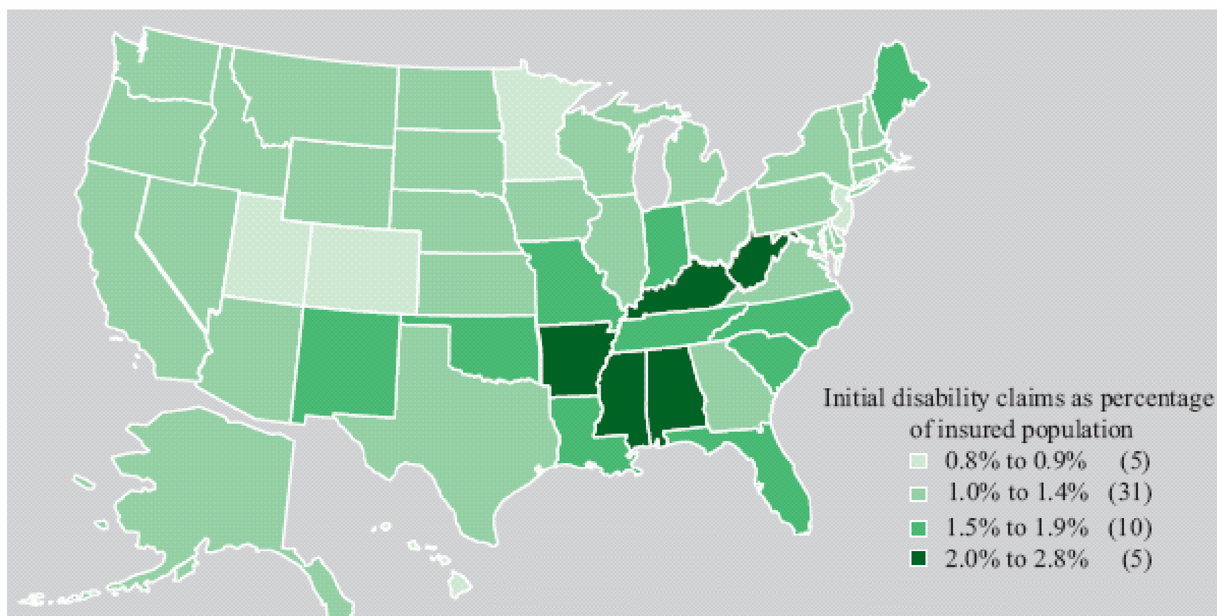


Chart 2

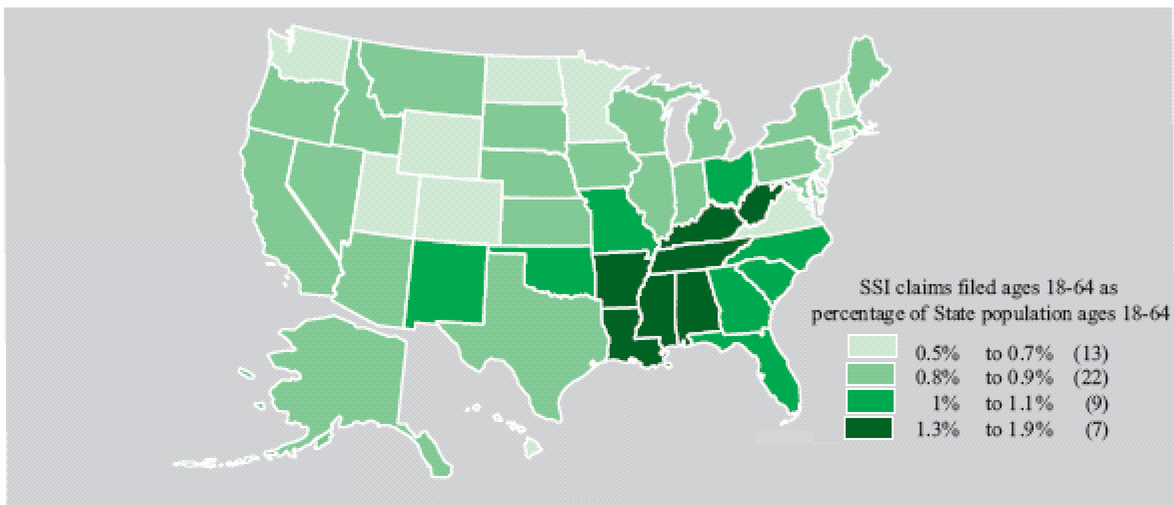
Disability Insurance Application Rates
Fiscal Year 2003



Source [dm Chart 2]

Chart 3

SSI Adult Disability Application Rates by State
Calendar Year 2003



Source [dm Chart 4]

Applications for SSI children's benefits have a similar pattern - see [dm Chart 5] if interested.

Selected Statistics – Allowances

Chart 4

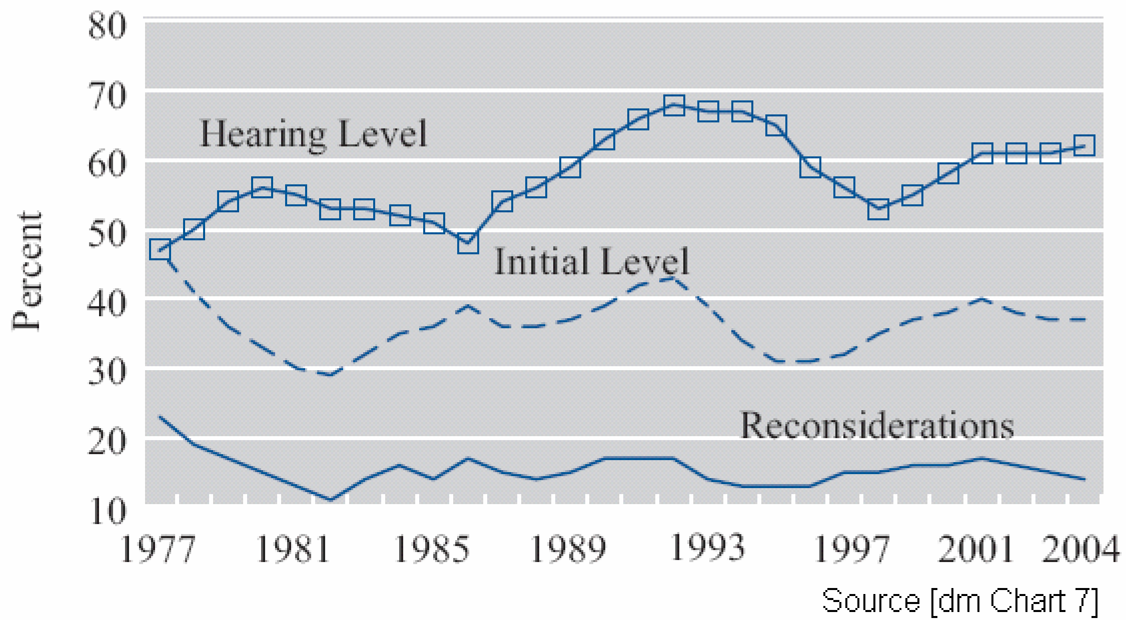


Chart 5

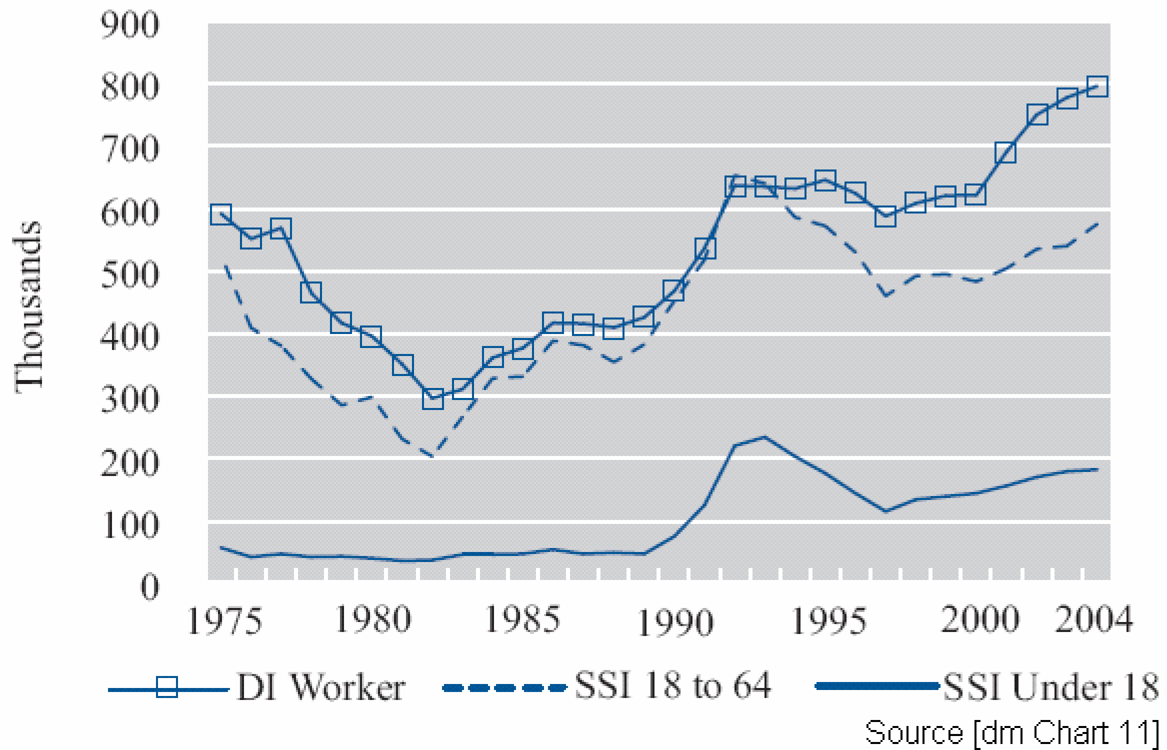
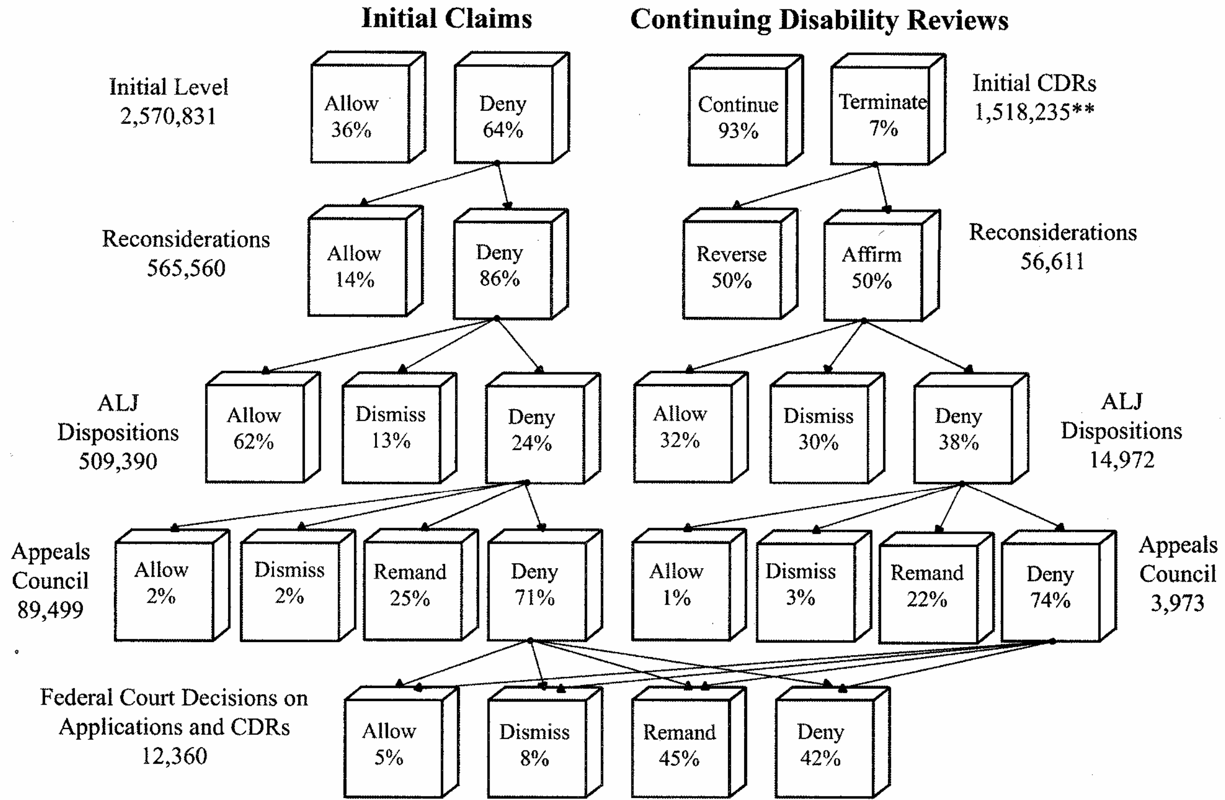


Chart 6

DI and SSI Disability Determinations and Appeals Fiscal Year 2005*



Percent of distribution of all claim allowances at each adjudicative level.

Initial Decisions	69.8
Reconsiderations	5.9
Hearing Level	24.1
Appeals Council	0.2
	100.0

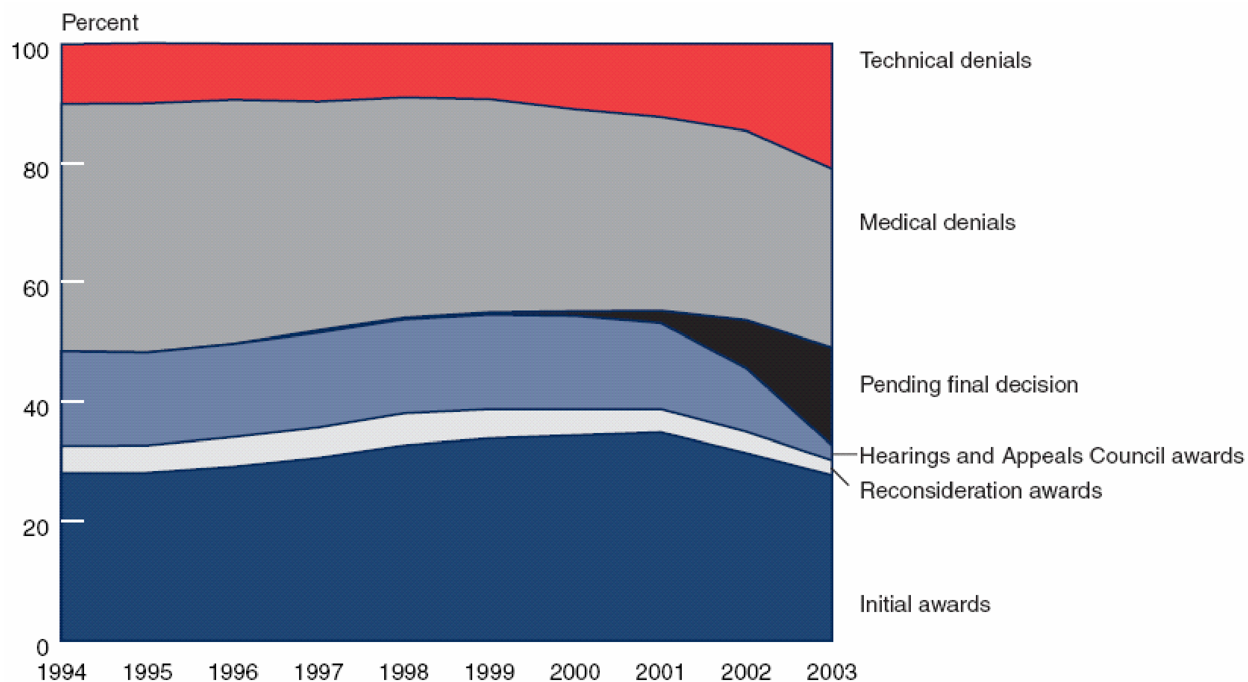
* Includes all Title II and Title XVI disability determinations. The data relate to workloads processed (but not necessarily received) in fiscal year 2005. That is, the cases processed at each adjudicative level may include cases received at one or more of the lower adjudicative levels prior to FY 2005.

** Includes non-State CDR mailer continuations. Also includes 16,696 CDRs where there was "no decision." The continuance and termination rates are computed without the "no decision" cases.

Source [dm Chart 69]

Chart 7

Final outcome of SSDI disabled-worker applications, 1994-2003



By application year. As claims go through the appeals process, the "Pending final decision" band will resolve to the final outcome.

Chart 8

Average monthly SSDI benefit by age group – Awards made in 2004 – Disabled Workers only			
	Number	%	Average monthly benefit
Total	775,244	100.0	$ 968.50
Under 25	23,028	3.0	490.60
25-29	28,739	3.7	652.50
30-34	37,877	4.9	750.90
35-39	53,209	6.9	816.70
40-44	80,324	10.4	879.40
45-49	103,685	13.4	946.50
50-54	140,414	18.1	1,018.50
55-59	175,916	22.7	1,083.60
60 or older	132,052	17.0	1,109.20

Source [srdi Table 32]

Selected Statistics – Beneficiaries

Chart 9

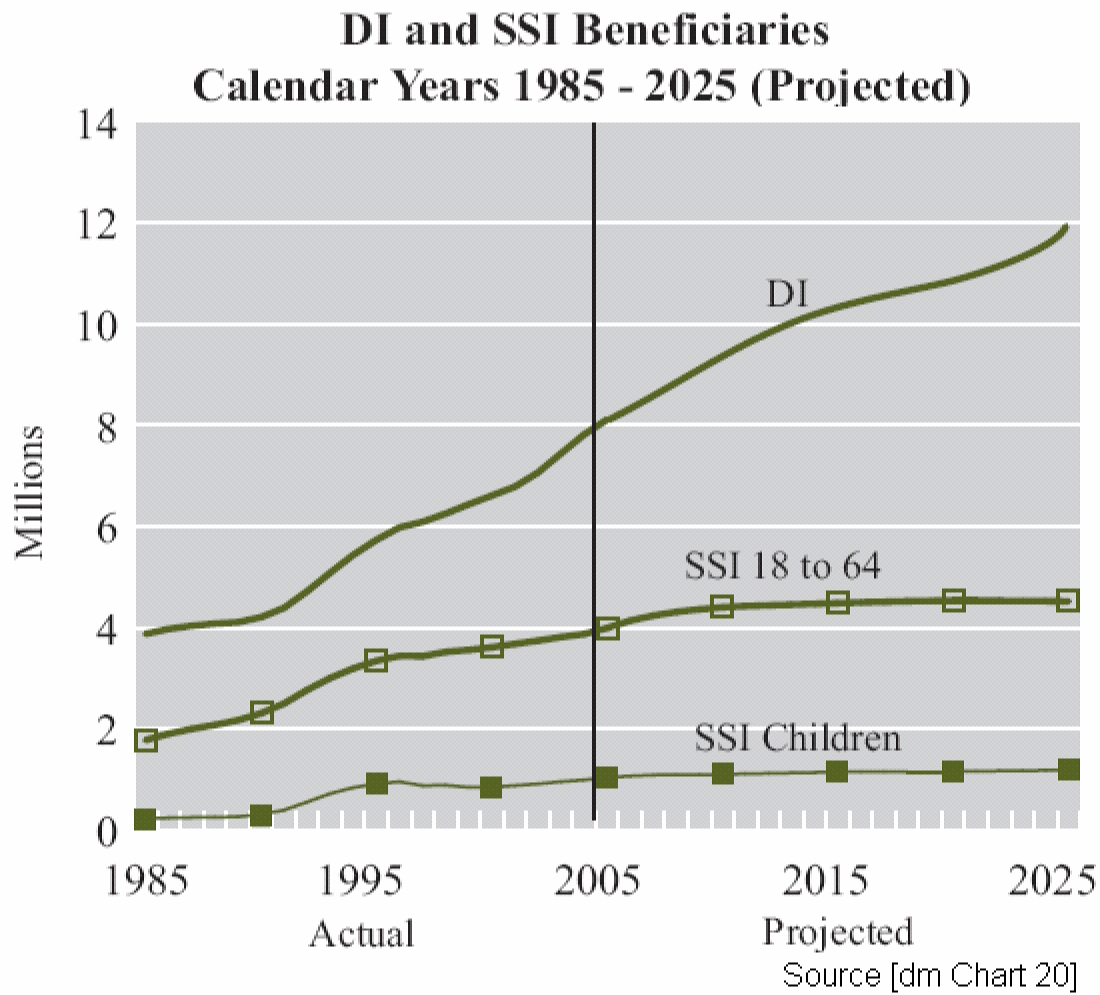


Chart 10

Chart 11

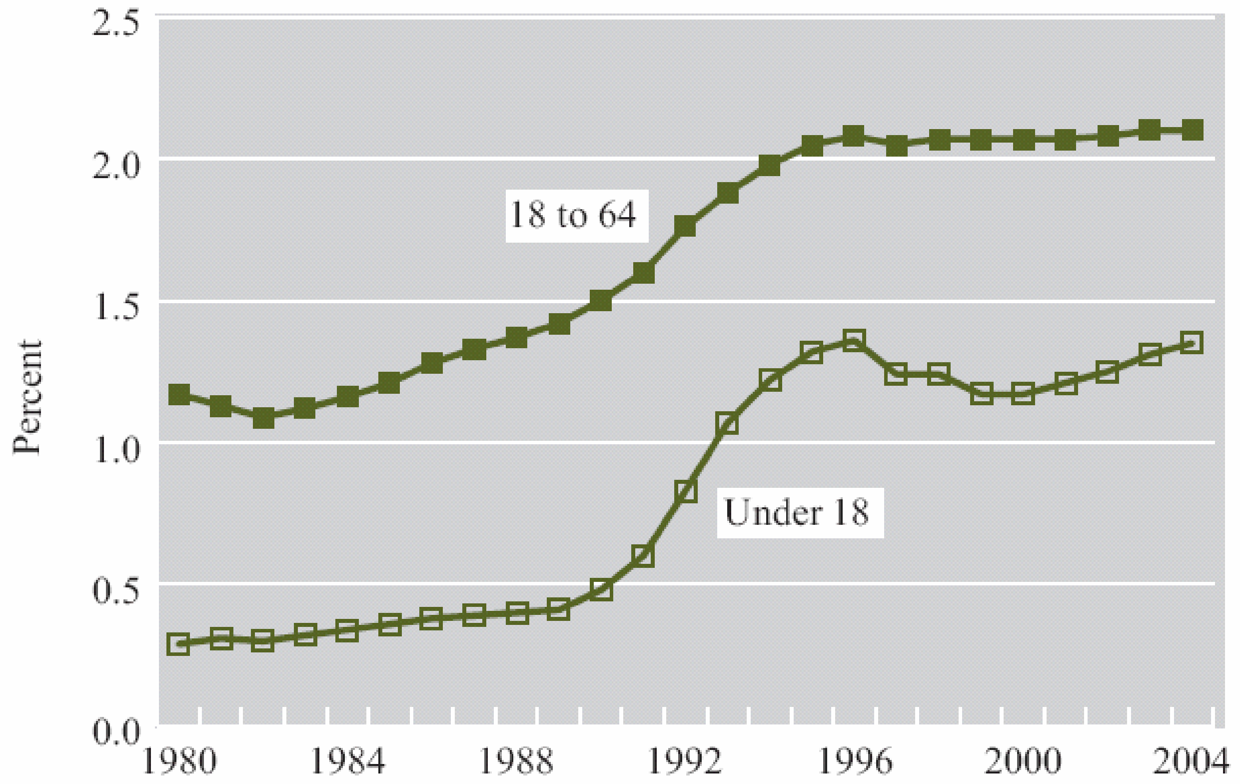
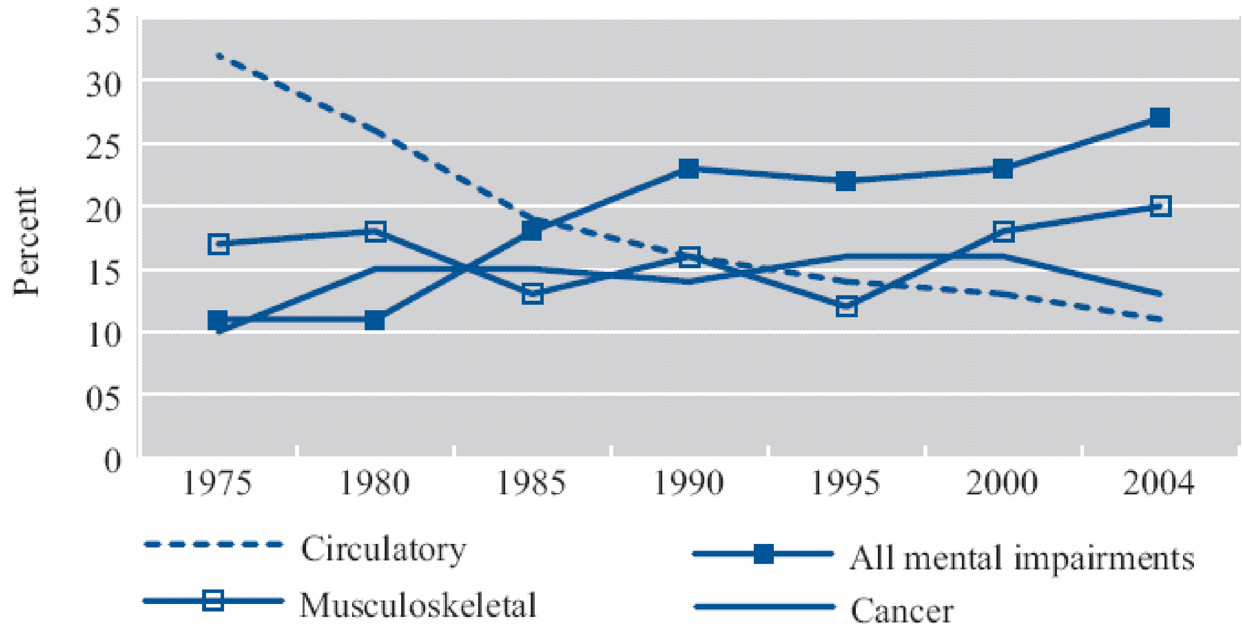
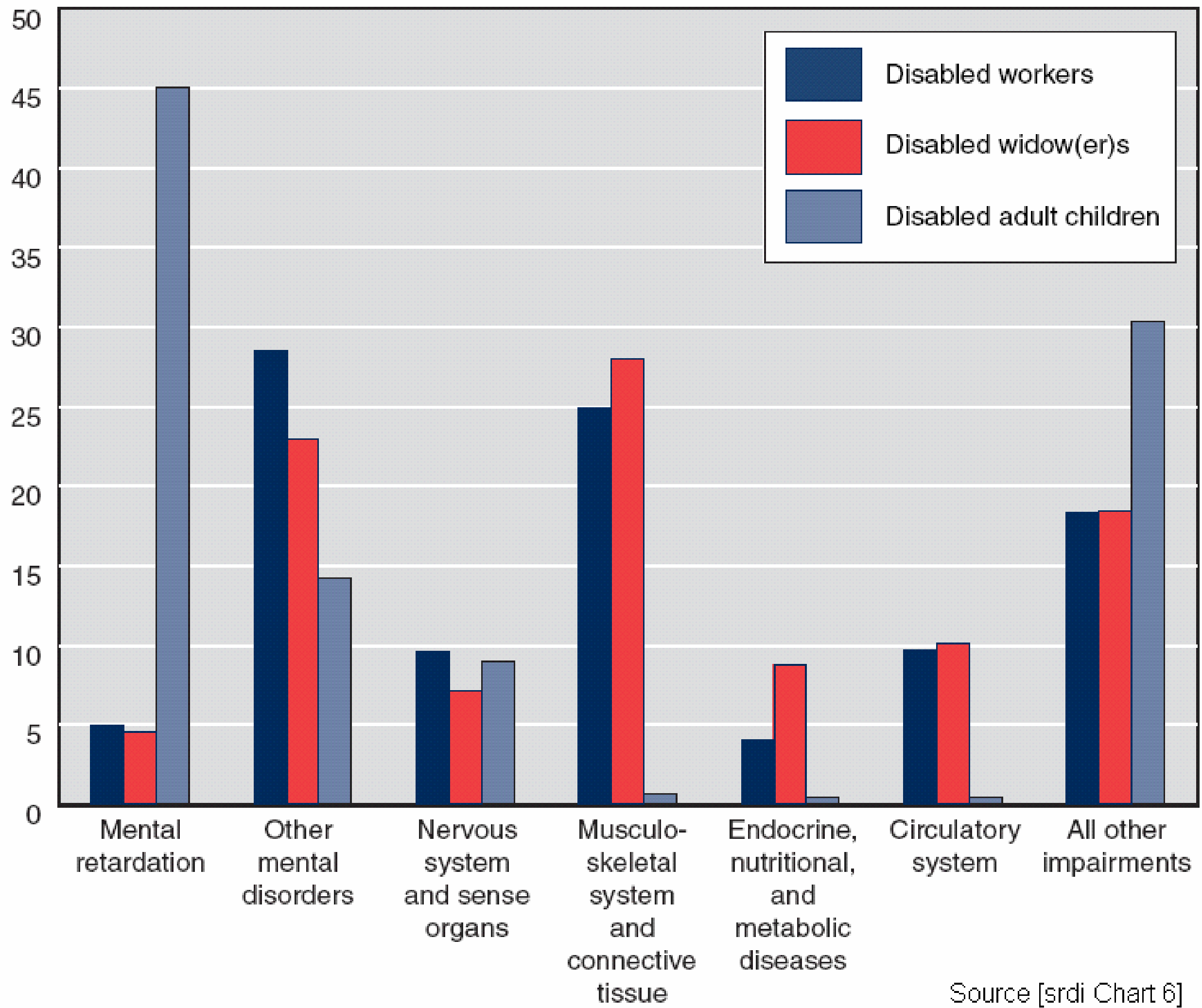


Chart 12



This shows initial awards by the state DDS, before the results of appeals, over a 30 year period. See the next chart for results after all appeals are factored in (for eight recent years only) – showing a near-equal number of mental and musculoskeletal conditions.

Chart 13



The above chart only includes SSDI recipients, not SSI.

Chart 14

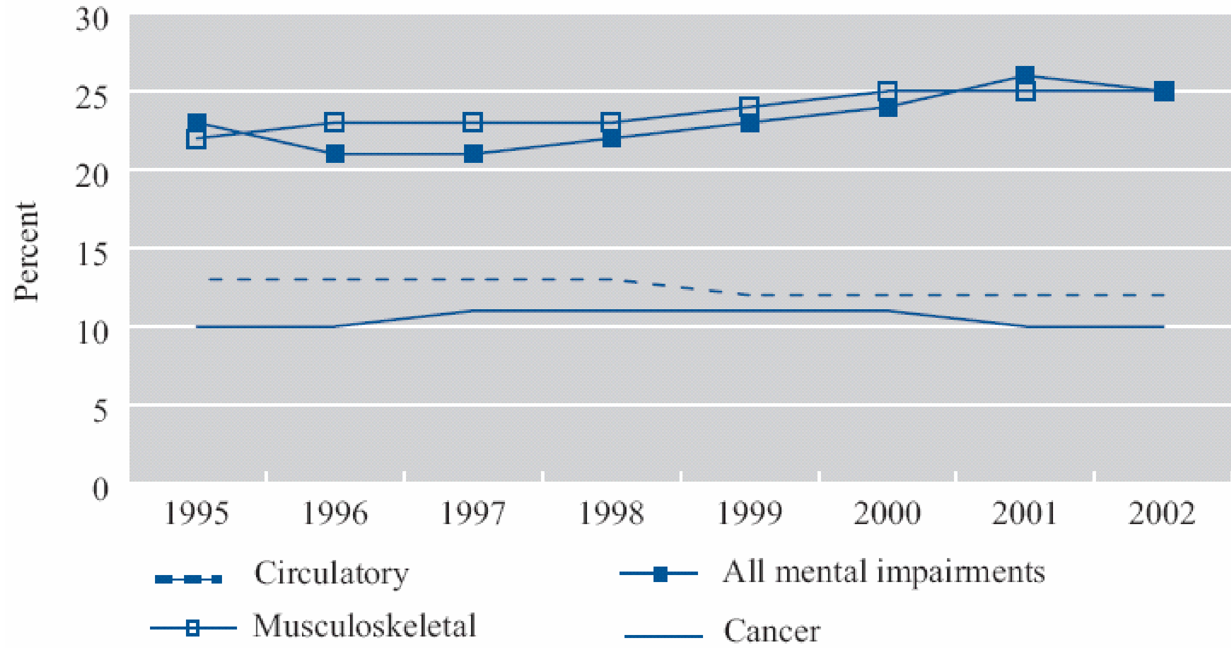
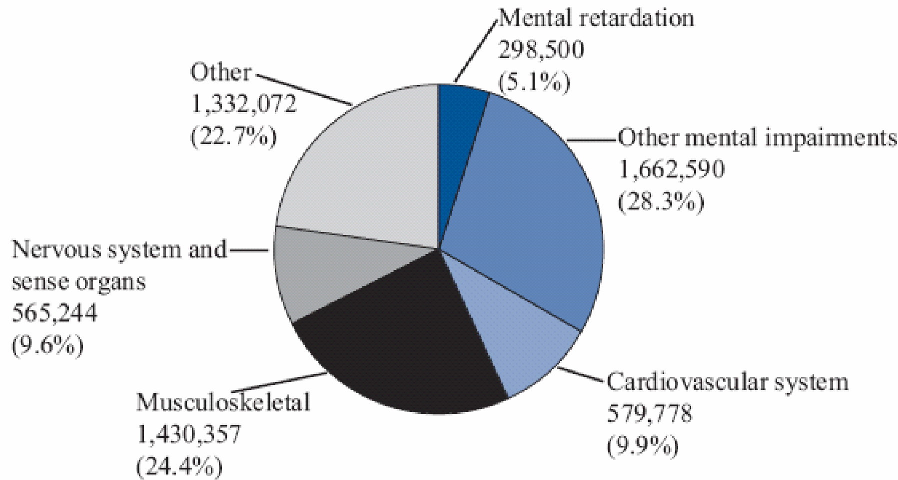
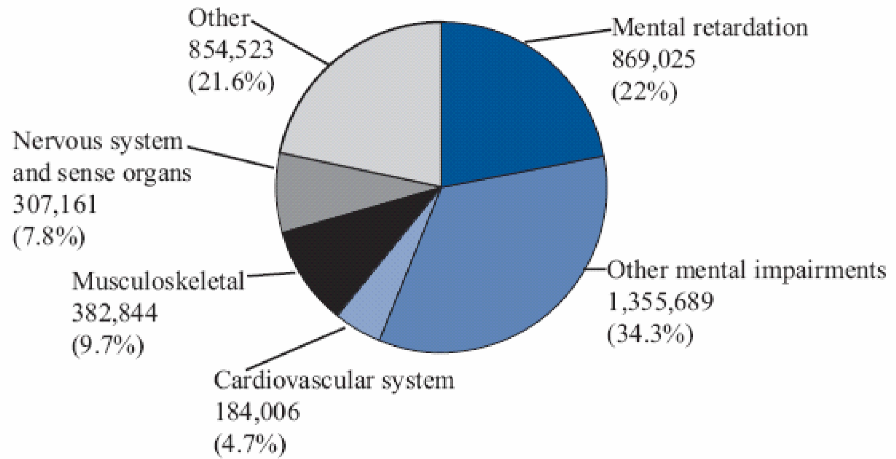


Chart 15

Number (and Percentage) of Beneficiaries by Type of Impairment, December 2002





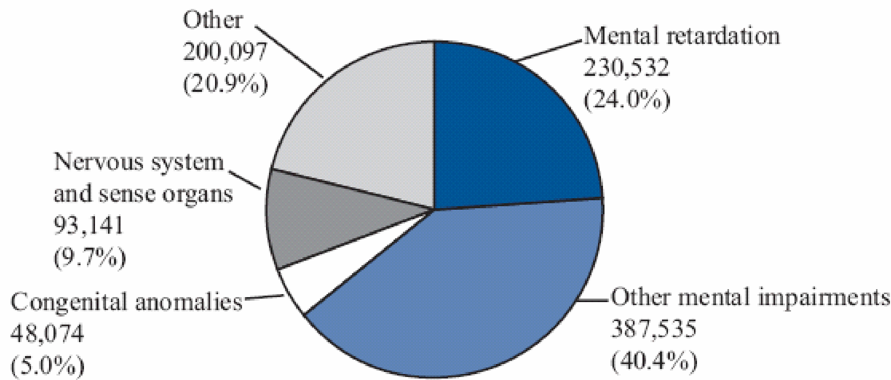


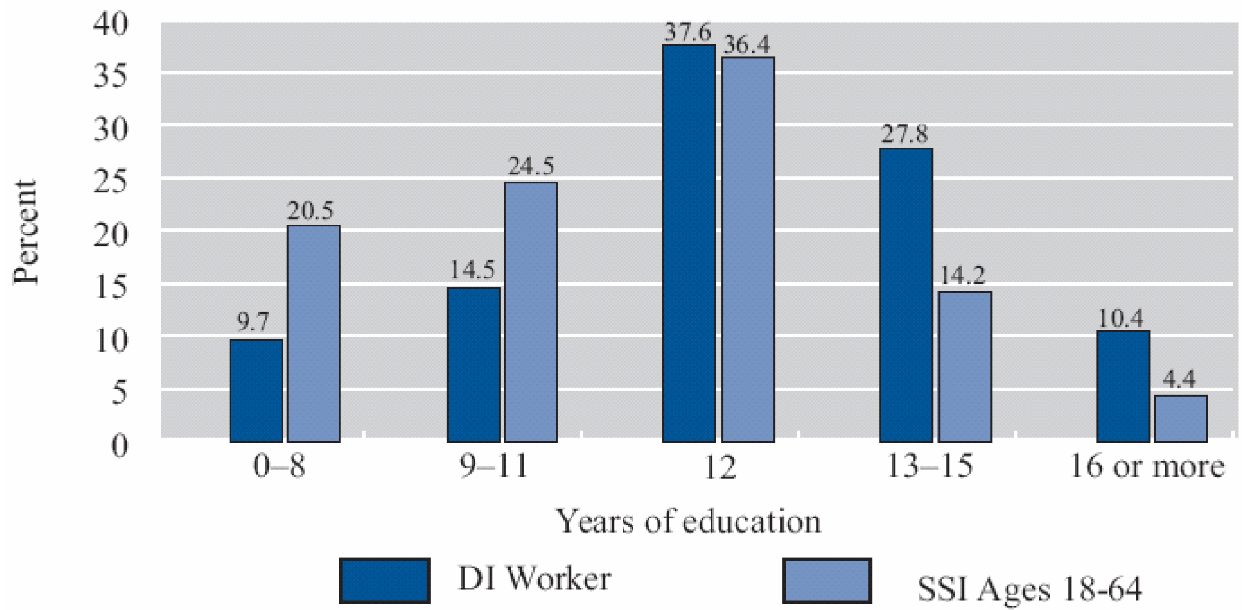
Chart 16

Distribution of SSDI beneficiaries by diagnostic group - 2004 All beneficiaries compared to New awardees				
	Beneficiaries		New Awardees	
	%	Number of beneficiaries	%	Number of awardees
Total	100.0	6,197,385	100.0	854,871
Congenital anomalies	0.2	10.392	0.3	2,236
Endocrine, nutritional, and metabolic diseases	4.0	247,559	3.1	26,588
Infectious and parasitic diseases	1.8	110,178	1.3	10,926
Injuries	4.4	271,626	3.7	31,443
Mental disorders - total	33.5	2,075,867	28.0	238,787
- Retardation	5.0	310,240	5.4	45,941
- Other	**28.5**	**1,765,627**	**22.6**	**192,846**
Neoplasms	**2.8**	**172,844**	**8.8**	**74,952**
Blood and blood-forming organs	0.3	15,596	0.3	2,782
Circulatory system	9.7	600,144	10.4	88,579
Digestive system	1.5	94,566	2.2	18,600
Genito-urinary system	1.7	103,427	2.0	17,505
Musculoskeletal system and connective tissue	24.9	1,540,566	25.6	219,133
Nervous system and sense organs	9.6	596,369	8.5	73,057
Respiratory system	3.1	194,592	4.0	34,252
Skin and subcutaneous tissue	0.2	14,963	0.2	1,790
Other	0.2	12,038	0.3	2,146
Unknown	2.2	136,658	1.4	12,095

Source [srdi Tables 21 and 33]

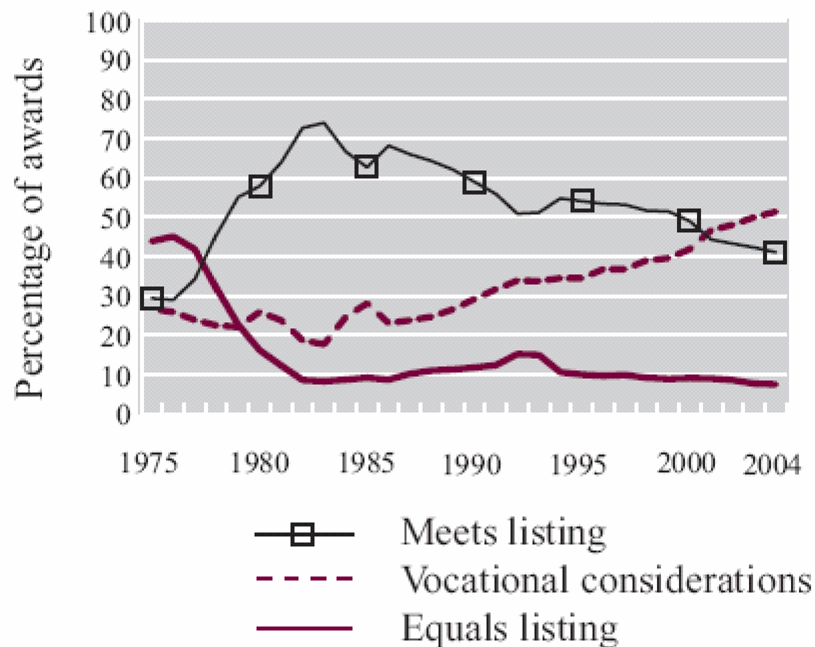
Bolded lines show interesting difference between total population percentage and new awardee percentage.

Chart 17



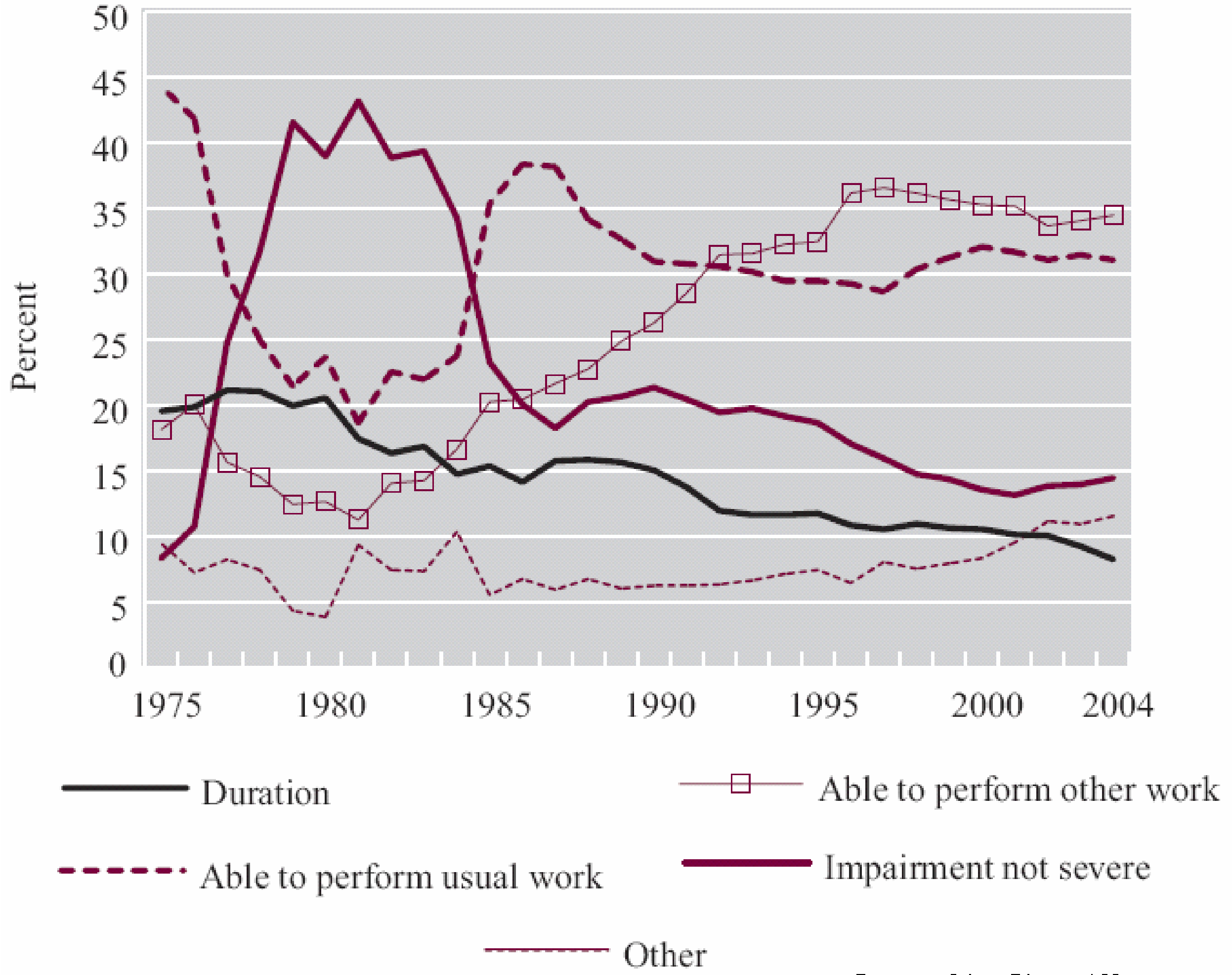
Selected Statistics – Initial (DDS) Decisions

Chart 18



These are for wawards by the DDSs, before appeals. "Meets listing" means the criteria of a medical listing item were exactly and fully met, while "Equals listing" means that none was exactly met, but the situation was equivalent in seriousness to one of the listings. Vocational considerations means that Steps 4 and/or 5 were involved.

Chart 19



These are for denials by the DDSs, before appeals.

Chart 20

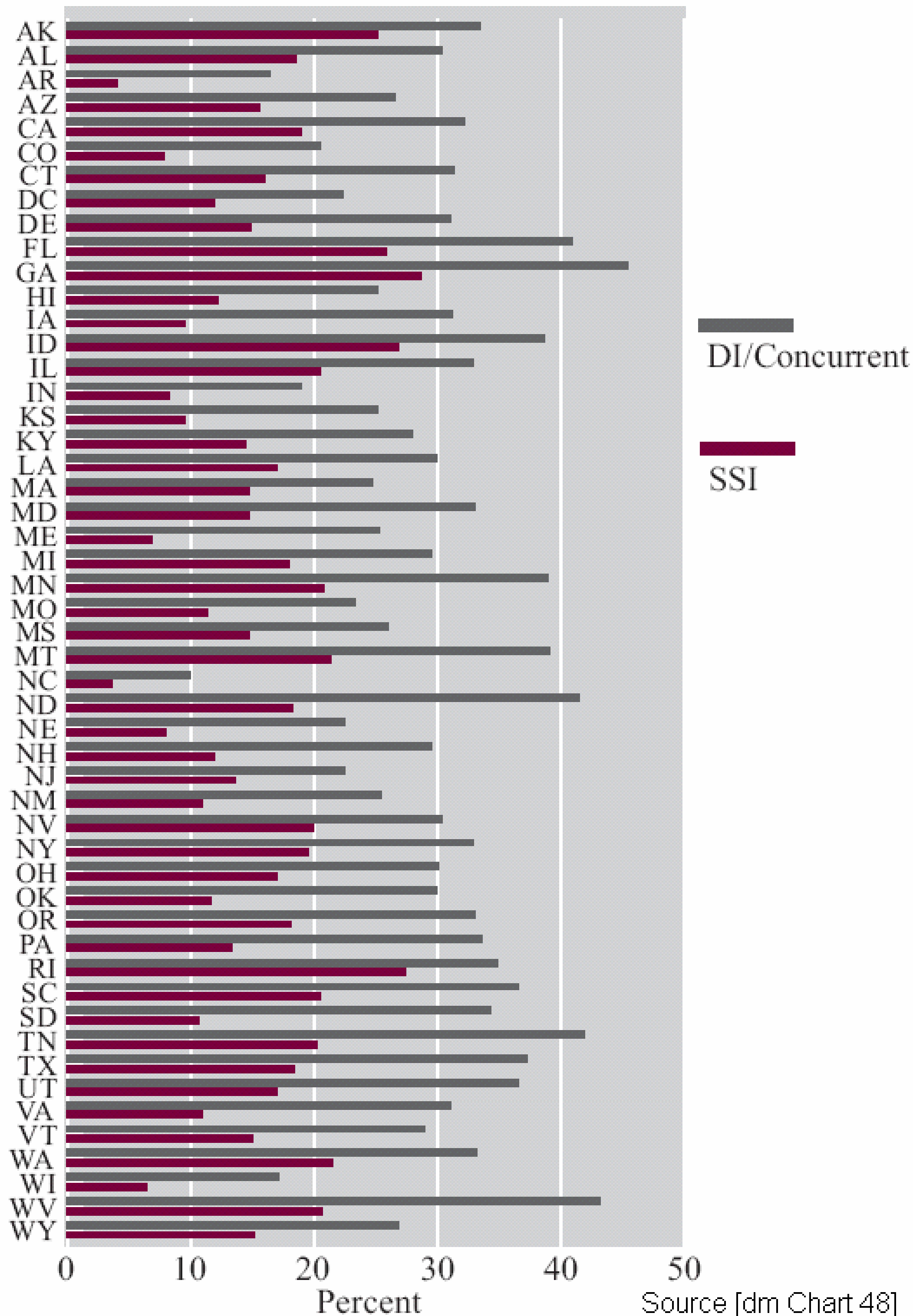


Chart 21

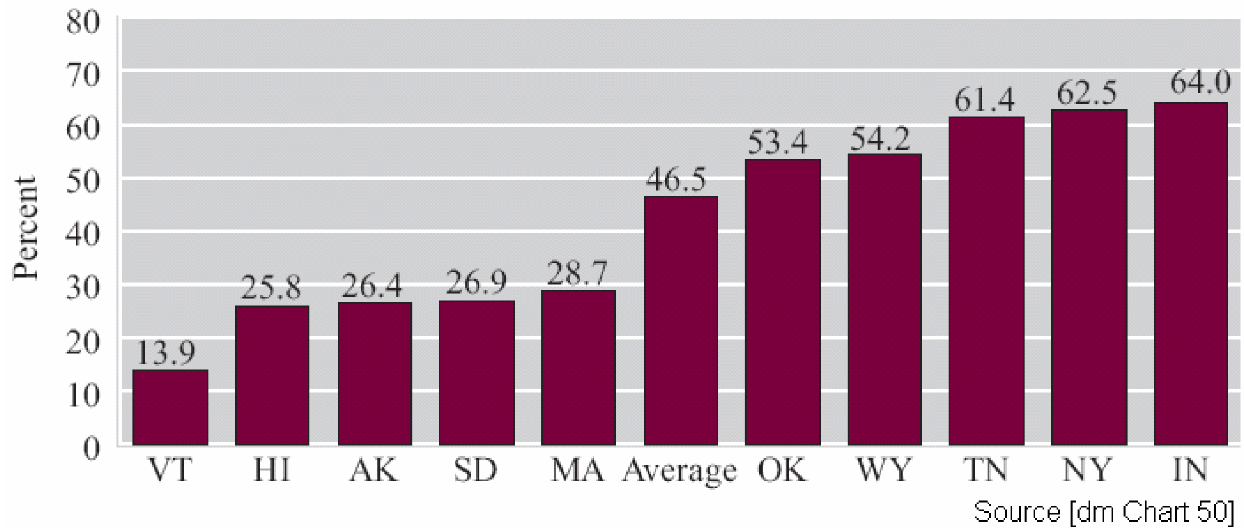


Chart 22

DDS Medical Consultants by Specialty, June 2004

Specialty	*Number*	*%*
Psychology	707	33.1
Internal medicine	341	16.0
Psychiatry	233	10.9
Pediatrics	209	9.8
Family practice	141	6.6
Speech-language pathology	59	2.8
General medicine	42	2.0
Neurology	38	1.8
Cardiology	36	1.7
Orthopedic specialist	35	1.6
Surgery	35	1.6
Ophthalmology	25	1.2
Gynecology/obstetrics	21	1.0
Anesthesiology	21	1.0
Emergency medicine	20	0.9
Physical medicine and rehabilitation	19	0.9
Orthopedic surgery	18	0.8
Osteopathy	14	0.7
Occupational medicine	13	0.6
All others	122	5.7
Total	2,136	100.0

NOTE: The percentage of specialists in each category that are board certified or board eligible is not known.

Source [iom Appendix Table 1]

"Medical Consultants" are the DDS employees or contractors who review applications, create RFCs, and participate in the disability determination decision.

Chart 23

Case Mix Compared with Mix of Medical Consultant Specialties

Clinical field	Percentage of MCs in the clinical specialty	Percentage of initial decisions involving the clinical field
Cardiology	1.7%	6.7%
Child Psychiatry	0.6%	0.5%
Child Psychology	0.0%	3.7%
Endocrinology	0.2%	3.8%
Family Practice	6.8%	0.0%
Gastroenterology	0.3%	2.4%
Internal Medicine	16.3%	6.3%
Neurology	1.9%	6.8%
Oncology	0.3%	4.7%
Orthopedics	2.5%	19.9%
Pediatrics	9.8%	0.9%
Psychiatry	10.7%	19.6%
Psychology	31.2%	7.5%
Pulmonology	0.3%	4.7%
Rheumatology	0.3%	6.7%

Source [iom Appendix Table 3]

Chart 24

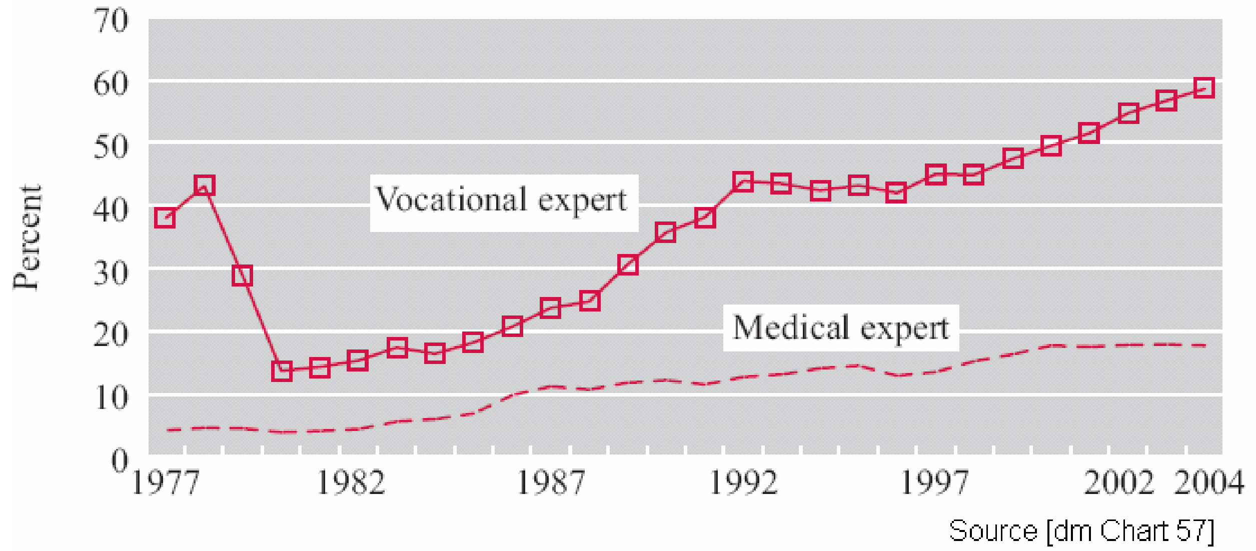


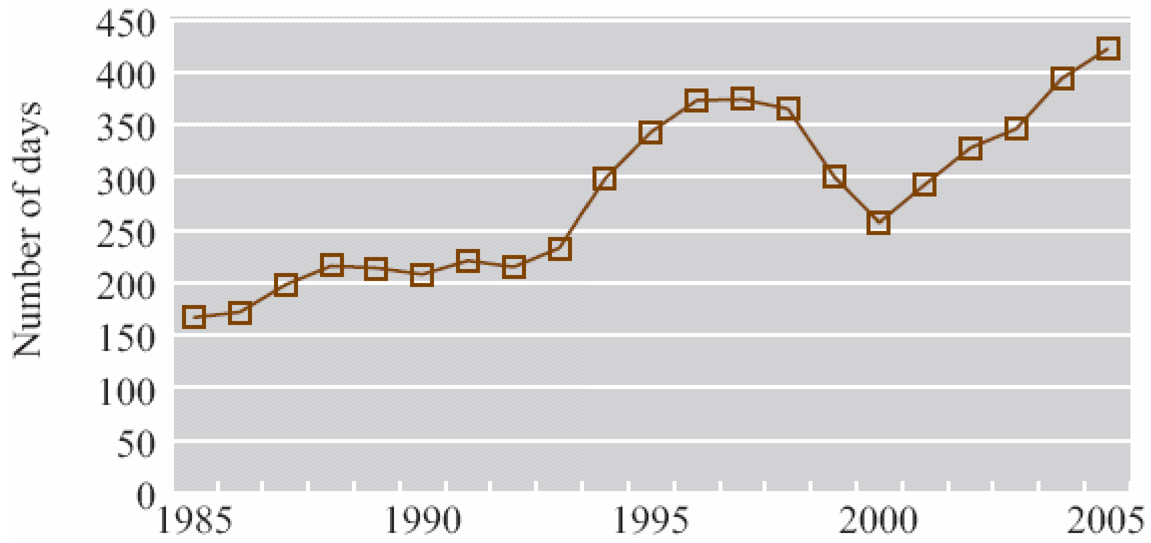
Chart 25

Number of Medical Experts by Specialty, June 2005

Specialty	*Number*	*%*
Clinical psychology	415	22.3
Internal medicine	371	19.9
Psychiatry	235	12.6
Orthopedic surgery	121	6.5
Pediatrics	115	6.2
Neurology	102	5.5
Cardiovascular diseases	71	3.8
Ophthalmology	57	3.1
Family Practice	31	1.7
Pulmonary diseases	22	1.2
Child psychiatry	21	1.1
Physical medicine and rehabilitation	20	1.0
Rheumatology	19	1.0
General surgery	18	1.0
Occupational Medicine	18	0.8
Gastroenterology	15	0.8
General preventive medicine	15	0.8
Urological surgery	14	0.7
Endocrinology	13	0.6
Child psychology	12	0.6
Neurological surgery	12	0.6
Emergency medicine	11	0.6
Medical oncology	11	0.6
All Others	122	6.6
Total	1,861	100.0

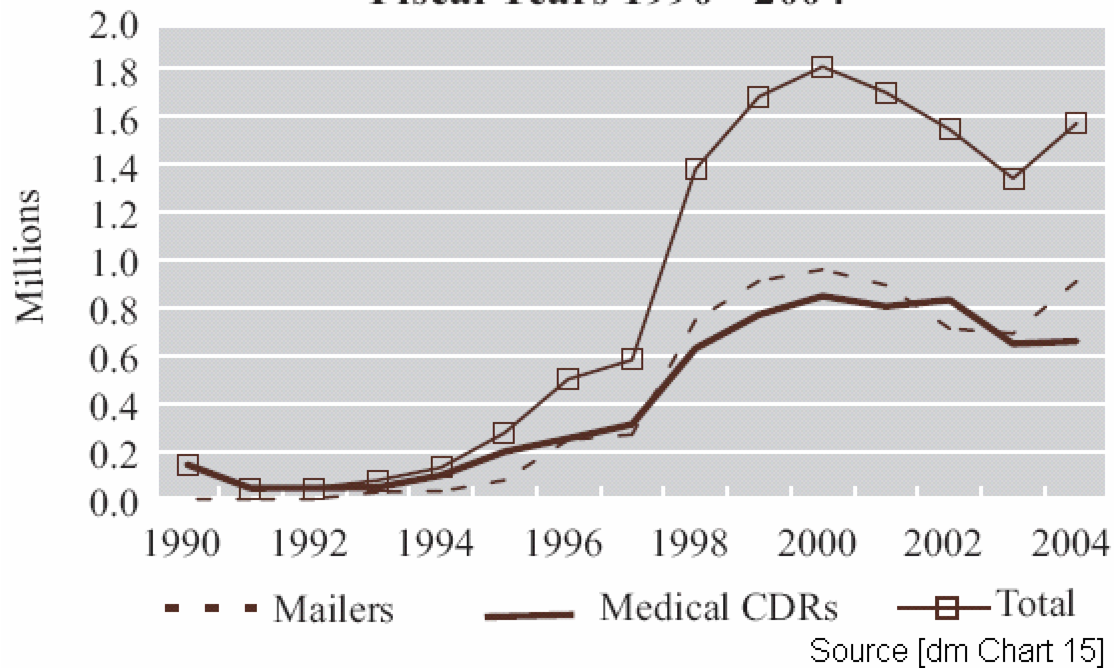
Source [iom Appendix Table 4]

Chart 26



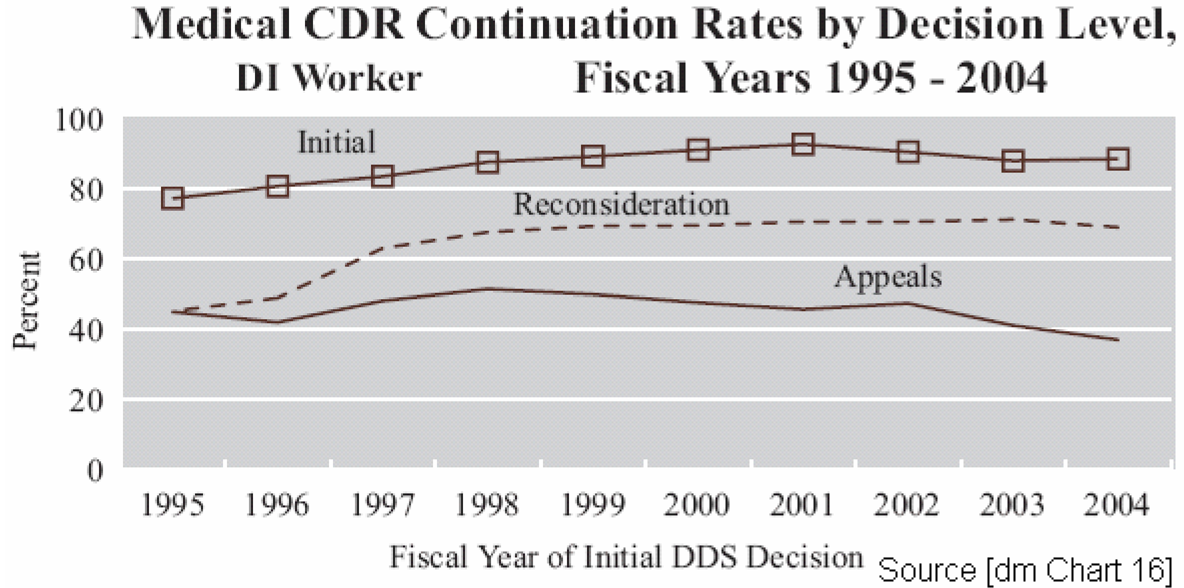
Selected Statistics – CDRs

Chart 27



"Mailers" are a self-report screening tool to spot cases that might need a full medical CDR. "Medical CDRs" are full situation reviews drawing on medical evidence in a process similar to initial disability determinations.

Chart 28



"Continuation rate" is the percent that is **not** terminated after the review. CDRs go through the same benefit determination process as initial applications, including reconsiderations and hearings.

Selected Statistics – Termination of Benefits

Chart 29

Terminations of SSDI Benefits for Disabled Workers – 2004 (excludes widow(er)s and children)		
	Number	Percent
All SSDI Disabled Worker Beneficiaries	6,197,385	100
SSDI Benefits Terminated in 2004	470,017	7.6
– Death of worker	188,205	3.0
– Full retirement age reached	206,346	3.3
– Found to not meet medical standards (CDRs)	25,256	0.4
– Successful return to work	28,613	0.5
– Miscellaneous medical reasons	192	0
– Elected reduced retirement	1,082	0
– Other	20,323	0.3

Source [srdi Tables 1 and 46]

References

The code to the left within brackets is used throughout the text to indicate the reference source used for factual information. Other resources appear in the SSA Background Information paper.

[srdi] *Annual Statistical Report on the Social Security Disability Insurance Program, 2004*
Comprehensive program description and numerous tables describing beneficiaries, applicants, the application process, etc.
http://www.ssa.gov/policy/docs/statcomps/di_asr/2004/index.html

[dm] *Disability Decision Making: Data and Materials* (May 2005) (published by SSAB)
Presents an excellent visually-engaging summary of relevant material for this project (though it goes into much detail that is unlikely to be of use to us).
http://www.ssab.gov/documents/chartbook.pdf

[iom] Improving the Social Security Disability Decision Process: Interim Report (2006) (published by The National Academies Press) Institute of Medicine Report