



Highlights of [GAO-05-19](#), a report to Committee on Finance, U.S. Senate, and the Committee on Ways and Means, House of Representatives

## Why GAO Did This Study

Since 1980, the Congress has required the Social Security Administration (SSA) to conduct demonstration projects to test the effectiveness of possible program changes that could encourage individuals to return to work and decrease their dependence on Disability Insurance (DI) benefits. To conduct these demonstrations, the Congress authorized SSA, on a temporary basis, to waive certain DI and Medicare program rules and to use Social Security Trust Funds. The Congress required GAO to review SSA's use of its DI demonstration authority and to make a recommendation as to whether this authority should be made permanent.

## What GAO Recommends

GAO recommends that SSA develop a formal agenda for its demonstrations, establish an expert panel to guide the design and implementation of demonstrations, and establish formal processes to ensure full consideration of demonstration results. GAO also identifies several matters for the Congress to consider, including continuation of DI demonstration authority on a temporary basis, establishment of additional reporting requirements for demonstrations, and clearer specification of the methodological and evaluation requirements for demonstrations.

In its comments on a draft of this report, SSA agreed with GAO's recommendations.

[www.gao.gov/cgi-bin/getrpt?GAO-05-19](http://www.gao.gov/cgi-bin/getrpt?GAO-05-19).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robert E. Robertson at (202) 512-7215 or [RobertsonR@gao.gov](mailto:RobertsonR@gao.gov).

# SOCIAL SECURITY DISABILITY

## Improved Processes for Planning and Conducting Demonstrations May Help SSA More Effectively Use Its Demonstration Authority

### What GAO Found

SSA has not used its demonstration authority to extensively evaluate a wide range of DI policy areas dealing with return to work. Despite being given the authority to assess a broad range of policy alternatives, SSA has, until very recently, focused its demonstration efforts mostly on a relatively narrow set of policy issues—those dealing with the provision of vocational rehabilitation and employment services. SSA's recently proposed or initiated demonstrations have begun to address a broader range of policy issues, such as provisions to reduce, rather than terminate, benefits based on earnings above a certain level. However, the agency has no systematic processes or mechanisms for ensuring that it is adequately identifying and prioritizing those issues that could best be addressed through use of its demonstration authority. For example, the agency has not developed a formal demonstration research agenda explicitly identifying its broad vision for using its DI demonstration authority and explaining how ongoing or proposed demonstration projects support achievement of the agency's goals and objectives.

SSA's demonstration projects have had little impact on the agency's and the Congress' consideration of DI policy issues. This is due, in part, to methodological limitations that have prevented SSA from producing project results that are useful for reliably assessing DI policy alternatives. In addition, SSA has not established a formal process for ensuring that its demonstration results are fully considered for potential policy implications. For example, SSA does not maintain a comprehensive record of its demonstration results that could be used to build a body of knowledge for informing policy decisions and planning future research. Furthermore, SSA's reporting of demonstration project results has been insufficient in ensuring that the Congress is fully apprised of these results and their policy implications.