



**CONSORTIUM FOR CITIZENS
WITH DISABILITIES**

Senate Committee on Appropriations

**Subcommittee on Labor, Health and Human Services, and Education,
and Related Agencies**

**Funding for the Social Security Administration in
Fiscal Years 2011 and 2012**

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Testimony of

Marty Ford

**Consortium for Citizens with Disabilities
Co-Chair, Social Security Task Force**

ON BEHALF OF:

American Association of People with Disabilities
American Foundation for the Blind
Association of University Centers on Disabilities
Bazelon Center for Mental Health Law
Children and Adults with Attention-Deficit/Hyperactivity Disorder
Community Action National Network
Corporation for Supportive Housing
Council of State Administrators of Vocational Rehabilitation
Disability Rights Education and Defense Fund
Easter Seals
Epilepsy Foundation
Health and Disability Advocates
Lutheran Services of America – Disability Network
National Alliance on Mental Illness
National Association of Councils on Developmental Disabilities
National Association of Disability Representatives
National Council for Community Behavioral Healthcare
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National Disability Rights Network
National Multiple Sclerosis Society
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National Spinal Cord Injury Association
The Arc of the United States
United Cerebral Palsy
United Spinal Association
VetsFirst, United Spinal Association
World Institute on Disability

Chairman Harkin, Ranking Member Shelby, Members of the Subcommittee, thank you for this opportunity to testify at today's hearing on the Fiscal Year 2012 budget request for the Social Security Administration and the impact of possible cuts to the Fiscal Year 2011 budget.

I am Marty Ford, Acting Director of the Disability Policy Collaboration of The Arc and United Cerebral Palsy. I am here in my capacity as a Co-Chair of the Consortium for Citizens with Disabilities Social Security Task Force. CCD is a working coalition of national consumer, advocacy, provider, and professional organizations working together with and on behalf of the 54 million children and adults with disabilities and their families living in the United States. The CCD Social Security Task Force (hereinafter "CCD") focuses on disability policy issues in the Title II disability programs and the Title XVI Supplemental Security Income (SSI) program.

The focus of this hearing is extremely important to people with disabilities. The Social Security Administration administers the Disability Insurance (SSDI) and other Title II disability benefits and Supplemental Security Income (SSI), significant crucial income support programs for people with disabilities. SSDI provides benefits to disabled workers and their families and SSI provides financial support to aged, blind, and disabled adults and children who have limited income and resources.

We believe that it is critical to continue to ensure that SSA provides adequate services to people applying for SSI and Title II disability benefits.

IMPACT OF H.R. 1 ON REMAINDER OF FY 2011

The House-passed H.R. 1, Full-Year Continuing Appropriations Act, 2011, reduces the Social Security Administration's (SSA) administrative spending level to \$11.3 billion, a decrease from the Fiscal Year 2010 spending levels of \$11.4 billion and leaving an already cash-strapped agency with fewer resources with which to process claims for people with disabilities and seniors.

Under H.R. 1, the Social Security Administration would receive \$430 million less than if it operated the rest of FY 2011 under the current Continuing Resolution (CR), which is already \$1.7 billion less than the President's proposed FY 2011 budget. If SSA is forced to furlough employees to address the full \$430 million shortfall from the current CR spending level, it will result in nearly a month of furloughs, having devastating effects on service to the American public. In one month of furloughs, SSA would complete 400,000 fewer retirement, survivor, and Medicare claims; 290,000 fewer initial disability claims (with processing time increasing by a month); 70,000 fewer hearings; and 32,000 fewer continuing disability reviews. In addition, H.R. 1 severely cuts funds for vital information technology (IT) improvements and funds to build the critical new National Computer Center, which must be built to protect Social Security electronic information and infrastructure.

Under the current Continuing Resolution, the Social Security Administration is already operating at a very bare bones level. The proposed cuts in H.R. 1 will punish people who must rely on Social Security and Medicare. We need to remember that there are real people behind these numbers. The delivery of services must be strengthened, not weakened, during economic crisis.

IMPACT OF SENATE AMENDMENT 149 TO H.R. 1

Senate Amendment 149, the Full-Year FY 2011 Continuing Resolution offered by Senator Inouye on March 4, would provide \$500 million more for SSA's administrative expenses than would H.R. 1 for the remainder of FY 2011. In addition, it rescinds \$100 million less from the special reserve fund for IT expenses. In total, the Senate bill provides \$600 million more than H.R. 1 for SSA's operation. While this is not entirely what SSA requires to continue to meet the needs of the public and to address its IT needs for FY 2011, the Senate amount is certainly better than the House-passed bill. We urge the adoption, at a minimum, of the amount included in Senate Amendment 149, totaling \$11,821,500,000.

IMPACT ON CLAIMANTS FOR SOCIAL SECURITY AND SSI BENEFITS

Behind the numbers are individuals with disabilities whose lives unravel while waiting for decisions – families are torn apart; homes are lost; medical conditions deteriorate; once-stable financial security crumbles; and many individuals die. Over the past few years, we have described the extraordinary and unnecessary hardships endured by people with severe disabilities as they wait for decisions on their claims. The following stories are only a sampling of what is happening across the country to claimants who are forced to wait months and years for decisions on their appeals. Your own constituent services staff are likely well aware of similar situations in your state. It is important to note that these situations are current, when the processing times are improving, at least at the hearing level. We are extremely concerned about what will happen if SSA's budget is further reduced to the level proposed in H.R. 1.

- Ms. C, a 46 year old woman with fibromyalgia and depression lives in Omaha, NE. She filed her request for hearing on August 2, 2010. Her utilities were shut off on December 30, 2010, and she received an eviction notice on January 4, 2011. Although her husband works, his checks are being garnished for her medical bills. She cannot afford her medications and does not qualify for Medicaid because her husband works. Her representative requested critical case status [for expedited processing] on December 30, 2010. Her hearing was held on February 18, 2011, but she has not yet received a decision. The delay in scheduling a hearing and receiving a decision has been extremely difficult for her and her family. (From a representative in Omaha, NE)
- A 19 year old young man lives with his foster mother in Plano, TX; she is his sole source of support. He has a full scale IQ of 65 and all of his schooling has been in special education classes. He also has some mental health diagnoses and has been in several inpatient psychiatric facilities. He was born prematurely with a positive drug screening and put into foster care at 13 months of age. He has chronic encephalopathy

with psychomotor delays. He applied for SSI disability benefits in February 2010 and, more than one year later, he received his reconsideration denial in February 2011. Now he will have to wait for a hearing and hearing decision.

- Mr. E is a 52 year old man who formerly worked as a security guard. Because he has no income, he lives in a homeless shelter in eastern North Carolina. He is constantly in and out of the hospital. He has bipolar disorder and is an insulin-dependent diabetic with associated neuropathy, which causes burning pain in his feet and legs. He has a history of two heart attacks for which he has had stents. He needs a pacemaker for his heart but cannot get one until he is determined Medicaid eligible. He cannot get Medicaid until he is found eligible for SSI. He asked for a hearing on his SSI claim in September 2010, but he will probably wait until mid to late summer 2011 to get a hearing – if he lives that long. (From a representative in Raleigh, NC)
- A homeless woman in Manchester, NH requested her hearing in January 2010. After her representative submitted a “dire need” request for expedited processing, her hearing was held one year later (January 6, 2011). She has had no access to medical care for her severe mental impairments (bipolar disorder, paranoia, and anxiety). She has not yet received a decision.
- The same New Hampshire representative assisted a man who received a partially favorable decision from an Administrative Law Judge after a 15 month wait. He now has to wait an additional 90 days while his case lingers at the Decision Review Board for possible review. His home is being foreclosed on while he waits for the Board to act on his partially favorable decision.

SSA’S LIMITATION ON ADMINISTRATIVE EXPENSES FOR FY 2012

We believe the President’s Budget proposal for the Social Security Administration for FY 2012 of \$12.522 billion is the minimum needed to continue to reduce key backlogs and increase deficit-reducing program integrity work. With your support, SSA could continue to build on the progress achieved thus far, progress that is vital to millions of people who depend on their services, including people with disabilities. This funding level will allow SSA to continue working down disability backlogs, to implement efficiencies in programs, and to increase program integrity work.

The budget will provide for the continuance of crucial income support programs. In FY 2012, SSA expects to provide SSDI benefits to almost 11 million disabled workers and their family members and provide SSI benefits to over 8.3 million beneficiaries.

It is imperative that the Social Security Administration continue to reduce its disability hearings backlog and initial disability claims backlog. This budget request will allow SSA to reduce hearings and initial disability claims backlogs and simplify the work incentives in the Disability Insurance program. With the continued support of Congress, SSA is on track to meet its commitment to the American public to eliminate the backlog by FY 2013. However, to reach this goal, it will need to adjudicate over 800,000 cases in Fiscal Years 2011 and 2012, which is more than double what was handled 10 years ago.

Yet, progress continues to be challenged with the current skyrocketing number of hearing receipts due to the increased number of people who are applying for benefits.

We are pleased that SSA has implemented many productivity improvements which help provide fast and accurate service to the public at a lower cost, but the Administration needs adequate funding to continue this. Congress and the Administration must work together to ensure that millions of Americans do not experience significant waiting times for decisions on their claims. To do this, SSA needs full funding of the President's Budget for FY 2012.

The President's proposed FY 2012 budget will aid in processing mounting disability claims by creating programs such as Extended Service Teams for more efficiency, and expanding Federal capacity to decide claims and to assist Disability Determination Services in handling claims, improving online services, fast-tracking cases that obviously meet SSA's disability standards, paying medical consultants per case as opposed to per hour to increase productivity, and developing a disability case processing system.

The President's Budget request proposes a 5-year reauthorization of Section 234 demonstration authority for the Disability Insurance Program, which would allow SSA to test program innovations. Using this authority, SSA has proposed a new Disability Work Incentives Simplification Pilot (WISP) to provide beneficiaries with a simple set of work rules that would no longer terminate benefits solely based on earnings. As a result, beneficiaries would have more flexibility to try working, without fear of losing their benefits. After years of making similar recommendations to improve work incentives, we look forward to working with SSA on the details of this proposal.

The Budget request also proposes an extension through 2013 of SSI eligibility for 9 years for refugees, asylees, and certain other humanitarian immigrants.

We also support SSA's plans to explore potential improvements to programs, such as the Disability Research Consortium (DRC) to address the shortage of disability policy research and collaboration and to enhance efforts to expand disability research within and across disability programs. We would also like to work with SSA on the SSI Children's Pilot - Promoting Readiness of Minors in SSI (PROMISE) - to improve outcomes for children and families in the SSI program.

We are also concerned that Amendment 195 to H.R. 1 would make it more difficult for people whose disability claims have been denied to take their claims to federal district court since no funds would be available for payment of fees or expenses under the Equal Access to Justice Act. We believe that this could make legal representation unavailable to claimants who need to pursue their claims in federal court. We urge the Subcommittee to oppose inclusion of such language in the FY 2011 and 2012 spending packages.

CONCLUSION

For the remainder of FY 2011, H.R. 1 would have a devastating impact on administration of the Social Security programs and we urge the Subcommittee to reject such drastic cuts.

The harmful impact on the American people, particularly people with disabilities waiting for decisions on their claims for disability benefits, would be too great. Instead, we urge the adoption of at least the amount included in Senate Amendment 149 to H.R. 1.

The President's Budget Proposal for FY 2012 is the minimum needed to continue driving down disability backlogs, improve services to people with disabilities, increase efficiency, and keep pace with the rising demands of the American public. The speed and quality of the Administration's disability process must continue to improve and should not be allowed to regress into the longer waiting periods of the recent past. These challenges can only be addressed if Congress and the Administration work together to ensure that Social Security continues to be the safety net it was designed to provide for people with disabilities and their families, as well as retirees and survivors of workers and retirees.

Thank you for this opportunity to testify. I would be happy to answer questions or provide you with additional information.

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