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Representative Sam Johnson, Chairman
Attn: Kim Hildred, Staff Director
Subcommittee on Social Security
Committee on Ways and Means
U. S. House of Representatives
B-317 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Johnson,

Thank you again for providing the opportunity for NCDDD to present testimony at the Committee on Ways and Means, Subcommittee on Social Security hearing relative to securing the future of the disability program. The following are our responses to your questions:

- 1. DDS funding is based on certain productivity and processing time standards. Would you explain how this works? Also, aren't funds to purchase medical evidence and consultative examinations capped? How do these expectations and restrictions affect DDSs ability to thoroughly develop and evaluate claims and document decisions?***

Each DDS submits annual budget requests and quarterly spending plans to SSA based on projected workloads, staffing, personnel costs, medical case development costs, and operating expenses. Working within OMB allotment constraints, SSA considers the DDSs' budget requests and provides spending authority based on availability of funding. SSA also establishes targets for productivity per work year and processing time.

Individual states determine their rates of payment for purchase of medical records and consultative examinations. These rates "may not exceed the highest rate paid by Federal or other agencies in the State for the same or similar type of service" [*Code of Federal Regulations*, Title 20, Part 404, §404.1624].

When full funding is not available, SSA may restrict DDS replacement hiring authority. DDSs have had a hard hiring freeze since the fall of 2010 with a dramatic impact on strategic infrastructure. With little or no hiring authority, DDSs have no staff in the training "pipeline," severely limiting our ability to address increasing workloads.

When the number of cases coming in the DDS door exceeds the funding and staff production capacity, as it does currently, the result is a backlog of constituents' cases in the DDS, awaiting assignment to an examiner

for processing, or awaiting other case actions such as medical assessment. Currently, despite record high DDS productivity per work year, front-end staging of initial and reconsideration cases awaiting assignment to an examiner is at 119,352 cases nationally [SSA Staged Case Report, for week ending 5/11/12]. These delays will not be captured in official SSA/DDS processing time data until the cases are finally completed. However, constituents are already experiencing case delays, lengthening of overall processing times and deterioration of service.

If the severe budget cuts resulting from the Budget Control Act take effect in FY 2013, it is likely that these backlogs will increase exponentially, both in the number of cases affected and in the length of the delays. Many of the DDS operating costs are fixed, such as rent, utilities, state personnel and administrative costs. Any reduction in force of trained DDS staff needed to process cases would obviously be extremely counterproductive and harmful to public service. Reduction in spending for medical evidence and consultative exams would further delay case determinations since we are required to request evidence from every relevant medical source and to purchase required examinations/tests not in the healthcare record. Paying less for medical records would result in fewer timely reports and more need for consultative examinations resulting in longer processing times and higher cost per case. Many states already have difficulty finding sufficient consultative examination providers due to low rates of reimbursement under the Medicare ceiling.

2. *What quality controls do Disability Determination Services (DDSs) have in place to monitor DDS examiners' and medical consultants' accuracy and ensure consistency?*

DDSs are required to have an internal "quality assurance function sufficient to ensure that disability determinations are made accurately and promptly" [*Code of Federal Regulations*, Title 20, Part 404, §404.1620]. The organizational structure may look different in different DDSs, but all DDSs have a function that involves review of cases for accuracy and policy compliance at various decision points during the life of the case.

Another aspect of quality assurance is training. DDSs provide training for new examiners and ongoing mentoring and updated training as needed. SSA provides online training manuals, handbooks, banks of case examples, and other materials such as interactive video training, both live and recorded/available on demand. DDS trainers and management monitor quality review data for trends and request program consultation with SSA on policy questions in the interests of ensuring consistency of policy application.

DDSs generally have rigorous internal performance standards, which include accuracy as well as timeliness, cost effectiveness and productivity. Federal regulations hold DDSs to a high accuracy standard. To meet the standard, the DDSs must ensure that their staff is producing accurate, well-documented determinations.

3. *Social Security recently mandated the use of an electronic claims analysis tool (e-CAT) for all DDS examiners. Would you provide more details as to how e-CAT works and its benefits?*

The claims analysis tool (e-CAT) leads the examiners through the steps of sequential evaluation of disability, asking the examiner to answer the pertinent questions at each step. It incorporates some basic case information from the claimants' application, such as allegations, age, education, and alleged onset date,. It provides links to online policy, but the DDS examiners must decide how the policy applies in the individual case, appropriately weighing all the evidence. E-CAT provides a uniform place for examiners and medical consultants to record the findings, their analysis of the evidence, and their decisions at each step of sequential evaluation. When complete, e-CAT generates a document for the electronic case folder detailing the analysis done on the case, so that other components reviewing the case can see how the DDS arrived at its determination.

4. *How do these expectations and restrictions affect DDSs ability to thoroughly develop and evaluate claims and document decisions?*

DDS opinions of the e-CAT tool are mixed. A majority of states have implemented it and for the most part, have found it to be useful in training new examiners and supporting consistency in the documentation of case decisions. We have heard that subsequent case reviewers find it helpful. Some states have concerns about the extra time it may take to complete the documentation of the case analysis in e-CAT, and the effect on examiner productivity. There are also some issues with the way e-CAT interfaces with the different DDS software systems. The tool is still in the process of further enhancement to meet the needs of examiners and medical consultants. E-CAT (or an e-CAT-like function) will be an integrated component of the single Disability Case Processing System that is now in development.

Thank you for allowing me the opportunity to address these questions. As always, NCDDD remains available to assist and help educate the Subcommittee on the complexities of the disability programs, as deliberations continue regarding possible approaches to this critical situation. At the current pace of the constituents filing for disability and concurrent lack of strategic hiring/staffing, the future of the disability programs is far from secure. NCDDD members stand ready to participate in the solutions for these serious issues. Please feel free to contact me at (802) 241-2475 for any further information or clarification.

Sincerely,

Trudy Lyon-Hart

Trudy Lyon-Hart
President-Elect, NCDDD