

**Statement of
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National Committee to Preserve Social Security and Medicare
Before the Committee on Ways and Means
Subcommittee on Social Security
House of Representatives
Hearing on
“Lacking a Leader: Challenges Facing the SSA
After Over 5 years of Acting Commissioners”
March 7, 2018**

Chairman Johnson and Ranking Member Larson:

On behalf of the millions of members and supporters of the National Committee to Preserve Social Security and Medicare, I want to thank you for holding this hearing focused on the challenges facing the Social Security Administration (SSA) after over five years of acting commissioners, highlighting the need for stable leadership for SSA. I am honored to testify before the Subcommittee today.

First a few words about our organization. National Committee members come from all walks of life and every political persuasion. What unites them is their passion for protecting and strengthening Social Security and Medicare, not just for themselves, but for their children and grandchildren as well. Our members see Social Security as an inter-generational compact that protects all members of the family. To them, it is a single integrated system of benefits that provides protection from birth to death. It is a system where all of its parts are equally important.

Through the services it provides, the SSA touches the lives of virtually all Americans, including the 67 million individuals who receive Social Security and Supplemental Security Income (SSI) benefits and the over 173 million workers who are contributing to Social Security today. One out of every five Americans receives monthly cash benefits from Social Security or SSI, the major programs that SSA administers. This fact alone highlights the critical role customer service plays in the functioning of this agency as it provides services to millions of Americans.

Importance of Today’s Hearing

The National Committee agrees with you, Mr. Chairman, that the Social Security Administration needs strong leadership. We also believe that the problems confronting SSA cannot be remedied simply by nominating and confirming a new Commissioner. We urge Congress to also provide the tools needed by a new Commissioner to deal with the agency’s challenges, and that means adequate

funding for this critically important agency. Unfortunately, what we have seen in recent years is a steady decline in funding for the agency at exactly the same time that its workload has soared.

Magnitude of SSA's Responsibilities

Social Security is an essential economic lifeline for millions of America's most vulnerable people, including aged individuals and persons with disabilities, as well as their spouses, dependents and survivors. At the end of 2017, 45.5 million people were receiving retirement and survivor benefits and another 10.4 million disabled workers and their family members were receiving disability benefits. In fiscal year 2017, SSA:

- Paid approximately \$990 billion in benefits to over 69 million Social Security and SSI beneficiaries;
- Served about 42 million visitors to its network of 1,200 field offices nationwide;
- Completed over 5.6 million new applications for Social Security retirement, survivors and Medicare benefits; almost 2.5 million applications for initial disability claims and almost 187,000 SSI aged claims;
- Handled over 36 million calls on the agency's toll-free telephone service;
- Completed nearly 3.5 million program integrity reviews; and
- Posted over 279 million earnings reports to workers' records.

While there is no denying the extraordinary magnitude of these achievements, recent reductions in the agency's administrative budgets have taken their toll on the quality and timeliness of the services the agency provides.

Effect of Budget Cuts

Budget cuts since 2010, estimated to equal 11 percent (after adjusting for inflation), have led to long waits on the phone and in field offices for taxpayers and beneficiaries, as well as record-high disability backlogs. While SSA's appropriation for FY 2018 is still a work in progress, both the Administration and House appear intent on basically flat-lining the agency's appropriation relative to FY 2017. Unfortunately, the Senate Labor-HHS Appropriations Subcommittee has proposed to reduce the House's proposed funding level for the agency by \$493 million. We strongly urge that funds made available in the recently-enacted budget agreement provide SSA with at least an additional \$560 million over the FY 2017 SSA appropriated level of \$12.482 billion. This increase will help to restore the cuts made since 2010 and cover inflationary increases in operating costs. We also believe a similar increase should be included in the FY 2019 appropriations bill which would strengthen the ability of a new Commissioner to address issues currently plaguing SSA.

SSA has already made cuts in customer service to stay within the confines of these extremely tight budgets, forcing it to close field offices, shorten office hours and shrink its staff. While SSA has increased automation and reduced the number of Social Security statements that it provides, these

efficiencies cannot compensate for the fact that SSA serves an additional one million beneficiaries each year.

As workloads and costs grow and budgets shrink, SSA's service has worsened by nearly every metric. Further cuts—and make no mistake, static funding is a \$350 million cut—would force the agency to freeze hiring, furlough employees, shutter more field offices, or further restrict field office hours leading to longer wait times for the vulnerable seniors for whom SSA's services are an essential lifeline.

Additional reductions in SSA's funding will only lead to further reductions in service. The agency has already cut service significantly. Rather than compelling agency officials to cut even more deeply into the sinew and bone of the agency, we call on the Congress to provide SSA with the resources it needs to do its job as it should be done, with accessible, timely, and accurate service to all who need it.

Take a Number and Wait...

The American people can conduct business at SSA field offices in almost every community in the country. Last year, 42 million people visited field offices to apply for benefits, replace lost Social Security cards, and to report changes that might affect their future eligibility for benefits.

Since the end of FY 2016, SSA lost over 1,000 field office staff, bringing the loss since 2010 to 3,500. Under the funding level for FY 2019 proposed by the Trump Administration, those losses would increase by another 1,000 staff. These reductions have taken a toll on customer service. Field offices must serve nearly the same number of visitors with far fewer staff available for doing so. The result has been increases in the length of time visitors must wait for an appointment. In some offices, seniors are required to wait weeks for an appointment to file a claim while those who come to an office without having an appointment may wait for hours to speak with an agent. America's seniors deserve better than this.

SSA's Toll-Free Telephone Service Also Faces Problems

SSA's national toll-free telephone number is the gateway to the agency's services. Thirty-six million individuals used SSA's toll-free service in FY 2017. Agents take claims for benefits, schedule appointments and answer questions about SSA's programs. Automated services are also available 24 hours a day, seven days a week.

Unfortunately, budget cuts have degraded the level of service provided by the teleservice centers as well. Recent performance data indicate that most Americans who call the toll-free service experience difficulties using it to resolve questions. The majority of callers give up without even getting through. They either get a busy signal or hang up after lengthy waits. Wait times have worsened. In 2010 each caller waited about 3 minutes to speak to an agent. Currently callers wait for an agent, on average, about 20 minutes. This is unacceptable.

Most Workers No Longer Receive Social Security Statements

The President's FY 2019 budget proposes to mail only 15 million Social Security Statements, mostly to individuals who are 60 or older and who have not yet filed for Social Security benefits. This is down from over 150 million statements being produced as recently as 2010. These reductions, driven by budget cuts, have occurred, even though section 1143 of the Social Security Act unambiguously requires SSA to provide statements annually to most workers 25 and older.

This is yet another example of the harmful effects of budget cuts at SSA and illustrates how they have sapped the ability of the agency to fulfill its obligations under the law. Congress should restore funding for Social Security statements so that all Americans are informed annually of their rights and benefits under the Social Security program.

Disability Appeals Backlogs are at Historic Highs

SSA administers the Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) programs. Under these two programs, SSA pays benefits to workers with impairments that are so severe that they cannot support themselves and their families. The average processing time for initial claims has held fairly steady at about 3 to 4 months.

Unfortunately, the same cannot be said for those individuals who appeal when their initial application for benefits is denied. In that situation, the next step in the appeals process is to appear before an administrative law judge, who decides the case. Over the past few years a historically high backlog of hearing cases has developed. Currently, over one million individuals are caught in this backlog, and each will wait over 600 days, on average, for a decision.

The hearing backlog has an enormous human cost associated with it. Waiting nearly two years for a final decision, as a typical appellant does, causes financial and medical hardship. Some applicants will lose their homes or have to declare bankruptcy while waiting for a decision on their appeal. Many will experience a decline in health, and unfortunately, some will die. An estimated 10,000 individuals died in FY 2017 while waiting for a decision. To set this in context, during the course of this hearing, more than two individuals will have died while waiting for a decision on their disability claim. This should not be an acceptable outcome.

The Path Forward

To summarize, the Social Security Administration faces enormous challenges in the years to come. The largest age cohorts of the baby boom generation are only now reaching retirement age and their need for services can be met only if the agency is enabled to meet these challenges with both strong leadership in the form of a confirmed Commissioner and with adequate funding from Congress. These two considerations must be united in tandem if SSA is to provide a level of service the American people expect and deserve.