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The Supplemental Security Income Program

Report of the Staff to the

COMMITTEE ON FINANCE

UNITED STATES SENATE

RUSSELL B. LONG, *Chairman*

APRIL 1977

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LETTER OF SUBMITTAL

APRIL 18, 1977.

Hon. RUSSELL B. LONG,
Chairman, Committee on Finance,
U.S. Senate,
Washington, D.C.

DEAR MR. CHAIRMAN:

Attached herewith is the report of the staff on the Supplemental Security Income program. This report was prepared in compliance with the Committee's direction of January 28, 1975 that the staff undertake a study of that program.

In undertaking this study, the staff took as its point of reference the enacted statute and the expressed legislative intent underlying that statute. We attempted to evaluate how well the program as it has been operating up to the present reflects that mandate. Measured in this way, the staff has found the results of the program to be generally disappointing even though the establishment of minimum Federal income support levels have clearly benefited millions of aged, blind, and disabled persons.

The study is based on a variety of sources including numerous conferences with Administration officials, a mail survey of the State Governors, a telephone survey of many social security district offices around the country, staff visits to social security field offices, interviews with State and local welfare officials, and many interviews with and communications from individuals and agencies interested in the program.

In making this study, the staff found officials of the Social Security Administration at all levels to be cooperative in providing us information and in responding to our various and frequent requests for assistance. The staff also wishes to acknowledge the extensive and expert help provided by personnel of the Education and Public Welfare Division of the Congressional Research Service in the conduct of this study and in the preparation of this report.

Sincerely,

MICHAEL STERN,
Staff Director,
Committee on Finance.

INTRODUCTION

The 1972 Amendments to the Social Security Act included provision for a bold new approach to the task of assuring a decent minimum level of income for the needy aged, blind, and disabled. The large and efficient Federal agency which had for three and a half decades carried out the Federal social insurance programs of Old-Age, Survivors, Disability, and (since 1965) Health Insurance was given a further mandate to supplement these programs by providing a new type of benefit which would bring the income of each needy aged or blind or disabled person up to a statutorily specified level.

The new program was called Supplemental Security Income to emphasize that it was viewed as an add-on to the existing social security program. It was to provide income support in a manner which resembled as closely as possible the dignified and unobjectionable approach of the social security programs, and it was expected that the program would be managed with the accuracy and efficiency which the Social Security Administration had traditionally brought to the social security programs.

By early 1975, one year after the new Supplemental Security Income program began operation, it was clear that the new program was not living up to these high expectations. The Committee on Finance directed its staff to undertake a study of the SSI program and its problems.

In this study, the staff finds that SSI is indeed a program beset by serious problems. It has, as intended, substantially raised the level of income support for a large part of the aged, blind, and disabled population. As it is presently being operated, however, it bears too little resemblance to the efficient basic income maintenance program for the aged, blind, and disabled which Congress intended to establish.

The early months of the program were characterized by near total administrative breakdown, primarily as a result of insufficient and inaccurate planning and inadequate resources. The crisis stage has passed, and steady improvements in administrative capabilities are taking place; however, the program continues to operate with apparently insufficient resources and at a clearly unacceptable level of accuracy. The administering agency has repeatedly ignored the law in making policy decisions which run directly contrary to the statute and its legislative history; these policy decisions have distorted the nature of the program and have significantly increased the difficulty of administering it. Both the statute and the way it has been administered have inadequately defined the responsibilities of the program to its beneficiaries and its relationships to other agencies and institutions. The SSI program was originally envisioned as primarily a program for the aged; the disabled population has in fact been much larger than anticipated, and this too has significantly affected the nature and functioning of the program.

The staff believes that if the SSI program is ever to function as originally envisioned by Congress, there must be a clearer definition of the program's roles and limitations; there must be an adequate commitment of administrative resources; and there must be a commitment on the part of the administering agency to follow the legislative mandate. The staff report recommends a number of administrative and legislative changes to meet these objectives.

SUMMARY OF STAFF STUDY OF SUPPLEMENTAL SECURITY INCOME PROGRAM[1]

I. Background and Development of the Program

See pages 23-25

A. The Concept of SSI.—Under the Social Security Amendments of 1972, a new Federal program of Supplemental Security Income for the aged, blind, and disabled went into operation on January 1, 1974. This new program replaced the former programs of aid to the aged, blind, and disabled which had been operated by the States with Federal financial assistance for close to 40 years. It was not, however, envisioned by Congress as simply a federalization of the prior programs but as a major new departure from the traditional concepts of public assistance. The new statute for the first time provided minimum Federal standards of income support for the aged, blind, and disabled and attempted to remove or modify some of the eligibility requirements which were thought to influence needy persons to consider it degrading or disgraceful to be "on welfare."

A significant element in the new program was the designation of the Federal Social Security Administration as the operating agency. The Congress chose this agency because of its reputation for accurate, efficient, humane, and dignified administration of the social insurance programs of Old-Age, Survivors, Disability, and Health Insurance. It was expected that the Social Security Administration would be able to administer the SSI program within its existing administrative processes with relative ease and bring to that program an excellence of administration which would benefit both beneficiaries and the public at large.

In setting up the new Federal SSI program, Congress recognized that the State-to-State variations in levels of income support under the former welfare programs could not be entirely harmonized within the new program, and that some States would want to provide support at a level in excess of the new Federal minimum standard. In view of this, it seemed reasonable to give the States access to the Federal administrative mechanism for the supplementary payments they might decide to make. However, Congress clearly intended Federal administration of any supplementary State

[1] Major recommendations are summarized in this chapter and are indicated by italic type. These recommendations are described in more detail in succeeding chapters of the report.

See pages payments to be available only to the extent that those State payments could fit within the overall framework and concepts of the new SSI program.

25-28. **B. Legislation and Planning.**—The Supplemental Security Income program was signed into law in October 1972, 14 months prior to its January 1974 effective date. While major efforts to prepare for the new program were obviously needed, planning had begun within the administering agency long before the actual date of enactment and officials of the Administration gave Congress no reason to believe that inadequate leadtime had been provided.

Prior to the effective date, it became clear that unless Congress acted, a significant number of individuals would suffer reduced assistance levels when SSI became effective. At public hearings on this problem, the Department of Health, Education, and Welfare rejected all proposals to deal with this situation. The Committee on Finance reported legislation, subsequently approved by the Senate, the House, and the President, which provided a grandfather clause for current recipients to assure no benefit reduction. Other necessary modifications to the original statute were also identified in 1973, and appropriate corrective legislation was enacted.

When the implementation date arrived in January 1974, the Social Security Administration did succeed in getting payments out to the great majority of beneficiaries. It was quickly apparent, however, that there were serious problems with the administration of the program, going well beyond anything that could reasonably be described as normal start-up difficulties. Frequent and substantial errors in payments, massive backlogs in claims processing, and lengthy waiting lines in district offices attested to the unreadiness of the Social Security Administration to handle the new SSI program. Despite very severe problems, Social Security Administration personnel by hard work, long hours, and considerable ingenuity managed to short circuit many of the bottlenecks, keep the program going, and gradually but significantly improve program performance.

The crisis situation of the first months of the program has been ameliorated. But the staff finds that severe problems remain and must be dealt with if the Supplemental Security Income program is to attain the high standards of operation which Congress expected in enacting it.

II. Administration of the SSI program

29 **A. Summary of Major Problem Areas.**—The high expectations for SSI rested strongly on confidence in the existing mechanisms of the Social Security Administration to absorb the administrative tasks of running the SSI program and on that agency's reputation for fair but scrupulously legal operations. In practice, the SSI program suffered from inadequacies in the computer systems, delays and faults in policy development, and insufficient resources. The result was a much lower

than expected quality of administration for the Supplemental Security Income program and an adverse effect on the ability of the agency to properly administer the Old-Age, Survivors, and Disability Insurance programs. See pages

B. The Computer System.—Contrary to expectations that the SSI program could be essentially integrated into the preexisting Social Security Administration processes, the decision was made to construct a basically new type of computer system for SSI which would operate in a more highly automated manner with far less dependence on manual processes than the other programs of the agency. To make such a sophisticated system worthwhile, however, it was necessary that it be carefully designed, adequately supplied, and served by highly trained personnel. The agency overestimated its ability to meet each of these requirements and the result was a system which functioned poorly and apparently came close to breaking down completely. The Administration's response to the crisis was to institute extraordinary measures to prevent a breakdown and to undertake bringing the new systems up to expectations. 30-38

While the systems are now functioning relatively well by comparison with the early months of the program, much further improvement is needed in such areas as the processing of changes in the beneficiary's circumstances after initial entitlement, the verification of eligibility factors, and the adequacy of information and control systems. The staff believes that the SSI program, as it has been designed, is so deeply dependent upon its computer processes that it will not be under control until all of its computer systems are operating efficiently and accurately.

The staff recommends that additional resources be committed as necessary to shorten substantially the timetable for bringing the SSI computer systems to a state of completion and adequacy of functioning.

C. Staffing for SSI.—Despite a substantial overestimate of the expected SSI caseload, the Social Security Administration's planning for the SSI program badly underestimated the number of personnel and the amount of training that would be required to operate the program. The shortages in personnel were readily apparent in the first months of the program and the agency requested a large increment. This request, however, became bogged down in negotiations within the executive branch. As a result, the authorization for added personnel was long delayed and, when finally approved, involved mainly temporary and quasi-temporary positions which were difficult to fill with qualified personnel. Congressional action through the appropriations process has improved the situation, but staffing levels still are below what was estimated as necessary in mid-1974. 38-45

The lack of adequate personnel has forced the Social Security Administration to utilize overtime well beyond normally acceptable limits. Excessive waiting times in field offices have been substantially ameliorated, but the agency con-

See pages tinues to run behind schedule in handling other workloads and to make excessive errors.

There has been little attempt to promote the better utilization of personnel by experimentation with the use of specialization, partly because of inflexibility of civil service classification rules.

The staff recommends that personnel requirements for SSI be thoroughly reevaluated and that the additional positions needed to operate the program as it stands under current law without unusual levels of overtime be requested. To this end, the staff recommends that the Committee direct the Administration to submit a full report on its projected manpower and personnel requirements over the next three years including a complete description of the assumptions underlying its projections. The staff also recommends that consideration be given to establishing, with legislative authorization if necessary, a high level field office position of systems specialist.

45-62 **D. The Quality of the Product.**—In urging the federalization of income maintenance programs in the period from 1969 to 1972, executive branch officials had placed great emphasis on the improved quality of administration which could be expected from federally run programs as compared with existing State welfare programs. The expectation seemed particularly believable in the light of the traditional emphasis on accurate and fair administration espoused by the Social Security Administration and backed up by a longstanding policy of thorough review of all social security claims actions. In its study of the SSI program, the staff has found that, even before the enactment of SSI, the Social Security Administration had begun to move in the direction of less thorough review procedures.

With the coming of SSI, the Administration adopted for the new program a procedure which places final authorizing jurisdiction for virtually all claims in the hands of the field office employee who takes the claim. In place of the former review procedures, the agency has established a sample survey technique called "quality assurance" which is designed to show the degree of error in the program by thoroughly reexamining a small portion of the total caseload. The staff examination of the quality assurance system leads it to conclude that the error rates shown by that system substantially understate the degree of payment error in the SSI program. Even so, the quality assurance system indicates that almost one out of every four SSI cases involves errors. The Administration has also attempted to give each field office some review capability by establishing a new "operations analyst" position within the district office.

The staff has found, in general, that the coming of the SSI program has signaled increased autonomy on the part of local district offices. In part this is reflected in the elimination of systematic review of district office claims work, but it also seems to be reflected in less uniform application of procedural requirements.

The SSI statute requires that the Social Security Administration periodically reexamine the eligibility of SSI recipients, and departmental regulations implement this provision by requiring an annual redetermination of all cases. The Social Security Administration is far short of meeting this goal, and there is substantial evidence that the quality of the redeterminations which are being done is frequently poor. *See pages*

One measure of the quality of the SSI product which has received considerable attention is the overpayment totals. The Social Security Administration's quality assurance program indicates that overpayments are currently being made at a rate exceeding one-half billion dollars per year. It appears that approximately half of these overpayments are being discovered on a case-by-case basis and very little of what is discovered is being repaid.

The staff believes that the level of control and review of SSI claims must be substantially improved. It is recommended that the Administration undertake a review of all denied claims and that it modify the quality assurance program by eliminating the $5 monthly tolerance for error it now allows and by establishing a continuing sample of initial claims and post-eligibility actions. The staff further recommends that the Administration determine categories of SSI claims which are particularly sensitive and particularly error-prone and establish procedures for a mandatory second professional review of all such claims. The staff recommends that the Committee direct the Administration to provide it with estimates of the manpower needed to conduct thorough annual redeterminations of all SSI claims and more frequent redeterminations of claims involving a high probability of changing circumstances. In addition, the staff recommends the establishment of a simple quarterly reporting procedure for all beneficiaries. The staff recommends that the Administration quickly implement procedures to institute collection efforts for overpayments as soon as they are discovered.

III. SSI Policy Formation

A. General Discussion of Policy in SSI.—The traditional attitude of the Social Security Administration toward the statutes it administers has been one of strict adherence to the requirements of the law. Where it has found statutory provisions which appeared unreasonable or impossible to administer, it has sought appropriate changes in the legislation. However, that approach has not been followed in administering the new SSI program. Departmental policies have frequently departed from the clear requirements of the statute, and the Department has apparently pursued a practice of avoiding requests for legislative change. *63-64*

B. Policy Decisions Contrary to Statute.—In a number of specific instances, the policy decisions adopted by the Department of Health, Education, and Welfare run directly counter to requirements of the SSI statute or the clear legislative intent underlying that statute. *64-75*

The SSI law provides that payments to disabled persons who are drug addicts or alcoholics may be made only under restricted conditions which will assure the proper use of the funds. The Department has misconstrued this requirement to limit its application to only a limited portion of those recipients who are addicts or alcoholics. Even for this limited population, however, the agency has complied with the statutory requirements in less than one-third of the cases.

The SSI statute provides for a reduced payment of only a $25 personal needs allowance for SSI recipients who are in institutions which receive payments on their behalf under the medicaid program. The Department has modified the clear wording of the statute to limit its applicability to cases where the medicaid program pays over half of the cost of the institutional care. This administrative change is not only unauthorized but tends to make the program more difficult to administer.

The Department has also departed from clear congressional intent to have the administration of the disability aspects of the SSI program handled in the same manner as the social security disability insurance program by asserting the right of the Federal agency to overturn unfavorable State agency determinations as to an individual's disability. Again, this decision unnecessarily complicates program administration.

Departmental policy governing State supplementary benefits departs from clear legislative intent in a way that has distorted the basic purpose of the SSI program and has contributed heavily to the Department's inability to properly manage and control it. Congress intended that the Department should agree to administer supplementary benefits for the States only if they were structured to be consistent with the simplified income-maintenance approach of the basic SSI program and could be handled without causing significant administrative cost or complexity. The Department has departed from this requirement by agreeing to administer a wide range of different and complex payment variations for the States.

In establishing the SSI program, Congress included a transitional savings clause to assure that States would be able to continue to provide the then-existing overall level of income maintenance for the aged, blind, and disabled without incurring added State costs. The statutory provision was carefully worded to limit the Federal funding available under this savings clause to State payments which did not exceed the average level of assistance being provided under the former State welfare programs. The Department ignored this limitation and provided unauthorized Federal funding for payments far above these levels.

The SSI statute is designed to bring the income (including both cash and noncash income) of aged, blind, and disabled persons up to specified levels. For purposes of administrative simplicity, the statute provides that the value of noncash income need not be computed when SSI applicants receive

such income by virtue of living in the households of other individuals; instead, the SSI payment level is reduced by one-third in such circumstances. In practice, the Social Security Administration experienced great difficulty in applying this provision. In place of seeking clarifying or corrective legislation, the agency administratively changed the meaning of the statute. Where the statute provides a rule to be applied in all cases in which an individual is living in the household of another the agency adopted a policy which places a maximum limit on the counting of income in kind whether or not the recipient is living in another's household. *See pages*

The staff believes that both the Administration and the Committee should give high priority to remedying the distortion of the legislative and administrative roles in policymaking reflected in current SSI policy. To this end, the staff recommends that the Committee direct the Secretary of Health, Education, and Welfare to review SSI policy in the light of the statute and its legislative history and to report by a date certain (such as January 1, 1978) his plans and recommendations for restoring the statutory integrity of the program. The staff believes that the program cannot be permitted to continue to operate in a manner which defies its statutory base. For the future, the staff recommends that the Department and the Social Security Administration establish procedures to assure that major policy decisions are carefully examined for compliance with the statute and legislative history. The staff recommends that the problem of in-kind income be addressed through legislative change which would provide a presumptive one-third reduction where an SSI recipient—whether or not living in another person's household—receives regular contributions towards food or shelter on an in-kind basis.

C. Other Policy Areas for Consideration.—In the four years since the SSI program was originally enacted, the Department of Health, Education, and Welfare has officially recommended almost no major program changes apart from the institution of cost-of-living increases in benefit levels (which Congress subsequently enacted). In addition to recommendations in other parts of the report, the staff has identified a number of policy changes which it believes deserve consideration. *75-84*

In 1973, Congress enacted a grandfather clause which requires States to provide supplementation to persons who were on the State welfare rolls in December 1973 and who would have suffered a benefit reduction when SSI became effective in the absence of the mandatory State supplementation. Although less than 5 percent of the SSI caseload benefits from this grandfather clause at present, it has proven to be a serious complicating factor in the administration of the program and to have raised some problems in the relations between the Social Security Administration and the States.

The staff recommends changes in the mandatory supplementation provision to limit its continuing applicability only to those who now benefit from it and to clarify and simplify the application of the provision to individuals who have changes in income or other circumstances.

Benefit eligibility under the SSI program is computed under a quarterly accounting period. While proposals have been made to change to a monthly accounting period, the staff is not convinced that such a change would be a true simplification.

The staff recommends that a change in accounting period not be made at this time, but that the Committee consider legislation authorizing the Social Security Administration to undertake experimental projects to evaluate various accounting periods.

Over half of all SSI beneficiaries are also recipients of social security Old-Age, Survivors, or Disability Insurance benefits. Though the two programs are administered by the same agency, it sometimes happens that checks will be delayed under one program but not the other. The statute currently treats the two entitlements as entirely separate with the result that unintended windfalls can sometimes occur.

The staff recommends that the statute be modified to provide that in such cases an individual's SSI and OASDI entitlements be considered as a totality, with appropriate accounting adjustments to assure that the proper share of the costs are borne by the general fund and the trust funds respectively.

Liquid assets of SSI applicants may not exceed $1,500 ($2,250 for couples). In addition, the statute permits applicants to retain a life insurance policy not exceeding a value of $1,500. The staff has found indications that many aged persons, in place of buying an insurance policy, have set aside a modest amount in a bank account to meet the eventual costs of their funeral expenses.

The staff recommends that the statute be amended to permit, as an alternative to the $1,500 insurance policy, a bank account not exceeding that amount which is set aside as a burial fund.

The staff believes that the inordinately high error rate in SSI benefit payments makes it essential that legislative proposals be carefully considered in the light of their potential for complicating or simplifying the task of accurate administration of the program. Taken together, the recommendations in this report should significantly improve the manageability of the system. Beyond this, the staff believes that further legislative proposals can be developed to simplify the program. Some of these proposals might involve substantial cost and others could require changes in some of the legislative objectives which Congress intended to include in the program. While such proposals are beyond the scope of this report, the staff believes that the Department should be prepared to provide analyses of potential major legislative changes including cost, caseload, and administrative implications. The staff finds that the Department is currently devoting insufficient attention to detailed analysis of such proposals.

IV. The SSI Program: Its Interrelationships with Other Agencies and Institutions

See pages

A. General.—The SSI program was established by Congress to be a new kind of program which would provide income maintenance benefits to needy aged, blind, and disabled persons without the kind of close involvement with their lives and individual circumstances that had been characteristic of the former State-run welfare programs. The new program was to resemble as closely as possible the efficient uniform approach to benefit payment exhibited by the Social Security Administration programs of Old-Age, Survivors, and Disability Insurance and that agency was accordingly designated to run the SSI system. 85-86

For a variety of reasons, the Social Security Administration was not able to administer the SSI program according to the model of the Old-Age, Survivors, and Disability Insurance programs. There developed considerable confusion as to the proper mission of the SSI program and doubt as to its proper interrelationships with other agencies and institutions. The staff believes that expectations were raised (partly as a result of the agency's own misreading of its mission) which could not reasonably be fulfilled. If the SSI program is to function acceptably, it is necessary that these interrelationships be examined and redefined and that there be clear recognition of the limitations on the ability of a Federal benefit paying agency to meet the comprehensive needs of the aged, blind, and disabled.

B. SSI and the States.—The SSI program involved the Social Security Administration in a variety of new interrelationships with the States. In addition to providing for Federal administration of some State supplementary benefits, the SSI statute also authorized arrangements for the Social Security Administration to determine medicaid eligibility for SSI recipients. The fact that SSI eligibility also brought with it eligibility for other State-administered programs (such as social services and food stamps) and the need for States to provide emergency aid in situations not adequately covered by the SSI program also contributed to increased Federal-State interaction. 86-97

Federally administered State supplementation involves the Social Security Administration in the disbursement of some $1.4 billion annually in State funds for 34 States. The Social Security Administration adopted a role in disbursing these funds which suggested that it saw the SSI program as a kind of Federal-State partnership operation in which differences of opinion were open to negotiation, in which the States would have the right to audit the Federal activity, and in which States could apply sanctions in the case of failure on the part of the Federal agency to live up to its promises. While the staff agrees that State supplementation involves a substantial State interest, it believes the partnership ap-

proach was unrealistic and inconsistent with the nature of the SSI program as an essentially Federal operation.

Because the eligibility requirements for SSI and medicaid are not identical in all instances, the provisions authorizing the Social Security Administration to perform medicaid eligibility determinations for the States have not relieved the States of this responsibility to the extent that they had expected, and the unwillingness of the Social Security Administration to go beyond what is required to establish basic SSI eligibility has been a source of some disagreement between the Federal agency and the States. In addition, the arrangements for transmitting information on medicaid eligibility to State and local administering agencies in those cases where SSA does determine eligibility have suffered from many of the same administrative problems that have plagued the SSI program generally. Many of these problems have been substantially alleviated, but States appear to remain dissatisfied with some aspects of this operation. The connection between medicaid eligibility and SSI eligibility also has significant fiscal implications for Federal-State relationships since inaccurate information provided by the Social Security Administration concerning an individual's SSI eligibility can cause a State to become liable for erroneous medicaid benefits.

The Federal assumption of the basic income maintenance function through the new SSI program also had some impact on State-administered programs such as food stamps and social services. Previously, aged, blind, and disabled persons applying for cash assistance did so at the State or local welfare office which also had responsibility for these other programs. With the coming of SSI, questions have been raised about the responsibility of Social Security Administration field offices for assisting SSI claimants to learn of and apply for these State-administered benefits. The staff found that a number of approaches are being tried to assure that SSI recipients have access to State programs, but that opinions differ on the adequacy of these approaches. In part, the difference of opinion reflects a lack of clear definition of the responsibilities of the Social Security Administration to the recipients.

While the SSI program does involve interaction of State and Federal interests requiring significant liaison and cooperation, the staff believes the interrelationship is not one of partnership but rather one of related but distinct responsibilities.

The staff recommends that the Administration substantially revise the accounting provided to the States of State supplementary benefits. The staff believes that the States are properly concerned with the impact on State costs of the high error rate in the administration of the SSI program. The staff recommends legislation which would give statutory authority—which does not now exist—for the Federal administering agency to relieve the States of liability for overpayments of State supplementary payments above a certain tolerance level. Such authority should be provided for a limited time on the basis

that the levels of error in the SSI program be reduced sufficiently to eliminate the need for further relief to the States. See pages

Where States have asked the Social Security Administration to determine eligibility for State medicaid programs, they remain dissatisfied both with the way eligibility information is transmitted to them and also with the high error rate in SSI eligibility determinations. This problem will be relieved only as the basic SSI program operations are improved in accuracy and efficiency.

The staff recommends that an effort be made to determine the amount of error in the medicaid program directly traceable to SSI errors. It is also recommended that the law be amended to specify that States would not have to repay the Federal share of medicaid benefits for ineligible persons where the Social Security Administration has erroneously determined that the persons were eligible. (This is already departmental policy but authority for this policy is not provided in law.) While the staff recommends that the Administration continue to work with the States in seeing whether some additional assistance can be given in the medicaid eligibility process, it concurs generally with the Administration position that eligibility determinations should be made for the States only to the extent that medicaid and SSI eligibility factors are the same.

The staff recommends that the Social Security Administration continue to cooperate with the States in developing procedures to assist in the referral of SSI recipients for State-administered services and benefits. This cooperation must remain properly subordinated to the mission of accurate and efficient administration of those programs for which the Federal agency has direct responsibility. However, the staff believes that the Committee may wish to consider legislation which would provide for a corps of trained SSI recipients who could be employed to provide necessary information and referral services.

C. SSI and the Aged, Blind, and Disabled Population.—The SSI program was envisioned as a major departure from the traditional concept of public assistance which the Social Security Administration would operate in a manner closely approximating its handling of the Old-Age, Survivors, and Disability Insurance program. In practice, the relationship between that agency and the SSI beneficiary population has been of a somewhat different nature from its traditional relationship with OASDI beneficiaries. The role of the agency toward SSI recipients has taken on or been expected to take on more of a "welfare" approach than was originally envisaged. Three aspects of the interrelationship between the agency and its SSI beneficiaries which merit particular attention relate to emergency aid, the influence of litigation on program administration, and the responsibility of the Administration to seek out potential claimants. 97-109

THE PROBLEM OF EMERGENCY AID 99-100

Under the former State programs of public assistance for the aged, blind, and disabled, recipients looked to the welfare agency not only for basic income support on a continuing

See pages basis but also for special aid to cope with emergency situations (such as fires or theft of the monthly benefit payment). While there is some question as to how adequately the former State programs—as a group—actually provided for emergency circumstances, the SSI statute clearly provides less flexibility in this area than was available under the former programs. Except for limited provisions for modest advance payments to initial applicants in particular need and a provision for payment on the basis of presumptive disability pending final determination of eligibility, the SSI program was intentionally designed to operate as a source of basic continuing income support rather than to meet periodic individualized needs. While the role of coping with emergency situations was left to the States, the existence of a Federal income support program has focused attention on the fact that those needs are sometimes inadequately provided for.

100-102

THE INFLUENCE OF LITIGATION ON ADMINISTRATION

One new facet of the relationship between the Social Security Administration and its beneficiaries which arrived with the advent of the SSI program was the institution of a large number of lawsuits challenging some of the agency's basic processes. A combination of factors explain this phenomenon. Legal services attorneys felt that the new Federal income maintenance program offered an attractive target for their attentions. In addition, the Social Security Administration did not challenge the contention that courts should view its relationship with SSI recipients as comparable to the prior relationship between State welfare offices and their clients. As a result, the Social Security Administration has found itself operating under a wide variety of injunctions and restraining orders dealing with both major and minor details of operation. Thus the legal efforts to protect the rights of SSI claimants have in practice created a substantial obstacle to the type of efficient administrative structure which Congress envisioned for the SSI program.

102-106

OUTREACH

The number of SSI recipients has fallen far short of the estimates of the potentially eligible population made by the Department of Health, Education, and Welfare when the legislation was being considered by the Congress. Perhaps the estimates were wrong—there is not enough information even now to state positively why they were so much higher than the present number of recipients. It has been claimed that the discrepancy results from the Social Security Administration's failure to inform potential applicants about the program's existence. The staff disagrees with this conclusion, and indeed finds that the agency's efforts to reach the potentially eligible population if anything have exceeded the implied mandate of an agency to publicize its programs.

Another explanation of the shortfall in SSI beneficiaries holds that some significant proportion of eligible applicants are denied benefits through informal procedures which

dispose of potential applicants before they even file an application. Social Security Administration policy officially urges that cases of doubt be resolved in favor of filing a formal application; an internal study concluded that there is no reason for concern. The staff believes that the results of that study do not warrant so optimistic a conclusion, and that the large number of informal disallowances which take place in the SSI program do raise serious questions. See pages

The intended nature of the SSI program as an efficiently operating income maintenance program has been unrealized in practice at least partly because the program has to play a dual role. In addition to providing continuing income support to the needy aged, blind, and disabled as a group, it is in many cases the only source for providing the basic necessities of life for those it serves. Thus when the program malfunctions or where it does not provide for emergency situations, SSI recipients often have nowhere else to turn.

The staff believes that if the SSI program is to function in the manner originally intended, it will be necessary to separate its ongoing income maintenance functions from those functions which are addressed to meeting individualized need in particular circumstances. To this end, the staff recommends action to assure the availability of mechanisms separate from the basic SSI program structure for dealing with emergency situations faced by individual aged, blind, and disabled persons.

If the aged, blind, and disabled can have their emergency needs effectively provided outside the SSI program, many SSI administrative problems will be solved at the same time. Many elements of current SSI processing which have resulted from court action (or the threat of court action) can be significantly simplified if the program is allowed to fulfill its basic continuing income maintenance function.

The staff finds no convincing evidence that the Social Security Administration has failed to publicize its programs, including the SSI program, to the extent normally required of an agency. Because of the continuing concern which has been expressed on this issue, however, the staff recommends that the Committee consider establishing a specific funding authorization for SSI outreach activities so that the Congress can indicate through the appropriations process what level of outreach activity it wishes to be carried out.

The staff recommends that the Administration undertake a more thorough and carefully designed study of the policy of disallowing SSI claims without taking and adjudicating a formal application and that specific criteria be developed to guide field employees in deciding whether or not to recommend the filing of formal applications. It is also recommended that procedures be adopted to assure that in all cases of informal disallowance prospective claimants are clearly informed of their right to insist upon a formal adjudication and of the loss of appeal rights involved if they fail to do so.

D. SSI and Institutional Care.—The wide variety and generally high level of costs for care in institutions do not fit conveniently within the theoretical goal of the Supplemen- *109-115*

tal Security Income program of providing an essentially uniform level of income support (on a nationwide or at least statewide basis). And in practice, the SSI statute as presently drawn does not follow that approach in the case of institutionalized recipients. Instead, it attempts to carry forward a variety of policies developed over the years under the former State welfare programs, with the result that SSI recipients are treated differently depending upon the type and circumstances of the institutional care being provided.

As a general rule, no payment is made to persons in public institutions. An exception is made, however, for group homes serving no more than 16 persons. Another exception is made if care in the institution is being funded through the medicaid program. In that case, SSI provides a $25 monthly personal needs allowance in lieu of the regular SSI benefit. A person in a private institution similarly receives a $25 personal needs allowance if his care is funded through medicaid, but receives a full SSI benefit if medicaid is not involved. The value of in-kind support and maintenance is countable as income and serves to reduce the SSI benefit otherwise payable except that no reduction is made for care furnished on a charitable basis by a private nonprofit agency or institution. Where private institutional care is funded by SSI payments augmented by State supplementary benefits, the statute provides for the SSI payment to be reduced by the amount of the State payment if the institution is not approved as meeting appropriate State standards. These statutory variations in policy have been further complicated by certain administrative rules developed without benefit of statutory authority.

These various approaches to the treatment of persons in institutional care were generally incorporated into the former provisions governing Federal matching for State welfare program expenditures in order to achieve certain legislative objectives. In some instances, they do not operate precisely as intended when applied to the new SSI program. The ban on payments to persons in public institutions was intended to avoid Federal funding of county poorhouses which were frequently used in the past to provide care for the aged even in circumstances where the individuals might more appropriately remain in their own homes. Many of the institutions affected by this provision currently, however, do not fit the traditional "poorhouse" concept and it has even proven somewhat difficult to determine whether some institutions are public or private. The availability of SSI to persons in private nonmedicaid institutions supplemented by a State benefit is generally comparable to the situation under the former welfare programs. However, the less individualized approach of the SSI program has lessened the ability of States to exercise control over the use of these funds to assure that the services received represent a proper value and comply with appropriate standards.

Because major changes in the institutional policy of the SSI program would have a profound impact on Federal policy

towards and financing of institutional care generally, the staff believes that the goal of providing a single coherent approach in applying the SSI program to institutionalized individuals would involve recommendations which are beyond the scope of this report. The staff recommends, however, that consideration be given to that goal if the Committee does at some future time consider legislation dealing with the financing of institutional care generally. In addition the staff recommends that the Administration modify its application of the $25 payment rule for persons in medicaid institutions by making the reduction to $25 whenever medicaid pays any part of the cost of an individual's care. See pages

V. Disability Aspects of the SSI Program

A. The Extent of Disability in SSI.—The SSI program is frequently perceived as a program primarily dealing with needy aged persons. This perception is a carryover from years past when the so-called "adult categories" of State welfare programs were predominantly composed of aged persons, with much smaller numbers of blind and disabled individuals also being served. In fact, the proportion of disabled recipients had been growing rapidly in the period just prior to the implementation of the SSI program. Contrary to the planning estimates made by the Department of Health, Education, and Welfare, this rapid growth of the disability population has continued under the SSI program to the extent that the disabled now constitute 49 percent of the SSI caseload. Close to 80 percent of applications and 70 percent of new benefit awards are based on disability rather than old age. 117-119

The large and growing proportion of disabled in the SSI caseload has had a significant impact on SSI operations. Claims processing for the disabled is far more time consuming and involves complex factors demanding a higher level of expertise. It is also far more likely that there will be a change in the basic eligibility factors and in other elements of eligibility for the disabled, as a group, than for the aged. The highly computerized administrative structure devised for the SSI program appears to be less appropriate for a program largely serving disabled individuals than for a program which primarily serves the aged.

B. The Problems of Administering Social Security Disability Generally.—The phenomenon of rapid and continuing growth in disability caseloads is not limited to the SSI program but is also characteristic of the Disability Insurance program under title II of the Social Security Act. This program has grown in caseload by more than 60 percent in the last 5 years. The title II Disability Insurance program is administered by the Social Security Administration using essentially the same procedures it uses for SSI disability. Recent studies have shown a significant lack of uniformity in the adjudication of claims by reviewers in different parts of the country. The advent of the SSI program has been marked 119-123

See pages by an apparent decrease in the quality of the disability claims process, affecting both the SSI program and the Disability Insurance program. This impact has been felt at the district office level where the initial disability application is filed. It has also been felt by the State agencies which, under contract with the Social Security Administration and largely on the basis of information secured by the district offices, make the determination of whether applicants meet the Federal definition of disability. The number of claims handled by State agencies nearly doubled from 1973 to 1975.

While the disability workload has been increasing, the level of review of the work product has been substantially lowered. Until 1972, State agency disability determinations were, in virtually all cases, reviewed by the Social Security Administration. In 1972 a 5 percent sample review was substituted, and a similar sample review procedure has been adopted for the SSI program. The existing evidence with respect to current review procedures gives little reason for confidence that they adequately assure correct decisions or even that they are an effective tool for identifying problem areas on a generic basis.

The Social Security Administration appeals mechanism, which is largely utilized for disability claims, has also been seriously backlogged in the past few years. This backlog will continue for some time although legislation enacted at the start of 1976 should give some relief in this area.

The staff believes that major legislative changes with respect to the disability aspects of the SSI program must take into account the impact on the closely related program of disability insurance under title II. Studies of that program are currently underway.

Pending the completion of such studies, however, the staff recommends immediate action to improve the quality of administration in SSI disability operations by better training and use of personnel and substantially strengthened review procedures.

123-130 **C. Disability Determination Problems Unique to SSI.**—The SSI program has a statutory definition of disability which follows closely the definition applicable to the title II disability insurance program. While some States have expressed concern that this definition is more rigid or more rigidly applied than the definitions used under the former State welfare programs, the growth in disability entitlement under the SSI program does not seem to bear out such allegations. However, the Social Security Administration seems not to have given State agencies enough guidance on how to evaluate cases involving persons with little or no work experience. Many SSI applicants, unlike title II claimants, have little history of employment.

Because the SSI program is specifically directed at needy individuals, Congress authorized the payment of immediate benefits if there was sufficient evidence for a strong presumption that the person would be determined disabled. The applicability of this provision has been the subject of widely

varying policy directives over the history of the program to date, and evidence suggests that this provision is used in widely differing ways in different parts of the country. In the last quarter of 1976, the rate of ultimate reversal of presumptive disability findings varied from under 5 percent in some States to more than 40 percent in others. Nationwide, for the last quarter of 1976, approximately 17.5 percent of all presumptive disability findings were reversed. *See pages*

The staff believes that the current level of caseload growth and the problems of administration faced in the Social Security Administration disability programs argue against any broadening of the definition of disability at this time. The staff is, however, convinced that the Social Security Administration can and should move more rapidly to issue guidelines for State agencies to use in making SSI disability determinations.

While the staff believes that any legislation concerning the SSI definition of disability should be considered together with the overall question of disability under the title II Disability Insurance program, it feels that when such legislation is considered better information than now available will be needed. To develop such information, the staff recommends that legislation be considered to require for a 2-year period that new SSI disability claims be authorized for only 1 year, thus necessitating a complete review of each claim at the end of that year. The information thus obtained would provide some basis for a more informed evaluation of the disability definition as it applies to SSI.

VI. State Views on SSI

131-218

The SSI program was intended to be a new type of income maintenance system quite different from the traditional public assistance model. Its main objective, however, was to provide basic income support for the needy aged, blind, and disabled—a task previously handled by States through their welfare departments. In addition, the SSI program involved considerable interaction with the States and had an important impact on a number of programs which remained under State jurisdiction. For these reasons, the staff considered it important to obtain the views of the States on a number of major SSI issues, and a questionnaire was mailed to the Governor of each State as a part of this staff study. Nearly all States responded to this survey, and the replies received from the States are summarized in some detail in Chapter Six of this report.

VII. Telephone Interview with District Office Personnel

219-233

The basic contact between the individual SSI claimant and the Social Security Administration takes place in the several hundred district offices which that agency operates throughout the Nation. If a check is lost or a claim delayed, it is the employees in these offices who must handle the

complaint and try to find a solution. District office personnel on a continuing daily basis work with both the clientele and the system and have a feel for its achievements and shortcomings which cannot be obtained by interviewing central office managers or reviewing statistics. In an attempt to benefit from this unique vantage point of district office employees, the staff undertook a telephone interview of social security field office personnel in more than 50 offices around the country. The survey covered employees in various positions within the offices. The results of these interviews are summarized in Chapter Seven of this report.

CHAPTER ONE

BACKGROUND AND DEVELOPMENT OF THE PROGRAM

A. The Concept of SSI

1. A NEW FEDERAL PROGRAM

The Social Security Act of 1935 established a program of old-age insurance to be administered by a Federal Social Security Administration with benefits to be paid to retired workers on an "earned right" basis without regard to individual need for benefits as measured by other income. The same Act also established a separate program of old-age assistance under which benefits would be tailored to individual needs and would be administered by the States (although a considerable part of the benefit and administrative costs would be paid from Federal funds). Similar insurance and assistance programs were established for the blind and the disabled by the 1935 Act and subsequent amendments.

The Social Security Amendments of 1972 repealed the programs of assistance for the aged, blind, and disabled and established in their place a Federal program called Supplemental Security Income (SSI), with the new program becoming effective on January 1, 1974.

The Congress intended the new SSI program to be more than just a Federal version of the former State welfare programs which it replaced. In describing the new program, the report of the Committee on Finance stated:

> The Committee bill would make a major departure from the traditional concept of public assistance as it now applies to the aged, the blind, and the disabled. Building on the present social security program, it would create a new Federal program administered by the Social Security Administration, designed to provide a positive assurance that the Nation's aged, blind, and disabled people would no longer have to subsist on below-poverty-level incomes.[1]

The SSI program was envisioned as a basic national income maintenance system for the aged, blind, and disabled which would differ from the State programs it replaced in a number of ways.

It would be administered by the Social Security Administration in a manner as comparable as possible to the way in which benefits were administered under the Old-Age, Survivors, and Disability In-

[1] Senate report 92-1230, p. 384. (Note: The 1972 poverty level income for the aged was $166 for an individual and $209 for a couple. The Senate bill would have provided an income guarantee of $130 for an individual ($195 for a couple) if he had no other income and an income guarantee of $180 for an individual ($245 for a couple) with at least $50 of income from social security or other sources. The enacted law kept the $130/$195 payment standard for persons with no income but reduced the disregarded amount from $50 to $20, thus guaranteeing a total income of $150 for an individual ($215 for a couple) with at least $20 of income from social security or other sources.)

surance programs. It would provide a basic floor of income support for eligible individuals throughout the Nation, which would mean a substantial increase in income for persons in many States. Under the State programs of old-age assistance as of July 1972, the payments for an individual with no other income ranged from $75 to $250. Twenty-six States had payment standards below the $130 guaranteed by SSI.

Under the former welfare programs the amount of assistance could vary from person to person according to an evaluation of the individual's needs. The SSI program, by contrast, represented a "flat grant" approach in which there would be a uniform basic Federal income support level.

In contrast to the former State welfare programs with their provisions for liens and relative support requirements, the SSI program was intended to have minimal barriers to eligibility in terms of requirements other than a lack of income. Even here, the new program incorporated much more generous provisions for the disregarding of income—and particularly earned income—than was provided for under the old-age assistance program.

The former programs for the aged, blind, and disabled were established essentially as State programs. They operated under State law, subject only to certain restrictions of Federal law and regulations which in many respects tended to be stated in general terms and were not strictly monitored by the Federal Government. By contrast, the nature of the SSI program was to be one in which the rights and responsibilities of individuals would be detailed in the Federal statute as they are in the case of the social security program of Old-Age, Survivors, and Disability Insurance. The administering agency would exercise discretion in basic program policy matters only where the statute specifically provided for such discretion.

To a very considerable extent, the nature of the Supplemental Security Income program is expressed by its title. It was conceived as a guaranteed minimum income for the aged, blind, and disabled which would supplement the social security program, as an income-related program to provide for those who were not covered under social security or who had earned only a minimal entitlement under that program. It would be administered by the same agency, using the same structure and mechanisms and, to the maximum extent possible, SSI benefits would be paid in a manner which would approximate the manner in which social security benefits are paid.

In brief, it appears from the legislative history that the intent was not to give the Social Security Administration a new type of job to do which would be similar to the job previously done by welfare agencies, but rather to take the income maintenance functions previously handled by the State welfare agencies and transform them into something which could be handled by the Social Security Administration largely in the way in which it had always handled social security benefits.

2. NATURE AND ROLE OF STATE SUPPLEMENTARY PAYMENTS

While the Supplemental Security Income program was intended to be a program which would be uniformly administered on the basis of clearly stated Federal statutory requirements, it was recognized

that in the area of benefit amounts, there existed in the former State welfare programs a degree of variation which would not be eliminated by the adoption of a new Federal program.

In setting the level of the Federal program at $130 per month,[1] the Congress greatly reduced the disparity of benefit levels among recipients, and increased the level of income assurance for millions of recipients. However, it was clear that those States paying higher levels of assistance would for the most part wish to continue to provide their aged, blind, and disabled citizens with a higher income standard than the Federal statute directly authorized. In setting up the SSI program, the Congress recognized this reality by specifically ensuring that States could supplement the SSI payments.

Moreover, it was believed that insofar as a State wished to raise the general income support level to an amount higher than that provided by the Federal Government, the administration of this State supplementary grant should be fairly simple to combine with the administration of the Federal payment. Consequently, the SSI statute authorized agreements between the Secretary of HEW and the States under which the Federal Government would administer supplementary payments on behalf of the States. The States would, of course, be required to pay the cost of these payments, but no contribution would be required for administrative costs since it was assumed that there would be no significant additional administrative cost involved.

The statute also required that, if a State contracted for Federal administration of its supplementary payments, it would have to make these payments to all Federal SSI recipients and abide by such other conditions as the Secretary of Health, Education, and Welfare found necessary for efficient and effective administration. If a State did not wish to be bound by Federal conditions or if it wished to provide a more complex program of "special needs" payments for recipients, it could administer these payments directly.

B. Legislation and Planning

1. ENACTMENT AND EARLY PLANNING

The Social Security Amendments of 1972 (P.L. 92-603), which established the Supplemental Security Income program, provided that the changeover from the former State-run welfare programs to the new Federal income maintenance program was to take place on January 1, 1974.

These October 1972 amendments allowed a 14-month leadtime between enactment and implementation. It was foreseen that in this time it would be necessary to process the conversion from the State assistance rolls of some 3 million recipients. In addition, it was expected that applications would be taken from the estimated additional 3 million individuals projected to apply for and be found eligible for SSI. It would also be necessary to set up the payment mechanism, hire and train the additional staff, and perform all the other tasks necessary to establishing this new large-scale Government program.

[1] Subsequent legislation has increased SSI minimum monthly guarantee levels from the original $130 for an individual ($195 for a couple) to $167.80 for an individual ($251.80 for a couple) in July 1976. Effective July 1977, these amounts increase to $177.80 and $266.70.

While it was recognized that the job which the new law gave to the Executive Branch represented a significant challenge, it did not at the time of enactment appear to be an unreasonable burden. Representatives of the Social Security Administration, the administering agency, indicated no doubt about their ability to do the job. In fact, the point was often made that this was an agency with long experience in handling a large-scale income maintenance program. It was expected that many of the proven procedures and systems utilized for social security beneficiaries could be neatly transferred to the operations of the new SSI program. In fact, it was expected that the agency's burden would also be significantly eased because so many of the beneficiaries of the new program were already on the rolls of the Old-Age, Survivors, and Disability Insurance program administered by the Social Security Administration.

In October 1972, moreover, the leadtime prior to implementation was not conceived to be only the 14 months after enactment, but to extend back well prior to enactment, since there was already in place a substantial planning operation within the Social Security Administration which dated back to early 1971 when a steering committee representing the various component parts of the Social Security Administration was officially established by the Commissioner of Social Security to begin planning for the administration of what was to become the SSI program.

2. THE NEED FOR AMENDMENT

Although the level of income support to be provided by the new SSI program was higher than that generally provided under prior programs in 26 States, it was somewhat lower than that provided by a number of other States, and substantially lower than that available in a few States. Moreover, under most former State welfare programs, recognition was given to certain special needs for which there were additional payments over and above the basic needs payments.

At the time of enactment it was anticipated that States generally would continue to take care of the area of special needs. It was expected that those States having higher levels of income support for basic needs would make use of the provisions in the SSI law enabling them to supplement the SSI payments to the extent they deemed appropriate, either by having State-funded supplementary payments included in the Federal SSI check or by administering their own type of State supplementary payment.

Early in 1973, however, it became clear that a substantial number of aged, blind, and disabled people who had been getting assistance under the State welfare program would suffer a reduction in assistance under the new SSI program—in many cases, a fairly substantial reduction. Thus the new Federal program which had been enacted with a view towards providing better and more adequate income support appeared likely to have in fact the opposite result for thousands of recipients. This clearly unacceptable situation led to further Congressional action during 1973.

After public hearings at which the Secretary of Health, Education, and Welfare rejected proposals to defer implementation of SSI for an additional year, the Committee on Finance on June 25, 1973, reported to the Senate a bill which addressed the problem by requiring

the States to assure that those persons who were on their assistance rolls as of December 1973 would continue to receive as much State supplementation as might be needed to keep their total incomes at least as high as they were prior to the implementation of SSI.

During the course of 1973, a number of other legislative changes in the SSI program were made. A grandfather clause for certain persons considered "essential persons" under the old State welfare programs was provided. The level of SSI income supplementation was increased in recognition of the rapidly escalating inflation rates then being experienced. The provision automatically transferring disabled persons from the State welfare rolls to the SSI program was modified to preclude abuse.

3. SOME PROBLEMS OF IMPLEMENTATION

On January 1, 1974, the Supplemental Security Income program went into effect. This was about three years since the Social Security Administration had begun planning to implement a needs-related program for the aged, blind, and disabled, and it was about 14 months since the enactment of the SSI statute.

When the implementation date arrived, the Social Security Administration was able to get out checks to the great majority of the caseload of beneficiaries who had been transferred from the State rolls. There were, however, many problems. Several thousand recipients did not receive their checks, and a substantial proportion of those who did receive checks were paid either more or less than they should have been. The resultant workload of handling complaints and inquiries and making corrections in the payment tapes severely strained the resources of the agency. District offices were jammed to the extent that in some offices it was necessary to keep people waiting outside the office and to send people home to come back another day. In many offices, waiting times were measured in hours. Even after the beneficiary reached the point of making his complaint, the Administration frequently was unable to implement the necessary change quickly and accurately.

While the Administration concentrated its efforts on untangling the problems of those who had been transferred to SSI from the State welfare rolls, new claims were being filed. The SSI system proved unable to process a substantial part of these new claims, and by May 1974 over 600,000 claims remained unresolved.

While any major new program can reasonably be expected to experience some start-up problems, the Committee staff found general agreement among all observers of the SSI program that its initial problems far exceeded the normal concept of start-up difficulties. The reasons for the severity of the situation in the early months of the program are manifold. The capability of the Social Security Administration to adapt its existing mechanisms and procedures to the new program was greatly overestimated. As a esult, the resources which were provided—both human and material—proved inadequate to the task. The time allotted between enactment and implementation proved insufficient for the development and testing of the systems which had to be placed in operation in January 1974. The difficulty of developing systems was aggravated by the slowness with respect to which policy was formulated and by the nature of several policy

decisions which complicated the program. In addition, the necessity of amending the original legislation before the program even began added greatly to the burden of preparing for implementation.

Despite the severity of the problems which developed at the start of the SSI program, the Social Security Administration was in large measure able to keep the program running and to do a fairly creditable job of getting payments out to most beneficiaries, including most of those who encountered problems. This was accomplished by the use of extensive and long-continued overtime, especially by personnel in the field, and by the development of *ad hoc* procedures to short-circuit the bottlenecks in the SSI system. The problems were recognized—at least within the Social Security Administration—as being of crisis proportions, and the agency instituted extraordinary measures in an attempt to deal with them.

The situation that existed in the first months of the SSI program does perhaps provide an important lesson for any future legislation establishing major new programs. It may suggest caution in assessing the ability of the Federal government to undertake massive new administrative responsibilities unless considerable leadtime is provided and there is some assurance that the Executive Branch will give the highest priority to getting the program started on a solid basis. The early SSI experience may provide some support for the argument that a new program should be implemented in gradual stages or after a period of pilot testing. For the purposes of this report, however, this early experience is important primarily because of its implications for the continued problems the program faces.

4. THE CURRENT SITUATION

The Social Security Administration was able to keep the program in operation and to assure that the great majority of SSI claimants received their monthly payments through the implementation period and up to the present. But the Committee staff finds that at this time, more than three years after the program began, there remain severe administrative and policy problems which have not been adequately dealt with and which require strong corrective measures. While the crisis situation that existed immediately after implementation has been greatly ameliorated, the findings of the Committee staff do not bear out the judgment that the program is "over the hump" and needs only time to straighten itself out. These remaining problems and recommendations for dealing with them are the subject of this report.

CHAPTER TWO

ADMINISTRATION OF THE SSI PROGRAM

A. Summary of Major Problem Areas

At the time the SSI legislation was being considered, it was believed that great reliance could be placed upon the ability of the Executive Branch to administer this program efficiently and equitably because the basic system for paying monthly benefit checks to large numbers of people was already in place. While it was understood that modifications would be necessary to make the systems of the Social Security Administration work for this new population, this was seen as an add-on rather than a new system. Similarly, the network of regional and local offices was already in existence, and there was confidence in the ability of the Social Security Administration to estimate its needs and develop staff to the extent necessary to handle the additional workload. The Social Security Administration had a long-standing reputation for dealing with the public on a fair and humane basis, but with scrupulous regard for the requirements of the law. Thus, it was expected that both recipients and taxpayers could count on a better quality product than had been the case under State and locally administered welfare programs.

To date, the experience under the Supplemental Security Income program has been disappointing. The SSI computer system proved to be not a modification of the existing social security systems, but rather a new kind of system. For a variety of reasons, the new SSI system could not be developed to the point of being able to adequately handle the requirements placed upon it by the program. While this was true particularly at the beginning of the program, the SSI computer system can still properly be characterized as inadequate and incomplete.

Combined with the system's limitations, the SSI program has also suffered from shortages of staffing and material resources. The most severe and persistent problem has been the inadequacy of staffing.

Systems inadequacies, delays in policy development, lack of resources, and the complexity of the SSI program have all combined to make the quality of the product under the SSI program much lower than was anticipated in the light of the traditional quality of Social Security Administration operations. These factors also resulted in a substantial inability on the part of the Social Security Administration to handle the SSI workload in an expeditious manner. Moreover, the problems in administering the SSI program have worked to the detriment of the Old-Age, Survivors, and Disability Insurance programs.

B. The Computer System

1. A NEW TYPE OF SYSTEM

Contrary to expectations that an SSI system could be quickly developed by building on the existing Social Security Administration benefit payment mechanism, the decision was made to build for the SSI program what amounted to a new type of system quite different from the system used for the Old-Age, Survivors, and Disability Insurance (OASDI) programs. In fact, rather than using the OASDI system as a model for SSI, the Social Security Administration appears to view the SSI system as in many respects a model for future changes which that agency would like to incorporate in the OASDI system. Thus, in describing the new SSI system, Administration officials tend to point out how much more "advanced" it is than the pre-existing OASDI systems. For example, district offices have access to individual SSI case information on a much more up-to-date basis than is true for OASDI cases.

From a systems standpoint, the basic difference between the traditional social security program and the new SSI program is that the traditional program relies much more heavily on manual processing. There is extensive use of electronic data processing to assist the manual processes and to put into effect their conclusions, but the basic source document for action and information is the paper claims folder which is established for each individual. By contrast, in the SSI program the electronic functions predominate. As soon as possible after an application is filed and the necessary evidence gathered, the social security district office translates the basic data with respect to the claim into a computer code. The coded data is then keyed into an electronic telecommunications terminal in the district office and transmitted to the central office computer in Baltimore.

From this point, the SSI claim leads an essentially electronic life. The Baltimore computer system performs a series of cross-checks of the various data elements transmitted by the district office. If the claim does not successfully pass this screening, the computer automatically generates a notice to the district office identifying the deficiency and requesting necessary reconciliation. Meanwhile, depending upon the seriousness of the problem identified in the initial screening, the claim is either held in suspense in the computer or sent on for further processing. (For example, a claim based on age would be held in suspense if the date of birth indicated the claimant was under age 65; a claim in which the zip code does not match the address would be processed while the district office is notified to review the apparent discrepancy.)

The computer also checks the information in the SSI claim against the information included in other Social Security Administration computer files, mainly the master record of benefits payable under the Old-Age, Survivors, and Disability Insurance program. It calculates the amount of benefits payable to the claimant (including both the Federal SSI payment and any applicable State supplementary grant which is Federally administered). It generates a notice to the claimant telling him of his eligibility or ineligibility and the amount of his payment. It adds the data with respect to the claim to several computer files. These files are used for certifying the SSI caseload to

the Treasury Department which will pay the benefits, for providing information with respect to the claim to the district offices for use in connection with post-entitlement actions and inquiries, for furnishing the States certain information concerning SSI recipients needed for their medicaid and supplementary benefit programs, and for statistical and management information purposes.

When the computer completes its processing of an initial claim, it generates a paper summary of the claim and claims action, which is mailed to the district office. At the district office, this summary is (in theory at least) cross-checked against the claims folder and filed in it. The claims folder is then (after a holding period in the district office) shipped to one of the six Social Security program centers for filing.

Unlike Old-Age, Survivors, and Disability Insurance claims folders, which continue to be used for post-entitlement actions and inquiries, the SSI claims folder is primarily a storage instrument for the original application form and documents. It is filed in the program center (which has no other responsibility in connection with the SSI program), and rarely referred to except for the filing of certain additional paper documents.

After the SSI claims record has been established within the computer system, the district office deals directly with that system for information or post-entitlement action such as a notice from a claimant that his non-SSI income will be more or less than previously reported. A television-screen type terminal in the district office is tied into the central office system in such a way as to provide the office on request a visual, coded display of all basic claims data for any of the 7 million claims records established since the start of the program. These data are nearly current (i.e., they reflect all actions except those made within a few days prior to the inquiry). The response to an inquiry is virtually instantaneous when the equipment is functioning properly.

When the district office receives a notice of a change in an SSI recipient's circumstances which would affect eligibility, the office converts the data into computer code and keys it into the terminal for immediate electronic transmission to the Baltimore computer. In Baltimore, the computer receives the data, screens it for consistency internally and with information already on file, makes appropriate adjustments in the master SSI record and other computer files, and institutes any necessary further actions such as a notice to the claimant of a modified benefit amount.

The advantages of utilizing for SSI a highly automated electronic computer system of this type are clear and significant. When it works properly, it allows the agency to process claims from application to check issuance with a minimum of delay and to be almost instantly responsive to notices of changed circumstances. It gives each district office immediate availability of claims information current within a few days for any claimant who calls or visits the office. It offers exceptional capability for the development of statistical and management information data on the caseload. It eliminates many areas in which a degree of human error might normally be expected as in the performance of mathematical calculations. It makes possible the automatic verification of certain eligibility factors such as income

from social security or, as is ultimately envisaged, other Federal pension programs.

The disadvantages of using such a system are also significant. The system is inflexible and has limited capacity to adjust for errors. If the information fed into it is correct and if it has been properly designed to correctly process all possible inputs, it quickly and accurately produces the desired result. But if it receives erroneous data or if the designer of the system has committed an error (or failed to consider a possibility), the problems which result can be severe and difficult to overcome.

Erroneous data inputs, even if recognized by the system as erroneous, can cause lengthy delays in claims processing while the system notifies the district office of the error and the district office attempts to identify and correct the source of the error. When the system does not recognize an input as erroneous or when a design error in the system results in improper processing of data correctly put in, even more serious problems arise. In some cases, the result of such errors can be an incorrect determination of eligibility or ineligibility or an incorrect benefit amount. In other cases, the result can be a lost claim which will never emerge from the system in any form until and unless some further action is initiated from outside the system, for example as a result of an applicant's complaint that he has not received a decision on his claim.

Thus, because the bulk of the processing of SSI claims takes place in the purely electronic realm of the computer, the potential for large-scale error is enormous. Moreover, since the computer systems cannot respond directly to human control but only through codes and electronic communications equipment, the difficulty of correcting errors once discovered and of handling situations which the system designers have not been able to build into the automatic processes is magnified. If the number of situations involving undetected error or requiring direct human resolution is significant, all the advantages gained by using electronic rather than human processing are lost.

The SSI computer system is an impressive example of both the advantages and disadvantages of electronic processing. Weighing the speed and accuracy with which the system can process claims when it receives and correctly processes accurate information against the difficulties which arise when it does not, one social security district office manager interviewed by the staff characterized the SSI computer system as "a miracle but a failure."

2. CAUSES OF SSI COMPUTER SYSTEM DIFFICULTIES

If a sophisticated electronic processing system of the type envisioned for the SSI program is to function adequately, it must be designed with great care, thoroughly tested, served with adequate equipment, and used by well-trained personnel. When the SSI program became effective in January 1974, the SSI systems were largely untested and many subsystems were not operating. There were deficiencies of equipment and in particular of equipment related to the telecommunications system which is the vital link between the district offices and the central office computers. Social security district office personnel were to a considerable extent inexperienced and untrained in dealing with the new computer systems. There was not in place an operating and

effective quality review program to identify areas in which the system was defective and make corrective measures possible.

There are a number of reasons why the systems design was incomplete, untested, and defective at the start of the program. The sophistication of the planned SSI system required that numerous inter-related subsystems be developed and tested. This had to be done in a relatively short time and with insufficient equipment. This process was complicated by unforeseen events such as the enactment of amending legislation during the months prior to implementation and changes in plans for State supplemental benefits. Adjustments had to be made to accommodate the uneven quality of conversion data received from the States. The system designers had to produce a system which reflected administrative policy which was developed only slowly and which remained uncertain in many cases up to and even beyond the date of implementation.

The difficulties experienced with the SSI computer systems at the beginning of the program and up to the present reflect an erroneous overconfidence in the ability of the Social Security Administration to develop a sophisticated system which would work under circumstances which virtually guaranteed that it could not work. At the present, many of the early problems with the computer systems have been resolved or are on their way to resolution but much work remains to be done. While it might have been more economical and might have avoided many of the hardships worked on claimants if the Social Security Administration had adopted a more realistic, less automated administrative design for SSI at the outset of the program, this decision was not made, and in 1974 the Social Security Administration was faced with the necessity of making the system it had chosen work as best it could.

3. ACTIONS TAKEN TO DEAL WITH PROBLEMS

The Social Security Administration at a very early date after implementation saw that it had severe systems problems on its hands. To deal with what clearly constituted and was recognized as an emergency situation, the Commissioner of Social Security appointed a strike force with authority to short-cut ordinary bureaucratic lines of control and put into effect immediately the measures needed to get the system functioning.

The strike force identified problems causing the system to backlog and introduced procedures to overcome those problems. For example, the strike force found that the screening procedures used by the computer to cross-check the data elements of claims transmitted by the district offices were overly demanding. As a result, a high proportion of initial claims transmitted by the district offices were put in suspense while a notice of deficiency requiring further action was sent to the office. The volume of these notices was beyond the capacity of the offices to handle. The strike force reviewed the screening procedures, eliminated some of them, and changed others so that the processing of the claim within the computer could continue while the district office corrected the deficiency on a post-entitlement basis. For example, inconsistent or unintelligible data as to the sex of the applicant originally halted processing pending district office clarification. Errors in this respect are now resolved on a post-entitlement basis.

Another example of strike force action concerned the internal computer procedures for matching the SSI claim record with other social security computer files. The strike force found that this procedure could not be completed with respect to some claims for excessively long periods of time. While the strike force could not immediately correct the problem itself, it instituted a rule under which this procedure would be skipped if it could not be completed within a specified number of days.

During these early months of the program, the Administration also instituted special procedures to make payments outside the system in those cases where it proved impossible to get the payment through the system and, in other cases, to use the system itself to make payments which it was not ordinarily capable of handling by overriding some of its normal processes.

By the use of these emergency measures, the Administration was able to reduce the huge backlogs which had piled up in the first several months of operation and to arrive at a situation in which most problem claims can be handled either through the regular processes or by one of the temporary expedients.

Thus, the Administration undertook emergency measures to overcome the immediate obstacles to paying claims. It also attempted to make corrections in the flaws within the system which made those emergency measures necessary. A major example of this type of activity was the redesign of the subsystem for interrelating the SSI and social security entitlements of claimants. The system was intended to work in such a way that the SSI benefit amount for each claimant who was also eligible for social security would be automatically calculated by the computer on the basis of the information in the social security computer files. This should be the most up-to-date and accurate record of an individual's social security benefit. Moreover, the system was designed to flag the social security record of each individual so that any future increases in social security benefits would immediately result in a correct adjustment in the SSI payment amount.

Unfortunately, the design of this subsystem for matching social security and SSI records was badly flawed and resulted in a very substantial number of SSI recipients receiving incorrect benefits for many months. This system error is one of the significant causes of the high level of SSI overpayments. In the early quality review studies, this factor was the most frequent cause of error, accounting for some 17 percent of all SSI deficiencies. In April 1975, a redesigned system was put into effect. This system has greatly improved the situation as compared with the former system, but it clearly has not attained the level of perfection sometimes claimed for computer processes. Sampling studies indicate that erroneous information with respect to social security benefits of SSI claimants still accounts for some 8 percent of all SSI deficiencies.

4. MAJOR REMAINING PROBLEMS

Up to the present, the major focus of Administration activity with respect to the SSI computer system has been on developing expedients for reducing the backlog and otherwise dealing with the critical problems which arose because the system was not ready in time for implementation. Emphasis has also been given to identifying and cor-

recting errors within the system which have aggravated those problems or which have caused incorrect payments to occur. These activities will continue to require attention for some time to come. However, at this point, the major task is the development and perfection of subsystems which are needed to bring the accuracy, reliability, and efficiency of the overall SSI system to an acceptable level. To attain this goal, prompt attention must be given to several existing systems deficiencies.

Post-entitlement processing.—While most emphasis in evaluating the SSI system tends to be placed on its success or failure in dealing with initial claims, the SSI program in fact involves a high level of post-entitlement activity affecting eligibility which the system presently does not adequately handle. There is no available statistical measure of the success with which the SSI program handles post-entitlement changes, but there is substantial anecdotal evidence of widespread difficulties encountered by beneficiaries in getting changes in their status incorporated into the system. One measure of the severity of this problem is the fact that district offices frequently find it necessary to resort to emergency procedures for making payment outside the system not only in initial claims cases but also in cases where they are unable to effectuate a post-entitlement change within the system.

In addition to the problem of inability to make the system accept changes which it ought to deal with, however, there is a major problem of system incapacity to handle certain types of changes. The major problem area in this respect appears to be cases involving changes in the relationship of a couple, cases, for example, where two SSI beneficiaries marry or separate, where one spouse dies, or where the wife becomes eligible for SSI in a different month than her husband. For many changes of this type, the system designers have, up to the present, been unable to develop programs which would permit electronic processing to automatically make the proper adjustments in benefit amounts. As a result, it is necessary for the district office to manually compute the correct benefit and to force the system to make those payments by entering instructions to override the system's normal computational functions.

The significance of the present deficiencies in post-entitlement processing is much greater than it may appear. Many changes which occur to SSI recipients can substantially affect the fact or amount of their entitlement. Incorrect processing can result in erroneous benefit payments or lengthy delays in receiving benefits. The need for manual processing in numerous situations increases the chance for error and adds a substantial administrative burden.

The problem is the more severe precisely because the overall SSI system is designed to operate as a highly automated electronic entity and is therefore not very amenable to the introduction of manual processes. For example, when a district office finds it necessary to implement a change manually, it does so through the system. But at the same time it effectively destroys the system's capability to deal with future changes affecting that claim even if those future changes are of a type which the system can ordinarily handle in an automated way. To restore that claim to a normal status within the system requires further manual processing which must be done

in several stages over a period of time which can extend to several weeks. This added processing is not only costly and time-consuming but also increases the potential for payment error or delay. In the course of the Committee staff's telephone survey of social security field personnel, the most frequently cited area in which improvement was needed was in the ability of the system to handle post-entitlement actions which now require manual processing.

Verification of eligibility factors.—For most social security beneficiaries, the amount of monthly benefit entitlement is not affected by such individual circumstances as their place of residence or amount of other income or level of assets.[1] In a needs-based program such as SSI, however, these factors are basic determinants of eligibility and benefit amount. To assure that the correct SSI benefit is awarded initially and continues to be paid, it is necessary to have some means of obtaining accurate and timely information with respect to such factors. In urging the adoption of federalized welfare programs during the 91st and 92nd Congresses, the representatives of the Administration placed great emphasis on the improvements in such verification which could be expected under a Federal, computerized administration.

To the extent that verification of eligibility factors can be incorporated into the computer processing system, the accuracy of benefit determination can be improved and the burden on recipients to report changes and to repay overpayments or endure underpayments can be substantially reduced. In this area, however, the capacity of the SSI computer system remains considerably short of what was originally expected of it.

As indicated above, the original SSI system contained a major flaw in its subsystem for verifying social security benefit amounts. While this subsystem has been replaced by a much improved system, current results still fall far short of what might be expected in matching records which are entirely under the control of the administering agency.

Another eligibility factor which should be largely subject to internal verification is the factor of earned income since earnings covered under social security are recorded in the social security computer files. Since there is a several month lag period between when wages are earned and when they appear in social security records, major reliance must necessarily be placed on self-reporting of earnings changes by beneficiaries. However, a subsequent cross-check of the social security earnings record would identify problem cases and strengthen the integrity of the program. According to the Social Security Administration's quality review program, errors with respect to wages are one of the 10 most frequent causes of deficiency in the SSI program accounting for about 9 percent of all errors. At present, the SSI computer system does not have the capability of

[1] Social security beneficiaries under age 72 are subject to benefit reduction if their earnings from employment or self-employment exceed $3,000 per year. This provision, however, actually affects benefits for only 4 percent of those in benefit status under the program and, even so, is largely self-policing through cross-reference between social security wage and benefit records. Disability beneficiaries (another 8 percent of the caseload) also may have their eligibility affected by earnings, but this does not involve a month-to-month variation in benefit amount.

utilizing the social security earnings record for verification of wage amounts.

Another major cause of incorrect SSI payments is the reporting of benefit payments under Federal programs not administered by the Social Security Administration, and in particular veterans benefits. One district office employee interviewed by the Committee staff stated that in any SSI case where a Veterans Administration payment was involved there was certain to be an overpayment. The official quality assurance surveys confirm that veterans benefits are one of the chief reasons for SSI errors. This kind of problem should be largely susceptible of correction by means of a computer tie-in between the Social Security Administration and other Federal benefit-paying agencies such as the Veterans Administration, the Civil Service Commission, and the Railroad Retirement Board. The subsystem to accomplish a tie-in with the Veterans Administration became operational in the fall of 1976 and with the Railroad Retirement Board in January 1977. The tie-in with the Civil Service Commission has still not been implemented.

There has been some concern expressed that the provisions of the Privacy Act, which was enacted in 1974, could raise questions concerning the system for cross-checking SSI records and records of the Veterans Administration, Civil Service Commission, and other Federal benefit-paying agencies. The SSI statute specifically provides that other agencies are to furnish to the Social Security Administration whatever information is necessary to verify eligibility factors; however, the Privacy Act, which is a later statute, seems to have been interpreted by some persons as placing limitations on such transfers of information between agencies. While this interpretation may be open to question, the Committee may wish to recommend legislation reasserting the provision in the SSI statute.

Information and control systems.—One of the great advantages of a highly computerized operation is that, as a byproduct of the ordinary operational processes, the system produces information which permits management to evaluate the effectiveness of the program and to spot trouble areas rapidly. It also makes it possible to establish certain internal controls which should prevent erroneous actions.

Some encouraging progress is being made in incorporating control elements into the system. In mid-1975, a subsystem to keep track of identified overpayments became operational replacing a less effective interim subsystem. A subsystem has been put into effect which will automatically process payments made outside the regular system and simultaneously record the fact of such payments so that they are not duplicated by the regular system. (For various reasons, a proportion of outside-the-system payments are being made without benefit of these new controls.)

However, in a great many areas, these information and control elements remain incomplete or deficient. There is no present capability of tracking claims from filing to completion so that management can tell how many claims at each stage of the process have been pending how long. There is no present capacity for providing a satisfactory accounting to the States of their month-by-month liability for the costs of Federally administered State supplementary payments. The various systems for providing management information with respect to claimant characteristics, for processing quality assurance findings,

and for keeping track of program performance still need substantial improvement in order to provide the timely, accurate, and complete results which should be available from a sophisticated electronic data processing system. In the view of the staff, proper control of the SSI program can only be achieved when these information and control subsystems are adequately developed and operating.

5. STAFF RECOMMENDATIONS

While there may be room for argument as to the wisdom and feasibility of attempting to develop a new and highly sophisticated electronic processing system for the SSI program prior to implementation, the staff believes that the time for debating that issue is long past. What is now necessary is that that system be completed and perfected. The basic system and most of the basic subsystems are in place, but there remain substantial areas of deficiency which must be corrected. The staff believes that most of the areas of deficiency have been identified, but that the timetables for correcting these deficiencies should be greatly reduced. This will necessarily require a substantial commitment of resources. The staff believes, however, that the SSI program which is so dependent upon its computer systems cannot be brought under control until those systems are operating at a tolerable level of efficiency and accuracy.

C. Staffing for SSI

1. PLANNING FOR SSI STAFFING LEVELS

In assessing the potential need for additional staff to handle the SSI program, the Social Security Administration operated on a series of assumptions, most of which unfortunately turned out to be quite wide of the mark. As a result, the initial months of the program were characterized by long waiting lines in Social Security district offices and extensive requirements placed upon Social Security employees to work long hours of overtime. The situation would have been much worse had it not been for the fact that the actual number of early claimants for SSI proved to be far fewer than had been estimated. In most other respects, however, SSI workloads were underestimated.

A little more than half of the SSI caseload consists of individuals who previously received welfare payments under State welfare programs. In the first three months of program operations, recipients converted from State rolls constituted over 90 percent of the caseload. Converted recipients currently constitute about 52 percent of the caseload. The planners assumed that these "conversion" cases would be largely handled on the basis of a records exchange between the States and the Social Security central office and would therefore impose no significant workload on the district offices. This assumption proved to be incorrect. The data exchange between the States and the Federal Government turned out to be erroneous in a large number of cases, leading to incorrect payments or no payments. This resulted in unanticipated contacts being made between recipients and district office personnel, representing a very significant unplanned for workload.

The planning also assumed that the computer systems would have the capacity to handle the workload and that their design would be essentially complete and workable by the date of implementation. This also proved to be an incorrect assumption and district office personnel had to spend a large number of unplanned for man-hours trying to unsnarl systems problems.

An even more basic miscalculation was the Social Security Administration's underestimation of the amount of time it would take to interview prospective claimants and the frequency of contacts with SSI claimants required after their initial claims had been processed to completion. The assumption was that on the average one out of every five recipients would come into the district office during the year for some post-entitlement action. In fact, the experience has been that about one out of three do so.

In terms of the time taken to develop initial claims, the assumptions are even farther apart. It was assumed that an SSI claim would on the average involve about one man-hour of work; in fact it has turned out to involve more than four man-hours. Similarly, the redetermination of eligibility was expected to take about half an hour per case and now is estimated to take over two hours.[1]

In addition to miscalculations with respect to the amount of time required to process SSI claims, the planning for SSI incorrectly assumed that the program would be primarily composed of aged beneficiaries whose claims are much easier to determine than the claims of disabled persons. At the time of enactment it was estimated by the Department of Health, Education, and Welfare that the aged would constitute 74 percent of the SSI caseload. In actuality, however, caseload growth has occurred primarily among the disabled so that as of November 1976 the aged comprise only 51 percent of the total caseload; new SSI benefit awards have been running about 30 percent aged and about 70 percent blind and disabled. From a workload standpoint, the predominance of the disabled is even more pronounced since claims filed are running about 4 blind and disabled claims for every one aged claim.

Thus, for a variety of reasons, the staffing levels in place in the Social Security Administration as of January 1974 were far short of what was needed to handle the workload brought on by the inauguration of the SSI program. To some extent, it can be validly argued that the estimation of staffing requirements for an essentially new type of benefit program is inherently uncertain. On the other hand, the degree of error in the original Social Security Administration estimates is difficult to justify on that basis. In any event, the SSI experience clearly offers some lessons for any future new programs. At a minimum, care should be taken to avoid making staffing estimates on the basis of the most optimistic assumptions and allowances should be made for potential start-up difficulties which may require added staff. Beyond this, consideration should be given in inaugurating a major new program to allowing more lead-time and, to the extent

[1] Planning for fiscal year 1975 allowed 138.7 minutes for each redetermination; actual experience showed only 99 minutes was required. This still represents a great increase over the original 26 minute estimate and may have been this low because of the cursory manner in which many redeterminations were handled (see pages 57-58 of this report).

possible, to providing for a gradual implementation. For example, it might have been possible to phase in the SSI program either by making it applicable first to the aged and only later to the blind and disabled or by having Federal administration made applicable first of all to new claimants and only later and gradually to those already on the State rolls.

2. REACTION TO STAFFING PROBLEMS

Increase in staffing.—The seriousness of the staffing situation was recognized by the Social Security Administration. The agency reassessed its manpower needs and by mid-1974 submitted a request to the Department of Health, Education, and Welfare for authority to add 12,000 new permanent positions. This request was to become involved in protracted negotiations stretching over a period of nearly a year with the result that the Social Security Administration got fewer employees than it needed, got them later than it needed them, and got them under conditions which undermined to a large degree the usefulness of obtaining the additional manpower. In response to the July 1974 request from Social Security for 12,000 new permanent employees, the Department of Health, Education, and Welfare at first agreed only to ask for less than half that many. In November of 1974, however, it was clear that the situation was becoming critical, and by mid-December of 1974, agreement was reached within the Executive Branch for 10,000 new positions. However, these were agreed to only on condition that they be temporary positions.

Further negotiations continued on the issue and in March 1975, permission was given to Social Security to hire 4,000 individuals on a temporary basis and 6,000 on a new basis referred to as "term" which essentially meant that they would be temporaries for more than one year. While this offered some relief, it was an ineffective response to a crisis situation. Because of the protracted negotiations over the number and type of additional manpower Social Security could hire, increases in staffing levels were delayed long past the point at which the urgency of such increases had been identified. Moreover, even after authority to employ additional staff was given, the fact that the new staff positions were essentially temporary positions made it difficult to find qualified applicants and greatly increased the likelihood that those who were hired would remain with the agency only until they could find permanent employment elsewhere. When the Committee staff visited the San Francisco region in May of 1975, the field organization there had filled only 7 of their 1,065 "term" positions.[1] As of October 10, 1975, 40 percent of Social Security's authorized "term" positions remained unfilled nationally.

In the course of the staff's interviews with SSA field personnel and particularly management personnel, field managers repeatedly stated that they could do the job with permanent staff but felt hamstrung by the requirements that people be hired on a temporary or "term" basis. In addition, given the workloads, and especially the

[1] At the time of the staff visit, the San Francisco region field organization was about 500 over its authorized limits for temporary employees, however. Thus, adding both temporary and "term" positions together, the region was authorized approximately 1,500 non-permanent employees and actually had about 900 of these positions filled.

problems associated with required redeterminations and post-entitlement activities, most SSA field management personnel saw no basis whatever for expecting that there would be a lesser need for personnel at the end of one or two years. The limitations placed on hiring and the requirement that additional personnel be hired on a temporary or "term" basis appear to be based not on analysis of workload needs, but rather on a desire to create the fiction of a lower level of permanent staffing than is in fact necessary.

The decision to limit staffing increases to temporary and "term" positions not only made it difficult to recruit and retain qualified personnel but also had a number of other adverse effects on the operation of the program. One field manager responsible for supervision of several Social Security district offices indicated to the Committee staff that a very substantial part of his time and effort is directed to the task of juggling personnel among some six different categories of staffing ceilings. Moreover, the rigidity of the rules imposed by the Civil Service Commission with respect to the employment of non-permanent workers has resulted in the unnecessary loss of trained and qualified employees at the very time that the administration has been unable to recruit new employees who can be trained to take their place.

A particularly egregious example of this kind of problem was called to the attention of the Committee staff by several Social Security officials. Because of the staffing limitations, the agency found it necessary during 1974 to hire several hundred individuals on a temporary basis as claims representatives. This is the agency's basic interviewing and adjudication position. Although these individuals were theoretically restricted to dealing only with SSI claims, they necessarily received considerable training and formed an important part of the work force in the offices to which they were assigned. Under Civil Service regulations, however, their appointments were limited to a one-year duration. Apparently, one extension was granted for a portion of those hired, but as of July 31, 1975, their appointments terminated and the Civil Service Commission refused to grant a further extension. As a result of this, some 200 trained claims representatives were terminated from service with the Social Security Administration even though they were adequately and in many cases more than adequately performing their jobs, even though the offices in which they were employed had a continuing need for additional manpower with the skills these individuals already had, and even though the agency had authority to hire additional persons, but for a different category—the so-called "term" employee category. These new "term" employees, after being trained, would presumably perform the same functions as those they replace and perhaps attain the same level of skill about the time that their appointments in turn expired.

The staffing situation has been somewhat improved as a result of recent changes proposed by the Congress and accepted by the Executive Branch. In approving the Labor-HEW Appropriations Act for fiscal year 1976, the Congress included a provision changing the so-called "term" positions to full-time permanent positions. This Act was subsequently vetoed by the President who cited its increases in permanent Federal employment as one of the features to which he objected. The Presidential veto of this measure was, however, overrid-

den and the President also indicated a change of position on this matter. The following table shows the status of Social Security staffing at various stages:

SOCIAL SECURITY ADMINISTRATION STAFFING LEVELS[1]

Type of position	Fiscal 1976 authorized staffing levels[2]	Jan. 16, 1976 actual staffing levels	Jan. 22, 1977 actual staffing levels	End of fiscal 1977 proposed staffing levels
Permanent	72,359	72,242	80,321	80,221
"Term"	6,000	4,707	342	0
Temporary/part-time	7,276	6,251	5,717	7,214

[1] This represents the entire staffing of the Social Security Administration and not only SSI staffing. With limited exceptions, most social security employees are involved in more than one program of the agency.
[2] The 6,000 "term" employee authorization was converted to a permanent employee authorization as of January 28, 1976 under Public Law 94-206 (Labor-HEW Appropriations Act for fiscal year 1976).

As shown by the above table, the total authorized permanent staffing of the Social Security Administration has now been substantially increased from the 72,000 positions authorized at the end of fiscal year 1974. The increase authorized, however, still falls well short of the 12,000 additional permanent positions which the Social Security Administration requested in mid-1974.

In particular, while the status of the previous "term" employees has been changed to that of full-time permanent employment, the current staffing projections seem to place continued heavy reliance on the use of temporary employees. Moreover, the type of problem described above in transferring individuals from temporary to "term" status was replayed in transferring employees from "term" to permanent status. While the Social Security Administration was given permission in January 1976 to convert "term" employees to permanent status, this could be done only if those experienced employees could be reached on the civil service register from which new employees are hired. Consequently, it has again been necessary to terminate hundreds of trained employees to be replaced by new, untrained individuals.

Use of overtime.—In implementing a new program, a certain amount of reliance on heavy overtime usage is neither unusual nor necessarily undesirable. When heavy overtime usage continues well beyond the early months of the program, however, it is a clear sign of understaffing. It becomes at this point an inefficient and counterproductive means of dealing with workloads.

According to management officials in the Social Security Administration, that agency considers the normal optimum overtime usage to be at a rate of about 2 percent of total manpower requirements.

Actual overtime usage since the inception of the SSI program has far exceeded this goal. It was 7.8 percent of manpower needs in fiscal year 1974, 7.4 percent in fiscal year 1975, and 6.7 percent in fiscal year 1976. It is optimistically anticipated to decline to about

4.5 percent in fiscal year 1977. (Overtime usage in fiscal year 1972 was 2.6 percent and 5.2 percent in fiscal year 1973.)

At the district office level, overtime usage peaked at an average of more than five hours per week per employee (with higher levels in some regions). Currently district office overtime usage is running about two hours per employee per week. This is calculated on the basis of the total work force including certain types of employees who rarely work overtime. Thus, many of those employees in positions where overtime is required are continuing to work long workweeks on a regular basis.

The district office telephone survey conducted by the staff in early 1975 confirmed the widespread use of heavy overtime and indicates that the point of diminishing returns on the additional time had been reached. A few managers indicated that they planned on their own initiative to drop overtime. They stated that production and accuracy were falling off too substantially to justify further use of overtime, even though the workload demanded it. In general, however, it appeared that most offices and most employees feel that there was no option but to continue. Several employees contrasted the situation with previous amendments under which they had worked heavy overtime. The situation under SSI differed in that they did not see the workload getting done even with the overtime, and they did not see any light at the end of the tunnel.

Excessive waiting times.—One early problem faced by the Social Security Administration as a result of staffing shortages was the problem of excessive waiting times in Social Security district offices for persons wishing to make application or otherwise needing to be interviewed. The situation was particularly severe in urban areas and considerable publicity was given to the situation in New York City where the size of the applicant population was so substantial that some offices had to begin turning people away early in the day. Other measures which had to be employed were the renting of busses to give those waiting for an interview a sheltered place to wait since there was no room inside the district office. In most parts of the country, this situation seems to have ameliorated and most offices contacted in the staff telephone survey indicated that they do not in any case send people away to come back another day. A substantial proportion do not seem to have excessive waiting times. However, there still remain many instances of staffing patterns which are inadequate to cope with the interviewing load. The question of meeting the interviewing load, however, is not the sole measure of staff capability since a good part of the district office work is done outside the presence of the claimant. Moreover, certain parts of the workload (such as redetermination interviews) are on a scheduled basis. In such cases, a staffing shortage simply means that the work is delayed beyond the time at which it should be completed.

Specialization.—High workloads and the complexity of the programs administered by the Social Security Administration have raised the question of whether there should be greater specialization of district office personnel. Some district offices are clearly undertaking on their own initiative some moves toward specialization. Specialized functions now being performed in scattered offices include Retirement and Survivors Insurance eligibility, SSI eligibility, redetermination, and special

payment procedures, as well as others. Three-fourths of the claims representatives questioned in the staff telephone interview indicated that they favored some kind of specialization, citing the extraordinary complexity of the programs as their basic reason.

The possibility of specialization at the district office level in the computer systems area was raised a number of times by field personnel. While many of the computer problems which have plagued the SS' program over the past two years are traceable to incomplete or faulty subsystems, many errors have also been caused by erroneous actions on the part of field personnel in entering information into the system. While this problem will undoubtedly be ameliorated to some extent over time by increased training, greater experience, and perhaps by a reduction in the frequency with which coding instructions are changed, there did appear to be considerable sentiment among district office personnel in favor of specialization in the computer systems area.

The district office staffing structure does provide for an essentially clerical position (Data Review Technician) which provides this type of specialization, but the professional review of claims (including those aspects of review which involve some familiarity with the system and its coding) is the responsibility of the claims representative. While some offices have quite successfully experimented with providing one or two claims representatives in the office specialized responsibilities for handling systems-related problems, no formal policy authorizes such specialization. In fact, the staff was told that management prefers not to be informed of experiments with specialization since the approval by the Civil Service Commission of promotion of claims representatives to a top grade of GS–10 is apparently based on the exercise by claims representatives of responsibility for the full range of social security programs. It is feared that the position might be downgraded if the function is made more specialized.

3. STAFF RECOMMENDATIONS

The staff is not in a position to determine the exact personnel needs of the Social Security Administration. It is clear, however, that this agency continues to operate with too few employees for the workload and too heavy a reliance on the use of overtime. The staff is also convinced that the current excess of workload over employees to perform the workload is not a temporary phenomenon which can be solved by the employment of large numbers of temporary or quasi-temporary employees.

The staff recommends that the Administration reevaluate its personnel requirements for the SSI program and request the necessary additional positions to fully meet those requirements. In developing its estimates of personnel requirements, there should be a clear commitment to reducing overtime usage within twelve to eighteen months to a level not exceeding 3 percent of manpower requirements. The use of temporary or quasi-temporary positions should be restricted entirely to those tasks of a clerical nature which are clearly nonrecurring.

In testimony before the Senate Special Committee on Aging in May of 1975, the Commissioner of Social Security indicated that the personnel levels requested by the Social Security Administration included an assumption that there would be enacted legislation simpli-

fying both the SSI program and the Old-Age, Survivors, and Disability Insurance program. Even if such legislation had been submitted to Congress—which is not the case—the staff believes that there is no justification for basing personnel requirements on hypothetical future legislation. In evaluating its requirements, the administration should also be extremely conservative in assessing the potential manpower savings which can be realized from developments in its computer systems.

In planning for the implementation of the SSI program, the Department, according to former Secretary Weinberger, made a deliberate effort to "err on the side of holding down the size of the initial Federal work force." The staff believes that to restore the ability of the Social Security Administration to handle its workloads promptly and with a minimum of error is a matter of great urgency and that in determining the personnel needed to accomplish this, a completely open evaluation of requirements is essential. For this reason, the staff recommends that the Committee direct the Social Security Administration to submit a full report on its projected manpower requirements over the next three years including a complete description of all assumptions underlying these estimates.

The staff also recommends that careful consideration be given to the possible improvements in district office operations from the establishment of a professional level systems specialist position in the district office. If, as many offices apparently believe, such a position is essential to the proper functioning of the highly computerized SSI program, a way should be found to classify such a position at the top of the claims representative grade structure. If the Social Security Administration cannot obtain the cooperation of the Civil Service Commission, consideration should be given to specific legislative authorization for such specialization.

D. The Quality of the Product

1. EXPECTATIONS OF HIGH QUALITY

In urging the Congress to enact the bill H.R. 1 in 1972, the Administration argued that Federal administration of welfare programs, both for families and for the aged, blind, and disabled would be more efficient and accurate than the continued administration of these programs by the many different State and local welfare agencies which then had the responsibility for them. Secretary of Health, Education, and Welfare, Elliot Richardson, testifying before the Committee on Finance, on July 27, 1971 said:

> But when it comes to a function such as the determination of eligibility under a uniform national program, the computation of benefits, the cross-checking of income data to determine whether or not it has been accurately set forth in the application form, or the processing of checks, we think that the Federal Government has established a very good track record of capacity and, indeed, that this is a kind of function that can be performed with considerably greater efficiency on a uniform national basis, than it can be done by the States or localities.

If the Administration believed this to be true of the family welfare category, it should have been even more true of the aged, blind, and disabled. Only a limited proportion of those who fall in the

category of aged, blind, and disabled have varying incomes and much of the income they do have is in the form of Federal benefits, records of which should be readily available to the Social Security Administration. The categorical eligibility factors for the aged and blind are more easily verified and less subject to change than is the case with other groups, and in general the caseload is made up to a significant degree of individuals whom the Federal Social Security Administration would have dealt with in any case through the Old-Age, Survivors, and Disability Insurance program.

Social Security reputation.—In undertaking the administration of the SSI program, the Social Security Administration brought with it a long-standing reputation for accurate and efficient administration. In the three and a half decades since the enactment of the Social Security Act of 1935, the Social Security Administration had been a leader among Government agencies in developing and utilizing sophisticated data processing capabilities which permitted it to handle expeditiously and accurately large volumes of data with respect to millions of beneficiaries. Through the use of this capability, applications could be quickly and accurately translated into payments, changes of circumstance could be effectuated promptly, and suspicious activities could be identified for further investigation.

Perhaps more important than its data processing capability was the Social Security Administration's concern for accurate yet humane service to the public. A document entitled *Objectives of Social Security* is given to all new employees. This document indicates a strong emphasis on serving the public and on assuring that applicants for benefits receive all that they are entitled to under the law and that those who contribute to the social security program through payroll taxes are safeguarded against the burden of erroneous payments through careful attention to accurate administration.

Review procedure.—The philosophic emphasis on correctness has in the past been backstopped by an extensive review procedure. Traditionally, the accuracy of social security claims processing has been guaranteed by a system of full review of all work. The initial claim was taken, developed, and preliminarily adjudicated in the district office. It was then sent to one of 6 regional program centers (formerly called payment centers), which were under a different organizational component of the Social Security Administration. In the program center a second, independent review of the award made by the district office was conducted. The review was made on the basis of the full case file to determine whether the claim was properly documented, whether the documentation justified the conclusions, and whether the amount of benefit had been correctly computed. The program center reviewer had the authority to require further development of the claim either before or after he authorized payment. Claims were sent to program centers according to the social security account number of the individual on whose account the claim was based. This assured that all district offices had some of their claims reviewed by each of the program centers, and in this way national uniformity of policy was guaranteed.

In the disability area, similar double review procedures were traditionally employed. The initial determination of disability has been made by the State agency under contract with Social Security. Its

determinations were subsequently reviewed in each case by reviewers in the Social Security Administration's Bureau of Disability Insurance in Baltimore prior to authorization of payment.

This tradition of careful review of all claims including a 100 percent double professional review in each case has been modified substantially in recent years. In the case of the disability program (where double review seems to be statutorily mandated) the practice has all but disappeared.[1]

In the case of retirement and survivors insurance claims, the Administration has instituted a somewhat less extensive change. District office adjudication is final with respect to those types of claims which experience has shown to have relatively low likelihood of error. About 27 percent of all nondisability claims, however, are subjected to a second professional review in the program centers on the basis of selection criteria which identify claims which are particularly sensitive (such as denials of eligibility) or particularly error-prone (such as cases involving conflicting evidence as to birth date) or which require certain special processing best completed in the program center. In addition, 5 percent of all nondisability claims are reviewed on a random sampling basis after adjudication. Even with these safeguards, the rate of error shown by the sample review of claims finally adjudicated in district offices gives reason for concern. The 1974 sample shows an 8 percent rate of payment-related deficiencies and a 10 percent rate of incomplete documentation. These error rates are particularly disturbing since they represent only those claims which have been pre-screened as not including any particularly error-prone elements.

2. CHANGE IN TRADITIONAL REVIEW POLICY

Elimination of case review.—In planning for the implementation of the new Supplemental Security Income program, the Social Security Administration decided to largely abandon its traditional review procedures and to move instead to a system under which the final decision on all SSI claims would be made in the district office by a claims representative. No provision was made for any further professional review of the claims representative's determination prior to, or even subsequent to, authorization of payment or notice of denial. The staff believes that this decision to implement such a procedure with respect to virtually 100 percent of all claims at the beginning of the SSI program was a significant contributing factor to the difficulties which the program has experienced. One point repeatedly made by Administration officials during the debate over H.R. 1 was the advantage in an income maintenance program of centralized control as compared with the situation existing under State welfare programs

[1] Thorough examination of the changes which have taken place in the review procedures for the disability insurance program is presented in a staff report of the Committee on Ways and Means issued in July 1974. The disability insurance program is currently estimated to have long range costs which exceed by 128 percent its estimated revenues over the next 75 years. A December 1974 analysis of the program by Robert J. Myers, former chief actuary of the Social Security Administration, cites the discontinuance of the 100 percent review as one of the important elements in the adverse financial situation faced by that program: "It could be argued that the procedure of the Social Security Administration reviewing only a sample of the State disability determinations would result in a net savings to the DI system because of the reduced administrative expenses. It is likely, however, that the reverse situation is the case. Very probably, saving money by having less thorough administration is far more than counterbalanced by the cost of DI awards which were made but which did not really meet the requirements of the law, and really should have been disallowed."

which involved over 1,300 different administering agencies. While Social Security field offices clearly do not have the same degree of autonomy and variety as State and county welfare agencies, the policies followed by the Social Security Administration since the enactment of SSI have been moving in that direction with the result that district offices today have a degree of autonomy in handling claims, and in particular in authorizing SSI claims, that represents a sharp departure from past practice of the agency.

One argument in favor of permitting the claims representative in the district office to authorize payment without the necessity of subsequent review is the savings in manpower. While the elimination of elements of review in the claims process will obviously reduce administrative costs, a true "savings" exists only if the change can be made without undue increases in the amount of error in the caseload. In the case of SSI, it is clear that under the existing system a very substantial proportion of SSI cases involve payment errors which over the course of the program total hundreds of millions of dollars. It thus appears that there is considerable room for funding additional manpower to more carefully review claims out of the savings which might be realized from such review. Even apart from the potential savings of more careful review, however, the credibility and acceptability of the program is clearly undermined by the huge rates of error and overpayment which have been shown to exist in the program.[1]

Further, the substantial rates of underpayment and the likely (but unknown) rates of incorrect denial are hard to justify in a program which for many aged, blind, and disabled individuals is the only source of meeting the basic necessities of life.

While some of these errors are traceable to such problems as faulty systems and incorrect data supplied by the States with respect to conversion cases, there remains a strong probability that many of these problems could have been compensated for by a second professional review of SSI claims at least on a selective basis.

It has been argued that a single unreviewed eligibility determination made in the district office for SSI claims is simply consistent with procedural changes that have been made in the Old-Age, Survivors, and Disability Insurance programs. The staff questions the validity of that comparison, since the OASDI system of final district office adjudication was implemented only after a study to determine which types of claims were relatively error-free and not particularly sensitive. Claims not falling in that category are subject to a 100 percent second review in the program centers. It is particularly noteworthy that virtually all claims involving denial of eligibility[2] require a second review, not because they are particularly error prone but because of the seriousness of an incorrect finding on the basic question of eligibility. If this is important in the Old-Age, Survivors, and Disability Insurance program, it would seem to be even more important in the SSI program which is particularly targeted at the poorest of the aged, blind, and

[1] The issues of SSI error rates and overpayments are discussed in detail in succeeding parts of this chapter.

[2] Only denials based on lack of insured status—a factor generally based on the Administration's own computer records and not involving any significant judgmental discretion—are denied finally at the district office level.

disabled. In the SSI program, however, there is no comparable requirement for a second review of claims involving difficult issues or denial of eligibility.

It is also argued that the need for an additional review of the claims representative's work is less imperative in the SSI program than in the title II program because SSI eligibility determinations are periodically reexamined through a redetermination process. This argument may be questioned, however, since the first redetermination of the original caseload was not completed until 1976 and redeterminations of new cases coming on the rolls since January 1974 are far behind the annual schedule required by agency regulations. Moreover, even if redeterminations were done on a timely basis, the correction of an error 12 months after payment begins is not an acceptable substitute for making the correct payment to begin with. It should also be pointed out that there is no procedure for redetermining denials.

Quality assurance.—In place of having provision for case review of SSI claims on either a 100 percent or selective basis, the Social Security Administration attempts to assure quality and uniformity of determination through a sampling program known as "quality assurance." The quality assurance technique is very attractive to Federal managers since it seems to offer the results of direct review at a much smaller cost in manpower. The assumption that a sampling technique can achieve the same results as direct review is, however, only an assumption. There is no evidence to either support or refute the assumption since the quality assurance activities of the Administration remain only partially developed at present. It is clear to the staff that the existing quality assurance program falls far short of providing an adequate substitute for direct claims review.

Under the quality assurance program as it now operates, a random sample of 5,000 cases is drawn from each month's payment rolls for reexamination. These cases are fully redeveloped by regional reviewers who compare the results of their findings against the official payment record. The causes and frequencies of errors are tabulated to give the administration a picture of the rate of error, the major causes of error, and the dollar amounts of error. The monthly sample is not large enough to permit statistically valid conclusions, and results are therefore tabulated on a 6 month basis.

No quality assurance activities were in operation in the first six months of the program. The results for the four half-year sampling periods which have been completed are shown in the table below:

SSI Cases With Errors 1974-1976

[As a percent of all SSI cases]

	July-Dec. 1974	Jan.-June 1975	July-Dec. 1975	Jan.-June 1976
Overpayments	13.3	11.0	9.9	9.4
Payments to ineligibles	6.1	7.7	8.1	7.8
Underpayments	5.4	5.7	6.1	5.6
Total error rate	24.8	24.4	24.1	22.8

The official results of the Administration's review of the quality of its product indicates that, in every sampling period since the beginning of the program, nearly one out of four claims in payment contains some monetary error. Moreover, the approximately 8 percent level of ineligibility has an impact beyond the SSI program since other benefits (such as food stamps and medicaid) are affected by the fact of SSI eligibility or ineligibility.

The rates of incorrect claims for the four periods are shown on a consistent basis in the above table. With the most recent survey, the Administration has begun to show an alternative computation which eliminates certain errors which it judges to have been unavoidable (e.g., because of the timing involved in making changes). This alternative methodology reduces the overall error rate from 22.8 to 19.1 percent.

It should be emphasized that both the error rates shown in the table above and those computed under the new methodology very significantly understate the actual degree of error in the administration of the SSI program. A major factor of eligibility for close to half the caseload is not considered in these statistics—the factor of disability. Accuracy of disability determinations is measured through a completely separate quality assurance system which uses different procedures with the result that its findings cannot be combined with the findings of the other quality assurance system to give an overall rating of accuracy to the SSI program.

As the following table indicates, the Social Security Administration's sample review of disability determinations in the SSI program shows that one out of every five determinations is either wrong or based on insufficient evidence. This clearly would raise the overall error rate for SSI claims well above the totals shown above.

QUALITY REVIEW ERROR RATE IN SSI DISABILITY DETERMINATIONS

(In percent)

	January–June 1975	July–September 1975	July–September 1976
Evidence in file insufficient to support decision	15.6	16.6	(1)
Evidence in file shows decision to be incorrect	3.9	3.5	(1)
Total deficiency rate	19.5	20.1	22.0

[1] Not available.

An additional element of understatement arises from the tolerance for error which the Administration allows itself. Overpayments and underpayments of less than $5 *per month* are not included as errors. In the extreme case, this could hypothetically allow the Administration to report itself as error free even though it had payment mistakes totalling over $200 million per year. While such an extreme is as a practical matter unlikely, the staff believes that an accurate measurement of program correctness should not simply write off errors which can mean that individuals will be overpaid or underpaid by more than $50 in a year.

The two tables which follow show the State-by-State variations which exist in SSI error rates and the major types of errors found by quality assurance reviewers. These tables are subject to the above discussed fault of understating error rates in that disability determination errors are not included and errors at a rate of less than $60 per year are not considered errors.

SSI ERROR RATES BY TYPE OF ERROR: JANUARY-JUNE 1976

Error concerning	Rate as a percent of all errors	Rate as a percent of incorrect payments
Support and maintenance	16.2	10.8
Household living arrangements	13.6	14.0
Wages	8.9	8.9
Bank accounts	8.6	14.1
Social security benefits	8.5	10.9
Veterans benefits	8.3	5.8
Other income	4.0	3.2
State supplementation	3.8	3.7
Institutional living arrangements	2.3	5.1
Real estate other than home	1.8	3.4

SSI ERROR RATES, BY STATE: JANUARY-JUNE 1976

	Percentage of cases with errors				Percentage of payments in error[1]
	Total	Ineligible	Overpaid	Underpaid	
National total	19.1	6.5	7.7	4.9	8.2
Alabama	15.4	4.1	6.3	5.0	4.5
Alaska	(2)	(2)	(2)	(2)	(2)
Arizona	17.9	2.8	11.7	3.4	5.9
Arkansas	18.1	6.1	8.9	3.8	11.9
California	18.8	6.3	8.1	4.4	7.3
Colorado	14.4	5.2	5.3	3.9	5.1
Connecticut	11.3	5.3	4.5	1.5	7.6
Delaware	22.7	5.5	11.6	5.6	7.5
District of Columbia	21.9	10.1	7.7	4.1	9.5
Florida	19.4	6.8	8.4	4.2	6.4
Georgia	20.0	7.8	7.2	5.0	8.0
Hawaii	16.6	3.5	6.2	6.9	5.1
Idaho	14.1	7.5	5.8	0.8	5.6
Illinois	14.9	4.6	5.7	4.6	6.4
Indiana	11.7	5.9	5.0	0.8	6.1
Iowa	14.5	7.5	5.2	1.8	7.4
Kansas	12.4	8.1	2.3	2.0	8.2
Kentucky	25.0	7.9	11.3	5.8	9.1
Louisiana	11.5	3.5	3.5	4.5	6.6
Maine	19.1	7.8	8.1	3.2	10.3
Maryland	19.0	5.5	5.8	7.7	5.9
Massachusetts	33.4	12.2	15.5	5.7	14.9
Michigan	19.0	6.0	7.1	5.9	8.1
Minnesota	12.8	4.8	6.4	1.6	5.8
Mississippi	11.5	2.3	5.7	3.5	4.8

SSI ERROR RATES, BY STATE: JANUARY-JUNE 1976—Continued

	Percentage of cases with errors				Percentage of payments in error[1]
	Total	Ineligible	Overpaid	Underpaid	
Missouri	15.1	6.2	6.9	2.0	8.4
Montana	14.5	4.6	8.4	1.5	9.2
Nebraska	17.1	8.1	4.5	4.5	7.7
Nevada	22.2	7.6	6.5	8.1	8.6
New Hampshire	29.8	9.9	10.8	9.1	13.7
New Jersey	21.2	8.2	8.9	4.1	10.2
New Mexico	12.4	3.7	5.0	3.7	4.1
New York	22.8	7.5	8.6	6.7	8.9
North Carolina	24.2	7.4	10.4	6.4	9.4
North Dakota	15.7	6.3	7.8	1.6	8.9
Ohio	13.4	5.2	4.3	3.9	6.7
Oklahoma	8.7	3.1	3.6	2.0	7.4
Oregon	13.7	7.2	4.3	2.2	5.0
Pennsylvania	19.0	6.7	8.3	4.0	8.2
Rhode Island	24.4	11.5	7.2	5.7	13.9
South Carolina	28.5	11.9	6.8	9.8	13.6
South Dakota	21.1	10.2	5.7	5.2	10.2
Tennessee	18.6	6.2	7.7	4.7	6.6
Texas	21.9	6.8	8.8	6.3	11.8
Utah	19.3	10.1	7.5	1.7	14.0
Vermont	16.0	5.7	8.8	1.5	6.3
Virginia	22.3	7.1	9.1	6.1	11.1
Washington	19.8	6.7	8.7	4.4	9.2
West Virginia	16.3	4.1	5.1	7.1	8.1
Wisconsin	18.7	6.7	6.7	5.3	7.5
Wyoming	15.0	7.5	2.8	4.7	5.6

[1] Includes amounts overpaid and payments to ineligibles.
[2] No review conducted in Alaska.

NOTE.—Rates shown in this table reflect the revised methodology which does not include errors which the Administration considers unavoidable.

The quality assurance results are clearly a valuable management tool for determining the overall accuracy of program operations and for identifying major national or regional problem areas. The quality assurance program does not, however, provide the type of control over the claims determination process which is necessary to meet the objective of giving both taxpayers and recipients reasonable confidence that the laws are being uniformly and accurately applied and that eligible individuals are receiving the correct benefits.

While the present quality assurance program should pick up any common errors caused by faulty policy direction from the central office or regional offices, it cannot be counted on to pinpoint individual employees or offices which may be misinterpreting or incorrectly applying policy. Put another way, if a recipient is so unfortunate as to have an error made by the claims representative handling his case, there is very little chance that that error will be detected by the quality assurance program. Moreover, even if that claims representative makes the same type of error repeatedly, it will almost surely be several months and could be several years before this is detected by the quality assurance program.

An effective quality assurance program should pinpoint both actual payment errors and faulty documentation procedures which cause or

could cause errors. In practice, however, the existing quality assurance system calls for a review of the individual case folder only where a payment error is discovered and it appears that that error occurred in the initial claims-taking process. Even in these cases, the staff was informed in its field visit to a reviewing office that the casefile review is frequently omitted because of the difficulty of retrieving the claims folder. At the time of the field visit, it appeared that the recapture of claims folders was considered virtually impossible. This situation has improved, but there are still a significant proportion of cases in which the review must be completed without any reference to the actual documentation.

Another major deficiency of the present quality assurance program is the absence of a comprehensive case action sample. The present program relies on a sample of the entire caseload which gives information as to the overall accuracy of the benefit rolls but is very slow to identify new problems which may arise. A specific sample of all cases on which action is taken each month would be needed to assure the prompt correction of errors which might be caused by such things as new instructions which are open to misinterpretation or a deficiency in the training of new claims representatives.

A very significant fault with the quality assurance program has been the lack of a review of denied cases. As noted earlier, the Social Security Administration in handling its traditional Old-Age, Survivors, and Disability Insurance program requires a second professional review of virtually all denials on the basis that this a particularly sensitive issue. But there is no such requirement for SSI denials. Errors made in denials are also not subject to correction through the redetermination process. Given these facts, it would seem particularly important that denials be reviewed through the quality assurance program—but this also is not presently done. The staff is informed that a sample of allowances and denials was instituted in 1976. However, this sample is being done in only 1 percent of the cases (compared with the 5 percent sample done for Old-Age and Survivors Insurance claims) and does not cover all case actions but only initial claims allowances and denials. These reviews of allowances and denials were suspended at the end of 1976, but are expected to be resumed soon.

The elements which are missing from the quality assurance program are precisely those which are most important if that program is to live up to its name and assure the quality of the SSI program operations. Up to the present, however, the main objective sought to be served by the quality assurance efforts has been the determination of relative State and Federal fiscal liabilities, and this function is served primarily by the untargeted caseload review which is in operation. The Committee staff has been assured that the other elements will be added to the quality assurance program at some future time, but there does not appear to be a very high priority given to this development.

District office review.—An additional review feature has been introduced into the Social Security Administration in the form of a new district office position, called "operations analyst." This individual is charged with making a sample review of the product sent out of the district office. While this is an encouraging development, the

staff found that the functions of this position seem to vary quite widely from office to office. In some offices, the results of the operations analyst review have a direct impact on the claims process in that a deficiency found by the operations analyst is directly, or through a supervisor, referred back to the responsible individual with a clear requirement for corrective action. In other offices, the findings of the operations analysts are considered only advisory in nature, and the claims representative is free to reject or ignore their findings. Similarly, the degree of review varies widely, although the number of cases and types of cases reviewed are apparently determined according to a formula specified by the central office.

The staff found that in some offices the operations analysts do not question judgmental calls by claims representatives, or at least give the claims representative the benefit of the doubt in such cases, and limit their review to technical accuracy in completion of forms and presence of required documentation. In fairness, however, it should be pointed out that this is a new position. With experience and increasing numbers of operations analysts, a significant improvement in district office accuracy may indeed result. The staff feels that the operations analyst position should prove to be a valuable management tool for district office managers to enable them to identify weaknesses and assure themselves of the overall quality of their product. The staff does not believe, however, that this position can ever constitute an effective tool for providing the control and review of the claims by the Social Security Administration which is necessary to assure that social security offices are providing accurate and uniform application of the social security and SSI statutes.

3. THE ROLE OF THE FIELD OFFICE

For most people who have occasion to claim benefits or make inquiries concerning programs administered by the Social Security Administration, the local district or branch office is their point of contact with the agency. This local field office has always played a vital part in the development and adjudication of claims and in the handling of changes which take place after entitlement. The SSI program placed enormous strains on the capability of field personnel.

The existence of the program by itself added to the already great demands on field personnel, most of whom are required by their job descriptions to be generalists, to understand complex requirements of several different programs in sufficient detail to judge entitlement under each of these programs on a case-by-case basis. This task was made all but impossible by severe deficiencies in policy development and training. Many basic policy decisions were not made until just before or even sometime after the effective date of the program with the result that field personnel were either unable to find authoritative policy guidance with respect to the new program or required to keep pace with frequently shifting interpretations of policy decisions which remained in flux.[1] In addition, field office employees were simultaneously faced with the need to learn to operate an essentially new district office based computer system which involved, among other things, the arcane ability to cipher and decipher claims data

[1] To some extent the problem of fluctuating policy decisions is a continuing one. The staff understands that policy changes in some very basic elements of eligibility remain under consideration and some policy areas remain unclear. Policy development is discussed in more detail in the following chapter of this report.

into and from computer codes. Again, the incomplete state of the computer systems throughout most of the period since the program began substantially increased this burden by requiring field personnel to keep track of a continual stream of procedural and coding changes while coping with a system which was inadequately supplied and, in consequence, frequently broke down, adding to the workload on district office employees.

At the same time that field personnel were being asked to absorb massive doses of new policy and procedure, the manpower situation in the agency was stretched to and beyond reasonable limits. As described earlier in this chapter, the initial assumptions on manpower levels needed proved far short of the mark and attempts to obtain authority for additional manpower got badly bogged down. Beyond this, however, the estimated allocation of field personnel among different regions also proved faulty.

While additional time was allocated for training in the manpower estimates, this additional time was more than offset by the unanticipated manpower demands on claims processing. As a result, actual training efforts have been very sketchy. The staff telephone survey found particular dissatisfaction with the extent of training of field personnel in computer-related operations. Those new trainees for the basic claims representative job who received formal classroom training over a number of weeks in the responsibility of their jobs tended to get only a cursory introduction to SSI—apparently because policy was uncertain and trained trainers were unavailable.

Complicating the situation still further, the agency experienced a very high rate of turnover in its field office personnel during the initial phase of the program. A variety of reasons have been advanced for this high turnover. One factor was the substantial expansion in regional office and central office employment occasioned by the new program which drew the most able and experienced employees from the field offices. Some district office personnel clearly found difficulty accepting the new "welfare" clientele represented by SSI. The continuing requirement for working extensive hours of overtime was also cited as a cause for employee dissatisfaction, as was the necessity to learn still another complex program and an almost entirely new and difficult set of procedures.

All of these factors placed an enormous burden on the district office employees who remained or who came to fill the jobs of those who had left. At the same time, the agency undertook an apparently conscious (although in some cases informal) movement in the direction of placing greater and greater autonomy on the field office. The establishment of a quality review function in the district office, described in the preceding section, is one indication of this movement in the direction of autonomy. Clearly, in the very important area of claims determination, the Social Security Administration has made a significant shift away from its traditional methods in the direction of giving final review authority to the claims representative. This, as described earlier, is true even in the Old-Age and Survivors Insurance program. Comparable autonomy has been conferred on State disability examiners in the case of disability insurance and SSI disability claims. But even in the area of administrative procedure, district offices seem to have been given a great amount of freedom of action. In the case of quality reviewers, this was reflected in the differing approaches to the nature and application of the reviews conducted

in different offices. Similar examples were found in a number of other aspects of district office operation.

One example of discrepancy in procedure among offices is the handling of the basic SSI award document. After this form is signed by the claims representative who authorizes payment, a clerical employee (the data review technician) transmits the data contained on the document to the central office computers which effectuate payment. In some offices, the staff found that claims representatives do not feel that their signature in any way attests to the validity of the data entered on this form but merely attests to the adequacy of the documentation within the claims folder. In other offices, claims representatives (and management) emphatically told us that a claims representative in signing this document is held responsible for having reviewed the coding of the document to assure that it does, in fact, reflect the information in the claims folder in every respect.[1] The staff has been told convincingly that in some offices there are many claims representatives who do not have the capability of verifying the accuracy of the award document since the procedure in those offices is to leave this coding function entirely to the data review technicians.

Another example of the varying procedure from office to office has to do with the handling of claims after the award or denial information has initially been transmitted from the district office to the computer system. At the time the staff was surveying district offices, there seemed to be no uniform procedures in effect for following up on initial claims to assure that the award or denial action was in fact effectuated. In some offices, the claims representative authorizing a payment remained responsible to follow up on the claim until notice was received from the computer that the required action had been taken. He was then responsible for comparing the computer-generated notice with the claims folder in order to assure that the action taken by the system was in fact consistent with his initial determination. In other offices, this procedure varied widely, and in some offices no control was kept. Notices from the computer to the district office to the effect that payment could not be made for one reason or another were sometimes simply filed in the claims folder with no follow-up action being taken by the district office unless the individual contacted the office to find out what had happened.

To some extent, the autonomy the staff found in the operation of district offices is a byproduct of a workload which is beyond the administration's capacity. For example, one district office employee felt he had to choose among those things which were theoretically required in documenting an SSI claim, since he had insufficient time to comply with all the requirements. Similarly, in questioning central office management with respect to procedures in district offices for verifying the computer results against the claims data originally sent from the district office, the staff was told that certain procedures were required but that management was aware that those requirements were not being complied with in many instances.

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[1] The actual instructions in the SSI handbook seem to indicate a middle position between these two. As we interpret the manual, the claims representative is responsible for coding the form in all those cases in which there is some conflicting evidence in the file. All other elements of the coding, however, are the responsibility of the data review technician and need not be verified by the claims representative.

In the case of the use of specialized claims representatives, the autonomy of district office procedure apparently results from the inability of management to obtain Civil Service Commission approval for a procedure which local management found essential to meeting the workload. As a result, the regional offices (and presumably the central office) essentially closed their eyes to this independent action on the part of local managers.

4. REDETERMINATION OF ELIGIBILITY

The SSI statute provides that the SSI beneficiary's eligibility for benefits and the amount of benefits shall be redetermined "at such time or times as may be provided by the Secretary." Since SSI eligibility is dependent upon a number of factors which may vary from time to time, such as the amount of additional income, the amount of savings, and (in the case of State supplementary benefits) the State of residence, it is necessary to have some procedure whereby the initial determination of eligibility can be periodically rechecked to assure that those on the beneficiary rolls are properly there and that they are continuing to receive the correct amount of benefits.

The official policy adopted by the Social Security Administration calls for all SSI cases to be redetermined at least once a year with provision being made for scheduling more frequent redeterminations in cases where a change in circumstances can readily be anticipated. For a number of reasons, a redetermination at least annually is particularly important in these early stages of the program. Since most beneficiaries were converted from the State assistance rolls, the Social Security Administration did not have the opportunity to conduct a personal interview with them prior to commencing payment to make sure that they understood the necessity of reporting events which might affect their eligibility. In addition, the uneven quality of the data transfer between the States and the Social Security Administration to effect these conversions indicates a high necessity of prompt review to correct deficiencies and errors. The systems problems, and particularly, the lack or incomplete state of development of systems for automatically cross-checking earnings posted to social security wage records or benefits under other Federal systems such as the civil service retirement or veterans programs, means that changes may well have occurred without being reflected in changes in benefit payments. In addition, a relatively frequent review at the beginning of the program would make it possible to validate the types of claimants for whom more or less frequent review may be appropriate.[1]

For all of the above reasons, the necessity of an effective and prompt redetermination process was foreseeable. Unfortunately, the personnel shortages which have undermined all aspects of SSI operations have also gravely affected the redetermination process. Although official Social Security Administration policy requires yearly redetermination, the actual performance falls far short of this goal. As of December 1975, two years after the program became effective, the first redetermination of those claims initially transferred from the State rolls remained incomplete. Moreover, there is considerable doubt as

[1] Under the program of Aid to Families with Dependent Children, the regulations of the Department of Health, Education, and Welfare require State welfare departments to make a redetermination of eligibility at least once every six months. Redeterminations every 12 months were required for the programs of aid to the aged, blind, and disabled prior to the inauguration of the SSI program in 1974.

to the quality of the redeterminations which are now being made. In the course of the staff survey of district offices there were frequent reports of very superficial and hasty treatment of redeterminations. One office which had been placing great emphasis on doing a careful and thorough job of redeterminations indicated that it was being forced to abandon this approach because of the pressure to get through the caseload by December 1975. The staff was told that in some instances the redetermination interview is being conducted on a mass basis involving perhaps 10 or 20 claimants at a time in order to complete the redetermination of cases converted from the State rolls.

The staff feels that this approach to the redetermination process represents a very questionable economy. Rapid and careless redetermination not only increases the chances of missing errors with the result that an unduly large number of overpayments and underpayments will continue until the next redetermination but also eliminates the opportunity to assure that beneficiaries understand their responsibilities under the new program.

The staff believes that the Social Security Administration recognizes the inadequate quality of the first round of redetermination of cases transferred from the State rolls in January 1974. On September 8, 1975, the Commissioner of Social Security testified in hearings before the Subcommittee on Oversight of the House Ways and Means Committee that the Administration is considering a budget request for manpower to conduct "a second complete review of these same records." While it is not entirely clear how this differs from the obligation under existing regulations to conduct an annual redetermination of all cases, it seems to indicate an acknowledgement of the likelihood that the redetermination process to date has been not only slow but also inaccurate. The most recent quality assurance sample (January–June 1976) appears to confirm this finding. The percentage of erroneous cases, after adjustment for those caused by "unavoidable" circumstances, was reduced only to 16 percent where a redetermination had been completed (as compared with 19 percent for the entire caseload).

5. THE OVERPAYMENT SITUATION

As of December 31, 1976, Social Security Administration records indicated that the total of identified overpayments to SSI beneficiaries amounted to $913 million for the first 3 years of the program. Of this total only $105 million had been collected with very little expectation that any significant portion of the remainder would ever be recovered.

This large total of SSI overpayments, which has received considerable attention in the press, apparently understates the actual overpayment situation to a significant extent. The extrapolations made by the Social Security Administration for the two-year period July 1974 through June 1976 indicate that, if the quality assurance sample is valid, overpayments for that period were $1.2 billion. Thus the actually identified overpayments for 3 years are much less than the projected overpayments for 2 of those 3 years. This would seem to indicate that a very substantial proportion of overpayments are not even being identified on a case-by-case basis.

While the overall total of overpayments is a dramatic indication of the problems within the SSI program, it is not a very useful tool for analyzing what those problems are since it represents a combination of many causes. Based on the quality assurance sample, however, the following table shows the dollar amount of overpayment for the months January-June 1976 by cause.

SSI OVERPAYMENTS (JANUARY 1976-JUNE 1976)

[Millions]

Cause:	Amount of overpayment
Bank accounts	$42
Household living arrangements	42
Social security benefits	33
Support and maintenance	32
Wages	27
Veterans benefit	17
Institutional living arrangements	15
State optional supplementation errors	11
Real property other than home	10
Other income	10
All other [1]	60
Total	300

[1] The other cause category is composed of numerous items none of which total as much as any of the specific causes listed above.

From the above table, it is clear that the great bulk of SSI overpayments arise from errors related to basic eligibility factors so that a more thorough process for determining and redetermining eligibility might be expected to substantially improve the situation. In the staff telephone survey of district offices, the overpayment problem was the most frequently raised concern of Social Security employees. Attitudes of employees towards this problem varied to some extent, but in general seemed to reflect a concern that the existence of widespread and large overpayments constituted a hopeless dilemma. On the one hand, the very existence of the overpayments and the possibility that they would by and large prove uncollectible seemed to them to hold great potential for bringing the entire program into a degree of public disrepute. A matter of particular concern was the large amount of many of these overpayments. Overpayments totalling several hundred dollars were not uncommon and one office stated that it had two overpayment cases exceeding $10,000.

On the other hand, district office employees felt that the circumstances surrounding many of the overpayments were such that collection could not realistically be anticipated. Many of those overpaid had in fact received inadequate explanation of their reporting responsibilities. In other cases the overpayments resulted from system malfunctions as, for example, where the interaction between the social security benefit record and the SSI benefit record generated an incorrect payment, even though the beneficiary had not provided any incorrect information. Even where beneficiaries were partially or totally at fault, many district office employees felt that the bulk of overpayments would prove uncollectible.

In practice, the Administration has taken a varied approach to the overpayment question. Because of the extremely large workload of overpayments, collection activities were initially limited to the large overpayments (those exceeding $450). All overpayments amounting to less than $45 during the first year of the program were administra-

tively waived and action to collect overpayments between $45 and $450 during that first year was deferred. Some attempts to recover these first year overpayments in the $45 to $450 range were made although many of them were waived on the basis of information in the file without contacting the beneficiary.

Ultimately, the SSI computer system will initiate an attempt to recover overpayments as they are identified but that capability is not yet in effect. At present, the system annotates the individual's record so that an attempt to recover overpayments can be made at the time of redetermination. In addition, the computer system sends lists of large overpayment cases to the district offices which are then responsible to initiate appropriate action for recovery or waiver. There is, however, very little expectation of any substantial recovery.

6. STAFF RECOMMENDATIONS

The staff recognizes that the reasons for the level of error found today in the SSI program are complex and that much time and effort will be required to make substantial improvements. Nevertheless, by any reasonable standards, there is serious trouble in a program which pays incorrect benefits to nearly one-fourth of the caseload, which disburses from the Treasury more than a half billion dollars in overpayments annually—only about half of which are identified on a case-by-case basis and very little of which are recovered.

In releasing its SSI quality assurance findings, the Social Security Administration has emphasized the comparability between the rates of error existing under the former State welfare programs and the rates of error found in SSI. An overall 24 percent error rate was indicated by a July–December 1972 sample of the State programs of aid to the aged, blind, and disabled and a 25 percent error rate was indicated by the July–December 1974 SSI quality assurance sample. (For January–June 1976 the rate is 23 percent—or 19 percent after the new adjustment for "unavoidable" errors.) The staff believes that this comparison is misleading for three reasons. First, it implies that the performance of the States in administering welfare programs is representative of what was expected of the Social Security Administration. In fact, the SSI program was given by Congress to that agency with the full expectation that it would be better able to administer an income maintenance program than the States. Second, the use of 1972 State performance results is in itself somewhat misleading since State welfare programs have shown substantial improvements in accuracy since that time. Between 1973 and 1976 there has been a 40 percent percent reduction in the case error rate in State programs of Aid to Families with Dependent Children. Third, the SSI program actually has fewer variables and is less complex than many of the previous State-administered programs.

The staff is also seriously concerned by the evidence that the quality of administration of the traditional social security programs of Old-Age, Survivors, and Disability Insurance has also deteriorated over the past few years. While a detailed examination of this problem is beyond the scope of this report, the staff notes that its interviews of field personnel and particularly district office operations analysts found widespread belief that errors in OASDI claims are now substan-

tial. A Social Security Administration sample of the program during the last half of 1976 indicated that the more difficult claims which are reviewed in the payment center had a 14 percent error rate while the claims finally reviewed in the district office, even though selected as less "error prone," were still erroneous in 7 percent of the cases. This represents an increase of about 50 percent in payment-related errors over the 1972 sample.

While recognizing that there are a variety of problems contributing to the unacceptable quality of the current Social Security Administration implementation of the SSI program, the staff is convinced that an inadequate level of control and review in the claims process is a significant contributing factor.

The staff recommends, as an immediate step, that the Administration reinstitute a continuing review of denied claims and eliminate the $5 tolerance level it now allows itself; in this way the quality assurance sample will give a more accurate reading of the actual quality of administration.[1] The staff further recommends that the Social Security Administration undertake on an urgent priority basis the expansion of its quality assurance program to include a continuous and substantial case action sample (including both initial claims and posteligibility changes) and such other elements as are needed to substantially increase its usefulness as a tool for monitoring and controlling the quality of SSI claims processing. The staff also believes that the Administration should use the existing quality assurance results to identify categories of SSI claims which are particularly prone to error. On the basis of these findings, intensive training to eliminate the causes of those common errors should be undertaken and a procedure should be implemented for subjecting claims in those categories to a second professional review outside the district office in which they are initially adjudicated. A second professional review should also be instituted for claims which are particularly sensitive and, in particular, for all claims involving denial of eligibility.

With the January–June 1976 quality assurance sample, the Social Security Administration has begun to classify errors as being "agency" caused and "beneficiary" caused. With this methodology, more than one-fourth of the payment error is shown as traceable to non-reporting of changes. The staff believes that this is a strong indication of inadequate administrative procedures for obtaining reports and recommends that the administration promptly institute a simple, postcard style reporting form which each beneficiary must submit quarterly stating whether or not there has been a change in his circumstances which could affect any of the basic eligibility factors.

With respect to redetermination, the staff is convinced that the current high error rate makes it absolutely essential that all SSI claims be redetermined on a thoroughgoing basis no less frequently than once a year—an objective not now being met on either a quantitative

or qualitative basis.[2] Accordingly, the staff recommends that the Committee direct the Social Security Administration in its 3-year projection of manpower needs (recommended in section C of this chapter) to include specific estimates of the personnel needed to conduct annual and thorough redeterminations of eligibility for the entire SSI caseload including provisions for more frequent redeterminations in appropriate categories of claims.

The staff believes that the enormous total of SSI overpayments and the fact that virtually no attempt to collect these overpayments is made until long after the overpayment is discovered has created an understandable lack of public confidence in the integrity of the program. Moreover, the delay in attempting to collect the overpayments in itself makes their ultimate recovery, which is difficult in any case, even more unlikely. Even where such recovery is accomplished, the staff believes that the lengthy delay in achieving recovery is unfair to those claimants who do make the repayment long after they, perhaps unknowingly, received the incorrect benefits. The staff therefore recommends that the mechanism for collecting overpayments be improved and, in particular, that the capability be developed to institute recovery action automatically as soon as overpayments are discovered. However, the staff finds itself in reluctant agreement with the finding that much of the enormous amount of overpayment currently outstanding will prove to be uncollectible. Thus, while the attempt should be made to recover as much of that overpayment as possible, the staff recommends that the higher priority be given to improving the ongoing quality of the SSI claims process so as to minimize future overpayments and underpayments.

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[1] The staff realizes that a review of denied claims does not neatly fit into the structure of the current quality assurance sample which is based on a percentage of the cases in payment status. However, it should be possible to construct a reasonable methodology for imputing to the caseload an additional underpayment error rate based on a sample of denied claim cases.

[2] The staff notes that the Senate Finance Committee report on the legislation establishing the SSI program indicates that redeterminations should take place more often than annually except where circumstances clearly indicate that frequent redeterminations would serve no purpose: "In some cases, the financial status of beneficiaries will fluctuate during the year and periodic examination of an individual's income and resources would be needed in order to assure that benefits paid would be based on current income. Therefore, the Secretary ordinarily would make a redetermination as to income and resources on a quarterly basis. Somewhat less frequent redeterminations of income and resources, however, would be required in the cases of the very old, blind, or the extremely disabled—where large increases in income are unlikely. Whenever changes in income do occur, however, they would have to be reported and appropriate adjustments in the amount of benefits payable would be made." (S.Rept. 92-1230, p. 386)

CHAPTER THREE

SSI POLICY FORMATION

A. General Discussion of Policy in SSI

One of the hallmarks of the social security program in this country has been its clear delineation in the statute. In the booklet *Objectives of the Social Security Administration*, which is given to all Social Security Administration employees, this characteristic is described as follows:

> Who is entitled to benefits, how much, and under what circumstances is a matter of national law. Our job is to apply the law under a great variety of circumstances and conditions in such a way that all people can depend on getting equal treatment regardless of who they are or where they come in contact with the organization.

In giving the Social Security Administration the responsibility for the SSI program, Congress had reason to presume that it was extending to this new program the same tradition of strict adherence to the statute. In developing a completely new program like SSI it was inevitable that there would be some areas in which the statutory provisions would be unclear or, if strictly applied, would appear to have unintended and perhaps undesirable results. As such problems were identified by the Administration, it could reasonably have been anticipated that the Congress would have been informed of these problems and would have received recommendations for appropriate legislative remedies. In its proper desire to maintain the nature of the Old-Age, Survivors, and Disability Insurance program over the years, the Social Security Administration has followed just this procedure. Time and time again, the agency has requested legislative amendments so that it could operate within the letter of the law even down to the smallest details.

Unfortunately, with the SSI program the Department of Health, Education, and Welfare has pursued a quite different approach. In early 1973 the Administration proposed a series of essentially technical amendments. Since then the only formal recommendations for changes in the law sent to the Congress prior to July 1975 were a proposal to tie benefits under the SSI program to the cost of living (which the Congress enacted) and a proposal to disregard that provision and limit increases in 1975 to only 5 percent (which the Congress did not enact). In July of 1975 the Department did send a draft bill to the Congress, but this bill dealt with only three relatively minor SSI issues.

With these limited exceptions, the Department has apparently tried to avoid any legislative recommendations. It has, instead, relied on the use of administrative discretion to a degree that is certainly incon-

sistent with the traditional approach to Social Security law and, in many instances, seems clearly in conflict with any reasonable interpretation of statutory intent.[1]

In some areas the Department apparently took the position that the meaning of the law was not to be based on its best reading of the statute and the legislative history, but was to be a matter for negotiation among the various interest groups—in particular, between HEW and the States.

Thus, for example, when hearings were held by the Committee on Finance on the SSI program in June 1973, the Secretary of Health, Education, and Welfare, to show that preparations were indeed well under way for administering the program, inserted in the record a letter he had sent to the Governor of one of the States spelling out interpretations of the law which at that time had not been published as even proposed regulations and which were only published as final regulations on February 15, 1975. The staff's analysis of some of the major policy decisions made by the Department in implementing the SSI program indicates that in some areas the Department has established policies which are clearly contrary to the law. Even apart from this problem, however, many of the policy decisions made by the Department have had the effect of unduly complicating the administration of the program and of modifying to some extent its basic nature in a direction which is inconsistent with the intent of Congress in creating the new SSI program.

B. Policy Decisions Contrary to Statute

1. DRUG ADDICTS AND ALCOHOLICS

One provision of the SSI statute places certain limitations on the payment of benefits to beneficiaries who are on the rolls on the basis of disability and who are medically determined to be drug addicts or alcoholics. Benefits to such individuals cannot be paid at all unless they are undergoing approved treatment (if such treatment is available). In addition, where benefits are payable to such individuals, the Social Security Administration is required to make the payments only indirectly through a representative payee who is interested in or concerned with the recipient's welfare. The statute and the legislative history are unmistakably clear that this requirement applies to all disabled recipients who are found to be addicts or alcoholics and not only to those who are found to be disabled because of their addiction or alcoholism.[2]

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[1] Perhaps because of the degree of discretion which the Department has carved out for itself in the SSI program, the policy development process for the SSI program has been extremely slow. Proposed regulations for the new program began to be issued only in late 1973 and even today, over 4 years after enactment, some regulations have not been issued in final form.

[2] The legislation as passed by the House was drafted in such a way as to clearly apply only to those whose disability is based on addiction or alcoholism. The Senate-passed legislation excluded addicts and alcoholics from any SSI eligibility, setting up instead a separate program for such individuals under a new title of the Social Security Act. The Conference agreement followed the House-passed provision but modified the statutory language in such a way as to broaden the scope of the limitations in the House version to apply to all disability recipients who were addicts or alcoholics.

These statutory requirements do pose difficulties for the Administration. This was particularly true in New York City where large numbers of addicts and alcoholics were grandfathered into the SSI program from the former State welfare rolls and where there was a conspicuous lack of agencies or individuals sufficiently interested in the welfare of these persons to act as representative payees for them. While the staff appreciates the difficult situation faced by the Social Security Administration in connection with this provision, it must point out that even to the present date there has been no formal request transmitted to the Congress for amending legislation. Instead, the Administration has chosen simply to adopt a policy contrary to the law.

To limit the scope of the problem that had to be dealt with, the Department ignored the statute by adopting a regulation which applies the payment restrictions only to those individuals whose addiction or alcoholism was the deciding factor in their eligibility for SSI. Since addiction or alcoholism is ordinarily not a basis of disability findings under the SSI program, this decision effectively limits the impact of the provision to those relatively few individuals who were grandfathered into the program as addicts or alcoholics from the State rolls. Thus, under the Department's policy, in February 1976, California had only 459 "addicts and alcoholics" for SSI purposes. The total for the Nation was 10,097—with New York accounting for 8,696. While there is no way to estimate the number of other SSI recipients who would be considered addicts or alcoholics if the law were correctly applied, it clearly would be well above these numbers since individuals with organic impairments (such as liver damage) caused by alcoholism or addiction can qualify for disability on the basis of those impairments.

Even for this limited universe of cases, however, the Administration has been unsuccessful in complying with the limitations imposed by law such as the requirement that payment be made only through a representative payee. The Administration has therefore adopted a policy of making payments directly to these individuals even though this is specifically prohibited by law and by the Administration's own regulations.

The Social Security Administration has communicated to the Committee on Finance its difficulty in finding representative payees. However, until late in 1975 the Committee had been led to believe that there was reasonable expectation of being able to work out an institutional arrangement for complying with the law for the grandfathered population at least. This hope appears to have disappeared, but there

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and not to only those whose disability was based on addiction or alcoholism as is shown below:

House Bill (H.R. 1)	Public Law 92-603
No person who is an aged, blind, or disabled individual solely by reason of disability (as determined under section 2014(a)(3)) shall be an eligible individual or eligible spouse for purposes of this title with respect to any month *if such disability is determined by the Secretary to be the result* in whole or in part of drug abuse or alcohol abuse unless... (emphasis added).	No person who is an aged, blind, or disabled individual solely by reason of disability (as determined under section 1614(a)(3)) shall be an eligible individual or eligible spouse for purposes of this title with respect to any month *if such individual is medically determined to be a drug addict or an alcoholic* unless . . . (emphasis added).

has still been no formal proposal by the Administration to deal with this problem.

The table which follows is reproduced from the Annual Report of the Social Security Administration for fiscal year 1975. It shows that, as of July 1975, there were 10,000 SSI recipients who, by the Administration's restrictive definition, should have been mandatorily receiving payments through representative payees. This requirement was being met in less than 30 percent of the cases.

TOTAL SSI RECIPIENTS WHO WERE DRUG ADDICTS OR ALCOHOLICS AS OF JULY 1975

	New Claims	Conversions	Total
With Representative Payee	1,043	1,842	2,885
Without Representative Payee	292	7,044	7,336
Total	1,335	8,886	10,221

One practical result of the Administration's misinterpretation of the law was pointed out to the staff in its visit to a large district office in California. According to the personnel in that office, persons who are in fact addicts or alcoholics but who receive SSI on the basis of some other disabling condition frequently have difficulty managing their funds. It sometimes happens that such an individual, having exhausted his SSI payment early in the month, will return to the district office demanding further assistance (which cannot legally be provided) or even alleging that he never received his benefit check (which can result in the issuance of an incorrect duplicate check). Even apart from such occurrences, the direct payment of SSI benefits to an individual who because of alcoholism or addiction cannot manage his funds properly often imposes unnecessary hardship on that individual himself. However, current Administration policy not only ignores the statutory requirement that such individuals have their benefits paid through representative payees but actually prohibits the use of such payees in the absence of medically certified incompetence.

2. PAYMENT TO PERSONS IN MEDICAID INSTITUTIONS

The SSI statute limits the payments for individuals who are patients in medicaid institutions to $25 per month. The theory behind this provision is that the basic living expenses which the SSI payment ordinarily is intended to cover are being met and that the only cash income necessary for the individual is a personal needs allowance represented by the $25 payment. The statute says that this limitation is applicable "in any case where an eligible individual or his eligible spouse (if any) is, throughout any month, in a hospital, extended care facility, nursing home, or intermediate care facility receiving payments (with respect to such individual or spouse) under a State plan approved under title XIX."

The unambiguous language of the statute is that the $25 per month payment limitation applies in "any case" where the beneficiary is in an institution which is receiving payments from medicaid for providing care to him. There is no indication that the amount of those

payments is to be considered, and nothing in the reports of either the Committee on Finance or the Committee on Ways and Means supports any more complicated interpretation than this. Nevertheless, the Administration took it upon itself to limit the applicability of this provision to only those cases in which the amount of payment being received from medicaid constitutes at least 50 percent of the cost of the individual's care in the institution. Thus in the case of an aged person who is getting part of his institutional care bill paid by the medicare program and part paid by the medicaid program, the $25 monthly payment maximum under SSI is applicable only where medicare is paying less than half and medicaid more than half of his bill. If medicare picks up more than half of the bill, then the full payment standard applicable to noninstitutionalized individuals is used.

Thus, perhaps because the departmental policymakers did not approve of the policy plainly established by the statute as passed by the Congress and approved by the President, they modified that policy by placing an additional restriction on its applicability. The staff cannot determine any basis on which this policy determination could be justified on the grounds of administrative necessity. In fact, it appears that this is one of the areas in which a policy decision contrary to law made the program more complicated and more difficult to administer. Under the strict statutory provision, all that the Social Security Administration would have to determine for an institutionalized individual was the fact of some medicaid payment being made; this would trigger the reduced payment rate. Because of the additional restriction, however, the Social Security Administration now is burdened with the necessity of determining whether the medicaid payment amounts to 50 percent or more of the cost of care. Thus for each institutionalized beneficiary two additional eligibility factors (the cost of care and the amount paid by medicaid) must be determined, correlated, and monitored.

3. SSA REVIEW OF DISABILITY DETERMINATIONS

In writing the SSI statute the Congress determined that the disability aspects of the SSI program should closely follow the disability aspects of the Old-Age, Survivors, and Disability Insurance program. To this end the definition of disability in the SSI law is identical to that in title II of the Social Security Act establishing the Disability Insurance program. Furthermore, section 1633(a) of the SSI statute authorizes the Social Security Administration to enter into agreements for disability determinations to be made by State agencies which also make the disability determinations under the disability insurance program.

The statute clearly states that these agreements for State agency determination of disability are to provide for such determinations to be made "in the same manner and subject to the same conditions as provided with respect to disability determinations under section 221." Section 221, however, specifically provides authority for the Federal agency to reverse State agency disability determinations only to the extent that such determinations are favorable to the claimant. In other words, if the State agency finds a claimant eligible, the Social Security Administration can reverse this finding. If the State

agency finds that eligibility begins as of a given date, the Social Security Administration can find that it began as of a later date, but not as of an earlier date. Again, the statute is clear on its face and there is nothing in the legislative history to suggest congressional intent contrary to the statute. Yet the Department, in developing its policies, has decided to depart from the statutory language and from the intent to have the disability aspects of the two programs as closely related as possible and has undertaken the responsibility and authority to reverse unfavorable disability determinations made by the State agencies. Given the limited amount of review of State agency decisions which is actually being done, this policy determination may have had little practical effect thus far. However, it is a part of the pattern of questionable policy decisions and, like some of the other decisions, it goes in the direction of making the program more complex to administer than the program envisioned by the Congress.

4. STATE SUPPLEMENTATION

In designing a new Federal income supplement program for the aged, blind, and disabled, the Congress was not in the position of starting from scratch. There were already in place programs of aid to the aged, blind, and disabled in the 50 States and the District of Columbia.[1] While a major objective of the new program was to have as great a degree of national uniformity as possible, it was recognized that the realities of the existing programs would have to be dealt with. Specifically, in writing the original SSI statute, the Congress recognized that States which previously had been providing a higher level of assistance than was available under the new Federal program would want to continue to assure their aged, blind, and disabled citizens of this higher standard of living. Secondly, although in most States the basic Federal payment under SSI was high enough to assure that the States would have a savings in benefit costs even if they decided to continue making additional payments to bring the aged, blind, and disabled up to the levels in effect, it was recognized that a few States would have to increase their benefit costs in order to do this.

The statute recognized these situations by providing for State supplementation of SSI benefits, including provision for the Federal Government to administer these supplementary payments if the State so chose. In addition, the statute contained a formula designed to take into account the fact that some States would face increased costs simply to maintain then-existing benefit levels. While these two elements in the statute did represent a compromise with the principles of national uniformity and simplicity of administration which Congress was seeking to achieve in the new program, they were intentionally written in a way to provide the minimum of such added complexity and diversity. The Department, however, developed policies to implement these provisions which departed substantially from the clear meaning of the provisions as set forth in the statute and as explained in the Committee reports.

[1] The State of Nevada was an exception to this general rule in that it did not have a program of aid to the disabled.

The intent of the Congress with regard to administration of State supplements is stated explicitly in the report of the Committee on Ways and Means on the legislation:

> Your committee recognizes, however, that it is customary in many States to take into account, on a case-by-case basis, certain special needs of some families and of some aged, blind, or disabled people who are in unusual circumstances leading to financial needs that are not met under the general standards established by the States. In these instances, many State welfare programs provide a payment for the special need on top of the general need standard. For example, an aged, blind, or disabled person may be unable to provide housekeeping services for himself but not be in need of expensive care in a nursing home or extended care facility. In such a case he sometimes needs the services of a housekeeper who comes in on a regular basis to perform this task for pay; or, he may live in a private home where these services are provided for him for a specified amount of payment. In these circumstances the basic assistance standards of the State may not be high enough to meet his needs and the extra expense may be budgeted and met by the State as a "special need."
>
> Your committee believes, however, that the responsibility of the Federal Government in administering a State program of supplemental payments should generally be limited to administration of a basic uniform payment which does not vary according to such "special need" and is the same throughout the State and that any additional "special need" payments should be generally made directly by the State. Thus, a State could also pay an additional amount on an individual case-by-case basis to recompense the special needs cases. This additional payment would have no effect on either the amounts payable under the Federal program or the federally administered State uniform supplementation program.
>
> If a State elects to enter into an agreement under which the Federal Government administers its supplemental payments, it would have to abide by certain conditions. Supplementation would have to be provided to all individuals and families who were eligible under the basic Federal assistance programs except that, at the State's option, it could exclude families with both parents present and able to work (whether or not actually employed) or it could exclude families in which the father is actually employed full time. In addition, the State supplementation would have to be provided under such terms and conditions as the Secretary finds necessary for effective and efficient administration. In general, it is anticipated that the same rules and regulations would be applied to both Federal and State supplemental payments with the only difference being the level of such payments. However, the Secretary could agree to a variation affecting only the State supplemental *if he finds he can do so without materially increasing his costs of administration and if he finds the variation consistent with the objectives of the program and its efficient administration.* (Emphasis added.)[1]

In the case of the provision permitting States to elect Federal administration of their State supplements, the statute requires that a State wishing Federal administration must agree to have the payments made to all SSI recipients in the State and conform to such other rules and procedures as may be necessary to achieve efficient and effective administration. The statute permits two specific variations from these standards. One allows a durational residency requirement and the second allows additional disregard of income. This statutory language is supplemented by a thorough explanation in the report of the Committee on Ways and Means as to what was intended. As the House report makes clear, the intent was to have as simple a supplement as possible so that in general, State supplementation when federally administered would simply be a matter of paying a higher amount than provided for in the Federal statute. In other words, where the Federal statute (when first enacted) guaranteed a minimum monthly income to a single aged individual of $130, the State could have the income brought up instead to a higher

[1] House Report 92–231, page 200. References in this quotation to families with children were included in the House report inasmuch as the House bill established a similar income support program for such families. This section of the report, however, dealt with administrative rules which were to be the same for both the program for families (which was not enacted) and the program for the aged, blind, and disabled (which became the SSI program).

amount, such as $150.[1] The Committee report did recognize that there might be some justification for some variance from this approach, but specified that such variations should be the exception rather than the rule and that they should be agreed to only when they would not materially affect either the cost or efficiency of the program's administration.

The Department apparently decided that the rules on State supplementation were open to negotiation with the States rather than being determined by the statute. Accordingly, the Department has entered into agreements to administer a wide variety of different types of variations. Under the regulations which have been issued, States can have as many as five different living arrangements and as many as three different geographical variations giving a total of 15 possible variations per State. In addition States can provide different payment levels for each of the three assistance categories (aged, blind, and disabled) for each of these 15 variations. Taking into account the allowable variations for living arrangements, geographical area, category (aged, blind, and disabled), and status as single individual or couple, the regulations issued by the Department would require, if all States exercised all their options, that the Social Security Administration run a State supplementation program involving several thousand different payment levels, each of which could be modified from time to time at the discretion of the States.

In practice, the number of variations administered by the agency does not approach the thousands theoretically possible, since many States have not elected Federal administration, and most of those States which have elected Federal administration have not asked for all the variations allowed. There are, nonetheless, many different variations in effect in the States, and this is particularly true in those States with the largest SSI caseload. (California, for example, and New York have 8 and 9 variations respectively while Massachusetts has 15. Appendix tables 8 and 9 at the end of this report show the variations applicable in the different States. Appendix table 5 shows which of the States use Federal administration.)

In some cases these variations require the Social Security Administration to obtain information from claimants which is not otherwise necessary in the administration of the SSI program. Even apart from such situations, the number and complexity of the variations available to the States for their State supplementary programs constitute a considerable administrative burden on the Social Security Administration and also represent a significant departure from the enacted nature of the program as one which would involve a flat-grant approach to income maintenance. Both of these results are clearly contrary to the stated legislative history.

Moreover, the rules on permissible variations allow States to deny benefits to whole categories of SSI recipients despite the clear statutory statement that one necessary feature of any federally-administered supplement must be that supplementation be provided to all recipients of title XVI benefits. Thus one State, for example, has been permitted

[1] Subsequent legislation has increased the income assurance levels under SSI. As of the most recent increase (July 1976), the program assures a single individual an income of $167.80 per month and assures a couple an income of $251.80 per month.

to exclude all disabled individuals from any supplementation on the basis that the State had not elected under its former State welfare program to provide for the disabled; and other States have been allowed to exclude children under 18 who are disabled. There appears to be nothing in the statute which could justify such exclusions. Under the law, States would of course be free to establish variations of this type in a State supplementation program, but only if that program were administered by the State.

The staff believes that the policy decisions made by the Department to allow so many different modalities of State supplementation have unduly complicated the administration of the program and been responsible in large part for the inability to complete work on acceptably functioning systems. Moreover, this policy decision has resulted in an extremely complex accounting problem for determining the relative Federal and non-Federal liabilities for payments to people in those States which have elected optional State supplementation. This has been a source of continual controversy between the States and the Social Security Administration and has in itself contributed to the inability of the administering agency to overcome its systems problems. While many States appear to believe that the Federal Government should agree to undertake administration of the various types of supplements that States might wish to provide, this is a policy question which should be addressed legislatively. In the SSI statute as written and as interpreted in the House report, the legislative policy decision that was made and that should have been considered binding by the administering agency was to allow only the most simplified types of State supplementation. Departure from that policy should have occurred only with legislative authorization which was never given or, for that matter, sought.

5. DISTORTION OF SAVINGS CLAUSE

Having stretched the statute to permit States to choose a wide variety of different types and levels of federally administered supplements, the Department found that this decision required a second policy decision contrary to the statute. This second decision concerned the savings clause in the law which was designed to assure that States would not have to lower their overall level of income assurance to the aged, blind, and disabled in order to keep from having increased costs. Recognizing that existing State programs had great variety, the savings clause in the statute required that there first be determined a hypothetical figure to be known as the "adjusted payment level" which would serve as the reference mark for each State's pre-SSI overall level of income support for the aged, blind, and disabled. This adjusted payment level was to be determined by taking into account the amounts payable to aged, blind, and disabled people with no other income in the State as of January 1972, using certain formulas for averaging variations.

The determination of the adjusted payment level proved to be a difficult job and one that is even now open to a certain amount of dispute. It involved some complex policy decisions, not all of which were clearly set forth in the statute. However, once this benchmark figure was determined the statute is quite clear as to how it should be used. Any State supplementary benefits which brought individuals'

incomes up to that adjusted payment level would be eligible for inclusion in the savings clause. Any State supplementary payments which brought individuals' incomes above that level would not be eligible. The statute specifically says that the savings clause "shall only apply with respect to that portion of the supplementary payments made by the Secretary on behalf of the State under such agreements in any fiscal year which does not exceed *in the case of any individual* the difference between" the adjusted payment level and the individual's other income including Federal SSI benefits. (Emphasis added.)

Again, the statutory provision is clear on its face. On a case-by-case basis any State supplementary payments which bring an individual's income above the adjusted payment level are not to be included as payments eligible for protection under the savings clause. The policy adopted by the Department is quite the opposite of the language of the statute. Under the savings clause as administered by the Department, individual payments which exceed the adjusted payment level can be offset against other individual payments which fall short of meeting the adjusted payment level in the State. This means that the Federal Government is picking up the tab for State supplementary payments far in excess of the adjusted payment level in those States where the savings clause is applicable.

One example of the result which flows from a statutory misinterpretation of this type was brought to the staff's attention by the budget office of one State which until recently was affected by the savings clause. This State pays different levels of State supplementation to individuals in different types of institutional care. In some institutions the State supplement may bring the overall monthly payment to an amount as large as $1,000. Under the statutory provision setting forth the savings clause, the Federal liability for this person's payment would be limited to the $168 Federal SSI benefit level plus an additional $100 or so, bringing the amount up to the adjusted payment level; the State would be responsible for everything above this amount. However, since the Department has interpreted the statute to allow amounts over the adjusted payment level to be protected if they can be offset by other individuals' payments which are below the adjusted payment level, the entire $1,000 monthly payment was in this State considered to be a Federal responsibility. (Administration officials with whom the staff discussed this example did not question its validity although they felt there might be some question as to the exact calculation made by the State in this particular instance.) The amount of Federal funding incorrectly provided to the States as a result of this departure from the provisions of law cannot be determined but would appear to be substantial. In fiscal year 1976, the total Federal liability under the savings clause amounted to $120 million.

6. "ONE-THIRD REDUCTION" AND RELATED POLICIES

The basic nature of the SSI program is such that it is to bring an individual's or a couple's income up to a certain minimum assured level. The statute defines the meaning of income to be comprehensive; all types of income are considered income—earned, unearned, cash and in kind. However, it was recognized that there are frequent situations where an individual who is aged, blind, or disabled will be

living with relatives or others in a type of situation which would make the determination of the exact value of the in-kind income quite difficult. As a matter of administrative simplicity, therefore, the Congress included in the law an exception to the basic rule of counting all income. This exception says that where an individual is living in the household of another person and is receiving support and maintenance in kind from that other person, then the value of the in-kind support and maintenance will not be considered as income; instead, the basic payment standard applicable to the individual will be reduced by one-third.

This provision was included in the law for purposes of administrative simplicity so that the administering agency would not have to determine the exact value of the support and maintenance furnished, for example, to a parent living with his or her adult children. In practice this provision has proven to be one of the most difficult to interpret and administer. In the staff's interviews with field personnel, the one-third reduction was the most frequently cited policy area in which clarification or change was considered desirable. In its telephone survey of district office personnel the staff asked claims representatives in several offices to explain the workings of the one-third reduction provision and to cite the most important factor in determining whether or not it was applicable in a given case. The responses to this request indicated a great disparity of interpretation from office to office and from individual to individual. Many Social Security employees expressed the opinion that it would be an administrative simplification to simply drop the one-third rule and require them to determine the value of support and maintenance in kind in every case. In fact, it seems that some claims representatives are applying the rule by first determining the value of support and maintenance in kind, then determining the impact of the one-third reduction, and giving the claimant whichever of the two is more favorable to him. Such a procedure, of course, negates the intended effect of administrative simplification.

The Department has reacted to this problem not by seeking legislative change, but through administrative action contrary to the law. In a policy directive sent to field offices the Social Security Administration has transformed the one-third reduction rule from an alternative to be used in certain specified cases meeting statutory criteria to a maximum limit on the value of in-kind contributions. The statute says all income is to be considered except where an individual is living in someone else's household and receiving income in kind from him; the Social Security Administration policy says instead that regardless of whether an individual is living in someone else's household, income in the form of support and maintenance in kind shall never be considered to be worth more than one-third of the basic payment level. Thus an individual may live in his own home, have his rent or mortgage, food, or other needs paid for by someone else, and so long as he does not pay for these things himself, their value cannot be considered to be more than one-third of the basic payment amount. While this rule may be of some help administratively, there is no statutory basis for it.

7. STAFF RECOMMENDATIONS

The staff review of several major policy decisions shows many instances where the Department has administratively adopted policies which directly contradict the statutory language and intent. This pattern of disregard for the law is one of the most disturbing findings of the Committee staff study of the SSI program. The staff recommends that both the Administration and the Committee give urgent and serious attention to remedying this distortion of the legislative and administrative roles in making policy for SSI and other programs administered by the Social Security Administration.

The staff recognizes that correcting the problems caused by these illegal policy decisions will not be a painless process. The implementation of these policies over the past two years has *de facto* created entitlements which, had they been lawfully created, could be removed only by legislative action.

An example of the difficulty of correcting an erroneous policy decision came to the attention of the staff towards the end of 1975. The staff received complaints that the Social Security Administration was about to implement a change in the method of determining whether an individual's SSI benefit should be reduced because he was receiving in-kind support and maintenance in another individual's household. The complaints were that the changes amounted to legislation by the executive branch since they would have the effect of reducing many individuals' benefits and changing the relative State and Federal costs of certain supplementary payments.

Upon investigation, the staff determined that the Social Security Administration had indeed issued (but had not implemented) significantly changed policy directives. Essentially, the new policy directed that (except in commercial boarding house situations) an SSI recipient's payment of part of the costs of his support and maintenance would not be considered in determining whether the one-third reduction in his SSI benefit should apply. This change in policy was based on a decision that the new policy was really required by the statutory intent. (Both the House and Senate reports on the legislation direct that the one-third reduction is to be applied "regardless of whether any payment was made for room and board.") The Social Security Administration also viewed the change as a needed simplification.

The adverse reaction created by this proposed change in policy was apparently sufficient to block its implementation despite the fact that the agency seemingly believed it was required by law. As a result, the Administration subsequently adopted a revised policy which determines the question on the basis of the amount of payment made towards room and board by the individual—precisely contrary to the legislative history.

While the staff certainly understands the difficulties inherent in making such policy changes, it cannot recommend that the Administration continue to disregard the law. The operation of the SSI program and the legislative base from which it operates must be brought into conformity with each other. The staff recommends therefore that the Committee direct the Secretary of Health, Education, and Welfare to review SSI policy in the light of the statute and legislative history,

with particular reference to the areas cited in this report, and to report to the Committee by a date certain (such as January 1, 1978) his plans and recommendations for restoring the statutory integrity of the SSI program. Such a report should outline the steps the Department will take to bring the program into compliance with the law, recommend legislative changes in any areas in which the Department concludes that compliance with existing law is not possible or desirable, and request legislative authority for staged implementation (e.g. making the law applicable only to new applicants) where such action may be necessary to avoid undue hardship to current beneficiaries.

For the future, the staff recommends that the Department and the Social Security Administration establish procedures to assure that major policy decisions concerning the SSI program are carefully examined for compliance with the statute and the legislative history underlying it. Where the Department believes it cannot administer the law, it should promptly and formally submit to Congress its legislative recommendations for modifying the law. The staff is aware that recommendations have been made from time to time for establishing procedures under which departmental regulations would have to be cleared in advance by Congress. While the record of the Administration in administering the SSI program may lend some weight to such proposals, the staff is not convinced that such routine legislative involvement in the rulemaking process is either practical or desirable. The staff believes that ultimately the Congress must be able to expect the Department to attempt in all good faith to follow the requirements of the law.

In the specific case of the treatment of in-kind income, the staff believes that a change of policy from that now required by the statute would be appropriate in view of the difficulty which the Department has encountered in administering present law. Such a change, however, should be made through corrective legislation. The staff suggests that the Committee consider legislation establishing a general rule of counting as income only cash income which is available for the support and maintenance of the SSI beneficiary. However, in any case where the beneficiary receives regular contributions in-kind towards his shelter or food needs, the amount of his maximum SSI benefit would be reduced by one-third unless he can establish that the actual value of those in-kind contributions are of lesser value. This would maintain the basic purpose of existing law to take into account substantial in-kind income while generally avoiding the need to compute the exact value of that income. At the same time, it would avoid the need to determine the difficult question of whether the recipient is "living in the household" of another.

C. Other Policy Areas for Consideration

In addition to the various areas in which the Department has adopted policies which conflict with the statute, the staff has identified a number of other policy issues for which it appears that legislative consideration may be appropriate. As mentioned earlier, apart from the recommendation for an automatic payment level increase (which

was subsequently enacted) and for some relatively minor changes to the law, the Department has made no formal legislative proposals since the program became effective in January 1974.[1] The staff believes that the results of more than 3 years' experience with the program justify the conclusion that many significant improvements in the legislation are possible. The following sections identify some of the major areas in which suggestions have been made for program changes (in addition to the recommendations which appear in other chapters).

1. MANDATORY STATE SUPPLEMENTATION

The preceding sections of this chapter described certain problems which have arisen as a result of policy decisions which ignored the legislative intent that optional State supplementation, if administered by the Federal Government, should follow the SSI flat-grant approach. Roughly 3 percent of SSI beneficiaries also receive a federally administered mandatory State supplement under the special grandfather clause enacted in mid-1973 (see Chapter One). While the number of persons directly affected is relatively small, the mandatory supplement requirements have had a significant impact on program operations. When the SSI law was amended in 1973 to assure that thousands of recipients of aid under the former State programs would not suffer a reduction in income as a result of the changeover to SSI, it was intended that this mandatory supplementation provision should operate as simply as possible. States were to certify to the Social Security Administration an income assurance level (representing total income as of December 1973) for each recipient converted from the State assistance rolls. The required supplement would be whatever amount was necessary to bring the individual's total income for any subsequent month to that established income assurance level.

In practice, the mandatory supplementation provisions have proven difficult to administer and are frequently cited by Administration officials as a serious complicating factor in running the program. The staff believes that a significant part of the difficulty in administering the mandatory supplements arises from administrative policy interpretations of the statute which are questionable or which have simply not been made, but it does appear that legislative review of the provisions would be appropriate with a view towards clarifying and simplifying them.

Three particular problems currently exist. First of all, the legislation, as written, is permanent and applies to all those SSI recipients who were on the State welfare rolls in December 1973 even if they are not disadvantaged by the new program. In other words, while only 123,000 SSI recipients actually benefit from the mandatory supplement provision, the Social Security Administration is required to carry on its records a mandatory supplement level for some 2.2 million individuals who were converted from the State rolls.

[1] On July 2, 1975, the Secretary of Health, Education, and Welfare sent to the Congress a package of minor legislative proposals with respect to the OASDI, SSI, and Medicare programs. The SSI proposals were the exclusion of non-cash gifts and inheritances from the definition of income, the elimination of the definition of the term "child" from the law, and the extension of the provision of law authorizing payments on the basis of presumptive disability to persons who are blind.

SUPPLEMENTAL SECURITY INCOME: NUMBER OF PERSONS IN STATES WITH FEDERALLY ADMINISTERED SUPPLEMENTATION WHO RECEIVED A MANDATORY SUPPLEMENTATION PAYMENT, JANUARY 1, 1977 [1]

State	Total	Mandatory
Total—27 States [1]	1,593,873	122,628
Arkansas	1,999	1,967
California	639,646	20,289
Delaware	871	427
District of Columbia	1,163	446
Florida	711	709
Georgia	2,027	2,022
Hawaii	8,818	354
Iowa	2,380	647
Kansas	436	433
Louisiana	6,014	5,928
Maine	21,813	2,881
Maryland	1,329	1,322
Massachusetts	122,686	17,509
Michigan	106,417	4,403
Mississippi	1,214	1,211
Montana	540	15
Nevada	3,643	47
New Jersey	49,804	522
New York	356,866	54,729
Ohio	1,489	1,477
Pennsylvania	143,416	1,415
Rhode Island	13,945	916
South Dakota	287	284
Tennessee	202	200
Vermont	8,023	683
Washington	42,508	1,096
Wisconsin	55,608	696
Other and unreported	18	–

[1] These data are based on the regular first of month payment operation.

A second problem related to mandatory supplementation is the question of how income is to be counted. This is an area in which the Department has been unable to establish a workable policy. At the time the staff visited some field offices in May of 1975, the redetermination of mandatory supplement cases was being stymied because of the inability of the central office to answer the question of how income was to be counted. The statute establishing the mandatory supplement requirement simply states that the supplement level is to be determined by looking at the individual's total income including his Federal SSI payment, any State supplementary payment, and any other income. This is compared with his total income in December 1973, determined by adding together his assistance payment under the State welfare program and any other income. The statute does not make any provision for income disregards in either calculation.

The staff is of the opinion that the statute was purposely drawn in this manner with a view toward providing the simplest approach

possible towards mandatory supplementation, even though certain anomalies might occur, particularly in that a total income guarantee eliminates whatever incentive there might be as a result of income disregards to continue seeking other types of income. The Department, however, made a policy decision that when the Congress said "income" it meant that the Department should administer the provision as though it had said "income after applicable disregards." A difficulty arose, however, once this policy decision was made, in that the Administration was unable to decide whether the disregards to be used should be those applied under State law or those applied under Federal law, or a combination of the two.

What apparently has transpired is that, in issuing interim regulations, the Department decreed that "income" meant income counted by the State. However, in practice, the rule that has been applied is that income means Federal countable income except in one State where State countable income is used. Apparently for State-administered mandatory supplementation, States continue to use State countable income, although the Social Security Administration does not closely monitor what the States do in State administered programs.

The third area of mandatory supplementation which is a cause for concern is the question of changing circumstances. In establishing the mandatory supplement provisions, the Congress recognized that some of those eligible for a mandatory State supplement would qualify for the particular amount involved on the basis of a special need or special circumstance which might subsequently change. The statute, accordingly, provided an opportunity for States to reduce the mandatory supplement level when a change occurred. Under the statute the States would not have been required to make such reductions, but would have been permitted to do so. However, in the case of States electing Federal administration of the mandatory supplement provisions, the burden of identifying and calculating the effect of changes in circumstance was placed upon the States. If the State wished to save the benefit costs associated with the circumstance change, in other words, it would have to bear the administrative costs of determining that the circumstance change had occurred and of calculating the impact of the circumstance change.

The policies adopted by the Department with respect to changes in the mandatory supplement level have proven to be somewhat more complex than was intended. In part, the staff believes that this is because of a misreading of the statute, but in part it also results from certain elements not well covered by the existing statute. The statutory language simply states that in the case of a change in special need or special circumstance, the minimum amount assured under the mandatory supplementation provisions "shall (unless the State, at its option, otherwise specifies) be reduced" appropriately. While the statute does not directly address the issue of responsibility for discovering and computing the change in special need or circumstance, the Senate report on the bill in which the mandatory supplement provisions were proposed[1] indicates State responsibility: "When the

[1] The mandatory supplementation provisions were recommended by the Committee on Finance as an amendment to H.R. 8410, which was reported from Committee on June 25, 1973 and passed by the Senate on June 27. The same amendment was subsequently adopted on June 30, 1973 as a Senate floor amendment to H.R. 7445

State determines that a special need (including one based on a rental allowance) is the reason for all or part of the supplementary State payment, and that the special need has been reduced or ceases to exist, it can appropriately reduce the payment." (S. Report 93-249, p. 25.)

The Department's policy with respect to who is responsible for identifying changes in circumstances and calculating the benefit differential is hazy at best. Moreover, the Department has taken the position that the term "special circumstances" is a term of art; consequently, changes in mandatory supplement levels cannot be made on the basis of changes in circumstances which would have required a change in payment levels under the former State assistance program unless the State plan specifically identified such changes as affecting "special needs or special circumstances." Thus, in some States a higher allowance for an individual living in domiciliary care facilities would be considered a part of "basic" rather than "special" needs and the higher payment would have to be continued even if the individual moved to independent living arrangements. In other States, the identical change of circumstances may have been characterized in the State plan as a "special need" change. In such a State, the mandatory supplement could be reduced appropriately when the individual moves.

A related problem arises because the statute, as interpreted by the Administration, refers to a mandatory supplement for the eligible individual and does not specifically deal with the allocation of income within an eligible family. An example of this type of complication is shown below.

As of December 1973, a 66-year-old man with a 63-year-old wife received a State welfare payment of $132. Since the SSI level for an aged individual is $167.80, no mandatory supplement would be required under the SSI program. When this individual's wife reaches age 65, however, she qualifies for an SSI benefit raising the amount payable from $167.80 for her husband alone to $251.80 for the couple. Because her husband's ½ interest in this higher payment is $125.90, however, Social Security Administration policy is to require the State to begin providing a mandatory supplement of $6.10 to bring the man's payment up to the $132 he was getting in December 1973.

Staff recommendations.—The staff recommends that the Committee consider legislation modifying the mandatory supplementation requirements in several respects.

(1) The application of the mandatory supplementation requirements should now be limited to only those individuals currently receiving such a benefit.

(2) In the case of federally administered mandatory State supplementation, the statute should be modified to specify that the amount of the supplement payable each month will be based on the income assurance level certified to the Secretary by the State and on the individual's countable income for Federal SSI purposes. States should be authorized but not required to recertify a lower mandatory supplement income assurance level when they determine that the individual (or couple) have any changed circumstances which would have resulted in a comparable reduction in their welfare grant under the former State welfare program. It should be clearly specified that,

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and, with a modification making the requirement permanent rather than temporary, was enacted into law as a part of that bill (Public Law 93-66).

if States wish to avail themselves of this provision, the responsibility and cost of administering it will rest with the States (including appropriate provision for handling appeals of such determinations). The administrative responsibility of the Social Security Administration would be limited to that of establishing a procedure to accept and process State recertifications.

(3) In the case of State-administered mandatory supplementation, States should be permitted to use State countable income as defined under the former State welfare plan, Federal countable income for SSI, or gross income so long as the same type of income is used for all recipients in the State.

The staff believes that the second and third recommendations are essentially consistent with the original intent of the mandatory supplement legislation. The first recommendation seems appropriate in view of the purposes of mandatory supplementation and in view of the need to simplify the operations of the SSI program.

2. ACCOUNTING PERIOD

Under the SSI statute, the determination of an individual's eligibility and amount of entitlement is computed over a quarterly rather than a monthly period. Operating personnel of the Social Security Administration have stated that they find this provision to be a cause of considerable confusion and administrative difficulty. It also is alleged to create certain problems in overpayment policy in that an increase in a recipient's earnings or other income which occurs near the end of a quarter will affect his entitlement for the entire quarter. Thus SSI payments which are absolutely correct when paid in January can become overpayments because of unanticipated income received in March.

The adoption of a quarterly accounting period in the original SSI legislation was apparently based on the fact that the Social Security Administration receives quarterly reports of all wages in employment covered by social security. Thus the use of a quarterly accounting period for SSI could simplify the use of social security wage records to verify an SSI beneficiary's reported income from wages. In practice, however, the agency has not yet developed a capability for automatically undertaking such verification, and legislation has been enacted which will eliminate quarterly wage reporting.

For these reasons, recommendations have been made to change the SSI accounting period from a quarterly to a monthly basis. The staff is not convinced that the arguments in favor of such a change are adequate. For those beneficiaries with stable incomes, the accounting period is immaterial. Beneficiaries who engage in employment or otherwise have varying incomes will likely find that their estimates on a monthly basis are incorrect as often as estimates on a quarterly basis. In fact, quarterly estimates should minimize the impact of income variations better than monthly estimates. While it is true that the quarterly accounting period can make benefits for the first months of the quarter incorrect because of unexpected income received in later months, the same principle applies to a monthly accounting period. An SSI check paid correctly at the beginning of a month would be rendered erroneous if the beneficiary's estimate of his income for that month proves to be incorrect.

One situation which has been frequently mentioned to the staff as a justification for a change to a monthly accounting period is the impact of adjustments in social security retirement or disability insurance benefits. Where an SSI recipient has an increase in social security benefits occurring after the first month of the quarter, his entitlement to SSI for the entire quarter becomes incorrect. This is particularly troublesome when a large retroactive payment is involved. The staff believes that this problem is primarily one of the relationships between SSI and social security payments and not one of accounting period. The next section of this chapter addresses that problem.

Staff recommendation.—The staff recommends that the Committee not act favorably on proposals to modify the SSI accounting period. While the current quarterly accounting period is seen by operating personnel as a complicating factor, there is no good evidence that a monthly accounting period would significantly simplify the program, and there is some reason for concern that it might have the opposite effect. Whatever the accounting period, an income-tested program such as SSI necessarily will involve some degree of administrative complexity and unavoidable overpayments as a result of unpredictable fluctuations in income. The Social Security Administration should take particular care to assure that recipients understand that they will be required to repay a portion of their benefits in the event that their income turns out to be higher than they estimate.

The staff believes, however, that the possibility of simplifying administration by modifying the accounting period requirements does merit continued study. The staff recommends that the Committee consider legislation authorizing the Social Security Administration to test various accounting period methodologies including accounting periods where payments for the current period are based on income in the immediately prior period. Such tests could be authorized on a limited experimental basis for up to 2 years.

3. RELATIONSHIP BETWEEN SOCIAL SECURITY AND SSI BENEFITS

A substantial proportion of SSI recipients are also eligible for benefits under the Old-Age, Survivors, and Disability Insurance program under title II of the Social Security Act. The proportion of dual eligibility can be expected to increase in the future since many of those who are now ineligible for title II benefits are simply so old that their period of work history occurred prior to the time that social security coverage was available.

Though the two programs are administered by the same agency, it can sometimes happen that an individual's first check under one program will be delayed. If the SSI check is delayed, retroactive entitlement takes into account the amount of income the individual had from social security. However, if the title II check is delayed, a windfall to the individual can occur since it is not possible to retroactively reduce his SSI benefit beyond the beginning of the current quarter.

Even for the current quarter, court decisions require the Social Security Administration to treat the erroneous SSI payments as overpayments which cannot be collected without first offering the recipient an evidentiary hearing. (If there were a change to a monthly account-

ing period, this situation would become even more frequent and involve larger windfalls than is the case under present law.)

Staff recommendation.—The staff recommends that the title II and title XVI statutes be amended to provide that an individual's entitlement under the two titles shall be considered as a totality so that payment under either program shall be deemed to be a payment under the other if that is subsequently found to be appropriate. Thus, if payment under the one title or the other is subsequently found to have been erroneous, the adjustment made in the case of any individual will only be the net difference in total payment. There would, of course, be the proper accounting adjustments to assure that the appropriate amounts were charged to the general fund and the trust funds respectively.

4. BURIAL FUND

The SSI statute provides for individuals to retain liquid assets of up to $1,500 or $2,250 in the case of a couple. In addition, there are excluded life insurance policies up to a face value of $1,500. In theory this allows the aged, blind, and disabled to maintain a small insurance policy which can be used to meet the eventual costs of their funeral expenses and, at the same time, to also maintain a small cash reserve to see them through any emergency situations for which their monthly SSI benefits would be inadequate.

In practice, however, many aged persons, instead of buying an insurance policy against the expenses that will be occasioned by their death and burial, have elected to set aside funds in a bank account for this purpose. Many Social Security field personnel with whom the staff talked in the course of this study indicated that such accounts are a frequent cause of informal disallowances, since many older people would apparently rather go without the monthly income available from SSI than disturb these bank accounts which they have set aside to assure that the necessary funds will be there to meet their burial expenses. They do not consider this money as a cash reserve which is available to them to meet emergency costs, but rather as an inalienable burial fund which they would touch in no circumstances for any other purpose.

Staff recommendation.—The staff recommends that consideration be given to legislation to remedy this situation by making the $1,500 insurance policy exclusion alternatively available with respect to amounts in a burial fund. The statute could be drawn in such a way as to specify that the burial fund would have to be designated as such by the beneficiary with the understanding that any amounts withdrawn from the fund prior to the death of the recipient would be treated as unearned income serving to reduce his SSI payment.

5. SIMPLIFICATION OF ADMINISTRATION

In testimony before various committees of Congress representatives of the Administration have emphasized the complexity of the program as a major cause of the administrative problems and payment inaccuracies. As indicated in earlier sections of this report, the staff is convinced that much of the complexity in the present program is traceable not to the statute but to policy decisions at the administrative level which were either inconsistent with the statute or which resulted in unnecessary, complex program developments. The staff believes, how-

ever, that some significant simplification can be achieved by statutory change without necessitating an increase in program costs. The recommendations of the staff in this chapter for changes in the mandatory State supplementation provisions fall clearly in this category, and the staff believes that its other recommendations are consistent with the need to simplify the program or at least avoid making it more complex.

The staff recognizes, however, that there are a number of other changes which could be made which would simplify the program but only at the cost of raising program expenditures or changing aspects of the program which were incorporated by Congress to achieve specific objectives. For example, there are a number of provisions for taking into account income which may be available to an applicant for SSI but which is not in the form of cash income under his exclusive control. Earlier in this chapter the staff recommended a change in one of these provisions (the "one-third reduction") which would simplify its application while retaining its essential objectives. Even greater simplification could, of course, be attained by eliminating any consideration of in-kind income, but such a change would also increase the amount of benefits paid and the number of individuals eligible, and would make SSI available in circumstances which the Congress did not believe appropriate at the time of enactment of the original SSI statute.

Staff recommendations.—Given the inordinately high error rate in the administration of the SSI program and the apparent despair on the part of Administration officials over the prospects of reducing it substantially,[1] the staff believes that close attention must be paid to the question of how various possible legislative changes would affect the complexity or simplification of program administration. The staff does not believe that an offhand judgment that program simplification can be obtained only at the cost of higher benefit costs is necessarily accurate. Moreover, even if it were accurate, the Congress should be presented with the information necessary to decide whether it wishes to make such a tradeoff in order to restore credibility to the program.

The staff was disturbed to find that very little detailed analysis appears to have been done within the Administration of the various changes which could be made to simplify the program and of the costs and other effects which such changes would result in. For example, one obvious area of administrative complexity is the differential payment levels under SSI as between two individuals and a man and wife. Under the existing SSI program, two single individuals with no other income qualify for benefits totalling $335.60 per month while a married couple with no other income receive $251.80 per month. This differential, in the view of the staff, reflects a valid legislative policy recognizing that there are economies which can be expected in the sharing of common shelter and utility costs. It, therefore, provides on a reasonable basis a distinction which makes possible higher payments for individuals who live alone. However, the differential

[1] On January 26, 1976, the Commissioner of Social Security testified before a House subcommittee that he does not believe the error rate can be reduced below 15 percent in the absence of costly legislative changes.

does create administrative difficulties. For example, it can distort the operation of the mandatory supplementation provisions since an individual's benefit will appear to decline when his wife becomes eligible for SSI (because one-half of the couple's benefit is less than the single individual's benefit which he formerly received). This provision is also the reason for a requirement of the law that separated couples continue to receive the smaller benefits for 6 months in order to avoid incentives for separation. And it appears to create substantial problems for the designers of the SSI system who are unable to develop procedures to deal with changes from single individual to couple status (or the reverse) except through complex, time-consuming, and costly manual processes.

Given the amount of program complexity attributable to this provision, it would seem that careful analysis should have been given to the cost and caseload implications of providing a couple's benefit equal to twice the benefit for a single individual. This is particularly the case since there appears to be a rather small proportion of couples receiving benefits (about 300,000 out of a caseload exceeding 4 million). Thus, under the present caseload, there is some reason to question the extent to which having a reduced couples' benefit does in fact permit significantly higher benefits for single individuals. The staff finds no indication, however, that this possible change has been carefully examined or that any analysis has been done or research undertaken to show whether such a change would result in a substantially higher proportion of eligible couples than exists under current payment levels.

Even if no substantial caseload growth would result from such a change, the staff believes that a recommendation of this type is beyond the scope of this report since the current provision does serve the objective for which it was intended and since a change would involve some substantial cost.[1] However, the staff believes that when the Congress next considers legislation revising the Supplemental Security Income program, the Department should be prepared to provide analyses of major legislative changes of this type including cost and caseload implications and the effects of such changes on its ability to manage the program.

[1] The staff was unable to obtain an estimate of the full cost of such a proposal. However, converting the existing couple cases to the higher payment level would involve costs approximating $250 million per year.

CHAPTER FOUR

THE SSI PROGRAM: ITS INTERRELATIONSHIPS

A. General

In enacting the SSI statute, the Congress intended primarily to set up a new type of basic income maintenance program for the aged, blind, and disabled. The new program was to be administered by the Social Security Administration and it was, so far as possible, to be administered in a manner consistent with the other programs for which that agency was responsible.

As described in the preceding chapters, the legislative history as to Congressional intent is quite clear. The mission of the Social Security Administration in the case of SSI, as in the case of the Old-Age, Survivors, and Disability Insurance program, is to provide an efficiently and accurately administered benefit payment according to statutorily specified criteria. The law clearly intends that individualized assistance such as special need grants or social services are to remain a State responsibility. Put another way, the new program was not intended to change the nature of the Social Security Administration's mission so much as to fit into its preexisting mission.

In practice, the SSI program has had the effect of greatly altering the nature of Social Security operations. In the past, the Social Security Administration has been able to operate on a fairly independent basis according to its judgments of how best to carry out the mandates of the statutes governing its programs and how to serve its beneficiaries. While the agency maintained some liaison and relationships with other agencies and with various interest groups, the impact of those relationships on its basic processes was marginal and controllable. With the coming of SSI, however, the role of "outside forces" on the basic functioning of the agency became substantial.[1]

To a significant extent, the confusion in the mission of the Social Security Administration was fostered by the agency itself, which apparently misread the intent of SSI as a signal for it to enter into a kind of broad welfare alliance with the States. There were, however, a variety of other factors contributing to this problem. Under prior legislation, the aged, blind, and disabled population had a variety

[1] The staff recognizes that the process of "opening up" Social Security involves some causality beyond SSI and specifically that the introduction of Medicare in 1965 certainly involved the agency in a new and significant set of interrelationships. The Medicare experience, however, was less far reaching in that the health programs have themselves been isolated within the administrative structure of the agency to a considerable degree. Because of the use of private sector carriers and intermediaries, moreover, the health programs have had a much smaller effect on other Social Security Administration operations than is true of the SSI program.

of needs served by State welfare agencies. While the SSI legislation intended to transfer to the Federal agency only the basic income support function, the statute does not adequately address certain situations in which the basic income support function is not clearly distinguishable from other needs. Thus, for example, considerable difficulty has been experienced in determining the proper role of SSI with respect to aged, blind, and disabled persons who are not living independently but are in institutional situations. Similar problems arise in the interrelationships between SSI and medicaid and between SSI and the food stamp program. The SSI population itself was in many cases accustomed to seeing the agency which provided its basic income maintenance as the contact point for other benefits and services.

The staff believes that the Social Security Administration has neither the resources nor the legislative mandate to function as a broad-scale service agency for the aged, blind, and disabled. It is at present not able to cope adequately with its fundamental responsibility of providing a simplified universal income maintenance grant to needy persons in these categories, and its performance of that function is undermined by its attempts to satisfy demands that it perform other functions. In particular, the staff believes that there is need to redefine the interrelationships of Social Security with other agencies and institutions serving the aged, blind, and disabled with a view to limiting its mission to what it can reasonably accomplish or to recognizing the additional resources which must be provided to it if its mission is not so limited.

B. SSI and the States

In the administration of its cash benefit programs prior to 1974, the Social Security Administration operated largely independently of the States. While there was some interaction between State welfare agencies and social security district offices in terms of referrals and verification of benefit amount, this did not constitute a significant part of Social Security Administration operations. In the Disability Insurance program, the Federal agency did contract with the States to perform disability determinations, but this operation was largely isolated from other Social Security Administration activities and did not involve very significant interaction of State and Federal interests.

The SSI statute, however, provided for the Federal agency to actually administer certain State benefits and to undertake eligibility determinations on behalf of the States in connection with their medical assistance programs. Eligibility for SSI automatically brought with it eligibility for these State programs and for the food stamp progam and some social services programs, which were also administered by the States. Moreover, the States saw the SSI program as relieving them of basic responsibility for the income needs of the aged, blind, and disabled, but at least some States found it necessary to reassert some of that responsibility in emergency situations when the SSI program did not function or when no provision was made in the SSI law.

Initially, the officials of the Social Security Administration announced their intention of operating the SSI program as a kind of partnership with the States. They established (and funded) a quasi-

official coordinating committee operating out of the American Public Welfare Association and composed of State welfare officials and representatives of the Social Security Administration. They gave the impression that—through this committee or otherwise—Federal-State differences related to SSI would be resolved through negotiated compromise.

1. STATE SUPPLEMENTATION

The SSI statute recognized that States would, in some instances at least, desire to provide a higher level of income maintenance for the aged, blind, and disabled than was available under the basic Federal program. To the extent that States elected to administer such additional payments themselves, there would be little involvement of the Federal agency. The statute, however, authorized States to enter into agreements for Federal administration of State supplementary benefits, and actually provided some incentive for them to do so in that no charge would be made for the costs of Federal administration (the incremental administrative costs of adding a State supplement to the basic Federal SSI benefit were expected to be minimal). In addition, a savings clause designed to assure that all States could maintain supplementation up to the levels of assistance in effect in 1972 without added State expense was available only if the affected States agreed to Federal administration. With respect to the grandfathered caseload, the mandatory supplementation requirements added further incentives for States to elect Federal administration.

The SSI statute thus led to a situation in which the Social Security Administration would be responsible for handling and disbursing significant State funds. In practice, 17 States have elected Federal administration of their optional State supplementary benefits (out of 42 States providing such benefits), and an additional 12 States have federally administered mandatory State supplementary benefits. Of the 4.2 million Federal SSI beneficiaries, about 40 percent receive a federally administered State supplement and the annual amount of State money being handled by the Social Security Administration in the form of federally administered State supplementation is approximately $1.5 billion.

Thus the SSI program does necessarily involve a substantial interaction of Federal and State interests. The staff believes, however, that both the legislative history of the program and the realities of Federal-State relationships and responsibilities support the view that the SSI program is designed as an essentially Federal operation and not as a Federal-State partnership venture. For example, the section of the law dealing with State supplementation provides that the terms of such supplementation shall conform to:

> such other rules with respect to eligibility for or amount of the supplementary payments, and such procedural or other general administrative provisions, as the Secretary finds necessary (subject to subsection (c)) to achieve efficient and effective administration of both the program which he conducts under this title and the optional State supplementation. (Section 1616(b)(2)).

This statutory language combined with the extensive discussion of the role of State supplementation in the House report on the legislation,[1] makes it clear that the SSI program was envisioned as a Federal operation in which States would participate only on condition that their participation not interfere with the basic Federal function.

[1] See quotation from House Report on page 69.

The Department of Health, Education, and Welfare, however, initially presented the SSI program to the States in terms of a partnership operation and gave the impression that differences of opinion between the Department and the States were open to negotiation. The preceding chapter on policy development describes how this process led the Department to make policy decisions contrary to the statute in such matters as how the savings clause payments are determined and the types and varieties of State supplementary payments which could be federally administered. Even apart from such actions, however, the partnership concept promised the States a role which they could not realistically be given. The agreements for Federal administration included provisions allowing the States to conduct audits of the Federal operation. Analogies were drawn between SSI and the Federal-State grant-in-aid programs such as Aid to Families with Dependent Children to the extent that the Department agreed to allow the States in effect to apply sanctions against it for incorrect payments in the same manner as it proposed to apply sanctions against the States for incorrect payments under AFDC.

When disputes arose between the Social Security Administration and the States as to the liability of the States to pay for the costs of federally administered State supplementary benefits, some States simply withheld the payments due the Federal Treasury. Other States failed to make these payments on time without even alleging incorrect Federal computation of their liability. The Social Security Administration nevertheless continued to pay the higher benefits, advancing the necessary funds from the Federal Treasury. Information supplied to the staff as of August 1975 indicated that the amounts being withheld by the States totaled $237 million. Since that time, the amount outstanding has been reduced to a level of $120 million as of July 31, 1976.

Because of the partnership approach to Federal-State relations in SSI, the Social Security Administration was faced with impossible choices between its obligations to operate the program efficiently according to law and its desires to live up to its role as a partner. The net result was that it satisfied neither objective well. Perhaps the most striking example of the difficulties caused by this approach is the question of audits. Although the initial agreements for State supplementation called for the States to have the privilege of auditing the Federal administration of the program, it was readily apparent that having the Social Security Administration's operations subject to 15 or 20 State audits made little sense. A compromise was reached for the first six months of the program by having an audit conducted by the audit agency of the Department of Health, Education, and Welfare with monitoring being performed by a "surveillance committee" representing State auditors. Even this procedure, however, proved unsatisfactory to the Social Security Administration, which preferred to have its and the States' relative liabilities determined through the sample quality assurance program. As a result, the agency designed and operates its quality assurance program primarily as a means of determining State and Federal liability, and only secondarily and inadequately as a means of assuring the quality of operations. Even so, the States feel betrayed by this proposal and believe that they

have a right to continued control of their State supplementary benefit expenditures through State-conducted or monitored audits.

2. SSI AND MEDICAID

Under title XIX of the Social Security Act, States provide medical assistance (medicaid) to needy individuals who meet certain eligibility requirements. Prior to the inauguration of the SSI program, all persons receiving cash assistance under the programs of aid to the aged, blind, and disabled were mandatorily eligible for medicaid (except in Arizona and Alaska, which did not have medicaid programs). In addition, States could at their option provide medicaid coverage to aged, blind, and disabled persons with incomes above the cash assistance levels if they had medical expenses sufficient to bring their net income after medical expenses down to specified levels.

In enacting the Supplemental Security Income program Congress allowed States to automatically extend medicaid eligibility to all SSI recipients, but did not require such extensive coverage since the anticipated large number of SSI recipients was thought to be more than State medicaid programs could reasonably be expected to provide for. However, States not covering all SSI recipients under medicaid were required to maintain at least the level of eligibility in effect in 1972 and to allow coverage to all aged, blind, and disabled who met those requirements on the basis of net income after deducting medical expenses.

The SSI statute also authorized the States to enter into agreements with the Secretary of Health, Eduction, and Welfare under which the Social Security Administration would determine medicaid eligibility as a part of its process for determining SSI eligibility. Because medicaid eligibility is based on or closely related to SSI eligibility for aged, blind, and disabled persons, this provision seemed to be a reasonable way of avoiding unnecessary duplication of State and Federal administrative efforts and of assuring that people would not have inconsistent determinations made by two different agencies as to whether they met the same eligibility standards.

The tie-in between Medicaid and SSI, however, necessarily resulted in substantial additional interaction between the States and the Social Security Administration. Although the objective of the provision was to simplify the medicaid program by eliminating certain duplication, the implementation of the provision proved anything but simple and resulted in substantial areas of administrative and fiscal dispute and dissatisfaction.

The basis of the provision was the assumption that SSI and medicaid eligibility factors would generally be the same. However, this was not necessarily true since the law establishing SSI allowed States to maintain in force their 1972 medicaid standards rather than the SSI standards. The Social Security Administration therefore limited its willingness to perform medicaid eligibility determinations to only those States which chose to accept SSI eligibility as the determinant of medicaid eligibility. This is the situation in 36 States, 27 of which have contracted with the Social Security Administration to determine medicaid eligibility.[1] Even in these States, however, there are situations in which SSI and Medicaid eligibility are not identical. For example,

[1] See appendix table 5.

a patient in a medical institution may have income which is sufficient to rule out eligibility for the $25 SSI payment for medicaid patients; his income, however, may be sufficiently low that he will qualify to have his care paid for by the medicaid program. Also, States which use the SSI eligibility standard may make medicaid available to aged, blind, and disabled persons on the basis of net income after deducting medical expenses even if their gross income or their resources exceed SSI eligibility levels. States expected that the Social Security Administration, in contracting to make eligibility determinations for medicaid, would assume the full responsibility for that function. The Social Security Administration, however, took the position that it was responsible only to make such determinations for persons who were also eligible for SSI payments (or federally administered State supplementary payments).

Apart from the question of which individuals would be covered by Social Security Administration agreements for medicaid eligibility determination, States had many complaints about the functioning of the system used by the Social Security Administration to notify them of the eligibility determinations. Since the States retain basic administrative responsibility for the medicaid program (issuance of medicaid cards, reimbursement of providers of medical care, etc.), the usefulness of Social Security Administration determination of eligibility depends upon its speed and accuracy in transmitting eligibility data to the States.

The Social Security Administration established a subsystem as a part of its overall SSI computer systems to transmit medicaid eligibility information to the States. States complained that this subsystem was unreliable. They cited such problems as a high degree of error, difficulty in interpreting the data provided, and infrequency of updating as characteristic of the notification system.

In part, the difficulties experienced by the States with the Social Security Administration computer systems for notifying them of medicaid eligibility determinations simply reflected the overall systems difficulties which the basic SSI system was itself experiencing. If a system failure within SSI prevented the timely updating of the basic SSI record—as frequently happened in the early months of the program—States would also find their medicaid eligibility information delayed. Where errors were made with respect to an SSI claim, those errors would appear on the State medicaid eligibility record. Where special procedures were used to pay individuals their SSI benefits outside the system because the system could not be made to process the claim, the system notification to the State of medicaid eligibility would omit those individuals.

The actual deficiencies of the system for notifying States concerning medicaid eligibility were magnified by the inability of the States in some circumstances to correctly process even correct data. The difficulties which Social Security district office employees found in learning to deal with the highly sophisticated SSI computer system were also experienced by State welfare agencies. And the problem was, if anything, more severe since the ability of Social Security to provide guidance and training was even more limited in the case of State

medicaid agencies than in the case of its own district offices. There was the added problem that States had to use the information generated by SSI in operating State medicaid systems which had not been designed to use that information in the form in which it was received. Moreover, there were problems created by the incomplete state of development of the SSI systems which led to frequent changes in processes or codings which States found it difficult to keep up with.

Thus to the problem of incorrect data was added the problem of correct data incorrectly interpreted. To the problem of untimely data was added the problem of data which, though timely, was in a format that States did not have the capability of using on a timely basis. For example, the social security system transmitted medicaid eligibility data for a State's entire caseload once every month and supplemented this by periodic updates. Some States lacked the capacity to integrate the updating material with the monthly information so that, even when the system was otherwise functioning properly, they were using medicaid eligibility data which was out of date. Moreover, in some States, the actual administration of the medicaid program is a county function, and additional delays sometimes occurred in the transmission of data from the State agency to the counties.

The provision in the SSI statute authorizing agreements for the Social Security Administration to determine eligibility for medicaid on behalf of the States raised expectations which could not be fulfilled. The Social Security Administration could not take on the responsibility for applying eligibility factors beyond those it applied for SSI. It could not produce data in formats which would perfectly match the requirements of 27 different State medicaid programs. It had to give priority to handling very severe problems in its basic systems for providing the SSI benefits which were its fundamental responsibility over handling problems in the subsystems for transmitting SSI/medicaid eligibility data to the States. Nonetheless, the Social Security Administration has attempted to clear up the actual problems in the medicaid eligibility notification subsystem and to provide technical assistance to the States to enable them to use properly the data generated by that subsystem. These efforts have substantially improved the reliability and usefulness of the medicaid eligibility data provided to the States. States still, however, find substantial dissatisfaction with the arrangements for Social Security determination of medicaid eligibility. A major part of this dissatisfaction relates to the limitations on the types of individuals for whom eligibility determinations will be made, but problems also are encountered with such areas as posteligibility processing where a change of address notification, for example, may not appear on the medicaid eligibility record for weeks or months after it is received by the Social Security Administration.

The tie-in between SSI and medicaid also significantly affects fiscal relationships between the States and the Federal Government. To the extent that the Social Security Administration incorrectly finds someone eligible for SSI, or incorrectly transmits data to the States indicating that an individual is eligible for SSI, or fails to promptly transmit data to the States indicating that an individual is no longer

eligible for SSI, a State which relies on the Social Security Administration to determine medicaid eligibility may find itself expending funds for medical assistance which are later found to be incorrect. Under the law, States are responsible for the correctness of payments made under the medical assistance program. In practice, the Department of Health, Education, and Welfare does not require the States to refund the Federal share of incorrect medical assistance payments resulting from such failures on the part of the Social Security Administration. Many States feel that they should also be reimbursed for the State share of the cost of such erroneous payments. However, there is no legislative authority for such reimbursement.

3. SSI AND OTHER STATE-ADMINISTERED PROGRAMS

Although the enactment of the Supplemental Security Income program did represent a Federal assumption of the role of providing basic income support to the aged, blind, and disabled, it did not relieve the States of a very substantial involvement in meeting the needs of individuals in these categories. Two of the residual responsibilities of the States—supplemental cash benefits and medical assistance—have already been discussed in this report. Other responsibilities of the States (or their subdivisions) include the provision of various social services,[1] the administration of food stamps, and the operation of public housing or housing subsidies.

Prior to the enactment of SSI, the individual needing social services or food stamps ordinarily made application for them at the local welfare office—the same office which was responsible for the basic income maintenance function now handled by the Social Security Administration. Thus, an individual needing both cash assistance and some type of in-kind services or benefits previously could apply for them at the same office and at the same time, whereas he now must visit a Social Security Administration facility to apply for basic cash assistance and the welfare office for social services and food stamps. In addition, there is the question of whether the individual applying for SSI is being properly informed of the availability of food stamps and other benefits administered by the welfare department since he no longer necessarily comes in contact with a welfare office employee who has been trained to recognize the need for services and to provide information about the benefits available from the local agency.

The staff feels that care must be exercised in considering this issue since it is clear that for some applicants the existing situation is not altogether different from the situation which existed prior to SSI. Although aid to the aged, blind, and disabled was administered by State and local welfare agencies, individual applicants frequently were also required to visit Social Security Administration offices at least once in order to establish their eligibility or ineligibility for Old-

[1] The term "social services" covers a wide variety of in-kind benefits provided to persons in need. Some examples are homemaker services for aged or disabled persons who do not require institutional care but are unable to remain in their homes without some assistance, transportation services to enable individuals to participate in various activities or obtain medical care, counselling, home delivery of hot food ("meals-on-wheels"), etc.

Age or Disability Insurance benefits. In many cases, eligibility for cash assistance was handled by separate divisions of the welfare office from those which handled social services or food stamps, and this separation of functions was encouraged (and in some cases mandated) by the Department of Health, Education, and Welfare.

However, considerable concern does exist over the adequacy of existing arrangements for recognizing the needs of SSI recipients for other benefits and services and appropriately referring them to the agencies which can provide them. The officials of the Administration interviewed by the staff in connection with this issue pointed to the existence in each district office of a referral file of agencies and services and to the efforts which have been made to reach agreement with the States on referral policy. However, the staff's discussion with social security field personnel both in person and by telephone revealed that although some are alert to the need of individual recipients for services, others are disinclined to make referrals because they feel that a referral to the welfare office would be fruitless in most cases, because they do not regard this as an important part of their job as social security employees, or because of other reasons. In some offices, the staff found that social security employees were unaware that SSI eligibility in their State carried with it automatic eligibility for food stamps. Consequently applicants were referred to the welfare office to apply for food stamps only if they inquired about them.

The reactions of agencies and organizations outside of the Social Security Administration to this issue are mixed. Some organizations, including some State welfare agencies, strongly feel that the coming of SSI has significantly harmed the ability of the aged, blind, and disabled population to obtain needed benefits and services not provided by the Social Security Administration. Other agencies, also including some State agencies, feel that referral procedures now in effect are adequate. In part, this may reflect differences in the adequacy with which social security offices are handling referral situations, but it also seems to reflect some difference in opinion as to whether social security offices should play a significant referral role. One administrator of a large county welfare department expressed the view that the Social Security Administration should concentrate its efforts on improving the handling of SSI benefits.

One method of handling the problem of SSI referrals is through the use of welfare agency personnel stationed in social security district offices. Another approach is the location of social security offices and welfare offices in the same or adjoining buildings to minimize the need for aged, blind, and disabled persons to travel to various places to apply for different benefits. While approaches such as these have been tried with some success, there are limitations on the extent to which they can be used. Social security district or branch offices will frequently serve populations served by more than one welfare agency. Welfare agencies may not find that they can afford to place workers in social security offices. Moreover, even where a welfare department employee is located in a social security office, he will not necessarily see all SSI applicants having a need for services unless the claims representatives and service representatives in the social security office are sufficiently able to recognize these needs and to refer appropriate individuals to him.

4. STAFF RECOMMENDATIONS

The staff believes that the existence of a federally administered program of basic income maintenance for the aged, blind, and disabled necessarily involves the administering agency in a significant interrelationship with the States, and this is magnified because of statutory responsibilities placed upon that agency for State supplementary benefits and medicaid eligibility. Given these relationships, it is important for the Social Security Administration to maintain liaison with affected State agencies and officials and to provide such aid and assistance as is possible, consistent with the performance of its basic functions. The interrelationship which ought to exist, however, is not one of Federal-State partnership in carrying out a joint responsibility, but rather one in which the Federal and State agencies have separate and distinct responsibilities which must be fulfilled.

State supplementation.—The staff believes that the States are justifiably dissatisfied with the present computer-generated accounting provided to them of federally administered State supplementary benefits, and recommends that a more complete and detailed accounting procedure be implemented by the Social Security Administration as rapidly as feasible. In making this recommendation, however, the staff notes that this is only one of a number of areas in which the ability of the SSI system to provide adequate management information requires substantial improvement (cf. Part B of Chapter 2). The present inadequate development of accounting procedures cannot justify State action to withhold funds nor does it provide sufficient reason for the Department of Health, Education, and Welfare to agree to undertake extraordinary auditing procedures which it believes would interfere with its ability to efficiently administer the SSI program.

The question of basic fiscal liability for incorrect payments is a more difficult issue to deal with. In enacting the SSI program, the Congress, relying upon the assurances of executive branch officials and on the Social Security Administration's reputation for efficiency and accuracy, expected that the Federal administrative agency would have a smaller incidence of incorrect payments than had the State welfare agencies. While there would be some degree of error in any program, there did not appear to be any need for providing a specific remedy for States opting for Federal administration since it was presumed that, in addition to the savings from Federal assumption of administrative costs, the States would also experience a savings as a result of a lower error rate.

In practice, the error rate in the SSI program has proven to be far higher than was anticipated, and the Department has undertaken to negotiate with the States a system of sharing liability for erroneous payments of State supplementary benefits. The staff can understand the concern of the States over the overpayments which have been made in their name by the Department, particularly in the light of the contrary expectations under which they agreed to Federal administration. However, the staff does not find in the statute as it now stands any authorization for the Federal Government to assume the cost of incorrectly administered State supplementary payments.[1] Under

[1] The statutory provisions related to State supplementation allow the Department some latitude in determining "procedural or other general administrative provisions" governing supplementation. In the case of benefit costs, however, the law categorically declares that States contracting for Federal administration of their supplementary benefits shall: "pay to the Secretary an amount equal to the expenditures made by the Secretary as such supplementary payments."

the existing statute, the only remedy the States have is to terminate the authorization for Federal administration (some 6 States have for a variety of reasons exercised this option). As a matter of equity, however, the staff believes that States should have some recourse other than the resumption of an administrative burden which they abandoned in good faith. The remedy, however, should have a statutory basis and not simply be left to open-ended negotiations between the executive branch and each of the States.

The staff recommends that the committee consider legislation under which the Federal Government would be responsible until 1980 for the cost of erroneous federally administered State supplementary benefits to the extent that those incorrect payments exceed a specified percentage of total State supplementary benefit payments. (For example Federal liability could be provided for incorrect payments exceeding a 10 percent level until 1978 and for incorrect payments exceeding a 5 percent level in 1979.) In making this recommendation, the staff does not believe it appropriate to specify a particular percentage as an ultimate target for administrative accuracy. The staff does believe that, if its other recommendations are adopted—particularly the simplification of State supplementation—the incidence of incorrect federally administered State benefits should be sharply reduced by 1980. At that point States should be able to absorb the full costs of such payments and still realize a savings taking into account the fact that they do not bear any share in administrative costs and that there would have been some error under a State administered program.

Medicaid.—One major area of dissatisfaction in the interrelationship between the States and the federally administered SSI program is the impact on the medicaid program. The issues involved arise from administrative inadequacies in the transfer of data from the Social Security Administration to the States, from the limitations on the extent to which the Social Security Administration has been willing to undertake responsibility for determining medicaid eligibility, and from the fiscal implications for State medicaid programs of erroneous SSI eligibility determinations.

The staff recognizes that substantial improvements have been made in the accuracy and timeliness of medicaid eligibility data transfer procedures. As with the SSI administrative systems generally, there remains room for improvement, particularly in the area of timeliness in informing States of changes which take place after initial entitlement such as changes of address. The staff believes that its general recommendation in Chapter 2 for the necessary commitment of resources to complete and perfect the SSI computer systems is applicable to this area. (See page 38.)

The dissatisfaction of some States with the extent to which the Social Security Administration has relieved them of the responsibility for making medicaid eligibility determinations is less susceptible of resolution. The staff generally concurs with the Administration position that it should agree to make eligibility determinations only to the extent that medicaid and SSI eligibility factors coincide. The staff recommends that the Administration continue to work with the States in providing information and developing procedures which can minimize the delays caused medicaid applicants who must have their eligibility determined by both agencies. Moreover, the staff believes that, in limited circumstances, the Social Security Administration could

properly agree to make medicaid determinations on the basis of eligibility factors somewhat different from SSI factors, but only if that agency determines that it can do so without impairing the efficiency of its basic mission of administering the SSI program. Ultimately, however, the responsibility for the medicaid program's administration lies with the States, and the provision in the SSI statute was, in the view of the staff, intended basically to avoid duplication of administrative effort in those circumstances where medicaid eligibility could be determined on the basis of actions which the Social Security Administration would necessarily take in the course of administering SSI.[1]

The problem of incorrect medicaid benefits stems from inadequate information transfer from the Social Security Administration to the States or from outright errors on the part of the Social Security Administration in determining eligibility for SSI. The staff believes that this problem will be alleviated only as a byproduct of overall improvement in the operation of the SSI program. However, it is clear that there is a very substantial impact on both Federal and State medicaid costs resulting from the high ineligibility rate in the SSI program, and the staff believes that an attempt should be made by the Department of Health, Education, and Welfare to estimate the extent of incorrect medicaid payments traceable to SSI as an essential part of any evaluation of the quality of SSI administration. The staff agrees, however, that there is no statutory basis for reimbursing States for their share of such incorrect medicaid payments. The staff believes that the current policy of not requiring States to repay the Federal share of such payments is reasonable, but it is recommended that consideration be given to enacting specific legislative authorization for that policy.

Social services, food stamps, and other State administered programs.—The staff believes that it is unrealistic to expect that the employees of social security field offices can play a major role in the operations of other programs which are the responsibility of State or other non-Federal agencies. The Social Security Administration has traditionally attempted to provide its employees with some training to enable them to make general referrals to other agencies and organizations when claimants exhibit obvious needs for special services or request information concerning other programs. While the staff agrees that such training is appropriate and that the Social Security Administration should continue to improve its capacities in this respect, social security employees cannot as a group be expected to attain thorough familiarity with the different types and conditions of benefits administered by other agencies nor to attain the capacity to comprehensively evaluate the needs of SSI claimants for services. The burden placed upon the capabilities of social security employees to be competent in all the various programs administered by their own agency is, in itself, substantial.

The staff does believe that it is appropriate for the Social Security Administration to cooperate with the States in making arrangements

[1] Some of the difficulties arising in the case of SSI and medicaid interaction are traceable to the basic eligibility requirements for medicaid and would be substantially affected by legislation extending medicaid eligibility to all SSI recipients or, alternatively, providing medical assistance solely on an income-tested basis without a categorical relationship to the SSI program. Discussion of such proposals does not come within the scope of this report.

for the stationing of welfare agency employees in social security field offices, for the dissemination to SSI applicants of appropriate literature concerning the availability of other programs, and for such other general referral and information measures as can be reasonably accommodated. As far as the staff can determine, the Social Security Administration does pursue a policy of providing such cooperation. However, the main job of the Social Security Administration is and ought to remain the accurate and efficient administration of those programs for which it has direct responsibility.

The staff believes, however, that there is reason for concern over the possibility that the existence of a federally administered income support program may have isolated the aged, blind, and disabled to some extent from access to other services available through State and local agencies. The Committee may wish to consider legislation directly addressing this problem. One proposal which might be considered would be the establishment of a corps of SSI recipients, trained and employed by the State welfare agencies, but funded entirely by the SSI program. These SSI recipient-employees could serve as a bridge between the SSI program and State and local service programs for other SSI recipients while at the same time earning an income to supplement their benefit payments. Once trained, these employees could be stationed in social security offices to provide information and referral services to State programs. Similarly, such individuals might also serve in county welfare offices to provide assistance to individuals with SSI problems in areas where county welfare offices are more conveniently located than social security offices.

C. SSI and the Aged, Blind, and Disabled Population

Just as the SSI program involved the Social Security Administration in new and more complex interaction with the States, so the new program changed considerably the actual and perceived relationships which that agency had with the population it serves—the aged, blind, and disabled. While Social Security Administration policy has always demanded of its employees a sympathetic and responsive attitude toward claimants under its programs, it maintained in the past a somewhat more formalized relationship with the population it served than is true under the Supplemental Security Income program. Prior to the 1972 legislation, emphasis was placed on the insurance nature of social security programs as contrasted with the welfare nature of the aid programs administered by State and local governments.

With the coming of SSI, the Social Security Administration found itself assuming some of the responsibilities formerly handled by welfare agencies. The needy aged, blind, and disabled who previously turned to the welfare agency for their basic income assurance now looked to the social security district office. The district office had to worry much more than before about the effects of delays in initial entitlement or in replacing a check which did not arrive when it should have. The intent of the SSI legislation was to maintain insofar as possible the type of administrative structure and style that the Social Security Administration had brought to its traditional programs so as to minimize the "welfare" nature of the basic income maintenance functions for the aged, blind, and disabled. In practice, this proved difficult to accomplish, and in many respects the Social Security Administration came to play (or to be expected to play) the "welfare" role formerly undertaken by the State welfare agencies.

To some extent, the population served by the SSI program carried over to the new agency the attitudes and expectations it was accustomed to in dealing with welfare agencies. For example, one complaint sometimes raised against the Social Security Administration's handling of SSI concerned the "elimination" of the caseworker approach. Typically, in some States at least, each welfare recipient is assigned to a specific caseworker who is responsible to become familiar with the particular situation and needs of his clients and to handle any problems which may come up for those individuals. Social Security field employees, by contrast, do not maintain continuing responsibility for specific claimants after they have completed the processing of a claim or other specific action.

There are, however, more substantial reasons for the Social Security Administration's inability to maintain its traditional style of administration in handling the SSI program. The nature of the program is, in fact, somewhat different. Although some of the eligibility requirements have been made simpler and more uniform than those of the former State welfare programs, the question of eligibility does require an examination of individual income and resources. The consequences of a check not arriving or a claim not being handled correctly are more severe than was generally true under the Old-Age, Survivors, and Disability Insurance programs.

Thus, to a considerable extent, the SSI program has taken on the characteristics of a "welfare" program despite the fact that one of the main purposes of establishing the program was to make, in the words of the Senate report on the legislation, "a major departure from the traditional concept of public assistance." The staff believes that one of the major issues the Committee will face in considering future legislative changes in SSI will be the question of whether such changes move the program further in the direction of the welfare model or whether they limit or reverse the movement in that direction. This issue may well underlie most major proposals for modifying SSI. The staff feels that the following three areas merit particular attention in this report: the question of emergency aid, the influence of litigation on the administration of SSI, and the extent of agency responsibility for seeking out all potential claimants.

1. EMERGENCY AID TO THE AGED, BLIND, AND DISABLED

Under the former State programs of aid to the aged, blind, and disabled, States could tailor their monthly aid payments for eligible individuals to the actual circumstances of each applicant. While there was no formal Federal authorization for a separate program of emergency assistance, certain emergency situations could be accommodated by special need allowances incorporated in the grant. In addition, the same agency which handled the basic income support grant also administered any general assistance program providing aid to individuals in circumstances where Federal funding was not available.[1]

[1] Since the former programs operated under plans developed by each State, actual practice varied widely. Some States provided for a variety of special needs with highly individualized budgets while other States provided assistance more in the nature of a flat monthly allowance.

The SSI program does not contain the same flexibility to deal with emergency situations as did the former State welfare programs. While it was recognized by Congress that there would have to be some provision for emergency situations, these were necessarily limited since it was not possible to make the SSI program highly responsive to individual circumstances without seriously undermining its intended manner of operation. The legislation does provide that, in emergency circumstances, a $100 advance to applicants can be made at the district office level when it appears that the claimant is eligible and financial emergency exists. This advance can be made only once and only in the case of initial eligibility. In practice, however, the Social Security Administration has developed procedures for short-circuiting some of the usual processing in posteligibility situations where there is apparent eligibility but the system cannot be made to generate timely payments in the ordinary way.

In the case of lost or stolen benefit checks, the Social Security Administration has greatly reduced the processing time for making replacement. On the basis of information obtained by the staff, however, it appears that check replacement in many cases still is frequently measured in weeks, although the optimum replacement time has been reduced to 7 to 10 days. Even with this reduced time frame, however, an aged, blind, or disabled person may undergo significant hardship if he has to wait any significant length of time for the replacement of a check which has been lost in the mails.

There are a number of emergency situations in which the SSI program does not provide any means of relief. Beyond the provision for a $100 advance to individuals who appear to meet the eligibility requirements and a similar provision allowing benefits on the basis of disability or blindness to be paid for up to three months to "presumptively eligible" individuals, the program does not authorize the Social Security Administration to provide for the needs of those whose eligibility determinations are for one reason or another delayed. The SSI law does not make any provision for situations in which a temporary catastrophe befalls the recipient such as a fire which creates extraordinary needs that cannot be met by the regular monthly benefit, or the loss or theft of his SSI benefit payment after he has received and cashed the check.

The SSI program not only does not provide for such cases of individualized emergency needs but originally contained provisions which discouraged the States from undertaking to meet those needs. The statutory rules concerning the counting of income for SSI purposes were such that State benefits of a general or emergency assistance nature (as opposed to regular recurring State supplementary payments) had to be considered as income and therefore served to reduce the SSI benefit amount. (As with other aspects of the SSI program, administrative policy did not entirely conform to the statute in this respect.)

Legislation enacted in August 1974 authorized an interim payment procedure under which States could make advances to SSI applicants during the processing of their SSI claims. These advances would not serve to reduce the amount of SSI payable for the same period and arrangements could be worked out for the first SSI check to be paid to the State, which would deduct the amount it had advanced and pay the balance, if any, to the recipient. This provision has alleviated the emergency situation with respect to delayed processing

of initial SSI applications in the States which have made use of it (at present 27 States and D.C.). However, it does not address the problem encountered by SSI recipients in other types of emergency situations. Even in the case of initial applications, the procedure is not completely effective.

If an individual is applying concurrently for social security and SSI benefits and the processing of both claims is delayed, the interim assistance provisions apply only to the SSI portion of his entitlement which may be quite small. Since States have no assurance of receiving any part of the individual's Old-Age, Survivors, or Disability Insurance payment, they are reluctant to advance more than the SSI part of the payment.

While there is good reason to question whether there existed in many States prior to SSI adequate provision for the emergency needs faced by aged, blind, and disabled persons, the existence of a national income maintenance system which does not adequately address those needs and which contains certain provisions which actually seem to interfere with State efforts to do so has focused attention on the problem and is a source of some dissatisfaction with the program on the part of those it serves.

2. THE EFFECT OF LITIGATION

Prior to the enactment of the SSI program, the Social Security Administration was not generally faced with extensive litigation on its basic handling of claims. There were a substantial number of court cases related to social security determinations, but these were mostly individual actions primarily in the case of disability claims or other entitlement elements involving difficult judgmental findings. With the coming of SSI, however, the Social Security Administration found itself beseiged by a large number of suits—many on a class action basis—challenging some of its basic processes.

The staff believes that there are a number of reasons explaining this sudden increase in the number of court cases involving the Social Security Administration. In part, it simply represents the fruition of several years of increasing court activity concerning Social Security Act programs administered by the States, activity which has been made possible by the existence of federally funded legal services attorneys. In part also it represents a conscious recognition by legal services attorneys that a federally administered income maintenance program offered an inviting target for their activities, which had previously been concentrated on State and local agencies. A letter received by the staff from a legal services center states:

> Prior to the effective date of the SSI program, our office determined to give it high priority in terms of training legal services attorneys and lay advocates, negotiating policy and procedure with SSA and, where necessary, engaging in litigation.

The Social Security Administration, moreover, acquiesced in the judgment that its relationship to SSI recipients was properly considered the equivalent of the relationship between State welfare agencies and recipients of public assistance rather than the equivalent of its relationship with beneficiaries under the programs of Old-Age, Survivors, and Disability Insurance. For example, instead of applying to SSI recipients the appeal procedures established for other social security

programs, the agency determined that it would be bound by the *Goldberg v. Kelly* Supreme Court decision which requires that benefits for welfare recipients not be terminated or reduced until after they have had a chance to ask for and receive a formal hearing.

The staff believes that the impact of litigation on the operations of the SSI program may also have been influenced by the chaotic state of program administration in the period after the program went into effect. The frequency of errors and the delays involved in processing applications and changes may have increased the likelihood that courts would feel that judicial intervention in the operations of the program was appropriate.

As a result of these various causalities, the Social Security Administration found itself confronted with a large number of suits filed by legal services attorneys on behalf of recipients throughout the country. From the beginning of the program some 143 such "SSI litigation" cases have been filed, 105 of them on a class action basis, and 68 of these cases are still in litigation. At one time or another during this period, the Social Security Administration has found itself operating under some 41 temporary restraining orders or preliminary injunctions, and 26 of these have been on a class action basis, thus affecting the overall functioning of the program. The objectives of these suits range from procedural details such as the wording of notices to claimants to matters of major program substance such as the question of whether the statutory exclusion of Puerto Rico from the SSI program is permissible.

Social Security Administration operating personnel interviewed by the staff believed that the litigation encountered by the SSI program has adversely affected the ability of the agency to administer the program in an efficient manner. For example, court decisions have applied the *Goldberg v. Kelly* rule very broadly to prevent any suspensions or reductions in SSI benefits until after the recipient has had a hearing or has waived his right to have one. This rule is required to be followed when applying a reduction in SSI payments based on a general increase in social security benefits or on the claimant's own voluntary notification that his earnings have increased. Even technical processing defects cannot be immediately corrected without hearings or a signed agreement to waive hearings. (Technical defects involving extremely high payments are now permitted to be corrected in part. For example, erroneous payments involving mandatory State supplementation can be reduced but not below $2000 per month. Where individuals are getting two separate monthly SSI checks, the Social Security Administration is permitted to discontinue the lower check.)

Similarly, this approach has negated much of the advantage of the quarterly income accounting period established by the statute. Under the statute, benefits are determined each quarter on the basis of income for that quarter. In effect, there is a single quarterly benefit which is paid in three installments. In theory, the amount of each installment could be adjusted as income expectations change within the quarter so that the total actually paid is correct or very close to correct. Under the welfare agency approach adopted by the Administration and the courts, however, each monthly installment is

treated as a separate entitlement and any adjustment in the payment for the third month of the quarter must be handled as the recoupment of an overpayment for the prior two months, with opportunity for a hearing prior to the imposition of the change.

As mentioned above, court decisions have gotten down to such detail as the content of the notices to claimants of their rights to appeal. Originally, SSI award and denial notices contained a statement telling applicants that they were entitled to ask for a review of any decision they might disagree with and advising them to contact the local district office for further information about their appeal rights. A suit was filed alleging that this was insufficiently informative, and a Federal district court decided to take jurisdiction over the content of such notices. As a result of this action, the agency ultimately was required to include with all such notices a full page description of the SSI appeals process including all the various forms which appeals can take. The staff was informed by social security personnel that they were, in effect, under instructions to clear any changes in the wording of their notices with a particular legal services lawyer—the one who had filed this case. Interestingly, the Committee staff received a letter from another legal services lawyer complaining of the length and complexity of the notices being used to inform SSI claimants of their appeal rights.

Thus it appears that the effort to protect the rights of SSI claimants through litigation comparable to that which was frequently raised against State welfare agencies has created a substantial obstacle to the type of efficient administrative structure which Congress envisaged for this program. Each of the Nation's district courts apparently has the capacity to intervene in the administration of the program and dictate changes in policy and procedure according to its lights.

3. AGENCY RESPONSIBILITY FOR SEEKING OUT CLAIMANTS

When the Supplemental Security Income program was under consideration by the Congress in 1972, it was believed that its enactment would result in a significant expansion of the number of aged, blind, and disabled persons—and particularly aged persons—receiving governmental income support. There were a number of reasons for this expectation. The SSI program in many States would substantially increase the level of income which an individual could have and remain eligible for benefits. The new program did not have some of the restrictive features (e.g. lien requirements, relative responsibility provisions) which were thought to have discouraged elderly poor persons from applying for welfare in some States, and the mere change of administrative agency from the State and county welfare departments to the Federal Social Security Administration was expected to have an effect on the attitude of potential recipients toward the program. In addition to all of these factors, the Department of Health, Education, and Welfare's analysis of available census data led it to estimate a very substantial eligible population.

When the SSI program was enacted in 1972, the State welfare programs for the aged, blind, and disabled had 3.2 million recipients. The Department estimated that the new SSI program would serve

a greatly expanded caseload of some 6.2 to 6.3 million recipients. The Department also predicted that the aged would predominate over the blind and disabled to even a greater extent than had been the case under State welfare programs. The experience to date has not borne out the assumptions either as to total recipients or as to the predominance of the aged in the caseload. The difference between what was estimated and what has been realized in fact is shown in the following table.

SSI CASELOAD ESTIMATES

(Numbers in millions)

	State program (Dec. 1972)		Supplemental Security Income Program					
			HEW estimate in 1972[1]		HEW estimate in 1974[1]		Actual caseload in December 1976	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Aged	1.9	60.8	5.2	73.8	4.8	68.1	2.1	50.7
Disabled and blind	1.2	39.2	1.8	26.2	2.2	31.9	2.1	49.3
Total	3.2	100.0	7.0	100.0	7.0	100.0	4.2	100.0

[1] Estimate of eligibles. The Department assumed actual participation rates would be 10 percent lower.

The failure of the program to attain its anticipated caseload of aged beneficiaries has not been adequately explained although a multitude of possible explanations have been proffered. One possibility is that the original estimates of the eligible population were simply incorrect—that the data available in census records are not sufficiently detailed to permit an accurate projection of potential SSI eligibility. The census data, for example, will not indicate with accuracy whether an individual's assets are within the SSI eligibility limits. Another theory is that the program has reached most of the population which wants to participate, but that there are a substantial number of individuals who would qualify for only small payments or who are, in fact, living with relatives in a clearly nonpoverty status and that these individuals are unwilling to accept benefits payable under what they perceive as a welfare program.

Thus it is possible that the failure to attain as large a caseload as anticipated simply means that the anticipations were overoptimistic either about potential eligibility or about the attractiveness of the program. The Social Security Administration has, however, been subject to considerable criticism on the theory that such explanations are not correct and that the agency has in fact failed to make its program adequately available to a significant part of the eligible aged population. One such criticism assumes that a large number of eligible individuals who need and would accept SSI benefits are so isolated

that they are not aware of the existence of the program and that the Social Security Administration has made insufficient efforts to bring SSI to their attention. Another criticism is that some significant number of individuals may have actually inquired about their potential eligibility and been told, without benefit of a formal application or detailed examination, that they were ineligible.

The Social Security Administration responds to criticism that it has made insufficient effort to reach potential eligibles by pointing to a number of "outreach" projects which it undertook specifically to achieve this objective, in addition to pursuing the usual public relations activities of preparing and offering various materials for media use to inform the public. Among the efforts cited are a program undertaken in the first part of 1974 in cooperation with other public and private organizations which involved some 50,000 volunteer workers, a program of mail solicitation of applications from individuals getting social security benefits in amounts which seemed to indicate potential SSI eligibility, and several other programs designed to seek out SSI eligibles. According to information provided to the staff by the Administration, the costs of the various SSI outreach activities (not counting the cost of processing resultant applications or costs incurred by other cooperating agencies) exceed $15 million since the start of the program.

While the Administration has been severely criticized over the failure of these various "outreach" activities to develop additional claims which would bring the aged caseload up to original estimates,[1] the staff sees no reason to believe that other types of "outreach" activities would have been more successful. Moreover, no legislative authorization exists for the Social Security Administration to undertake more than the normal public relations responsibilities which any agency has in connection with programs under its jurisdiction, and there may be some reason to question whether that mandate has already been exceeded to the detriment of the agency's ability to fulfill its basic administrative responsibilities.

The staff telephone survey of district office personnel found that most of those interviewed believe that there are few potential SSI beneficiaries who have not been adequately informed of the program's

[1] One frequent criticism leveled against the Social Security Administration's SSI "outreach" activities is that they are much less impressive than the same agency's earlier activities in connection with the 1965 legislation establishing the Medicare program. The staff feels that such a comparison is not entirely fair. The Medicare program involved a new type of governmental benefit—health insurance—not previously available to the bulk of the potentially eligible population whereas SSI benefits to a substantial extent represented a transfer of administrative responsibility from the States to the Social Security Administration for providing the same generic type of benefit—cash payments. Moreover, the group reputedly not reached by the SSI program is precisely the same group with which the Social Security Administration had apparently already established contact through its Medicare outreach activities—the aged. For these reasons, it seems reasonable to conclude that a less extensive outreach program might have been required for SSI than for Medicare. In addition, the Medicare program was of interest to the entire aged population by contrast with the SSI program which serves only the neediest of that group. As a result, media coverage of the fact and details of the new Medicare program was for that very reason more intense than was true of the SSI program.

existence. The mail survey of the States found that more than half of the States responding felt that nearly all potential aged beneficiaries had been made aware of the program while less than half of the States felt that a significant proportion had not been reached. There was much more feeling on the part of the States that substantial numbers of disabled children had not been made aware of potential SSI entitlement. For more detailed descriptions of the findings of these two surveys see pages 171 and 223.

Another criticism of the Social Security Administration's procedures for seeking out potential eligibles is that many possible claims are disposed of without a formal determination of eligibility or ineligibility. While traditional Social Security Administration policy has required field personnel to accept and even encourage[1] a formal application whenever there is a possibility of eligibility, the impact of this policy is quite different in the SSI program than in the Old-Age, Survivors, and Disability Insurance program. Except in the case of disability, the large majority of claims for benefits under the Old-Age, Survivors, and Disability Insurance system will be allowable if the claimant is of the requisite age, has a specified number of credits on his social security wage record, or bears a specified relationship to a person who is insured under the social security system. While there are exceptions to the rule, these eligibility factors are in most cases quite clear cut. It is possible that a person inquiring about eligibility for benefits will believe that he is only age 59 when a closer examination would prove him to be age 62, but such a case would be relatively unusual. In the case of SSI benefits, however, eligibility or ineligibility will often rest upon an individual's expected income or the value of his resources. It is more likely that an individual will be mistaken about the value of his assets than his year of birth.

Thus it is far more likely under SSI than under other Social Security Administration programs that an individual who is not encouraged to file a formal application because he is "clearly ineligible" on the basis of his own allegations may in fact be eligible. While most of the Social Security Administration personnel interviewed by the staff appear quite firmly convinced that applications are being accepted and encouraged in essentially all appropriate cases, the number of informal disallowances recorded by the Administration is large enough to require closer attention. At the present time, such decisions are being made at a rate of several hundred thousand per year.

A study conducted by the Social Security Administration in late 1974 of informal disallowances concluded that "there does not appear to be any major area of deficiency." The staff does not agree that the study warrants such an optimistic conclusion. The study was based on a special sample of 2,000 cases in which the interviewers were required to complete a form detailing their reasons for making the informal disallowance. Twenty-five percent of these cases were not reviewed for various reasons, some of which (e.g. incorrect phone

[1] Social Security Administration policy apparently attempts to meet the somewhat contradictory objectives of not unduly influencing an individual's decision while at the same time not allowing an individual to miss out on benefits. Thus the Administration's claims manual section on inquiry processing states in one place: "Do not advise whether or not to file an SSI program application" and in another place: "SSA's responsibility is to consider all of the program rights which apply whenever an individual is contacted and encourage filing."

number, failure to record social security number, etc.) may have been reason to at least suspect inadequate interviewing. The review of the informal disallowances did not involve a full-scale reexamination but, in effect, a second informal interview conducted by telephone. Even with all of these shortcomings the study found inadequacies sufficient to indicate that 3.8 percent of the informal disallowances should not have been made. While this is a small percentage, projecting it to the national total of informal disallowances would indicate that more than 30,000 individuals each year are told informally that they are ineligible for SSI in circumstances which should involve a formal application.

The staff recognizes that the question of informal disallowance policy is a difficult one. No valid interest is served by taking the time of interviewers and claimants to complete and adjudicate applications which have no chance of being approved. On the other hand, there seems to be much more need in the SSI program for guidelines on when a formal application should be encouraged than is true of the other programs administered by the Social Security Administration. It may be clear that an individual who alleges having a $30,000 bank account should not be encouraged to file for SSI benefits; it is not so clear that an individual who alleges owning property worth $5,000 should not be encouraged to file. Such an individual may be mistaken about the value of the property or, as happened in one case brought to the attention of the staff, he may be entitled to exclude from consideration some part of that property value so that he would in fact be eligible.[1]

4. STAFF RECOMMENDATIONS

The staff believes that Congress intended the Supplemental Security Income program to be a new kind of income maintenance system which would operate efficiently and without undue intrusion into the individual circumstances of its beneficiaries. It would resemble much more the social security insurance programs than the former State welfare programs. The disappointing performance of the program to date is to a significant extent attributable to the fact that for a number of reasons and in a number of respects the SSI program has in practice been expected to undertake the close, individualized relationship with its recipient population that was (or was thought to be) characteristic of State welfare programs.

One major reason for the existing situation is that the SSI program in fact plays a dual role. It is a major national income maintenance program for the aged, blind, and disabled as a group; it is also the only means of subsistence for many individual recipients. Consequently, when the program fails to meet their needs, whether because of emergencies not provided for by the program or because of some administrative breakdown, recipients have, in many cases, nowhere else to turn.

[1] According to the allegations received by the staff, an individual was repeatedly discouraged from filing an SSI application because her home value exceeded the $25,000 then allowed by regulations. When a formal application was subsequently adjudicated, it was found that a portion of the value could be excluded as "business property" since she rented part of the property and that she was, in fact, eligible for SSI benefits. Subsequent legislation has eliminated any consideration of the value of an individual's own home, but similar situations with respect to other types of property could occur.

One possible alternative which could be considered is to accept the position that the SSI program ought to play such a dual role and to consider changes in the program which would make it more responsive to individual needs. While arguments in favor of such a position can be made, the staff believes that this would represent a very basic change in policy from the original intent of Congress in enacting the SSI program and that it would necessarily involve substantial increases in program and administrative costs and in the size of the Federal work force necessary to properly carry out the program.

On the other hand, the staff does not believe that the existing situation can be simply attributed to maladministration or to arbitrary action by the courts. The aged, blind, and disabled population who receive SSI are by and large dependent upon that program for the necessities of life. They must have some protection against situations in which they might find themselves improperly deprived of benefits and without other means of support. The staff is convinced that that protection can be provided in a way which will permit the SSI program to function as the efficient basic income maintenance system intended by Congress. To accomplish this, however, it will be necessary to make a clear separation of the ongoing income maintenance functions of the SSI program from those functions which are addressed to meeting individualized need in particular circumstances.

To this end, the staff recommends that consideration be given to administrative and legislative changes, as necessary, to assure the existence apart from the basic SSI program structure of a mechanism (or combination of mechanisms) for dealing with emergency situations faced by individual aged, blind, and disabled individuals. The staff believes the Committee might appropriately direct the Department of Health, Education, and Welfare to develop recommendations on the exact structure of such mechanisms. In general, however, the staff believes that it would be appropriate to encourage the use of existing formal State mechanisms or, if necessary, the establishment of new mechanisms for meeting needs not provided for by the SSI and for meeting the immediate needs of individuals in cases where questions of SSI eligibility must be resolved.[1] The staff believes, however, that the responsibility for assuring prompt replacement of lost or stolen benefit checks properly belongs with the Federal agency. It recommends that immediate steps be taken to permit much faster issuance of such replacement checks. The present delay—an optimum of 7 to 10 days—is based entirely on processing requirements and not on any investigation of the validity of the reported loss.

The staff was told by representatives of the HEW General Counsel's Office in the course of a briefing on litigation that there was no legislative way of reducing the judicial impact on Social Security Administration operation of the SSI program because the decisions were

[1] The emergency assistance could in many cases be provided for through existing State social services programs which are better equipped than the Social Security Administration to deal with individualized circumstances of need. The staff notes that this program presently contains a prohibition against providing services in the form of cash payments. If the Committee wishes to increase State flexibility in this area, it could consider legislation allowing the use of cash payments as social services where they are provided on a one-time basis in emergency situations.

being made on the basis of constitutional due process requirements. In the light of the recent Supreme Court decision in the case of *Mathews v. Eldridge*,[1] however, it seems possible that many of the complicating elements which have been imposed upon the SSI program as a result of court action or the threat of court action might be eliminated if separate mechanisms for addressing true emergency situations of beneficiaries are established as described above. For example, it should be possible to implement changes in payment on the basis of changed circumstances much more quickly and to utilize the quarterly accounting period by treating the payments for the first two months of a quarter as advances with the third month's payment being appropriately increased or decreased to arrive at the correct total for the quarter. The staff believes that this type of change in the program will be beneficial to claimants. It will improve the reliability of administration of the basic SSI program; it will reduce the incidence of overpayments; and it will provide for emergency situations through mechanisms designed to handle those situations rather than through the present haphazard continuation of benefits under a basic income maintenance program, in circumstances where they appear to be incorrect.

The staff also believes that the Social Security Administration cannot properly be charged with the responsibility of seeking out all potentially eligible recipients and inducing them to apply for benefits. If it is true that there are substantial numbers of eligible individuals who are so isolated that they have not been informed of the program (and the staff has not been able to find convincing evidence to either confirm or refute this allegation), the Congress could consider whether it would be appropriate to provide for an extraordinary "outreach" program to seek out such individuals and what agency might appropriately perform that function. The staff believes that such an operation differs materially from the operations involved in administering benefit programs. The staff finds no convincing evidence that the Social Security Administration has failed to publicize its programs to the extent that would be reasonably expected of an agency, and the staff finds no legislative mandate or authorization for the agency to undertake an extraordinary program of "outreach." Because of the widespread complaints which have been made, however, the staff recommends that if the Committee does not believe it appropriate to mandate extraordinary outreach programs, it nevertheless consider legislation establishing a specific funding authorization for SSI outreach activities so that the Congress can provide the Administration through the appropriations process annual guidelines on the level of activity it desires the agency to carry out in this area.

The staff does believe that there is reason for concern about the Social Security Administration's handling of the inquiries it receives

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[1] In the *Eldridge* case, a lower court had found that social security Disability Insurance benefits could not be terminated unless the beneficiary had first been afforded the opportunity to protest the termination at an evidentiary hearing. This represented an extension of the *Goldberg-Kelly* rule requiring that welfare recipients be given the opportunity for an evidentiary hearing prior to terminating payments. The Supreme Court distinguished the requirements of *Goldberg* from the situation in *Eldridge* by noting that more stringent due process requirements are appropriate if making a claimant wait for benefits for which he is eligible could deprive him "of the very means by which to live while he waits."

from potential beneficiaries. While it may be appropriate to leave the judgment as to whether a potential claimant is clearly ineligible to the discretion of field employees in the case of Old-Age, and Survivors Insurance benefits (and in the case of non-disability aspects of Disability Insurance benefits), a distinction must be made in the case of SSI benefits. Eligibility factors under SSI generally are less clear-cut and SSI claimants, as a group, may reasonably be assumed to need more assistance in deciding whether to apply. The staff recommends that the Administration establish specific criteria to guide field employees in making the decision whether or not a formal application should be encouraged. In developing these criteria, the Administration should undertake a more extensive and more carefully designed study of the results of informal disallowances. In addition, social security interviewers should be instructed to give a verbal or printed statement to all persons inquiring about possible SSI eligibility which clearly points out that they have the right to file a formal application if they wish and that, without a formal application, they will have no appeal rights.

D. SSI and Institutional Care

1. BACKGROUND OF THE PROBLEM

The Supplemental Security Income program was conceived of as a basic, essentially uniform income maintenance system for the aged, blind, and disabled which would take the income of each individual in these categories and raise it to a specified level sufficient to provide for his ordinary living costs. This theoretical conception rests on the assumption that some reasonable figure can be arrived at nationally, or at least on a State-by-State basis, which approximates the amount necessary to meet ordinary living costs for aged, blind, and disabled persons. In the case of persons who are not living in independent circumstances but rather in institutional care, the theory is particularly difficult to apply. Such individuals generally have their ordinary living costs met by the institution at a cost which exceeds considerably the cost of living in independent circumstances and which tends to vary widely from institution to institution. There are at least three approaches to applying an income maintenance system to institutionalized individuals which might be envisioned as consistent with the theoretical objectives of such a system:

(1) Since the value of the care received in-kind by the individual from the institution will in virtually every case exceed the income support level under the program, the benefits could be considered to be reduced to zero as a result of other income. Thus, no payment under the program would be made to institutionalized persons.

(2) The system could recognize that persons in institutions must pay for living expenses which may exceed those of non-institutionalized persons. Thus the value of the institutional care could be disregarded altogether in determining the amount of the income maintenance payment. In effect, the income maintenance system would be used to subsidize a significant part of the cost of the institutional care.

(3) The first two approaches could be combined by providing a reduced income maintenance allowance which takes account of the fact that most of the individual's ordinary living expenses are being

met through institutional care but that he will retain some need for regular cash income.

In practice, the SSI statute in its treatment of persons in institutional care does not consistently follow any one of these approaches. In drawing the statute, Congress attempted to carry forward essentially the same relationships as had existed between public assistance programs and institutionalized persons prior to SSI. These approaches had developed over the course of many years and reflected considerable differentiation in treatment depending upon the particular circumstances of institutionalization. As a result, under the current SSI statute:

(a) persons in public institutions who are not having Medicaid payments made on their behalf are not eligible for any SSI payment. Legislation enacted in 1976 exempts from this rule public institutions serving less than 16 residents.

(b) persons in public institutions who are having Medicaid payments made on their behalf are eligible for a maximum SSI payment of $25 per month.[1]

(c) persons in private institutions who are not having Medicaid payments made on their behalf are eligible for a maximum SSI payment of $167.80 per month, equivalent to the payment made to a non-institutionalized beneficiary with no income. Under the original SSI statute, this maximum payment would have been reduced by the amount of any other income including the value of the care being provided if it was paid for by third parties or provided without charge. Subsequent legislation exempted from this reduction any care subsidized by State or local governments or by private non-profit organizations, and—without benefit of statutory authorization—the Department has administratively limited the reduction on account of in-kind income to one-third of the SSI benefit amount.[2]

(d) persons in private institutions who are having Medicaid payments made on their behalf are eligible for a maximum SSI payment of $25.[1]

Thus the SSI program involves a variety of approaches to institutional care, and this fact in itself substantially undermines the effective and efficient administrative structure which the SSI program was intended to have.

2. PROBLEMS RELATED TO PUBLIC INSTITUTIONS (NONMEDICAID)

In the original Social Security Act of 1935, Congress provided that Federal funding for public assistance would not extend to assistance provided to any person who was "an inmate of a public institution." This ban on the use of Federal assistance funds for persons in public institutions was later modified to permit payments to those who were patients in public medical institutions. The mechanism for providing federally subsidized institutional care of a medical nature was subsequently transferred from the cash public assistance programs to the Medicaid program. The ban on using Federal funds to underwrite public institutionalization of a nonmedical nature, however, continued in force and in 1972, the Congress simply carried the same provision over into the new SSI program.

[1] In practice, the Department has modified the statute to provide the $25 payment rule only where over half of the cost of care is paid by Medicaid.

[2] This administrative action is discussed more fully in Chapter Three (see pages 72-73).

The original intent of the bar against payments to persons in public institutions is generally believed to have represented a judgment that a federally funded cash income support program should serve the purpose of enabling aged and disabled persons to live as independently as possible. The purpose of the program was not to assume the costs previously incurred by State and local governments in providing institutional facilities for needy aged and disabled persons nor, by doing so, to encourage further the "poorhouse" approach to dealing with indigence by institutionalizing aged persons without sufficient consideration of the potential they might have for continuing to live in independent circumstances.

Since the enactment of the SSI program, a number of problems have developed or, at least, been highlighted in connection with the prohibition against payments to residents of public institutions. In some States, institutions which were not considered public institutions for purposes of applying the Federal funding prohibition under the former State welfare programs are so considered under the SSI program. To some extent, this type of situation may represent a failure on the part of the Department of Health, Education, and Welfare to enforce the requirements of prior law. It does appear, however, that there are some cases where the question of what constitutes a public institution is not nearly as clear-cut as it once was. In many instances, State or local governments enter into cooperative arrangements with private entities to construct, fund, and operate facilities. Whether or not the resultant institution should be considered public or non-public will involve a judgmental determination of how much control the State or locality has over the institution. Moreover, in some cases it appears that the absence of any specific Federal statutory criteria on what constitutes a public institution has led to situations in which similar operations may be found to be public institutions in one State and non-public in another.

In addition, questions have been raised whether the original objective of encouraging independent living arrangements (as opposed to the expansion of county poorhouses) is still well served by the ban on payments to public institutions. There has been an increase in recent years in facilities that are publicly supported but that do not fall into the traditional poorhouse mode. Group homes designed to deinstitutionalize the mentally retarded and increase their capacity to serve as productive members of society are the prime example. Some State and county governments have also begun to develop public homes for the aged which are designed to provide a decent, safe environment for the elderly. It is argued that denying SSI payments to persons in such facilities while allowing them for individuals in private facilities provides undesirable incentives to actually keep aged and disabled persons in a more highly institutionalized environment. This problem has been addressed in part by legislation enacted in 1976 permitting SSI payments to individuals in public institutions which serve no more than 16 residents; however, this legislation also has the effect of adding one more variation to the different ways in which institutional care is treated under the SSI program.

3. PROBLEMS RELATED TO PRIVATE INSTITUTIONS (NON-MEDICAID)

Under the former programs of aid to the aged, blind, and disabled, States had considerable flexibility in dealing with the question of assistance to individuals in private institutions.

Since the amount of the assistance payment could be determined on the basis of the actual needs of each individual, States could accommodate a situation in which the costs of care varied widely among different institutions. Although the Federal statute required that the assistance payments be made directly to the recipient, the States in fact had the ability to negotiate with different institutions and make payments which were reasonably related to the services provided. With the coming of SSI, however, the situation changed significantly, particularly in States which elected to have Federal administration of State supplementary payments.

Chapter Three of this report has described how the willingness of the Department of Health, Education, and Welfare to administer a number of payment variations in State supplementary benefits complicated the SSI program in a manner not intended by Congress. (See pages 68–71.) Despite this, the Department did not agree to administer State supplementary payments in a way which would permit the States to continue to exercise the degree of control over payments to private institutions which had previously existed.

One result of Federal administration was that States were limited in reimbursement to at most a few different levels. This made it necessary to group services worth various amounts under each of these levels, and, since institutions ordinarily will not provide services for less than cost, States sometimes would tend to pay more than the services were worth.[1] For example, if a State is permitted to supplement at three levels: $300, $500, and $700, institutional care worth $550 will require a benefit payment of $700 under federally administered SSI whereas it required a payment of only the $550 value under the former State welfare program.

Beyond the question of assuring reasonable reimbursement is the question of assuring adequate and equitable treatment of institutionalized individuals. Under the former welfare programs, States had the ability to use their control over the assistance grant as a tool for negotiating with providers of institutional care not only the basic fee structure but also the standards of care. To the extent that they have turned over administration of the State supplementary payment to the Federal Government and in all cases where only a basic Federal SSI payment is involved, this leverage has been greatly reduced. One particular example that has been called to the attention of the staff concerns the personal needs allowance. In the SSI statute, a $25 monthly personal needs payment is provided in the case of recipients in medicaid institutions. Under the former State welfare programs, the welfare agency could assure that this kind of allowance for personal needs was set aside from the monthly assistance grant. Under SSI, however, private non-medical institutions are free to absorb the entire SSI payment for room and board costs. In effect, then, the States under the former welfare programs had the ability to exercise considerable control over public funding which underwrote institutional care of the aged, blind, and disabled. Although public assistance

[1] Although this problem would only involve State funds if the law were properly applied to bar savings clause payments which exceed the "adjusted payment level," the contrary policy adopted by the Department has the effect that these unreasonably high payments to some institutions may be entirely paid for through Federal funds in some instances. (See page 71 for a discussion of the SSI savings clause.)

payments were cash income maintenance grants in form, in substance they were used—at least in some States—as vendor payments.

4. PROBLEMS RELATED TO MEDICAID INSTITUTIONS

For individuals who are institutionalized under circumstances in which the medicaid program is paying, or partly paying, for the costs of their care, the SSI program provides a reduced allowance of $25 per month to cover personal needs not ordinarily provided for through the basic institutional care. This provision does add some complexity to the program's operations although that impact is reduced considerably by a provision which limits its application to months in which the individual is institutionalized for the entire month. In an earlier chapter (see page 66), the staff has also pointed out that the Department has unnecessarily and erroneously complicated the impact of this provision by making it applicable only where medicaid pays the majority of the cost of the care involved. Otherwise, however, the staff has not been made aware of any particular problem with this provision.[1]

5. STAFF RECOMMENDATIONS

The existing SSI statute results in a multiplicity of differing policies in the treatment of institutionalized individuals. The staff believes that this aspect of the SSI program contributes significantly to the problems of administration which have plagued the program and is basically inconsistent with the theoretical conception of SSI as a national income maintenance system for the aged, blind, and disabled. Ideally, there should be a relationship between SSI and institutional care which reflects a single coherent policy. It appears, however, that such consistency could only be achieved through fundamental changes in the financing of institutional care—a subject beyond the scope of this report.

There are two approaches which could be followed to provide a consistent policy in SSI towards individuals in institutional care. One approach would be to eliminate any special treatment of institutionalized recipients except to provide that income in the form of institutional care would not serve to reduce the SSI payment. A second approach would be to make SSI available to all institutionalized persons who meet other eligibility requirements but to limit the amount payable to the $25 monthly personal needs allowance.

The first approach would eliminate a multitude of administrative changes which must now be made as individuals enter or leave institutional settings. The Social Security Administration would no longer have to determine the type of institutionalization nor the duration thereof. Those private persons or governmental entities who are now

[1] There is a problem which arises when an individual is institutionalized for a few months and because of the reduction in his grant to the $25 special needs allowance is unable to maintain his permanent residence. The staff agrees that there may be some circumstances in which it would be more economical to continue paying rent on an apartment during a brief hospitalization. However, since the reduction to $25 does not come into play unless an individual is institutionalized throughout an entire calendar month, this problem does not ordinarily arise in brief hospital stays. The decision whether an apartment or house should be maintained during longer periods of hospitalization requires individualized assessments and properly belongs in the category of emergency or special needs provisions which Congress in setting up SSI intentionally left to the States.

paying the costs of institutional care for the individuals involved would reduce the amount they pay accordingly. As a result, the SSI program would, in effect, provide the same level of income support to institutionalized individuals as it now provides to those persons who are living in independent circumstances.

The staff believes, however, that this approach would represent a very major change of direction in public policy with respect to the funding of institutional care. It would, to begin with, involve a significant shift in the source of funding since care which is now being wholly provided for through private sources or through the Federal-State shared medicaid program would, to the extent of the basic SSI payment level, become a wholly Federal responsibility. The question involved, moreover, is not simply one of fiscal liability. Where Congress has intentionally provided substantial Federal funding to underwrite institutional care it has done so through administrative mechanisms which can assure that reasonable value is being received for the money expended and that the necessary standards are enforced to protect the institutionalized population who tend to be particularly vulnerable. There is no reason to believe that Congress would want to reverse this policy.

The alternative approach would be to apply to all institutional care the provisions now applied to persons institutionalized under the medicaid program. Under this policy, the SSI payment level would be reduced to $25 for any month in which the individual is institutionalized throughout the entire month. This $25 payment would be reduced by the amount of any other income the individual has, except that income in the form of institutional care would not serve to reduce the payment. No distinction would be made as to the type of institutionalization involved (except that no payment would be made to persons in penal facilities). This approach, however, would also involve a very major change in the way in which institutional care is financed. For non-medical institutions which are privately operated (and for small public institutions), the SSI payment to recipients now effectively provides substantial if indirect Federal funding for the institution. While any adverse impact of such a change on individual recipients now in such institutions could be avoided through a grandfather clause, the institutions themselves would soon have to seek alternative souces of funding.

The staff believes that the fundamental differences in approach to institutional care under the SSI program are not susceptible of resolution through amendments to that program only. If the Committee at some future time considers legislation dealing with the financing of institutional care generally (e.g. in connection with major health insurance legislation), the staff recommends that consideration be given in that context to establishing a single policy for the relationship between SSI and institutional care. Even apart from such major changes, however, some improvements in the SSI policy towards institutional care are possible. In particular, the staff recommends that consideration be given to a clearer definition, including Federal statutory criteria, for determining what constitutes a public institution. In addition, the staff recommends that incorrect application of the $25 payment rule by the administration be reversed. Under the correct appli-

cation of this rule there would be an automatic reduction of the SSI benefit to $25 whenever an individual is receiving medicaid funding of any amount towards the cost of his institutional care. This would eliminate the need to determine the actual cost of the care and the amount contributed towards it by the medicaid program.

CHAPTER FIVE

DISABILITY ASPECTS OF THE SSI PROGRAM

A. The Extent of Disability in SSI

SSI was and perhaps still is perceived as a program primarily for the aged. In fact, it is rapidly moving in the direction of being a program serving more disabled than aged persons.

This is a development that was not foreseen at the time the SSI program was enacted. Most of the discussion leading up to congressional passage of SSI centered on serving the aged population. Congress accepted without serious question the estimates of the Administration indicating that there would be almost two aged beneficiaries for every disabled beneficiary at the end of fiscal year 1975. Thus, while it was foreseen that the number of persons receiving disability benefits would grow with the advent of the new program, it was expected that the number of aged beneficiaries would grow even more.

The Administration's early estimates on the number of persons who qualify for disability payments under the SSI program appear to have been developed somewhat haphazardly. It apparently relied primarily on the Survey of the Disabled conducted by the Department of Health, Education, and Welfare in 1966. Looking to the future, the Administration estimated that the annual growth rate for SSI disability would be 2 percent as compared to Administration estimates of 5 percent caseload growth under the then existing law projected into the future.

Even the higher projection for existing law did not seem to take into account what had actually been happening under the program of Aid to the Permanently and Totally Disabled. In the period December 1968 through December 1971 the disability rolls increased from 702,000 to 1,068,000—an increase of 52 percent. A study of the statistics shows that in fact at no time since 1960 had the annual increase in the disability program been as low as 5 percent, and overall, for the period 1960–1973, the rolls had increased by 245 percent.

In its budget justification for 1974, the first year of the SSI program, the Administration estimated that by June 1974 there would be 3.1 million aged on the rolls, and 1.7 million disabled. In June 1974 there were actually 2.1 million aged and 1.5 million disabled on the rolls. The Administration also estimated at that time that by June 1975 there would be 3.8 million aged and 1.8 million disabled. The figure for the disabled turned out to be accurate—there were 1.8 million disabled persons receiving benefits in June 1975, but the figure for the aged was only 2.3 million. Moreover, the overall estimate for the disabled was realized even though the estimate for disabled children of 250,000 was still less than one-third realized.

In December 1976 the number of disabled and blind beneficiaries reached 2,088,242. The proportion of persons receiving benefits on the basis of disability thus climbed to 48.8 percent, as compared with 41.6 percent in June 1974. The continuing growth in the percentage of disabled is illustrated by recent statistics showing the number of persons being awarded federally administered payments. In every month since December 1974 the number being awarded these payments on the basis of disability has exceeded the number of awards to the aged. Statistics for fiscal year 1976 generally show that the number of awards to the disabled is about double the number for the aged. In December 1976 there were 27,961 disability awards, compared with 13,736 awards on the basis of age.

The situation with regard to the amount of money going to these categories is even more dramatic. In December 1976 the amount of Federal payments to aged SSI beneficiaries was $148,300,000 or 38.4 percent of the total; the amount going to the disabled and blind was $238,140,000 or 61.6 percent of the total.

The rapid growth in the amount of money going to the disabled under SSI reflects both the steady increase in the disability rolls and the fact that the average payment to the disabled is significantly higher than the average payment to the aged ($146 for the disabled vs. $94 for the aged in December 1976). Aged recipients, as a group, obviously have larger amounts of other kinds of income than do the disabled beneficiaries.

District offices are finding that they are dealing more and more with a caseload which is disabled, or claiming to be disabled, rather than aged. At the present time about 80 percent of the applications for SSI nationwide are on the basis of disability. The table below indicates the relative status of aged, blind, and disabled persons under the SSI program.

SSI WORKLOADS—DECEMBER 1976[1]

	Aged		Blind and disabled	
	Number	Percent of total	Number	Percent of total
Applications	20,600	20.3	80,771	79.6
Awards	13,736	32.9	27,961	67.0
Receiving payments	2,147,697	50.2	2,088,232	48.8

[1] Federally administered payments.

The shift toward a more substantial position for the disabled in the SSI caseload is having a significant impact on the operations of the SSI program. The disabled caseload is, in general, a more complex caseload for the personnel of the Social Security Administration to handle than is the aged caseload. Initial claims involve more

factors to be ascertained and call for additional judgmental decisions. Processing time is on the average significantly longer. The personnel involved extend beyond the social security district office to include employees in the State agency who make the disability determinations under contract with the Social Security Administration. It may also be expected that the disabled will constitute a more difficult caseload on a continuing basis, in that the basic eligibility condition is subject to change in many cases, unlike the conditions of age or blindness.

Unfortunately, the Social Security Administration is not yet producing data on a current basis which describe the new disability population with any detail. We do not know the basic causes of disability for those currently coming on the rolls, nor do we know their demographic characteristics. From conversations with persons in district offices throughout the country, however, the staff has found that there is a growing concern over the complexities being encountered in administering a program for this new SSI population. It is not a population for which the SSI computerized approach is always appropriate.

B. The Problems of Administering Social Security Disability Generally

The phenomenon of persistent growth in disability as a basis for benefits is not unique to SSI. The Disability Insurance program under title II of the Social Security Act has experienced a similar growth. At the end of fiscal year 1972 there were 3.1 million title II disability beneficiaries. This had grown to 3.7 million at the end of 1974, and to 4.6 million by October 1976.

During fiscal year 1973 a total of $6.7 billion was paid to disabled recipients of title II and Aid to the Permanently and Totally Disabled. In fiscal year 1976 the amount going to disabled recipients under title II and SSI is estimated to increase to $12.5 billion.

The emergence of disability as a major cost factor in cash assistance and insurance programs has prompted increased interest in it. The Ways and Means Committee has been conducting an extensive examination of the social security disability programs. The General Accounting Office has also been conducting several studies of different aspects of disability programs.

The findings of these studies, confirmed by the observations of the staff, indicate that the disability programs are in a general state of disarray. This is well illustrated by the results of a recent review by the GAO of a sample of 221 title II and title XVI disability claims. The analysis included an adjudication of the same claims by each of 10 State agencies responsible for making the disability determination in 6 regions. The sample claims were selected from a universe of actual claims that had been previously adjudicated by a State not included in the GAO review.

The GAO found that there was "a significant lack of agreement" among the 10 States on the disposition of the sample claims. "Where some States approved a claim, others denied it, and still others said there was insufficient documentation upon which to render a decision." The GAO also had the sample cases adjudicated by Social Security Administration's reviewers, who agreed with only 64 percent of the cases where a majority of the States were in complete agreement.

The GAO has further described its findings as follows:

> Approvals of the sample claims by the States ranged from a high of 47 percent to a low of 31 percent; denials from a high of 41 percent to a low of 20 percent and the need for additional documentation from a high of 50 percent to a low of 18 percent. Also, there was complete agreement among the 10 States on the disposition of only 48 cases (23 percent). Included in those cases were 32 approvals, 6 denials, and 10 cases where the States believed additional documentation was needed in order to render a decision. There was less than complete agreement among the States on the remaining 173 cases, or 78 percent.
>
> A majority of the States in our review (at least 6 States) were able to reach a decision to either approve or deny 156 claims out of the 221 cases. Of the 156 decisions reached, there was complete agreement among 6 or more States on only 119, or 76 percent. Even when the States were in accord with the decisions made, there was disagreement on the rationale followed in 95 decisions, or 80 percent.

As the GAO findings suggest, the problems of SSI disability cannot be isolated from the title II program. The two programs use the same definitions and the same administrative mechanisms. Thus a thorough examination of SSI disability can only be undertaken in the context of a study of disability generally—a task beyond the scope of this staff study.

The staff study did reveal, however, that both programs are beset by problems that are in urgent need of attention. As the following discussion indicates, each stage of the disability determination process has been affected by the advent of SSI, and policies and procedures have not yet been developed to adequately deal with the difficulties which have emerged.

It is in the district office that a disability claim begins its progress through the system. A claims representative interviews the claimant and fills in the basic forms. The problems which district office staff encountered in the early months of SSI were made even more acute by the large number of disability claims which had to be dealt with. The overworked, inexperienced, and undertrained staff which existed in many district offices had special problems in conducting the difficult and sensitive interview necessary in the case of disability applicants. These interviews must elicit information to adequately document medical sources, to provide details of the alleged impairment, and to describe the claimant's past work history. The interviewer is also required to note any personal observations of the claimant which might be useful in making a disability determination. All of these elements are necessary in order to develop a file from which the State agency can make a proper adjudication.

There is evidence that the quality of many of the interviews has been deficient. In the telephone interview with district office personnel, the staff talked with a number of claims representatives who felt that the work being done in their offices with regard to disability applicants was inadequate. One stated that he felt certain his own interviews were not as good as they should be because he did not know enough about disability to ask applicants the right questions. Considering current staffing levels and procedures, there appears to be little likelihood of any significant improvement in this area in the near future.

The handling of the basic disability interview form was cited in an internal report of the Social Security Administration—*Report of the Disability Claims Process Task Force* (known as the Boyd re-

port)—as the source of some of the fundamental problems of the disability program. The Boyd report suggests that, because interviewers in the district office do not believe the State agency uses the form, they are sometimes not thorough in filling it out. The State agency then claims that the district offices do not provide enough information on the form to make it useful. The report also notes that workload considerations have forced curtailment in filling out certain aspects of the form. The Boyd report emphasizes the need to take measures to improve the quality of interviews, specifically including consideration of some kind of specialization on the part of district office employees in the disability area.

The Administration is currently conducting experiments in selected district offices to determine whether effective use can be made of various types of specialized personnel. However, the August 1976 handbook which the agency issued to guide the district offices in these experiments does not include any provision for experimenting with the use of specialists in disability cases. The staff believes that the Social Security Administration should expand its study to address the question of whether the work of the district offices could be improved through the use of specialized disability interviewers or some other type of specialized employee to handle complex disability cases.

Although it is Social Security Administration personnel in the district offices who take the SSI claims, it is State agency personnel, under contract with the Social Security Administration, who apply the standards for disability as established by SSA and make the determination as to whether a claimant is disabled or not. The operations of these State offices, too, were monumentally affected by the establishment of the SSI program. In fiscal year 1973 there were almost 1.3 million adjudications of social security disability cases by State agencies. In fiscal 1975 this number was nearly doubled. State employees determining disability grew from about 4,400 in fiscal year 1972 to an estimated 9,800 in 1976.

In a questionnaire submitted by the Ways and Means Committee staff the State agencies were asked to indicate what the impact of SSI upon them had been. The responses to the question were varied, ranging from "disastrous" and an "ill-conceived nightmare" to an assessment that on the whole it had been beneficial. The majority of the States, though not characterizing the impact in completely negative terms, did believe it had an adverse effect on the quality of their adjudications.

Even apart from SSI, the growth of the title II disability rolls in recent years has caused problems for the State agencies. The advent of SSI, however, severely aggravated this situation. There have been serious problems of backlogs. Increased processing times have caused hardships for needy SSI claimants. On the other hand, pressure for speed in adjudication has carried with it the risk of more haphazard procedures and less well-documented cases, not only for SSI cases, but for title II cases as well.

The work of the State agencies has not been subject to stringent supervision or review by the Social Security Administration. Under title II there had been almost a total review of State agency decisions until 1972. In that year, in the context of budgetary restrictions and the growing diversion of the social security disability examiner corps

into Black Lung activities, a 5 percent sample was substituted for 100 percent review. When SSI was implemented a similar provision was adopted using sample review by personnel in the ten regional offices of the Social Security Administration. In the fall of 1974, another change in review policy was made under the name of "post-adjudicative review." The sample cases previously had not been effectuated until after the review, but under the new procedure the decision went into effect before the review. Moreover, the standard of review was changed and now the only cases returned to the State agency are those with clear decisional error. Those cases with major documentation problems are noted on a form which is returned to the State agency. The return of this form without the case has been described as of limited value by a number of State agencies. Only about 2 percent of the cases are being returned to the State agencies and the Bureau of Disability Insurance does not seem to know in what percentage of them the decision is changed. All this contrasts with the old system of 100 percent review under title II where about 7 percent of allowances and 4 percent of the denials were being returned and perhaps 40 percent of cases were changed.

Mention should also be made of the "quality assurance" units which have been established in the State agencies and were one of the stated reasons why the Social Security Administration believed it was safe to go to "sample review". The staff has been unable to make a study of their effectiveness, but is concerned that the quality assurance system does not seem to be having the anticipated result of prompting corrective actions. The GAO has concluded in its recent study that "the present SSA quality assurance system provides little or no assurance that problems related to the disability determination process are identified and appropriate corrective action taken." In fact, it appears that at this time the quality assurance system is not yet fully functioning in all State agencies, and that feedback within the system is, as the GAO states, "inadequate or nonexistent."

The Social Security Administration's mechanism for appeals has also been seriously overburdened for both title II and SSI cases. The legislation enacted by the 94th Congress to expedite procedures should ultimately alleviate the problems in this area, although it has not yet had a significant effect with respect to SSI.[1] There were 35.2 thousand SSI cases pending hearing as of January 31, 1977. (This includes 14,720 cases for SSI disability only, and 20,460 cases involving both SSI and title II disability.)

Staff recommendation.—Because of the close relationship of the title II and SSI disability programs, the staff believes that any major legislative changes must take into account the problems of both programs. It is clear that the title II Disability Insurance program has severe problems as evidenced by the fact that it faces substantial funding

[1] Public Law 94–202, enacted January 2, 1976, in effect overruled a Civil Service Commission misinterpretation of the law which had required the Social Security Administration to establish two separate corps of hearings officers for the SSI and title II programs even though the issues dealt with are in most cases identical and even though well over half of SSI hearings also involve title II entitlement. The greater flexibility allowed under Public Law 94–202 should substantially alleviate the hearings backlog. However, its beneficial effects will be most noticeable in the title II program which had the larger backlog.

problems in both the long and short range.[1] A thorough examination of the title II disability program is beyond the scope of this report. The staff notes, however, that other studies of that program are underway—in particular by the staff of the House Subcommittee on Social Security—and that those studies should provide the necessary information on which to base consideration by Congress of necessary legislative changes with respect to the disability programs.

The staff does recommend that a priority effort be made by the Social Security Administration to upgrade the quality of the work being done both in SSI and in title II disability. Interview procedures by the claims representatives in the district office must be improved through better use and training of personnel. The quality assurance system must be strengthened so that it has a positive impact on the quality of work being done by the State agencies. If the quality assurance system cannot be counted on to do this, the Social Security Administration should consider whether a fuller review of the work of the State agencies is merited. SSA also has a clear responsibility to issue timely and appropriate guidelines for use by the State agencies. Illustrative of the current problems are statistics showing deficiencies in State agency decisions on SSI disability cases for the period July-September 1976. The statistics show deficiencies in 22.0 percent of the cases. A total of 17.3 percent of the cases involved documentation deficiencies, which means that SSA determined that in these cases the evidence was insufficient to support the State agency decision. There is a wide variation among the States in the percentages of deficiencies—from 9.8 percent in North Carolina to 36.8 percent in Ohio. Statistics such as these are an indication of weak administrative procedures and also of the uneven treatment which people are receiving under this Federal program which should be administered on a reasonably consistent basis in all areas of the Nation.

Disability by its very nature involves a certain degree of subjectivity. The staff believes, however, that the Social Security Administration must make the SSI disability program a more fair, equitable, and rational program through basic improvements in ts administration.

C. Disability Determination Problems Unique to SSI

1. THE DEFINITION OF DISABILITY

When Congress enacted the SSI program, it provided that the definition of disability under that program should be identical to the definition used in title II. Thus, under both programs the law provides that a person is disabled if he is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or has lasted, or is expected to last, for not less than 12 months.

[1] In the absence of additional funding, the Disability Insurance Trust Fund is estimated to become exhausted in 1979. On a long-range basis, the 1976 report of the Social Security Board of Trustees estimates that the average payroll tax rate earmarked for Disability Insurance would have to be more than doubled from 1.54 percent under present law to a rate of 3.51 percent in order to bring the program back into a sound condition. This is a significantly more serious situation than that experienced by the Old-Age and Survivors Insurance fund.

A provision of both titles further specifies that an individual is to be found disabled if his impairments are so severe that he is not only unable to do his previous work but cannot, considering his age, education, and work experience, engage in any other kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the immediate area in which he lives, or whether a specific job vacancy exists for him, or whether he would be hired if he applied for work.

Under the prior program of Aid to the Permanently and Totally Disabled, the law authorized the States to make payments to persons "eighteen years of age or older who are permanently and totally disabled." Statistics indicate that the States varied widely in their interpretation of this provision. Some States had highly restrictive disability programs. Others, however, interpreted the statute more broadly. For example, some States interpreted the language of the law to include disability of less than a year's duration. Some had relatively liberal provisions relating to alcoholism, drug addiction and mental illness. Some also used job availability criteria based on the local area as contrasted with the SSI definition providing for the "national economy" test.

In the months after SSI began operation there were complaints from a number of States that the SSI definition was too restrictive to be applicable to the needy disabled population. Persons who qualified under the prior program, it was alleged, sometimes failed to qualify under the SSI disability definition. The staff questionnaire sent to the Governors included a question on this subject, and the responses indicated that in some States there were persons who were being forced onto the State or local general assistance rolls because they could not qualify for the Federal payments. The staff has not been able to determine the extent of this phenomenon because of the lack of information on State and local general assistance rolls.

Experience under the SSI program does not readily support the interpretation that the disability definition is an unduly restrictive one, or that it is being administered in a particularly restrictive way. As pointed out earlier, the disability rolls have been climbing steadily since the program began—from 1,278,133 in January 1974 to 2,088,242 in December 1976.[1]

There does, however, seem to be a generally recognized problem of the lack of guidelines which are to be used in evaluating cases involving persons who do not have work experience. Many applicants for SSI disability, unlike those applying for title II, have had little or no connection with the work force. Nonetheless, the Social Security Administration has failed to provide guidelines to adequately deal with this situation. The *Report of the Disability Claims Process Task Force* (the Boyd report, referred to earlier) noted the following with regard to the lack of policy guidelines for adjudicating SSI claims from applicants with no relevant work experience:

> This is perhaps the policy issue of greatest concern to regional and field offices processing disability cases. After processing claims for more than a year, there is no national policy for adjudicating such claims. As a result, each State agency has formed its own policy for such cases, a situation which provides no guarantee of conformity from State to State.

[1] See appendix table 25 for State-by-State disability growth rates under SSI.

Some States may equate the factor of no relevant vocational experience to disability criteria in Regulations 1502c. Others may equate the absence of vocational factors to the disability requirements contained in Regulations 1502b or 1502a criteria. This void of policy needs to be replaced with clear and definite guidelines which would result in uniform treatment for all claimants.

In recent months the Social Security Administration has been holding a series of public meetings on draft rules for adjudicating claims in which vocational factors must be considered. The staff suggests that the process of developing and issuing these rules must be expedited, or the issue presented to Congress for resolution.

2. DISABLED CHILDREN

The former Federal-State disability program limited eligibility for payments to individuals age 18 and above. When the House Ways and Means Committee reported H.R. 1, however, it provided that the new cash benefit program for the disabled should include children under age 18. The Administration supported this provision in the House bill.

The Finance Committee version of H.R. 1, however, deleted the provision. The following rationale was presented in the Senate report:

The House justified its inclusion of disabled children under age 18 under aid to the disabled, if it is to their advantage, rather than under the program for families with children, on the grounds that their needs are often greater than those of nondisabled children. The needs of disabled children, however, are generally greater only in the area of health care expenses. In all but the two States that do not have medicaid programs, children now eligible for cash assistance are covered under existing State medical assistance programs. Disabled children's needs for food, clothing, and shelter are usually no greater than the needs of nondisabled children.

The conference committee on H.R. 1 adopted the House provision.

The law defines a disabled child as a person under age 18 who is not engaged in substantial gainful activity and who "suffers from any medically determinable physical or mental impairment of comparable severity" to an impairment deemed disabling to an adult. The nonmedical vocational factors were not applied to the children for basically the same reasons they had not been applied to disabled widows in earlier legislation, i.e., that as a group they had not had enough attachment to the labor force to make application of these factors feasible.

The development of guidelines for determining childhood disability proved to be an extraordinarily slow and difficult process for the Social Security Administration. By October 1976, four years after the enactment of the legislation, there were still no adequate guidelines to assist the State agencies in making their determinations.

As a result, Congress found it necessary in legislation enacted in October 1976 (Public Law 94–566) to mandate that the guidelines be issued within 120 days after that law was enacted. Regulations establishing such guidelines were issued in December 1976. At this time there has been insufficient experience with the new guidelines to evaluate their impact or effectiveness.

In the same legislation, Congress addressed another problem which had been raised in connection with SSI disability benefits for children. The original SSI statute provided for all disability recipients to be referred for appropriate vocational rehabilitation services; however, such services are not applicable to younger children. The 1976 legislation requires the Social Security Administration to refer disabled children under age 16 to the crippled children's agency or another

designated State agency. For 3 fiscal years (1977–1979) $30 million annually in Federal funding is made available to provide services to pre-school children under such referrals. The services are limited to those which are necessary because of the child's disability and which promise to enhance his ability to benefit from subsequent education or training. (Up to 10 percent of the funds can also be used for counseling, referral, and monitoring provided under the State plan for older children who receive SSI payments on the basis of disability.)

As of April 1977, regulations implementing the new services program for SSI childhood disability beneficiaries have not yet been issued.

3. PRESUMPTIVE DISABILITY

In presumptive disability two objectives of SSI come into play which, to some degree, have points of conflict: (1) the speedy payment of benefits to persons in need, and (2) the careful determination of disability with sufficient documentation. In recognition that it was dealing with a population that was in financial need, Congress, although generally following the title II definition and requirements for disability, did make some important differentiations for SSI: (1) no waiting period was required (in title II, no payment is made for the first five months of disability), (2) payment for medical records provided by physicians was authorized, and (3) a provision for presumptive disability payments was made. In its report on the legislation which established the SSI program, the Finance Committee cited the need for a mechanism to meet living costs during the period in which a formal determination of disability was pending. It stated that it expected that the Secretary would complete the disability determination before the end of the three-month period during which presumptive disability payments could be made. It also expressed its expectation that it would be a "rare case" where a person determined to be presumptively disabled would later be found not to have been disabled.

The conflicting elements of "need" vs. "disability" surfaced almost immediately in differing viewpoints between the Bureau of Disability Insurance and the Bureau of Supplemental Security Income as to what the initial policy issuances should contain on presumptive disability. BDI believed that such decisions should be limited to applicants who manifest unusual financial need by virtue of meeting the criteria for emergency advance payments or situations where the formal disability decision was inordinately delayed, while the Bureau of SSI believed a broader interpretation was called for by the legislation. The contrasting approaches were discussed internally in the Social Security Administration during the spring of 1973 and the broader view—allowing a presumptive decision in any case where the evidence showed a high probability of disability—prevailed. A draft of the policy issuance was not sent to the State agencies and the district offices until the end of 1973, and the final draft was not released until February 1974.

A portion of the BDI viewpoint prevailed, however, in the determination of presumptive disability by the district offices in that it was limited to some of the most severe and identifiable impairments: (1) amputation of two limbs, (2) amputation of a leg at the hip,

(3) allegation of total deafness. However, even in these instances the payment could not be made unless the nondisability requirements for SSI eligibility were met, or the applicant qualified for an emergency advance payment. In cases where the district office could not make a finding of presumptive disability under the limited criteria but the individual was either eligible for an emergency payment or the case had been inordinately delayed, the case was flagged for State agency action for presumptive disability.

The State agency was not limited to the flagged cases and could find presumptive disability in any case in which medical evidence received during the course of development permitted the State agency evaluation team to make a presumptive disability decision. The initial guidelines also emphasized, however, that there must be a "high degree of probability that the applicant is disabled" and quoted the Finance Committee report that it would be a "rare case where an individual later is found not to be disabled." Decisions based on medical reports obtained by telephone—rather than written reports—were cited as sufficient documentation for the presumptive disability decision, but not the final determination.

During the spring of 1974 very few presumptive disability decisions were made, and some pressure was apparently brought on the Social Security Administration to get the district offices and the State agencies to use the provision. In August 1974 another transmittal was sent to the State agencies emphasizing the lack of utilization of the presumptive disability mechanism and the "very high rate of agreement between PD (presumptive disability) decisions and subsequent formal disability determinations." This transmittal seemed to go a step farther in authorizing "experienced" personnel to make determinations solely on the information supplied by the claimant where it was their "prudent judgment" that it was reasonably probable that the level of impairment would be met. District offices, however, were still governed by the limited number of qualifying impairments.

Finally in February–March 1975 the list of impairments upon which the district office could base a finding of presumptive disability was expanded to include the following six new ones:

(4) Allegation of bed confinement or immobility without a wheelchair, walker, or crutches, allegedly due to a longstanding condition—exclude recent accident and recent surgery;

(5) Allegation of a stroke (cerebral vascular accident) more than four months in the past and continued marked difficulty in walking or using a hand or arm;

(6) Allegation of cerebral palsy, muscular dystrophy or muscular atrophy and marked difficulty in walking (e.g., use of braces), speaking or coordination of the hands or arms;

(7) Allegation of diabetes with amputation of a foot;

(8) Allegation of Down's Syndrome (Mongolism); and

(9) An applicant filing on behalf of another individual alleges severe mental deficiency for claimant who is at least 7 years of age. The applicant alleges that the individual attends (or attended) a special school, or special classes in school, because of his mental deficiency, or is unable to attend any type of school (or if beyond school age, was unable to attend), and requires care and supervision of routine daily activities.

At the time of the staff telephone survey of the district offices it appeared that very few presumptive disability decisions were being made, despite the new guidelines. Most claims representatives indicated that they had never made one. Figures for October-December 1976 show that there is still very little use being made of this procedure. The total reported for the 3-month period is 568, or an average of about 189 a month for the Nation. In this same time there were 55 reversals.

Compared with the early months of the program the use of the presumptive disability provision by the State agencies has increased dramatically. In the first 6 months of the program the State agencies made 3,332 presumptive disability decisions, an average of 555 a month. One year later, in the period January-June 1975, the number was 53,848, or an average of 8,975 a month. In the last calendar quarter of 1976, 19,320 decisions were made, for an average of 6,440 a month. Despite the decrease in the actual number of decisions, it appears that the percentage of total allowances which involve presumptive disability has actually increased slightly. In November 1975, the percentage was 20.3, in January 1976 it was 18.1, and in the October-December 1976 calendar quarter it was 23.3.

The variation in use of the provision by the States which has existed since the beginning of the program still persists, however. For the last quarter of 1976, for example, Maine's presumptive disability decisions constituted only 2.6 percent of all disability allowances made by the State agency. Vermont's percentage was 7.1, and New Jersey's was 11.9. In a number of States the percentage was well above the national average. Arizona reported 59.0 percent of its allowances as presumptive disability decisions, Iowa reported 53.3 percent, the District of Columbia reported 44.2 percent, and Minnesota reported 42.8 percent.

The percentage of decisions which are ultimately reversed also shows extraordinary variation among the States. The national reversal rate for the period October-December 1976 was 17.2 percent. However, during that quarter Connecticut had a reversal rate of 40.7 percent, Oklahoma's was 36.1 percent, and Kansas reported a reversal rate of 34.7 percent. These figures compare with lows of 1.4 percent in Kentucky, 6.1 percent in South Carolina, 7.4 percent in Hawaii, and 7.5 percent in South Dakota. Two States (Maine and Wyoming) had no reversals in this quarter.

It is difficult to come to any conclusion other than that these variations must reflect basic differences in policies and procedures in the various State agencies. These variations do not reflect the congressional intent that the SSI program should result in a reasonable degree of uniformity of administration throughout the country and equitable treatment of applicants and beneficiaries. The high reversal rates that exist in some States are also of great concern. It is of little benefit to an applicant to be awarded payments on the basis of presumptive disability only to have those payments promptly terminated because the original decision was incorrect. The Finance Committee's expectation that it would be a rare case that would be reversed is clearly not met by the high reversal rates reported in many States, or even by the national percentage.

STATE AGENCY PRESUMPTIVE DISABILITY AWARDS UNDER SSI: OCTOBER-DECEMBER 1976

State	Presumptive disability awards		Reversal rate of presumptive disability awards [1]
	Number	As a percent of all SSI disability awards	
U.S. total	19,320	23.3	17.2
Alabama	383	21.1	21.4
Alaska	7	10.8	14.3
Arizona	462	59.0	26.0
Arkansas	371	31.4	26.7
California	1,842	17.1	17.0
Colorado	215	27.6	20.0
Connecticut	123	19.6	40.7
Delaware	98	40.2	15.3
District of Columbia	272	44.2	29.4
Florida	950	26.1	14.8
Georgia	508	17.3	12.8
Hawaii	54	33.7	7.4
Idaho	57	38.5	15.8
Illinois	460	13.3	18.5
Indiana	530	42.2	16.6
Iowa	349	53.3	10.6
Kansas	101	21.7	34.7
Kentucky	283	18.9	1.4
Louisiana	554	20.4	14.1
Maine	9	2.6	0.0
Maryland	232	27.6	18.4
Massachusetts	485	21.0	13.8
Michigan	851	34.6	27.5
Minnesota	267	42.8	12.7
Mississippi	267	18.2	13.1
Missouri	350	19.1	8.0
Montana	80	39.0	8.8
Nebraska	55	19.8	10.9
Nevada	37	18.6	13.5
New Hampshire	51	32.9	17.6
New Jersey	252	11.9	19.0
New Mexico	133	27.0	17.3
New York	1,380	16.0	21.3
North Carolina	744	31.2	16.8
North Dakota	23	22.8	13.0
Ohio	1,508	38.9	11.2
Oklahoma	166	16.4	36.1
Oregon	135	26.0	11.1
Pennsylvania	1,628	33.4	17.0
Rhode Island	9	3.8	22.2
South Carolina	342	21.9	6.1
South Dakota	67	30.3	7.5
Tennessee	389	18.7	12.3
Texas	926	19.8	12.6
Utah	45	22.3	8.9
Vermont	13	7.1	7.7
Virginia	497	26.8	22.3
Washington	154	18.0	20.1
West Virginia	221	28.3	23.1
Wisconsin	320	28.7	25.6
Wyoming	15	25.4	0.0

[1] Number of reversals in the period as a percent of number of awards in the period.

4. STAFF RECOMMENDATIONS

In view of the continuing steady growth in the SSI disability rolls and the problems in administering the SSI and title II disability programs generally, the staff does not believe there should be any broadening of the definition of disability at this time. Further, the staff believes that any change in the SSI definition of disability or in the way the program is administered must be considered in connection with amendments to title II.

Despite the general comments that have been made by some critics about the restrictive nature of the current definition, a study of current statistics shows that in every State except Utah and the District of Columbia there has been growth in the disability rolls since the new program came into effect. In all except a very few States the growth has been substantial, going as high as an increase of 200 percent in Wisconsin, 191 percent in Texas, and 235 percent in Iowa. New York has had an increase of 25 percent, and California of 52 percent. The average increase for the Nation since December 1973 is 59 percent.

Although the staff does not believe a change in the SSI disability definition is advisable at this time, it does believe that there should be better SSA guidelines for use in applying the definition. SSA has failed to issue needed program guidelines on a timely basis in a number of important areas. As a result, the SSI program has not been administered on the uniform basis which the Congress intended. The staff believes that the Administration has an obligation to move more rapidly in developing and issuing regulations which will help all of those participating in the disability adjudication process to follow consistent policies. This is crucial not only from the standpoint of client equity, but also of program integrity.

Although the staff is not in this report recommending any change in the definition of disability for SSI and believes that any review of that definition must be made at the same time that the title II disability program is reviewed, there is an urgent need for better information on how the existing disability definition is applied to the SSI population. The staff recommends that consideration be given to legislation under which, for a 2-year period, all new claimants for SSI disability would be made eligible for only 12 months. Before the end of that period recipients would submit a reapplication which the Administration would be required to process as a new application, checking all eligibility factors. Non-disability factors would have to be reviewed in any case under present rules for redeterminations, but this change would require the State agencies for the first time to reevaluate all disability factors. Such a change would make it possible for those whose conditions have improved to be removed from the rolls in an orderly way. It would also give the Social Security Administration the opportunity to make a thorough study and report on the nature of the SSI caseload. The information gained would provide some basis for a more informed evaluation of the disability definition when Congress reviews the title II and title XVI disability programs.

CHAPTER SIX

STATE VIEWS ON SSI—RESPONSE TO QUESTIONNAIRE BY GOVERNORS

A. Introduction

It was decided in the early stages of the staff study that it was essential to the study to obtain from the States their views of the SSI program, as well as specific information on how SSI was affecting State programs. Accordingly, a questionnaire was drafted and sent to the Governor of each State on April 18, 1975.

All except four of the States responded, many of them including extensive information and analysis relating to SSI. These responses provided invaluable information as well as guidance to the staff in the conduct of its study.

Because of the value of the comments by the States we have included many of them in the pages which follow. Unless otherwise indicated, State responses to specific questions are quoted in full. A brief summary of responses is also provided.

B. Impact of SSI on Individuals

Question 1: **What is your judgment of the impact of the Supplemental Security Income program on the situation of the aged, blind, and disabled (as a group) in your State? (In answering this question, please disregard any initial startup problems which have since been resolved, and please respond in relation to the effect on the substantial majority of the population served by the program.)**

(a) Has significantly improved their situation.
(b) Has improved their situation but not significantly.
(c) Has significantly worsened their situation.
(d) Has worsened their situation but not significantly.
(e) Has made little difference.
(f) Other.

A narrative explanation of your answer to this question would also be useful.

Nine States responded by checking (a), indicating that the situation of the aged, blind, and disabled had been significantly improved. These States were California, Georgia, Indiana, Kentucky, Louisiana, Massachusetts, New Mexico, Tennessee, and Wisconsin.

Fourteen States checked (b), "Has improved their situation but not significantly": District of Columbia, Florida, Hawaii, Illinois, Kansas, Missouri, New Jersey, North Carolina, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Washington, and Wyoming.

Four States checked (c), "Has significantly worsened their situation": Arkansas, Iowa, Michigan, and Oregon (with regard to the disabled).

Five States checked (d), "Has worsened their situation but not significantly": Arizona, Delaware, Minnesota, Virginia, and Maine.

Seven States checked (e), "Has made little difference": Alabama, Colorado, Connecticut, Nebraska, Ohio, Oregon (with regard to the aged and blind), and Utah.

Seven States checked (f), "Other"; Delaware, Florida, Mississippi, Montana, New York, North Dakota, and Texas.

Nevada, South Dakota, West Virginia and Vermont gave narrative responses which are quoted below.

Comments by the States which described positive aspects of the SSI program included: increases in benefit levels, increases in numbers receiving benefits, less stigma attached to the receipt of SSI benefits than was the case with welfare, elimination of family support requirements, a more liberal disability definition, an increase in allowable resources, more generous allowances for disregard of earned and unearned income, and the fact that recipients can go to one place for both social security and welfare checks.

Negative comments indicating problems encountered with the SSI program included: delays and errors in checks; lack of any way of meeting immediate needs—such as in the case of lost or stolen checks; less liberal definition of disability; informal denials; lack of staff and inadequate training of staff to deal with individual problems; insufficient number of offices in less urban areas; lack of coordination with other programs—Medicaid, State supplements, food stamps, social services; less money for persons in particular situations; necessity for claimants to travel longer distances; complexity of the program; systems problems and errors; confusion of beneficiaries because of overlapping of programs; and others.

NARRATIVE RESPONSES OF STATES

Alabama

The financial condition of some clients has improved as a result of the SSI program, but conditions have become worse for others. Many who receive two or three checks each month (for social security, SSI, and/or State Supplementation) remain confused about the differences among programs.

Arizona

Many recipients did not receive their checks for several months. Applications for SSI take several months to process and applicants apply for State welfare under General Assistance until approval of SSI benefits. This has caused a tremendous increase in GA caseload. In cases where emergency help was not available, many recipients were forced to borrow money, move in with relatives or change living arrangements until some help was received.

Arkansas

The program has significantly worsened the situation of the aged, blind, and disabled in the State of Arkansas in that the confusion

and inadequacies in the implementation and administration of the program have defeated to a large degree the security which the concept of the program was intended to establish for this population group. Eligibility determination has been, in many cases, an unnecessarily long process, payment amounts have fluctuated from month to month, and program interface with State benefit programs, particularly medicaid, has been unsatisfactory at best. Errors in the amount of grant awards resulting in unexpected demands for repayment have occurred frequently and too many recipient claims cannot be routinely processed by the system and continue to be handled as exceptions "outside" the system.

California

The situation of aged, blind, and disabled recipients in California is viewed as significantly improved mainly in terms of the amount of cash benefits received by recipients. This is due largely to the increased amount expended for recipient grants by the State. Average grants to adult recipients in California increased 21.9% between December 1973 and November 1974. These months are used as comparisons because December 1973 was the last month of the old programs under State control and November 1974 is the most recent month for which data is presented in the latest issue of the Social Security Bulletin (March 1974). According to this Bulletin, California is the second highest paying State in the Nation in terms of average grants, exceeded only by the Commonwealth of Massachusetts.

Increased participation and increased benefit levels have had a combined effect on program costs. Monthly grant costs increased from $68.5 million a month in December 1973 to $96 million a month in November 1974. This is an increase of $27.5 million a month—an annual increase of 43.95%. Of the $27.5 million increase, the State has paid $19.5 million. This rate of growth will not continue, of course, since a good part of the increase was due to the one-time transition to the federalized program.

Prior to the SSI/SSP Program, State, county, and Federal Governments shared aged, blind, and disabled grant costs at a fixed and constant ratio. The Federal Government paid half of the grant costs and the State and counties contributed the remainder.

Under SSI/SSP, the State and county share is more than 55% of the total grant costs. This means that even though the program has been "federalized", in California, the State at this point in time is the "senior" partner from a dollar standpoint. Only two other States, Massachusetts and Wisconsin, contribute more money than the Federal Government to the grants in their State. The State of California is paying $10.5 million more a month than it would be paying at this time if the prior program sharing ratios were applied to current grant levels and caseload.

In respect to the delivery or administration of these benefits, the State does not believe that there has been improvement in the situation of adult aids recipients. In fact, the State has major concerns about the Federal administration of the SSI and the State Supplementary Programs. These concerns will be reflected throughout this questionnaire.

Colorado

SSI made little difference in total assistance because the Colorado standard of need was higher than the SSI maximum payment.

Delaware

The impact of the Supplementary Income Program on this situation of aged, blind, and disabled has in many instances been confusing, traumatic and complex. As we consider the age and physical condition of the people in this group, we wonder how they can cope with a situation where they receive a title XVI check on the first of the month and a title II (SSA) check on the third of the month. How can they reconcile in their minds the need for two separate Government checks that in effect serve the same purpose even though, from the Federal viewpoint, the funding is completely separate.

In addition to this, we are confronted with a dual program in those instances where a person receives these two checks and has medical coverage which is subject to the rules of Medicare (title XVIII A and B) and title XIX (Medicaid); this in itself creates many problems. Surely we could easily develop a single program whereby medical coverage could be all inclusive under one program. It seems to me a monthly grant in the form of one check would be less difficult administratively, and from the human viewpoint, the recipient would be most grateful.

Administrative and Financial Problems—Inability to reconcile monthly Financial Accountability statements due to lack of detailed backup information being submitted to us from Social Security. For every transaction (i.e., one-time payments, emergency payments, credits, postentitlement adjustments, etc.) detailed information should be furnished. If a weekly detailed update was submitted to us covering all transactions (both credits and debits), plus the monthly automated payments listing, and SSI cut-off date was the same as their billing date, our payment figure would coincide with the billing.

District of Columbia

The SSI program has improved somewhat the condition of the categories serviced primarily because of the slight increase in the income of the recipients, especially in the instances of couples. Generally the D. C. level of payment is fairly close to the SSI basic payment. With the higher income disregards, however, recipients have a larger net income under SSI than under the former programs.

Florida

There is a possibility that for the overall population the increase in maximum grant has improved the situation. However, for persons with special needs their situations have become much worse. For instance, for persons in institutions or nursing homes the time lag in getting an application in process has been indefensibly long. It certainly is misleading to have ads on TV and radio encouraging persons to come in to see about eligibility when it is known that SSA offices are badly bogged down with the applications they already have.

Hawaii

The SSI program has improved the situation of the aged, blind, and disabled individuals in Hawaii but not significantly. Improvement has been in relation to persons who regarded the previous welfare programs as a stigma and now consider SSI as a Government right. The national minimum income floor under SSI benefited this group. However, on the other hand, a substantial number of eligible individuals were adversely affected by the national standard in its applicability to the high cost of living.

Illinois

The various programs and methods of payment, and regulations and requirements for SSA (SSI) v. IDPA (Illinois Public Assistance) are very confusing for the AABD population. SSA has no way (or very seldom uses the method provided) to meet immediate need. SSA has absolutely no provision for meeting need as a result of lost or stolen SSA/SSI warrants. SSA is not required to send 10-day notices regarding diminution of assistance and they are not required to dispose of applications within any specified time frame. Consequently, the AABD population has little or no idea of who is doing what to their application or claim.

With respect to notices we respectfully invite your attention to the Federal Register, Vol. 39, No. 179, of Friday, September 3, 1974. Contained therein with reference to 20 CFR, Chap. III—Social Security Administration, DHEW, Part 416—Supplemental Security Income for the Aged, Blind, and Disabled, Subpart N—Determinations, Reconsiderations, Hearings, Appeals, and Judicial Review, is an explanation of the rejection of the plea for a time standard, as well as a seriously questionable posture regarding SSA's intent to forego the furnishing of notices of diminution of benefits.

Indiana

The Supplemental Security Income program has significantly improved the situation of the aged, blind, and disabled populace in Indiana with limited or no income in that it has provided for uniform and higher payment levels than were available under the public assistance programs previously in effect.

Iowa

While the impact of the SSI program has been positive in the sense that numbers of persons receiving assistance have increased since January 1, 1974, from approximately 15,500 to 27,500 and their standard payment amount is now higher than in December, 1973, it is questionable whether or not the program has significantly improved the situation of the aged, blind, and disabled as a whole in the State of Iowa.

Because the definition of disability in the Aid to Disabled Program prior to conversion was much more restricted in Iowa than the SSI definition, the caseload in this category has doubled during the first year of SSI operation. The number of blind recipients has decreased approximately 9% and in the aged category, there has been about a 57% increase. We feel that there are many thousands more in our State who are potentially eligible for assistance, but for various

reasons have not become recipients of SSI. It has been stated that Iowa people are proud and do not apply for help until it is absolutely necessary, thus, accounting for the slower rate of increase than had been expected. We feel there are other more significant reasons, related to formal and informal denials because of living arrangements (referred to testimony before Senator Dick Clark on May 19, 1975, attached).

Many of the initial startup problems have not since been resolved and we continue to experience difficulty in the delay in issuing medical identification cards because of the delays in the appearance of eligibility data on the SDX. We have implemented a procedure in emergency cases which passes by the SDX and conveys eligibility information directly from the district SSA offices to our department. We recently submitted a proposal to Social Security which would have utilized a complete manual procedure from the district office to the DSS offices on all SSI cases so that we would be informed as soon as any transaction was input which affected medicaid eligibility; however, this proposal has not been accepted at the regional level which leaves us with the same uncertainties as before, in the administration of the medicaid program. The impact upon the client is anxiety about payment for medical care as well as some confusion resulting from the dual responsibilities for medicaid determination. We had been led to believe prior to conversion that if a State would make its medicaid eligibility standards almost identical to SSI's that the Social Security Administration would administer medicaid determinations and redeterminations. Since that time, we have become progressively disillusioned with this promise as SSA periodically discovers new groups of individuals that they will not develop eligibility for. These now include, not only those persons with incomes over $166 per month who are living in an intermediate care facility, but also, (1) those persons who are being released from public institutions to ICF's with incomes over $45 per month and (2) persons who have been residents of ICF's, paying their own way, but whose resources are now reduced to within SSI standards and with income over $45 per month. We believe that the medicaid program would be more efficiently administered in a single agency, and regret that SSA does not have the capacity to do so.

Kentucky

The basic payment level for Kentucky's old Aid to Aged, Blind, and Disabled Program was below the Federal minimum Supplemental Security Income payment level and as a result approximately 80 percent of those aged, blind, and disabled recipients have received increased payments. However, the remaining 20 percent represent special needs cases and would have been disadvantaged by the Supplemental Security Income Program had the State not provided a supplemental payment sufficient to maintain their previous payment level. In addition, the State established an Optional Supplementation Program to provide for additional special living arrangements not provided for by the Supplemental Security Income Program. The Supplemental Security Income Program has been particularly beneficial to the blind and disabled children in Kentucky.

Louisiana

As regarding the money grant itself, the recipient has significantly improved his situation. In terms of inconvenience to the recipient many problems exist. There is insufficient staff to process the new applications resulting in long delays. The Social Security Administration does not have offices in all parishes, even though their personnel do make weekly visits causing great inconvenience, confusion, and delay in contacting appropriate Social Security Personnel and making their needs known.

Maine

In response to the question in regard to the impact of the Supplemental Security Income program on the situation of the aged, blind, and disabled (as a group), we feel that the program has worsened their situation but not significantly.

Some individuals have received some minimal increased benefits; however, half the individuals formerly receiving aid to the aged, blind, and disabled would have received a decrease under this particular program if it were not for mandatory and optional State supplements. Significant problem here is that there is confusion, duplication, and a high error rate in calculating payments for recipients which continually keeps them shuffling between two agencies to try to resolve their problems.

Complaints that we receive from recipients are that the Social Security Administration is not able to process applications as promptly as did the State agency nor is individual treatment always respectful and courteous.

Michigan

While it is true that both the average payment made and the number of recipients has increased since SSI began, it is not clear that these increased benefits have been apportioned to those most in need or that those recipients newly eligible are the most in need of those not covered under the previous titles I, X, and XIV programs. Many of the details of the problems in the SSI program are included in the answers to later questions, however, some comments on the general design and operation of the program seem appropriate at this point.

The amount of an SSI grant is independent of the recipients living expenses except in those instances where it is determined that some of those expenses are paid for by other individuals—living in the household of another in SSI terminology. This independence between the amount of the payment and the clients needs (living expenses) is inherent in any national flat grant approach to income supplementation. One problem such an approach creates is best explained through an example. In Michigan a recipient owning his home outright and having shelter expenses including only taxes, utilities and upkeep would receive a monthly grant of $170. Another individual renting similar shelter for $100 per month and paying his own utilities would also receive $170. Obviously the recipient who owns his home has many more funds available for food, clothing and incidentals than the recipient who must rent his shelter.

One of the goals of State government in Michigan is to assure a minimum level of subsistance compatible with decency and health to all individuals. The goal of SSI seems to be to assure a certain level of income, whether or not that level is compatible with decency and health. To the extent that it is not economically possible to supplement all individuals at a level that would meet all the needs of the most needy, and because it is not possible to provide enough variations in supplement levels to adequately reflect all the actual variations in need, the SSI program is inadequate to assure that the minimum needs of Michigan's aged, blind, and disabled are in fact met.

The other side of the coin is that in some instances the needs are more than met. One result of converting to SSI in Michigan was that more than 20% of the December 1973 caseload received increases in grants of $50 or more per month.

The single instance in which SSI attempts to adjust its grant to the needs of the individual, the one-third reduction of benefits for those classified as living in the household of another, is not based on a realistic distinction and seems to result in truly capricious reductions in the SSI grants of some individuals. SSA's approach toward determining whether or not a grant should be reduced by one-third is to assume that the reduction should apply in all cases of shared shelter and to require that the client prove that the reduction is not applicable. This approach results in spurious one-third reductions because the SSI applicant did not understand the significance of the question. It also produces problems because clients are asked to prove that they currently pay their own share of the living expenses. Some clients would pay if they had the necessary funds, but cannot pay until the funds are forthcoming from SSI. This results in a circular argument. The client is asked to prove that he has paid with money that he does not have prior to receiving his SSI grant. Beyond these issues, the flat one-third reduction seems arbitrary at best. Why is the reduction not one-fifth or one-half?

The capability of making payments on the basis of presumed eligibility is included as part of the SSI program. A similar provision developed at the insistence of the courts was widely used in titles I, X, and XIV. Federal data indicates that presumptive payments are being made in only about 5% of the cases eventually found eligible for SSI. I hope you will not think me overly "presumptuous" if I suggest that the SSA's use of this provision has been underly "presumptuous".

The number of persons in Michigan found eligible for payments due to disability has decreased from a monthly average of 1,117 in the last half of 1973 to a monthly average of 821 for the last half of 1974. This is a 26% decrease in the number of applicants found eligible. It is our belief this reduction, in approved applications, is a direct result of SSA's excessively stringent disability criteria.

In summary, I would judge that the situation of the aged, blind, and disabled has significantly worsened because of (1) the inability of the SSI program to reflect differing needs in differing grants, (2) the somewhat arbitrary and capricious use of the one-third reduction, (3) SSA's apparent reluctance to make presumptive findings of eligibility, and (4) the excessively stringent standards used in determining disability.

Minnesota

The program seems to have worsened the situation from the standpoint of recipients involved. Converted adult recipients continue to contact county welfare departments, with which they are familiar, rather than the district Social Security Administration office concerning changes in their circumstances. The reasons are several: (1) The county welfare department often is closer to their homes than the SSA district office; (2) county welfare departments still serve the same recipients in relation to other programs such as in medical assistance, food stamps, Minnesota supplemental aid and social services; (3) recipients continue to seek the type of personalized service to which they have been accustomed. Previously, a call to the local county welfare department brought positive results when an assistance check was incorrect or missing. Elderly blind or disabled recipients, particularly, need help on the local level in understanding the complexities of the program and in overcoming the problems generated by the seeming arbitrariness of the system.

The transfer of the three adult programs to the Social Security Administration by Federal law had little personal meaning for the aged, blind, and disabled as a group until it affected the regularity and accuracy of their checks.

Mississippi

We consider that the situation of the aged, blind, and disabled people in this State who have no income and no resources has been significantly improved as far as their finances are concerned. That is, it is true that the maximum payments under SSI for this group are larger than were ours for the adult categories, and those who can qualify for the full amount of the SSI maximum payment of $146 for one eligible person, or $219 for two eligible spouses, have been appreciably assisted with income for maintenance.

However, even for this group there have been extensive and regrettable delays in the processing of new claims made by applicants for these benefits, and in their receipt of the SSI payment when processed, so that this group of needy aged, blind, and disabled did not receive their maintenance payments from SSI promptly and at the time of their need.

Two disadvantages in the SSI program for this group of aged, blind, and disabled are:

1. Persons who have income, earned or unearned or both, do not in many instances receive appreciably more than they did under our adult categories, and in some instances receive less. This comes about because our State, like most others, had provisions for inclusion of special need items, such as special living arrangements or an essential person, in the home with the applicant, so that the client's income was measured against special requirements or higher amounts to include the needs of the additional person. Our State is not financially able to finance an optional supplementation for such persons coming on the SSI rolls.

2. Then there is no provision for a mandatory supplement for newly approved SSI recipients whose payments are less than they would have been under the former adult categories, although Mississippi does of course continue the mandatory State supplement for those converted from the old categories to SSI as of January 1974.

With regard to serving other needs of this group, their social problems are not being taken into consideration or proper referrals made to the welfare department.

Missouri

To some extent the SSI program has improved the income situation for certain groups of recipients in Missouri, but the program as a whole, has not come up to the expectations of either SSI beneficiaries or our State welfare administrators.

Notable shortcomings include firstly and most importantly the fact that the income level for many new SSI recipients is not maintained at as high a rate as it would have been under the former State-Federal matching programs. In essence, while the new SSI income floor of $146 for individuals and $219 for couples has been beneficial for some aged, blind, and disabled Missourians, it is, at the same time, providing less income for many SSI recipients added to the rolls after January 1, 1974.

Secondly, although Federal administration offers a more simplified program, some of the basic concepts associated with the old need-based programs are still in effect for SSI and determining eligibility and income disregards still results in a frustrating and confusing dilemma for potential beneficiaries. To further complicate the problem, converted SSI recipients must be screened for continuing eligibility, not only under the SSI program requirements, but also under Missouri's former eligibility requirements for the adult programs. These continuing dual eligibility requirements do benefit some clients but they add to the redtape and complexity of the new Federal program.

In addition, SSA district office staff were not properly prepared or trained to respond to the needs of the new SSI clientele. SSA claim and service representatives are well trained and skilled in interviewing for the SSA programs, but most are unable to respond to the needs of SSI clientele with social service and counseling problems that are often more immediate and intensive than interviewers recognize.

For some types of cases the SSI program benefits were so lacking that it became necessary for Missouri to develop new optional supplementation to fill in the gaps. Included among these are Missouri's improved nursing care program and the supplemental aid to the blind program. While these have provided additional and significant benefits to Missouri SSI recipients, they were provided by Missouri and not the Federal program. The development and costs for these new programs has also contributed to current increases in our State welfare budget rather than a decrease as was expected prior to the Federal takeover.

Montana

The old-age and blind recipients are receiving more dollars than they would have under our old plan. Also, the "grandfathered in" disability cases.

The SSA criteria for disability are tighter than our old criteria and there still are people "falling between the cracks".

Nevada

The correspondence to this office and to the welfare division has significantly increased since the SSI program was implemented. Complaints were heavy in the beginning but have dropped to a lower level at this time. Correspondence is significantly higher than during pre-SSI days. Complaints run through the complete spectrum of possibilities. These can be separated into two types of problems: lack of staff, and basic regulations. The first being complaints such as lack and delay of due process on claims, lack of adequate explanation of program requirements, and delays in the determination of eligibility and payments of a grant. The second group of complaints consists of such things as treatment of income, income of spouses, determination of living arrangement, etc.

New Jersey

The fact that New Jersey's aged, blind, and disabled residents are now participants in a national system of income guarantees will in the long run significantly improve their situation. However, it is believed that substantial numbers of actual and potential SSI recipients' situation has worsened due to (1) SSA's administrative inflexibility in responding to differing and sometimes immediate needs, (2) the capricious and somewhat arbitrary use of the one-third reduction rule, (3) the excessively stringent standards used in determining eligibility and (4) the limited and practically nonexistent linkages and referrals to social services and health programs.

New Mexico

Positive Effects

1. Financial Assistance (SSI) to the aged, blind, and disabled has reached over 6,000 additional individuals in this State—from 18,000 persons receiving AABD in December 1973 to 24,500 in January 1975.
2. Payment to individuals under SSI ($146) is higher than was the AABD payment from the State ($116).
3. The total monthly income of aged, blind, and disabled SSI recipients is more because the amount of income disregarded is higher under SSI than the State's AABD (the first $7.50 of income was disregarded).
4. This State expanded its medicaid program to cover all SSI eligibles which means that about 6,000 additional persons (aged, blind, and disabled) are now being served than were at the end of 1973.

Negative Effects

5. The increased income to this group has resulted in an increase to individuals in the purchase price of food stamps and thereby reduced food stamp benefits for those that are participating; many aged, blind and disabled persons no longer participate probably because the marginal benefits are, in their estimation, not worth the inconvenience of certification.
6. One shortcoming of the SSI program is no recognition of the expense for an individual living in a boarding home (not a medical institution) and the absence of a reasonable payment standard to help meet the cost of a board and room, living arrangement (custodial

care). The present regular rate of $146 is nowhere near the prevailing charges made by boarding homes and yet many aged and disabled persons who do not require institutional care (medical setting) must live in public boarding homes.

New York

In certain cases, the more liberal SSI income and resources eligibility criteria have allowed more individuals to receive benefits than would have under the former aid to the aged, blind and disabled (AABD) program. The relatively higher benefits paid under SSI have improved the situation of the aged, blind, and disabled somewhat; but, the grant levels paid under public assistance (PA) are rapidly closing the gap and in some circumstances, the PA grants are higher. Additionally, cases having special or unusual circumstances are disadvantaged by the inflexibility of the SSI program structure. The increased administrative "redtape" involved in application processing and determinations creates extensive delays and errors in receiving checks. These factors combined with the constant shuttling of the aged, blind, and disabled individuals between Federal and State agencies for medicaid, services and interim assistance have significantly worsened the recipients' situations.

North Carolina

The opinion in North Carilina is that the SSI program has improved the situation of aged, blind, and disabled persons in our State but not significantly so. For those individuals maintaining their own homes in a private living arrangement, SSI has provided a higher level of income than our former Aid to the Aged and Disabled Public Assistance Program and there has been an increase in the number of persons receiving assistance. However, there has been no increase in the personal maintenance allowance for those individuals requiring the services of an attendant to enable them to remain in their own homes as opposed to institutional placement or for those persons needing placement in domiciliary care facilities. The State and counties are supplementing SSI, which is insufficient to meet specialized needs, but cannot financially afford to increase the personal maintenance allowance above the December, 1973, standard. It should be noted that the cost of food stamps for SSI recipients has continued to rise.

North Dakota

The impact of the new Federal program is a mixture of advantages and disadvantages. The amount of funds under the State's former AABD program. This advantage is much more pronounced for recipients who have other private income such as social security benefits because $20 of such income is disregarded each month under SSI. Federal law of course prohibited States from disregarding private benefits under AABD. The financial advantage of SSI over AABD for the recipient who does not have income which can be disregarded is probably insignificant because the State would undoubtedly have increased AABD payments had the program continued.

One of the disadvantages of SSI is that the amount of Federal payment is normally not sufficient for the individual living in a licensed

rest home or licensed foster home. The State's former AABD program was sufficiently flexible to take into account an individual's increased financial needs in a custodial facility. Since the North Dakota Legislature has not appropriated funds to the State department for supplementation of SSI payments, SSI recipients living in such facilities must look to local levels of government for supplementation. Some counties in particular are hard pressed to provide the necessary additional funds.

Another major disadvantage for the elderly, blind, and disabled recipients of SSI is that they must relate to two separate bureaucracies for their basic necessities of life. They must of course deal with the Social Security Administration with respect to their eligibility for SSI payments. However, in North Dakota, they are required to deal with county welfare boards with respect to eligibility for food stamps and necessary medical services, social services, and supplementation. Frequently, both sets of agencies need the same information. The SSI recipient is apt to be confused as to the proper source for reporting changes in circumstances.

Ohio

In Ohio very little financial benefit for the aged, blind or disabled occurred as the grant levels were approximately the same. However, the fact that services were fractionalized among several agencies has tended to isolate the individual even more.

Oregon

[Oregon noted that the Supplemental Security Income program has significantly worsened the situation for the disabled and has made little difference for the aged and the blind.] State administered supplement prevented a dollar loss. Disabled clients formerly eligible for AD are being denied and must subsist on State GA standards.

Pennsylvania

The improvements we see include: (1) a 51% increase in persons served; (2) increased benefit amounts; (3) elimination of support requirements from spouses and children outside the home and of reimbursement from property; and, (4) a somewhat improved feeling of respectability in a Social Security Administration program over the previous welfare programs.

Among the problems, however, are: (1) the split in responsibility for programs which makes it necessary for persons who by their very categories are the least able to deal with the welfare office on a variety of areas related to their need (medical assistance, food stamps, social services and emergency needs such as may be caused by lost, stolen, or delayed SSI checks).

The aged, disabled and blind continue to go back and forth between SSA offices and welfare offices; (2) inadequately trained staff in the SSA offices for dealing with persons in need, and with a needs program; (3) oppressive and complex need regulations that are poorly understood by SSA staff, difficult for anyone to apply and extremely burdensome to the aged, blind and disabled individual. Examples of the policies following in this classification are SSI regulations governing persons living in the household of another, regulations on the

deeming of income, disability requirements and, in general, the nature of extent of the documentation required; (4) SSA's practices of using form letters as its primary method of communicating with applicants and recipients regarding needed information to determine or redetermine their eligibility for SSI. Attention needs to be given to the number of claims denied or terminated because of "failure to respond" or "failure to follow through" from the standpoint of the adequacy of SSA's system of reliance on correspondence in place of personal contacts, most of which by necessity would require home visits; (5) unresponsiveness of the payment system to changes in circumstances, correction of errors, catastrophies such as lost, stolen or delayed checks; (6) inordinate delays in processing claims for SSI. We have been unable to get from SSA their average time but indications from data we get is that it approximates five months for all cases and is more like eight months for disability cases.

Because of these combined factors, we have to conclude that SSI has improved the situation of the aged, blind, and disabled; but that there is still a long way to go.

Rhode Island

We do *not* feel that the SSI program has remarkably improved the situation of aged, blind, and disabled Rhode Islanders. Although the program makes administrative sense in that there is a "one stop" income organization for all aged, blind, and disabled, the present law and attitude of the administration does not lend itself to dealing expeditiously with people who may be totally without money. SRS continues to be involved with needy adults who are seeking a payment, but due to delays, have to be paid from State general public assistance funds. A State judge has ordered that a local payment must be made if a person is in fact needy, despite the responsibility of the SSI program. The interim payments plan has helped by providing for repayment. However, there are many cases each month in which people do not receive their regular payment due to computer foulups, lost mail, etc. Once again, such clients are being referred to the State-local welfare programs.

The total number of recipients has climbed tremendously. In December, 1973, there were 9,636 recipients to the aged, aid to the blind and disabled. In April 1975, there were 15,495 recipients. This caseload growth has resulted in an additional deficiency appropriation from the Rhode Island Legislature of $1,870,045. It is likely that applicants prefer applying at the social security office rather than the welfare offices as formerly.

South Carolina

Department of Social Services:

The financial status of the aged, blind, and disabled has improved. However, the SSI recipients are inconvenienced and confused by social security payment errors. Also, the recipients are inconvenienced by having to travel long distances to SSA offices and by having to wait long periods of time for service.

Office of the Governor:

The SSI program improved the status of the aged, blind, and disabled from the point of cash benefits. However, this improvement was not realized by those persons who are institutionalized. SSI also provided outreach assistance for social services through referrals to applicants.

South Dakota

The answer to this question is twofold. The SSI program has significantly worsened the situation for all newly eligibles in our State in regards to the amount of income received. Under our State plan, December 31, 1973, an aged, blind, or disabled person was not on a fixed income, per se, but assistance grants were adjusted according to need up to a maximum, considerably greater than SSI. Such special needs as "meals in a restaurant", and "hired help" are also no longer available to SSI newly eligibles, placing enumerable hardships on these recipients.

The SSI resource limitation, however, is greater than what was existing under our State plan December 31, 1973. This increase in the resource limitation has widened the scope of eligibility for SSI and title XIX coverage. This has certainly been an advantage to those recipients.

Tennessee

Generally, the SSI program, because of higher payment levels, has improved the situation of aged, blind, and disabled recipients. The ones who need care in their own homes have not profited. Of course, State supplementation has an impact.

Texas

The dollar amount available to the client has increased although not significantly. The error rate of 26.3 percent experienced by SSI for Texas is not an improvement over State administration of the program. In fact, while the SSI program has maintained this high error rate, the State has significantly reduced its own error rate. We find that the referral of clients between State and Federal offices is often confusing to the clients. The clients also appear to feel "out of touch" with SSI workers. There has been some frustration on the part of clients not being able to deal effectively with SSI. A suggestion has been offered that SSA is more organization than client oriented. The SSI operation appears to need more staff and more personal contact with clients for the program to operate efficiently. SSI appears to constitute about one-fourth of the SSA workload in Texas which administratively relegates it to a lesser priority than the other.

The SSI payment standards are slightly higher than those of the OAA, APTD, and AB programs administered by the State of Texas. The most significant improvement is that the SSI disability criteria is less restrictive than the State's previous APTD criteria, and the number of disabled Texans receiving assistance has increased from 31,468 APTD recipients in December, 1973, to 64,197 SSI disabled recipients in February, 1975.

Supplemental Security Income has improved the situation of some recipients by increasing their income slightly. For others, situations have worsened significantly because of delays and problems in certification. The impact of SSI on the aged, blind, and disabled in Texas could be said to have worsened many individual situations significantly. The reason, is because the program was thrust upon them, with little help available to assist the recipient in making the transition from an agency providing financial assistance through a concerned caseworker to one with staff trained in mechanized procedures. The SSA staff had too little preparation in meeting the need of clients for understanding and acceptance of the changes.

Experiences related to DPW staff by clients indicated some SSA staff had difficulty in accepting SSI applicant/recipients as people of worth, feeling "dole clients" are inferior to those with earned retirement benefits. This feeling was related as being conveyed to clients by attitudes, gestures and expressions, of SSI staff members.

Financially, recipients residing in nursing homes are no better off than they were before the program was initiated, because the increased financial assistance is being applied to the recipient's portion of the nursing home costs. The recipients in nursing homes and the nursing home industry have undergone considerable turbulence as a result of SSI. Their situation has resulted in an inordinate degree of turbulence within this Department to try to remedy the situation. These problems are covered in detail later but relate to circumstances where SSI recipients may be denied medical assistance because of the definition and restrictions placed upon relationships, income and resources where their situations are such that this department will enroll them in medicaid anyway. Other types of inconsistencies include e.g., a recipient under the SSI program who may be denied assistance after six months if he has a homestead and he has made no effort to dispose of it. The six month figure appears arbitrary and would preclude a nursing home recipient from re-entering his home if able after six months thereby preventing the State from an opportunity to achieve program savings thereby. Under previous State programs, a home was exempt as a resource regardless of the length of time a person spent in a nursing home.

Vermont

Question 1 asks what the impact of the SSI program on the situation of the aged, blind, and disabled was in Vermont. A literal interpretation of that leads one to answer "very little." Approximately 30% of the AABD caseload had total budgeted need which was less than the Federal SSI payment. These cases were closed and for them SSI meant increased income. For the remainder of our caseload, however, the advent of SSI simply meant that they got part of their income from another source but the total income received was unchanged.

The point at which SSI *did indeed* have a substantial impact was on July 1, 1974, when Vermont opted for Federal administration of the State supplement. The positives and negatives of *that* decision can be summarized as follows:

Positives:

1. Majority of the caseloads received an income increase.

2. The State supplement and the SSI check were combined; thereby reducing client confusion.

3. Dealing with the SSA gave the program a better image in the recipient's mind as well as that of the general public.

Negatives:

1. Those cases "grandfathered" above the new flat grant had their incomes frozen and are denied any increases unless and until the flat grant catches up to them.

2. Availability of SSA district offices. In Vermont, there are only three and this creates a hardship for many to have direct access to SSA staff.

a. Emergency checks ($100 advance) can be immediately dispensed only if a person comes to an SSA district office.

b. Number of individuals on the program are now being channeled to three offices instead of the State's twelve offices; therefore, the personal contact is lacking. SSA staff is not sufficient to handle the volume of individual situations with any personalization.

3. Lack of specific time frame for making eligibility decisions. Under the old title XVI provisions States were required to meet specific time frames in determining eligibility.

Virginia

It is our feeling that the aged, blind, and disabled as a group have lost the benefits that they historically enjoyed as a result of their association with a county/city welfare department in Virginia. We see this loss mostly with respect to the discontinuance of a relationship that developed between a local worker and a recipient and the opportunity for community based provision of financial assistance along with other services. We find this group of individuals somewhat disadvantaged now that they must, in most cases, go to, or contact an existing social security district office. The need for medicaid, or other benefits or services now requires a return to the local welfare department which in the past provided the total scope of these services. In addition to the foregoing, which may be best described as structural, there also appears to be an attitudenal problem confronting these recipients. We feel it only fair to modify such a statement in that serving these recipients in their own community has provided for the development of the aforementioned relationship and the loss of this may very well explain our concern for the attitudenal problem evident in some of the personnel of the Social Security Administration district offices. This problem is expressed, oftentimes, by failure on the part of the staff of a district office to pursue entitlement to Supplemental Security Income after they have determined an aged or disabled individual eligible for title II benefits which are obviously less than the income level for SSI entitlement. Finally, we feel these clients are impeded in filing appeals due to the fact that initial contact with a district office may result in an informal denial with no record retained of this transaction. As a result, if the individual desires to pursue his entitlement through the appeal process he must return to the district office, file another application, and specify that he wishes this action to be pursued in the form of an appeal.

Washington

Individuals who were converted to SSI without problems and who have not had significant changes in circumstances which would require adjustments to SSI payments are receiving approximately $7.00/mo. more per case than prior to SSI. If they have unearned income an additional disregard of $12.00 to $20.00/mo. per case is allowed. Aged and disabled persons who are employed also have more liberal SSI income exemptions ($65 plus 1/2 of the remainder, compared to the December 1973 State exemption of $20 plus 1/2 of the next $60). The net result is that the program which paid 46,800 cases $5.3 million in December of 1973 is now paying 52,400 cases $6.3 million in the State of Washington. In this respect, the individuals are better off.

Those individuals who had problems in the conversion process or have had significant changes of circumstances since being converted have been subjected to overpayments, underpayments and frequent referrals between state welfare offices and regional SSA offices. This has occurred mainly because the SSI computers have not been able to respond to the changes. In Washington 2,600 cases are still in a "forced pay" status. They represent five percent of the caseload and these individuals probably do not feel that their situation has been improved.

West Virginia

Needy aged, blind, and disabled persons in West Virginia have generally experienced improvements in the benefit amounts received as a result of the implementation of SSI. This State's one and two person maximum payments prior to January, 1974, were $123 and $156, respectively. The SSI benefits in the same size benefit group are now $146 and $219 with increases in these amounts due in July, 1975. Of course, State payments would have also increased during this period but probably not to the level anticipated after the July, 1975, cost-of-living increase.

In addition, SSI covers 11,000 more aged, blind, and disabled persons than the State program did at the time of conversion to SSI in January, 1974.

More restrictive disability criteria and a more limited use of presumptive decisions has caused a number of disabled persons to not qualify for SSI or to wait longer than it seems necessary before receiving their first SSI check.

Recipients of SSI checks who receive food stamps must come to banks or local welfare offices to purchase their stamps. Prior to SSI, the purchase requirement could be deducted from the assistance checks and the stamps were mailed to the recipients. This has caused some inconvenience to the aged, blind, and disabled and in some cases, deterred participation in the food stamp program.

C. Referral Procedures

Question 2(a): **Are the procedures for referring SSI recipients and applicants to other welfare programs in your State working adequately:**
(i) for medicaid?
(ii) for social services?
(iii) for food stamps?

(iv) for State administered regular supplementation?
(v) for emergency aid?
(vi) other (explain)?

A number of States chose to answer this question with comments, rather than providing simple affirmative or negative responses. The comments which were made are quoted below. Responses by the States indicate that there are problems in some States involving the interrelationship of SSI with other programs, particularly medicaid and social services.

Medicaid: States which gave answers indicating that they believe the procedures for referring SSI recipients and applicants to medicaid are working adequately include: Delaware, District of Columbia, Georgia, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, New York, North Dakota, Oklahoma, Oregon, South Carolina, and Washington.

States indicating that they are not working adequately include: Alabama, California, Florida, Nebraska, New Jersey, New Mexico, North Carolina, Ohio, Pennsylvania, Texas, Vermont, and Wyoming.

Nebraska noted "some problems with computerized letter to recipients."

Social Services: States giving answers indicating that they believe the procedures for referring SSI recipients and applicants for social services are working adequately include: Alabama, Delaware, District of Columbia, Florida, Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Michigan, Nebraska, Oklahoma, Vermont, and Wyoming.

States giving negative responses include: California, Georgia, New Jersey, New York, North Carolina, North Dakota, Ohio, Oregon, Pennsylvania, Texas, and Washington.

Food Stamps: States which gave responses indicating that procedures for referrals to the food stamp program are working adequately include: Alabama, Arizona, Delaware, District of Columbia, Florida, Georgia ("Fair"), Hawaii, Illinois, Indiana, Kansas, Kentucky, Louisiana, Michigan, Nebraska, New Mexico, Oklahoma, Oregon, South Carolina, and Washington.

States indicating that they are not working adequately include: New Jersey, North Carolina, North Dakota, Ohio, Pennsylvania, and Wyoming. Texas commented that referrals are made "only upon the client's inquiry."

State Administered Regular Supplementation: (Only 23 States administer their own optional supplementary payments program.) States responding that referral procedures to these programs were working adequately include: Hawaii, Illinois, Indiana, Kentucky, Michigan, North Dakota, Oklahoma, and Oregon.

States indicating that they are not working adequately include: Nebraska and North Carolina.

Emergency Aid: States indicating that the procedures for referring SSI applicants and recipients to State emergency assistance programs are working adequately include: Alabama, Delaware, District of Columbia, Hawaii, Indiana, Massachusetts, Michigan, New Mexico, North Dakota, Oklahoma, Oregon, and Pennsylvania.

States indicating that they were not working well include: New Jersey, North Carolina, Ohio, and Washington.

General Statements: Several States commented in a general way on whether referral procedures in their States are working adequately. States indicating that they are include: Arkansas, Connecticut, Hawaii, Michigan, Nevada, Rhode Island, and Tennessee. States indicating generally that procedures are not working adequately include: Colorado, Utah, and Virginia. Many States gave narrative responses which are quoted below.

Question 2(b): **Have you in effect or firmly planned for implementation arrangements under which State or local welfare workers will be stationed in social security offices?**

A number of States responded that they have planned or have in effect arrangements for stationing welfare workers in at least some social security offices. States mentioning specific arrangements include: Michigan, Hawaii, Louisiana, Missouri, New Jersey, New York, and Pennsylvania, as well as additional States which observed that there are some local or county arrangements or arrangements on an experimental basis. Several States answered that they had formerly had such arrangements but had given them up for various reasons. Comments by the States are quoted below.

Question 2(c): **Have you any formal agreement with the Social Security Administration with respect to the policy and procedures that agency is to follow in referring SSI recipients and applicants to State or locally administered programs?**

A majority of the States responding said that they had either a formal or informal agreement, or had worked out procedures for referrals. Specific additional comments are quoted below.

NARRATIVE RESPONSES OF STATES

Alabama

(a)(i) The fragmentation of responsibility for determining medicaid eligibility is causing numerous problems. The Social Security Administration determines eligibility only for SSI recipients, who are automatically eligible for medicaid. In Alabama, the department of pensions and security determines medicaid eligibility for all other groups, and there are particular problems regarding persons denied SSI who may be eligible for retroactive medicaid payments.

(a)(iv) The department of pensions and security cannot always be certain that it has knowledge of persons eligible for State supplementation.

(c) SSA through formal agreement, sends the department of pensions and security a 1610 (referral) on every applicant.

Arizona

(i) Arizona does not have medicaid as yet.

(ii) Arizona does not have any adult social services programs.

(iii) Food Stamps—referral procedures are working adequately.

(iv) SSI recipients are accredited to State optional Supplemental Medical Insurance Buy-In (SMIB) as they become known to us through Federal printouts. Those eligible for State optional supplemental benefits are approved upon determination of eligibility.

(v) There is no emergency aid provided by State to SSI recipients. However, GA and emergency relief is provided to applicants who have applied but have not yet been approved for SSI.

Arkansas

Procedures for referral of SSI recipients and applicants to other welfare programs in the State appear to be working adequately in most areas of service programming and continue to improve.

Although the local social security offices and State social security offices have experienced no difficulty in referrals between the agencies in directing client inquiries regarding medicaid benefits, the information exchange system (SDX) leaves a great deal to be desired in terms of timely and accurate documentation of eligibility establishment and continuing eligibility for program benefits. While agreements have been worked out between the Social Security Administration and State programs for referral between programs, manpower constraints have precluded planning toward stationary State personnel in social security offices which in any case does not appear to be an appropriate nor effective use of State personnel.

California

(a)(i) For medicaid? The referral system for persons discontinued or denied SSI/SSP is based on the State Data Exchange System (SDX). Using the SDX data, the State sends out notices to the discontinued or denied persons, advising them to contact their local county welfare office regarding Medi-Cal benefits. Due to the problems with the SDX system, the referral system is still not satisfactory, but is improving.

Referral is poor for retroactive Medi-Cal benefits.

Referral to counties because of nonreceipt of regular Medi-Cal cards is working adequately in most areas of the State, but due to inadequacies in the SDX system, the volume of persons who need referrals is still unacceptably high.

(ii) Formal procedures do not exist in this State for the referral of persons requiring social services from local SSA offices to county welfare departments. Further, SSA staff are not trained and made available to identify the SSI/SSP applicant or recipient who needs or asks for social services. This is considered a major program interface problem in this State.

(iii) This question is not applicable to California, as the State has been designated as a food stamp "cash-out" State.

(iv) A separate State/county program has been established for persons who are denied SSI/SSP solely because the value of their home exceeds the Federal standard of $25,000. Standard procedures for referring such persons to counties have just recently been agreed upon by the State and SSA, and are now being implemented. It would be the State's preference that SSA administer this program on behalf of the State. To date, however, SSA has not expressed a willingness to do so.

(v) The State has established an emergency loan program, which is designed to provide temporary loans to recipients whose regular SSI/SSP check has been lost, stolen or delayed. Specific procedures have existed for the referral of such recipients since January 1974.

The state has also recently implemented the interim assistance program which, as authorized by Public Law 93–368, is designed to provide money to recipients who have been determined eligible for SSI/SSP but have not yet received their initial payment. Standard

procedures have been established in this State by Federal/State agreement, and most counties are now in the process of implementing the program on a voluntary basis.

(vi) The State has two other separate programs which are administered by counties. These are: (1) The special circumstance program which is designed to meet nonrecurring special needs of SSI/SSP recipients, and (2) The aid to the potentially self-supporting blind program, which is similar to the plans for self-support provisions in the SSI program. While there are no formal procedures for these programs, SSA is now revising its general brochure for recipients to include a brief description of these programs.

(b) While counties are encouraged to out-station social services workers in local SSA offices where feasible, the provision of such staff is not presently mandated throughout the State.

(c) Nearly all of the various Federal/local referral procedures are developed and agreed to outside of the formal Federal/State contracts. The two exceptions to this are: (1) The interim assistance program which operates according to a separate Federal/State contract, and (2) a provision in the SSI/SSP contract for Medi-Cal eligibility determinations which stipulates that SSA offices shall hand out questionnaires on private health insurance coverage.

Colorado

(a) The referral system does not function adequately with respect to referrals for services. Such referral requires that SSI staff have a fair knowledge of the services components. When SSI started, their interest in services program knowledge for referral purposes was, to all intents and purposes, nonexistent. Recently, more interest has been evidenced. Consequently, local offices of SSI and social services local offices' communication with respect to services is very spotty; good in some areas, poor in others. It would appear that orientation of SSI staff to our services program is the best solution.

(b) Haven't had enough staff to do this.

(c) Such a system, with respect to services referral, seems indicated.

Connecticut

(a) The Connecticut State Welfare Department and the Boston SSI Regional Planning Office have developed and implemented a simple referral form which is used to either refer State welfare recipients to SSI or SSI recipients to State welfare (or to local agencies for general assistance). The referral procedures are functioning satisfactorily.

(b) State workers were outposted in social security offices from January 1, 1974, to June 1, 1974. They were withdrawn when it appeared that their presence was no longer necessary.

(c) There is no formal agreement. However, the informal arrangements are quite adequate.

Delaware

(a)(vi) Individuals being accreted to buy-in whose names do not appear on SSI listing.

(b) It would be most helpful if we could place an assistance worker in each of the three social security offices in Delaware who could

act as a liaison and provide service to those persons applying for title XVI who may also be eligible for additional services from Delaware's Division of Social Services and also have the opportunity to explain the assistance program in relationship to title XVI especially regarding the problem to title XIX medicaid.

(c) Our relationship with the local Social Security Administration is such that a formal agreement for their cooperation is not necessary. Regular meetings are scheduled with the local social security offices and the most cooperative arrangement has been developed which helps expedite this complex program. We must compliment the Social Security staff for their willingness to cooperate and work with us for the benefit of our recipients.

District of Columbia

The District of Columbia has been and continues to work with the planning and State relations specialists of the Bureau of Supplemental Security Income regional office in implementing policies and procedures related to referral procedures between the Federal and local governments to assure maximum service to SSI applicants and recipients. This has resulted in a good outreach effort and it is our belief that D.C. residents have generally been made aware of the SSI program and know how to apply for same.

Florida

An agreement has been developed for referral process from State institutions so that the SSI check will be available upon release.

Hawaii

(a) The referral procedure to all State-administered assistance programs was developed locally and is working satisfactorily.

(b) Informal arrangement, tentatively agreed to, whereby welfare workers are to be out-stationed to selected SSA office. (No firm plans for implementation. There are more welfare offices than SSA offices. These welfare offices are situated in closer proximity to residents than the SSA offices and are more accessible.)

(c) Joint communique developed and distributed to both SSA and welfare staff outlining referral procedures to be followed by both agencies.

Illinois

(a) Referral procedures for item i–iv appear to be adequate. Item v; the State has no plan for "emergency" aid but SSA continuously refers individuals to public assistance for emergency aid. Item vi; there are no others.

(b) No plans are being made for local welfare workers to be stationed in SSA offices. We do not have "extra" staff to assign to other agencies.

(c) Formal agreement, No. Informal agreement, Yes.

Iowa

(a) We are preparing a survey to be used in our local offices to document the source of adult service referrals, so at this time we cannot say with a great deal of accuracy how well referral

procedures are working. We feel they are not working as well as is possible. Social security staff are still not trained in terms of social service philosophy and we do not believe that sufficient time is given to the art of interviewing much beyond the concrete, well-manualized eligibility factors.

(b) We have one demonstration project in operation at this time in the Des Moines district SSA office and at the end of another six months, we should have a more solid basis for making further recommendations to SSA regarding the continuation and expansion of this system.

Louisiana

(a)(vi) Interim Assistance—In this program SSI applicant for general assistance signs agreement to assist future payments by the SSI program to the State to reimburse them for general assistance payments made by the State while their disability application is being processed by SSI. The applicant must meet the State general assistance eligibility criteria. The SSI notifications of eligibility are late in being sent, therefore, we receive payments and do not have sufficient information to determine the period of eligibility for each recipient.

(b) This is currently being done in East Baton Rouge Parish. Plans are underway to do so in Orleans and Caddo Parishes in the near future.

Maine

Procedures for referring SSI recipients and applicants to other welfare programs in the State of Maine is limited mainly to situations involving potential eligibility for medicaid. There is little, if any, referral from the Social Security Administration for social services, food stamps, general assistance, or other programs.

(a) It is quite obvious that the Social Security Administration personnel though quite knowledgeable in specifics as it pertains to eligibility for social security benefits and SSI benefits, are not aware of other resources within the State and the community nor have they taken the time to listen to the needs of the recipient and try to respond to them.

(b) The State agency does not have any arrangement for stationing a State or local welfare worker in social security offices. Staff is unavailable for this. This particular plan, though it seems reasonable, is in practicality ludicrous. The State agency is in no more of a position to station our staff in social security offices than the social security agency is in a position to station their staff in our offices.

(c) The agency does have formal agreements with the Social Security Administration with respect to policy and procedures as it pertains to handling the applications for SSI mandatory State supplement and optional State supplement.

It does not have formal agreements pertaining to referring SSI recipients and applicants to other programs from the SSI offices with the exception of medicaid.

Michigan

(a) They are working adequately, however, there is room for improvement. SSI line workers often do not perceive the clients needs

for social services and as a result, many clients in need of social services do not receive them for lack of referral.

Minnesota

(a) In Minnesota, in conjunction with the regional Social Security Administration office, an information leaflet was developed, printed and distributed by the State department of public welfare to all district and branch Social Security Administration offices. The leaflet, given to every new SSI applicant, sets forth all the financial programs and types of social services available from local county welfare agencies. The leaflet informs applicants that county welfare departments are in a position to refer recipients to those few resources not directly available from county welfare departments. The leaflet covers all programs listed on the attached questionnaire.

(b) The decision as to stationing staff in district social security offices is made by the individual county welfare agencies in Minnesota. It is our understanding that some of the larger urban counties have made such an arrangement.

(c) Minnesota has a formal agreement with the regional Social Security Administration office which sets forth our intention to cooperate with the Social Security Administration in further development of improved information and referral service and procedure.

Mississippi

(a) Procedures for referring SSI applicants and recipients to other welfare programs in Mississippi.

(1) For medicaid. We have had few complaints about persons not being aware of the availability of medicaid benefits through application to our department, with subsequent certification to the Mississippi Medicaid Commission. We have had difficulty in getting the Baltimore SSI office to use the correct statement as to responsibility for medicaid certification on the notice of the award for SSI.

(2) For social services. The department and the district SSA office in Jackson, which serves as liaison with the other SSA offices in this State, have an agreement for the referra' of persons needing services to this department. However, the procedures have not yet been worked out.

(3) For food stamps. We have had few or no referrals from SSI offices for food stamp applications.

(4) For State administered regular supplementation. Our supplement is federally administered as of July 1, 1974, and we do not have optional supplementation.

(5) For emergency aid. Mississippi does not have a State program for emergency aid. Any such aid would have to come from county funds, which are extremely limited and allotted at the will of the county boards of supervisors from the county tax millage.

With regard to problems in referrals for services, the agreement with SSA has been unsuccessful in that SSA refuses to give us information that will assist us in determining the problem on the basis that anything beyond referral is a violation of their regulations on confidentiality. It is hard to know whether we can accept a referral until we can interview the client.

(b) Plans for stationing State or local welfare workers in SSA offices.

We do not plan to station workers in the SSA-SSI offices. First, our State and local staff have been reduced beyond the number required to carry on the eligibility work, as explained below. Then we question whether the placement of workers in SSA offices would constitute efficient use of staff for the following reasons: (1) chaotic conditions have prevailed in all SSI offices over the State during the past year and still prevail in many of them; and (2) the attitude of a number of SSI staff members toward the welfare program raises a question as to acceptance of such a plan; and (3) the amount of work that welfare staff could hope to accomplish in this setting would no doubt be limited.

(c) Formal agreement with SSA on policy and procedure that SSA is to follow in referring SSI applicants and recipients to us.

Yes, we have had formal conferences with the Jackson district liaison office on this matter, and reached a formal agreement. We have each issued instructions to our staff as to the nature of the agreement.

Missouri

The procedure for SSA to refer SSI applicants and recipients for social services has been used very infrequently since conversion. Our agency staff worked closely with SSA in the development of a referral form for use by SSA district office staff for all referrals. This form has been used to some extent in some locations for medicaid, food stamps and emergency aid referrals but rarely for social services. Referrals for the State administered supplemental program are very infrequent. Occasional referrals are made without completion of the referral form. Part of the lack of referrals for social services may be attributed to the fact that SSA staff may not detect the need for social services and income maintenance services in the interviews they conduct, which are primarily oriented toward determination of income eligibility.

Information concerning our agency programs designed to facilitate referrals by SSA was provided in initial orientation sessions for all SSA district office staff, supplemented by followup programs in some locations. This type of training has resulted in some improvement in referrals for welfare programs. To improve the referrals overall there is need not only for adequate training of SSA staff concerning welfare programs, but also commitment to assure on-going referrals for whatever service programs may best serve the needs of each individual client.

We have in effect outstationing programs with a social service worker located in an SSA office in four locations. Three widely separated areas of the State, in the northeast (Hannibal), northwest (St. Joseph), and southeast (Kennett) began the outstationing program in April, 1974. The program was expanded to the Kansas City area in April, 1975. Regular monthly reports made to the State family services office and the regional SSA commissioner by each outstationed worker indicate that social service referrals, as well as other pertinent referrals are made on a regular basis to the outstationed worker as a result of the integration of the worker into the SSA system and the training concerning welfare programs incorporated into the outstationing project.

There is no formally signed agreement with the Social Security Administration with respect to the policy and procedures the agency is to follow in referring SSI recipients and applicants to State or locally administered programs, but there have been letters between the regional commissioner of the Social Security Administration and the Director of the Department of Social Services outlining the steps taken by each agency in the referral process.

Montana

(a)(i) Problems with medical retroactive cases.

(iii) Regulation for SSI recipients to receive food stamps to become too restrictive July 1, 1975.

(v) Underutilization of interim payments by counties.

(b) No. County welfare departments do have contact with district offices, but no one is stationed in the social security offices.

(c) Yes. A referral form has been designed for this purpose.

Nevada

(b) We had stationed social service workers in each of the social security offices at the beginning of the program. The traffic in referrals was so light, it was decided to remove the workers in favor of sending a form letter informing all SSI approvals of the service and medical programs.

(c) No formal agreements are in effect at this time.

New Jersey

(i) for medicaid? Response: Very inadequate. The State Data Exchange (SDX) which determines medicaid eligibility for SSI recipients is not working adequately in New Jersey. The State's issuance of temporary medicaid cards to compensate for the lengthy delays of the SDX system has become a permanent and costly feature of the State/SSI relationship.

Another problem which costs our State money is the issue of medicaid eligibility for an "essential person". For example, a man over 65 who is eligible for SSI has a wife, 50, who is not eligible for SSI but as an "essential person" is eligible for medicaid. SSI cannot seem to find a method to inform her of her eligibility. The husband's computer readout only shows that there is an essential person present. We must seek out the essential person and do an eligibility check. This must be done every quarter since the SSI computer will store no essential person data. Nor can SSI inform the State when there is out-of-State placement of SSI recipients in nursing homes. These are unnecessarily inefficient procedures.

(ii) for social services? Response: Very, very inadequate. Although SSA restricts the use of the SDX by States to inform SSI recipients of the availability of social services, SSA has not developed an alternative system or the staff capacity to advise and follow through on SSI recipients' social service needs (See 2. (c) for additional comment).

(iii) for food stamps? Response: Inadequate. Due to New Jersey's independent efforts to increase the visibility of the food stamp program, referrals to this service are better than average. However, SSA procedures for referring SSI recipients to this service are inadequate and vary greatly among local and district offices.

(iv) for State administered regular supplementation? Response: Not applicable.

(v) for emergency aid? Response: Very inadequate. State and local assistance now provides for the emergency and interim needs of SSI recipients and applicants. However, SSA's procedures for reimbursing the State for such coverage provided to eligible SSI recipients has been very inadequate.

(b) Response: Social service workers have been outstationed in social security offices in some of the heavily populated areas of the State. Due to the lack of service orientation by the SSA staff the success of this arrangement has been limited.

(c) Response: Yes. There is a formal mechanism complete with procedures, forms, etc., for referral purposes regarding social services and general assistance. However, local district offices' use of these procedures has been limited.

New Mexico

(a)(i) Still some problems, mainly related to SDX.

(ii) In areas where there is an SSA office referral procedures are working well; in areas served only by itinerant SSA staff referrals are few.

New York

(a)(i) The existing procedures for referring SSI recipients and applicants for medicaid are working fairly well. However the Social Security Administration (SSA) is not acting promptly on information transmitted to them by the State and this results in the State having to continue to authorize medicaid to otherwise ineligible persons.

(ii) The outstationing demonstration project, developed and implemented on April 1, 1974, has shown that the Federal "services" referral procedures are not adequate. For example, the number of "services" referrals from social security district offices where local social services district personnel were stationed was at least 26 times that of the "control" social security district offices where no local social services district personnel were present.

(iii) New York State is a "cash out" State and, therefore, SSI recipients are not eligible for food stamps.

(iv) Not applicable, New York State has a federally administered mandatory supplementation program.

(v) New York State's Emergency Assistance for Adults (EAA) program was used conservatively over the first 12-month period of the SSI program. (Fewer than 7,000 persons received assistance under the program.) The current underutilization of EAA is probably due to the fact that most SSI recipients are generally unaware that their local social services districts have the ability to meet certain emergency needs. Underutilization may also be due to the fact that SSI recipients are only requesting EAA in extreme emergencies, or that local officials are reluctant to push the program because they simply cannot afford to make additional expenditures.

(b) An outstationing demonstration project was developed and implemented on April 1, 1974. The project provided for the outstationing of local social services personnel in six social security district offices in order to facilitate referrals for social services of the SSI beneficiary

group. Although officially terminated on September 30, 1974, this project continues to operate in New York City, Rochester, and Buffalo.

Since the number of services referrals was significantly higher at the demonstration sites, the State department of social services has requested SSA to continue the outstationing project and to expand it to sites where the volume of SSI clients is high (e.g., 500 or more claimants a month).

Note: The referrals made by the outstationing workers did result in an improvement in the ability of a substantial number of claimants to become independent and to better care for themselves (23.4 percent improved; 30.4 percent stayed the same; that is, maintained their level of self-care).

(c) At present, New York has no formal agreement with SSA with respect to policy and procedures in referring SSI recipients and applicants to State or locally administered programs.

A referral and notification form that can be used by both the local agencies and the social security district offices in referring clients for SSI, medicaid and social services has been developed and will be issued shortly. A separate form has also been developed to facilitate the exchange of information regarding interim assistance and is currently in use.

North Carolina

Most persons continue to visit county departments of social services as a point of entry for assistance and are referred to the Social Security Administration. No plan is in effect in North Carolina for stationing welfare workers in social security offices. There is, however, a formal agreement with the Social Security Administration for referrals. Form DSS–PA–108 was developed cooperatively and may be used interchangeably by the local social security district office and the county department of social services to (1) make referrals for any of the social security programs or any of the social services programs including financial or medical assistance, food stamps, or other adult and supportive services, (2) request information, and (3) transmit data or changes in situation. A copy of the DSS–PA–108 is attached.

North Dakota

(c) Formal agreement with vocational rehabilitation only.

Pennsylvania

(i) Unless and until SSA assumes greater responsibility in the administration of medicaid, there is bound to be a problem in referral. It should be part of their responsibility to issue medical ID cards initially to SSI recipients and to explain the services to which the card entitles them and the individual's responsibilities in use of the service. Otherwise, the SSI recipient has to contact the welfare office, which is a difficult concept to absorb, to know to what he is entitled and under what conditions.

(ii) SSA has indicated that it makes no attempt to determine whether an individual may want or need social services. They depend on the individual to ask for any help he may need. In response

to a specific request they will refer the person to the agency they consider appropriate.

(iii) Referrals from SSA for food stamps are more frequent than for social service probably because an SSI applicant is more likely to express money needs than he is his social needs. However, we contend a food stamp program interpretation should be available to all SSI applicants.

(iv) Supplementation of SSI in Pennsylvania is federally administered.

(v) SSA tends to overrefer to the welfare offices SSI applicants and recipients who need emergency aid, obviously in the belief that the welfare offices should be capable of meeting any and all deficiencies in the SSI program or its operations.

Steps we have taken to improve the situation:

(1) We have provided the SSA district offices with leaflets describing State welfare services. By agreement the leaflet is to be given to each SSI applicant. General information such as contained in a leaflet is not, however, a good substitute for a specifically directed interview.

(2) In Philadelphia County, with over half of our SSI population, we are experimenting with stationing welfare staff in the SSA district offices.

The major flaw in this plan is its untimeliness. Most persons coming into the district offices are SSI applicants whose eligibility for SSI may take months to determine. Although a welfare worker can serve a purpose in telling him what he may be eligible for in the interim period, to actually determine his eligibility requires duplication of much of the same process SSA is undertaking to determine his SSI eligibility. In short, we cannot deal with a person as an SSI recipient until his status as such has been determined by SSA and that determination generally takes an excessively long time.

As a consequence, welfare workers placed in SSA offices have not been kept busy and with staffing limitations there is a real question that their time is being used to best advantage.

Rhode Island

(a) The referral procedures between the local social security SSI offices and welfare offices are working well. However, many people are not aware of the other social services that are available to them. The State feels very strongly, however, about the number of SSI recipients who must come to the welfare department for an emergency payment.

(b) There was outstationing of welfare employees in social security offices during the transitional period. Since the distance between these offices is negligible throughout the State, such outstationing has been discontinued.

(c) Yes, there are procedures with respect to referring SSI recipients to welfare and vice-versa.

South Carolina

Office of the Governor: The referrals for medicaid and food stamps were adequate. The main problems were in referrals for social services. The SSA staff was not initially equipped to identify welfare associated

needs. At this time, however, there has been a vast improvement in the area of social services referrals.

South Dakota

(a) The State of South Dakota does not administrate its supplementation (iv) nor does it have Emergency Aid (v). However, we have an optional supplementation program for long term care recipients. See attached letters for difficulties regarding medicaid (i) social services (ii) and for food stamps (iii). These difficulties have not been resolved to date.

(b) No, we do not have sufficient staff to allow for this colocation.

(c) We had such an agreement in the manual system referenced in the attached April 18, correspondence. As stated in this letter, this manual system no longer exists, and serious problems have occurred.

Tennessee

The mechanism for referring SSI recipients and applicants to other welfare programs is adequate. Whether the potential referrals are receiving adequate attention in the SSA office is a different matter.

We have not firmly planned to place welfare workers in social security offices. Since SSI is the responsibility of SSA, we wonder if the reciprocal of this approach should be entertained.

There is a formal agreement between the Social Security Administration and the Tennessee Department of Public Welfare regarding referral of SSI recipients for locally administered programs.

Texas

General: (1) Basically, the procedures for referring SSI recipients and applicants to other welfare programs are not adequate for medicaid and social services.

One problem with referring SSI recipients to DPW by SSA has been that the client is frequently given false hope. In many instances, individuals are led to believe that the State welfare department will certify them automatically for prior medical benefits. Also, because social security staff refers only by oral instructions with no written record or referral form, there is no means to determine either the quantity or effectiveness of referrals. The SSI staff clearly does make some quantity of referrals for food stamps because clients often so indicate. Of note, the administrative staff in some SSA offices has recently requested speakers to communicate application procedures to SSI staff.

(2) An agreement of understanding has been made between DPW and SSA Dallas regional offices.

Specifically, to 2(a)(i) medicaid referrals are automated for the most part. The timeliness of SDX tapes affects this referral procedure. Some referrals are not made automatically due to informal denials by the Social Security Administration. There is some question as to the understanding of the SSI staff of medicaid eligibility and their role in it regarding SSI recipients.

(ii) Although the SSA staff has been made aware of available services, claims representatives are not required or encouraged to discuss any of these services or the client's needs with the client.

(iii) Food stamp referrals are made only upon the client's inquiry.

(iv) Texas does not supplement the SSI financial support.

(v) Need for and amounts provided of emergency aid are the responsibility of local government—county and city—in Texas. They are augumented by United Fund and other local organizations. TDPW does provide emergency certifications for food stamps for those so eligible. So far as DPW knows, no formal referral procedure exists but most likely some SSA offices have such procedures.

(vi) Formal referrals are made by SSA in the case of potential AFDC eligibility and by Texas in the case of potential SSI eligibility.

Utah

(a) No, however, we are attempting to establish a procedure to accomplish this effort.

(b) No. We attempted this process but the workload was not consistent enough to justify the positions.

(c) As indicated above we are working on an agreement at this time.

Vermont

(a)(i) Medicaid: No, but improvement has been effected.

(ii) Social services: No, few individuals are being referred by SSA to social services.

(iii) Food stamps: 33% of the SSI/AABD caseload is currently utilizing food stamps.

(iv) State administration: Not applicable.

(v) Emergency aid: Appears that individuals are being referred to the general assistance program on a routine basis.

(b) No.

(c) Yes, procedures have been developed for individuals who are in need of medicaid, social services, and general assistance.

Virginia

In reply to this question, it is generally felt that there is no apparent criteria for referrals to our local department. This is particularly acute with medicaid referrals when the district office has a finding that the applicant is not eligible for SSI because of failure to meet the disability requirement since medicaid entitlement in Virginia is based on the same disability criteria as SSI. Referral of these cases, therefore, is basically a disservice to these individuals. There is also a general feeling that many referrals to a local department appear to be primarily to appease the individual being denied for SSI benefits. This is not to say that good relationships have not been developed between the local departments and the social security district offices, however, underlying this good relationship there remains what also appears to be evidence of a lack of concern for these clients. Perhaps much of what we say could be improved upon if an evaluation were to be made of the SSI intake process. This appears to us to be one of the program's weak points at this time. This weakness may very well explain our impression of inadequacy of the referral system and the aforementioned difficulty resulting from the informal denial procedure.

West Virginia

A procedure has been established for referrals between State welfare and social security offices.

Initially, for medicaid referrals, the State contracted with social security for that agency to make medicaid eligibility determinations and refer those cases to us via computer tapes. The tape exchange has not proven successful, thus, we arranged with most social security district offices throughout the State for essential medicaid information to be exchanged via paper on the local level.

Referrals from Social Security of recipients needing social services, food stamps, supplementation and emergency assistance vary in number from area to area. Generally, the relationship of the personnel in the local offices of the respective agencies is the determining factor. One of our administrative offices reports the receipt of no referrals since January, 1975, while other offices report varying degrees of success in obtaining referrals.

No welfare employees are stationed in social security offices presently, nor is such planned in the near future.

A plan for referrals between the State department of welfare and social security was developed soon after implementation of the SSI program.

Wisconsin

(a)(i) for medicaid?

The State is heavily reliant on information in the State Data Exchange (SDX) for issuing medical cards to SSI recipients. All SSI recipients are included for medical assistance. An auxilliary system operates by which SSA district offices can notify the State of SSI eligibles who are not included for whatever reason on SDX. SDX is a poorly designed system for State medical assistance purposes (improvements are being made) and has contributed to a significant number of medical cards erroneously issued.

(ii) for social services?

SSA has taken the position that the State cannot use its SDX file to mail information about social services to SSI recipients or to use the file to make at home offers of service. Currently SSA is proposing that it ask the question at the time of application if the recipient consents to receive information about social services. A yes/no reply will be transmitted to the State on the SDX file. The State objects to SSA's gatekeeping function along these lines because:

(a) All SSI recipients in Wisconsin (except those in title XIX institutions) receive State supplementary payments—Federally administered—and receipt of these State payments establishes a relationship of SSI recipients to the State in which SSA has no right or necessity to control.

(b) All SSI recipients in Wisconsin are provided extensive medical assistance benefits, partly at State cost, and their receipt of medical assistance coverage provides the State an unqualified right to offer social services which may prevent institutionalization or enhance their health status.

(c) The State is mandated to have a program of food stamp outreach.

SSI recipients are a prime group of potential food stamp eligibles, and in compliance with Federal intent to inform potential eligibles, the State must make every effort to assure food stamp information is available to this group.

(d) The introduction of a yes/no screening question at the time of SSI application has the undesirable consequences of:

(1) Adding to the time of the SSI application interview, especially if questions about social services are asked by the applicant prior to giving his answer.

(2) Puts the explanation and question answering responsibility about social services in the hands of SSA personnel who have neither the time nor expertise to deal with the subject.

(3) Locks into the file a one-time answer, which even if (1) and (b) were not problems, would not be updated in a timely way if significant changes occur in the social services provided to adults in consequences of title XX plans.

The State's random moment time study (showing how the time on State and county social services staff is distributed among social services) shows an increase in the worker time allocated to adult social services. The percentage of social service worker time going to actual, former and potential SSI recipients has increased as follows:

	All (percent)	Actual SSI (percent)
1973	17.1	11.7
1974	19.4	12.7
1975	19.6	13.6

(iii) for food stamps?

Not applicable at this time. State is currently designated a food stamp cash-out State but will end that designation.

(iv) for State administered regular supplementation: Not applicable.

(v) for emergency aid:

Half of Wisconsin's counties are on a unit system of relief. Since the conditions under which emergency assistance is granted vary considerably, and it is a problem to know just where to make the referral, it is likely that SSA representatives find the situation unpredictable and confusing.

The counties with a county administered general assistance program will have the option shortly to participate in the interim assistance program (P.L. 93–368). Emergency assistance during the pendency of an SSI application should be provided as federally administered general assistance.

Milwaukee County has the only outstationing of a social service worker in an SSA office. This is one worker in one SSA office only. The arrangement has been judged beneficial by both SSA and the county agency.

A formal agreement covering information and referral between SSA and the State has been in force for a year. It calls for cross-training at the local level and the introduction of uniform referral forms. A study made of practice under this agreement found only half the number of counties had cross-training and similar limited utilization of the provided forms.

In two matters, however, the State and SSA have cooperated to provide training helpful to the administration of the SSI program

and in casefinding. Over 500 State/county personnel were involved in regional workshops dealing with: (a) SSI and childhood disability, and (b) SSI-State supplementary payments for mentally retarded individuals requiring out-of-home special living arrangements.

Wyoming

(a)(vi) At present, there is no way to determine veto eligibility for medicaid through the printout.

D. Adequacy of Administrative Structure

Question 3: **Please indicate your best judgment of the adequacy of Social Security Administration's administrative structure in your State with respect to meeting the needs of the aged, blind, and disabled.**

Number and Location of Offices (Urban Areas/Non-Urban Areas)
Greatly Inadequate
Somewhat Inadequate
About Right
Somewhat Excessive
Greatly Excessive
Staffing of Existing Offices (Urban Areas/Non-Urban Areas)
Greatly Inadequate
Somewhat Inadequate
About Right
Somewhat Excessive
Greatly Excessive

Responses to this question show that, in the States' views at least, there are some serious inadequacies in the number and location of offices, and also in the staffing of offices. This is reflected in the large number of States which indicated that in their judgment the number and location of offices was either greatly inadequate or somewhat inadequate. This was particularly true for nonurban areas. An overwhelming number of States indicated inadequacies in staffing, both in urban and nonurban areas.

1. Number and Location of Offices.

Greatly Inadequate (Urban Areas): New Mexico, Oklahoma.

Greatly Inadequate (Non-Urban Areas): Alabama, Arizona, Colorado, Illinois, Michigan, Minnesota, Mississippi, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Rhode Island (response by Department of Community Affairs), Tennessee, Washington.

Somewhat Inadequate (Urban Areas): Arizona, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Hawaii, Indiana, Kansas, Kentucky, Minnesota, Mississippi, Nebraska, New York, Ohio, Pennsylvania, Rhode Island (response by Department of Community Affairs), Texas.

Somewhat Inadequate (Non-Urban Areas): Arkansas, California, Delaware, Florida, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Massachusetts, Ohio, Oregon, Pennsylvania, South Carolina, Texas, Utah, Vermont, Virginia, Wyoming.

About Right (Urban Areas): Alabama, Georgia, Illinois, Iowa, Louisiana, Massachusetts, Michigan, Missouri, Montana, New Jersey, North Carolina, North Dakota, Oregon, Rhode Island (response by Depart-

ment of Social and Rehabilitative Services), South Carolina, Tennessee, Utah, Virginia, Washington, Wisconsin, Wyoming.

About Right (Non-Urban Areas): Connecticut, Hawaii, Missouri, Rhode Island (response of Department of Social and Rehabilitative Services), Wisconsin.

Somewhat Excessive (Urban and Non-Urban Areas): None.

Greatly Excessive (Urban and Non-Urban Areas): None.

2. Staffing of Existing Offices.

Greatly Inadequate (Urban Areas): Alabama, Arizona, California, District of Columbia, Florida, Iowa, Kansas, Louisiana, Massachusetts, Michigan, Minnesota, Missouri, Nebraska, New Jersey, New Mexico, North Dakota, Oklahoma, Pennsylvania, Tennessee, Texas, Wisconsin.

Greatly Inadequate (Non-Urban Areas): Alabama, Arizona, California, Colorado, Georgia, Iowa, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, New Mexico, North Dakota, Oklahoma, Rhode Island (response by Department of Community Affairs), Tennessee, Texas, Washington, Wisconsin.

Somewhat Inadequate (Urban Areas): Arkansas, Colorado, Connecticut, Delaware, Georgia, Hawaii, Illinois, Indiana, Kentucky, New York, North Carolina, Ohio, Oregon, Rhode Island (both responses), South Carolina, Virginia, Washington.

Somewhat Inadequate (Non-Urban Areas): Arkansas, Connecticut, Delaware, Florida, Hawaii, Illinois, Indiana, Kansas, Kentucky, New York, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Vermont, Virginia, Wyoming.

About Right (Urban Areas): Montana, Utah, Wyoming.

About Right (Non-Urban Areas): Rhode Island (response of Department of Social and Rehabilitative Services).

Somewhat Excessive (Urban Areas): Mississippi.

Somewhat Excessive (Non-Urban Areas): None.

Greatly Excessive (Urban and Non-Urban Areas): None.

SELECTED NARRATIVE RESPONSES OF STATES

Florida

The entire administrative setup is very inadequate, and lines of authority are cumbersome and inefficient. Apparently each district office and its manager is quite autonomous; and if he does not want to accept responsibility or deal with problems, he does not do so. It is also apparent that local offices are badly understaffed to cope with the workload that has developed under the SSI program.

Iowa

We make a strong recommendation for an increase in personnel in district social security offices.

Maine

It is our opinion that the adequacy of the Social Security Administration's structure in the State of Maine with respect to meeting the needs of the aged, blind, and disabled is grossly inadequate. There

are not sufficient offices, there are not sufficient numbers of staff, nor is the staff mobile enough to get to the recipients.

Massachusetts

All the respondents agree there is a need for a greater number of nonurban SSI offices, and that staffing in both urban and nonurban offices is greatly inadequate. Widespread backlogs were cited in pending disability and nondisability claims. An action has been brought in Federal district court against one Boston area office because of delays brought on by understaffing.

Minnesota

The State public welfare department staff has observed, and still sees, many situations where recipients are frustrated in unsuccessful attempts by letter, long-distance telephone calls, and personal contacts to obtain information from the district Social Security Administration office regarding unexplained increases and decreases in SSI checks.

The present inadequate number and location of Social Security Administration district and branch offices in Minnesota contributes directly to the above problem. The extent to which systems limitations and the complexities of dealing uniformly with the large number of recipients of this new program from 50 varied State plans and methods of operations contribute to the problem is unknown but should be considered.

Mississippi

We have checked the items on the questionnaire to reflect our conclusions based on the following sources: numerous letters, telephone calls, and personal visits from SSI claimants and recipients; letters and reports from our county staff about the reception and treatment of SSI claimants by SSI representatives; and observation of our regional and district supervisory staff on visits to county welfare offices.

We have checked that the nonurban areas are poorly served. The common arrangement is for the SSI itinerant representative to set a specific day on which SSI clients can be seen, usually in the county welfare office. The representative arrives about 9, 9:30, or 10, interviews as many claimants as he can, and leaves about 3:30 in order to return to the district office by closing time. The claimants that cannot be seen are told to go to the district SSA office, thus having to arrange for transportation to that office at another time, sometimes to pay for transportation, and thus to delay the filing of his claim, the discussion of the amount, or whatever matter the client wishes to take up.

With regard to the staffing of the existing SSI offices, we consider some of them overstaffed, which apparently has come about through the overestimates that SSI made of the expected number of eligibles compared with the considerably smaller number of claimants who filed, or who filed and have been approved.

While SSI has a provision for a claim to be filed by mail, or for a responsible person to file a claim in the district office on behalf of another person, there is no consideration of the person who is senile, illiterate, bedridden, mentally retarded or ill, and who cannot

either go to the SSI office or make his claim by mail. Neither does this person have a representative he can ask to meet the SSI staff member at the outreach station. The provision of district offices with only itinerant service at designated points at specific times does not meet the needs of the aged, blind, and disabled in a rural, poor State, like ours.

With regard to the treatment of claimants by SSI staff, we have had many complaints about this. We recognize that SSA staff have been accustomed to taking claims from people who have work records, are literate, and can speak for themselves, but they have a great deal to learn about understanding, patience, and courtesy in assisting the disadvantaged group who are often quite helpless in trying to deal with a government agency and a program with many uncomprehensible technical requirements. SSI staff have sometimes called our county welfare offices to say that they ". . . don't have time to fool with . . ." such-and-such a person.

Missouri

The aspects of program administration concerning the SSA district offices most in need of improvement is district office staffing. The need embraces such problems as the following: (1) Delays in processing some SSI applications. (2) Frustration being experienced by clients in obtaining clarification of matters that are new and confusing to them. (3) The low priority response in making thousands of status changes and corrections to the State Data Exchange System (SDX). (4) The lack of expedition in clearing up forced payment cases (over 8,000 in Missouri) and inputting them back into the SSA data systems to eliminate hand payment procedures now required of both the Missouri Division of Family Services and the regional SSA office. (5) The delay in making redeterminations on SSI cases resulting in an excessive time lag in updating important status changes to the State data exchange system. (6) A slow down in SSI appeal procedures which creates problems for the State in that it causes considerable case evaluation and handwork in computing deficiency, retroactive and overpayments back over the months the case was held in appeal status.

While "About Right" was checked concerning "Number and Location of Offices", there is one area that we believe needs additional SSA contact stations and/or branch offices here in Missouri. This is St. Louis County, which covers an area of 396 square miles, and is serviced by only one SSA district office. This is also an area where public transportation is lacking in certain suburbs and is especially true in some of the black suburban communities.

In addition, where public transportation is available, the schedules are such that the use of the facilities may involve long and extended delays and transfers requiring an entire day to conduct a few minutes business at the SSA district office.

Nevada

The urban areas, i.e., Las Vegas and Reno, both have full-time offices. The problems of coverage exists in the small towns of Nevada. Social security representatives are there only on visits. If a client misses the representative during that one visit, he may have to delay making an application or travel to or call Reno or Las Vegas.

I consider the number of staff greatly inadequate. Staff time is not available to spend the time with the aged to explain the program thoroughly; as a result, misunderstandings and complaints arise. Present staff is handling a great enough workload to cause inefficiency and resultant errors.

New York

Although the lines of people outside the social security district offices in the initial phase of SSI have subsided, problems related to client needs still exist. Although there have been temporary staff increases at the district offices, their ability to process cases rapidly through the system is definitely limited. A sample of 166 SSI cases involving two social security district offices showed that from the time a change of status was reported until it was received by the State was 19 days, and that from the time a new application was taken until a determination was received by the State was 88 days.

Another problem area is the apparent inability of district office staff to recognize the human need of this caseload and how these needs differ from those of the regular social security caseload.

Pennsylvania

Our answers to your questions on the adequacy of the number and location of SSA offices and staffing are highly judgmental. We are aware that persons must travel considerable distances, especially in rural areas but we have not attempted a scientific analysis.

Concerning the adequacy of staffing, we know that: (1) most SSA district offices are of the opinion that they are understaffed; (2) most have been working inordinate amounts of overtime; (3) there are waits of an average of 3 hours to see an interviewer; (4) there are months of delay in making decisions on applications; (5) redeterminations on backlogged; and (6) appeal hearings are jammed up.

South Dakota

There is certainly an inadequate staff in the State SSA district offices to relate to the SSI traffic and related social service needs of this traffic.

However, the SSA district offices in the State, due to overtime and concern on their part, are at least processing newly eligibles in more timely manner.

Tennessee

We feel that one major problem area in SSI since its inception has been the failure of SSA to adequately gear up for the enormous problems inherent in assuming the adult welfare recipients. In our opinion, insufficient staff is a major concern.

Texas

Number and Location of Offices:

(1) The number and location of offices is somewhat inadequate in both nonurban and urban areas in Texas. Many clients have to travel long distances and wait many hours for attention. There is a considerable difference in the ability of earned income SSA recipients and SSI recipients to travel to specific points, i.e. SSA

offices. There are differences which it appears that SSA has not recognized.

(2) Urban Areas:

The philosophy of SSA apparently is to have centralization of offices and place responsibility on the applicant/recipient to seek them out without adequate consideration given to transportation problems. In urban areas only one office is located in the larger cities; for example, in Austin, Waco, and Temple. TDPW for example, has over 500 offices in over 250 cities and towns which are necessary to ensure delivery of services and even then this department is expected in some quarters to provide further offices to cover envisioned requirements.

(3) Non-Urban Areas:

There are few offices located in rural areas. The field representatives visit specific locations periodically on scheduled dates. Some of these are at the same address as welfare or other agency offices where those personnel available or present must handle inquiries on days when SSA staff is not available.

Staffing of Existing Offices:

(1) The staffing of those offices is inadequate in the urban areas and inadequate in the nonurban areas. In Austin there are 8 field representatives. It is generally accepted that such things as home visits are generally out of the question due to the many points the field representative has to cover.

Clients report long waiting periods to see field representatives. In rural areas visits of SSA representatives seem to be not frequent enough, because usually large numbers of people are waiting on the scheduled dates. Presently, reports indicate revalidations are not being done because of lack of SSI staff. This is true even though some SSA central offices are open to the public on Saturdays now. The conclusions which may be drawn are that the service to the client has deteriorated with the Federal assumption of SSI and the accuracy of the payment is less than would be expected of a State agency, and for which the State agency would be severely penalized by financial methods.

(2) Not all offices are crowded all the time. There are obvious peakloads and at times waiting time would be relatively short. Transportation available, may add to these problems in some cases, schedules of the clients who are aged, blind, and disabled, in others.

West Virginia

The State of West Virginia has 15 district and branch offices of the Social Security Administration. The number and location of these offices seem adequate in urban areas.

To handle the rural areas of this State, Social Security utilizes 35 contact stations in conjunction with their district and branch offices. Staff is available at the contact stations generally one day each week.

In assuming the adequacy of the number of offices, particularly for the rural sections of the State, it is appropriate to note that for the workload the number of offices available is quite adequate. For the geographic convenience of clientele, the number of offices is not adequate. It would not be feasible to go further to alleviate this situation.

Social Security offices in this State are presently well staffed in relation to the workload. This situation no doubt has contributed to the social security offices in this State showing the least amount of average processing time of any State in this six State region.

We understand the plans have been made to allow a 20-percent reduction in social security staff via attrition. Such would be a step in the wrong direction if we are to expect Social Security to continue its present work and continue to improve service and expand outreach.

Wisconsin

Number and Location of Offices:

Although there are only 23 SSA offices for 72 Wisconsin counties (4 in Milwaukee County) all counties have a contact station—an office open at least one day a week. While there are many problems in relating to an office that is available only one day a week, there are practical limitations recognized by the State in having a fully operating SSA office in every sparsely populated county. It would seem, however, that communication access to SSA offices could be improved. A toll-free number should operate for an office's servicing area. Furthermore, complaints about getting service in Milwaukee would indicate the need for an additional branch in that metropolitan area.

Staffing of Existing Offices:

Wisconsin recently lost 32 SSA positions in its authorized staffing ceiling. This seems absurd when caseload growth, systems and teleprocessing inadequacies, and the complexity of Wisconsin's supplementation plan would point to more, not fewer, authorized positions. Furthermore, SSI has not turned out to be a "simplified eligibility program" as anticipated—this means that training time, supervisory review, internal quality control, interagency communications, to name a few activities, are work activities beyond what was planned for.

Instead of having Wisconsin's staff allocation cut by 32 permanent positions, there are strong reasons to believe that many new positions should have been approved. One such indication is seen in the amount of overtime Wisconsin SSA offices have worked. This overtime, which results in work efficiency and morale depletion, is as much necessitated by performance of work routines as by transitional problems.

E. Participation of Eligibles

Question 4: **Is it your opinion that in your State: (a) nearly all SSI eligibles who would desire to participate in the program are aware of and have had an opportunity to apply for SSI? (b) A significant proportion (perhaps 10 to 20 percent) of SSI eligibles who would desire to participate have either not heard of or not had an opportunity to apply for SSI? (c) A large portion (perhaps more than 20 percent) of SSI eligibles who would desire to participate have either not heard of or not had an opportunity to apply for SSI?**

This question was asked with regard to aged, blind or disabled adults, and blind or disabled children. States were also asked whether they had any evidence available to confirm their opinions other than the caseload projections made by the Department of Health, Education, and Welfare prior to the inauguration of SSI.

Responses to this question show that in the opinion of the States the aged generally are more likely to be aware of and have had an opportunity to apply for SSI than blind or disabled adults and blind or disabled children. Twenty-four of the States responding (plus the District of Columbia) checked indicated that they believed that nearly all SSI aged eligibles are aware of and have had an opportunity to apply for SSI. Twenty States and the District of Columbia gave this response for blind or disabled adults, and only 12 States for blind or disabled children.

States which checked (a) above indicating that "nearly all SSI eligibles who would desire to participate in the program are aware of and have had an opportunity to apply for SSI" include, by category:

Aged: Alabama, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Hawaii, Indiana, Louisiana, Massachusetts, Michigan, Missouri, Nebraska, North Carolina, Ohio, Oklahoma, Oregon, South Carolina, Utah, Vermont, Virginia, Washington, Wyoming.

Blind or Disabled Adults: Alabama, Arkansas, California, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Hawaii, Indiana, Louisiana, Nebraska, North Carolina, Ohio, Oklahoma, Oregon, South Carolina, Utah, Virginia, Vermont, Washington.

Blind or Disabled Children: Alabama, Arkansas, Delaware, Hawaii, Indiana, Missouri, North Carolina, Oklahoma, Oregon, Utah, Vermont, Virginia.

States which checked (b) above indicating that "a significant proportion (perhaps 10 to 20 percent) of SSI eligibles who would desire to participate have either not heard of or not had an opportunity to apply for SSI" include, by category:

Aged: Arizona, Florida, Iowa, Kansas, Kentucky, Minnesota, Mississippi, Missouri, New Jersey, New Mexico, New York, North Dakota, Pennsylvania, Tennessee, Texas, Wisconsin.

Blind or Disabled Adults: Arizona, Florida, Iowa, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Jersey, New Mexico, New York, North Dakota, Pennsylvania, Tennessee, Texas, Wisconsin, Wyoming.

Blind or Disabled Children: Arizona, California, Florida, Georgia, Iowa, Kansas, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, Tennessee, Texas, Washington.

States which checked (c) above indicating that "a large portion (perhaps more than 20 percent) of SSI eligibles who would desire to participate have either not heard of or not had an opportunity to apply for SSI" include, by category:

Aged: Illinois, Rhode Island.

Blind or Disabled Adults: Illinois.

Blind or Disabled Children: Connecticut, District of Columbia, Illinois, Massachusetts, Michigan, New York, North Dakota, Ohio, Pennsylvania, South Carolina, Wisconsin, Wyoming.

NARRATIVE RESPONSES OF STATES

Alabama

The department of pensions and security has no specific data to support this contention. The SSI program, however, has received wide

publicity, and we believe that the large majority of eligible persons know of it.

Arkansas

It is extremely difficult to estimate the utilization of the program in terms of potentially eligible population. However, the program has had the benefit of wide information dissemination through the public media as well as concentrated organized effort on the part of both the Social Security Administration and the State. The number of accretions to the program as a result of these efforts would seem to indicate that nearly all SSI eligibles who would desire are aware of and have had an opportunity to participate in the program.

California

Federal caseload projections on the impact of H.R. 1 were substantially higher than those of the State. Except for the disabled category, the state did not anticipate a significant increase in adult aid caseload. This was due to the considerations that: (1) the State's former adult program had already pretty well reached the needy aged, blind, and disabled population, and (2) the basic eligibility requirements of the new SSI are not drastically different from those of the State's former program. The State did expect a caseload increase of 43,000 in the disabled category, due to the changes in age requirement, etc.

As it turned out, California's adult caseload has increased much more than expected. The State believes that this is due to an appreciable extent to the fact that SSA is not yet regularly conducting required reinvestigations of eligibility, with the consequent result that persons who become ineligible are not promptly taken off the welfare rolls.

From December 1973 through February 1975, the number of persons receiving aid under the adult categories increased from 518,348 to 610,808—an increase of 17.84%. This is an annual percentage increase of 15.25%. The aid to the disabled category experienced the largest portion of this increase, both in persons (58,684) and in percentage (26.86%). Participation in the smallest of the three categories, aid to the blind, actually declined 6.67% to 13,083 cases.

Colorado

Our judgment is based on observation where it appears that the existence of the program is common knowledge, and SSI program publicity appears adequate.

Connecticut

The caseload projections made by DHEW prior to SSI have been disregarded as they appear to be completely unrelated to the actual enrollment experience over the past eighteen months. The original projections appear to be grossly overstated with exception of blind or disabled children. Our opinions are based on comments from community action groups, SSI staff and our own experience.

Delaware

The size of the State of Delaware has enabled us to reach the maximum number of individuals eligible for participation in the title XVI program. Outreach programs for personal contacts have been

developed, and there has been extensive publicity not only for the general public but also for those agencies and institutions who service and have a close relationship with the aged, blind, and disabled adults and children.

District of Columbia

(See question number 2.)

Hawaii

In Hawaii, opinion is that nearly all SSI eligibles who would desire to participate in the program are aware of and have had an opportunity to apply for SSI.

In the latter half of 1974, the Social Security Administration in Hawaii initiated a push to "reach-out" to potentially eligible individuals. Approximately 12,000 persons in this State were either contacted or informed of the benefits that were available under SSI. Previous to that, before the onset of the SSI program, a joint Federal/State publicity program was launched to inform the public of the new benefits.

Iowa

It is difficult to sort out the reasons why the numbers of potential SSI eligibles have not reached the projections made prior to conversion. We believe that a significant proportion of those persons have not heard of the program, but the great majority have heard of the program and have had an opportunity to apply. We do believe that a strong deterrent to a greater expansion of the SSI program is because of the interpretation being made by General Counsel for the Social Security Administration of section 1612(a)(2)(A) of the act. It has been SSA's position that the intent of Congress was to reduce by 1/3 the standard payment amount for persons who were living in the household of another. The testimony which I have attached describes the impact of this section of the law upon the elderly and the disabled. We do not believe that this was the intent of Congress.

We believe that many people who call upon the Social Security Administration regarding eligibility for SSI are discouraged from applying when they inform the representative that they are living with someone else. Because reduction of the SPA (Standard Payment Amount) often results in ineligibility for SSI the person also becomes ineligible for medicaid.

Maine

It is our opinion that in our State between 10% and 20% of potential eligibles for SSI are not sufficiently aware of the program to apply. The State agency through use of citizens groups is trying to make the program better known. One of the larger problems in this particular area relates to the fact that when the program was initiated, the Social Security Administration purposefully did not develop an Outreach program concentrating mainly on conversion cases.

This agency's projections for potential eligibles for SSI including conversion cases amounts to a caseload of 30,000 per year. The Department of Health, Education, and Welfare projections were somewhat less.

Massachusetts

Apparently the most overlooked group of citizens eligible for SSI benefits are children. Many local Social Security offices do not appear to understand the eligibility of disabled children for this program. State welfare agencies have only recently looked at mechanisms to serve disabled children and at present have reached limited numbers of potential eligibles. All respondents indicate their opinion is that more than 20 percent of the children eligible for the program are currently not being served.

Michigan

We are able to estimate the number of disabled children receiving ADC at about 5,000. There are only about 300 children currently coded as children for State supplement purposes.

Minnesota

After considerable discussion during the conversion process of potential new SSI eligibles when social security estimates of caseloads ranged from 30,000 to 112,000 individuals, our State finally received a caseload projection of 81,700 (30,000 converted and 51,700 new eligibles). Although Minnesota felt this projection was high, it has been used as a guide. To date, approximately 17,000 new recipients have been added to the SSI program in Minnesota.

At this point, out best judgment indicates that a "significant projection", as defined in the questionnaire, of SSI eligibles are still desirous of applying if the opportunity were available. Several outreach programs have been instituted in Minnesota, but the extent to which all potential SSI eligibles have been contacted is unknown.

Minnesota would like to see developed a cooperative public information effort with Social Security Administration to assure that all eligible persons in the State are made aware of the SSI program and are given the opportunity to apply.

Mississippi

We have checked that a significant portion of the disabled or blind adults and children, have not had an opportunity to apply for SSI. It is true that with reference to the proportion of disabled persons who are participating in the SSI program, the SSI disbursement reports show a 28 percent increase in their caseload of the disabled over ours in the past. However, we consider that many of these additional recipients resulted from our referrals to their program of disabled children formerly included in ADC payments. We consider that additional persons could qualify because of the higher resource maximums under SSI than could under our former programs of aid to the disabled.

With reference to the participation of aged and blind adults in SSI, their disbursement reports show a decrease in their caseload compared with our former caseloads. The estimates which SSI prepared in 1973 showed a much greater number of persons anticipated to apply and qualify than were on our adult rolls, and their actual caseloads are showing a 10 percent gap between their estimated eligibles and those actually participating in SSI.

We have sent out a number of directives to our county staff about identification of children in our ADC caseloads, our former blind recipients, and other groups, and feel reasonably satisfied that our workers have been alert to these possibilities. We have provided our staff with material explaining SSI eligibility requirements and payments, for their general use in identifying possible claimants, and making referrals. In addition, the many thousands of records which our staff completed during the process of converting our adult categories to SSI, work done during 1973, acquainted them with the basic SSI requirements

With regard to the middle-income group of aged adults, this group has been disadvantaged because of some of the SSI regulations and interpretations regarding resources.

Missouri

Our estimates, within the limitations of (b) above, would be closer or slightly less than 10% but we have no definite evidence available to confirm the above opinion. The original figures used relating to new SSI eligibles was 97,300 which did come from HEW projections and is now recognized by all concerned as grossly overestimated.

We believe that most of this estimated number (about 10,000 in Missouri) would be persons who are undereducated; lack competence because of near mental illness or mental retardation; former domestic workers and farm laborers who have not qualified for social security because their employers did not report them; persons with earned income sufficiently low to be SSI eligible who are still employed regularly, but do not realize they are eligible for Federal payments; and eligible individuals who for a variety of reasons just do not wish to participate in the Federal program.

One area in which we believe SSA might make a diligent search would be for disabled children in low income homes where an employable father is in the home and may or may not be employed. The vast majority of these children would not presently be eligible for ADC in Missouri but would be eligible for SSI.

Nevada

There has been much advertising of the SSI program. Due to the "redtape" involved with applying, I would guess that needy persons drop from the process and, as a result, never receive needed money.

New York

As of January 1975, there were approximately 375,000 aged, blind, and disabled New Yorkers receiving SSI. Of these, 225,000 were the remaining cases transferred from AABD and 150,000 were new SSI clients. The increase of 95,000 from the December 1973 figure of 280,000 is not as significant as it would at first seem when one compares it to the projected increase of 220,000 made by the Department of Health, Education, and Welfare.

Accurate estimates of the number of individuals potentially eligible but who have either not been informed of or not had an opportunity to apply for SSI are unavailable at this time. Census data does not include information about assets, and it is extremely difficult to estimate the number of persons who might meet the Federal disability

criteria. Studies are being conducted within the State and, although final reports have not been made, indications are that a significant proportion of aged, blind, and disabled adults and a large proportion of blind or disabled children who may be SSI eligible have either not been informed or have not had an opportunity to apply.

North Carolina

Through mass media coverage it is believed that all persons who desire to participate in the SSI program have had an opportunity to apply. Prior to December, 1973, county departments were advised to screen Aid to Families with Dependent Children caseloads to determine if incapacitated parents would qualify for the State's Aid to the Disabled Program and thus be "grandfathered" into the SSI program. Personnel at the State and county levels have continued to stress to eligibility staff in county departments the importance of referring all aged, blind, and disabled persons to the Social Security Administration to file for SSI. In addition, the Social Security Administration regional office in Atlanta has informed us that eastern North Carolina has had the largest influx of persons applying for SSI proportionate to the population of any State in the Nation.

Pennsylvania

Again, a high degree of judgment is involved. We conducted a massive SSI Alert, primarily aimed at the aged, which should have informed a large segment of the population about the SSI program. Yet the results in terms of actual applications were disappointing and of those who did apply, some 40% were not eligible.

Our independent estimates of the SSI potential caseload produced results similar to SSA's. Continued studies of income data supports the opinion that SSI so far has reached only about 60% of its potential caseload in this State. Whether the slow rate of development is due to lack of knowledge of the program or to underestimation of other factors such as resources other than income, inherent reluctance to seek aid no matter what it is called, or deterrents in the program itself, is just not factually provable. We continue State efforts to inform individuals and groups about the SSI program. Through the various programs of the department of public welfare, we reach most low income persons and information about SSI is one of our primary services to them. One of the groups we feel we have not been reaching adequately is disabled and blind children. Through our medical screening and diagnosis program we hope to increase our effectiveness in reaching this group.

Rhode Island

We have no criteria on which to provide accurate information concerning the items in question 4.

However, the very circumstance of the caseload increase described above would suggest that people are informed and have been applying. We do feel the use of the definition of disability in accordance with the Social Security format rather than the previous title XIV format, has resulted in more handicapped people remaining in the general public assistance program.

In a followup to the SSI-Alert the Division on Aging participated with the Social Security Administration in directly contacting at least 100 minimum benefit recipients from the Providence service area. Almost all said they were not aware of the SSI program.

South Carolina

It is our feeling that a majority of the aged, blind, and disabled are aware of the SSI program and have had an opportunity to apply. As per State projections, there are less participants than anticipated. The attached analysis shows State projections in these areas. (Completed October, 1973.) As of November, 1974, there were 69,384 SSI participants on roll as opposed to approximately 83,000 projected. We anticipate attaining the projected level.

South Dakota

Both the Division of Social Welfare and the Social Security district offices have been involved in extensive publications and referrals for the SSI program. Enumerable computer systems are used for identification and referral.

Our State has not reached the projected SSI caseload established by Department of Health, Education, and Welfare. But, State officials were quite certain that this projected SSI caseload was neither valid nor accurate, at the time it was established.

Tennessee

From all indications a certain percentage of SSI eligibles have not applied for SSI. Our correspondence would tend to indicate that some are unfamiliar with the program. Of course, this is to be expected with a new program.

Texas

(1) A significant proportion of SSI eligibles who would desire to participate have either not heard of or not had an opportunity to apply for SSI. Caseload projections for Texas were estimated at 394,153 in a report, "*The Impact of Federal Welfare Reform on Texas Medical Care Costs*, Texas Research League, December, 1973." According to figures published in February, 1975, by the Baltimore Commission on Aging and Retirement Education in *Supplemental Security Income: The First Six Months*, Texas experienced an 8% increase in clientele during the first six months of 1974. The current caseload in Texas is 194,946 as of May 1, 1975. The Texas caseload was 202,821 in December, 1973. The heaviest increase in percentage of clientele has occurred in the disabled category (35,000).

	Aged	Blind	Disabled	Total
December, 1973	168,904	3,684	30,233	202,821
May, 1975	194,946	3,996	65,994	264,946
Increase	26,048	312	35,761	62,121
Increase (percent)	15	8	118	30

(2) Other reasons for eligibles not participating are: illiteracy, inability to read or speak the English language, lack of transportation

and physical and/or mental disability of individuals without capable responsible persons to act on their behalf.

(3) Much publicity has been given to the SSI program through the news media as well as specific mailouts to individuals potentially eligible. However, there is no outreach by the SSA. This department finds outreach necessary to discharge its obligation to get the service to those needy and eligible under the law. Among those in most need are many who may not have access to the media, or, even with access, may not either recognize or interpret properly those news stories or announcements concerning the SSI program and their relation to it.

West Virginia

Numerous outreach efforts should have called nearly every eligible aged, blind, and disabled adult's attention to the SSI program. We are now initiating a direct approach to reach families of disabled and blind children. We would admit that the vast majority of eligible children in the State have not been referred to SSI.

Wisconsin

SSI PARTICIPATION IN WISCONSIN COUNTIES, AGED RECIPIENTS ONLY, FEBRUARY, 1975

The 1970 Census uses $1,773 for a single male 65 or older as the poverty income level and $2,217 for a couple 65 or older. Since current SSI payment levels allow eligibility for a single individual with income under $2,976 and for a couple with income under $4,344, it can be readily seen that the count of aged in poverty in column 3 is considerably understated.

Column 4 can be interpreted as an SSI participation index. The percentage shown cannot be taken as an actual percentage rate, since the base against which SSI enrollment is compared is a low count of eligibles. It is probably not unreasonable to reduce by half the percentage appearing in column 4. As an index, however, the table is useful in showing SSI participation of the aged in a given county in relationship to all other counties.

It is virtually impossible to define with any precision the number of potentially eligible aged SSI recipients in any given county since there are no measures, other than income, for SSI eligibility factors, such as the amount of resources, assets, or value of home which will be taken into account at the time of application. A person who would be counted as potentially eligible when considering income, could easily be excluded for excess resources or home value.

Other matters will affect the accuracy of the data in this table, such as, incorrect entry of county code by the SSA servicing office, resulting in an over or under count of SSI recipients for a given county.

Menominee shows the unreal SSI participation percentage of 171%. This is due to the problems discussed in the first paragraph—the base number against which enrollment is compared is understated.

SSI Participation in Wisconsin Counties, Aged Recipients Only

(February 1975)

County	Number of SSI aged recipients February 1975	Number of aged below 1970 census poverty income level	Percent of aged below 1970 poverty income who receive SSI
Calumet	92	669	13.752
Ozaukee	108	649	16.641
Sheboygan	447	2,150	20.791
Manitowoc	448	1,922	23.309
Washington	220	931	23.631
Kewaunee	147	614	23.941
Jefferson	354	1,473	24.033
Walworth	397	1,639	24.222
Dodge	421	1,657	25.407
Door	251	978	25.665
Waukesha	537	2,074	25.892
Taylor	216	814	26.536
Fond du Lac	584	2,167	26.950
Outagamie	569	2,108	26.992
Green Lake	173	614	28.176
Marathon	812	2,870	28.293
Pierce	262	901	29.079
Clark	484	1,580	30.633
Chippewa	545	1,736	31.394
Oconto	407	1,291	31.526
Kenosha	623	1,938	32.147
Winnebago	800	2,487	32.167
Iowa	250	773	32.342
Lafayette	226	663	34.087
Sauk	448	1,313	34.120
Marquette	146	427	34.192
Barron	602	1,750	34.400
LaCrosse	815	2,361	34.519
Wood	650	1,877	34.630
Vernon	546	1,574	34.689
Richland	332	954	34.801
Vilas	180	556	32.374
St. Croix	291	893	32.587
Racine	843	2,567	32.840
Waupaca	592	1,802	32,852
Dunn	371	1,123	33.037
Dane	1,157	3,444	33.595
Monroe	456	1,346	33.878
Brown	887	2,486	35.680
Shawano	550	1,532	35.901
Green	269	747	36.011
Columbia	447	1,238	36.107
Polk	402	1,098	36.612
Grant	655	1,769	37.027
Adams	194	520	37.308
Price	319	840	37.976
Portage	455	1,198	37.980
Juneau	355	930	38.172
Langlade	430	1,105	38.914

SSI PARTICIPATION IN WISCONSIN COUNTIES, AGED RECIPIENTS ONLY—Continued

[February 1975]

County	Number of SSI aged recipients February 1975	Number of aged below 1970 census poverty income level	Percent of aged below 1970 poverty income who receive SSI
Milwaukee	7,358	18,889	38.954
Waushara	299	756	39.550
Rock	1,111	2,764	40.195
Buffalo	231	573	40.314
Eau Claire	680	1,678	40.524
Lincoln	346	841	41.141
Pepin	153	371	41.240
Marinette	658	1,584	41.540
Trempealeau	511	1,221	41.851
Rusk	347	827	41.959
Oneida	356	827	43.047
Crawford	342	715	47.832
Ashland	420	825	50.909
Burnett	313	610	51.311
Bayfield	274	533	51.407
Douglas	650	1,262	51.506
Iron	166	321	51.713
Sawyer	253	480	52.708
Jackson	343	621	55.233
Forest	228	406	56.158
Washburn	309	545	56.697
Florence	90	145	62.069
Menominee	91	53	171.698
Statewide	37,294	106,995	34.856

Wyoming

Under parts (b) and (c), the feedback from clients has indicated they are unaware of the benefits.

F. Disabled Children and SSI

Question 5: **What instructions, if any, have been given to State and local welfare offices and workers with respect to the identification and referral of potential SSI recipients among disabled AFDC children? Do you have any statistical data on the extent and results of such referrals?**

State comments on this question indicate that nearly all of the States have sent out instructions to offices advising them how to identify and refer children who might be eligible for disability under SSI. Several stated that although they had not yet done so, they were in the process of developing instructions. Several States also mentioned that they had training programs for welfare workers in screening and referring potentially eligible children.

A number of States said in their responses that their procedures were implemented relatively recently. Very few States were able to give any data on referrals; and a significant number indicated that they believed that there were still many children who had not been properly referred.

G. Impact of SSI on State and Local Staffing and Administrative Costs

Question 6: **Please provide any data you may have already developed on the impact of SSI in your State on State and local staffing and administrative costs in the welfare area. If possible, please provide annualized estimates of the full year difference before and after the inauguration of SSI (in man-years/dollars) with respect to: (a) total State/local welfare employees; (b) of the employees in (a), the number of such employees dealing with aged, blind, and disabled in connection with: cash benefits, social services, medicaid, food stamps, quality control; (c) State/local net costs (i.e., excluding any Federal share) of administration of such programs for the aged, blind, and disabled.**

Because it was realized that the above data might not be available and might not be developed within the time frame of the questionnaire, States were asked to give instead, their "best judgment in such terms as 'significantly increased since SSI,' 'about the same,' etc."

Very few States provided the numerical data which was requested. However, most did attempt to make some evaluation and to give some explanation for their answer.

The majority of States responding indicated that the size of their staffs and the amount going for administrative expenses were about the same after SSI as before. Nine States responded that their staffs and/or administrative costs increased after SSI. Only eight States indicated that there was a decrease in staff and/or administrative costs.

States gave varying explanations, based on their own varying situations, for their staffing and administrative cost patterns. A number of States pointed to the considerable State effort which was necessary to meet needs which were not being met by SSI—such as assistance needed because of lost, delayed or erroneous checks, and helping people in their contacts with the Social Security district office. Some indicated that staff had been reallocated to other functions, such as handling the increased caseload under the medicaid and food stamp programs. Several States indicated that they had initially decreased their staffs but had found it necessary later to reemploy staff to take care of unforeseen problems.

Following is a selection of comments made by the States which illustrate some of the administrative developments which they have experienced.

SELECTED NARRATIVE RESPONSES OF STATES

Arkansas

Although an initial reduction in State welfare staff was implemented at the initiation of the SSI program, that staff has by necessity essentially been re-employed. The administrative task of complimenting the Federal program has required manpower equal to the effort expended by the State in administering the AABD program prior to

the development of SSI. Total State program cost has been reduced, however, in that the supplement to grants-in-aid is approximately $5 million per year less than was the State's share of the grants-in-aid under the AABD program. This savings to the State has been offset to some degree by the increase in medical benefit cost to recipients of SSI not eligible under AABD. This, however, is a program benefit change and an exact dollar estimate is not available.

Mississippi

Generally, the impact has been disastrous. After Public Law 92-603 was passed in October 1972, during the development of the new SSI program, the SSI officials repeatedly publicized statements with regard to their ability to take over the work of the welfare departments over the entire country. That is, SSI could not only develop its own regulations and computer capacity to implement its own program, but could take over the administration of the mandatory and optional State supplements and the overall administration of the medicaid eligibility process.

The SSI officials placed great emphasis on statements that they would be able to accomplish these deeds with a minimum of administrative expenses to the States, and would be able to carry out their own work and ours with great efficiency and economy, and with benefit to the clients, the public, and to agency staff members everywhere. They stated that any work which would be required of welfare departments, they would reimburse on a cost basis from their program.

These statements gained wide acceptance among money conscious public officials, and actions were based on these representations, so that many States turned over the administration of their supplements and medicaid to SSI. In this State also, legislative, budget, and other State officials gave credence to the claims of the SSI agency, so that their projections of the number of staff needed and the amount of State funds that we would require to carry out what was thought to be our remaining functions fell far short of our actual needs. Thus the provision of assistance and services has been curtailed, and the quality of our work has also suffered.

Then when SSI could not fulfill its promises, encountering many severe problems in administering its own provisions, we were left with the ensuing chaos and most of the same work that we had had for many years. The public officials who accepted the claims of SSI that they could take over our work did not understand that welfare departments were still expected to conduct their part of the work, for which SSI expected to reimburse us, so that our eligibility and clerical staff was cut far below that needed. Actually the confusion and many errors on the part of SSI increased our work, because our former clients came to our county offices for help in getting their SSI payments initiated or the amounts corrected, and we had many hundreds of telephone calls from the SSI offices for information. As far as the State office staff is concerned, the problems with the SSI tapes and SDX sheets have consumed many man-hours of our data processing and management staff, as well as some time of program staff.

As far as reimbursement is concerned, time studies and day sheets

would be required for us to claim SSI reimbursement on a more precise basis; that is, to actually compensate us for work done.

Also the regional office as well as the central office staff of the Social and Rehabilitation Service, Department of Health, Education, and Welfare, failed to assist us in interpreting our needs and to corroborate our statements. It is true that now, in the face of the failure on the part of SSI, HEW staff have finally supported our statements in some instances.

All in all, our credibility and reliability has been in question even in presenting our staff and financial needs, based on our considerable experience in administering our programs, with public officials here, in view of the farflung publicity in which SSI has engaged. The road back has been slow.

Maine

The impact of the SSI program in the State of Maine has not reduced local staff and administrative costs in the welfare area. As much time is spent in resolving problems in regard to referrals, mandatory supplement, and optional supplement as was originally spent in administering the total program. The takeover by SSI resulted in no decrease of staff needs pertaining to cash benefits, social services, medicaid, food stamps, and quality control. Because of loss of Federal matching some of these positions actual cost to the State has increased.

New Jersey

State and local staff previously assigned to the adult category were reassigned to expanding workloads in AFDC, AFWP, food stamps, and medical assistance.

New York

New York State is presently assessing the impact of the SSI program as it relates to administrative costs and State/local staffing. Although completed statistics are not available at this time, indications are that the SSI program has produced a slight (when compared to increased medicaid and general assistance costs) State/local savings with regard to administrative costs. In 1972, State/local costs for the SSI client group approximated $22 million; for 1974, such costs (mainly those related to "services" delivery), have approximated $10 million. These "savings" are very rough estimates since our cost allocation system does not yet permit collection of data in this manner of detail. Additionally, it should be noted that the problem associated with correcting SSI conversion cases and the constant bombardment of SSA requested "Special Projects", such as the APL recalculation, have created constant work in the SSI area, all of which was not foreseen and consequently not budgeted.

Pennsylvania

We made no reduction in staff because of the transfer of OAA, AB and APTD cases to SSI. Our reasoning at the time was that the staff released from administrative responsibilities for the adult categories (about 800) might profitably be employed in informing the administration of the remaining assistance categories (AFDC, GA

and State blind pension) and in the social service programs.

We quickly found that the volume of work with SSI applicants and recipients in emergency assistance, medical assistance, food stamps, social services, etc. required manpower at least equal to that required for the complete administration of the adult programs. The staff needs were created in large part by the greatly increased caseload (46,000 new cases) but SSA's delays and payment errors have added to it as has the limitations in the SSI program. In general, the SSI program has had the effect of substantially increasing the State agency's involvement with the aged, blind, and disabled.

Although currently filled positions in the welfare agencies are slightly less than in December 1973, the reason, I want to emphasize, is not a reduced workload with the adult categories. Pennsylvania is having the same revenue problems as other States and one of the necessary economy measures has been to exercise tight controls on additions to the State payroll.

South Dakota

A recent time study completed by the assistance payments section of the Division of Social Welfare shows 12% of assistance payments staff time is absorbed in relating to the former adult categories. The lack of SSI manual material, unclear regulations, system misfits, delayed processing of newly eligibles, systems delays in relating to circumstantial and living arrangement changes and other such problem areas have caused considerable time (cost) to be consumed by assistance payments staff members for the former adult categories.

As all SSI-title XIX adult foster care and supervised living care facility recipients must be processed through the local offices of the Division of Social Welfare, inadequate and/or inaccurate SSI payment amounts have created chaos, confusion and mismanagement within the title XIX cases.

Prior to SSI, those adult recipients who were residing in adult foster care and supervised living care facilities were granted their care costs on a matching basis from the Federal Government. Now, such supplementation must be met at full State cost. The necessary monitoring of the mandatory State supplemental payment absorbs considerable professional and para-professional staff time.

Also, within this monitoring process, it has been necessary for DSW staff to locate and identify circumstantial changes that effect the mandatory supplemental payment. These changes must then be referred to SSA, with appropriate follow up by DSW staff.

Time does not permit a more exacting cost allocation, but the projected number of assistance payments employed to relate to the SSI recipients will be a 30% decrease from December 31, 1973 to July 1, 1975. This is projected, and will not go into effect until July 1, 1975. We are currently operating under a 19% decrease of assistance payments staff.

West Virginia

Determining and redetermining eligibility for assistance to aged, blind, and disabled persons were not tasks involving a great number of staff. In addition, the less than 100 eligibility staff members who handled these functions, also determined food stamp eligibility and

assisted with nursing home payment needs and payment determinations. With the initiation of SSI, the State and local staff have continued the determination of eligibility for food stamps for the two-thirds of the adult cases participating. The nursing home cases (ICF) had to be changed from an assistance check payment method to a vendor payment from the medically needy program. In addition, the State by providing medicaid coverage to SSI recipients must handle numerous maintenance actions and respond to hospitals, doctors and other medical vendors.

There is considerable agreement that the conversion of the adult assistance cases to SSI has added to not subtracted from staff costs.

H. Impact of SSI on medicaid

Question 7: **With respect to the impact of the SSI program on your medicaid costs:**

(a) Please describe the extent of that impact generally.

(b) Was this impact greater, smaller, or about the same as you had projected?

(c) If there was a significant impact, please indicate the amount of your medicaid expenditures for the aged, blind, and disabled in fiscal years 1973, 1974, and 1975 broken down by: cash assistance recipients, medically needy.

The majority of States answering this question indicated that their medicaid costs had increased as the result of the SSI legislation. Thirteen indicated that they had experienced negligible or no increase in costs which they would attribute to the SSI program. Only five States stated specifically that the increases in costs had been greater than expected. Fourteen indicated that the increase was smaller than expected. The remainder indicated that their costs were about as they anticipated. Unfortunately, too few States gave sufficient data on their increased costs to provide a basis for analyzing the overall impact of SSI on medicaid costs.

SELECTED NARRATIVE RESPONSES OF STATES

Alabama

(a) Nine eligibility units had to be established to determine medicaid eligibility for persons not receiving SSI who have incomes above $45 a month and who are in medical institutions. These units also determine medicaid eligibility for SSI persons who incurred medical bills during the three months immediately prior to the month of application for medicaid. This is costing the Alabama Medicaid Program $41,380 per month. Prior to SSI, eligibility criteria for medicaid paralleled those of the State public assistance programs, and there was no charge to medicaid.

Data processing costs for the Alabama Medicaid Program have increased from $11,000 to over $30,000 per month since the institution of SSI. This is attributed to the inaccuracy of eligibility data received from SSA. In 1974 eight computer tapes were received which could not be used (SDX-Update Tapes: May No. 5, No. 6, No. 8, June, September, and December Treasury Tapes; and SDX-Update Tape for September). The April 1975 Treasury Tape was also received

in this condition. All of these tapes had to be reissued. Of the usable tapes received, SSA, by its own count, indicated to the State that the tapes contained possible errors in individual records of from 1 to 25%. SSA does not identify the specific error, and the State has no way of knowing what the error is or where it is located.

Personnel in the eligibility research section had to be increased from 2 to 6 people because of problems in paying claims arising from untimely, inaccurate data received from SSA. The increase in cost to the Alabama medicaid program resulting from employing four additional people is $1,969 per month.

Florida

The State responsibility to respond promptly and fully with all Florida Medicaid Services, to all (and only) eligible persons has been seriously interfered with by errors of omission and commission and lack of timeliness of the SSA electronic data processing system. Inability of SSA to furnish information on which Florida medicaid rolls of eligible persons can be established and maintained is a major problem.

Massachusetts

The SSI program has increased medicaid costs in Massachusetts to a far greater extent than had been projected. As this State has elected to make all SSI recipients eligible for medicaid, the caseload has grown at the same rate as the SSI caseload.

Pennsylvania

In Pennsylvania SSI recipients are automatically eligible for the same scope of medical services as are the categorically needy. Assuming that new SSI cases would have been eligible for medicaid as medically needy, the new costs attributed to SSI are the expenditures made for medical services not encompassed in the medicaid program for the medically needy only. Our cost estimates closely coincided with expenditures because the estimates were based on a higher anticipated caseload. The actual costs per patier' are running above the estimated costs and should the SSI caseload spurt to the number originally estimated, we may have fiscal problems.

It is our conviction that the absence of State controls over the SSI caseload should be recognized by increasing the rate of Federal participation in MA from its present 55% to at least 75% to help absorb the State's financial burden for the new caseload.

Texas

(a)(1) The problems with the health insurance claim number have caused particularly large numbers of claims to be held pending while research for a valid number is in progress. This is necessary because of the law requiring medicaid to exhaust other means of payment such as medicare, prior to payment by medicaid. The extra correspondence and manual processing have increased administrative costs.

(2) The cost for medicaid has increased due to the increased caseload resulting from SSI. Of particular impact was the 218% increase in APTD cases which have a comparatively high usage of medicaid benefits.

(3) In explanation, there are several factors involved in the relationship of the SSI program to Texas' medicaid costs. First of all, the disability requirements for SSI are not as stringent as were our State's former aid to the permanently and totally disabled program disability requirements. This difference in disability criteria has had the effect of increasing the total number of disability recipients in this State. However, since the "less disabled" individuals have had lower medical care utilization rates than the more severely disabled recipients, medicaid costs per disabled recipient have decreased. Secondly, delays in SSI eligibility determinations and reporting of such determinations to the State via SDX have posed problems to both recipients and provider groups. These delays have caused some recipients to do without needed medical care and services until eligibility information was received by the State. Some providers have chosen to assume a financial risk and have provided the medical attention without client eligibility information. Others have delayed medical attention until medicaid certification date was established and required medicaid identification documents were presented by the client. Furthermore, these delays have caused untimely lags between the dates of medical services rendered and dates of payment. Even though there is indication that these delays are decreasing, we still maintain that there is considerable improvement needed in this area.

Of particular significance has been the situation which has arisen regarding nursing home operations in Texas. DPW pays nursing costs to many recipients in nursing homes who are on the SSI rolls. The greater majority of recipients who begin their nursing home stay on SSI rolls will become medical assistance only (MAO) cases (which are State administered). In practical terms they will then become recipients of this department. This is not only duplicative but in many instances, puts both the recipient and the nursing home industry in a compromising position.

Generally many recipients, under regulations for income for the first month of entry into the nursing home, can enter with title XIX coverage under SSI. The second month of institutional stay calls for a considerable reduction in the SSI payment standard which in many cases makes them ineligible for SSI. These recipients generally are still eligible for medicaid, however, in that their income is still very low and expenses very high. Getting the recipient transferred from SSI to DPW title XIX is thereby necessary. Also necessary is the fact that the recipient must remain under care. SSI is attempting to handle this process through the SDX tapes which has not been very efficient. The results have been cases which have not been disposed of, clients have been in a tenuous situation awaiting certification for medicaid or SSI eligibility, nursing homes have had to provide services for clients who did not have the funds to pay on the assumption that payment would come through eventually.

Delays and inaccuracies on the SDX tapes invaribly set off a chain reaction which results in overpayments, underpayments, all of which obviously inhibit the nursing home cash flow as well as jeapordize the patient's stay in the home.

TDPW has found it necessary to apply considerable effort to following up certification which should in many cases be done by SSI.

The tape system was established to be an operational method. DPW has to make allowances for delays in inaccuracies in data on the SDX tape and override the system manually to provide the needed service to recipient and nursing home. There is no opportunity for DPW to input to the SDX tapes on a routine basis to make corrections. The tapes are not current nor is it practical to expect they will be if the input system operates from so remote a spot from Texas as Baltimore, Md. Many nursing homes have apparently required patients to be medicaid recipients before they gain admittance in order to circumvent redtape on SSI applications. This means that some clients cannot receive nursing home care until title XIX eligibility is established. SSA does not have the staff to do the fieldwork in nursing homes to ensure accuracy and service to the recipient. SSA has no apparent requirement to process promptly applications such as DPW does under title XIX. The tapes do not differentiate between types of institutions, hospitals, nursing homes, others. Social security claim numbers and social security account numbers are both needed for this department as a keying factor in the nursing home management system. One or the other of these numbers either does not appear or is inaccurate on the tape in many cases. The ineligible spouse of a patient/recipient is dropped and forgotten in the tape system which this department cannot accept because the needs and resources of the spouse must be considered by DPW and not considered at all by SSI. No historical data is included on the SDX tapes; they are only current. It is essential for DPW to have this data because the nursing home payments are retroactive and paid after services are provided. The SSI system is obviously not meshed. With staff management needs, this is another problem which could have been avoided by a pretest and some forethought.

(b) (1) The impact was smaller than projected according to H.E.W. and the Texas Research League. (See response to question 4, note 1 above.)

(2) In terms of caseload forecasts, the SSI program has not resulted in as many aged recipients as we had originally projected. You note, however, that a significant percentage of eligibles is not being reached. Our projections for disabled recipients have been reasonably close. We did not anticipate the delays we have experienced in receiving eligibility determination information since our contract with the Social Security Administration calls for the daily receipt of SDX information. This department has been receiving such tapes weekly. Too, the SSA offices are taking a longer period of time to reach eligibility decisions than we had anticipated. This is especially true in cases involving disability determinations. As mentioned above to partially alleviate these delays, and after much difficulty and repeated discussion, TDPW has found it necessary to develop a system of manual certification which is still in operation at this time. Only 768 of the current 264,936 SDX cases are manual certifications; there are still between 100 and 150 manual certifications each month. This indicates that the system is providing that persons receiving SSI payments are generally being made eligible for medical coverage by the SDX system. The exceptions are to be notable, however, and it is essential that DPW back up the SDX system with manual certification.

I. SSI and Emergency Aid

Question 8: **Some State and local governments provide emergency aid to needy persons while they are waiting for their SSI claims to be decided by Social Security:**

(a) Is such aid provided by your State (or by local governments in your State)?

(b) Please estimate the typical monthly incidence of such aid in your State in terms of numbers of cases and in terms of amounts expended.

About 80 percent of the States responding indicated that either the State or local governments provide some kind of assistance to persons awaiting a decision on their SSI application. The nature and extent of the assistance appears to vary widely, as may be seen from the following comments by the States.

SELECTED NARRATIVE RESPONSES OF STATES

Alabama

(a) No.

Arizona

(a) Arizona may provide emergency assistance and/or general assistance while SSI applicants wait eligibility determination.

(b) We do not have the data to show the reasons for emergency assistance or identify potential SSI recipients. However, the emergency assistance program increased from 1,145 average number of recipients per month and $35,485 average expenditures per month in calendar year 1972, to 1,436 average number of recipients per month and $44,820 average expenditures per month in calendar year 1974.

Arkansas

(a) No.

California

Persons may receive emergency aid from the county in which they reside pending the determination of their eligibility for SSI/SSP by SSA. Such emergency aid would be provided under the county's general assistance program. The counties vary considerably in their general assistance program and the provision of emergency aid to SSI/SSP applicants. Statistical data is not available on the issuance of emergency aid to SSI/SSP applicants by individual county. It is estimated, however, that the counties will grant an average $754,400 per month in emergency aid to SSI/SSP applicants during fiscal year 1974–75.

The California State Department of Health provides assistance to a certain group of developmentally disabled persons pending the determinations of their eligibility for SSI/SSP benefits. The State payments are made as part of a plan for placement in a nonmedical out-of-home care facility at the rate of $283.00 a month per person. About 500 individuals are assisted through this program a month, representing an annual expenditure of $1,698,000.

Federal reimbursement for assistance provided under both the coun-

ty general assistance programs and the State program for developmentally disabled persons is now available through the interim assistance provisions.

Colorado

(b) Our estimates indicate a monthly incidence of 500 and attendant costs of $25,300.

Connecticut

(a) Emergency aid is provided by local government via the general assistance program.
(b) Not available.

Delaware

(a) We do not provide emergency aid.
(b) No.

District of Columbia

(a) Yes.
(b) Approximately 80 cases at about $12,000.

Florida

(a) Yes.
(b) Unknown—all county governments do not provide general assistance.

Georgia

(a) No.
(b) No State emergency assistance program. Georgia cases is total number statewide provided by local county governments shown under item 11. We do not have this broken down by county.

Hawaii

(a) Hawaii provides a loan to needy applicants of SSI.
(b) A review of the past six months (November 1974–April 1975) show an average of 73 loans per month were executed with SSI applicants at an average monthly total of $22,570.49.

Illinois

(a) Effective April 1, 1975, such aid is provided by the State. Prior to that date some local governmental units provided assistance.
(b) Based upon figures covering the period of February, 1974, through July, 1974, we find that a statewide average of $184,800.00 was provided each month to those who had applied for SSI but were not yet approved for such benefits. We have only dollar data.

Indiana

No emergency aid is given by county welfare departments to needy persons awaiting a determination as to their eligibility/ineligibility for SSI benefits. The local township trustee may provide emergency assistance to such individuals. However, no data is available regarding the number of cases and the amount of expenditures.

Iowa

Iowa does not have a State emergency assistance program and this kind of aid is provided by county governments. The Iowa State Association of Counties has completed a survey of county relief agencies which indicated that about 50% of the 99 counties in Iowa do advance emergency aid to needy persons while they are waiting for their SSI claims to be developed.

Kansas

(a) Yes.

(b) Not available. However, the general assistance caseload, from which this aid would be paid, has not grown significantly.

Kentucky

(a) No.

Louisiana

(a) Yes, for disabled persons only.

(b) This program was initiated January 1, 1975. Approximately 580 cases per month are processed amounting to about $10,000 per month.

Maine

If the individual needs help while waiting disposal of his claim for SSI benefits, the only resource to him in the State of Maine is temporary and emergency assistance. This assistance is given through 496 local municipalities. We are unable to provide statistical data pertaining to specific costs and impact except in general terms. Information available to us indicates that supplementation for potential eligibles for SSI is given to approximately 200 individuals per month with an average of $40 or $50 per person.

Massachusetts

Yes.

Michigan

(a) Some types of emergency aid are covered by the State, principally temporary payments for SSI applicants leaving State mental hospitals. Counties are providing general assistance to SSI applicants while their applications are pending. The State ultimately funds about 70% of the general assistance expenditures.

(b) We believe there are about 5,000 cases receiving general assistance while SSI is pending. Estimating that on the average each case receives three-fourths of the average SSI grant, and disregarding administrative costs, the monthly expenditure for these applicants is 114 x .75 x 4,000 = $342,000.

Minnesota

Refer to question No. 2.

Mississippi

We do not have State legislation or funds for emergency aid for needy persons waiting to have their SSI claims processed.

Missouri

(a) Yes, the Missouri Division of Family Services has three programs that are used to provide emergency aid to needy persons while waiting for SSI claim approval. These include general relief, supplemental aid to the blind, and supplemental nursing care.

(b) The number of cases per month in the above categories are estimated at 180 with by far the greatest majority being general relief recipients. The cost estimates per month are $11,400 with a monthly average of $63 per recipient. The average recipient is paid for a period of two months while waiting for SSI approval.

Montana

(a) Yes.

(b) Eleven counties have elected to participate in interim payments. Most counties give general assistance of some kind, whether or not they participate in the IAR program.

Nevada

Emergency assistance is provided on a loan basis by each county. We have no responsibility or authority for county programs and have no statistical information on amounts.

New Jersey

(a) Yes, through New Jersey's general assistance program.

(b) At least 500 new cases a month receive general assistance funds. Based on an agreement with SSA, N.J. is retroactively reimbursed for general assistance provided to individuals eligible for SSI during the pendency of their eligibility determination.

New Mexico

(a) No State aid provided; some aid is provided in certain communities.

(b) [Attached data show] a need for emergency aid in the State's metropolitan area of Albuquerque and the lack of local and State funds to meet this need. While the aged and disabled group is not singled out in the data it is reasonable to assume this group constitutes a good proportion.

New York

(a) New York State, through its local departments of social services, provides interim assistance to needy persons while they are awaiting SSI application processing and determinations. This assistance is only granted to those pending SSI cases who meet PA eligibility criteria.

(b) For March 1975, interim assistance was issued to 3,971 cases. Statistics on expenditures are currently being collected.

Under the terms of an interim assistance agreement with SSA, funds expended by the State to pending SSI cases will be reimbursed by SSA up to an amount equal to the cumulative SSI grant issued to the case.

North Carolina

The State does not participate in providing emergency assistance to needy persons while waiting for their SSI claims to be decided

by Social Security. However, many county departments of social services have provided a limited amount of assistance from county funds to SSI applicants experiencing a crisis due to delay in processing their applications or a holdup in check delivery.

North Dakota

(a) Limited emergency aid provided by local government, as determined necessary by county welfare board.

(b) Statistics not available but numbers and amounts are very modest.

Ohio

(a) By county welfare departments.

(b) Program containing such information began in February of 1975, and we have no accurate figures yet. However, the amount of emergency assistance (one 30-day period in 12 months) issued to adults amount to $6,000,000. This figure is incomplete as it reflects only assistance given in first 30 days, and does not reflect ongoing assistance issued SSI disabled applicant while awaiting SSI decision.

Oklahoma

(a) Only general assistance—no Federal agreement.

Oregon

(a) By State.

Pennsylvania

We do indeed grant assistance to needy persons while they are waiting for their SSI claims to be decided by SSA. We initially had much trouble with SSA over this fact and there are still cases on the SSI rolls in which State assistance is being counted as income that reduces the SSI payment.

The enactment of H.R. 8217 providing for reimbursement to the States for interim assistance granted to SSI claimants was welcomed even though a simpler, more efficient and client-oriented method would be an SSA administered program of presumptively authorized SSI.

We took advantage of the new legislation to enter into a reimbursement agreement with SSA and that agreement is now in effect. To our dismay, however, we found SSA interpreting the legislation as applicable only to assistance funded solely from State funds. This means that interim assistance paid through the AFDC program is not reimburseable to the State in the amount of the State's share which is 45%. Further, the legislation makes no provision for the costs of administering interim assistance which are especially high because of the kinds of controls required. The solution to the State's problems in subsidizing the SSI program is, therefore, only partial. We suggest that inquiry should be directed to establishing SSI as a needs program with all that implies in terms of prompt and humane action.

Rhode Island

The State of Rhode Island provides general assistance to needy people pending Supplemental Security Income. The State only recently

instituted a program to recover such moneys from the initial retroactive grant of those found eligible for SSI through the interim payment program. After some months of this program, the State would be pleased to provide specific data. It is, however, too early to provide such data at this time.

South Carolina

Emergency aid is provided through county contingency funds and can be used for this purpose. The utilization rate is not readily available at the State level. However, the total funding available is inadequate for meeting the overall need, particularly in the nonurban areas.

South Dakota

(a) The Division of Social Welfare initiated such an emergency aid program referenced in the questionnaire to be paid to the potential SSI recipient through the county aid systems. A simple form is used to insure reimbursement of payment to the counties.

(b) It has been necessary to utilize such aid only for the disabled cases, for whom determination of eligibility still extends to approximately six months. All medical needs of such recipients can be provided for under our retroactive agreement with providers in the State.

Tennessee

(a) No.

Texas

(a) Texas State government does not have an emergency needy program for persons while they are awaiting SSI claims to be decided by the SSA. People are referred to local agencies as a resource for emergency help. People were referred to local agencies when Texas operated the program, also, before SSI. Emergency aid is provided in various locations by city or county welfare organizations, through TDPW certification for the food stamp program, and through grocery orders from the Salvation Army. Emergency health aid is through city or county health programs. In some rural counties United Fund moneys are used to meet this need on a limited basis.

Although the State department of public welfare social services division does not authorize emergency aid to needy persons at the present time, this service has been recommended under the changeover to title XX.

(b) Statistics on the amount of this aid are not available. Such aid varies from county to county. Assistance rendered will range from small grants to the larger amount required to pay rent, generally on a one-time basis.

Utah

(a) Yes.
(b) 50 applications per month at $136.00 per application.

Vermont

(a) Yes.
(b) Statistics not available but incidents estimated to be negligible.

Virginia

(a) Yes.

(b) The program has only recently been implemented, therefore, we have no reliable expenditure data at this time.

Washington

(a) Yes. By the State.

(b) The only figures we have on this are the growth of the general assistance caseload which increased from 4,260 cases costing $521,734 in December of 1973 to 9,676 cases costing $1,549,551 in February 1975.

West Virginia

West Virginia provides emergency assistance to appropriate needy persons and this often includes persons awaiting receipt of their SSI checks. During the past twelve months, West Virginia has spent $169,348.86 to provide emergency assistance to 1,829 SSI applicants.

Wisconsin

Because nearly one-half of Wisconsin's counties are on a unit system of relief, information about general assistance expenditures are incomplete and poorly detailed.

To the extent that the reporting system that does exist can reflect something of the impact of SSI on general relief expenditures, it would appear that the system is not under stress (not responding would be another but unlikely interpretation).

In November, 1974, general relief in Wisconsin aided 9,494 persons at a cost of $839,879. The number of persons aided was 3.10% lower than November, 1973, while grants decreased 9.4%.

Wisconsin is now in the process of implementing Public Law 93-368, on interim assistance for persons awaiting an SSI eligibility determination. Public Law 93-368 has minimal significance to a State such as Wisconsin which does not have either a State administered general assistance program or at least all counties on a county administered system.

Wyoming

(a) Yes.

J. State Supplement Payment Variations

Question 9A (For States Providing a Federally Administered Optional Supplement): **(a) In electing Federal administration of your optional State supplement, did you eliminate certain payment variations, special needs, etc. formerly available under your programs of aid to the aged, blind, and disabled? (If yes, please briefly describe the eliminated provisions.) (b) Are any of the variations, special needs, etc. which were eliminated now provided through other State/local programs such as general assistance?**

Question 9B (For States Providing a State-Administered Optional Supplement): **Was your decision not to elect Federal administration based (whether wholly or partly) on the limitations placed by the Department**

of Health, Education, and Welfare on the number and types of variations in payment levels (for living arrangements, special needs, etc.) which it would administer? Please briefly explain your answer.

According to the responses, nearly all States electing Federal administration of their optional State supplement program eliminated one or more special needs or other payment variations which had existed in their previous State programs. Most States indicated that there is now some provision either at the State or local level to provide for some of the payments which were eliminated. Several States are apparently providing for some special needs under the Federal-State social services program.

For a number of the States electing to administer their own supplements, the limitations placed by the Social Security Administration on the number and types of variations in payment levels which it would administer was acknowledged as a factor in their decision. For most of them, however, other factors appeared to weigh even more heavily. Some of the other factors mentioned were the desire to retain control of the program, fear of Federal administrative errors, and belief that the State could be more responsive to recipient needs.

SELECTED NARRATIVE RESPONSES OF STATES

A. FEDERALLY ADMINISTERED SUPPLEMENTS

California

(a) Under the former State plan, adult recipients received an individualized computed grant, based upon defined allowances for basic and special need items. The allowances for special needs varied according to the aid category, as follows:

FEDERALLY ADMINISTERED SUPPLEMENTS

	OAS	AB	ATD
1. Household remedies and other health related needs	X		
2. Attendant services	X	X	X
3. Clothing	X	X	
4. Debts incurred before date of application	X	X	
5. Debts incurred for medical care of recipient's family	X		
6. Household furniture and equipment	X	X	
7. Housing repairs	X	X	
8. Laundry	X	X	
9. Moving/storage of household and personal goods	X	X	
10. Restaurant meals	X	X	X
11. Special diet	X	X	
12. Telephone	X	X	
13. Transportation	X	X	X
14. Property taxes	X	X	X
15. Special needs for blind persons (maintenance of guide dogs, radio, talking books, special appliances, etc)		X	

In electing Federal administration of the State's optional supplement, the State implemented flat payment standards by aid category and living arrangement, as required by Federal regulation. All of the above special need allowances have been eliminated from the basic State supplementary program, except for the special allowance for restaurant

meals, which is still available in a modified form (as a variable living arrangement).

(b) Several of the former special need allowances are now available through other State programs, as follows:

1. Attendant Services—Now being met through the Homemaker/Chore Services Program, as part of services program and funding.

2. Housing Repairs—Now being met through State funded, county administered special circumstances program, which provides for certain nonrecurring special needs.

3. Moving Expenses—Now being met through State funded, county administered special circumstance program.

4. Special Allowance for food for Guide Dogs—Now being administered on a separate payment program by State.

Delaware

Our optional State supplement includes an adult foster care program in which we have eliminated payment variations such as special needs, etc.

Hawaii

(a) Yes—provisions for shelter allowance on an as-paid basis, rental deposits and moving cost were special need items that were eliminated.

(b) All special need items were restored through a State-funded program.

Iowa

(a) The special needs that were eliminated when the three previous programs were changed to the SSI program in Iowa were major property repairs, tree removal and special assessments. This has presented a serious problem to many elderly and disabled Iowans who have no way of meeting these costs.

(b) Other special needs which are now provided through purchase of service include chore services, escort transportation, home delivered meals, minor home repairs and other personal services.

Maine

In electing Federal administration of the Optional State Supplement, no significant special needs were eliminated.

Michigan

(a) Various special needs such as medical transportation, special dietary allowances, funds for home repairs, and home appliances were no longer possible options. Variations in shelter cost that could be reflected in variations in grant under titles I, X, and XIV, are only minimally reflected in variations in SSI payments.

(b) Home repairs, home appliances, and medical transportation are available under State programs. Some counties are supplementing SSI recipients when their SSI grant is not sufficient to cover their needs on general assistance standards. In general, these cases involve shelter costs that are above the average which was used in determining our level of State optional supplementation. For example, the recipient's apartment may cost $140 per month, while the total Federal and State SSI payment for independent living is only $170.

Montana

(a) $12.00 blind allowance.
(b) No.

Nevada

(a) Yes. Special needs for the blind were eliminated. This was compensated for by an increase in the supplemental amount authorized.
(b) No.

New Jersey

No, N.J. had a flat grant system under the adult categories program. However, as a special need, "essential persons" were grandfathered into our SSA/State contract.

New York

(a) The former AABD program provided variable cash grants based upon individual needs. This arrangement allowed flexibility in determination of cash grants to cover changing needs, such as rents and other special needs. The AABD program also allowed a wide latitude in determining need-based grants for those recipients in nonmedical congregate care facilities in New York State. These grants were negotiated with each facility and were dependent upon the services and care provided by the facilities. These grants ranged from $175 to $725 per month. Under Federal administration of the State SSI supplementation program, New York is limited to five living arrangements with a maximum of three geographic differentials within each category. These limited "flat grant" payment levels have eliminated the flexibility of the former AABD program which allowed coverage of changing needs and special needs on an individual basis. It also forced consolidation of the wide range of congregate care facilities' payment rates into three payment levels (with three geographic variations) creating windfall profits to some facilities and insufficient rates for others. New York has continually urged SSA to increase the payment variations in congregate care facilities so that such payments can be more related to costs. Despite the technical ability to permit such flexibility, SSA has steadfastly refused to allow the requested variations.

(b) Some of the special needs and circumstances which were covered under the AABD program, and which were subsequently eliminated with the advent of the SSI program, cannot be met under the Emergency Assistance for Adults (EAA) program for SSI recipients. New York's EAA program provides for the following:

a. Replacement of clothing, furniture, food, fuel, shelter, and essential repairs to a home when need for replacement or repair is the result of fire, flood or other catastrophe or when lost as the result of burglary or vandalism or when such losses resulted from the SSI recipient's inability to manage his affairs.

b. Temporary shelter.

c. Replacement of stolen cash.

d. Moving expenses when necessary including security deposits, broker's fees and storage of furniture for 60 days.

e. Furniture/clothing upon release from an institution.

f. Maintenance of a home during a period of hospitalization (not in excess of 120 days).

g. Household expenses incurred during the 4-month period prior to application for SSI when necessary to prevent eviction or utility shutoff (or to restore service).

h. Repair/replacement of heating, cooking, refrigerator, water supply and plumbing equipment.

i. Security deposits.

EAA does not provide for meeting a recipient's needs when his SSI check is lost, stolen or delayed, nor does it make provision for extra allowances to meet rising rent and fuel costs and other special needs of a regularly recurring nature.

Pennsylvania

We consider elimination of the county variations in payment levels a significant program improvement. We had few special need allowances in our adult programs. The most common one was for transportation, mainly to sources of medical care. Medical transportation costs are now provided for under the medicaid program. Other special needs are not being provided.

The State has retained payment for burial expenses.

Rhode Island

(a) By the election of Federal administration concurrent with a change in State law, Rhode Island instituted a so-called flat grant for SSI recipients beginning on January 1, 1974. All special needs and payment variations were eliminated at that time. The only criteria for payment level has become the number in family with due regard for minimum income level guarantees as enacted by the U.S. Congress.

(b) The State continues to administer a program for supplemental needs for eligible SSI recipients; both moving and needs which result from a catastrophe are met through 100 percent State moneys for all eligible SSI recipients. In addition, the State provides social services, including homemaker services to eligible SSI with Federal financial participation.

South Dakota

(a) Yes, benefits for adult foster care and supervised personal care arrangements were reduced to SSI standards. Hired help services and necessary purchases of meals outside the home were eliminated, as were other one time needs, e.g. purchase of essential household items.

(b) Yes, Senate bill 201 supplemented SSI in providing sufficient funds for adult foster care and supervised personal care arrangements.

Texas

(a) In electing Federal administration of your optional State supplement, did you eliminate certain payment variations, special needs, etc. formerly available under your programs of aid to the aged, blind, and disabled? (If yes, please briefly describe the eliminated provisions.)

The social care payment variation was dropped in electing Federal administration of optional State supplement. This social care provision is now provided through the State welfare department's homemaker

program. There is no State program of general assistance in the State of Texas.

(b) Are any of the variations, special needs, etc. which were eliminated now provided through other State/local programs such as general assistance?

Texas does not provide State supplementation.

Vermont

(a) Yes, special needs were eliminated. With the exception of shelter, however, Vermont had few special needs of any consequence.

(b) No.

Washington

(a) No payment variations were eliminated. However, some are not paid as part of the federally administered State supplement. (See ans. b.)

(b) The State has a separate payment system for paying additional requirements, chore services, and certain adult foster homes and congregate care living arrangements.

Wisconsin

SSA limits the State to seven payment variations. SSA, however, defines a payment variation as any variation in the total of Federal and State supplementary payments, not just variations in State supplemental payments. For example, the State supplementary payment for individuals in their own household and individuals in the household of another is the same, yet SSA counts this as two payment variations. The State contends it is only one variation of State supplementation which is applied to A and B Federal living arrangements.

The seven payment variations in Wisconsin are:

1. Living in own household.
2. Living in household of another.
3. Couple living in own household.
4. Couple living in household of another.
5. Individual with ineligible spouse in own household.
6. Individual with ineligible spouse in household of another.
7. Mentally retarded in group home.

The limitation to seven variations is too restrictive for State planning, especially when other policy initiatives call for the development of an alternate care system between independent living and institutional medical care. Four of the seven variations are required to address independent living, two to provide for ineligible spouse cases, with one remaining for the alternate care system. Three of the seven variations are "forced" by the Federal living arrangement—living in the household of another.

The most serious omission from the living arrangement variations in the Federal-State agreement for administration of supplemental payments is a room-board-social care category for the aged. We are beginning to see inadequate group care living situations offered—cutting the pattern to fit the cloth—at the level of care which can be provided at the $228 rate for independent living.

On another problem with payment variations, the State contended that the State supplement for a couple should be paid to the member

of a couple at home when the other member has entered a title XIX facility. The rationale for the State's position is that SSA holds both members in a couple's status (sharing income and resources) until the separation has lasted 6 months. That being the case, the noninstitutionalized members should be entitled to the supplementary payment appropriate to couple's status. SSA contends, however, that if the couple's amount of supplementation were paid to the noninstitutionalized member of a couple this would be a payment variation.

B. STATE ADMINISTERED SUPPLEMENTS

Alabama

Alabama's decision not to elect Federal administration was based in part on limitations placed by DHEW on the number and types of variations in payment levels which it would administer. Primarily, however, our decision rested on the fact that SSA would be responsible only for issuing the check, while the Department of Pensions and Security would continue to carry most of the administrative burden.

Arizona

State optional legislation did not meet Federal requirements and we felt that Federal administration was inefficiently handled and that their requirements were unrealistic and arbitrary for State performance in conjunction with Federal administration.

Colorado

Our decision to administer the SSI optional supplement was made during the early months of 1973 when the "fine print" of SSI rules were nonexistent. (At that time, enabling legislation was passed for such Federal administration at the option of the rulemaking authority (the State Board of Social Services)). The option then was not taken due to lack of knowledge about SSI operations. This year the option has not been taken due to very adverse reports from several States who accepted Federal administration of State-optional SSI supplementation. These reports chiefly have been to the effect that costs have overrun estimates, inability to secure proper accounting of State funds involved, and general unresponsiveness of the SSI administration to attempts by States to "get a handle" on the problems.

Connecticut

No. The State's decision not to elect Federal administration was based primarily on a lack of confidence in SSI's ability to effectively administer the program and accurately account for the disbursement of the State's funds. It was also felt, based on the original caseload projections, that the States' expenditures would be substantially increased.

Illinois

Although Illinois elected Federal Administration for the first nine (9) months of 1974, we elected to withdraw because of types of

variations in payment levels as well as for reasons of dissatisfaction with SSI computer system operations. Unfortunately, it became only to clear that the computer system was not ready in January 1974, and it is equally apparent now that the SSI computer system cannot accept transactions to accurately determine the State liability regarding mandatory supplemental payments. It is worthy of noting, for example, that AABD couples cannot get their correct benefits following a divorce or even death of a spouse. Records for both parties must be cancelled and restarted in the correct amount. Many persons come to the State for interim aid because they report that SSI cannot correct their records in a timely manner. We hasten to point out that the State has no means to recoup aid of this type even though it should have been provided by the SSI Program.

Kentucky

Yes, our decision not to elect federal administration of our Optional Supplementation Program was partly based on limitations within the federal system. We wished to supplement persons in specific living arrangements not allowed under their specifications. In addition, other considerations affected our decision.

Minnesota

The limitations placed by the Department of Health, Education and Welfare on the number and types of variations in payment levels had no bearing on the Minnesota Legislature's decision to initiate a county-administered, optional supplemental program. The inflexible requirement that SSI eligibility factors had to be used in the federal administration of a state supplemental program was the primary factor leading to the Legislature's decision for county administration.

Missouri

The main reason Missouri elected to administer its own Minimum Mandatory Supplemental Payments program was to retain complete control of it. In addition, we were advised by SSA in August of 1973 that they could not administer the supplement because of the frozen dollar amount of payment which was provided for in State legislation for certain groups of conversion recipients. Under this provision, any increase of income provided an optional supplement in an amount over and above the MIL as provided in Federal legislation. Since this optional supplement did not fit the general guideline established for Federal administration of an optional supplement, SSA could not administer it.

SSA further advised, with regard to the conversion non-SSI-eligibles, that they could not administer this supplement because of the provision in State law that required that the amount of the supplement be reexamined and increased or decreased as the circumstances of the case changed. As long as it decreased, to fit their provisions for administration of the mandatory supplement; however, once the change in the amount of the supplement increased the amount of the increase above the MIL (which does not change) amounted to an optional supplement. This optional supplement also did not meet the general guidelines established for Federal administration.

North Carolina

It is believed that utilizing the State to administer the supplement for special needs will enable recipients to receive a more rapid response to their needs than the Federally administered system can provide.

Ohio

On April 1, 1975, Ohio elected to provide supplementation to individuals residing in particular living arrangements (boarding homes). We elected to administer the supplementation because of the high rate of error in Federal administered mandatory supplementation.

Oklahoma

Decision was based on assessment that Federal administration would not be responsive to needs of individuals and projection that systems and staffing would be inadequate for control. Providing Medicaid for the additional caseload that was projected was beyond the financial capabilities of the State.

Oregon

No. Believed state could be more timely and responsive. Has proved true with very little add-on cost above what state would have to do even under federal administration.

South Carolina

Our State administered Optional Supplement program to SSI and/or Mandatory State Supplements in boarding homes affects less than 1000 recipients. After consideration of how confusing the Federally administered Mandatory Supplement program is to both SSA and DSS and also how many erroenous payments have been made, it was decided the State would administer its own Optional Supplement.

Virginia

During our discussions regarding the feasibility of Federal administration, we were also investigating the possibilities of expanding our supplementation to include individuals in domicilary facilities. These plans were being based on the expectation that payments would cover actual cost of such care. This approach to supplementation would have resulted in a variety of payment levels which would have been incompatible with constraints imposed by the Social Security Administration. Other than this basic limitation our ultimate decision was heavily weighted with caution to provide for some operational experience before opting for Federal administration.

West Virginia

Our decision to administer the mandatory supplemental payments to eligible converted SSI cases was based on a number of factors including the relatively few checks that would need to be written and the desire to have immediate control over the State funds entrusted to the Department. The limitations placed by the Department of Health, Education, and Welfare on the types of variations in payment levels that Social Security would administer was not a significant factor in our decision making. We could have had our supplements administered within their limitations.

K. MAJOR PROBLEM AREAS

Question 10: **Please indicate which, if any, of the following matters continue to be at this time and in your State a major problem area: (Check as many as apply.)**

The length of time it takes to process SSI applications for the aged.

The length of time it takes to process SSI disability applications.

Social Security Administration determination of medicaid eligibility.

The taking and processing of applications for SSI in the case of institutionalized persons.

Social Security Administration accuracy in administering State supplements.

Social Security Administration's handling of Federal-State financial transactions related to SSI.

The State data exchange (SDX) tapes with respect to accuracy.

The State data exchange (SDX) tapes with respect to timeliness.

Other(s)—please specify.

On the basis of the responses to the questionnaire, it would appear that all of the items listed were considered to be major problem areas by significant numbers of States. States which checked specific items were:

Length of time it takes to process SSI applications for the aged—This item was checked by 19 States: Alabama, Arizona, California, Colorado, Florida, Illinois, Iowa, Maine, Mississippi, Montana, New Jersey, New Mexico, New York, North Carolina, Pennsylvania, Rhode Island (Department of Community Affairs), Tennessee, Texas, and Vermont.

Length of time it takes to process SSI Disability applications—This item was checked by more States—39—than any other: Alabama, Arizona, California, Colorado, Connecticut, Delaware, District of Columbia, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Mississippi, Montana, Nebraska, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island (Department of Community Affairs and Social and Rehabilitative Services), South Carolina (Department of Social Services), Tennessee, Virginia, Washington, Wyoming, Texas, Utah, and Vermont.

Determination of Medicaid eligibility—Seventeen States checked this item: Arkansas, California, Florida, Georgia, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Montana, New Jersey, New Mexico, New York, North Carolina, Tennessee, Texas, and Vermont.

Processing of applications for institutionalized persons—This item was checked as a problem by 25 States: Alabama, Arkansas, California, Colorado, Delaware; District of Columbia, Florida, Georgia ("Initially a problem but is being resolved..."), Illinois, Iowa, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Montana, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Oregon, Tennessee, Texas, and Vermont.

Social Security Administration accuracy in administering State supplements—Twenty-four States checked this item as a problem: Arkansas, California, Delaware, Florida, Georgia, Hawaii, Indiana, Iowa, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, Montana, New Jersey, New York, Ohio, Pennsylvania, South Carolina, Tennessee, Utah, Washington, and Wyoming.

Social Security Administration's handling of Federal- State financial transactions related to SSI—Twenty-six States checked this item: Alabama, California, Delaware, Florida, Georgia, Hawaii, Illinois, Indiana, Iowa, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, New Jersey, New York, Oregon, Pennsylvania, Tennessee, Utah, Vermont, Washington, and Wisconsin.

The State data exchange (SDX) tapes with respect to accuracy—Thirty-four States checked this as problem: Alabama, Arizona, Arkansas, California, Connecticut, Delaware, Florida, Georgia, Hawaii, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Michigan, Minnesota, Mississippi, New Jersey, New Mexico, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island (Department of Social and Rehabilitative Services), South Carolina, Tennessee, Texas, Utah, Virginia, and Wisconsin.

The State data exchange (SDX) tapes with respect to timeliness—The problem of SDX timeliness was checked by 24 States: Arkansas, Delaware, Florida, Georgia, Illinois, Iowa, Maine, Massachusetts, Michigan, Mississippi, Montana, Nebraska, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island (Department of Social and Rehabilitative Services), South Carolina, Tennessee, Texas, and Washington.

A number of States had other problems which they wished to call to the attention of the Committee. Some also added explanations for the items they had checked.

SELECTED NARRATIVE RESPONSES OF THE STATES

Alabama

In response to "Social Security Administration determination of Medicaid eligibility"—SSA determines Medicaid eligibility only for SSI recipients, who are automatically eligible for Medicaid by virtue of their payment eligibility status.

In response to "Social Security Administration's handling of Federal-State financial transactions related to SSI"—Relations have been unsatisfactory in this area because SSA has, so far, refused to repay Alabama money owed because of overpayments resulting from SSI errors.

In response to "The State data exchange (SDX) tapes with respect to accuracy"—There have been many complications arising from SDX errors, and constant changes in codes and data elements have also created problems.

In responde to "Other"—Medical Services Administration which administers the Medicaid program in Alabama) has had problems receiving timely and accurate information about SSI recipients from SSA.

Arkansas

Although the SDX System still remains a major problem in administering the medicaid program, the sinlge most significant problem in the program remains the degree of accuracy with which the Supplement Program is administered. Both in our own sample study and in the recent audit program conducted by HEW auditors with par-

ticipation of the State Legislative Audit Division, the error rate in supplementation approaches 50 percent. Further, the accounting process by the Social Security Administration to the States in relation to federally administered State supplementation is totally inadequate.

California

1. Redetermination of Eligibility. The redetermination of eligibility for each recipient must be done at least on a yearly interval as provided by Federal regulation (20 CFR 416.222). To accomplish this, between 40,000 to 45,000 cases a month would have to be reviewed in California. Federal performance reports indicate that the Social Security Administration has not been able to even approach this figure. For example, 10,000 redeterminations were in September 1974. As a result, the SSI/SSP discontinuance rate is running about one-third the rate of what it was under the former programs. This could mean that as many as 6,000 ineligible persons a year are continuing to receive grants. The estimated cost approaches $8 million in this fiscal year and could go up to $23 million in fiscal 1975-76. There are also expected to be up to 2.6 million in unnecessary Medi-Cal costs due to this problem.

2. Monitoring of Mandatory Supplementation Cases. Federal law requires that no individual who received aid in December 1973 be granted less useable income under SSI/SSP. Several problems arise from this requirement. These individuals' grants can only be reduced by applying June 1973 rules to any change in their circumstances. The State, through the counties, is to inform SSA when changes in grant levels would be authorized under June 1073 rules. To date the SDX system has not been able to accept these data, and, additionally, SSA has not made basic policy decisions necessary to monitor these cases. Meanwhile, possibly as many as 75,000 recipients continue to receive incorrect grants.

3. Inadequacy of Quality Assurance. Federal Quality Assurance staff select a sample of 250 California cases each month and review these cases for accuracy of eligibility determination and grant amount. These reviews are applied to the caseload to provide an estimate of the total number of erroneous payments. In this process, Federal Quality Assurance has yet to provide State quality control reviewers with any statistically reliable data.

The State on its own is reviewing 50 cases a month and we are beginning to get some feel for the number of program errors that exist. However, a sample of 50 cases per month does not have sufficient statistical reliability for management purposes. Federal regulation, as well as the State's contract with SSA, requires that this quality control program be run essentially the same as the aid to families with dependent children quality control program mandated by HEW.

If SSA would honor that principle the State would receive monthly reports showing error rates, causes, trends, etc. That information has not been forthcoming. We believe this information is crucial since it provides the only source of statistically reliable, impartial data concerning the viability of the SSI/SSP Program. There have been recent indications that SSA will provide this data, but as of this date nothing has been forthcoming.

4. Timeliness of Payments. For a variety of reasons, recipients continue to experience delays in receiving their regular SSI/SSP checks. While this problem has diminished considerably since the early months of 1974, it continues to point to a serious gap in the federal payment system. The State through the counties operate an emergency loan program to assist recipients until the SSI/SSP check arrives. Because the only source for repayment for those loans is the recipient himself, a large portion of these funds are never recovered. Unreimbursed costs through fiscal 1974–75 are expected to run to $8 million. These costs are incurred due to SSA inability to "act promptly to determine and pay the correct amount . . .". Therefore, we believe such costs should be borne by SSA. The ultimate solution to the problem, of course, is to have adequate provisions for check replacement or emergency payments within the federal payment system.

5. Money Management. Federal regulation (20 CFR 416.601) requires SSA provide a "representative payee service" for recipients who are unable to safely handle their grant for reasons of mental disability or addiction to alcohol or drugs. SSA has failed to either perform this function or fund the State to do so. The result is that either this administrative function is being performed out of limited social service funds or not being performed at all. The human consequences are easily imaginable.

6. Disability Determination. The Department of Health determines, under contract with SSA, if recipients met disabled or blind criteria. Under this arrangement, several problems have developed. Among these is the fact that SSA is requiring more evaluations than they are paying for. Department of Health has also been required to conduct unfunded special projects for SSA. Additionally, SSA is not requiring recipients identified as possibly temporarily disabled to return for follow-up medical review. The potential costs of this are estimated to be $1.2 million in SSP funds and $1.9 million in Medi-Cal.

Connecticut

The State is concerned not only with the inordinate amount of time required to process SSI disability applications, but with the more restrictive title II disability criteria applied to these cases, especially the 12 months disability durational requirement. The 12 months rule was developed for a national disability insurance program (title II) and is being used in a national welfare program (title XVI). The populations served by the two programs are quite different and the use of the restrictive title II disability criteria effectively disenfranchises a substantial number of otherwise eligible persons, thereby placing the financial burden for such cases on the State or local governments.

Delaware

The most severe problems confronting the State of Delaware are mainly with respect to the Data Processing of the SSI program originating in Baltimore, Maryland. The tapes were inaccurate as well as delayed and the errors were considerable. Unfortunately we have been unable to rectify this because it is completely controlled by the SSA computer center.

Hawaii

Other—Delay in generating initial payment to SSI eligibles. Conservative use of presumptive eligibility provision.

Illinois

Our comment regarding "Social Security Administration's handling of Federal-State financial transactions related to SSI" is with respect to the failure to complete an audit of the first nine (9) months of Federal administration of mandatory payments. We expect the audit of the first six (6) months to reveal up to $5 million of State moneys was overpaid to AABD persons converted to SSI.

Our comment regarding "the State data exchange SDX) tapes with respect to accuracy" is that we continue to find problems with social security account numbers. Pseudo numbers are still being used rather than assigning a regular account number to persons who previously had no social security number; in some instances one individual appears to be receiving benefits under both a pseudo number and a regular number; in other instances we have found spouses to be assigned the same number. As an aside, it would be beneficial to the States if SSI applications could be included on the SDX tapes.

Our comment regarding "the State data exchange (SDX) tapes with respect to timeliness" is that they need to be received more promptly; i.e., immediately following their generation within the SSI system. Additional priority to tape-to-tape transmission with State agencies is perhaps the single answer.

Iowa

All of these have been problems throughout 1974 and continue to be problems at this time. Again, we urge that Social Security staffs be made adequate to correct these problems.

Louisiana

It is felt that a number of problems should be mentioned that are not specifically covered.

(1) Although SSI has a policy that changes in address must be reported by the recipient, the checks are forwarded thereby causing the recipient, to be lax in reporting changes—this results in problems to the State concerning the medical program.

(2) When a recipient's status changes from self care to institutional care the SDX tapes although timely are not accurate. Changes occur in the recipient's situation that never appear on the SDX tape.

(3) Difficulty occurs when staff determines medical eligibility on CAP cases changes constantly occur in SSI policy relations to income and income requirements that are not disseminated to State staff.

Massachusetts

Significant overpayments, no grant adjustments, lost/stolen checks, State as primary source of information, Federal money for cost-of-living, disability definition.

Minnesota

In addition to the items checked on the questionnaire, Minnesota continues to experience a relatively serious problem in relation to

overpayments which are still being made in the form of mandatory supplements. It appears that the correction mechanisms, which are available to the district and branch Social Security Administration offices in Minnesota, are not effective, as errors many times remain unchanged. The number of cases in this category in Minnesota is small in comparison to the national picture, but is serious from our standpoint.

On several occasions, we brought to the attention of the Commissioner of Social Security our urgent need to be provided with payment history information which we understand is available. It is essential that we have this information in order that we can reconcile the monthly billings to the county welfare departments as they share a 50-50 payment responsibility with the State. This has led us to seriously consider local administration of mandatory supplements. We are considering making this change as early as October, 1975, if current problems cannot be resolved.

Mississippi

Length of time for SSI processing, accuracy, and handling by SSI. While we have not had appreciable complaint about the length of time required for processing SSI applications for the aged, we know of many instances in which the processing of SSI disability claims has taken many months, usually from 6 months to 1 year. We have noted this in AFDC cases, as disabled children finally approved for SSI disability payments will receive back payments for nearly a year, following the filing of a claim. This has resulted in overpayment of AFDC on our part, as we had continued the grant pending the processing of the SSI claim.

SSI accuracy in administering State supplements. This matter has been and continues to be a grave problem. Several basic problems exist with reference to this difficulty, and we have organized our material around the following problems; covering each in more detail below:

1. Maintenance of the minimum income level (MIL). At the time of assumption of administration of SSI, SSI refused to accept our tapes giving our minimum income level, State-computed income. and amount of the supplement as we had determined it and had administered it from January–June 30, 1974. We did not understand this refusal until September 1974, at which time it became known to us and other States that SSI was using their own conversion MIL (minimum income level), and their own method of computing net income. That is, instead of following the method required in Public Law 93–66, passed in July 1973, for handling income (State method), they used and continue to use federal countable income, averaged for the quarter. Their method of course produces a figure for the mandatory State supplements to be paid at variance with the one that would result if they had used our method of computing net income, and a payment different from the one we calculated. Thus their payments are in excess of the State funds which the department has to finance this provision. If we had paid SSI what they billed us, we would have not had not more than an eight or nine-months' appropriation.

Until we learned about their method in September 1974, we were

bewildered as to the reason for the disparities in the amounts they paid, and the ones we had calculated. Only within the past month has SSI published on a nationwide basis that they are unable to handle MIL maintenance or changes in income of clients. They did agree to reduce supplements to reflect changes in special needs, provided welfare departments resubmitted forms showing the changes. We have not redone this work, as our counties have already completed their forms month by month and forwarded them to the SSI offices. We have been asked to throw away all of these forms, representing many hours of work on our part, and to refrain from notifying them of changes in income.

2. Overpayments and payments to ineligible persons. We will use only a few case illustrations of the most glaring errors, as follows:

(a) A former OAA recipient, never having qualified for a supplement because his income under SSI was more than previously, without change in circumstance or income, began receiving a supplement in the amount of $466 a month in November 1974. The county office learned of this payment from review of the SDX sheet which we sent, taken from SSI payment tapes, so that we alerted the local social security office immediately. The man continues to receive $466 a month from Mississippi State funds, after repeated notices to the Regional SSI office, both written and verbal, and to date are not sure that these excessive payments do not continue to him for May, 1975. Our maximum payment under the adult categories was $75, so that there should be no way for the SSI computer to issue mandatory supplement checks in excess of $75. While the amount which this man receives improperly is unusually large, the problem is not unusual. For example, the SDX tape for April 1975 showed that SSI had issued 64 mandatory State supplement payments in excess of the $75 maximum, for a total of $10,821.06.

(b) Each month the SSI tapes sent here list persons who were not Mississippi adult recipients, and who are not entitled to supplements from our funds. Yet we are billed for these payments. For example, the SDX tapes for April 1975 show payments made to 110 persons, amounting to $3,747.83. Some of these are persons who have moved to this State and who have received supplements elsewhere, added improperly to our rolls.

While these amounts may appear small, when such payments are made month after month from a relatively small appropriation, they constitute a drain on the funds, as well as illegally paid amounts.

3. Statistical and fiscal reports from SSI. While the Legislature holds the Mississippi Department of Public Welfare accountable for the use of these appropriated funds, we do not have adequate reports from SSI as to the expenditure of the money. We have asked that SSI furnish us reports of funds which they receive, disburse, and return to us; the number of mandatory supplement payments made and the number of mandatory supplementary payments discontinued on a monthly basis. While funds are credited to us on their expenditure reports, we do not know what these funds represent; that is, why they are returned to us and for what month they are to be credited.

SSA's handling of Federal-State financial transactions related to SSI. We have discussed with the SSI regional planning officer and his

staff on numbers of occasions, verbally and in writing, the overexpenditure and misuse of our State funds, have written the central SSI office, and finally have communicated with our Senators in Congress about this problem. We have been billed for the mandatory State supplement far in excess of amounts which should have been expended. For example, for June 1974, the last month for which we administered the mandatory State supplement, our payments totalled $225,734.75. Effective for the month of July 1974, the maximum payments for SSI were increased from $140 to $146 for one eligible person, and from $210 to $219 for two eligible spouses. The mandatory State supplements should have been reduced accordingly, and some closed.

We estimated the July 1974 payments to be about $155,000.00, and a total of $1,755,000.00 for the fiscal year 1975. Instead, payments which SSI made for July 1974 amounted to $225,660.09, only very slight less than the total we had paid for June prior to the increases in social security benefits and SSI payments. Through the month of March 1975, SSI had made mandatory State supplement payments in the amount of $1,747,971.51.

In addition, it is impossible for us to reconcile the expenditure reports which we get from SSI with the SDX files which they send us. After extensive discussion with our fiscal and legal officials in the State, and after due notice to the SSI regional planning officer, we are forwarding to them amounts for the mandatory supplements based on the careful estimates which we made of the cost of this provision at the time of our request for State funds, and revised from time to time as changes have come about. See the correspondence with Mr. Dahm, SSI regional planning officer, in this connection, copy attached.

The State data exchange (SDX) tapes with respect to accuracy and timeliness. The SDX file which SSI designed for State use was intended to provide States with timely, comprehensive, and accurate data on each of the aged, blind, and disabled persons who were receiving assistance in the adult categories in the State as of Decemer 31, 1973, or who applied prior to that date and were subsequently approved as of December 1973. The SDX system has failed in its designed purpose. Such failure can be ascribed to two basic factors:

1. Computer programs which erroneously manipulated various data elements of client records.

2. Inability to correct information system errors generated by improper processing.

a. Initial conversion errors. Initially, SSI requested us to provide an individual record for each former recipient. The data elements comprising these records are included in Attachment A. Then SSI provided forms to show changes in individual data elements; see Attachment B for the individual change record form. Form SSA-2671, client data records, to provide SSI with information on special needs and special living arrangements, were provided us and completed by our county departments; these were used as manual input documents for processing. See Attachment C for this form.

In processing these initial tapes and documents, SSI distorted several significant data elements, including the social security account number

and the welfare case number. This type of error made any attempt at reconciling or matching the State and the SDX file extremely difficult.

SSI provided the amount of their payment to us on the SDX tape. When we received the SDX tape in January 1974, we had two major problems: inability to properly match cases, and incorrect SSI payment amounts. Obviously, when the SSI payment amount was incorrect, the amount of our supplement was incorrect. It is our understanding that responsibility for these erroneous payments has been assumed by SSI.

b. Errors on assumption of administration of mandatory State supplement by SSI. When the administration of the mandatory State supplements was assumed by SSI, we had computed these payments initially, using as the amount of the mandatory supplement the difference (basically) between the SSI payment amount and the State grant amount. During the time of State administration, January 1-June 30, 1974, we had adjusted the amounts of the mandatory supplement as changes came about in the client circumstances, either in special needs or income. We had closed some cases because of ineligibility for various factors.

At the time of planning for the transfer of the administration of the mandatory State supplement from the Department to SSI, it was agreed that, in addition to other data elements, SSI would accept the State's May 1974 payment as the basis for computing the July 1 mandatory supplements. The Department was to provide to SSI the records of the supplement cases in the format shown on Attachment D, as requested by SSI. The Department placed on the tape the mandatory supplement amounts in the field "State Grant Amount" on the SDX file.

In order to give effect to the increases in social security benefits and to the increase in maximums for SSI payments, SSI was required to compute a minimum income level (MIL). In doing this, SSI used the federal countable income, based on the prior quarter's income in their SSI files, and computed the MIL based on this figure.

In a number of cases the prior income included lump-sum social security payments, some of which were in excess of $1,600. The use of income based on an average which included these lump-sum payments resulted in an excessively high MIL, which in turn resulted in a number of supplement payments in excess of $900 for one month. Our maximum for the adult categories was $75 a month. An examination of the May 1975 Treasury tape for this State showed 65 cases with payments in excess of $75, and one case which was still receiving payments in excess of $600.

The State, in coordination with Region IV staff in Atlanta, has been working for over a year in attempting to secure from Baltimore a resolution of these problems. While some progress has been made, other errors have been occasioned by the correction process.

The above material is a brief outline of the most significant problems caused by invalid data. There continues to exist a myriad of problems with other data elements. For example, there are errors in birthdates; pay status codes; county codes, which SSI claims are impossible to correct; names; addresses; and race/sex code.

Missouri

Since Missouri is administering its own Minimum Mandatory Supplemental Payment Program this has presented no problem but we definitely believe the termination of the conversion agreement on December 31, 1974 was completely arbitrary on the part of SSA and further that the agreement for conversion expense reimbursement should have continued for at least another year.

Although the current information we are receiving on the State Data Exchange System (SDX) is proving to be quite accurate, this has not always been so. As a result of earlier errors, our Division of Family Services field staff is still having to review cases on which early conversion errors occurred in order to determine correct case classification and to make the necessary recommendations for retroactive and/or deficiency payments when they are due the recipient.

Missouri also has over 8,000 cases that are still in forced payment status (not being paid electronically by SSA). This necessitates hand processing for payment of these cases by SSA for the Federal payment and by the State for the Minimum Mandatory Payment. The continued processing of these early error cases and the forced payment cases is considered by our State Agency to be a conversion expense "beyond the scope of normal administration of the State Minimum Mandatory Program." Our Division of Family Services cost projections for this work over the coming six months are well in excess of $100,000 and we believe that we should be reimbursed for them and such other abnormal conversion administrative costs that might arise.

The SSA-Missouri interagency agreement for mandatory supplementation is also presenting additional cost problems. This agreement clearly States that SSA will provide the "Title XVI benefit and any other income" of currently eligible conversion recipients, but on February 27, 1975 we were advised by SSA that certain types of income, even though required to compute the correct Minimum Mandatory payment, would not be provided to us on the SDX system or by any other method. This decision will require additional hand monitoring of thousands of conversion cases by State staff in order to make the correct supplemental payment to eligible recipients.

Nevada

The accuracy of payments is a concern. If a payment is less than should be paid, the client does not have the total resources to provide the necessities he should have. This is a primary concern when you realize that the basic SSI payment is still below the poverty level. Overpayments are a concern also. We are developing a computer program to track each supplement that is paid over the maximum supplement allowed. These overpaid dollars cover dollar for dollar from the State and add to our total welfare cost, making it more difficult to add to or improve other financing or services. The SDX has greatly improved since the beginning but still has not proved its reliability. We will hold our final evaluation on the SDX system until we find out how the changes caused by the new social security increases are managed by the system. The minimum income level maintenance has not worked from the beginning. This contributes to the overpayment problem.

New York

All of the items listed continue to be a major problem in New York State:

a. The length of time it takes to process SSI applications for the aged is extremely long as compared to the former AABD program. A sample of the SSI application and determination processing time showed the average time from application to receipt by the State of processed data to be approximately 88 days. Normal processing time under the former AABD program was less than a week.

b. Although the length of time it takes to process SSI disability applications has been reduced, the length of time is still unduly long. It has been reported that some cases still take in excess of 6 months.

c. Medicaid eligibility determination continues to be a problem, especially for cases in which disability is claimed.

d. The taking and processing of SSI applications for institutionalized persons remains a critical problem in metropolitan areas. The New York State Department of Mental Hygiene has reported problems in getting applications processed for their patients in State institutions. Other facilities have reported long delays in obtaining SSA interviews.

e. The accuracy with which SSA administers State supplements is a subject of much concern to the State. Since SSA has not allowed the State to maintain or adjust the Minimum Income Level (MIL), mandatory supplementation cases which have had changes in living arrangements are being overpaid at State expense.

f. The SSA's handling of the Federal/State financial transactions related to SSI is under constant review by the State. Using federally generated data (the SDX) and methodology, the State determines its fiscal liability and compares it to the Federal billing statement (form SSA-8700). This comparison shows great discrepancies and SSA has not been able to provide adequate documentation for the amounts of its bills.

g. and h. Problems of the State Data Exchange (SDX) system are described in the attached document, "SSI, New York's Perspectives."

North Dakota

In addition to the major SSI-related problem areas identified on the questionnaire, the following represent what we believe to be other significant problems:

a) Maximum SSI payments to persons in medical facilities who are legally entitled to only $25;

(b) Inconsistencies and contradictions in SSI policy interpretations between the various Social Security Administration district offices;

(c) Frequent inability of the Social Security Administration to respond to reported changes in circumstances in terms of modifying the amount of SSI payments; and

(d) The extreme harshness and rigidity with which disabilities are sometimes determined by the Social Security Administration.

Ohio

Ohio has been in frequent communication with Bureau of Supplemental Security Income over its concerns regarding the accuracy of SSI payments. An HEW audit team (report not final) indicated that

90% of the cases they reviewed had federally caused errors. As a consequency the State has begun a review of all cases in which there is a State Supplementation of $100 or more. Preliminary indications are that there should be no supplementation in any of these cases.

If this trend holds, it would mean that the $40,000 plus per month in mandatory supplementation for these 354 cases were inappropriately spent.

Pennsylvania

All of the checked items are severe problems. We consider of major importance to our operations SSA's apparent inability to provide us with the kind of fiscal accounting of the State's supplement that SRS requires of the State to justify federal payments for AFDC.

Also of major importance to us is SSA's tendency to interpret the law in the narrowest possible way. An example already cited is the interpretation placed on interim payments. Others of even greater impact have been the criteria established for disability determinations, the standards set for deeming income, application of the grandfathering provisions for converted cases, assumption of in-kind income, and practically every area in which there is latitude within the law. The result has been that some 6,000 cases converted from our adult rolls to SSI have returned to the State rolls, most of whom must be supported solely by State funds.

Rhode Island

Rhode Island feels very strongly that the Federal law is woefully inadequate when it comes to emergencies in meeting needs of people who are pending receipt of SSI or whose receipt of payment, for whatever reason, may have been interrupted. (Stolen checks, etc.) This is clearly the responsibility of the Federal establishment since the avowed intent of SSI is to meet the needs of impoverished Aged, Blind and Disabled citizens. Until these needs are addressed by the Federal establishment, Rhode Island does not feel that it is meeting its commitment.

Tennessee

We feel that there are still some problems with all areas mentioned here. The State Data Exchange (SDX) Tapes, with respect to accuracy and timeliness, are particularly severe problems that must be resolved in order for the program to function smoothly.

Texas

Regarding the length of time it has taken to process SSI applications, the States are not provided with statistical data from which to make such determinations. Data regarding pending applications, and timely processing of these applications should be made available on a monthly basis. However, in the case of a person unable to go to the SSA office in person, as in the case of disabled persons, the processing takes an inordinate amount of time.

Determination of medicaid eligibility by the Social Security Administration has provided the State with certain problems. This problem is covered in detail in 7a. (3) above. Another one of these problems is the "informal denial" of individuals who apply for SSI benefits. To reiterate what was covered above, the area in which problems

exist in the instances of applicants in nursing facilities, especially those individuals who have countable income between $25 per month and the SSI maximum, and who are denied SSI benefits in the month following entry into the nursing facility. The SDX data does not always identify these persons adequately for the State to initiate a separate application for medical assistance.

While the accuracy of SDX data has substantially improved since late in 1974, the data contained in the SDX record are not adequate for usage by the State in making payments for nursing care. Again the lack of historical data also causes problems in payments for medicaid providers.

Again, with respect to timeliness of the SDX tapes, these are now being received weekly although the contract with the State calls for daily updates of SSI transactions. The State has been promised tape-to-tape transmission. When and if this is delivered, this situation should be improved. Some upgrading in the quality of SDX data has been noted, also. DPW is able to provide with some notable exceptions, newly eligible SSI recipients their Form 86 for Medical Services within a week of their becoming eligible.

Vermont

Strongly encourage that a time frame for determining initial and continuing eligibility reviews be established. Recommend that all initial determination decisions for the aged and blind be rendered within 30 days and for the disabled within 60 days.

Virginia

In addition to the responses identified on the questionnaire, I would like to simply restate the aforementioned problem as regards the incidence in which Title II entitlement is established and the benefit amount would obviously qualify the individual for SSI, yet this is not routinely pursued.

West Virginia:

The length of time taken by Social Security in processing SSI applications for the aged is not as short as the State formerly required, but is not a significant problem. Some applications reportedly are processed within ten days to two weeks.

The length of time taken to process disability applications is remarkably short considering the difficulty both the State and Social Security experienced in arranging for specialist examinations. It is my understanding that disability cases require 50 days to be processed in West Virginia and an average of 46 days in the other five States of the region. A liberalization of the SSI regulation concerning presumptive disability decisions could shorten the processing time considerably in many applications.

Social Security's determination of Medicaid eligibility is not transmitted to the State in a timely manner and this has forced us to obtain this information on the local level and confirm the data later when the data exchange tapes are received.

Initially problems were experienced in the processing of applications of persons in institutions. As a result of a series of discussions involving Welfare, Mental Health, and Social Security staff, these problems have generally been alleviated.

State data exchange tapes comprise the main problem now being experienced with the SSI Program. It is often inaccurate, garbled and generally of questionable worth. The transactions reported are delayed but a tape is received regularly. As a basis for providing Medicaid coverage, computing supplements and adjusting food stamps countable income, the SDX system is not dependable.

L. EFFECT ON GENERAL ASSISTANCE

Question 11: **Please provide any information you may have comparing the size and composition of your State and local general assistance caseload in 1972 and in 1974. We would be particularly interested in such information as the number of persons in each of these years getting general assistance:**

(a) Because their application for disability payments was not yet processed for payment.

(b) Because they were not eligible for disability payments because their disability was insufficiently severe.

Although the staff recognized that because of the varying nature of general assistance programs throughout the country the responses to this question would not be readily susceptible to analysis, it was included in the questionnaire in an effort to obtain some kind of overall impression of what was happening with general assistance rolls as the result of the implementation of SSI.

Many States do not administer general assistance programs and do not have data from localities. However, of the States that responded, 13 indicated a growth in caseload ranging from a low of 3.6 percent to a high of 53 percent. The two States which specifically cited caseload growth for single adults reported growth rates in excess of 50 percent. Five States reported a decrease in caseload. Two of these did not specify the exact changes, and the others reported decreases of 1.7 percent, 7.7 percent and 39.9 percent. Only four States provided any information regarding the change in expenditures. Two States reported expenditure growth of 22.1 percent and 39.3 percent. The other two reported decreases in expenditures—one did not specify the amount, the other indicated that costs had decreased 26.8 percent. One State reported that the general assistance caseload had changed from one that was predominantly made up of families to one made up mostly of individuals and couples.

Only four States provided information on persons getting assistance because their application for disability payments under SSI had not yet been processed for payment. New York indicated a 25 percent increase in such cases. Louisiana reported paying 670 such cases in December 1974; Oregon 1,175 cases in 1974; and Hawaii reported that approximately 4 percent of their single adult general assistance grants were emergency loans to SSI applicants.

Three States provided information on persons getting assistance because they were not eligible for disability on the grounds that their disability was insufficiently severe. One State described a 60 percent increase in such cases. Another State described a decrease of 2,530 cases. The third State responding to this question indicated that approximately four percent of its general assistance caseload was receiving assistance for this reason.

CHAPTER SEVEN

TELEPHONE INTERVIEW WITH DISTRICT OFFICE PERSONNEL

In May 1975 telephone interviews were conducted with district office personnel in more than 50 offices located in 48 States and the District of Columbia. These interviews were designed both to assist the Committee staff in learning more about the SSI program and its operation, and, more importantly, to solicit the views and observations of the social security personnel who were engaged in the day-to-day administration of the program.

Those interviewed included: 23 claims representatives (who have basic responsibility for taking and adjudicating initial claims and for handling the more complex posteligibility actions), 7 service representatives (who are responsible for routine posteligibility questions and changes), 6 operations analysts (who perform sample reviews of the work product in the district office), 4 supervisors, and 12 managers or assistant managers.

The offices called were selected randomly, although an effort was made to include a good sample of cities and towns of various sizes. Offices had been notified by a memorandum from Baltimore in April that a telephone interview would be made and that their office might be included. However, Finance Committee staff selected the offices and the types of personnel who were to be called. Offices were called without any prior specific notification. Persons interviewed were told that the interviews were confidential and that they and their offices would not be identified in any report which might result from the survey. They were asked to answer questions frankly, objectively, and realistically.

Most of the questions which were included in the interview are given in the summary which follows. Although it was the feeling of the staff that the answers which were received were probably basically reflective of the views and thoughts of district office staff generally, the interview was never regarded as a scientific sampling. Obvious limitations were: the interviews were conducted by four different persons who used their own personal techniques; the interviews were not recorded but were written up from notes taken by the interviewers; and the interviewers generally attempted to make the interview informal, with the result that in some instances no great effort was made to obtain precise answers—the general reactions and views of the employees were considered more useful.

It should also be observed that upon tabulation it was discovered that the claims representatives who were interviewed were on the average considerably more experienced and of higher GS grade than is the case nationwide. Also, as it turned out, a disproportionate number of the managers and assistant managers were from small offices.

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A. Adequacy of Personnel

Because of the frequently heard complaint that social security district offices did not have sufficient personnel to handle the workload which resulted from the implementation of the SSI program, the telephone interview included a number of questions designed to solicit the views of employees on this subject.

In general, the responses support the conclusion that social security employees overwhelmingly believe that their offices do not have sufficient personnel to do even a minimally adequate job of handling the workload which they have.

Of the 23 claims representatives who were asked the question "Do you feel that the number of claims representatives in your office is presently sufficient to do at least a minimally adequate job of handling the workload you have now?", only eight answered in the affirmative. One of these pointed out that his office was in a high income area and therefore had a very low SSI caseload. Two others emphasized that their offices were doing what they considered to be only a minimally adequate job, and that to improve service would require increased personnel.

Of those who answered in the negative, the harmful results noted for the SSI program were varied. Among the problems mentioned, however, were the inability to keep up with new instructions, inability to conduct quality interviews, inadequate attention to redeterminations, lengthy processing times, and inability to keep track of changes in the recipients' circumstances and do adequate investigative work. Several referred specifically to the adverse effect on the quality of the claims decision.

All of the four supervisors interviewed indicated that their offices were understaffed. All indicated also that they were concerned about the quality of the service being performed. According to one, "The Social Security Administration's traditional image as a service organization can no longer be presented." Another stated that she feels that people cannot have the same confidence in the social security system as they did three years ago, before SSI. Her observation was that they are paying the wrong amounts, paying late, and they are not sure what they are doing.

The managers and assistant managers who were interviewed also supported the view that their offices did not have sufficient employees. One of the 12 who commented on this said that "The situation is not desperate—it's close to OK." The other 11, however, said that they did not have enough personnel. One responded with the observation that in addition to the problem of numbers, there was the problem of a new and inexperienced work force. "The most adverse result," he said, "is the effect on claimants when they don't get paid. We have the principle of public service engrained in us and we feel inadequate when we can't get those checks out." Another responded that "We can get along only because of temporaries and part-time help. This depresses morale. The conflicting instructions and constant systems changes have depressed morale, too. It has been a very frustrating experience for people who deal with people." The observation was also made that redeterminations were not being carried out with sufficient accuracy.

B. Overtime

Although it was recognized that a telephone survey would not result in any definitive statistics relating to the amount of overtime SSA personnel were working, it was decided that questions on this subject would give some indication of the amounts of time involved for at least some employees, and of their attitudes toward working overtime.

Claims representatives were asked a series of questions relating to their own overtime work and that of others in their offices. Only three of the 23 who were interviewed indicated that they personally were not working overtime on a regular basis. Nine reported their hours of overtime as being at the rate of 4–6 hours a week; two indicated as little as 2–3 hours; another eight specified overtime at more than six hours, including one who said that he worked up to 20 hours a week. A number stated that the amount of overtime they were being asked to work was less than it was in the first months of the SSI program.

All of the service representatives interviewed indicated that they were working overtime at the time of the interview. The number of hours ranged from four hours every other Saturday to 12–13 hours per week.

The operations supervisors were asked whether the claims personnel in their offices were currently being asked to work overtime. All four responded in the affirmative. They were also asked whether the continued use of overtime was creating any morale problems among the staff under their supervision. Two said yes—one stating specifically that employees were too tired to work overtime anymore, another that because personnel now believe there is no end in sight "it is having a terrific effect on morale." Two indicated that at an earlier period, when overtime was mandatory, it was a problem, but not with the voluntary overtime policy in effect at the time. Many of those who worked were happy to do so because of the extra money involved.

All of the managers said that their staffs were ordinarily working overtime, although one said that his office was not working overtime in that month. Personnel, he said, had been working Saturdays and two evenings a week since 1970, first as a result of Black Lung and then SSI. At this point, he said, his staff "was just too tired," and he wasn't getting any production out of the overtime. To the question of whether the amount of overtime has had a significant effect on staff morale and efficiency, 10 of the 12 managers questioned responded that morale and/or efficiency had been adversely affected.

C. Adequacy of Training of Personnel

Claims representatives were asked the question "Do you feel that at the present time you have been adequately trained in the SSI program?" (It might be noted that only four of the 23 claims representatives interviewed had less than two years experience at the time they were called; more than half had in excess of five years experience.)

Eleven of those responding indicated that they did not feel

adequately trained in the program and/or that they needed more training. Another said he believed he was adequately trained, but that others in the office were not. Several indicated that although initial training might have been inadequate, they were learning from experience. Two said that although they felt adequately trained in general, they needed more training in the systems area.

When asked about on-going training to keep up with changes, the claims representatives pointed to a number of problems. These included: training in changes is not as prompt as it should be; some instructions are not clear; there is too much material to absorb, file, and use; there is a lack of routine training sessions; clarity and timeliness of policy materials from the central office are inadequate.

All of the four supervisors who were interviewed indicated some deficiencies in the training of claims personnel, although two of them indicated that their offices conducted training sessions every morning. One commented that too much training is required, and that there is neither the time nor the manpower to do it. Another stated that in her opinion the personnel should have been trained more extensively earlier in the program.

Of the seven service representatives interviewed, four stated a desire or need for more adequate training in SSI. Four also indicated some inadequacy in their on-going training on changes in the system. Only one said that both her present level of training and the on-going training procedures were adequate.

Only two of the nine managers and assistant managers interviewed on this question answered with a clear affirmative when asked whether they felt that their operating personnel were adequately trained to do their job. One responded that although they were not as well trained as he would like, mainly because of rapid changes in policies, they were fairly well capable of handling an average job. Several responded that their problems were with new employees—that the initial training course of 12 weeks with one week spent on SSI was not sufficient, and that a fairly lengthy time on the job was necessary for them to be adequately trained. One said that it would help to have an intensive training period when employees first come to the office, but this is unrealistic in view of the current heavy workload.

D. Specialization of Claims Representatives

Some persons, aware of the complexities of the programs which a claims representative must be able to handle, have recommended that there should be some kind of specialization of the claims representative function. To elicit the views of these employees themselves, they were asked whether in their opinion there should be more specialization: for example, specialists who would handle SSI cases, specialists for Old-Age and Survivors Insurance, and specialists for disability. Three-fourths of those answering this question responded favorably to the idea of specialization. There were, however, references to drawbacks: it would be difficult if not impossible for specialization to be used in small offices; applicants are often applying for both programs; the claims representative job would be boring if limited to one specialty.

Those favoring specialization emphasized the difficulty of keeping up with new materials and instructions in many different areas, and the fact that errors are resulting from the individual claims representative's inability to know the programs as well as he should.

All of the four operations supervisors spoke favorably of the idea of specialization. According to one, "There is no way a claims representative can do both programs (OASDI and SSI) well." Another commented: "Only the brightest ones can handle the job now."

Managers were asked whether their offices were experimenting with specialization in the claims representative job. Four of the 10 commenting on this question said that they were. Specializations mentioned were systems, redeterminations, authorization of claims, special projects, Old-Age and Survivors Insurance, SSI, disability, manually computed SSI payments, and overpayments.

When asked whether they thought specialization was desirable, five managers answered affirmatively and one spoke in favor of specialization specifically in the systems area. Of the four who responded negatively, all commented that their offices were too small to make specialization feasible.

E. Claimant Waiting Times

Most individuals who apply for SSI have their applications taken by a claims representative. The 23 claims representatives in the survey were asked to give some indication as to how long claimants generally had to wait before seeing a claims representative in their office. More than half responded that on normal days the waiting time was 15 minutes or less. The maximum waiting time mentioned for normal days was 1½ hours. Nine of the claims representatives said, however, that on busy days the wait could be an hour or more. Five said that waits could be two hours or more.

Service representatives were asked the same question. All responses indicated that the waiting time for a claimant to see a service representative was relatively brief.

According to the operations supervisors who were included in the survey, waiting times for interviews on normal days ranged from "no wait" in one office, to two hours in another. With regard to busy days, three mentioned waiting times of an hour or less, but one said that four hours was not uncommon.

Seven of the managers who were interviewed answered in the negative to the question "Does your office have any problem with being able to handle the interviewing workload without making claimants wait for excessive periods of time?" However, four said that some days the wait can be 2–3 hours.

F. Outreach Efforts

Social Security Administration personnel in district offices generally do not believe that there are a substantial number of eligible persons in their communities who have not been reached with information on the SSI program. The following question was asked:

Social Security has been criticized for not adequately informing the potential beneficiary population of SSI. Do you think there are a substantial number of eligible persons in your community who have not been reached?

Eighteen of the 23 claims representatives said that they did not think so. One said that he "suspects there might be." Another commented that "even though there was an intensive search, more and more people keep showing up." One individual who answered yes to the question added: "I don't know whether we want to reach these eligibles—for example, the little old ladies who live in the suburbs with their kids. I believe we are reaching the real poor." One answered simply that he didn't know.

Four of the seven service representatives also answered the question in the negative. The other three made these comments: "Although it seems we should have reached everyone, they still keep coming." "If people don't know about it after the intensive outreach program, it is because they are isolated; if they don't apply it's because they are too proud." "Yes, there is a welfare stigma keeping some people out who have heard about it."

One operations supervisor said that he did think there were still a significant number of people in his service area who were eligible but who had not yet been reached. Another said he thought there were possibly some. A third said: "It doesn't seem likely. The welfare department routinely refers everyone to us." The fourth who was interviewed commented that "If there are any, it is not people eligible for the full benefit, only those eligible for a small benefit."

Of the managers and assistant managers queried on this point, seven answered in the negative. One said that he suspected there might be some, although the outreach program was very effective. The other who commented on the question said that he doesn't know for sure, but doubts there are any who haven't at least heard of the program. He noted, however, that overcoming the welfare stigma is difficult, and that it would help if the program were simplified.

G. Informal Disallowances

The allegation has been made that interviewers in district offices have discouraged significant numbers of individuals from making a formal application for SSI, often without sufficient information to justify such discouragement. The result has been, it is said, that many people have suffered "informal denials." For this survey, an effort was made to include a question aimed at getting some idea of how prevalent this practice might be. Specifically, claims representatives were asked: "What do you estimate is the proportion of interviews in which you discuss potential SSI eligibility without taking an application because the individual appears ineligible?"

Not everyone who responded to this question could or would specify a proportion—although 14 did say that it was very rare, or that the percentage was about 5%. One said that he feels that some offices take obviously ineligible claims in order to increase their workload statistics to justify more personnel. Another remarked that he talked with the claimant about 5 minutes before deciding whether to take a claim or not. One said that "Generally the receptionist screens these people out first." He noted that if they talked to someone

and didn't take a claim, there was an office policy that they must document why they did not take an application. Two claims representatives said that they nearly always took claims because their State departments of welfare want evidence of a formal refusal of SSI benefits before they will take an application for welfare. One said that if the person "is potentially eligible at all, I try to get them to apply."

H. Reasons for Denials

Claims representatives were asked to state what is the most frequent cause of denials, in their experience. Eighteen mentioned failure to meet the disability definition as one of the most frequent causes, although several of these also mentioned excess income as the principal cause for the aged. Five persons mentioned excess resources as a frequent factor; one mentioned excess income of the parents in the case of disabled children; one mentioned not showing up for disability examinations.

The question was also asked: "In the case of resource denials, what is the level and type of resource that causes the denial?" Half of the claims representatives replied by stating that resources are rarely a reason for denial. One indicated that sometimes there were denials because the value of the house was somewhat too high; four indicated denials had been made because of farm or land holdings; several mentioned denials based on excess money in the bank; one mentioned he had once made a denial because of excess value of a car.

I. Verification of Information Provided by Applicant

In order to learn what efforts were being made by claims representatives to verify statements on income and assets, they were asked to indicate the type of action they ordinarily take to verify claimants' allegations about the amount of their earnings, value of their home, insurance, savings bonds, and so forth. All replied with a list of procedures generally including requesting pay slips or checking with the employer for amounts of earnings, examination of bankbooks (although several mentioned that the policy was not to ask for a bank statement if savings of less than $500 are alleged), looking at the title to the car (one said his office did not bother to do this), looking at life insurance policies, and checking on the value of the home through tax notices or direct contact with the tax assessor's office.

The claims representatives were also asked whether they think the procedures they are using are sufficient to assure correct payments in the overwhelming majority of cases. Nearly all said that they did consider the procedures sufficient, although one said that "If someone is in the know and says he has nothing, there is no way to check." Another said the office should do more investigative work, but there are not enough people to do it. One who said that he thought the verification procedures were sufficient also stated, however, that "It's the changes you can't get people to report." Two indicated that they thought their procedures were more than were needed.

J. Review of District Office Work Product

Whether an individual is eligible for SSI and the amount of the payment depends on the findings of the claims representative and the information which is included by him in the individual's case file. In order to find out whether offices generally had in effect a procedure for reviewing the work of the claims representative, the following question was addressed to the claims representatives: "Is there any regular policy for a supervisor or higher official to review SSI claims which you authorize?"

Sixteen of the 23 claims representatives interviewed answered "no" to this question. Three stated that all SSI claims were reviewed. Two indicated that there were spot checks, at least. One stated that there was a policy of review, but the person designated to review was unable to do it because of time limitations. This person noted: "Everyone else in the office is a GS–5 or GS–6. There is only one GS–10, and she clearly can't review everyone else's work."

To the question "Do you feel that there are a significant number of errors which could be prevented by a more intensive review?", six responded with a clear "no." Five answered "yes." Others gave answers which were more difficult to characterize. For example: "Maybe a more intensive review procedure would help in the area of transmitting. Mostly the problem is a time problem. We have to work too fast." "I don't think we make that many errors in SSI. If errors are made, it is because of changes in policy or because no one knows what the policy is. Sometimes when we have questions we don't even get that firm an answer from the regional office." "A more intensive review procedure really would not help unless we have someone here who was a real expert. All of us in this office are learning together. There is no one who knows everything we need."

Operations supervisors were also asked whether their offices had a policy of reviewing SSI claims prior to authorization. Two of the four answered in the negative. One said that there was a spot review. One said that senior claims representatives (GS–10's) go over the work of other claims representatives. To the question of whether a more intensive review procedure would prevent a significant number of errors, two said that it would.

The operations supervisors were also asked what type of review was done in their office of the 8080—the form which is sent back to the district offices showing the action taken on a claim after it has gone into the system. The intent was to get some information on whether an effort was being made to check the consistency of the information returned on that form with what was in the claimant's original file. All answered that the forms were being reviewed, but all also indicated that this was not always done on a timely basis. One person indicated that "it may take 2–3 months between the time an 8080 comes back and the time it gets reviewed."

Operations analysts were also asked whether the 8080 forms were reviewed in their offices. Four said that they were, two said that they were not.

Operations analysts were asked whether, in reviewing SSI claims which involve judgmental decisions, they found that the case file

usually contained sufficient documentation to enable them to review the file for validity of judgment, or whether the review was confined to the question of technical compliance with instructions. All except one of the operations analysts (who had been on the job only for a few days) said that documentation was a problem in reviewing files, in that it often was incomplete.

Operations analysts were also asked:

> Certain types of title II claims involving "conspicuous characteristics" require a 100% second review in the payment center. Does your experience indicate that there should be a similar requirement for 100% review of certain types of SSI claims? If yes, please specify which types of claims you find are particularly error prone.

Five of the six responding to this question answered in the affirmative, with one stating that in their office there are experienced data review technicians whom she feels do a good job of review, and that a sample review should be sufficient to catch major types of errors. One commented that "One of the big problems in SSI is a lack of review." Another said "There should be a better review. The error rate is so high—25 to 45 percent."

Kinds of errors mentioned involved living arrangements, in-kind income, deeming of income, resources, and income.

Operations analysts were also asked: "Can you identify any SSI problems which have been corrected in your office because of the reviews you have been doing?" Answers were diverse. One said that she thought that just the fact that she had started her review has made people more error conscious. Another said "I would have to say no, but I understand that I may be used in developing training materials in the future and what I find in terms of factors causing errors will be developed for training materials for the claims representatives." Two commented that they thought their efforts had resulted in some improvement in systems areas. One said that documentation of the living arrangement had improved in her office.

To the question: "Would you say that the differences in accuracy from claims representative to claims representative is more or less pronounced for SSI claims than for title II claims?" Two said that errors were made in both programs about equally. Two said that the errors were more frequent in SSI, and one commented that older workers do better in title II than in SSI.

K. Presumptive Disability

The Social Security Administration issued guidelines in the spring of 1975 which specified new and additional circumstances under which a district office could make a finding of presumptive disability. To get some indication of how these guidelines were being implemented, claims representatives were asked whether their office had made any presumptive disability findings under the new relaxed guidelines, and when they had last made such a finding themselves.

The responses indicated some general familiarity with the guidelines, but most indicated that their office either never had made such a finding, had done so only very rarely, or if there had been a finding the claims representative was not aware of it. One said that he himself had made only one, but was becoming more attuned to the procedure since having a training course on it. Two indicated that they had

made several presumptive disability findings. Several indicated that the State agency responsible for disability decisions had made such findings, although their offices had not.

The answers by operations supervisors to the question of whether their offices had made any presumptive disability findings under the relaxed guidelines were more varied and more affirmative. One answered yes, but very few; one said that many were being made; one said that they were being made, but she didn't know how many there were. The fourth simply stated that the office did make them.

L. Disposing of Excess Resources

The Social Security Act contains a provision which allows SSI payments to be made to an otherwise eligible recipient during the time he is disposing of an excess resource, in accordance with regulations of the Secretary of Health, Education, and Welfare. To the query "When did you last allow an SSI claim on the basis of section 1613(b) which permits payments to be made while an individual is disposing of an excess resource?" 20 of the claims representatives interviewed responded that they had never done this. One said that such a case was very rare; one that she had done it a year ago; one that it had happened about four times in the office.

All of the operations supervisors who were questioned on this subject claimed that they had no experience with this provision.

M. Informing Claimants of the Amount of the Award

In the SSI program, the information relating to an application for payment is put onto a form, put into the computer system, and the system generates a letter to the recipient informing him of award or denial, and, if it is an award, the amount of the payment which the individual will receive. In an attempt to learn about how the applicants and the individuals taking the applications both adapted to this procedure, the claims representatives were asked: "Do you tell claimants the amount of the benefit they will receive or do they have to wait until the computer tells them? If you do not tell them the amount, does this cause any problems for you or for them?"

Nineteen of the 23 interviewed indicated in their response that they normally try to give the applicant some idea of the amount he might expect to receive, although several specifically stated that they inform the client that it is an estimate. Several said that they did not volunteer this information, especially if additional information was needed, as for example information from the VA on the amount of a veteran's pension. One said that people do get quite irate if they are not told what the amount will be. One indicated that she explains how the payments are computed, but does not give an exact amount.

N. Referrals to Other Programs

A number of questions were included in the interviews to solicit information on what offices were doing with regard to referral of SSI applicants to other kinds of services.

Claims representatives were asked: "Do you routinely advise SSI applicants that they can also probably get food stamps?" Fifteen of the 20 answered that they did; five indicated that generally they referred only when asked. Two said that most SSI applicants already seem to get food stamps. A claims representative in a "cash-out" State (where SSI recipients are ineligible for food stamps) said that she always discussed food stamps when talking with someone who was currently receiving Aid to Families with Dependent Children (AFDC), because it was a factor in helping the individual to decide which program (SSI or AFDC) would be more beneficial.

All except three of the claims representatives said that they had made other referrals in the last few weeks, most frequently to welfare offices for medicaid or for other services, or for State or county cash assistance. Organizations used for referrals also included the Salvation Army, Veterans Administration, Red Cross, organizations for the blind, employment offices, churches, and others.

Nearly all who responded indicated that a file of some kind was available to them to be used in making referrals to other agencies and organizations.

Service representatives were asked whether they had made any referrals to other agencies or organizations in recent weeks, and if so, to cite an example. Six of the seven said that they had made referrals recently, and mentioned referrals to welfare departments for medicaid and food stamps, vocational rehabilitation, Salvation Army, and others. Four said that there was a file of organizations for their use; one said she thought there was one but had never used it; and one commented that she didn't know of any.

Managers were asked: "What types of referrals to other agencies are being made by your office now that were not made prior to the inauguration of the SSI program?" Three indicated that their offices did not make many referrals, one of these saying it was because of a lack of time, another indicating that there were few referrals because the town was so small. Three said that SSI had increased referrals, and mentioned referrals to welfare agencies, vocational rehabilitation, and the Salvation Army. One manager stated that his office has always made a lot of referrals, especially to welfare. Another maintained that they were simply continuing their ongoing referral procedure. It was maintained by one that his office was probably making fewer referrals than before because of a lack of time.

All who were questioned said that a file was kept in the district office to assist personnel in making referrals.

O. Computer System

Personnel were asked a series of questions relating to the adequacy of the SSI computer system and the problems which it has. In general, the reaction was that it was better than before, but there were some problems remaining.

Claims representatives were asked:

The SSI computer system had many problems in the early months of the program. Do you feel that the system is now, by and large, operating adequately? If not, what do you see as the major remaining systems problems?

Four said definitely that the system was not adequate. Most of the others responded in a way which showed that they believed the system was being improved, with some stating that it was "better," and others stating that it was "much better." Problems mentioned include: generation by the system of incorrect notices, inability of the system to send out required notices of intent to suspend or reduce benefits, complications with cases using artifical social security account numbers, difficulty in putting through manually computed payments, inability of the system to take changes in circumstances (e.g. marriage, death, etc.), frequency of system rejection of district office inputs, failure of the system to show refund information, problems with the query procedure intended to provide rapid response to district office questions about claims status, and the fact that the system was often "down."

The reaction of the service representatives to these questions was very similar. Only one said that it was not operating adequately, one said that it was, and the others noted improvement. Problems mentioned were difficulties with manually computed payments, too many systems rejects, difficulty of corrections once an erroneous input had been made, and the fact that the system was frequently "down."

Of the four operations supervisors who were asked these questions, one said flatly that the system was not working adequately, one noted that he had not heard many complaints recently, one said there were still problems, and the fourth emphasized the fact that there were still serious mistakes.

One of the managers said that he thought the systems problems had not been largely worked out, but said that improvements were being made constantly. One observed that he was still surprised at the number of things the system cannot handle, like one member of a couple dying, and which then must be handled by a procedure involving manual computations. One stated that almost every day they received a notice about a computer malfunction. Others referred to problems of edits and rejects, and the reliance on manual procedures.

P. Check Replacement

In the spring of 1975 the Social Security Administration developed a procedure which was supposed to cut down on the time it took to replace lost or stolen checks. Personnel were asked several questions to attempt to find out whether the procedure was working. Specifically, claims representatives, service representatives, and supervisors were asked:

> The nonreceipt of check procedure has recently been revised so as to cut down the time for replacement to 7–10 days. Do you think this has largely solved the problems people had when they didn't get their checks? If not, please explain.

A number of the claims representatives did not respond because they said that service representatives handled check replacements and they were not knowledgeable about how the procedure was working. Two stated specifically that the replacement time was longer than 10 days. Most who were familiar with the procedure believed that the replacement procedure was working better than before; several indicated that nonreceipt cases were very rare, in their experience.

Service representatives answered generally with the comment that the system was better, faster, and there were not too many cases. Among both claims representatives and service representatives there were some comments, however, that any wait was difficult for some SSI recipients.

Operations supervisors generally indicated that the check replacement problem was not serious, but one said that although the new procedure has helped, "it still takes longer than 7–10 days."

Most managers also indicated that the problem of check replacement was no longer a major one for them. Comments made as to the time involved and the need of SSI recipients were similar to those of other district office personnel.

Q. Overpayments

A series of questions was directed at getting some information on the frequency with which offices were finding cases involving overpayments and how they were handling them, whether waiving or attempting to collect them.

Claims representatives, service representatives, operations supervisors, and managers were all asked whether there was a significant number of overpayment cases in their offices. The responses indicate that these personnel generally considered overpayments to be very prevalent. Nineteen of the claims representatives said they were aware of a large number of overpayment cases; three said they were not; and one did not know.

Of the service representatives, six answered in the affirmative, and one indicated that such cases were limited.

Three of the four operations supervisors answered "yes," and one said "not yet."

Five of the managers gave affirmative answers, one answered in the negative, and the others gave indeterminate responses.

The answers to the question "What amounts of overpayments are fairly frequent?" showed wide variation. Most claims representatives indicated usual amounts of several hundred dollars, but more than a third volunteered knowledge of overpayment cases ranging from $1,000 to several thousand dollars. Responses from service representatives and operations supervisors revealed generally the same amount of overpayments. One manager stated that he had seen cases as high as $10,000 to $13,000.

Seventeen claims representatives said that most overpayments were waived in their offices. One individual stated that she had found that people are now able to pay back their overpayments because they have been putting the money in the bank, and she tries to collect. One said that his office automatically waived all overpayments under $45, and they were just working out a policy on how to handle others. One said his office had no firm policy—they were not collecting any, holding a lot, and waiting for instructions. One responded that she tries to collect and is usually successful because many have Black Lung funds.

Six service representatives said overpayments were generally waived. One noted that they tried to collect, but many refuse to pay. All

of the operations supervisors interviewed indicated that overpayments were generally waived.

Personnel were also asked who in their office recommends and who finally approves a waiver, and whether the approver actually reviewed the facts of the case. Responses indicated that in most offices claims representatives recommended, supervisors or other higher level personnel had to approve, and in most cases, review of a recommendation to waive was substantive.

Claims representatives who were asked "What are some of the major causes of overpayments?" responded in the following way: conversion problems (resulting from inaccuracy in the transfer of the case from State welfare to SSI in January 1974) were mentioned by 14 individuals; systems problems were listed by eight; unreported income was mentioned by two; failure to report changes in income was mentioned by two; failure to report a change in living arrangement was listed by one; inaccuracy in social security amounts was mentioned by two; and retroactive social security checks was mentioned by two.

Service representatives listed the following causes: conversion problems—three; systems problems—two; problems relating to reporting of income and changes in income—four.

Operations supervisors listed the following causes: conversion problems—two; errors in recording the living arrangement—two; claimant gave wrong information—one.

Managers were asked whether they considered overpayments a major SSI problem area. Four answered that they did, two said they did not, and others responding to the question gave varied answers, two of them indicating that they expected the problem to be lesser when they had completed redeterminations of the converted caseload and were working with Federal determinations, and two commenting on the complexity and time-consuming nature of overpayment procedures.

R. The SSI "Image"

Managers were asked several questions directed toward getting their thoughts on the perception by the public and by district office employees of the SSI program and the Social Security Administration.

Managers were asked: "In what way, if any, has the SSI program changed the image of the Social Security Administration among the public you serve?"

Four of the managers who responded said that they felt that their image as an efficient service organization had been damaged by SSI. Two stated that they believed there had been no effect on the image. Several made comments on the welfare aspect of SSI: "A lot of people are aware that it is a welfare program. Social Security employees and the public think of social security as an earned right. SSI has lessened its image." "By innuendo, title II claimants have indicated that they think that SSI claimants are getting a free ride and priority treatment at the expense of title II claimants." "Some social security beneficiaries express resentment at the idea that someone is getting a service they didn't pay for."

Two commented that there had been negative reactions from personnel: "It took a lot of doing to get them acclimated to extending

themselves to go out of their way to help SSI claimants." "Long-time employees would prefer that there had been no SSI and a number of them have retired because of it."

The managers were also asked to give the most frequent complaint they heard from the public about SSI. Five mentioned complaints relating to the amount of payments, one of these mentioning specifically the inability to meet special needs and another the lack of a pass-through. One mentioned the lengthy time for processing claims, and another the limitations on liquid resources.

To the question "What is the most frequent complaint you hear from your staff about SSI?", the most frequent comment (from four managers) related to the large number of changes in instructions and policy. Three said that their staff complained of the "too time consuming" nature of the program. One said he heard "expressions of frustration at not being able to get payments out and satisfy the public," Another said staff complained of the rigidity of the program. Another mentioned dislike of the necessity of asking personal questions of applicants, and raised the question of whether it is right for the same agency to run both an insurance program and a welfare program. One referred to complaints about inadequate staffing. One said a few staff members felt the program should never have been given to the Social Security Administration.

S. Opinion of Managers Regarding Future Changes

Managers were asked: "To a large extent, future changes in the SSI program may involve a trade-off between the goals of making the program more responsive to the needs of recipients and making the program simpler to administer and understand. If you had to choose, which direction do you think needs the most emphasis?"

One responded that he believed simplification is very important in making the program more responsive to needs. One observed that the balance seems to be satisfactory now, but that there "is much to be said for simplicity." Three indicated that they believed simplification was the biggest need. Two declined to indicate a preference. And one said that he thought changes should be in the direction of making the program more responsive to needs of recipients.

The question was also asked: "What do you consider the most important change which should be made in SSI?"

Two said that the program should be simplified, two indicated the need for less detailed development and documentation, one said more personnel, one indicated an increase in allowable resources and income levels, one referred to an allowance for cash which was set aside as a burial fund, one said that if there were a minimum social security benefit at a higher level the interrelationship of the programs would be simplified.

APPENDIX

Statistical Data Related to the SSI Program

Statistical Data Related to the SSI Program

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TABLE 1.—*Federally administered SSI benefits: Number of recipients and total payments, by category, December 1976*

Reason for eligibility	All persons [1]	Amount of payments (in millions)		
		Total	Federal SSI	State supplementation [2]
Total	4,235,939	$507.1	$386.4	$120.6
Aged	2,147,697	202.7	148.3	54.4
Blind	[3] 76,366	11.7	8.2	3.4
Disabled	[4] 2,011,876	292.7	229.9	62.8

[1] Includes approximately 0.4 million individuals receiving Federally administered State supplementary benefits only.
[2] Excludes payments for State supplementation under State-administered programs.
[3] Includes approximately 22,000 persons aged 65 and over.
[4] Includes approximately 220,000 persons aged 65 and over.

TABLE 2.—*Recipients of federally administered SSI payments, by category and by State, December 1976*

State	Total	Aged	Blind	Disabled
Total [1]	4,235,939	2,147,697	76,366	2,011,876
Alabama [2]	143,277	93,980	1,815	47,382
Alaska [2]	3,056	1,320	75	1,661
Arizona [2]	28,371	13,417	450	14,504
Arkansas	85,714	53,881	1,656	30,177
California	673,711	323,921	16,093	333,697
Colorado [2]	33,735	18,058	344	15,333
Connecticut [2]	22,613	8,614	293	13,706
Delaware	6,766	3,051	228	3,487
District of Columbia	14,822	4,833	192	9,797
Flordia	160,773	90,601	2,526	67,646
Georgia	161,138	86,555	2,957	71,626
Hawaii	9,349	5,249	127	3,973
Idaho [2]	8,262	3,599	99	4,564
Illinois [2]	131,459	43,973	1,599	85,887
Indiana [2]	41,747	19,895	1,033	20,819
Iowa	27,852	14,645	1,110	12,097
Kansas	23,126	11,290	350	11,486
Kentucky [2]	96,028	52,376	2,014	41,638
Louisiana	149,180	85,892	2,150	61,138
Maine	23,482	12,377	265	10,840
Maryland	47,848	18,249	554	29,045
Massachusetts	130,167	77,662	4,326	48,179
Michigan	117,188	47,347	1,588	68,253
Minnesota [2]	36,444	17,113	635	18,696
Mississippi	120,815	75,493	1,911	43,411

See footnotes at end of table.

TABLE 2.—*Recipients of federally administered SSI payments, by category and by State, December 1976*—Continued

State	Total	Aged	Blind	Disabled
Missouri [2]	96, 457	57, 222	1, 825	37, 410
Montana	7, 934	3, 326	140	4, 468
Nebraska [2]	14, 987	7, 535	238	7, 214
Nevada	5, 784	3, 520	304	1, 960
New Hamphire [2]	5, 378	2, 780	156	2, 442
New Jersey	79, 809	35, 777	1, 006	43, 026
New Mexico [2]	26, 174	12, 007	407	13, 759
New York	388, 374	163, 779	4, 055	220, 540
North Carolina [2]	146, 265	74, 977	3, 561	67, 727
North Dakota [2]	7, 467	4, 360	63	3, 044
Ohio	127, 303	48, 130	2, 408	76, 765
Oklahoma [2]	80, 424	46, 991	1, 085	32, 348
Oregon [2]	24, 434	9, 574	566	14, 294
Pennsylvania	157, 771	64, 771	4, 292	88, 708
Rhode Island	15, 692	6, 744	180	8, 768
South Carolina [2]	82, 462	44, 669	1, 918	35, 875
South Dakota	8, 292	4, 775	121	3, 396
Tennessee	134, 460	73, 477	1, 770	59, 213
Texas [2]	273, 856	178, 078	3, 994	91, 784
Utah [2]	8, 862	3, 272	175	5, 415
Vermont	8, 705	4, 263	106	4, 336
Virginia [2]	77, 528	41, 213	1, 403	34, 912
Washington	50, 137	19, 291	506	30, 340
West Virginia [2]	42, 957	18, 704	649	23, 604
Wisconsin	65, 067	33, 862	912	30, 293
Wyoming [2]	2, 357	1, 178	34	1, 145
Unknown	81	31	2	48

[1] Includes persons with Federal SSI payments and/or federally administered State supplementation, unless otherwise indicated.
[2] Data for Federal SSI payments only. State has State-administered supplementation.
[3] Data for Federal SSI payments only; State supplementary payments not made.

TABLE 3.—*Total amount of federally administered SSI payments, by category and by State, calendar year 1976* [1]

[In thousands of dollars]

State	Total	Aged	Blind	Disabled
Total	$5, 900, 215	$2, 420, 377	$134, 060	$3, 345, 778
Alabama	156, 822	90, 983	2, 764	63, 075
Alaska	4, 229	1, 569	121	2, 539
Arizona	37, 470	14, 528	705	22, 237
Arkansas	89, 846	50, 610	2, 301	36, 935
California	1, 340, 172	525, 205	38, 188	776, 779
Colorado	39, 417	17, 201	438	21, 778
Connecticut	28, 316	7, 940	396	19, 980
Delaware	8, 210	2, 771	351	5, 088
District of Columbia	21, 860	5, 331	316	16, 213
Florida	202, 460	102, 994	3, 759	95, 707

See footnote at end of table.

TABLE 3.—*Total amount of federally administered SSI payments, by category and by State, calendar year 1976* [1]—Continued

State	Total	Aged	Blind	Disabled
Georgia	$184,109	$86,238	$4,395	$93,476
Hawaii	14,315	6,840	231	7,244
Idaho	8,862	3,038	139	5,685
Illinois	170,061	40,910	2,291	126,860
Indiana	43,068	16,198	1,388	25,482
Iowa	27,660	12,122	1,492	14,046
Kansas	23,568	9,787	494	13,287
Kentucky	116,897	54,698	3,416	58,783
Louisiana	179,393	92,451	3,253	83,689
Maine	24,360	9,489	408	14,463
Maryland	64,240	17,157	838	46,245
Massachusetts	217,624	107,177	9,598	100,849
Michigan	182,045	57,798	2,829	121,418
Minnesota	36,045	14,031	824	21,190
Mississippi	139,511	75,877	2,868	60,766
Missouri	109,731	56,215	2,372	51,144
Montana	9,356	2,772	179	6,405
Nebraska	15,975	6,237	320	9,418
Nevada	7,746	4,332	600	2,814
New Hampshire	5,495	2,137	208	3,150
New Jersey	111,514	40,140	1,558	69,816
New Mexico	32,141	11,670	605	19,866
New York	667,508	214,094	8,125	445,289
North Carolina	163,567	67,030	5,211	91,326
North Dakota	8,079	3,893	87	4,099
Ohio	160,247	44,714	3,471	112,062
Oklahoma	91,710	47,289	1,677	42,744
Oregon	29,031	8,290	746	19,995
Pennsylvania	239,353	78,759	7,126	153,468
Rhode Island	19,571	5,978	299	13,294
South Carolina	91,617	41,183	2,871	47,563
South Dakota	8,517	4,153	176	4,188
Tennessee	152,791	68,919	2,719	81,153
Texas	285,707	165,588	5,744	114,375
Utah	10,611	3,198	234	7,179
Vermont	12,106	4,780	188	7,138
Virginia	83,523	35,609	2,056	45,858
Washington	74,988	20,759	940	53,289
West Virginia	55,433	18,953	1,052	35,428
Wisconsin	89,549	39,404	1,598	48,547
Wyoming	2,579	1,017	53	1,509
Unknown	1,210	321	42	847

[1] Includes both Federal SSI payments and Federally administered State Supplementation. Table 4 shows amount of payments for Federal SSI benefits only.

Table 4.—Amount of Federal SSI payments by State, calendar year 1976 [1]

[In millions]

State	Federal SSI benefits
Total	$4,512,061
Alabama	156,822
Alaska	4,229
Arizona	37,470
Arkansas	89,314
California	541,963
Colorado	39,417
Connecticut	28,316
Delaware	7,416
District of Columbia	21,657
Florida	202,205
Georgia	183,150
Hawaii	10,075
Idaho	8,862
Illinois	170,061
Indiana	42,739
Iowa	26,431
Kansas	23,347
Kentucky	116,897
Louisiana	177,159
Maine	19,267
Maryland	63,555
Massachusetts	86,658
Michigan	125,711
Minnesota	36,045
Mississippi	139,099
Missouri	109,731
Montana	8,898
Nebraska	15,975
Nevada	5,347
New Hampshire	5,495
New Jersey	90,490
New Mexico	32,141
New York	436,115
North Carolina	163,567
North Dakota	8,079
Ohio	159,691
Oklahoma	91,710
Oregon	29,031
Pennsylvania	182,261
Rhode Island	13,995

See footnote at end of table.

TABLE 4.—*Amount of Federal SSI payments by State, calendar year 1976* [1]—Continued

State	Federal SSI benefits
South Carolina	$91,617
South Dakota	8,390
Tennessee	152,761
Texas	285,707
Utah	10,611
Vermont	8,064
Virginia	83,523
Washington	60,208
West Virginia	55,433
Wisconsin	42,207
Wyoming	2,572
Unknown	577

[1] Does not include State supplementary payments. See table 3.

TABLE 5.—*Administration of State supplementary benefits and medicaid determinations as of October 1976*

State	Administration of mandatory supplement	Administration of optional supplement	Medicaid eligibility	
			Determined by	Standards used [1]
Alabama	State	State	Federal	SSI.
Alaska	do	do	State	SSI.
Arizona	do	do	None	None.
Arkansas	Federal	None	Federal	SSI.[2]
California	do	Federal	do	SSI.[2]
Colorado	State	State	State	January 1972.[2]
Connecticut	do	do	do	Do.[2]
Delaware	Federal	Federal	Federal	SSI.
District of Columbia	do	do	do	SSI.[2]
Florida	do	State	do	SSI.
Georgia	do	None	do	SSI.
Hawaii	do	Federal	State	January 1972.[2]
Idaho	State	State	do	SSI.
Illinois	do	do	do	January 1972.[2]
Indiana	State	State	do	Do.[2]
Iowa	Federal	Federal	Federal	SSI.
Kansas	do	None	State	SSI.[2]
Kentucky	State	State	Federal	SSI.[2]
Louisiana	Federal	None	do	SSI.
Maine	do	Federal	do	SSI [2]
Maryland	do	State	do	SSI.[2]
Massachusetts	do	Federal	do	SSI.[2]
Michigan	do	do	do	SSI.[2]
Minnesota	State	State	State	January 1972.[2]
Mississippi	Federal	None	do	Do.[2]

See footnotes at end of table.

TABLE 5.—*Administration of State supplementary benefits and medicaid determinations as of October 1976*—Continued

State	Administration of mandatory supplement	Administration of optional supplement	Medicaid eligibility	
			Determined by	Standards used[1]
Missouri	State	State	do	Do.[2]
Montana	Federal	Federal	Federal	SSI.[2]
Nebraska	State	State	State	January 1972.[2]
Nevada	Federal	Federal	do	SSI.
New Hampshire	State	State	do	January 1972.[2]
New Jersey	Federal	Federal	Federal	SSI.
New Mexico	State	State	do	SSI.
New York	Federal	Federal	do	SSI.[2]
North Carolina	State	State	State	January 1972.[2]
North Dakota	do	do	do	SSI.[2]
Ohio	Federal	do	do	January 1972.[2]
Oklahoma	State	do	do	Do.[2]
Oregon	do	do	do	SSI.
Pennsylvania	Federal	Federal	Federal	SSI.[2]
Rhode Island	do	do	do	SSI.[2]
South Carolina	State	State	do	SSI.
South Dakota	Federal	do	do	SSI.
Tennessee	do	None	do	SSI.[2]
Texas	None	do	do	SSI.
Utah	State	State	State	January 1972.[2]
Vermont	Federal	Federal	Federal	SSI.[2]
Virginia	State	State	State	January 1972[2]
Washington	Federal	Federal	do	SSI.[2]
West Virginia	State	None	Federal	SSI.[2]
Wisconsin	Federal	Federal	do	SSI.[2]
Wyoming	do	None	do	SSI.
Totals:				
State	22	25	22	
Federal	28	17	28	
None	1	9	1	
1972				15
SSI				35

[1] States have the option of making all SSI recipients eligible for medicaid or of limiting eligibility to only those recipients who meet the State medicaid standards in effect as of January 1972.

[2] State also provides medicaid eligibility to aged, blind, and disabled persons who would meet the standards if their income were reduced by the amount of their medical expenses.

TABLE 6.—*Recipients of State supplementary payments by category and by State*

State	Total	Aged	Blind	Disabled
	Federally administered programs—September 1976			
Total [1]	1,563,240	758,764	32,468	772,008
Arkansas	2,077	1,355	90	632
California	656,177	322,050	15,187	318,940
Delaware	940	385	130	425
District of Columbia	1,336	364	18	954
Florida	985	545	50	390
Georgia	2,676	1,642	99	935
Hawaii	9,112	5,167	118	3,827
Indiana	995	498	92	405
Iowa	2,604	799	979	826
Kansas	481	162	18	301
Louisiana	6,713	6,236	60	417
Maine	22,765	12,111	255	10,399
Maryland	1,524	591	54	879
Massachusetts	127,397	77,375	4,060	45,962
Michigan	111,275	45,937	1,528	63,810
Mississippi	1,369	1,094	27	248
Montana	535	55	2	478
Nevada	3,918	3,486	293	139
New Jersey	52,632	25,717	590	26,325
New York	286,221	131,139	3,022	152,060
Ohio	1,758	714	77	967
Pennsylvania	144,218	59,802	4,251	80,165
Rhode Island	14,560	6,469	178	7,913
South Dakota	323	161	12	150
Tennessee	250	148	10	92
Vermont	8,304	4,158	104	4,042
Washington	44,613	18,487	398	25,728
Wisconsin	56,791	31,849	743	24,199
Wyoming	3	1	----	2
	State-administered programs—September 1976			
Total	285,112	167,964	4,840	112,239
Alabama	20,476	17,430	211	2,835
Alaska	2,782	1,362	71	1,349
Arizona	1,217	1,139	6	72
Colorado	30,937	20,843	152	9,942
Connecticut	10,606	3,709	110	6,787
Florida	2,267	976	24	1,267
Idaho	2,855	1,275	23	1,557
Illinois	41,899	7,941	582	33,376
Kentucky	9,058	5,927	101	3,030
Minnesota	5,565	2,413	132	3,020
Missouri	47,454	39,470	1,455	6,529
Nebraska	5,614	2,506	118	2,990
New Hampshire	3,367	1,644	144	1,579
New Mexico	8	1	----	7
North Carolina	9,558	5,060	306	4,192

See footnote at end of table.

TABLE 6.—*Recipients of State supplementary payments by category and by State*—Continued

State	Total	Aged	Blind	Disabled
	State-administered programs—September 1976			
North Dakota	288	135	3	150
Ohio	1,053	----	----	1,053
Oklahoma	72,569	49,338	710	22,521
Oregon	14,197	4,849	663	8,685
South Carolina	[2] 1,171	635	29	438
South Dakota	247	173	----	74
Virginia	1,924	1,138	NA	786
West Virginia	NA	NA	NA	NA

[1] Totals for each State include persons with both Federal SSI and State supplementary payments and persons with State supplementation only.
[2] Total includes 60 not distributed by category.

TABLE 7.—*Amount of State supplementary payments, by State, fiscal year 1976*

[In millions of dollars]

State	State supplementation	
	Federally administered	State administered
Total	$1,395.128	$166.021
Alabama	----	10.038
Alaska	----	3.137
Arizona	----	1.396
Arkansas	1.039	----
California	780.897	----
Colorado	----	16.197
Connecticut	----	8.632
Delaware	.911	----
District of Columbia	[1] .367	----
Florida	.686	[1] 1.131
Georgia	1.877	----
Hawaii	4.451	----
Idaho	----	1.826
Illinois	.062	35.618
Indiana	.621	----
Iowa	1.736	----
Kansas	.340	----
Kentucky	----	9.515
Louisiana	3.416	----
Maine	5.870	----
Maryland	1.025	----
Massachusetts	139.458	----
Michigan	56.798	----
Minnesota	[2] .456	[2] 4.290
Mississippi	.764	----

See footnotes at end of table.

TABLE 7.—*Amount of State supplementary payments, by State, fiscal year 1976*—Continued

State	State supplementation	
	Federally administered	State administered
Missouri		$22.264
Montana	$.363	
Nebraska		2.813
Nevada	2.841	
New Hampshire		1.970
New Jersey	20.122	
New Mexico		(5)
New York	251.048	
North Carolina		16.253
North Dakota		.133
Ohio	1.110	
Oklahoma		23.178
Oregon		5.337
Pennsylvania	45.873	
Rhode Island	5.801	
South Carolina	[2].010	[2].928
South Dakota	[1].184	[10].172
Tennessee	.255	
Texas [3]		
Utah	[2].007	[2].013
Vermont	4.358	
Virginia		[4] 1.160
Washington	15.844	
West Virginia		[4].020
Wisconsin	46.241	
Wyoming	.005	
Unknown	.292	

[1] Mandatory State supplementary payments are federally administered and optional State supplementary payments are State administered.
[2] State supplementation program under both Federal administration and State administration during the year.
[3] State supplementary payments not made.
[4] Data partially estimated.
[5] Less than $500.
[6] Excludes data for July-August 1975.

TABLE 8.—*Payment levels for aged persons, SSI and State supplementary payments, by State and by living arrangement, July 1976* [1]

State and living arrangements	Payment levels for—	
	Individuals	Couples
Alabama:		
Living independently	$167.80	$251.80
In personal or foster care home	167.80	308.00
In nursing home or TB sanitarium:		
(1) Eligible for SSI	48.00	96.00
(2) Public and no medicaid payment	48.00	96.00
Living in cerebral palsy treatment center	377.00	754.00

See footnote at end of table.

TABLE 8.—*Payment levels for aged persons, SSI and State supplementary payments, by State and by living arrangement, July 1976* [1]—Continued

State and living arrangements	Payment levels for—	
	Individuals	Couples
Alaska:		
Living independently and actual shelter costs less than $35	$270.00	$405.00
Living independently and actual shelter costs is $35 or more	334.00	490.00
Arizona:		
Living independently	167.80	251.80
In licensed private nursing home	238.00	397.00
In licensed county-operated nursing home	174.00	348.00
Arkansas: Living independently	167.80	251.80
California:		
Independent living with cooking facilities	276.00	522.00
Out of home care	323.00	646.00
Independent living without cooking facilities	308.00	586.00
Living in household of another	220.07	438.07
Colorado: Living independently	201.00	402.00
Connecticut: Living independently	256.00	312.00
Delaware:		
Adult foster home	255.00	510.00
Living independently	167.80	251.80
District of Columbia:		
Adult foster care	170.00	340.00
Living independently	167.80	251.80
Florida: [2]		
Room and board with personal care	200.00	400.00
Adult foster care home	225.00	450.00
Living independently	167.80	251.80
Georgia: Living independently	167.80	251.80
Hawaii:		
Living independently	183.00	276.00
In household of another	115.00	178.00
Domiciliary care I	258.00	516.00
Domiciliary care II	308.00	616.00
Domiciliary care III	370.00	740.00
Idaho:		
Living independently	231.00	302.00
In household of another	111.87	167.87
Eligible individual with essential person	302.00	NA
Converted case	302.00	----------
Room and board	312.00	624.00
Hotel—Renting room	202.00	NA
Illinois: Living independently	175.00	251.80
Indiana: Living independently	167.80	251.80
Residential facility	up to 492.80	NA
Iowa:		
Living independently	167.80	251.80
Household of another	111.87	167.87
Living with dependent person	251.80	335.80
Converted case with essential person	251.80	335.80
In family life home/boarding home	221.00	462.00
Kansas:		
Living independently	167.80	251.80
Converted case	203.00	----------

See footnote at end of table.

TABLE 8.—*Payment levels for aged persons, SSI and State supplementary payments, by State and by living arrangement, July 1976* [1]—Continued

State and living arrangements	Payment levels for— Individuals	Couples
Kentucky:		
Living in personal care facility (non-title XVI)	$310.00	$620.00
Family care home	248.00	496.00
Individual requiring a nurse in the home	206.00	285.00
Both requiring a nurse	NA	313.00
Living independently	167.80	251.80
Louisiana: Living independently	167.80	251.80
Maine:		
Living independently	177.80	266.80
Living with others	175.80	263.80
In household of another	119.87	179.87
Foster or licensed boarding home (5 or less beds)	210.00	420.00
Licensed boarding home (more than 5 beds)	225.00	450.00
Maryland:		
In domiciliary care facility	250.00	500.00
Living independently	167.80	251.80
Massachusetts:		
Living independently	282.41	430.00
Shared living expenses	214.81	430.00
In household of another	202.17	347.86
Boarding home care	216.61	430.00
Domiciliary care	341.77	683.54
Michigan:		
Living independently	192.10	288.20
In household of another	128.07	192.10
Domiciliary care	265.10	530.20
Personal care	335.60	671.20
Home for aged	354.40	714.80
Independent living with essential person (converted case only)	276.10	372.20
In household of another with essential person (converted case only)	184.07	248.10
Minnesota (Payment levels shown are for Hennepin County, Minneapolis.): Living independently	196.00	289.00
Mississippi: Living independently	167.80	251.80
Missouri:		
Living independently	167.80	251.80
Licensed domiciliary nursing home [3]	317.80	551.80
Licensed practical or professional nursing home [3]	367.80	651.80
Montana:		
Adult foster care and boarding care	216.80	433.60
Licensed developmentally disabled home	271.80	543.60
Living independently	167.80	251.80
Nebraska:		
Living independently [3]	233.00	326.00
Living with essential person [3]	326.00	NA
Room and board [3]	209.50	419.00
Adult foster home [3]	219.50	439.00
Nevada:		
Living independently	202.75	323.00
In household of another	135.17	215.34
Domiciliary care	300.00	600.00

See footnote at end of table.

TABLE 8.—*Payment levels for aged persons, SSI and State supplementary payments, by State and by living arrangement, July 1976* [1]—Continued

State and living arrangements	Payment levels for— Individuals	Couples
New Hampshire:		
Living independently	$202.75	$323.00
Individual or couple with essential person	235.00	300.00
Converted case	251.80	335.80
Living in shared home for adults:		
Family care	200.00	NA
Group home	240.00	NA
New Jersey:		
Licensed boarding house	298.00	596.00
Living independently or purchasing room and board	190.00	262.00
With ineligible spouse	262.00	NA
Living with 1 or 2 others:		
Own household	167.80	251.80
Household of another	133.00	236.00
Living with 3 or more others:		
Own household	167.80	251.80
Household of another	111.87	196.00
New Mexico:		
Living independently	167.80	251.80
Shelter care facilities/personal care services	187.80	291.80
New York:		
Living independently	228.65	327.74
Living with others	175.98	278.74
Congregate care I:		
Area A	291.70	583.40
Area B and C	236.70	473.40
Congregate care II	386.70	773.40
Congregate care III:		
Area A	650.70	1,301.40
Area B	626.70	1,253.40
Area C	311.70	623.40
In household of another	120.05	194.81
North Carolina:		
Living independently	167.80	251.80
In domiciliary care: [4]		
Ambulatory individual	312.00	NA
Situation A	NA	427.00
Situation B	NA	389.00
Semiambulatory individual	322.00	NA
Situation A	NA	437.00
Situation B	NA	399.00
Nonambulatory inividual	332.00	NA
Situation A	NA	447.00
Situation B	NA	409.00
North Dakota: Living independently	167.80	251.80
Ohio:		
Living independently	167.80	251.80
Oklahoma:		
Living independently	189.70	300.60
Living independently with meals at restaurant	204.70	330.60
In household of another	137.00	222.00
In nursing facility (monthly income $50 or less)	65.00	130.00

See footnote at end of table.

TABLE 8.—*Payment levels for aged persons, SSI and State supplementary payments, by State and by living arrangement, July 1976* [1]—Continued

State and living arrangements	Payment levels for— Individuals	Couples
Oregon:		
Living independently	$179.80	$261.80
With an ineligible spouse or essential person	261.80	NA
In household of another	130.90	223.23
In adult or group foster care	179.80	359.60
In board and room	179.80	359.60
Pennsylvania: [2]		
Living independently	200.20	300.50
In household of another	144.27	216.57
With 1 essential person (converted case)	300.50	408.86
With 1 essential person in household of another (converted case)	216.57	296.93
In foster care home for adults	315.10	625.20
Rhode Island:		
Living independently	199.24	311.12
In household of another	148.67	235.18
South Carolina:		
Living independently	167.80	251.80
In licensed boarding home [3]	228.00	456.00
South Dakota:		
Living independently	167.80	251.80
Converted case	190.00	----------
In supervised personal care [3]	255.00	510.00
In adult foster care home [3]	180.00	360.00
Tennessee: Living independently	167.80	251.80
Texas: Living independently	167.80	251.80
Utah:		
Living independently	167.80	251.80
In household of another	111.87	167.87
Vermont:		
Living independently:		
Area 1	200.00	295.00
Area 2	200.00	315.00
In household of another	135.00	198.00
Supervised licensed custodial care	286.00	525.00
Unlicensed custodial care	228.00	444.00
Licensed home custodial care	253.00	494.00

See footnotes at end of table.

TABLE 8.—*Payment levels for aged persons, SSI and State supplementary payments, by State and by living arrangement, July 1976* [1]—Continued

State and living arrangements	Payment levels for— Individuals	Couples
Virginia:		
Living independently	$167.80	$251.80
In licensed home for the aged or domiciliary institutions	193.00 and up	386.00 and up
Washington:		
Living independently:		
Area 1	201.90	287.80
Area 2	185.65	257.85
With ineligible spouse:		
Area 1	287.80	NA
Area 2	257.85	NA
With essential person (converted case):		
Area 1	287.80	NA
Area 2	257.85	NA
In household of another (Areas 1 and 2)	124.55	183.50
In household of another:		
With ineligible spouse (Areas 1 and 2)	183.50	NA
With essential person (converted case) (Areas 1 and 2)	183.50	NA
West Virginia: Living independently	167.80	251.80
Wisconsin:		
Living independently	234.00	351.00
In household of another	181.44	272.14
With an ineligible spouse	272.10	NA
In household of another with an ineligible spouse	219.54	NA
Independent living with an essential person (converted case only)	318.00	435.00
Living in the household of another with an essential person (converted case only)	237.44	328.17
Independent living with ineligible spouse/essential person (converted case only)	356.10	NA
Living in household of another with ineligible spouse/essential person (converted case only)	275.54	NA
Wyoming: Living independently	167.80	251.80

[1] The amount shown is the total amount payable in the specified circumstances to an individual or couple in combined Federal SSI payments and State supplementary payments for basic needs. In some cases, additional amounts are payable by the State for special needs. Individuals who were on the State welfare rolls in December 1973 may also in some instances receive additional amounts under the mandatory supplementation grandfather clause. See table 5 for information as to whether State supplementary payments are administered by the State or by the Federal Government. The Federal component of the payments shown are: Full benefits: $167.80 for individuals, $251.80 for couples; persons living in household of another: $111.87 for individuals; $167.87 for couples; individuals in medicaid institutions: $25.

[2] Optional State supplementation available only to individuals receiving some Federal SSI benefits.

[3] Maximum payment; may be less depending upon amount charged for rent or institutional care as applicable.

[4] Situation A: with spouse maintaining a home; situation B: with spouse living in multiple household.

TABLE 9.—*Payment levels for blind and disabled persons, SSI and State supplementary payments, by State and by living arrangement, July 1976* [1]

State and living arrangements	Payment levels for— Individuals	Couples
A. PAYMENT LEVELS FOR BLIND PERSONS		
Alabama:		
In personal or foster care home		$268.00
In nursing home or TB sanitarium:		
(1) Eligible for SSI	$32.00	64.00
(2) Public and no medicaid payment	32.00	64.00
In cerebral palsy treatment center	357.00	714.00
California:		
Independent living with cooking facilities	313.00	626.00
Out of care home	323.00	646.00
Independent living without cooking facilities	313.00	626.00
Living in household of another	257.07	542.07
Colorado:		
Living independently	185.00	370.00
Individual with essential spouse	258.00	NA
Home care	402.00	587.00
Delaware: Living independently (converted case)		300.00
Indiana: Living independently (converted case)		288.00
Iowa:		
Living independently	189.80	295.80
In household of another	133.87	211.87
Living with dependent person	273.80	379.80
Converted case with essential person	273.80	379.80
Massachusetts:		
Living independently	306.59	613.18
Shared living expenses	306.59	613.18
In household of another	306.59	613.18
Boarding home care	306.59	613.18
Domiciliary care	306.59	613.18
Nevada:		
Living independently	265.00	530.00
In household of another	265.00	530.00
Domiciliary care	300.00	600.00
North Carolina:		
With ineligible sighted spouse and paying shelter and utilities	219.00	NA
Individual in licensed boarding facility:		
Ambulatory	327.00	NA
Semiambulatory	337.00	NA
Nonambulatory	347.00	NA

See footnote at end of table.

TABLE 9.—*Payment levels for blind and disabled persons, SSI and State supplementary payments, by State and by living arrangement, July 1976* [1]—Continued

State and living arrangements	Payment levels for— Individuals	Couples
A. PAYMENT LEVELS FOR BLIND PERSONS—Continued		
Oregon:		
Living independently	$204.85	$293.02
With ineligible spouse or essential person	293.02	NA
In household of another	152.27	250.48
South Carolina:		
In licensed boarding home	246.00	492.00
Utah:		
Living independently (converted case)		262.00
Living in household of another (converted case)	119.00	246.00
B. PAYMENT LEVELS FOR DISABLED PERSONS		
Alabama:		
In nursing home or TB sanitarium:		
(1) Eligible for SSI	25.00	50.00
(2) Public and no Medicaid payment	22.00	44.00
California: Disabled minor in house of parent or relative	228.00	NA
Colorado:		
Living independently	185.00	370.00
Individual with essential spouse	258.00	NA
Home care	402.00	587.00
Massachusetts:		
Living independently	271.54	413.70
Shared living expenses	206.60	413.70
In household of another	189.54	331.58
Boarding home care	204.58	413.70
Domiciliary care	347.78	695.56
North Carolina:		
Ineligible for SSI:		
Maintaining own home	115.00	NA
In multiple household	77.00	NA
With needy essential person in own home	150.00	NA
With needy essential person in multiple household	100.00	NA
Ohio: In mental retardation and developmentally disabled facility	260.80–787.80	NA
South Carolina:		
In licensed boarding home	229.00	458.00
Utah: In licensed mental retardation center	311.70	----------
Wisconsin: In private nonmedical group home	350.00	700.00

[1] Payment level composed of basic Federal SSI payment plus any applicable State supplementary payment.

NOTE.—Only payment levels which differ from those for the aged as shown in table 8 appear in this table.

TABLE 10.—*Adult individuals, couples, and children receiving Federally administered SSI payments, by category, type of payment, and conversion status, October 1976*

Type of payment	Adult units						Blind and disabled children
	Aged		Blind		Disabled		
	Individual	Couple	Individual	Couple	Individual	Couple	
ALL PERSONS							
Total	1,765,598	219,883	58,861	4,437	1,690,186	63,839	150,511
Federal SSI payments	1,559,618	179,942	54,187	3,780	1,572,965	53,186	149,466
Federal SSI payments only	1,113,566	148,763	34,420	2,566	970,287	36,375	105,219
Federal SSI and State supplementation	446,052	31,179	19,767	1,214	602,678	16,811	44,247
State supplementation	652,032	71,120	24,441	1,871	719,899	27,464	45,292
State supplementation only	205,980	39,941	4,674	657	117,221	10,653	1,045
PERSONS CONVERTED FROM STATE PROGRAMS							
Total	1,021,316	126,031	47,684	3,948	889,506	34,819	4,567
Federal SSI payments	931,740	106,987	43,931	3,386	837,559	29,183	4,515
Federal SSI payments only	667,469	87,521	27,616	2,273	475,214	17,433	3,134
Federal SSI and State supplementation	264,271	19,466	16,315	1,113	362,345	11,750	1,381
State supplementation	353,847	38,510	20,068	1,675	414,292	17,386	1,433
State supplementation only	89,576	19,044	3,753	562	51,947	5,636	52
PERSONS NOT CONVERTED FROM STATE PROGRAMS							
Total	744,282	93,852	11,177	489	800,680	29,020	145,944
Federal SSI payments	627,878	72,955	10,256	394	735,406	24,003	144,951
Federal SSI payments only	446,097	61,242	6,804	293	495,073	18,942	102,085
Federal SSI and State supplementation	181,781	11,713	3,452	101	240,333	5,061	42,866
State supplementation	298,185	32,610	4,373	196	305,607	10,078	43,859
State supplementation only	116,404	20,897	921	95	65,274	5,017	993

TABLE 11.—*Average Federally administered SSI payment to adult individuals, couples, and children, by category, type of payment, and conversion status, October 1976*

Type of payment	Adult units						Blind and disabled children
	Aged		Blind		Disabled		
	Individual	Couple	Individual	Couple	Individual	Couple	
ALL PERSONS							
Total	$99.97	$134.64	$153.49	$232.18	$149.32	$191.57	$151.20
Federal SSI payments	84.96	107.75	124.96	163.51	126.44	145.90	134.20
Federal SSI payments only	85.81	106.80	127.26	169.15	120.18	145.19	123.90
Federal SSI and State supplementation	154.12	263.67	213.19	370.21	212.72	314.23	218.25
State supplementation	67.48	143.63	92.61	220.25	74.29	162.75	59.56
State supplementation only	59.21	137.57	94.27	223.28	64.53	156.37	60.54
PERSONS CONVERTED FROM STATE PROGRAMS							
Total	116.87	158.48	154.94	236.40	159.56	220.25	163.23
Federal SSI payments	99.14	126.88	125.04	164.86	131.35	160.04	135.31
Federal SSI payments only	102.05	128.93	128.70	172.35	127.56	165.49	130.09
Federal SSI and State supplementation	170.60	281.23	212.31	370.81	213.49	323.42	241.42
State supplementation	76.29	166.15	94.43	223.93	77.03	172.48	93.89
State supplementation only	68.83	168.79	98.67	229.25	76.17	174.57	83.92
PERSONS NOT CONVERTED FROM STATE PROGRAMS							
Total	76.77	102.61	147.32	198.09	137.94	157.15	150.82
Federal SSI payments	63.92	79.69	124.63	151.91	120.85	128.71	134.17
Federal SSI payments only	61.53	75.17	121.40	144.30	113.10	126.51	123.71
Federal SSI and State supplementation	130.15	234.49	217.35	363.64	211.55	292.88	217.50
State supplementation	57.02	117.04	84.24	188.85	70.57	145.96	58.44
State supplementation only	51.81	109.13	76.32	188.02	55.27	135.92	59.31

TABLE 12.—*Percentage distribution by amount of monthly benefit payment of persons receiving Federally administered SSI benefits, December 1976*

Amount of monthly payment	*Percent of all recipients*
$0 to $20	4.1
$21 to $50	21.9
$51 to $70	8.5
$71 to $100	13.4
$101 to $150	16.9
$151 to $200	24.0
$201 to $250	4.6
$251 to $300	5.1
$301 to $400	1.4
$401 and over	.1

TABLE 13.—*Percentage distribution by sex and race of persons receiving Federally administered SSI payments, by category, June 1976*

Sex and race	Total	Aged	Blind	Disabled
Total number	4,308,105.0	2,244,217.0	76,286.0	1,987,602.0
Total percent	100.0	100.0	100.0	100.0
Sex:				
Men	35.3	29.4	45.7	41.6
Women	64.5	70.5	54.0	58.0
Race:				
White	63.5	64.9	60.6	61.9
Black	26.0	24.1	28.9	28.0
Other	2.5	2.6	2.5	2.4

TABLE 14.—*Distribution by age of persons receiving federally administered SSI payments*

A.—AGE OF ADULT BENEFICIARIES, BY CATEGORY, DECEMBER 1976

Age	Total	Aged	Blind	Disabled
Total number	4,082,811	2,147,697	71,480	1,863,634
Total percent	100.0	100.0	100.0	100.0
18 to 21	5.3	----	3.5	4.0
22 to 29	5.4	----	13.2	11.6
30 to 39	4.9	----	9.4	10.8
40 to 49	6.5	----	11.8	14.4
50 to 59	12.4	----	18.7	27.4
60 to 64	8.9	----	12.7	19.6
65 to 69	14.6	18.6	10.9	11.3
70 to 74	14.5	27.9	6.1	.6
75 to 79	11.6	22.6	4.9	.2
80 and over	15.9	30.9	8.7	.1

B.—AGE OF DISABLED AND BLIND CHILDREN, JUNE 1976

[Numbers in thousands]

Age	Number	Percent
Total	143.9	100
0 to 5	13.0	9
5 to 9	30.8	21
10 to 14	44.6	31
15 to 17	30.6	21
18 to 22	24.8	17

TABLE 15.—*Percentage distribution by living arrangements of persons receiving federally administered SSI payments, by category, September 1976*

Living arrangements	Total	Aged	Blind	Disabled
Total number	4, 275, 049. 0	2, 189, 847. 0	76, 650. 0	2, 008, 552. 0
Total percent	100. 0	100. 0	100. 0	100. 0
Own household	85. 4	88. 5	86. 7	81. 9
Another's household	9. 7	7. 3	9. 1	12. 4
Institutional care covered by Medicaid	4. 9	4. 2	4. 1	5. 7

TABLE 16.—*SSI recipients with unearned income, June 1975*

A.—*Number and percent of persons receiving federally administered SSI payments who also receive social security [OASDI] benefits and average benefit, by category, September 1976*

Reason for eligibility	Total	With social security benefits		Average monthly social security benefit
		Number	Percent of total	
Total	4, 275, 049	2, 227, 890	52. 1	$137. 73
Aged	2, 189, 847	1, 528, 732	69. 8	136. 92
Blind	76, 650	26, 896	35. 1	138. 46
Disabled	2, 008, 552	672, 262	33. 5	139. 55

B.—*Number and percent of persons receiving federally administered SSI payments who also receive other unearned income [apart from social security benefits] and average amount of such income, by category, September 1976*

Reason for eligibility	Total	With unearned income		Average monthly amount of unearned income
		Number	Percent of total	
Total	4, 275, 049	473, 940	11. 1	$67. 05
Aged	2, 189, 847	263, 354	12. 0	58. 23
Blind	76, 650	6, 229	8. 1	73. 49
Disabled	2, 008, 552	204, 357	10. 2	78. 23

TABLE 17.—*Number and percent of persons receiving federally administered SSI payments with employment and average monthly earnings, by category, September 1976*

Reason for eligibility	Total	With employment		Average monthly earnings
		Number	Percent of total	
Total	4,275,049	122,175	2.9	$83.45
Aged	2,189,847	54,720	2.5	68.34
Blind	76,650	5,190	6.8	262.07
Disabled	2,008,552	62,265	3.1	82.53

TABLE 18.—*Percentage of persons receiving federally administered SSI benefits who own homes, automobiles, or income producing property, April 1975 [Excludes persons converted from State welfare programs]*[1]

Reason for eligibility	Number	Percent who own:		
		Home	Vehicle	Income producing property
Beneficiary units, total	1,315,235	23.8	17.7	0.4
Adult beneficiaries units	1,232,807	25.3	18.8	.5
Individual	1,126,370	22.8	15.9	.4
Couple	106,437	52.3	49.9	1.5
Aged units	733,430	31.7	18.4	.6
Individual	647,988	28.7	14.4	.5
Couple	85,442	54.7	48.8	1.7
Blind adult units	6,271	15.1	13.1	.2
Individual	6,033	14.1	12.5	.2
Couple	238	39.1	28.6	.4
Disabled adult units	493,106	16.0	19.5	.2
Individual	472,349	14.8	17.9	.2
Couple	20,757	42.7	54.9	.6
Blind and disabled children	82,428	.4	.7	(2)

[1] Most recent available data.
[2] Less than 0.05 percent.

STAFF NOTE.—No reliable data on assets are available for SSI recipients who were transferred from the State welfare programs. Data are also unavailable for assets other than homes, vehicles, and income producing property (e.g., bank accounts, cash on hand, other property).

TABLE 19.—*Number of blind and disabled children receiving federally administered SSI payments, by State, June 1976*

State	Total	Blind	Disabled
Total [1]	143,904	4,695	139,209
Alabama [2]	4,321	100	4,131
Alaska [2]	123	6	117
Arizona [2]	594	11	583
Arkansas	2,663	95	2,568
California	20,143	711	19,432
Colorado [2]	613	84	529
Connecticut [2]	640	15	625
Delaware	239	11	228
District of Columbia	174	5	169
Florida	3,919	183	3,736
Georgia	5,578	124	5,454
Hawaii	114	6	108
Idaho [2]	385	7	378
Illinois [2]	3,786	129	3,657
Indiana	1,053	54	999
Iowa	1,286	71	1,215
Kansas	1,025	42	983
Kentucky [2]	3,875	195	3,680
Louisiana	7,406	236	7,170
Maine	705	22	683
Maryland	1,298	42	1,256
Massachusetts	2,144	187	1,957
Michigan	2,929	101	2,828
Minnesota [2]	955	45	910
Mississippi	4,404	127	4,277
Missouri [2]	1,873	61	1,812
Montana	347	8	339
Nebraska [2]	298	19	279
Nevada	192	19	173
New Hampshire [2]	201	17	184
New Jersey	3,387	71	3,316
New Mexico [2]	852	35	817
New York	16,736	209	16,527
North Carolina [2]	4,167	272	3,895
North Dakota [2]	169	10	159
Ohio	4,676	151	4,525
Oklahoma [2]	2,567	79	2,488
Oregon [2]	1,346	63	1,283
Pennsylvania	7,793	197	7,596
Rhode Island	969	20	949
South Carolina [2]	2,795	101	2,694
South Dakota	292	13	279
Tennessee	4,946	166	4,780
Texas [2]	10,834	295	10,539
Utah [2]	513	13	500
Vermont	266	4	262
Virginia [2]	2,302	92	2,210
Washington	1,571	41	1,530
West Virginia [2]	1,485	32	1,453
Wisconsin	2,983	94	2,889
Wyoming	62	4	58

[1] Includes persons with Federal SSI payments and/or federally administered State supplementation, unless otherwise indicated.
[2] Data for Federal SSI payments only. State has State-administered supplementation.
[3] Data for Federal SSI payments only. State supplementary payments not made.

TABLE 20.—*Income support levels for individuals under SSI compared with former State welfare programs*

State	Payment to individuals having no other income					
	State welfare programs [1] (July 1973)			SSI and State supplements [2] (July 1976)		
	Aged individual	Blind individual	Disabled individual	Aged individual	Blind individual	Disabled individual
Alabama	$115	$125	$95	$168	$168	$168
Alaska	250	250	250	334	334	334
Arizona	130	130	130	168	168	168
Arkansas	120	120	120	168	168	168
California	200	215	193	276	313	276
Colorado	149	121	123	201	185	185
Connecticut	181	181	181	256	256	256
Delaware	170	228	130	168	168	168
District of Columbia	128	128	128	168	168	168
Florida	132	132	132	168	168	168
Georgia	99	99	99	168	168	168
Hawaii	136	136	136	183	183	183
Idaho	182	182	182	231	231	231
Illinois	171	171	171	175	175	175
Indiana	100	125	80	168	168	168
Iowa	127	148	148	168	190	168
Kansas	203	203	203	168	168	168
Kentucky	111	111	111	168	168	168
Louisiana	107	105	70	168	168	168
Maine	130	130	130	178	178	178
Maryland	96	96	96	168	168	168
Massachusetts	204	180	188	283	307	272
Michigan	224	224	224	192	192	192
Minnesota	183	183	183	196	196	196
Mississippi	75	75	75	168	168	168
Missouri	85	100	80	168	168	168
Montana	115	115	115	168	168	168
Nebraska	197	197	197	233	233	233
Nevada	175	155	(3)	203	265	(3)
New Hampshire	173	173	173	170	170	170
New Jersey	162	162	162	190	190	190
New Mexico	116	116	116	168	168	168
New York	168	168	168	229	229	229
North Carolina	112	120	120	168	168	168
North Dakota	125	125	125	168	168	168
Ohio	131	131	121	168	168	168
Oklahoma	134	134	134	190	190	190
Oregon	153	166	166	180	205	180
Pennsylvania	146	115	146	200	200	200
Rhode Island	195	195	195	199	199	199
South Carolina	90	110	90	168	168	168
South Dakota	190	190	190	168	168	168
Tennessee	97	97	97	168	168	168
Texas	123	123	123	168	168	168
Utah	121	131	121	168	168	168

See footnotes at end of table.

TABLE 20.—*Income support levels for individuals under SSI compared with former State welfare programs*—Continued

State	Payment to individuals having no other income					
	State welfare programs [1] (July 1973)			SSI and State supplements [2] (July 1976)		
	Aged individual	Blind individual	Disabled individual	Aged individual	Blind individual	Disabled individua
Vermont	$196	$196	$196	$200	$200	$200
Virginia	152	153	152	168	168	168
Washington	159	159	159	202	202	202
West Virginia	123	123	123	168	168	168
Wisconsin	201	201	201	234	234	234
Wyoming	120	120	120	168	168	168

[1] Amount payable for basic needs; additional amounts were payable in some States to persons with special needs.
[2] $167.80 is payable under the Federal SSI program. Where amount shown exceeds $168, the amount represents a combination of the SSI benefit and a State supplemental payment for an individual living independently and qualified on the basis of entitlement first established after December 1973.
[3] Nevada did not have a State welfare program of aid to the disabled and does not now provide State supplementary benefits for persons in this category.

TABLE 21.—*Income support levels for aged couples under SSI compared with former State welfare programs*

State	Payment to aged couples having no other income	
	State welfare program [1] (July 1973)	SSI and State supplement [2] (July 1976)
Alabama	$230	$252
Alaska	350	490
Arizona	180	252
Arkansas	220	252
California	364	522
Colorado	298	402
Connecticut	229	312
Delaware	248	252
District of Columbia	160	252
Florida	181	252
Georgia	167	252
Hawaii	207	276
Idaho	219	302
Illinois	215	252
Indiana	200	252
Iowa	194	252
Kansas	247	252
Kentucky	190	252
Louisiana	202	252
Maine	260	267
Maryland	131	252
Massachusetts	302	430
Michigan	273	288
Minnesota	245	289
Mississippi	150	252

See footnotes at end of table.

TABLE 21.—*Income support levels for aged couples under SSI compared with former State welfare programs*—Continued

State	Payment to aged couples having no other income: State welfare program [1] (July 1973)	Payment to aged couples having no other income: SSI and State supplement [2] (July 1976)
Missouri	$170	$252
Montana	193	252
Nebraska	265	326
Nevada	279	323
New Hampshire	228	252
New Jersey	222	262
New Mexico	155	252
New York	241	328
North Carolina	153	252
North Dakota	190	252
Ohio	222	252
Oklahoma	220	301
Oregon	221	262
Pennsylvania	218	301
Rhode Island	262	311
South Carolina	141	252
South Dakota	230	252
Tennessee	172	252
Texas	200	252
Utah	162	252
Vermont	252	315
Virginia	196	252
Washington	227	280
West Virginia	180	252
Wisconsin	245	351
Wyoming	200	252

[1] Amount payable for basic needs; additional amounts were payable in some States to persons with special needs.

[2] $251.80 is payable under the Federal SSI program. Where amount shown exceeds $252, the amount represents a combination of the SSI benefit and a State supplementary payment for a couple living independently and qualified on the basis of entitlement first established after December 1973.

TABLE 22.—*Impact of SSI on expenditures of State and local funds for income support to the aged, blind, and disabled*

[Amount of State and local funds expended in millions]

State	Aid to the aged, blind, disabled (fiscal 1973)	State supplementary benefits (fiscal 1976)	Percent change
Total	$1,324.7	$1,489.8	+12.0
Alabama	25.5	10.0	−60.8
Alaska	3.2	3.1	−3.1
Arizona	8.5	1.4	−83.5
Arkansas	12.5	1.0	−92.0
California	388.2	780.9	+101.1

See footnote at end of table.

TABLE 22.—*Impact of SSI on expenditures of State and local funds for income support to the aged, blind, and disabled*—Continued

State	Aid to the aged, blind, disabled (fiscal 1973)	State supplementary benefits (fiscal 1976)	Percent change
Colorado	$16.3	$16.2	−.6
Connecticut	13.6	8.6	−36.8
Delaware	3.4	.9	−73.5
District of Columbia	19.8	.4	−98.0
Florida	20.5	.7	−96.6
Georgia	22.5	1.9	−91.6
Hawaii	3.7	[1] 3.6	−2.7
Idaho	2.0	1.8	−10.0
Illinois	65.6	36.2	−44.8
Indiana	5.2	.6	−88.5
Iowa	11.7	1.7	−85.5
Kansas	5.4	.3	−94.4
Kentucky	16.3	8.2	−49.7
Louisiana	28.9	3.4	−88.2
Maine	5.6	5.9	+5.4
Maryland	11.4	1.0	−91.2
Massachusetts	59.6	[2] 110.8	+85.9
Michigan	51.2	56.8	+10.9
Minnesota	12.0	.5	−95.8
Mississippi	13.4	.8	−94.0
Missouri	32.7	22.3	−31.8
Montana	1.7	.4	−76.5
Nebraska	4.6	2.8	−39.1
Nevada	.9	[3] 2.7	+20.0
New Hampshire	4.8	2.0	−58.3
New Jersey	22.6	20.1	−11.1
New Mexico	3.5	.001	−99.9
New York	175.2	[4] 243.4	+38.9
North Carolina	18.2	16.3	−10.4
North Dakota	2.0	.1	−95.0
Ohio	33.6	1.1	−96.7
Oklahoma	22.5	23.2	+3.1
Oregon	7.2	5.3	−26.4
Pennsylvania	47.1	45.9	−2.5
Rhode Island	4.9	5.9	+20.4
South Carolina	4.9	.01	−99.8
South Dakota	1.7	.2	−88.2
Tennessee	13.6	.3	−97.8
Texas	36.6	----------	−100.0
Utah	2.2	.01	−99.5
Vermont	2.7	4.4	+63.0
Virginia	10.1	1.2	−88.1
Washington	23.7	15.8	−33.3
West Virginia	6.9	.02	−99.7
Wisconsin	21.1	[5] 19.7	−6.6
Wyoming	.6	.005	−99.2

[1] Hawaii also received $.9 million in Federal contributions to State supplementation.
[2] Massachusetts also received $28.7 million in Federal contributions to State supplementation.
[3] Nevada also received $.1 million in Federal contributions to State supplementation.
[4] New York also received $7.6 million in Federal contributions to State supplementation.
[5] Wisconsin also received $26.5 million in Federal contributions to State supplementation.

TABLE 23.—*Number of SSI beneficiaries compared with number of recipients under State welfare programs for aged, blind, and disabled*

State	Recipients of aid to aged, blind, and disabled (December 1973)	SSI beneficiaries[1] (September 1976)	Percent change
Total	3,173,298	4,448,109	+40.2
Alabama	129,339	149,539	+15.6
Alaska	3,844	3,549	−7.7
Arizona	23,545	28,833	+22.5
Arkansas	72,167	87,235	+20.9
California	518,477	675,153	+30.2
Colorado	39,948	41,358	+3.5
Connecticut	17,904	27,677	+54.6
Delaware	5,299	6,848	+29.2
District of Columbia	14,928	15,253	+2.2
Florida	94,426	161,079	+70.6
Georgia	125,178	162,804	+30.1
Hawaii	6,133	9,358	+52.6
Idaho	6,435	8,382	+30.3
Illinois	116,379	144,489	+24.2
Indiana	25,751	42,882	+66.5
Iowa	15,519	28,377	+82.9
Kansas	16,139	23,477	+45.5
Kentucky	73,383	100,269	+36.6
Louisiana	128,748	151,021	+17.3
Maine	19,832	23,964	+20.8
Maryland	37,142	48,639	+31.0
Massachusetts	89,902	131,306	+46.1
Michigan	93,300	118,579	+27.1
Minnesota	27,751	38,231	+37.8
Mississippi	111,110	122,803	+10.5
Missouri	118,272	110,265	−6.8
Montana	5,933	8,054	+35.7
Nebraska	12,857	16,037	+27.1
Nevada	2,292	5,826	+154.2
New Hampshire	6,179	5,455	−11.7
New Jersey	43,533	80,881	+85.8
New Mexico	18,442	26,414	+43.2
New York	285,093	384,806	+35.0
North Carolina	71,645	150,744	+110.4
North Dakota	5,254	7,750	+47.5
Ohio	96,333	130,352	+35.3
Oklahoma	73,523	90,528	+23.1
Oregon	19,303	27,114	+40.5
Pennsylvania	90,077	154,678	+71.7
Rhode Island	9,636	15,991	+66.0
South Carolina	33,862	83,261	+145.9
South Dakota	[2]5,207	8,666	+66.4
Tennessee	78,519	136,736	+74.1
Texas	204,958	276,967	+35.1
Utah	[2]9,773	8,982	−8.1

See footnotes at end of table.

TABLE 23.—*Number of SSI beneficiaries compared with number of recipients under State welfare programs for aged, blind, and disabled*—Continued

State	Recipients of aid to aged, blind, and disabled (December 1973)	SSI beneficiaries [1] (September 1976)	Percent change
Vermont	6,813	8,846	+29.8
Virginia	28,604	78,283	+173.7
Washington	48,821	50,939	+4.3
West Virginia	23,355	43,602	+82.8
Wisconsin	24,110	64,675	+168.2
Wyoming	2,263	2,406	+6.3

[1] Includes beneficiaries of Federally administered payments and persons receiving only State administered supplementary payments.
[2] November data.
[3] October data.

TABLE 24.—*Number of aged SSI beneficiaries compared with number of recipients under State old-age assistance programs*

State	Recipients of old-age assistance (December 1973)	SSI aged beneficiaries [1] (September 1976)	Percent change
Total	1,820,434	2,222,554	+22.1
Alabama	106,314	99,601	−6.3
Alaska	2,087	1,554	−25.5
Arizona	12,760	13,929	+9.2
Arkansas	56,690	55,512	+2.1
California	285,827	327,029	+14.4
Colorado	25,898	23,400	−9.6
Connecticut	6,991	10,295	+47.3
Delaware	2,888	3,115	+7.9
District of Columbia	4,183	4,994	+19.4
Florida	67,329	91,733	+36.2
Georgia	81,658	88,522	+8.4
Hawaii	3,212	5,268	+64.0
Idaho	2,991	3,703	+23.8
Illinois	30,976	47,420	+53.1
Indiana	13,427	20,814	+55.0
Iowa	10,887	15,178	+39.4
Kansas	8,465	11,672	+37.9
Kentucky	51,448	56,460	+9.7
Louisiana	101,821	88,288	−13.3
Maine	11,815	12,741	+7.8
Maryland	10,256	18,601	+81.4
Massachusetts	57,318	78,571	+37.1
Michigan	37,896	48,516	+28.0
Minnesota	12,305	18,280	+48.6
Mississippi	80,566	77,487	−3.8
Missouri	88,940	68,572	−22.9
Montana	2,561	3,444	+34.5
Nebraska	6,334	8,312	+31.2
Nevada	2,165	3,565	+64.7
New Hampshire	4,413	2,892	−34.5

See footnote at end of table.

TABLE 24.—*Number of aged SSI beneficiaries compared with number of recipients under State old-age assistance programs*—Continued

State	Recipients of old-age assistance (December 1973)	SSI aged beneficiaries [1] (September 1976)	Percent change
New Jersey	20,484	36,605	+78.7
New Mexico	7,524	12,230	+62.5
New York	106,250	161,100	+51.6
North Carolina	30,887	78,162	+153.1
North Dakota	3,207	4,559	+42.2
Ohio	42,893	49,915	+16.4
Oklahoma	50,339	54,621	+8.5
Oregon	7,559	11,079	+46.6
Pennsylvania	37,008	64,164	+73.4
Rhode Island	3,770	6,914	+83.4
South Carolina	17,531	45,685	+160.6
South Dakota	[2] 3,140	5,147	+63.9
Tennessee	45,401	75,814	+67.0
Texas	169,906	181,834	+7.0
Utah	[3] 3,876	3,361	−13.3
Vermont	3,942	4,364	+10.7
Virginia	13,973	42,393	+203.4
Washington	16,584	19,743	+19.0
West Virginia	11,327	19,286	+70.3
Wisconsin	13,470	34,106	+153.2
Wyoming	1,167	1,234	+5.7

[1] Includes beneficiaries of Federally administered payments and persons receiving only State administered supplementary payments.
[2] November data.
[3] October data.

TABLE 25.—*Number of disabled SSI beneficiaries compared with number of recipients under State disability assistance programs*

State	Recipients of disability assistance (December 1973)	SSI disability beneficiaries [1] (September 1976)	Percent change
Total	1,274,982	2,031,405	+59.3
Alabama	20,998	47,950	+128.6
Alaska	1,663	1,905	+14.4
Arizona	10,345	14,458	+39.8
Arkansas	13,814	30,058	+117.6
California	218,610	332,308	+52.0
Colorado	13,698	17,591	+28.4
Connecticut	10,681	17,055	+59.7
Delaware	2,093	3,502	+67.3
District of Columbia	10,532	10,064	−4.4
Florida	24,910	66,834	+168.3

See footnote at end of table.

TABLE 25.—*Number of disabled SSI beneficiaries compared with number of recipients under State disability assistance programs*—Con.

State	Recipients of disability assistance (December 1973)	SSI disability beneficiaries [1] (September 1976)	Percent change
Georgia	40, 389	71, 283	+76. 5
Hawaii	2, 831	3, 971	+40. 3
Idaho	3, 347	4, 576	+36. 7
Illinois	83, 754	95, 349	+13. 8
Indiana	11, 147	21, 002	+88. 4
Iowa	3, 610	12, 097	+235. 1
Kansas	7, 280	11, 443	+57. 2
Kentucky	19, 914	41, 757	+109. 7
Louisiana	24, 874	60, 575	+143. 5
Maine	7, 748	10, 954	+41. 4
Maryland	26, 432	29, 480	+11. 5
Massachusetts	29, 696	48, 551	+63. 5
Michigan	53, 687	68, 446	+27. 5
Minnesota	14, 667	19, 283	+31. 5
Mississippi	28, 502	43, 398	+52. 3
Missouri	25, 256	39, 380	+55. 9
Montana	3, 208	4, 470	+39. 3
Nebraska	6, 258	7, 772	+24. 2
Nevada	NA	1, 955	NA
New Hampshire	1, 510	2, 404	+59. 2
New Jersey	22, 099	43, 263	+95. 8
New Mexico	10, 528	13, 780	+30. 9
New York	174, 491	219, 578	+25. 8
North Carolina	36, 156	68, 845	+90. 4
North Dakota	1, 997	3, 125	+56. 5
Ohio	51, 067	77, 991	+52. 7
Oklahoma	22, 126	34, 781	+57. 2
Oregon	10, 996	15, 371	+39. 8
Pennsylvania	47, 294	86, 128	+82. 1
Rhode Island	5, 714	8, 886	+55. 5
South Carolina	14, 457	35, 652	+146. 6
South Dakota	[2] 1, 953	3, 398	+74. 0
Tennessee	31, 544	59, 149	+87. 5
Texas	31, 318	91, 105	+190. 9
Utah	[3] 5, 696	5, 448	−4. 4
Vermont	2, 791	4, 376	+56. 8
Virginia	13, 326	34, 469	+158. 7
Washington	29, 770	30, 686	+3. 1
West Virginia	11, 989	23, 676	+97. 5
Wisconsin	9, 876	29, 660	+200. 3
Wyoming	1, 066	1, 135	+6. 5

[1] Includes beneficiaries of Federally administered payments and persons receiving only State administered supplementary payments.
[2] November data.
[3] October data.

TABLE 26.—*Ratio of administrative costs to benefit payments under SSI and other benefit programs*

Program	Administration costs as a percentage of benefit payments
SSI (fiscal year 1976)[1]	8.4
SSI (fiscal year 1977—estimated)[1]	8.5
State welfare programs for aged, blind, and disabled (fiscal year 1973)	9.8
Aid to Families with Dependent Children (fiscal year 1976)	11.7
Old-Age and Survivors Insurance (fiscal year 1975)	1.5
Disability Insurance (fiscal year 1975)	8.1

[1] SSI benefits include all Federally administered payments including State supplementary payments.

TABLE 27.—*Number of persons receiving federally administered SSI payments, by category, January 1974 to December 1976*

Month and year	Total	Aged	Blind	Disabled
1974:				
January	3,215,632	1,865,109	72,390	1,278,133
June	3,583,894	2,093,301	72,883	1,417,710
September	3,782,298	2,174,530	74,150	1,533,618
December	3,996,064	2,285,909	74,616	1,635,539
1975:				
March	4,124,703	2,325,928	74,399	1,723,376
June	4,188,502	2,326,330	73,849	1,788,323
September	4,238,330	2,309,910	73,875	1,854,545
December	4,314,275	2,307,105	74,489	1,932,681
1976:				
March	4,318,967	2,277,601	75,087	1,966,279
June	4,308,105	2,244,217	76,286	1,987,602
September	4,275,049	2,189,847	76,650	2,008,552
December	4,235,939	2,147,697	76,366	2,011,876

TABLE 28.—*Number of blind and disabled children receiving federally administered SSI payments January 1974 to December 1976*

Month and year	Total	Blind	Disabled
1974:			
January	6,800	1,800	5,000
March	10,500	2,000	8,500
June	33,300	2,200	31,100
September	55,700	2,700	53,500
December	70,900	3,100	67,800
1975:			
March	85,400	3,400	82,000
June	103,190	3,733	99,457
September	117,346	4,089	113,257
December	128,175	4,346	123,829
1976:			
June	143,904	4,695	139,209
December	153,128	4,886	148,242

TABLE 29.—*SSI workload data—initial claims*

[In millions]

	Total	Aged	Blind and disabled
A. Converted from State programs:			
Total	3.4	----------	----------
Still eligible (December 1976)	2.2	1.2	1.0
B. New claims:[1]			
Total received through January 1977	4.6	1.6	3.0
Completed as of January 1977	1.5	1.6	2.9
Pending completion January 1977	.1	----------	----------
C. Recent claims activity (calendar 1976):			
Average monthly claims filed	.105	.021	.084

[1] Based on new claims entered into the computer system. District office reports show a somewhat higher number of claims filed (e.g. as of February 1976, district office reports showed half a million more claims as having been filed than were recorded by the computer system). Social Security Administration officials believe these "out-of-balance" claims represent various types of duplicated claims which show up twice (or more) as receipts but only once as clearances, claims which at any given moment have been reported as received but not yet as pending, and claims which were erroneously reported as received.

TABLE 30.—*SSI workload data—selected postentitlement activity; 1976*

[In millions]

Type of action	Number
Redeterminations completed	3.3
Deaths	0.7
Change in income/resources	1.7
Change in living arrangements	0.2
Cessation of disability	0.01
Change of address	2.0
Reconsideration requests received	0.2
Hearings requests received	0.1

TABLE 31.—*SSI processing time: initial application to payment or denial* [1]

Number of days elapsed	Percent of all claims completed in—				
	September 1974	March 1975	September 1975	March 1976	December 1976
A. All claims:					
0 to 20		12	31	25	15
21 to 30		9	9	13	11
31 to 60		24	27	34	32
Over 60		55	33	28	42
B. Aged claims:					
0 to 20	18	25	43	51	33
21 to 30	7	14	16	16	16
31 to 60	12	20	22	23	30
Over 60	63	41	18	10	21
C. Blind/disabled:					
0 to 20	13	6	27	18	10
21 to 30	7	7	8	13	10
31 to 60	15	26	28	36	33
Over 60	66	61	37	33	47

[1] Data show the elasped time from claim to disposition for claims disposed of in certain months. Comparable data concerning the length of time claims have been pending within the administration at any given time are not available.

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