Statement of Hal Daub, Chairman
Social Security Advisory Board
to the
National Council of Disability Determination Directors
August 2, 2004

Good morning. I am very pleased to have this opportunity to meet with you again. When I addressed you two years ago, I talked about the Social Security Advisory Board's findings that the Social Security disability programs were in need of fundamental change. I said that substantial reform was needed in management and structure and resources and policies. Today, all of those needs are still there. But there is a big difference, and the difference is that we see these problems being addressed. There is still a long way to go. It is not a time for declaring victory. You, as well as anyone, know how massive and complex and difficult these programs are. A lot of hard work and careful implementation and marshalling of resources still lies ahead. But, the journey has begun towards the kind of excellence that these programs and their beneficiaries deserve.

Your meetings here later this week to prepare for the national expansion of eDib represent a very important milestone along the road to improving the disability programs. Few people appreciate the magnitude of your task. I believe you are facing one of the most difficult changes in the 50 year history of the program. We are counting on your management skills and the talents of your staff successfully to implement this important change. This will be a difficult challenge with many risks, but there are also great rewards for the DDS, the program, and the public.

Every year something like two and a half million new claims come in the door. And this is in addition to continuing disability reviews and other workloads. Disability claims involve a complex mix of medical, vocational, and legal issues. Claims folders, filled with multiple reports of medical exams, lab tests, and hospital stays range in size from large to huge. But as massive and as complex as these programs already are, the demands on them will only increase as more and more members of the baby boom generation move into their disability prone years. Getting a handle on these programs and bringing about the reforms they need cannot and will not happen unless they first are brought into the twenty-first century with the implementation of a new, well-designed electronic processing system.

It is well known that a previous attempt to create a modern electronic system for the disability programs did not succeed. That was unfortunate, but—unhappily—not unusual. A landmark study of the success and failure rate of information technology projects found that a large majority of them either fail altogether or wind up costing close to twice their original budget. That same study, however, identified a couple of key factors that tend to predict success. One is a firm commitment to the project on the part of executive management and the other is strong involvement in the project on the part of those who will be using it.

The Advisory Board has met on several occasions with the Commissioner and with the systems staff of SSA to discuss their plans for developing and implementing a modern electronic processing system for the disability programs. Based on what we heard and observed in those meetings, I would say that there is no doubt whatever about their commitment. They clearly see eDib as a very fundamental building block without which the programs cannot hope to meet the challenges of an ever growing caseload and without which many of the other badly needed program reforms will be impossible.

The Advisory Board has also spent a great deal of time over the past year meeting with staff at all levels and in all components to get their views and learn their reactions.

In December, the Board traveled to North Carolina where Fred Beckham and his staff showed us where they were in piloting eDib and filled us in on what was and wasn't working. Just last month, we spent 3 days in California. Our trip included a visit with the DDS branch offices in Oakland. While those offices hadn't yet begun adjudicating claims electronically, we did learn a lot about the issues on the minds of the staff there as they look forward to impact of eDib. We have also met with staff in Social Security's field offices and in the appeals process to get their perspectives. We also have talked with a number of those outside the agency including representatives of the Comptroller General's office. I had the opportunity to discuss the concerns of this organization with your officers and the Board's staff has been in continuing contact with them.

In our various meetings and discussions about eDib, we have heard a number of concerns and we have been careful to bring those concerns to the attention of the Commissioner. We also, however, have heard virtually universal agreement that moving the disability programs into a highly electronic world is both inevitable and long overdue.

The eDib initiative is a huge and bold and innovative undertaking. There are bound to be implementation problems. Indeed, I would be very worried if I heard that problems were not being identified in North Carolina and the other pilot states and in the early roll-out stages in the Atlanta region. As eDib now expands to the rest of the country, I have no doubt that you will find additional challenges that need to be addressed, and I also have no doubt that you will continue to raise concerns as you identify them. Your continuing involvement in providing that kind of feedback is crucial to having this system wind up in that small company of projects that succeed. I can assure you that the Social Security Advisory Board will continue to carefully monitor the implementation of the eDib initiative. I very much urge you to keep in touch with the Board to let us know how this important initiative is progressing.

Important as eDib is, it is only the first step in bringing about the fundamental changes that the Advisory Board called for in its 2001 report on the future of the Social Security Disability Program. In September of last year, the Commissioner of Social Security laid out an approach to overhauling the adjudication process. As with eDib, the Board has been following this closely. We have discussed these proposals with your officers and with many others involved in the program and also, of course with the Commissioner and her staff. We have carefully read the position paper that this

organization prepared. The Commissioner is still in the process of thinking through the large number of comments that she has received and is continuing to receive. I know that she is working very carefully to assure that the final plan achieves the objectives that the Advisory Board laid out in calling for fundamental change. These objectives include: fair and consistent treatment for all, high quality decisions by well qualified and trained adjudicators, and the expeditious processing of claims.

The implementation of a modern electronically supported adjudication system is extremely important. A reformed adjudication process built upon that electronic foundation is essential. But neither of those changes eliminates the need for adequate resources. You do not have the luxury of suspending operations while you gear up for implementing eDib. Your disability examiners are still going to see millions of claims each year while they and your medical consultants are learning about the new systems, gaining the skills to review evidence on a screen, and becoming comfortable with the changes that will take place in the adjudication process.

As the Advisory Board has traveled to different regions of the country and talked with staff and managers in State agencies and in Social Security offices, we have seen the clear need for increased resources to enable these programs to operate with an acceptable level of quality and service to the public. Improved systems and better processes can help greatly, but quality and consistency still demand adequate training and policy development and human capital resources. We have discussed the agency's administrative budget with the Commissioner and expressed our support for her efforts to develop a budget that is based on a realistic assessment of workload requirements. We have tried our best to support her call for increased resources. Both this year and last year, we have written to the Appropriations Committees and urged them to provide in full the increased administrative resources called for in the President's budget. The Appropriations bill reported by the House is a bit below what was requested but still provides a substantial increase. The Senate has not yet acted, and the Board is writing again to point out how important it is to provide adequate funding for this agency that serves millions of retired and disabled Americans.

Much of the Advisory Board's focus over the past several years has been on the need for improving the existing disability program by providing more adequate administrative resources, by modernizing the systems capacity, by creating an effective quality management system, by strengthening the policy base of the program, and by creating a more coherent and consistent adjudication process. But the Board also is concerned about the need to look even more fundamentally at some of the underlying concepts of the program. The Social Security disability program was created a half-century ago, and a lot has changed in those 50 years. There have been great advances in medical science and in the technology supporting rehabilitation. Much of the employment that is available in today's world is less physically demanding than the typical job in the 1950's. Perhaps most important, the attitudes of society and of the disabled themselves have changed. In many ways, the 50-year-old disability program is based on a definition that says, in effect, "Prove that you cannot work." It is hard to square that with what the Americans With Disabilities Act calls the proper goals for the

disabled of: "equality of opportunity, full participation, independent living, and economic self-sufficiency."

The Advisory Board has, in a variety of ways, been examining the question of how the disability program can be made more consistent with today's ways of looking at impairments. Last October, we issued a report on *The Social Security Definition of Disability* that examines this issue in detail. We followed up on that with an all day forum discussion of the issue with a variety of experts. I know that some of your members joined us for that forum. Most recently, on our June trip to San Francisco, we visited with one of the demonstration projects looking at how Social Security can better work with programs that help disabled young people to continue their education and move into an adult life that is self-supporting and independent. In that visit, we met some truly inspirational people working and participating in that project.

Although the Social Security disability program consumes a great deal of the Board's attention, we also have a mandate to look more broadly at Social Security and, in fact, to look at the whole issue of how Social Security together with other public and private programs of income support and health benefits can best meet the needs of our retired and disabled citizens for economic security. Over the past year or so, we have been carefully considering that broader charge and expect to be issuing a report on it before the end of this year.

Let me finish here by encouraging you over the next few days to learn all you can from each other as you prepare to put in place the first building block of what we all want to see, which is a greatly improved system of adjudicating Social Security disability benefits. I know that you have a daunting task ahead of you over the next few years as you implement that building block and the ones that will follow. I know your proven dedication and willingness to work under very difficult conditions for the good of America's disabled citizens. I have every confidence that you will succeed. The Social Security Advisory Board will continue to provide whatever encouragement and assistance we can, but we know that it is the dedicated managers and staff of the State agencies and of the Social Security Administration that will make this all work.