

Hearing on Securing the Future of the Social Security Disability Insurance Program
Subcommittee on Social Security
Chairman Sam Johnson
Opening Statement
January 24, 2011

Good morning and welcome to our second hearing in our hearing series on Securing the Future of the Social Security Disability Insurance Program. Today our focus is on combating waste, fraud and abuse.

In our first hearing we talked about the important milestone set in 1956 by the creation of this cash benefit program for those who could no longer work due to a disability. From the beginning, there was a great deal of concern about the high risk for fraud, waste, and abuse because of the changing nature of disability and the inherent subjectivity of determining whether a person was truly disabled.

Today, the disability insurance program pays benefits to individuals with disabilities that meet certain medical criteria, as long as they worked long enough and paid Social Security taxes.

Over the past four decades, disability program costs have soared from \$18 billion to \$124 billion as the number of those receiving benefits has more than tripled from 2.7 to 9.7 million. The size of the overall workforce, more women in the workforce, the aging of the baby boomers into their disability-prone years, and relaxed eligibility requirements have all contributed to this growth.

That continued growth is putting a massive strain on the program. According to the 2011 Trustees' Report, without Congressional action, the Disability Insurance Trust Fund will be unable to pay full benefits beginning in 2018, only a few years from now.

And as the size, cost and complexity of the disability insurance program have increased, so has the program's exposure to waste, fraud, and abuse.

According to the Government Accountability Office, medical and work-related overpayments grew from about \$860 million in FY 2001 to about \$1.4 billion in FY 2010. Social Security collected \$839 million in overpayments in FY 2010, but cumulative overpayment debt reached \$5.4 billion.

Continuing disability reviews are a valuable tool in making sure that those receiving disability benefits are still eligible. Every \$1 spent on the reviews results in at least \$10 of program savings, including both Medicare and Medicaid. There is a growing backlog of medical continuing disability reviews, and in the Budget Control Act, Congress authorized \$13 billion in additional funding over the next ten years exclusively for these and other reviews.

The Cooperative Disability Investigation program is a joint effort between Social Security and the Office of Inspector General, working with the State Disability Determination

Services and State or local law enforcement to *prevent* fraud before it occurs. Since 1998, efforts by these units nationwide have resulted in \$3.1 billion in disability program savings.

As impressive as some of these anti-fraud efforts appear, their very success raises questions about how many other examples of abuse are yet undetected.

Waste, fraud, and abuse in the disability insurance program cheat honest, hardworking American taxpayers. As we work to secure the future of this program, we need to protect taxpayers from con artists who are stealing from the system by making sure benefits are paid only to those who deserve them.

The disability program is of vital importance to millions of Americans whose lives are changed forever by the onset of a disability. We need to protect that program for those who truly need its benefits.

That means we all have a responsibility to make sure that the integrity of the disability insurance program is not compromised.

The effort to prevent improper payments and protect our taxpayer dollars from waste, fraud, and abuse goes hand-in-hand with securing the future of this vital program -- an undertaking I know all of us on the Subcommittee stand firmly behind.