

SSI Case Closures

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In 1990, about 800,000 persons receiving payments from the Supplemental Security Income (SSI) program had their cases closed and their payments stopped. The most frequently cited reasons for these case closures were excess income and death. Of those cases closed for reasons other than death, about 43 percent eventually returned to payment status. This study presents an analysis of a 1-percent sample of SSI recipients whose cases were closed during 1990. Longitudinal data on closures were collected by merging a series of monthly 1-percent sample files containing SSI administrative data. These are the first published data on reasons for SSI case closures.

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The Supplemental Security Income (SSI) program provides for payments to aged, blind, and disabled individuals whose incomes and resources are below specified amounts. Payments under the program began in 1974. From the beginning of the program to the present, there have been numerous articles and statistical reports describing many of the aspects of the program such as recipient counts, awards, applications, work incentive provisions, diagnoses, and living arrangements. However, there has not been any published material on persons leaving the SSI rolls. This article is the first study that describes recipients who leave the SSI rolls; it provides reasons for the closings, shows the permanence or nonpermanence of these actions, and provides a limited historical perspective on this aspect of the program.

Methodology

The data for this article were taken from the SSI 1-Percent Sample File. This file is extracted each month from the Supplemental Security Income Record (SSR), the main computer file used to administer the SSI program. The SSI 1-Percent Sample contains program and demographic variables for all persons who receive SSI payments during the file month. To produce the basic study cohort for each year, each sample recipient's monthly payment information was matched to that data for the following month to determine whether or not the recipient continued in payment status; for example, January was matched to February, February to March, and so on. After 12 such matches, the study cohort included all closings for the year. Files were produced for 4 years:

Year	Number of closings
1988	8,507
1989	8,730
1990	8,594
1991	8,646

Because the study addresses questions concerning the permanence of these closings, all study cases were followed monthly for 1 year from the time they left the rolls. These monthly updates are

included in the study file, except for the 1991 file, for which several months were not yet available.

Because a complete followup was not yet available for the 1991 file, this study concentrates on the 1990 file. Standard errors for estimated counts are shown in the Technical Note at the end of the article.

Reasons for Closures

Persons who apply for SSI payments must meet various eligibility criteria. Applicants must be 65 years of age or older, meet the Social Security Administration's (SSA's) definition of disability, and have countable resources and income that are below prescribed limits. Those persons who do not meet the eligibility criteria are denied payments. Once recipients begin to receive payments, their continued eligibility is monitored through periodic reviews to determine if their circumstances have changed. The cases of recipients who are determined to be no longer eligible are closed from the rolls. The administrative records of the SSI program provide a fairly good amount of detail on the reasons for closure, which follow:

- Excess income. The recipient's countable income exceeds the SSI benefit rate.
- Death. The recipient died.
- In a Medicaid institution. The recipient is no longer eligible for a payment because he/she is spending a full month as a patient in an institution where Medicaid pays more than 50 percent of the cost of care, and his/her countable income exceeds the \$30 payment limit. The recipient retains eligibility for Medicaid coverage.
- Whereabouts unknown. The Department of the Treasury reports that a check has been returned because of an incorrect or unknown address.
- Excess resources. The recipient's countable resources exceed the limits. The limits have been \$2,000 for an individual and \$3,000 for a couple since January 1989.
- Presumptive payments end. If an applicant's disability is such that he/she is likely to be awarded SSI payments, a fixed number of presumptive payments may be awarded before a formal determination of disability is made.¹ This category represents the period between the end of presumptive payments and before the formal decision to award or deny.
- Lack of a representative payee. Where there is evidence that a recipient is not able to manage SSI payments in his/her best interests, SSA may require the selection of a representative payee. Payments are suspended when either the current representative payee dies or refuses to continue to serve in this capacity, or the recipient needs a representative payee and SSA is unable to find one.
- In a public institution. The recipient is spending a full month in a public institution. (This does not include situations where Medicaid pays more than 50 percent of the cost of the care of the institutionalized individual.)
- Failure to furnish a required report. The recipient fails to comply with an agency request for necessary information.
- Absence from the United States. A recipient who resides outside the United States for a full calendar month is not eligible for SSI benefits for such month(s).
- Record composition change. A new computer record must be submitted for the recipient by field office personnel, because a person (eligible or ineligible) is being added or subtracted from the record. This category was incorporated as a result of the computer system's inability to handle these structural record changes automatically.
- Cessation of blindness or disability. The recipient no longer meets SSA's definition for blindness or disability.
- Loss of U.S. citizenship. The recipient has lost U.S. citizenship or status as an alien lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law.
- Failure to apply for and obtain other benefits. Because SSI is a program that should be considered as a last resort, a recipient must file for any other benefits for which he/she may be eligible. After the individual files for these benefits, he/she must take all appropriate steps to pursue them.
- Refusal to accept vocational rehabilitation services. The recipient fails, without good cause, to make himself/herself available for vocational rehabilitation contact or evaluation of rehabilitation potential.
- Failure to accept treatment for drug addiction or alcoholism. A recipient whose disability is based on alcoholism or drug addiction must undergo appropriate and available treatment for which he/she has been referred.
- Termination at the request of the recipient. The recipient no longer wishes to receive SSI payments.

Terminology

For the purposes of this article, the term "closure" was selected to provide a

common frame of reference for the study recipients. Closure describes any payment stoppage during the study year. The actual SSI administrative categories for persons who leave the rolls are "suspensions" and "terminations." Most recipients who leave payment status are suspended. If the suspension lasts for a sufficient period of time, the person's payments are then terminated. The distinction between the two categories is important because after payments are terminated a new application must be filed to reestablish eligibility. Persons who are suspended, however, may be restored to payment status without having to file a new application. The amount of months of suspension required for termination varies by the reason for the suspension. Payments for some individuals are terminated immediately without a period of suspension. Chart 1 describes the timing of the termination decision.

Because the timing of the termination action varies by the reason for the initial payment stoppage, a common term was sought to describe all payment stoppages. For this article, the term closure was chosen. Closures is used in table 1 to mean one or more payment stoppages for any study person during the study year. "Persons with closures," used throughout the article, refers to the first closure experienced by each recipient during the study year. A case that is suspended and then terminated for the same event is counted as a single closure.

Findings

Table 1 shows that in 1990 there were 859,400 closures for 788,600 SSI recipients (some recipient cases were closed more than once during the year). The main reason for the closures was excess income (42 percent).² For those persons with multiple closings, the typical reason was repeated periods of excess income.

Excess income occurs in one of two ways. The most common occurrence is when a new source of income begins (for example, a Social Security or a veteran's pension) or there is an increase in an existing income source. Another reason

Chart 1.—Timing of termination decision, by reason for closure

Excess income	After 12 months
Death	Month after the month death occurred
In Medicaid institution	Never
Whereabouts unknown	After 12 months
Excess resources	After 12 months
Presumptive payments end	Never ¹
Lack of representative payee	Never
In public institution	After 12 months
Failure to furnish a required report	After 12 months
Absence from the United States	After 12 months
Record composition change	Never
Cessation of blindness or disability	After 3 months
Loss of U.S. citizenship	After 12 months
Failure to apply for and obtain other benefits	After 12 months
Refusal to accept vocational rehabilitation services	After 12 months
Failure to accept treatment for drug addiction or alcoholism	After 12 months
Termination at the request of the recipient	Immediately

¹ Although termination is never automatic, a period of time in this category is usually ended because (1) a formal determination of disability has been made, (2) six presumptive payments have been made, or (3) suspension for nondisability reasons.

Table 1.—Number and percentage distribution of SSI recipients with case closures and of all case closures, by reason for closure, 1990

Reason for closure	Recipients with closures		All closures	
	Number	Percent	Number	Percent
Total	788,600	100.0	859,400	100.0
Excess income	333,400	42.3	388,700	45.2
Death	187,900	23.8	187,900	21.9
In Medicaid institution	51,400	6.5	53,900	6.3
Whereabouts unknown	46,800	5.9	49,200	5.7
Excess resources	36,500	4.6	37,700	4.4
Presumptive payments end	25,400	3.2	28,700	3.3
Lack representative payee	22,900	2.9	24,800	2.9
In public institution	25,000	3.2	26,600	3.1
Failure to furnish report	14,300	1.8	15,400	1.8
Absence from United States	13,400	1.7	13,700	1.6
Record composition change	10,500	1.3	10,900	1.3
No longer disabled	6,100	.8	6,200	.7
Other	15,000	1.9	15,700	1.8

for a closure is when the recipient's income remains unchanged, but his/her potential benefit is lowered to a point that the benefit is lost. There are several circumstances that can lower potential benefit levels. Examples of these are changes in living arrangements (moving from one's own household into someone else's household or into an institution), having an eligible spouse die, or moving to a State that has no supplement or a lower supplement.³ The second largest cause of closure was death (24 percent). The remaining reasons combined affected only about 34 percent of those cases that were closed.

For some recipients, closure means only a short wait until benefits are resumed. Of the 788,600 study recipients, about 32 percent had returned to payment status within 12 months from the time they left the rolls (table 2). The largest number of those returning had a temporary period of excess income. Others who returned to the rolls typically had problems with program record keeping such as address changes, lacking representative payees, or failing to furnish required reports.

However, the great majority of the study recipients, about 68 percent, whose cases were closed did not return to the

rolls. About 187,900 died and 215,000 had long-term increases in income. This group also included those persons moving into institutions where Medicaid paid the bulk of the costs.

When looking at the percentage of SSI recipients who return to the rolls within the year, it makes sense to exclude those persons who died during the year. When this is done, the percentage of those returning rises from

32 percent to 43 percent. Correspondingly, the percentage of those not returning within the year drops from 68 percent to 57 percent (table 3).

For some of the recipients, cases were closed after many years on the rolls, while other persons left very shortly after they became eligible for SSI payments. About 37 percent had been on the SSI rolls for more than 6 years at the point their cases were closed, and 46 percent

had been on the rolls for 2 years or less (table 4). The reasons for the closings were related to the length of time on the rolls. Recipients whose cases were closed for institutionalization and death tended to have been on the rolls longer than others; those whose cases were closed for excess income and resources tended to have been on the rolls for shorter periods of time.

The circumstances under which cases were closed for excess income can be explored more fully. A look at the specific sources of income that these recipients had reveals that Social Security benefits played an important role in these closings. We know from other sources that Social Security benefits are by far the most prevalent income source for SSI recipients.⁴ Of the 333,400 cases that were closed because of excess income, 171,000 (51 percent) experienced the start of or an increase in the amount of Social Security benefits during the month in which they were closed (table 5).⁵

A further look reveals that those persons with Social Security benefit increases were more likely to have been on the rolls for a short period of time than were those with increases in other types of income. Many of the cases were closed because of Social Security income; applications for both programs were probably filed concurrently and recipients were eligible for SSI only until they began to receive their Social Security benefits. Others, with smaller ongoing Social Security benefits, were closed only for the month of the large retroactive benefits and were soon back in SSI payment status.

Table 2.—Number of SSI recipients with case closures, and percentage who returned and did not return during the year, by reason for closure, 1990

Reason for closure	Total	Percent returning within year	Percent not returning
Total	788,600	32.4	67.6
Excess income	333,400	35.6	64.4
Death	187,900	0	100.0
In Medicaid institution	51,400	19.3	80.7
Whereabouts unknown	46,800	59.2	40.8
Excess resources	36,500	44.9	55.1
Presumptive payments end	25,400	66.9	33.1
Lack representative payee	22,900	87.3	12.7
In public institution	25,000	56.0	44.0
Failure to furnish report	14,300	60.8	39.2
Absence from United States	13,400	42.5	57.5
Record composition change	10,500	68.6	31.4
No longer disabled	6,100	31.1	68.9
Other	15,000	58.0	42.0

Table 3.—Number of SSI recipients with case closures, and percentage who returned and did not return during the year, with and without closure because of death, 1990

Reason for closure	Total	Percent returning within year	Percent not returning
Closures including death	788,600	32.4	67.6
Closures other than death	600,700	42.6	57.4

Table 4.—Number and percentage distribution of SSI recipients with case closures, by the length of time on the SSI rolls and by reason for closure, 1990

Time on SSI rolls	Total	Excess income	Death	In Medicaid institution	Whereabouts unknown	Excess resources	Other
Total number	788,600	333,400	187,900	51,400	46,800	36,500	132,600
Total percent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Under 1 year	25.8	37.4	10.7	9.9	15.0	15.9	30.7
1-2 years	20.1	24.6	15.7	8.9	19.0	26.0	18.2
3-5 years	17.2	17.2	14.6	14.2	21.6	22.2	19.2
6-10 years	13.5	10.9	14.7	15.2	15.6	13.2	16.7
11 years or more	23.4	9.9	44.3	51.8	28.8	22.7	15.2

Those recipients suspended from the rolls because of increases in Social Security were less likely to return to the rolls than were their counterparts with other types of income, because the annual Social Security cost-of-living increase kept their incomes higher than the SSI standard.

Closure patterns were examined for different age groups within the SSI program. Recipients were divided into three groups—aged recipients (age 65 or older), disabled adults (between the ages of 18 and 64), and disabled children (under age 18). Closures occurred at the same rate for aged and disabled adult recipients. In 1990, about 237,800 cases in the aged group were closed (table 6). This figure represents 16 percent of all aged recipients paid during the year.⁶ The 482,200 disabled adult cases that were closed also represented about

16 percent of the disabled adult caseload. Disabled children were closed at a slightly higher rate (22 percent).

There were some differences between the aged and the disabled adult groups. Disabled adult recipients were more likely to return to the rolls within 12 months (33 percent) than were aged recipients (21 percent). Disabled adults were much less likely to return to the rolls than were disabled children (66 percent). The reasons for case closures shed some light on this. Aged recipients were more likely to die or go into institutions. Disabled children had high rates of temporary income (such as deemed income from parents) and other factors.

Table 7 provides a more detailed breakdown of case closures by age and sex. There is a sharp increase in death and institutionalization among those in

the 65 years or older group and a corresponding decrease in the rate of closures caused by excess income. The distribution by sex shows that females have a higher rate of death than males and a lower rate of closures for excess income. The death rate differential is not surprising, given the 3 to 1 ratio of females to males among the SSI aged population. The lower rate of closures for excess income for females may be partly caused by their lower levels of Social Security benefits.⁷

Over time there appears to be a trend for two of the closure types. From 1988 to 1991, there was a noticeable change in the number of cases that were closed for failure to furnish a required report (table 8). The percentage dropped from 12.7 in 1989 to 1.8 in 1990. This drop was the result of SSA policy changes that took place in July 1990. Before that time, cases could be closed before a personal contact with the recipient was made. The new rules make it more likely that these closures will either not occur or will occur but be attributed to another cause.

Also, a rising number and percentage of cases were closed because of excess income. In 1988, 271,700 cases, about 35 percent, were closed for excess income. By 1991, the percentage rose to 46 percent. The reasons for this are not entirely clear, but because Social Security benefits are the predominant

Table 5.—Number of SSI recipients whose cases were closed because of excess income and source of excess income, by length of time on the SSI rolls, 1990

Time on SSI rolls	Total with excess income	Source of excess income	
		Social Security	Other
Total	333,400	171,000	162,400
Less than 1 year on rolls	124,800	81,700	43,100
Returned within year	27,700	14,000	13,700
Did not return	97,100	67,700	29,400
1 year or more on rolls	208,600	89,300	119,300
Returned within year	90,900	27,100	63,800
Did not return	117,700	62,200	55,500

Table 6.—Number of SSI recipients with case closures and reason for closure, by type of recipient, and by whether or not the recipient returned to payment status within 1 year, 1990

Type of recipient	Total	Excess income	Death	In Medicaid institution	Whereabouts unknown	Excess resources	Other
Total	788,600	333,400	187,900	51,400	46,800	36,500	132,600
Returned within year	255,800	118,600	(1)	9,900	27,700	16,400	83,200
Did not return	532,800	214,800	187,900	41,500	19,100	20,100	49,400
Aged	237,800	67,200	88,400	29,700	14,400	16,800	21,300
Returned within year	49,200	22,300	(1)	4,000	6,300	6,600	10,000
Did not return	188,600	44,900	88,400	25,700	8,100	10,200	11,300
Disabled adults	482,200	230,600	95,900	20,800	29,700	17,900	87,300
Returned within year	161,100	72,400	(1)	5,600	19,200	8,700	55,200
Did not return	321,100	158,200	95,900	15,200	10,500	9,299	32,100
Disabled children	68,600	35,600	3,600	900	2,700	1,800	24,000
Returned within year	45,500	23,900	(1)	300	2,200	1,100	18,000
Did not return	23,100	11,700	3,600	600	500	700	6,000

¹ Not applicable.

income of SSI recipients, these benefits may be a major factor that caused an increased number of SSI recipients to rise above the SSI payment level. Another possible reason is that some of the cases that were previously closed because the recipient failed to furnish a report are now being closed for excess income. Other categories of closures have remained fairly consistent over the 4-year period.

Although the number of case closures has remained fairly steady over the study period, the closures have actually declined as a percentage of the caseload

(table 9). Closures have decreased from about 15 percent to 14 percent of the caseload for the aged, from 16 percent to 14 percent among disabled adults, and, most strikingly, from 22 percent to 14 percent among disabled children.

Technical Note

Estimates based on sample data may differ from the figures that would have been obtained had all, rather than a sample, of the records been used. These differences are termed sampling variability. The standard error is a

measure of sampling variability—that is, the variation that occurs by chance because a sample is used. The standard error is used to describe confidence intervals. The confidence interval represents the extent to which the sample results can be relied upon to describe the results that would occur if the entire population (universe) had been used for data compilation rather than the sample.

In about 68 percent of all possible probability samples with the same selection criteria, the universe value would be included in the interval from one standard error below to one standard

Table 7.—Number and percentage distribution of SSI recipients with case closures and the reason for closure, by age and sex, 1990

Age and sex	Total		Reason for case closure					
	Number	Percent	Excess income	Death	In Medicaid institution	Whereabouts unknown	Excess resources	Other
Total	788,600	100.0	42.3	23.8	6.5	5.9	4.6	16.8
Under 18 years	61,000	100.0	55.6	5.6	1.0	3.8	2.1	32.0
18-39 years	184,400	100.0	51.6	7.8	3.1	6.7	2.9	27.8
40-64 years	229,700	100.0	52.6	20.7	2.4	5.4	4.0	14.9
65-74 years	131,800	100.0	40.1	27.9	6.7	6.1	7.3	11.9
75 years or older	181,700	100.0	16.8	47.3	17.0	6.3	6.1	6.5
Men	362,600	100.0	45.1	20.2	4.7	6.0	3.3	20.8
Under 18 years	35,800	100.0	54.2	6.1	1.1	3.1	2.2	33.2
18-39 years	115,700	100.0	49.8	7.7	3.1	6.1	2.2	31.1
40-64 years	113,600	100.0	54.5	19.4	2.3	6.3	2.5	15.0
65-74 years	44,900	100.0	37.6	27.4	8.5	6.7	6.0	13.8
75 years or older	52,500	100.0	14.7	52.7	12.3	6.2	5.7	8.2
Woman	426,000	100.0	39.8	26.9	8.1	5.9	5.8	13.4
Under 18 years	25,200	100.0	57.5	4.8	.8	4.8	2.0	30.1
18-39 years	68,700	100.0	54.7	7.9	3.2	7.7	4.2	22.3
40-64 years	116,100	100.0	50.7	22.0	2.4	4.6	5.5	14.8
65-74 years	86,800	100.0	41.2	28.2	5.8	5.9	7.9	10.9
75 years or older	129,200	100.0	17.7	45.0	18.8	6.3	6.2	5.8

Table 8.—Number and percentage distribution of SSI recipients with case closures, by reason for closure, 1988-91

Reason for closure	1988		1989		1990		1991	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total	783,300	100.0	796,800	100.00	788,600	100.00	789,600	100.0
Excess income	271,700	34.7	290,400	36.4	333,400	42.3	365,700	46.3
Death	181,300	23.1	179,000	22.5	187,900	23.8	195,000	24.7
In Medicaid institution	55,300	7.1	48,500	6.1	51,400	6.5	45,900	5.8
Whereabouts unknown	49,700	6.3	39,100	4.9	46,800	5.9	51,100	6.5
Excess resources	35,300	4.5	35,600	4.5	36,500	4.6	38,500	4.9
Presumptive payments end	13,800	1.8	19,400	2.4	25,400	3.2	10,600	1.3
Lack representative payee	17,700	2.3	17,400	2.2	22,900	2.9	17,500	2.2
In public institution	27,500	3.5	23,400	2.9	25,000	3.2	22,500	2.8
Failure to furnish report	89,400	11.4	101,200	12.7	14,300	1.8	1,400	.2
Absence from United States	11,700	1.5	9,800	1.2	13,400	1.7	14,700	1.9
Record composition change	11,200	1.4	12,100	1.5	10,500	1.3	9,800	1.2
No longer disabled	5,600	.7	9,600	1.2	6,100	.8	3,000	.4
Other	13,100	1.7	11,300	1.4	15,000	1.9	13,800	1.7

error above the sample estimate. Similarly, about 95 percent of all possible samples will give estimates within two standard errors, and about 99 percent will give estimates within two and one-half standard errors.

Tables I and II provide approximations of standard errors of estimates shown in this article. Table I presents approximate standard errors for the estimated number of recipients from the SSI 1-Percent Sample File. Table II presents approximations of standard errors for the estimated percentage of persons from that 1-percent file. Linear interpolation may be used to obtain values not specifically shown.

Table I.—Approximations of standard errors of estimated numbers of persons from a 1-percent file

Size of estimate (inflated)	Standard error
500	250
1,000	300
2,500	500
5,000	800
7,500	900
10,000	1,100
25,000	1,700
50,000	2,400
75,000	3,000
100,000	3,400
250,000	5,400
500,000	9,600
1,000,000	11,100
5,000,000	25,800

Notes

¹Before May 1991, it was possible to receive up to three presumptive payments. Since that time, the number has increased to six.

²If a recipient left the rolls more than once during the study year, the reason given in the table is the reason for the last time he/she left the rolls during the study year.

³In 1990, the Federal SSI rates were \$386 for an individual living in his/her own household, \$257 for an individual living in someone else's household, \$579 for an eligible couple living in their own household, \$386 for an eligible couple living in someone else's household, and \$30 for someone in a Medicaid institution. In addition to the Federal benefit, 18 States provided a federally administered State supplement.

Table 9.—Number and percentage distribution of SSI recipients with case closures, as a percentage of all cases on the SSI rolls, by type of recipient and year, 1988-91

Type of recipient and year	Total ¹	Case closures	
		Number	Percent on rolls
Aged:			
1988	1,631,068	248,200	15.2
1989	1,637,286	243,500	14.9
1990	1,647,012	237,800	14.4
1991	1,650,032	223,100	13.5
Disabled adults:			
1988	2,937,182	458,500	15.6
1989	3,065,408	470,000	15.3
1990	3,247,837	482,200	14.8
1991	3,481,374	497,500	14.3
Disabled children:			
1988	343,407	76,600	22.3
1989	364,584	83,300	22.8
1990	383,868	68,600	17.9
1991	482,545	69,000	14.3

¹ All recipients derived from unpublished *SSI Trend Report*, December 1991, Office of Supplemental Security Income, Social Security Administration.

Table II.—Approximations of standard errors of estimated percentages of persons from a 1-percent file

Size of base (inflated)	Estimated percentage				
	2 or 98	5 or 95	10 or 90	25 or 75	50
1,000	4.7	7.3	10.1	14.5	16.8
10,000	1.5	2.3	3.2	4.6	5.3
50,000	.7	1.0	1.4	2.1	2.4
100,000	.5	.7	1.0	1.5	1.7
500,000	.2	.3	.4	.7	.8
1,000,000	.1	.2	.3	.5	.5
5,000,000	.1	.1	.1	.2	.2

⁴1991 *Annual Statistical Supplement* to the *Social Security Bulletin*, table 9.D1, p. 296.

⁵This does not necessarily mean that an increase in Social Security was the sole reason the person became ineligible. For a few recipients, there may have been simultaneous increases in other types of income.

⁶Unpublished data from the *SSI Quarterly Trend Report*, June 1992. Office of Supplemental Security Income, Division of Program Management and Analysis. The data used are for June of each year.

⁷1991 *Annual Statistical Supplement* to the *Social Security Bulletin*, table 5.A8, p. 165.