



**TRANSITION REPORT FOR  
THE NEW COMMISSIONER  
OF SOCIAL SECURITY:  
HOW TO ENSURE THE WORLD-CLASS  
SERVICE THE AMERICAN PEOPLE DESERVE**

March 2013



**STRENGTHEN  
SOCIAL SECURITY  
COALITION**

# PREFACE

Since the cornerstone was laid in 1935, we have built our Social Security structure carefully and deliberately. In 1939, we added Survivors Insurance for widows and dependent children. Disability Insurance was added in 1956, followed by Medicare and Medicaid in 1965. Automatic cost-of-living adjustments (COLAs) were added in 1972 in order to maintain the purchasing power of benefits no matter how long someone lives. We built, maintained and strengthened these institutions for a reason: to enable working men and women to protect themselves and their families. We built them because we, as a nation, value hard work, personal responsibility, and human dignity; we care for our parents, our children, our spouses, our neighbors and ourselves.

The Strengthen Social Security Coalition, made up of more than 320 national and state organizations representing more than 50 million Americans, cares deeply about maintaining and strengthening this cornerstone of American economic security. In this spirit, we offer this report to the next Commissioner of Social Security, to better equip him or her to lead the Social Security Administration in the coming years. It is also intended as a resource to the President, members of Congress, congressional committees with jurisdiction over the program, and the Social Security Advisory Board. The report is not designed to be exhaustive in covering every aspect of the agency's responsibility, nor does it address Trust Fund solvency or benefit adequacy issues.

We are grateful to the following people for writing portions of this report: T.J. Sutcliffe and Marty Ford (The Arc), Eric Shulman (American Federation of Government Employees), Gerald McIntyre (National Senior Citizens Law Center), Ethel Zelenske (National Organization of Social Security Claimants' Representatives), Jeff Cruz (Latinos for a Secure Retirement), and Ivy Ngo (Southeast Asia Resource Center/Diverse Elders Coalition). We offer a special thanks to Benjamin Veghte (Social Security Works) who served as overall editor and also researched various elements of the report. We acknowledge with appreciation the suggestions of Suzanne Blouin, formerly of the Office of Communications of the Social Security Administration (SSA) and Kurt Czarnowski, formerly Regional Communications Director for SSA in New England and currently Principal, Czarnowski Consulting. We also thank Dana Bell, Molly Checksfield, Daniel Marans, and Lacy Crawford of Social Security Works for their assistance in the report's preparation, and Dan Redding for the report's graphic design.

Please contact the Social Security Works Communications Director, Don Owens, if you have questions about this report: [dowens@socialsecurity-works.org](mailto:dowens@socialsecurity-works.org).

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The mission of Social Security Works is to protect and improve the economic status of all Americans, especially disadvantaged and at-risk populations, and, in so doing, to promote social justice for current and future generations of children as well as young, middle-aged and older adults. [www.socialsecurityworks.org](http://www.socialsecurityworks.org)  
The Strengthen Social Security Coalition is made up of more than 320 national and state organizations, representing more than 50 million Americans. The Coalition is united around core principles, which include that Social Security benefits should not be cut and, instead, should be increased, and the belief that our nation's Social Security, Medicare and Medicaid systems are fundamental to the well-being of America's families and to the type of nation we are. [www.strengthensocialsecurity.org](http://www.strengthensocialsecurity.org).

# EXECUTIVE SUMMARY

*“This is not a program in which the Government or the well-to-do help people. On the contrary; it is primarily a program in which people help themselves, using Government as the instrument.”*

– Former Commissioner Robert M. Ball  
in the Journal of Commerce, June 15, 1964

The Social Security Administration (SSA) is not merely another arm of government, but the embodiment of a sacred trust that has been passed on from our grandparents to our parents, from our parents to us, and from us to our children, grandchildren, and those who come after. By means of the Old Age, Survivors, and Disability Insurance (OASDI) programs, we insure ourselves and our families against the risks of losing income when we retire or when unexpected disability or death occurs.

We pay into the program during our working years, knowing we will rely on the services of SSA to access and administer the benefits we have earned. As leader of the agency, the Commissioner is entrusted with ensuring that SSA excels at serving those who fund and rely on its services, including the low-income aged, blind, and disabled who need Supplemental Security Income (SSI).

This report is issued by the Strengthen Social Security Coalition ([www.strengthensocialsecurity.org](http://www.strengthensocialsecurity.org)), an alliance of more than 320 national and state organizations committed to maintaining and improving our nation’s Social Security system. While not designed to cover every aspect of the agency’s responsibility, the report sheds light on many core administrative functions SSA performs in executing this public trust. Some of our main findings and recommendations are summarized below.

## **FUNDING AND STAFFING**

SSA collects payroll contributions from 157 million workers, and administers over \$850 billion in Social Security and SSI benefits to more than 65 million beneficiaries each year. It administers Social Security at a minimal administrative cost of less than one percent of revenues. Despite spending the program’s own dedicated resources and despite an accumulated reserve or surplus of \$2.7 trillion, Social Security’s administrative funds are subject to the annual appropriations process, essentially treated like expenditures that lack dedicated revenue. Its budget has been cut repeatedly in recent years, requiring staff reductions, field office closures, suspension of benefit statements and other measures that have significantly compromised the agency’s stellar customer service.

- The new Commissioner should urge Congress to treat the Social Security program separately from the annual appropriations process, as its dedicated revenue warrants, and allow sufficient FY 2014 administrative funding to enable the agency to retain enough staff to respond to the rapidly growing demands on the program from the aging of 76 million baby boomers and the effects of the Great Recession.

## **ACCESS AND CUSTOMER SERVICE**

The programs administered by SSA – OASDI and SSI, as well as Medicare eligibility determinations and prescription drug subsidy applications – are essential components of the economic security of virtually all Americans, and especially so for many vulnerable populations. It is critical that people with disabilities have access to all SSA programs and services. Access to individuals with Limited English Proficiency (LEP) is equally important.

- SSA should enhance its capacity to communicate in its field offices and publications in a variety of languages, especially for the SSI program where over one-third of those applying on the basis of age are LEP, and where questions about benefit levels are far more likely to arise because of the program’s complex rules.
- More funding and training should be provided to achieve better outreach to people who are homeless.

## **PUBLIC UNDERSTANDING AND CONFIDENCE**

An essential role of the Commissioner is to promote public understanding and confidence in the program. This is all the more important in an era where there are so many myths about the program circulating in the media and public discourse. Historically, SSA's communications functions included the development of pamphlets, speeches, teacher kits, news releases and training materials and their dissemination to the regions and, most importantly, to local field offices. SSA should endeavor to calm and inform citizens about the insurance protections they are earning with their contributions through measures that include:

- Restoring the annual mailing of the Social Security Statement;
- Incorporating age-specific inserts that educate contributors about pertinent benefits such as the birth of a child;
- Restoring the capacity of local field offices to reach out to the public;
- Strengthening the agency's capacity and commitment to engage in media appearances, conference presentations, and interaction with organizations representing business, communities of faith, labor and diverse constituencies.

### **DISABILITY DETERMINATIONS AND APPEALS**

It is well known that SSA has struggled to keep pace with the growing number of disability claims it has received in recent years. While SSA has made improvements to its initial determination, hearing, and appeals processes over the last six years, significant work remains to ensure that applicants receive a correct determination in a timely manner. In FY 2011, claimants for disability benefits faced average wait times of 109 days for initial claims (from date of filing to date of payment or denial) and 345 days from a hearing request to a decision.

- SSA should be provided with adequate administrative funding to enable it to make significant additional strides in reducing the disability claims backlog.
- The new Commissioner should focus attention on the functioning of the process for appealing proposed SSI suspensions and benefit reductions.
- SSA also needs to develop a better reporting and recording system in order to promptly adjust benefit payments to prevent and reduce improper under- and overpayments.

### **RESEARCH**

With Social Security at a critical juncture in its 77-year history, there is more need than ever for the agency to produce quality research on matters related to retirement and disability policy. However, the public policy and research resources at SSA have declined over the last 12 years. These resources have been diverted to researching operational matters, duplicating work done elsewhere in the agency. The new Commissioner should:

- Restore the public policy and research resources at SSA;
- SSA's research program should empirically examine benefit and income adequacy, as well as the distributional impact of reform options. New surveys of beneficiaries should be conducted to shed light on the real situations and needs of elderly persons, people with disabilities and survivors;
- Reorganize the public policy analysis and research previously housed in the Office of Policy into separate agency-wide offices like the Office of the Chief Actuary and Office of General Counsel to make it clear that they are focused on serving external clients, and not simply part of the operationally oriented components;
- Urge Congress to reauthorize Title II demonstration authority and research.

Finally, we strongly recommend maintaining the independence of the Office of the Chief Actuary from political interference, and urge the new Commissioner to respect the Office's autonomy.

**For the full report, see:**

[http://strengthensocialsecurity.org/sites/default/files/Transition\\_Report\\_for\\_the\\_New\\_Commissioner\\_of\\_Social\\_Security.pdf](http://strengthensocialsecurity.org/sites/default/files/Transition_Report_for_the_New_Commissioner_of_Social_Security.pdf)



## **SUMMARY OF POLICY AND ADMINISTRATIVE RECOMMENDATIONS**

### **FUNDING AND STAFFING**

- Request a minimum of \$12.3 billion for SSA's FY 2014 administrative funding to enable the agency to retain sufficient staff to respond to the rapidly growing demands on the program.
- Urge Congress to change the process for appropriating administrative funds to SSA so that Social Security does not in essence have to compete with other programs for use of its own dedicated revenue.

### **IMPROVING ACCESS AND CUSTOMER SERVICE**

#### **Access for People with Disabilities**

- Ensure that all aspects of SSA's web site, electronic communications, and IT are fully accessible under Section 504, and establish a comprehensive Section 504 policy that requires the following elements:
  - Make written assurances addressing methods of implementation and enforcement of every substantive Section 504 regulation as found at 45 C.F.R., part 85 et seq.
  - In all relevant SSA policies offer every applicant and beneficiary reasonable accommodations and program modifications as necessary to ensure meaningful access to benefits.
  - In all SSA policies give notice of rights under Section 504 in a variety of forms and at every stage of the application and review process, particularly those affecting a person's benefits.
  - In all SSA policies, incorporate methods to ensure that SSA personnel appropriately screen and identify people who need reasonable accommodations and/or program modifications.

#### **Access for Limited English Proficient Individuals**

- Develop a plan for translating all notices into Spanish and the other major languages spoken by beneficiaries of SSA programs, starting with SSI program.
- Do more to ensure that SSA's policy on interpreters is uniformly applied.
- Make compliance with the interpreter policy part of monitoring the performance of state DDSs.
- Make a concerted effort, as hiring opportunities arise, to hire more bilingual staff for assignment to field offices, as this is the best and most economical means of serving LEP individuals.
- Make informational publications in different languages and English available and visible to people who visit local offices.
- Develop a plan for regularly distributing print versions of these informational publications to community groups serving targeted language populations.

#### **Helping People Understand Benefit-Claiming Options**

- Issue written policy informing employees that high-quality, informed service is the most important job at SSA and that job performance will be measured on this basis.
- Undertake training programs to provide employees with not only a detailed understanding of eligibility and benefit criteria but also the skills necessary to give the best advice to applicants.
- Make more complete information about benefits for spouses and surviving spouses available online and through SSA staff.
- Revise the online application process to ensure that applicants are fully informed and have considered the consequences of their decision on the amount of their (and spouse's) future lifetime income.

#### **SSI Education and Outreach**

- Do not restrict to people within two months of 65 the requirement that SSDI applicants for whom it is not clear that their SSDI benefits would disqualify them for SSI receive an explanation of SSI requirements.
- Automatically send anyone who files for Title II old-age benefits before age 65 and has a low enough Title II benefit to potentially qualify for SSI a reminder at age 65 that they now meet the age requirement for SSI.
- Consider sending a reminder about possible SSI eligibility periodically (e.g., once every five years with the COLA announcement) to beneficiaries with low Title II benefits.

- Request greatly increased funding for outreach to homeless populations, and provide special training to specialized claims representatives on some of the unique problems they face in processing SSI claims for homeless people.

### **Mandatory Direct Deposit of Benefits**

- Implement a more liberal waiver policy for electronic payment of benefits, in particular rescinding the requirement of a notary.
- Work with Treasury to make the waiver process more consumer-friendly and to enable people who are unable to manage electronic deposit of benefits to continue receiving a paper check.
- Continue robust outreach to and notification of beneficiaries regarding the transition to mandatory direct deposit – particularly to the limited English proficient, people with disabilities, and other vulnerable, isolated or hard-to-reach beneficiaries and future beneficiaries.

### **STRENGTHENING PUBLIC UNDERSTANDING AND CONFIDENCE**

- Commit to building public understanding of the program, which should result in greater confidence in it.
- Fully restore the annual mailing of the Social Security Statement.
- Incorporate age-specific inserts in statement for those age 55 and over, 25-35, and upon birth of a child.
- Seek to educate the public by taking advantage of “teachable moments”.
- Reinvest in the communications functions of the agency.
- Review and strengthen the agency’s national communications capacity.

### **TIMELY AND ACCURATE INITIAL DETERMINATIONS, HEARINGS, AND APPEALS**

#### **Initial Determinations**

- Improve the SSI application process by providing an option for individuals to complete an online application for SSI.
- Continue and expand efforts to accelerate decisions for people whose conditions are the most severe and/or terminal.
- Provide more assistance to claimants at the application level, explaining to the claimant what evidence is important and necessary.
- Ensure that Disability Determination Services obtain necessary and relevant evidence.
- Expand the list of “acceptable medical sources” to include nurse practitioners, physician assistants, and licensed clinical social workers.
- Increase reimbursement rates for providers responding to requests for medical records.
- Provide better explanations to all providers about the disability standards.
- Provide guidance to adjudicators on proper application of important evaluation rules.
- Improve the quality of consultative examinations.

#### **The Disability Appeals Process**

- Consider increasing the time for hearing notices from the current 20 days to 75 days.
- Consider helping claimants obtain representation earlier in the process, so that files are more complete earlier in the process.
- Consider rescinding the policy that keeps the ALJ’s identity undisclosed until the hearing.
- Retain ALJs as the adjudicators for the hearing requirement in the Social Security Act.

#### **Appeals of SSI Suspensions and Benefit Reductions**

- Improve functioning of process for appealing proposed SSI suspensions and benefit reductions.
- Develop uniform, automated process for inputting requests for reconsideration into the system.
- Implement a system for tracking reconsiderations that are processed.
- Develop automated system for benefit continuation triggered upon filing of a request for reconsideration.

- Devote more resources to training staff on the reconsideration process and due process.

### **Improper Payments**

- Develop better reporting and recording system to promptly adjust benefit payments.
- Ensure that beneficiaries who follow the rules are not penalized.
- Give field office staff the same incentives to process earnings reports as for completing other work.
- Develop better earnings reporting and recording system – including providing an option for online wage reporting — for Title II and SSI beneficiaries.
- Use SSA's Continuing Disability Review Enforcement Model to help prevent overpayments.
- Establish an automated process for logging in appeals of adverse determinations that ensures benefits continue when an appeal or request for waiver is timely filed.
- Continue to provide options to access services and request appeals and waivers in local field offices, not just through SSA's website.

## **RESEARCH AGENDA**

### **Retirement Research**

- Restore the public policy and research resources at SSA.
- SSA's research program should empirically examine benefit and income adequacy, as well as the distributional impact of benefit formula reform options. New surveys of beneficiaries should be conducted to shed light on the real situations and needs of elderly persons, people with disabilities, and survivors.
- Conduct research on interaction between early claiming of retirement benefits and incidence of disability.

### **Disability Research**

Conduct research on the following topics:

- adequacy of benefits;
- quality of life of beneficiaries, including what beneficiaries spend their benefits on;
- what happens to claimants not awarded benefits;
- what happens to young adult recipients of SSI childhood benefits who lose benefits at age 18 as part of an age-18 redetermination;
- the link between health insurance and the decision to apply for benefits; and
- fragmentation of services (i.e., across agencies that serve people with disabilities – education, vocational education/rehabilitation, healthcare, etc.).

### **Independence of the Office of the Chief Actuary**

- Maintain independence of Office of the Chief Actuary from political interference.

### **Research-related Administration**

- Create an Office of Public Policy, equivalent in stature to the Offices of General Counsel, Chief Actuary and Inspector General, that would be focused on meeting the policy needs of policymakers, researchers, and the American people (as opposed to administrative procedures or other types of operational support).
- Improve SSA's legislative development process to be able, upon request, to provide Congress with proposals that address the goals of simplification, benefit adequacy, benefit equity, and cost savings.
- Adopt state-of-the-art IT to store and access data quickly and efficiently.

### **Demonstrations**

- Urge Congress to extend SSA's Title II demonstration authority.