

Disability Claims Backlog Crisis at the Social Security Administration

- Due to large and increasing backlogs in processing disability claims, **severely disabled individuals often must wait years to get the benefits they need for basic economic survival.** At the end of 2006, **more than 1.3 million people were awaiting a decision on their initial claim or appeal** for Social Security or Supplemental Security Income (SSI) disability benefits.
- The President requested \$9.597 billion for SSA's Limitation on Administrative Expenses (LAE) budget, which funds SSA's administrative costs. However, this amount is not enough to improve the disability claims backlog. In fact, **under the President's request, staffing would decline and the backlog would get worse, rising to almost 1.4 million cases** at the initial claims and hearing office levels.
- Backlogs have been increasing in recent years, particularly at the hearing office (Administrative Law Judge) level. **The average processing time for hearings rose from 308 days in FY 2001 to 517 days as of April 2007.** These waits are in addition to delays at earlier stages of the process, which can add six months or more to the total wait time. Under the President's request the average processing time for a hearing would increase even further, to an estimated 541 days.
- The number of pending cases awaiting a hearing climbed from about 392,000 in FY 2001 to about 738,000 as of April 2007. **Under the President's request for FY 2008, the hearing backlog would increase to 768,000 – almost double the number of cases awaiting a hearing in FY 2001.**
- Although the \$9.597 billion budget request may appear large compared to funding for other discretionary programs, **SSA's administrative budget represents less than 2 percent of SSA's total benefit outlays.** In FY 2008, SSA will provide benefits to almost 55 million beneficiaries, track earnings for more than 160 million workers, issue 18 million Social Security cards, and perform a range of additional activities, including responsibilities related to Medicare administration.
- SSA's workload has grown significantly in recent years due to the aging of the population and new requirements stemming from Medicare and homeland security legislation. **Since SSA administers entitlement programs, program eligibility requirements are set by statute. Therefore, the agency does not have the ability to adjust the size of its workloads in response to inadequate administrative funding.**

- When Congress established SSA as an independent agency, the SSA Commissioner was directed to develop an annual budget based on a comprehensive workforce plan. **For the past five years (FY 2003 through 2007), the President's request has been lower than the Commissioner's budget figure, and Congress has further reduced SSA's budget by a cumulative total of \$869 million over the five-year period.** For FY2008 the SSA Commissioner's budget was \$10.44 billion -- \$843 million more than the President's request.
- SSA staffing has declined significantly even as workloads have risen. **Under the President's budget, staffing would decline by more than eight percent from the FY 2006 level.**
- SSA's productivity has been continually increasing: **from 2001 to 2006, productivity rose an average of 2.5 percent per year, for a total gain of 13.1 percent.** The President's budget assumes that operational productivity will increase by an additional 2 percent in 2008. **However, this increase in productivity is not sufficient to offset the increase in workloads combined with staffing declines. Therefore delays and backlogs will continue to grow.**
- Funding shortages have also forced SSA to cut back on program integrity activities, such as continuing disability reviews (CDRs) and SSI redeterminations. CDRs determine if a disability beneficiary is still sufficiently disabled to be eligible for benefits. SSI redeterminations examine the income, resources, and household composition of SSI beneficiaries to determine whether they remain eligible for SSI and whether they are receiving the correct benefit amount. **CDRs have been demonstrated to save \$10 in program costs for every \$1 spent in administrative dollars; SSI redeterminations save \$7 for every \$1 spent.**

SSA in Budget Resolution Conference Report

- The Budget Resolution Conference Report makes room for additional funding to address backlogs. While the resolution's specific assumptions about the level of funding for SSA are not binding on the Appropriations Committee, the resolution makes it possible for the appropriators to fund SSA more adequately.
- Specifically, the conference report:
 - Provides a total discretionary spending limit (called the 302(a) allocation) to the Appropriations Committee that is above what the President's budget would provide. This additional funding would allow the appropriators to fund SSA above the level of the President's request without taking away from other programs.
 - Provides for an adjustment to the discretionary spending limit of up to \$213 million for SSA to conduct Continuing Disability Reviews and SSI redeterminations. (This

is the so-called "cap adjustment," in which the additional \$213 million does not count against the 302(a) limit.)

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