REPORT OF THE COMPTROLLER GENERAL OF THE UNITED STATES

Need For More Uniform Application Of The Presumptive Disability Provision Of The Supplemental Security Income Program

Social Security Administration
Department of Health, Education, and Welfare

Use of the presumptive disability provision of the Supplementary Security Income program varies widely among the States' disability determination services. Such variance is contrary to congressional intent for a nationally uniform program and may be resulting in inequities to applicants.

MWD-76-2

OCT. 16, 1975

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-164031(4)

The Honorable Cardiss Collins
House of Representatives

Dear Mrs. Collins:

The State disability determination services vary widely in their use of the presumptive disability provision of the Supplemental Security Income program. These variations are contrary to congressional intent for a nationally uniform program and may be resulting in inequities to program applicants.

We made our review pursuant to your May 29, 1974, request. We obtained comments from the Department of Health, Education, and Welfare and have considered them in the report.

We invite your attention to the fact that the report contains recommendations to the Secretary of Health, Education, and Welfare. As you know, section 236 of the Legislative Reorganization Act of 1970 requires the head of a Federal agency to submit a written statement on actions he has taken on recommendations to the House and Senate Committees on Government Operations not later than 60 days after the date of the report and to the House and Senate Committees on Appropriations with the agency's first request for appropriations made more than 60 days after the date of the report.

We will be in touch with your office in the near future to arrange for copies of this report to be sent to the Secretary and the four Committees to set in motion the requirements of section 236.

Sincerely yours,

Comptroller General
of the United States

Contents

ABBREVIATIONS

DDS	disability determination service
DO	district office
GAO	General Accounting Office
HEW	Department of Health, Education, and Welfare
SSA	Social Security Administration
SSI	Supplemental Security Income

COMPTROLLER GENERAL'S
REPORT TO THE HONORABLE
CARDISS COLLINS
HOUSE OF REPRESENTATIVES

NEED FOR MORE UNIFORM APPLICATION OF THE PRESUMPTIVE DISABILITY PROVISION OF THE SUPPLEMENTAL SECURITY INCOME PROGRAM

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D I G E S T

The presumptive disability provision is intended to provide a mechanism for meeting an applicant's living costs while a formal determination of eligibility for Supplemental Security Income disability benefits is being made. (See p. 2.)

The Social Security Administration's district offices and State disability determination services were slow to use the provision during early program stages. (See pp. 4, 5, 9, and 10.)

Although the numbers of presumptive decisions made by the disability determination services significantly increased during the second 6 months of the program, States' use of the provision and the numbers reversed still varied widely. (See pp. 6 to 9.) This variance may be resulting in inequities to recipients and appears inconsistent with a program intended to be nationally uniform.

Social Security's addition of six categories to those for which the district offices can grant presumptive decisions should increase the number of such decisions. (See p.10.) Statistics for evaluating district offices' performances in making decisions, however, had not been accumulated at the time of GAO's review. (See p. 9.)

To improve the implementation of the presumptive disability provision, the Secretary of Health, Education, and Welfare should direct the Commissioner of the Social Security Administration to

--examine the operations of the disability determination services to determine the reasons for the wide variations in the use of the presumptive provision and in reversal rates and, based on the findings, establish procedures for applying the provision more uniformly and

--develop a management information system whereby statistics can be accumulated on the numbers of presumptive decisions made and reversed by the district offices and continue studying the categories in which presumptive decisions are rarely or frequently reversed to remove, change, or add to the categories in which the district offices can grant presumptive decisions. (See p. 11.)

The Social Security Amendments of 1972 established the Supplemental Security Income program to provide cash assistance to needy aged, blind, and disabled persons. Effective January 1, 1974, the program replaced the former State-administered programs of Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled. The program is intended to provide a minimum income for eligible persons under nationally uniform eligibility requirements and benefit criteria. (See pp. 1 and 2.)

CHAPTER 1

INTRODUCTION

At the request of Congresswoman Cardiss Collins (see app. I), we reviewed the Social Security Administration's (SSA's) implementation of 42 U.S.C. section 1631(a)(4)(B). This section authorizes benefits under the Supplemental Security Income (SSI) program to individuals presumed to be disabled, pending a formal determination of disability.

SUPPLEMENTAL SECURITY INCOME PROGRAM

The Social Security Amendments of 1972 (Pub. L. 92-603) established the SSI program to provide cash assistance to needy aged, blind, and disabled persons. Effective January 1, 1974, the program replaced the former State-administered programs of Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled. The program administered by SSA is intended to provide a minimum income for eligible persons using nationally uniform eligibility requirements and benefit criteria.

The definition of disability under SSI is the same as under the Social Security Disability Insurance Program. "Disability" is defined as the "inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months." "Substantial gainful activity" is any work of a nature generally performed for remuneration or profit, involving significant physical or mental duties or a combination of both. Work may be considered substantial even if it is performed part time and it is less demanding or responsible or pays less than the individual's former work.

SSI pays a qualified individual a maximum monthly benefit of $157.70 ($236.60 for a couple). The amount received may be more if the individual resides in a State which supplements SSI benefits or less if he receives income above the amounts excluded. Income excluded is $20 per month of earned or unearned income plus half of any excess over an additional $65 per month of earned income. An individual may also have resources, including both real and personal property worth up to $1,500 ($2,250 for a couple), and still receive benefits. Certain items are excluded from being considered in this limitation on resources. For example, recipients may own a home with a market value of $25,000 or less ($35,000 in Alaska and Hawaii) and an automobile valued at $1,200 or less.

Funds for the SSI program are appropriated from general revenues. For fiscal years 1974 and 1975, $2.2 and $4.8 billion, respectively, were appropriated. For fiscal year 1976, $5.5 billion has been estimated as necessary to operate the program. As of March 1975, 2.3 million aged and 1.9 million blind and disabled were receiving SSI benefits.

Disability claims process

An individual applying for SSI benefits visits an SSA district office (DO) or a branch office and meets with a claims representative who takes his application and income and resource information and who, if the application is based on disability (including blindness), obtains a Medical History and Disability Report. The DO is responsible for determining whether the applicant meets the income and resource limitations.

Determinations of disability are made by an agency called the disability determination service (DDS) in the State where the applicant resides. The DO sends to the DDS the Medical History and Disability Report to aid it in making the determination.

The relationship between SSA and the DDSs is a contractual one. DDSs determine disability on the basis of SSA standards and guides. The costs of making the determinations are funded by Federal moneys.

Presumptive disability provision

This provision of the Social Security Act, as amended, was included in recognition that, in some cases, additional time was needed to obtain and evaluate medical and other evidence to establish disability and a mechanism was needed to meet the applicant's living costs while formal determination was pending. The provision allows payment of SSI to any individual applying for disability benefits when the applicant is presumed disabled and is determined to be otherwise eligible for such benefits. Payments may continue for up to 3 months. If at the end of 3 months the formal decision has not been made, the presumptive disability payments cease. Any benefits paid on the basis of presumptive disability are not considered overpayments that have to be recovered if the individual is later found not to have been disabled. SSA authorized both the DDSs and the DOs to grant presumptive decisions.

SCOPE OF REVIEW

In conducting our review, we

--examined written guidelines and procedures for granting presumptive disability determinations and analyzed statistics furnished by SSA and

--interviewed officials in SSA's Bureau of Disability Insurance, Supplemental Security Income, and District Office Operations, and officials of the Maryland and Pennsylvania Disability Determination Services.

At the request of the Congresswoman's office, we included data pertaining specifically to the performance of the Illinois DDS.

CHAPTER 2

IMPLEMENTATION OF THE PRESUMPTIVE DISABILITY PROVISION

The SSA DOs and the State DDSs were slow to use the presumptive disability provision during the early stages of program implementation. SSA has taken steps to increase the number of presumptive decisions being made by DDSs; however, use of the provision and the numbers of decisions reversed still vary widely among the States. SSA's expansion in February 1975 of DO authority to grant presumptive decisions should increase their use of the provision.

DDSs' USE OF THE PROVISION

Initially, SSA assigned the primary responsibility for making presumptive decisions to the DDSs, which make the medical evaluation of disability for the social security disability program. SSA did not restrict DDSs from considering any particular type of impairments for a presumptive decision. It did require, however, that the decision be based on sufficient medical evidence to determine to a high degree of probability that the findings would be confirmed when the complete evidence was obtained. This requirement was made so that presumptive decisions would be reversed only in rare cases as specified on page 391 of the Senate Report (S. Rep. 92-1230) on the SSI legislation.

Although the DDSs were to establish their own procedures, SSA guidelines did provide that they were to consider making presumptive decisions

--when the case was flagged by the DO as meeting the financial criteria for emergency advance payment,

--when the formal disability decision on any case was unduly delayed, 1/ or

--when medical evidence, although short of that needed for a formal decision, would support a presumptive decision.

1/Selecting a point in time at which a formal decision on a case would be considered unduly delayed was left to the discretion of each DDS so long as it chose a point within 60 days as specified by SSA. Information provided by SSA on 14 DDSs showed 8 had established 45 days after receipt of a case as the point after which a formal decision would be considered unduly delayed.

Implementation during the first 6 months of program

The DDSs made limited use of the presumptive disability provision during the first 6 months of the SSI program (Jan. 1 to June 26, 1974). The number of presumptive decisions amounted to only about 1 percent of the approximately 320,000 SSI claims allowed by the DDSs during this period.

We compared the number of presumptive decisions to the number of allowances made by each DDS for the above period, and the ratios developed ranged from 1:18 to 1:3,101. This meant that one DDS was making a presumptive decision for every 18 claims allowed while another was making a presumptive decision for every 3,101 claims allowed. The median was 1:113 and the national average was 1:96. (Illinois made a presumptive decision for every 177 claims allowed.)

We also analyzed the reversal rates of presumptive decisions. The analysis showed the reversal rates ranged from 0 to 75 percent. 1/ The national average was 3 percent, and 27 States with 22 percent of the total presumptive decisions had no reversals. (Illinois had a reversal rate of 16 percent.)

Although the provision was intended as a mechanism for meeting living costs while a formal determination of disability was being made, in the cases reviewed the presumptive decisions generally were made too close to the final determination to really benefit the applicant. For cases on which both presumptive and formal determinations had been made, the average time from date of application to date of presumptive decision was 85 days and from date of application to date of formal determination was 96 days, a difference of only 11 days.

SSA actions to improve the use of the presumptive disability provision by DDSs

SSA has taken steps to improve the implementation of the provision. These steps have ranged from simply urging DDSs to make more presumptive decisions to changing the implementing instructions.

On August 12, 1974, SSA issued new instructions to the DDSs on presumptive disability decisions. Originally, the DDSs were authorized to make presumptive decisions only on

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1/The Louisiana DDS made four presumptive decisions, three of which it subsequently reversed.

the basis of medical evidence. The new instructions permitted them also to be made on the basis of the claimant's allegations.

On September 15, 1974, SSA initiated a procedure which was intended to improve the timeliness of the presumptive decisions. Previously, the DO was required to establish that the SSI disability applicant met the income and resource tests for eligibility before forwarding his application to the DDS for a medical determination of eligibility. This often resulted in delays between the date the application was received by the DO and the date it was transmitted to the DDS. Consequently, the part of the application approval process which took the longest--processing by the DDS--was even further postponed.

The new procedure allows the DO to forward the medical portion of the claim to the DDS before completing the developmental action on income and resources if, from the face of the evidence, it can make a reasonable assumption that the applicant meets the income and resources criteria for eligibility. Thus, the DDS receives the claim sooner and can be making a disability determination while the DO is completing its examination of income and resources.

On December 3, 1974, SSA sent to its regional representatives for dissemination to the DDSs the results of a study on a sample of cases on which presumptive and final decisions had been made between July 15 and September 6, 1974. The report listed the impairment categories according to the rates at which presumptive decisions made on them were reversed and thus identified those impairment categories on which presumptive decisions, if made, would most likely be confirmed. This information would help the DDSs in making more presumptive decisions which would be confirmed upon final determination.

Implementation during the second 6 months of program

The DDSs increased their use of the presumptive provision during the second 6 months of the SSI program (June 27 to December 25, 1974). In the first 6 months, 3,332 presumptive decisions were made, an average of 555 per month. In the second 6 months, 62,751 presumptive decisions were made, an average of 10,458 per month. The number had increased to 20 percent of the 308,000 SSI claims allowed on the basis of blindness and disability in the second 6 months as compared to the 1 percent of the 320,000 claims allowed in the first 6 months.

We compared the number of presumptive decisions to the number of disability claim allowances made by each DDS during

the second 6 months. The ratios developed for the DDSs from the first 6 months (see p. 5) and the second 6 months are shown below.

Presumptive decisions vs. allowances	First 6 months	Second 6 months (note a)
Range:		
High	1:18	1:2
Low	1:3,101	1:46
Median	1:113	1:7
Average	1:96	1:5
Illinois	1:117	1:16

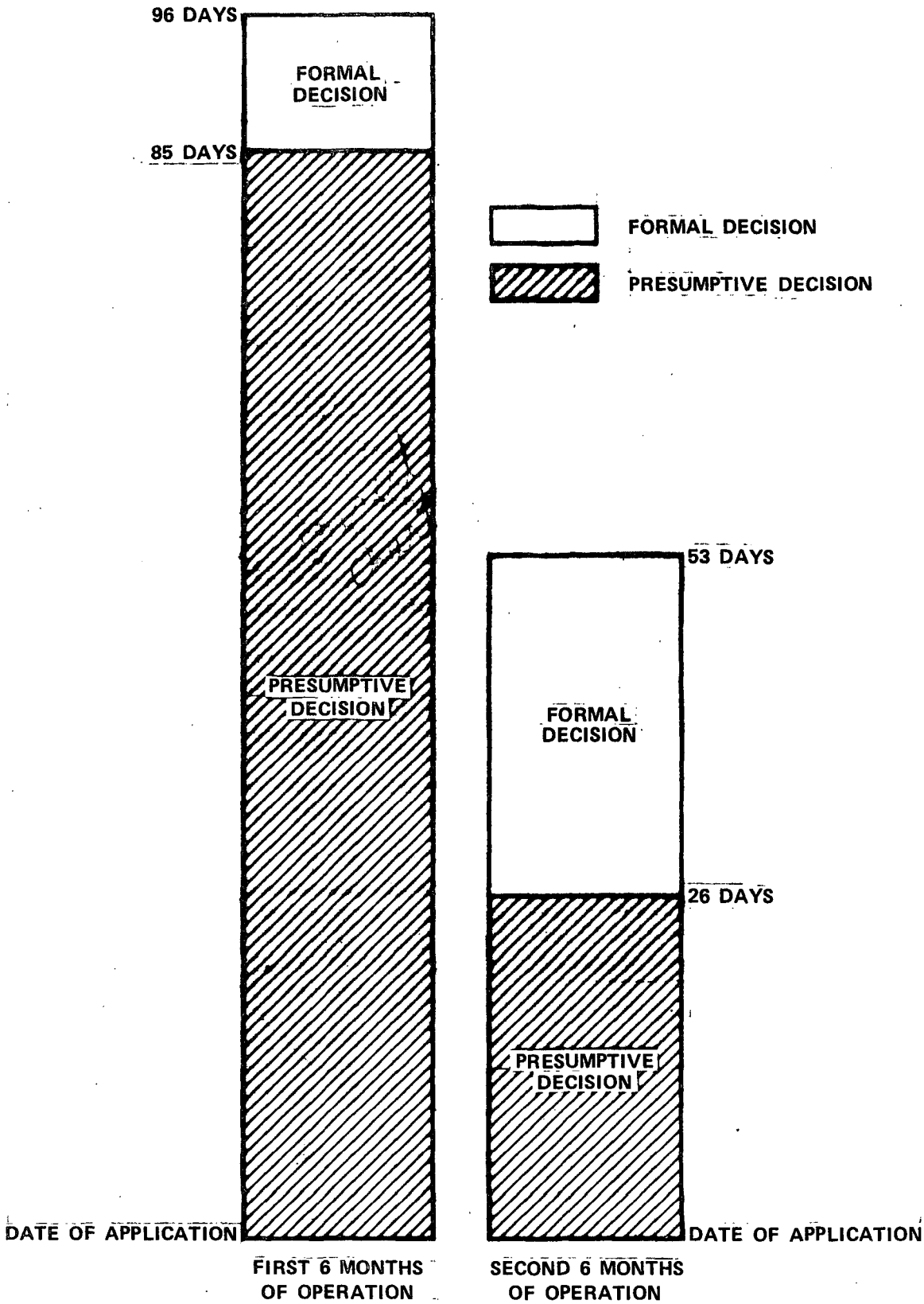
a/For the period June 27, 1974, through December 11, 1974.

Although the table shows a marked increase in the use of the presumptive disability provision during the second 6 months, the variance among the States is still quite large.

The number of presumptive decisions reversed also increased during the second 6 months of operation from 91 through June 26, 1974, to 10,335 through December 25, 1974. A State-by-State analysis showed that while the range of reversal rates decreased from 0 to 75 percent (Jan. 1 through June 26, 1974) to 0 to 46 percent (June 27 through Dec. 11, 1974), the national average increased from 3 percent to 14 percent. The number of States with no reversals dropped from 27 to 2. (During this period, Illinois' reversal rate decreased from 16 percent to 0.7 percent.)

To determine whether there was any correlation between high numbers of presumptive decisions and high reversal rates, we divided the DDSs into 2 groups of 25, according to the rate at which they made presumptive decisions. In the group making the most decisions, 14 DDSs had reversal rates in excess of 5.7 percent, the median reversal rate during the period July through December 1974. In the group making the least decisions, 10 DDSs had reversal rates in excess of 5.7 percent. Thus, there appears to be no high degree of correlation between the DDSs making high numbers of presumptive decisions and high reversal rates.

We again reviewed DDSs performances to determine if, on the average, they were making the presumptive decisions too close to the final decision to really benefit the applicant. We took a sample of cases on which presumptive and formal determinations had been made in the second 6 months of program operation. The average processing time of the sample cases for the first 6 months and of the sample cases for the second 6 months are compared in the following chart.


96 DAYS
FORMAL DECISION
85 DAYS
PRESUMPTIVE DECISION
DATE OF APPLICATION
FIRST 6 MONTHS OF OPERATION
FORMAL DECISION
PRESUMPTIVE DECISION
53 DAYS
26 DAYS
DATE OF APPLICATION
SECOND 6 MONTHS OF OPERATION

As the comparison shows, the presumptive decisions in the second 6 months were being made in an average of 26 days, which is much faster than the 85 days in the first 6 months. Therefore, the presumptive decisions in the second 6 months were much more effective in meeting applicants' living costs during the period needed to make the formal determinations. The comparison also shows that the overall average SSI disability application processing time was shortened. In the first sample, applicants had an average waiting period of 96 days before the formal determination. The second sample shows an average waiting period of 53 days. The shorter period for a formal determination benefits a waiting applicant and minimizes the expense of payments made on the basis of presumptive decisions which cannot be recovered if the decision is later reversed.

DISTRICT OFFICE USE OF THE PROVISION

Unlike SSA's instructions which did not restrict the DDSs from considering any type of impairment for a presumptive decision, SSA initially limited the DOs to making presumptive decisions only in the following instances: (1) amputation of two limbs, (2) amputation of a leg at the hip, and (3) total deafness. The decisions in these cases were to be based solely on the applicant's allegations and an interviewer's observations. Furthermore, DO personnel were instructed not to request medical evidence or conduct any type of examination or test before making a finding of presumptive disability.

This approach was to assure that (1) presumptive decisions were reversed only in rare cases and (2) DOs did not make medical judgments on the basis of medical evidence, the responsibility of the State DDSs.

While the DDSs showed a continued increase in the use of the presumptive provision during the first year, the DOs use of the provision remained limited. Statistics were not accumulated on presumptive decisions made by DOs at the time of our review; however, an SSA official estimated that probably no more than 100 presumptive decisions had been made by DOs in the first year of operation.

SSA actions to improve DOs' use of the provision

On February 7, 1975, SSA revised instructions to add six impairment categories to the three for which DO personnel could grant a presumptive decision. These were the categories in which presumptive decisions would most likely not be reversed. SSA selected these categories on the basis of reviews, such as the December 3, 1974, study. (See p. 6.) Included were:

1. Bed confinement or immobility without a wheelchair, walker, or crutches, allegedly due to a longstanding condition (excluding recent accident or surgery).

2. Allegation of a stroke (cerebral vascular accident) more than 4 months in the past with continued marked difficulty in walking or using a hand or an arm.

3. Allegation of cerebral palsy, muscular dystrophy, or muscular atrophy, with marked difficulty in walking (e.g., use of braces), speaking, or coordinating the hands or arms.

4. Allegation of diabetes, with amputation of a foot.

5. Allegation of Down's Syndrome (mongolism).

6. 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 (1) 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 (2) requires care and supervision of routine daily activities.

Another study by SSA of cases on which presumptive and final decisions had been made supports enlarging the categories in which DOs may grant presumptive decisions. Cases were analyzed in which DDSs had based presumptive decisions solely on the information supplied by the applicant. We compared the results of this study with those of the December 3, 1974, study, in which the presumptive decisions were based on some medical evidence. In the eight major impairment categories identified in these studies, the difference in reversal rates ranged from 0 to 14 percent. The median reversal rate difference was 2 percent. The average difference was 4 percent. Thus, there was apparently no significant difference between the reversal rates of presumptive decisions based solely on information supplied by the applicant and the reversal rates of presumptive decisions based on supporting medical evidence obtained by DDSs.

CONCLUSIONS

The numbers of presumptive disability decisions being made by DDSs increased during the second half of the first year of the SSI program. However, DDSs' use of the provision still varied widely. This variance may be resulting in inequities to SSI applicants, particularly in those States

where the DDSs are making little use of this provision. Such a result appears inconsistent with a program intended to be nationally uniform. These wide variations also suggest the need for SSA to provide more guidance to the DDSs in establishing procedures for making presumptive decisions. Allowing the DDSs to establish their own procedures for applying the guidelines developed by SSA for making presumptive disability decisions will not result in the most uniform and systematic application of the provision.

In addition, reversal rates of presumptive disability decisions varied widely among the DDSs. High reversal rates are not only costly to the program but contrary to congressional intent.

Initially, SSA limited the authority of the DOs to grant presumptive disability decisions to only three types of impairments. This was to minimize the number of presumptive decisions which would be reversed. However, the DOs are the ideal level for making presumptive decisions because they offer the earliest opportunity to meet an applicant's needs while formal determination is being made. SSA's identification of the categories in which presumptive decisions are rarely reversed and the addition of these categories to those in which the DOs can grant presumptive decisions should increase the number of such decisions.

Statistics on the number of presumptive decisions made by the DOs had not been accumulated at the time of our review. Statistics similar to those collected on the performance of the DDSs with respect to presumptive disability should be collected for the DOs in order to properly evaluate their performance--especially in light of the increased number of categories in which the DOs can now grant presumptive decisions.

RECOMMENDATIONS TO THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

We recommend that the Secretary direct the Commissioner of SSA to examine DDS operations to determine why the States' use of the presumptive provision and their reversal rates vary and, based on the findings, establish procedures for applying the provision more uniformly.

We also recommend that the Secretary direct the Commissioner of SSA to (1) develop a management information system to accumulate statistics on the numbers of presumptive decisions made and reversed by the DOs and (2) continue studying the categories in which presumptive decisions are rarely or frequently reversed to remove, change, or add to the categories in which the DOs can grant decisions.

CHAPTER 3

AGENCY COMMENTS AND OUR EVALUATION

In an August 19, 1975, letter HEW expressed general agreement with our report and stated that SSA recognized the importance of the presumptive disability provision and would continue to make a strong effort to increase its uniform use throughout the country. (See app. II.) HEW also commented that reversals of presumptive determinations were a serious problem which SSA had taken a number of steps to deal with.

HEW concurred in our recommendation that SSA examine DDS operations to determine the reasons for the wide variations in the use of the presumptive provision and in reversal rates and, based on the findings, establish procedures for a more uniform application of the presumptive disability provision.

SSA will assess current measures for achieving nationwide uniformity in numbers and reversal rates of presumptive decisions and will then determine what additional measures are needed. HEW added that apparently greater uniformity could best be obtained by identifying the DDSs with low numbers of presumptive decisions or high reversal rates so that increased management oversight could be directed toward them.

HEW disagreed, however, with our statement that the DDSs had been allowed to establish their own procedures for making presumptive decisions. It commented that current instructions to the DDSs indicate objectives, specify priorities, authorize the use of convincing allegations or SSA DO observations, and furnish specific information on particular impairments most amenable to presumptive determinations. What is left to the DDSs is the basic medical-vocational judgment. Consequently, HEW does not believe additional procedural instructions are necessary.

This comment indicates the need for us to clarify our conclusion that SSA needs to provide more guidance to the DDSs in establishing procedures for making presumptive decisions.

Our conclusion was based on the differences in claims processing by the DDSs we visited and also on information provided by SSA on 14 other DDSs.

One DDS we visited had established on its own initiative special processing procedures for making presumptive decisions. Briefly, these procedures consisted of having the most highly experienced examiners screen the SSI cases, as they were received, with the intention of making a presumptive decision. In this way, presumptive decisions were made on some cases on the same day they were received in the DDS. At another DDS, no special processing procedures had been developed for making presumptive decisions, and apparently very little emphasis was being placed on them.

Thus, not only was the first-mentioned DDS making much more use of the provision, it was also making the decisions expeditiously, yielding a greater benefit to the claimant. Also, in talking with SSA officials about the 14 other DDSs, we found similar differences in their procedures for making presumptive decisions. Therefore, we continue to believe that allowing the DDSs to establish their own procedures for applying the guidelines developed by SSA will not result in the most uniform and systematic application of the provision.

HEW also concurred in our recommendation that SSA (1) develop a management information system whereby statistics can be accumulated on the numbers of presumptive decisions made and reversed by the district offices and (2) continue studying the categories in which presumptive decisions are rarely or frequently reversed to remove, change, or add to the categories in which the district offices can grant presumptive decisions.

HEW commented that statistics were being accumulated on the DOs performances. It added that SSA intends to continue studying and identifying categories in which presumptive decisions are rarely or frequently reversed to modify those in which the DOs can grant presumptive decisions. SSA also intends to monitor the DOs' performances to assure optimum use of the provision.

APPENDIX I

CARDISS COLLINS
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Congress of the United States
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COMMITTEE ON
GOVERNMENT OPERATIONS

SUBCOMMITTEES:
GOVERNMENT ACTIVITIES
LEGAL AND MONETARY AFFAIRS

DOROTHY ROSS
PERSONAL SECRETARY
202-225-5009

May 29, 1974

Mr. Elmer Staats
Comptroller General of the U.S.
General Accounting Office Bldg.
411 G Street
Washington, D.C. 20548

Dear Mr. Staats:

It has come to my attention that the Social Security Administration, in administering Title XVI of Public Law 92-603, Supplemental Security Income (SSI), has established standards for presumptive disability that may well go beyond the intent of Congress.

The Disability Claims Manual states that district offices may only approve presumptive disability in the following instances: (1) amputation of two limbs; (2) amputation of a leg at the hip; and (3) total deafness (Section 12752).

I am concerned that these very narrow and strict standards may ignore the intent of Congress in attempting to aid the disabled persons of this country and request the General Accounting Office to investigate whether or not they violate the intent of Public Law 92-603.

I await your early reply.

Yours truly,

Cardiss Collins

CARDISS COLLINS
Member of Congress

CC/RP/df

APPENDIX II

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
OFFICE OF THE SECRETARY
WASHINGTON, D.C. 20201

August 19, 1975

Mr. Gregory J. Ahart
Director, Manpower and
Welfare Division
United States General Accounting
Office
Washington, D.C. 20548

Dear Mr. Ahart:

The Secretary asked that I respond to your request for our comments on your draft report to the Congress entitled, "Need for More Uniform Application of the Presumptive Disability Provision of the Supplemental Security Income Program." They are enclosed.

We appreciate the opportunity to comment on this draft report before its publication.

Sincerely yours,

John D. Young
Assistant Secretary, Comptroller

Enclosure

APPENDIX II

COMMENTS ON GAO DRAFT REPORT ENTITLED "NEED FOR MORE UNIFORM APPLICATION OF THE PRESUMPTIVE DISABILITY PROVISION OF THE SUPPLEMENTAL SECURITY INCOME PROGRAM"

Overview

We are in general agreement with GAO's discussion of the implementation of the presumptive disability (PD) provision. We would like to say that SSA recognizes the importance of this provision and has made and will continue to make strong efforts toward increasing the use of PD uniformly throughout the country. Reversals of PD determinations have been a corollary and significant problem, and since the time of GAO's review SSA has taken a number of steps to deal with it. Current data indicates a trend not only to more uniform application of PD, but also to a significant reduction in the rates of reversal.

Recommendation

That SSA examine into the operations of the DDS to determine the reasons for the wide variations in the use of the presumptive provision and in reversal rates and based on the findings establish procedures for obtaining a more uniform application of the presumptive disability provision.

Comments

We concur. We will assess current measures aimed at achieving nationwide uniformity in both numbers of presumptive disability (PD) decisions and reversal rates, and will then determine what additional measures are needed.

It appears now that greater uniformity can best be obtained by continuing to identify DDS' with low PD output or high reversal rates so that increased management oversight and emphasis can be directed toward the problem DDS, including encouraging them to fully incorporate PD in their own quality assurance programs.

The matter of obtaining uniformity is complicated by the need to prevent overreaction on the part of DDS. Low-producing States should be encouraged to evolve an effective PD program rather than make a rigid transition to high PD output with a correspondingly high reversal rate. Conversely, DDS' with high reversals should be encouraged to develop more careful selection of PD cases without an immediate, marked curtailment of their PD output.

APPENDIX II

In suggesting ways to achieve greater uniformity, the draft report indicates that DDS' have been allowed to establish their own procedures for making presumptive decisions and calls for more procedural instructions. We do not agree that DDS' have been allowed to establish their own procedures. Our current instructions to DDS' indicate objectives, specify priorities, authorize the use of convincing allegations or SSA district office observations, and furnish specific information on particular impairments that are most amendable to PD decisions. What is left to the DDS' is the basic medical-vocational judgment, as is the case in a formal disability determination. As we indicated above, it appears now that more uniform application of PD can better be achieved through management oversight and emphasis rather than through the issuance of additional procedural instructions.

Recommendation

That SSA (1) develop a management information system whereby statistics can be accumulated on the numbers of presumptive decisions made and reversed by the district offices, and (2) continue studying the categories in which presumptive decisions are rarely or frequently reversed to remove, change, and/or add to the categories in which the district offices can grant presumptive decisions.

Comments

We concur. Statistics are being accumulated on district office PD decisions and will be made part of the automated data collection system for all PD decisions, which were initiated in February 1975. Steps are also being taken to incorporate district office PD data in the DDS weekly work reports so that they will show the number of district office decisions received in the DDS, the number reversed, and the number pending final determination. This new procedure will be included in the next revision of the DDS reporting instructions and will be effective beginning October 1975.

We agree on the importance of the district offices in making early presumptive decisions and, in line with GAO's recommendation, we intend to continue to study and identify categories in which presumptive decisions are rarely or frequently reversed and, based on these studies, to modify the categories in which the district offices can grant PD. We also intend to monitor the district offices to assure that they are making optimum use of those PD categories.