



SOCIAL SECURITY ADVISORY BOARD

Annual Report 2009

SSAB
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ADVISORY BOARD

Social Security Advisory Board

An independent, bipartisan Board created by the Congress and appointed by the President and the Congress to advise the President, the Congress, and the Commissioner of the Social Security Administration on matters related to the Social Security and Supplemental Security Income programs.

SOCIAL SECURITY ADVISORY BOARD

A Year in Review



Message from the Board

Welcome to the *2009 Annual Report* of the Social Security Advisory Board. This marks the 12th year that we have published this report. In this year's edition we describe the work that we have completed and provide highlights of the issues we will be addressing in 2010.

Since the Board began meeting in the spring of 1996, we have focused on the mandates set out in our enacting legislation to analyze and make recommendations regarding the Nation's retirement and disability programs. Our work has encompassed a number of important issues including the Social Security disability programs, funding for the Social Security Administration, the role the agency plays in the public's understanding of financial planning for retirement, information technology and electronic service delivery to the public, the administration of the Supplemental Security Income program, and other challenges facing Social Security. Our reports and recommendations, which have been issued by consensus, are distributed widely to Members of Congress, the Administration, and the public.

2009 was a very productive year for the Advisory Board. We published three major reports and four issue briefs, made two field visits, and testified twice before Congress. In our reports we discussed issues ranging from the Social Security Administration's technology needs to the unsustainable cost of healthcare. Our issue briefs examined aspects of the Supplemental Security Income and the Social Security disability programs.

While conducting the research for our projects we met with national and international experts, both in our offices and during our field visits. We traveled to Salt Lake City to meet with innovative healthcare professionals, and to Baltimore to discuss a wide range of important issues with Social Security executives. We kept up with the work of technical panels chartered by SSA, including the Occupational Information Development Advisory Panel and the Future Systems Technology Advisory Panel. The activities of these groups will have a significant impact on SSA's business policies and practices in the future.

In 2009 we saw a number of our concerns addressed not only by the Social Security Administration but also by Congress. Our apprehension about the state of SSA's information technology systems was reflected in Congressional hearings and in Inspector General investigations. At a time when the agency is struggling with shrinking staffing levels because of its own retirement wave and growing workloads, we were perplexed by SSA's practice of offering "early out" retirements to its employees. After urging SSA to use data to drive its human capital planning rather than relying on past practice, we noted a change in its personnel policy. For the first time in many years, the agency did not offer its employees early out retirement. In addition, SSA has made significant improvements to its website and online application processes and has begun to modernize the *Social Security Statement*. Over the past two years, we have emphasized to SSA the need to redesign its electronic services and the presentation

of its major communication tools, including the *Statement*. We believe that it is no small coincidence that Social Security has invested heavily—and with great success—in these vital areas.

2009 was also a year of accomplishments for SSA. The agency was able to hire over 8,000 employees, returning to staffing levels not seen in the last ten years. It reduced the number of cases waiting for a hearing decision and it saw an increase in the number of people accessing its automated services, such as online benefit applications. Nevertheless, for all its accomplishments, there are signs of troubled times ahead: workloads are expected to increase because the baby boomers are retiring, and because of the current economic downturn. The agency needs to maintain its momentum if it is to meet the public's expectations for efficient and effective service. We will be keeping a close watch as things unfold.

In September we said farewell to our longest serving member, Sylvester J. Schieber. Syl began his tenure on the Board in 1997 and served 11 years, the last three as Chair. He helped to lay the foundation for the Advisory Board's work, and instilled a culture of camaraderie and professionalism among its members and staff. We thank him for his dedication to the Social Security programs. We are also pleased to welcome our newest member, Jagadeesh Gokhale, who was appointed to the Board in November.

Barbara B. Kennelly, Chair (A)

Dana K. Bilyeu

Jagadeesh Gokhale

Dorcas R. Hardy

Marsha Rose Katz

Sylvester J. Schieber*

Mark J. Warshawsky

(*Term expired September 30, 2009)

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Bridging the Gap through Information Technology

Our Report

In April 2009, we published an in-depth study of SSA's information technology (IT) infrastructure entitled *Bridging the Gap: Improving SSA's Public Service Through Technology*. The report provided an analysis of critical IT issues and made recommendations for improving the agency's systems infrastructure and electronic service delivery. Throughout this report, we emphasized the urgent need to replace SSA's primary data center, to strengthen the agency's disaster recovery process, and to move away from a data platform based on antiquated COBOL programming. Our purpose in developing this report was to issue a call to action: to urge in the strongest way possible that SSA needs to move quickly in order to prevent further deterioration in the agency's ability to provide service. They must develop and implement an IT modernization plan based on a clear strategic vision for the future.

Since its publication, the findings and recommendations from this study have been reported widely. In particular, the report's conclusions about SSA's data management has resulted in a closer examination of the agency's plans to expand operations at its Durham, North Carolina center and build a new facility in Maryland. The report has been quoted in Congressional testimony, used by the Inspector General as part of his ongoing evaluation of agency IT issues, and cited in other studies regarding SSA's IT problems. Throughout 2009, we were gratified to see the agency take action on many of our report's recommendations and move forward to improve its IT infrastructure.

Discussions of IT Issues

As part of our ongoing monitoring of the systems that SSA uses to provide service, we have followed the work of the Future Systems Technology Advisory Panel (FSTAP). As we were finishing our report, *Bridging the Gap: Improving SSA's Public Service Through Technology*, Board member Dorcas Hardy met with the Panel members to discuss the issues identified in the report and urged the Panel to look for technical solutions. The chairman of the FSTAP, Alan Balutis, met with us in July 2009 to provide an update on the Panel's work. It was clear from this meeting and subsequent discussions, that the SSAB and Technology Panel share the same sense of urgency and pledged to continue to exchange ideas and perspectives on SSA's IT initiatives.

Following the publication of our report we continued to have discussions about SSA's information technology capabilities with agency officials. SSA's Commissioner provided updates on the status of the agency's new computer center during our monthly meetings. We met with both SSA's outgoing and newly appointed Chief Information Officers to discuss the agency's problems with governance of its IT process and plans for reorganizing its structure. Agency executives briefed us on plans to develop a new disability case processing system for initial claims and other systems enhancements at the hearings level. We continued our ongoing dialogue with the Inspector General about issues related to IT development and data center management. SSA's development and implementation of systems and IT strategies remained

a major concern for us in 2009 and will continue to receive a great deal of our attention in the coming year.

Congressional Testimony

In February 2009, Congress passed and the President signed the *American Recovery and Reinvestment Act of 2009 (ARRA)*. This legislation made a significant and strategic investment in SSA by allocating \$500 million to build a new data center.

In April, the Social Security Subcommittee of the House Ways and Means Committee held a hearing that focused on SSA's use of the *Recovery Act* funding and the progress made in modernizing its information technology infrastructure. Chairman Sylvester Schieber testified on behalf of the Board. His remarks highlighted several of the findings in the April 2009 *Bridging the Gap* report, specifically our grave concern over the failing computer center, the outdated systems platforms that limit severely SSA's ability to streamline processes, the lack of appropriate planning, and ineffective governance. While supporting the need to invest in the new center, Chairman Schieber's testimony detailed the process improvements that we believe are essential for ensuring the effective use of the *ARRA* funding. Following the Chairman's testimony, Congressional staff members continued to consult us several times during the year about SSA's IT issues.

Health Information Technology

The *American Recovery and Reinvestment Act of 2009* also provided SSA with funds to expand the use of health information technology (health IT) in the processing of disability claims. SSA has been working on various health IT activities for several years; however, in 2009 the agency took a more vigorous role and has become a major player in the national expansion of electronic health records. To establish health IT as a major agency initiative, SSA's Commissioner appointed a Special Advisor on Health IT. In September we were briefed

on the plan to expand SSA's electronic connections to medical providers from two to 300-400 providers over the next six years. Along with the expansion, SSA plans a number of enhancements to the current process such as moving from images to structured data, providing an update capability for medical evidence, and completely automating some allowance cases.

While impressed with the current plans, we raised some concerns about the integration of a new health IT process with the current disability system, as well as systems that are under development; i.e., the new single case processing system and systems enhancements at the hearings level. To avoid the pitfalls of past IT initiatives, we urged that SSA's efforts be coordinated from the standpoint of systems development and any major redesign of business processes. As the project moves forward, we will monitor these projects and continue to push for improved coordination and integration of the health IT process.

The Unsustainable Cost of Health Care

Our Report

In September we issued a report that represented over a year's worth of effort entitled *The Unsustainable Cost of Health Care*. Our interest grew out of the fact that the rising cost of health care represents one of the most significant threats to the long-term economic security of workers and retirees. Our concern with retirement security required us to consider seriously long-term trends and the long-range implications of policies that affect income security. Current projections indicate that health care costs will increase by more than 70 percent over the next ten years and will continue thereafter to consume an increasingly greater portion of personal income. For today's retirees, for those retiring in 2009 who are expected to live another 20 years, and for younger workers in their 30s who will not begin their retirements until mid-century, unrestrained health care costs would mean likely a decline in their standard of living.

We are acutely aware that over the next 20 years, the U.S. population will become significantly older as the baby boom generation ages and ultimately leaves the workforce and enters retirement. However, an aging population is not the whole story. Health care costs are growing across the economy, and many of the same factors that are spurring overall health care growth, whether new technologies or inefficient delivery systems, are also driving up the cost of Medicare and Medicaid to unprecedented levels. The burden of health care costs on the country as a whole will continue to grow unless and until we alter the efficiency and efficacy of our health care systems.

The report highlights some of the major factors influencing trends in health care spending. In trying to explain what factors drive the unsustainable trajectory of health care spending, the report makes the case that there are both good and bad categories of spending. Many of the resources used in health care are devoted to necessary care that can save lives, relieving suffering and finding innovative ways to treat illnesses. Some degree of this spending, however, adds little to the quality of care, has negligible impact on well-being or longevity, and can result in more expensive though not necessarily more effective ways of treating illness. The level and growth of spending are also inevitable outcomes of demographic or economic forces that cannot be classified readily as belonging to categories of either effective or wasteful.

Experts have argued for some time that in order to achieve effective health care reform and restrain the growth in costs, attention must be focused on restructuring the payment processes. In our research, we heard many suggestions on ways to reform the system while at the same time reducing the growth of health care costs, without reducing quality. The report includes a number of suggestions.

Although there is some overlap, most suggestions fall into one of two categories: directly improving the efficiency of health care delivery or aligning financial incentives to reward more effective and efficient care. As we describe in the report, the two approaches can be complementary. Incentives are needed to change behavior, but improvements in processes and

organization, as well as cultural changes, are also required. We point out some organizations that are models for the needed changes. Some providers are already using alternative strategies that reduce costs and improve efficiency. The report discusses strategies and suggests how public policy can be used to encourage successful change.

Visit to Intermountain Healthcare

Data from the Dartmouth Atlas studies show that per capita Medicare spending can be as much as two and a half times more expensive in some regions than in others and that the quality of care varies at least as much. The Dartmouth studies make the point that one promising way of lowering the cost of health care in the future is to follow the example of those who operate currently the most efficiently – group practices and integrated hospital systems that provide care consistently that is less costly, more efficient and higher quality than average even under the current policy regime.

One of the leaders in efficient health care is Intermountain Healthcare in Salt Lake City, Utah. We visited Intermountain, cited as one of the most efficient health care systems in the United States, to learn how reforming the health care delivery system can play a major role in reducing the level and rate of growth of healthcare costs. Brent James, Executive Director of the Intermountain Institute for Healthcare Delivery Research and Intermountain's Chief Quality Officer, has testified that according to the Dartmouth Atlas research if the rest of the country delivered the same sort of care that is found within Intermountain, national Medicare costs would fall by more than 30 percent while clinical outcomes would improve significantly.

The major objective of the visit to Intermountain was to understand how it is able to deliver care with higher quality and lower cost. A closely related question is why it continues to pursue greater efficiency in the delivery of care when Medicare payment rules still

reward quantity over quality. Underlying this inquiry was the question of whether Intermountain's methods are transferrable to the vast majority of providers in the U.S. with similar success; i.e., whether dramatic costs savings are possible at a national level.

Dr. James's goal is to get the best medical outcome at the lowest necessary cost and he has based Intermountain's approach on the quality management work of W. Edwards Deming. Intermountain has identified 1,400 clinical processes that are targeted for quality improvement. About 100 of them account for 95 percent of costs. Dr. James said that when he began his work, he found variation in all aspects of care at Intermountain. He described in some detail a few of the quality improvement efforts that have been completed and how they have reduced variation and cost while improving quality. The quality initiatives are saving Intermountain about \$100 million per year, or about 3 percent of its budget.

We also met with Mark Probst, Intermountain's Chief Information Officer. He described how Intermountain is using information technology (IT) to improve quality while controlling costs. He said that the pathway to providing best practice care the first time and every time is to (1) develop shared baselines of practice; (2) implement an IT system that gives advanced decisional support rather than one that just automates data collection and provides connectivity; (3) integrate care management among home, physician's office and hospitals; and (4) maintain an intelligent surveillance capability that can provide alerts, guide decisions and measure outcomes.

The visit to Intermountain convinced us that it is possible to deliver high-quality care in a cost-effective manner and this visit influenced strongly the recommendations outlined in our report.

The Social Security Statement: How It Can Be Improved

Our Report

Social Security Statements are mailed each year to all workers age 25 and older and are SSA's most direct and important means of communicating with the public. It is critical for the information provided on the *Statement* to be accurate and consistent. It is our belief that the *Statement* should be one of the highest priorities of the agency and that it should receive thoughtful, high level attention with respect to its content and its design. Over the past decade, SSA has made a number of enhancements to the *Statement* to make it more understandable and easier to read. Indeed, much of the increase in the public's understanding of Social Security can be attributed to the *Statement* and the information it provides. Yet survey data show that public understanding of the Social Security programs is still not as high as desired and there is still room for making improvements to the *Statement*.

During late 2008 and early 2009, we examined areas where further improvements in the *Statement* are warranted. In April 2009, we released a report entitled, *The Social Security Statement: How It Can Be Improved*. This report examined the *Statement's* role in increasing public understanding of Social Security programs and educating workers about their options for retirement and benefit claiming. The report noted that a number of aspects related to the information contained in the *Statement* and how well it is understood must be improved. A recent survey revealed only about two-thirds of the people who get the *Statement* remember receiving it and only about two-thirds of those people report reading it.

One of the most important features of the *Statement* is the projections that provide individuals an estimate of the benefit amount they will receive from various Social Security programs. Using data furnished by the Office of Retirement Policy, we concluded that the projected benefits provided are reasonably accurate, although they are more accurate for older workers than younger ones, for men than women, and for workers with higher incomes than lower incomes. Based on the study, the report recommended that SSA consider ways to improve the benefit projections for people at all ages, genders, and income levels and to explore options for tailoring the *Statement* to the needs of certain groups of workers.

Our purpose in developing this report was to encourage SSA to continue its efforts to improve the accuracy of its benefit projections for all workers, to examine continuously all aspects of the *Social Security Statement* for both accuracy and understandability, and to make needed improvements based on the results of careful analysis.

Ongoing Discussions about the Disability Programs

Since the Board was established, we have made a point of meeting with individuals and organizations to keep abreast of current issues facing the Social Security programs. We are cognizant of the challenges facing the disability programs, especially the growing backlogs. As in past years, in 2009 we met with the professional organizations that represent both levels of adjudication, the National Council of Disability Determination Directors (NCDDD), National Association of Disability Examiners (NADE) and the Association of Administrative Law Judges (AALJ). We met the executive leadership of these groups at the Board's offices and were fortunate to be invited to address the membership of NADE and AALJ at their annual meetings.

Meeting with the National Association of Disability Examiners (NADE)

In October 2009, Board member Dorcas Hardy addressed NADE at its national conference in Covington, Kentucky. Ms. Hardy congratulated the NADE members, noting that despite dramatic increases in workloads, the DDSs were able adjudicate more cases in fiscal year 2009 than in the previous year. The DDSs commitment to customer service was demonstrated by their ability to keep processing times under control and improve overall productivity. They were also instrumental in helping the Office of Disability Adjudication and Review reduce its backlog by re-evaluating 52,000 cases that were remanded informally to them and rendering favorable decisions on almost 30 percent of those cases.

Citing the current economic downturn as one factor in the increase in the DDSs' workloads, Ms. Hardy noted that it is the long-term perspective of the disability programs that is more troubling. The aging of the U.S. population and the baby boomers moving into their disability-prone years is having a significant impact on the number of individuals applying for disability. Since 2000, the percentage of all claims awarded to disabled workers between ages 50 and 62 increased by about 2.5 percent and now represents over 50 percent of all cases awarded benefits. As of June 2009, almost 40 percent of DDS initial application decisions – both allowances and denials – involved applicants age 50 and over. This trend is expected to continue as the younger half of the baby boomers, those born between 1956 and 1964, reach retirement age over the next ten years. Ms. Hardy commented that because musculoskeletal issues and mental impairments now dominate the disability workload, disability claims are getting more difficult to process, require more documentation, and often rely on subjective rather than objective evidence.

Ms. Hardy told the group that in light of all the challenges they face, now is the time for policymakers and adjudicators to re-think the way disability cases are adjudicated. She challenged the NADE members to consider how they would design a new process, asking them to think beyond the current definition of disability, the current regulations and policies, and the technology that exists today and consider the people,

platforms and polices that would be needed to make a whole new process happen.

Meeting with the Association of Administrative Law Judges (AALJ)

Board member Mark Warshawsky addressed the AALJ in Buffalo, New York at its annual meeting. In his opening remarks, Mr. Warshawsky praised the ALJs for getting the number of claims that were waiting for a hearing decision down to its lowest level in three years – to just over 722,000 – and for getting case processing time down to below the 500 day mark. He went on to discuss factors that influence why individuals apply for disability benefits: macroeconomic conditions, the growing generosity of disability benefits, and the raising of the full retirement age. What this has meant for the SSA disability workload was the receipt of nearly 3 million applications during fiscal year 2009 (an increase of 383,000 or 15 percent over the previous year), a projected 3.3 million receipts for fiscal year 2010, and anticipated receipts of over 3 million in both 2011 and 2012. SSA's actuaries project that a significant number of these applications will be appealed and that the Office of Disability Adjudication and Review could possibly see over 700,000 case receipts in 2010 – an increase of over 100,000 cases above the 2009 levels – and peak in 2011 at close to 800,000 case receipts.

Mr. Warshawsky advised the group that it is important for SSA's leadership, employees, and policymakers to understand the factors that influence individuals' claiming decisions and their decision to appeal and how the characteristics of applicants change in response to larger societal forces. In addition, SSA needs to become more proactive in conducting real time data analysis of applicant and beneficiary populations so that it can improve its ability to forecast staffing and training needs in order to serve the public more effectively.

Activities of SSA's Occupational Information Development Advisory Panel

On December 9, 2008, Social Security Commissioner, Michael J. Astrue, established the Occupational Information Development Advisory Panel to make recommendations on how to replace the *Dictionary of Occupational Titles* (DOT), a reference document that the Social Security Administration uses when making determinations for claimants' disability benefits. Commissioner Astrue charged the Panel with making recommendations regarding the medical and vocational analysis of disability claims; analyzing current occupations, including defining, rating, and capturing physical and mental/cognitive demands of work; reviewing the use of occupational information in SSA's disability programs; and looking at other areas that enable SSA to develop an occupational information system suited to its disability programs.

The DOT contains nearly 13,000 jobs and was developed originally by the Department of Labor in 1939. Its purpose was to use the thousands of occupational definitions to match job seekers to jobs. In a 1980 study the National Research Council reviewed the DOT and the job analysis methodology used to create it and concluded that it was outdated. Although the Department of Labor stopped revising it in 1991, SSA has continued to rely on the DOT as a key component in its disability adjudication process.

The Panel started holding monthly meetings in February 2009 and in September it issued a report, *Content Model and Classification Recommendations for the Social Security Administration*. The report recommended that a new occupational information system is needed to replace the DOT and it listed a number of specific actions that SSA should take in support of that recommendation.

Throughout the Board's existence, we have called for action to address this critical shortcoming in the disability adjudication process. We are encouraged

that Commissioner Astrue has chartered this Panel and will continue to monitor its work closely.

Congressional Testimony

In April, former Chairman Schieber addressed the Social Security Subcommittee of the Committee on Ways and Means and in November, Acting Chairwoman Kennelly provided testimony before the Subcommittee. The focus of both hearings was on SSA's utilization of the funding the agency received through the *American Recovery and Reinvestment Act*. The Social Security Subcommittee asked for the Board's perspective on SSA's capacity to manage effectively the dramatic spike in disability applications and at the same time continue to reduce the hearings backlog.

April Social Security Subcommittee hearing

Chairman Schieber noted that SSA's pending case backlogs, which are already at alarming levels, become an even greater concern when considering the anticipated rise in the number of claims that SSA will receive over the next ten years. SSA's workload will increase dramatically—disability claims are projected to increase by nearly 10 percent. In anticipation of this surge in applications SSA used the *American Recovery and Reinvestment Act* funding to hire a significant number of new staff to fill field office, DDS, and hearing office vacancies.

Chairman Schieber discussed several new initiatives underway in SSA's Office of Disability Adjudication and Review (ODAR), where the case backlog has been a problem over the last several years. ODAR is putting greater emphasis on data analysis and process management, and is developing an electronic business process model that will enable it to identify those steps in the process that create bottlenecks. If this approach proves effective, ODAR will be able to plan proactively for changes in receipts and how to redistribute workload, anticipate the need for changes in staffing mix,

and determine what can be mitigated legitimately by improved management practices.

Chairman Schieber addressed the \$500 million in *ARRA* funding that SSA received for its National Computer Center. SSA's growing workloads, expanding telecommunications, greater storage requirements, the electronic disability folder process, and ever-tighter security measures have pushed the Center's capacity to the limit. In the best case scenario, a new Center will take four to five years to plan, develop, and build, and another two to three years will be needed to complete all systems set-up and integration activities. SSA estimates that the replacement facility will be fully operational by January 2016; however, given the typically long lead-time to build and outfit such a governmental facility, there is some risk that it could take longer to complete. Chairman Schieber ended his testimony by saying that the Social Security Advisory Board questioned SSA's governance of its information technology process, and urged the agency to conduct a thorough self-assessment of its systems' needs.

November Social Security Subcommittee hearing

Chairwoman Kennelly prefaced her testimony by saying that in recent years SSA's ability to fulfill its mission has been strained severely because of chronic underfunding despite growing workloads. For the fiscal year 2010 budget, the President requested \$11.45 billion for SSA and if the agency has any chance of keeping up with its work it will need the full appropriation.

Chairwoman Kennelly praised ODAR's new hearing business processing and management analysis tools, as well as SSA's improved electronic service delivery. Congress's investment in SSA had a significant impact on the agency's ability to address its disability backlog. Productivity in the hearing offices increased, the number of pending cases in those offices decreased, and the number of individuals waiting for a hearing decreased. SSA exceeded its productivity

goals by processing almost 14,000 more hearings than it estimated originally and ended the fiscal year with an average case processing time 25 days lower than anticipated. With the funding received from Congress, SSA was able to open three new National Video Hearings Centers to help process workloads for hearings offices with large backlogs. This resulted in over 86,000 hearings being held sooner rather than much later.

Chairwoman Kennelly warned the representatives, however, that with SSA's current and anticipated growth in the number of new benefit claims, productivity improvements alone will not be sufficient. There needs to be additional investment in staff. SSA projects it may lose up to 44 percent of its current employees by 2016. Within the ALJ corps, 59 percent are retirement-eligible and another 31 percent will become eligible to retire between fiscal year 2009 and fiscal year 2010.

Chairwoman Kennelly ended her testimony by stating that she is encouraged by the initiatives SSA has underway to handle its workload; however, without continuing assistance from Congress the agency's ability to deliver swift and accurate disability claims will be compromised.

Furlough of State Disability Determination Services Employees: Delay of Service to People with Disabilities

While SSA made progress in reducing the hearings backlog in 2009, an economy in recession fueled a dramatic increase in the number of initial disability applications. To make matters worse, some States began furloughing Disability Determination Services (DDS) employees in an effort to reduce State budget shortfalls. The list of States mandating furloughs included some of the largest, most populated ones such as California, Ohio, and Massachusetts. SSA took immediate action to negotiate with the governors of the affected States, making the point that the DDS budgets are 100 percent Federally funded through the Social

Security Administration. Furloughing DDS employees did not save money for State coffers and actually cost the States in Federal dollars. Vice President Biden added his assistance and sent a letter to the National Governors Association in support of SSA's position.

As SSA began reporting on its efforts to stop the furloughs, the Board took its own action. In March, Chairman Schieber sent a series of op-eds to major newspapers in States that had furloughed DDS employees. In those articles, he made the point that the furloughs were not only costing the States money, but hurting the citizens those State governments were supposed to serve. The actions of those States were delaying payments to disabled citizens who rely on their Social Security disability benefits to meet their living expenses.

By the end of 2009, the success of all efforts to stop the furloughs of DDS employees was mixed. Some States had exempted DDS employees from the furloughs, while other remained adamant about including them. In a November 2009 hearing before the House of Representatives' Social Security Subcommittee, a California Congressman proposed legislation that would prevent States from furloughing DDS employees and asked for the Subcommittee's support. The economy is not expected to improve substantially in 2010 and it is likely that States will continue to struggle with closing their own budget gaps. We will continue to track this issue and will work closely with the Commissioner as he continues to press governors to lift the DDS furloughs.

Addressing Administrative Law Judge Hiring Issues

One of the reasons for the growth in SSA's hearings backlog has been the agency's inability over a number of years to hire a sufficient number of highly qualified administrative law judges (ALJs). That changed in 2007 when SSA hired almost 200 new ALJs and began

a sustained effort to get the size of its ALJ corps up to more than 1,400. However, after hiring more than 300 ALJs during fiscal years 2008 and 2009, the register of potential candidates that the Office of Personnel Management (OPM) provided was virtually depleted of the kind of quality candidates that SSA was looking to recruit. As a result, SSA was forced to challenge OPM on a number of candidates on the list in order to avoid recruiting unqualified or unsuitable ALJs.

Conversations with OPM continued but 2009 presented ongoing difficulties with hiring. Funding provided by the *American Recovery and Reinvestment Act* gave the agency the resources to hire an additional 200 ALJs along with needed support staff in 2010. But without an updated register the chances of getting quality ALJs was diminished severely.

In March, we offered our assistance with convincing OPM to open the ALJ hiring process and create a new register. Chairman Schieber wrote to then Acting OPM Director Kathie Whipple and described the circumstances surrounding SSA's need for a better list of ALJ candidates. In addition, SSA's Commissioner continued discussions with OPM, meeting with newly appointed OPM Director John Barry. By October, OPM acquiesced and announced a new ALJ examination that may provide SSA with a candidate pool of well-qualified candidates.

Visit to the SSI/SSDI Outreach, Access and Recovery (SOAR) Project – How Third Party Assistance Can Work

The current recession has exacerbated SSA's already growing workload. Disability applications are (naturally) increasing as baby boomers reach their disability prone years. Managing the burgeoning claims workload requires exploring new ways of delivering service, especially to those individuals who have difficulty navigating the application process. One approach may be to increase the role of third parties

in assisting applicants through the claims process. To see how effective third party assistance can be, we met with individuals involved with the SSI/SSDI Outreach, Access and Recovery (SOAR) project during our visit to Salt Lake City.

The SOAR project receives funding from the Department of Health and Human Services and is a collaborative effort between the Utah Department of Workforce Services, the Utah DDS, and SSA's Salt Lake City field office. Project staff assists homeless disability applicants by completing claims forms, developing medical records, and working with the DDS to gather needed medical evidence. Through the spring and summer of 2009, the SOAR project in Utah assisted over 600 initial disability applicants achieving an allowance rate of 72 percent, well above SSA's overall allowance rate of about 37 percent.

As we explored the reasons behind the Utah SOAR project's success, it became evident that the most important factors in the success of this operation were cooperation, communications, and resources. Representatives from the three agencies agreed that they had identified the benefits of the project early on for all parties, and this fostered a spirit of cooperation and desire to see the project succeed. After working through some problems, they devised ways to improve the communications between agencies such as designating specific individuals as points of contact for SOAR claims. In the end, however, they said that the resources devoted to developing the medical record, i.e., the SOAR case managers' involvement, made the most difference in achieving such a high allowance rate. When we asked whether the project could be adapted to other populations, they agreed that it could but that funding would be a crucial factor. As part of an ongoing effort to identify ways to tackle the growing disability workload, we plan to continue researching other efforts to address this issue.

Continuing Examination of SSA Policy

Social Security Advisory Board Statements on the SSI Program

SSA is required annually to prepare for the President and the Congress a report on the Supplemental Security Income program. The statute requires that members of the Social Security Advisory Board be given an opportunity, either individually or jointly, to include their views on the program. Over the past twelve years, the Board has released statements on a wide range of topics pertaining to the SSI program. Our early statements focused on the challenges of delivering integrated quality service that meets the need of this population. Later on we began to identify specific programmatic areas, that if modernized could lead to more effective use of resources and enhance public service.

In the 2009 *Statement on the Supplemental Security Income Program*, we reviewed SSA's progress in improving its stewardship of the SSI program in the ten years since the agency issued its first SSI Management Report in FY 1999. Our review of the data showed that SSA had taken the actions it outlined in its Management Report and, in fact, had built on those original initiatives. Despite those actions, however, the results have been disappointing. SSA has not reached the goal it set in fiscal year 1999 to attain an overpayment accuracy rate of 96 percent. In fact, in recent years, accuracy levels have declined and overpayment dollars have climbed, in large part because SSA needs to conduct more continuing disability reviews (CDRs)

and redeterminations. (CDRs are periodic reviews of disability cases to determine whether individuals continue to be medically eligible for benefits. Redeterminations are reviews of the non-disability factors, such as income, resources, and living arrangements that affect eligibility and payment amounts.)

We concluded in our *Statement* that SSA's stewardship responsibilities cannot be fulfilled without a reliable source of funding for CDRs and redeterminations. In addition, we recommended that SSA improve its use of technology for program stewardship. We noted that the complexity of the SSI program makes it difficult for beneficiaries to understand and for the agency to manage and recommended simplification of aspects of the program. We also recommended improvement to the ways in which beneficiaries report information to the agency.

Issue Brief on Substantial Gainful Activity

The Social Security Disability Insurance program was enacted more than half a century ago, and the Supplemental Security Income program was enacted more than 35 years ago. Our economy and our society have changed in many ways since then, and the programs have not changed to keep pace with the world we now live in. The Social Security Advisory Board is steadfast in its belief that Congress needs to re-examine these programs and what it wants to accomplish

with the disability programs that SSA administers. To assist in this re-examination, we have been conducting a review of several aspects of these disability programs. This issue brief is one in a series on various aspects of these programs.

In this issue brief, we examined a provision of the disability programs known as substantial gainful activity, or SGA. The issue brief provided an overview of SGA, examined some policy issues related to SGA, and offered recommendations to make the disability programs more work-oriented and easier to administer.

Research and Program Evaluation

Effective policy development for any agency rests on a solid foundation of research and program evaluation. Over the past two years, SSA has invested in revitalizing its research and program evaluation capabilities. Much of this effort has been directed toward the Retirement and Survivors program and we are heartened by this renewed activity. In 2009, we had the opportunity to collaborate with these agency researchers on one of our projects. We asked the staff in the Office of Retirement Policy for technical support on our report, *The Social Security Statement: How It Can Be Improved*. They were able to provide us with the tabulations that formed the basis of the Board's analysis and subsequent recommendations.

In January 2009, we met with several key executives who briefed us on their plans to enhance both its in-house and extramural research capacity, especially in the area of disability research where there is considerable need for improvement when compared with the agency's capacity to undertake or sponsor retirement research. SSA does have several demonstration projects underway that focus on disability beneficiaries including the Youth Transition, Mental Health Treatment and Accelerated Benefits demonstrations, projects we continue to follow with keen interest. However, the project the Board has been most interested in is the Benefit Offset National Demonstration (BOND) which was mandated by the Ticket to Work legislation more than 10 years ago. This demonstration has the potential to re-shape the policy regarding the work behavior of persons with disabilities which

is why the Board took the opportunity to meet with representatives involved in the demonstration pilot during our June visit to Utah.

SSA's Benefit Offset Pilot Demonstrations

In August 2005, SSA initiated a Four State Benefit Offset Pilot Demonstration (BOPD) project (in the States of Connecticut, Vermont, Utah, and Wisconsin) to test alternate methods of treating work activity in the Social Security Disability Insurance program. The purpose of BOPD was to develop a process for administering a benefit offset that would be transferable to the upcoming national demonstration. In June of 2009, we met with Dr. Cathy Chambliss and other staff involved in the BOPD project to discuss the findings of the pilot demonstrations and how the findings may inform the final BOND design.

In all four States, the treatment and control groups received a benefit offset of \$1 for every \$2 earned on earnings above the substantial gainful activity level. The offset provision began after the completion of the trial work period and continued for roughly 72 months. Participants were protected from continuing disability reviews. Clients in the treatment and control groups were offered benefits counseling and were referred to employment networks and other types of support services. In addition, each State had a Medicaid Buy-In program. At the time of our visit the findings from the pilots were still preliminary but did show statistically significant increases in the earnings of those who participated.

Also in June 2009, several members of the Board met with Richard Balkus, SSA's Associate Commissioner for Program Development and Research, to discuss the BOND project. He reported that the lessons learned by SSA from the BOPD project included: the manual benefit offset process was too labor-intensive and an automated benefit offset payment system is being developed; specialized Work Incentives Planning and Assistance (WIPA) services are important; and that notices need to be improved. The lessons learned in the BOPD were reflected in the request for proposal for BOND implementation and evaluation that was published on June 23, 2009. SSA plans to enroll the first group of beneficiaries into BOND in the summer of 2010. Several reports on key findings will be delivered during the course of the project so that SSA will not need to wait until the project is completed to communicate key findings. (SSA has subsequently awarded the BOND implementation and evaluation contract to Abt Associates.)

Salt Lake City Field Office

The best way to get SSA's pulse is to meet with the employees who are on the frontline, the individuals who meet with the public one-on-one – the staffs in Social Security's 1,300 field offices. Over the years, we have traveled to a number of these offices and in June we had the pleasure of meeting with employees in Salt Lake City. The Salt Lake City office staff is young and vibrant and many had been hired recently. As we find so often on our field visits, this staff was most impressive and had a deep commitment to public service.

The Salt Lake City office serves northwest Utah, which has a population of approximately 500,000 residents. About 250 customers visit the office per day, and it serves an even mix of Social Security and Supplemental Security Income claimants. About 48 percent of its retirement claims are completed over the Internet, and about 34 percent of its disability claims.

We met informally with the staff and had a chance to tour this new state-of-the-art facility. A unique feature of the office is a "barrier wall," that separates office employees from the waiting room. Employee desks are located behind interviewing windows so that the desks can be used as the employees' regular workstations as well as for interviewing. This floor plan replaces the traditional "front-end" interviewing stations that required redundant desks and computers. The design saves resources and money as there is less furniture and maximizes available space and allows for greater efficiency while providing added security.

Social Security Headquarters

Periodically the Board travels to SSA's national headquarters in order to spend concentrated time with more of the agency's executives. These visits are always productive and allow us to meet with the employees who are leading the agency's most important initiatives. In September we convened in Baltimore and held a series of detailed briefings.

During the visit we met SSA's Senior Advisor to the Commissioner for Health Information Technology, and the agency's new Chief Information Officer. We were especially interested in hearing about SSA's health information technology (HIT) activities because the agency had developed recently a strategic plan for the short term and a 7-year strategic vision for the long term. Through the *American Recovery and Reinvestment Act of 2009*, Congress appropriated \$40 million to SSA for HIT activities. With that money, the agency carved out \$24 million of it for MEGAHIT (an initiative to develop automated requests and responses between the State Disability Determination Services and medical records provider) and formed a National HIT Policy Committee. In addition, SSA reached a personal health repository agreement with Microsoft, a free online service that allows individuals to store their personal medical information and share the data with their healthcare providers. SSA projects that by 2012, the first year of full implementation of SSA's initiative, about 1 million transactions per year will be processed through HIT—about 1/3 of all claims.

We also met with SSA's Deputy Commissioner for Operations, Linda McMahon, and members of her executive staff. The focus of this meeting was on the growing post-entitlement workloads in the six Program Service Centers and the Office of Central Operations.

The demand on SSA's 800 number continues to climb and the agency has begun to use a forecasting model to predict call volumes. Call volumes were up 4.77 percent from the prior year and in light of this SSA had to increase the staffing in its teleservice centers. The staffing level is at its highest ever, up 10 percent from 2008. Another feature that helps with managing calls is the recently implemented "scheduled call-back" feature. The feedback from the public on this feature has been very positive as it keeps callers in their place in the queue without having to wait on the telephone.

Telephone service in the field offices has been as frustrating for the public as it has been for the field office staff. The agency rolled out a new field office telephone automation project in late September. Although we were dismayed to hear about the inevitable growth in the post-entitlement backlogs, we were encouraged to learn about the inroads the agency is making in using automation to help reduce those backlogs.

We concluded our headquarters visit by spending time at the Office of Central Operations (OCO), our first visit to that facility. OCO is responsible for a number of key Social Security processes including maintaining wage records, adjudicating claims from individuals outside of the U.S., processing claims that cannot be adjudicated by Social Security field offices, and helping other Social Security components process their workload backlogs. OCO has been instrumental in assisting SSA's Office of Disability Adjudication and Review in working its cases, and processes 80 percent of all attorney fee workloads. They were in the process of establishing a call center for claimant representatives

that would provide centralized support for the field. We completed our visit by touring the building and were encouraged to see that it is now almost entirely paperless.

Long-term Supports and Services and Their Impact on People with Disabilities

Our interest in long-term supports and services (LTSS) grew out of our report on healthcare costs and out of our 2006 report, *A Disability System for the 21st Century*. The report on healthcare costs noted that long-term care was a subject of large and growing importance that demanded discussion and reform efforts all its own. That report discussed briefly the potential of home- and community-based services to reduce the costs of long-term care. In *A Disability System for the 21st Century* we stated, “The first question society poses to those with significant impairments should not be, ‘Can you prove you cannot work?’ The first question should be, ‘What type of assistance do you need in order to achieve your maximum possible contribution to your own well being and to the good of the community?’”

Our continuing work on LTSS will examine their potential as a means of supporting the employment of people with disabilities. More specifically, we have started to look at two programs that were part of the *Ticket to Work and Work Incentives Improvement Act*, Medicaid Buy-In, and the Demonstration to Maintain Independence and Employment (DMIE). Medicaid Buy-In allows States to expand Medicaid coverage to workers with disabilities whose income and assets would ordinarily make them ineligible for Medicaid. States have the flexibility to customize their buy-in programs for their particular situation and population. This, in turn, allows people who may or may not

have applied for benefits to continue working and stay in the workforce with supports that Medicaid provides. DMIE, a demonstration that ended in 2009, encouraged States to provide healthcare and employment-related services to workers with impairments before they became so disabled that they could no longer work. It also enhanced access to medical care and employment supports in order to keep workers employed. DMIE was intended to demonstrate ways to keep people in the workforce with healthcare and other assistance, delaying their filing for benefits. In the coming year, our work will be based on recent third-party evaluations of both programs.

Continuing Look at Representative Payment

We are also preparing an issue brief on the representative payee program. Congress has given SSA the authority to appoint representative payees to manage the benefits of beneficiaries who, because of their youth or impairments, are not able to manage their own benefits. Managing the representative payment program has been a continuing challenge for SSA, and occasional revelations of misuse of benefits by payees have brought the program to the attention of Congress and the public. *The Social Security Protection Act of 2004* required the agency to conduct a study of the program, and SSA contracted with the National Academies to conduct the study, which was published in 2007.

Our issue brief will review the National Academies' work and the steps that SSA has taken in response to the National Academies' report. It will also make further recommendations on the subjects of misuse of benefits, selection and monitoring of payees, and program policies and practices.

Improper Payments and Data Exchange

Because of our ongoing monitoring of the agency's stewardship and program integrity responsibilities, we have begun to look at the external use of SSA data and the protection of the Social Security number (SSN) and other personal information. This initiative will focus on an element common to all these topics, the exchange of needed data through an automated process with State, local and Federal agencies. We plan to review the data exchange process both to gauge the effectiveness of the electronic process and to determine if the data exchanged is being used timely, accurately, and in a secure fashion.

We plan to break the overall topic into five sub-topics and publish an issue brief on each. We also plan a final publication that will contain the previous documents and will provide concluding observations and a list of recommendations.

The first issue brief will discuss SSA's data exchange program in general and consider a number of questions about its effectiveness. The issue brief will highlight the successes SSA has had with its program as well as identify issues that need attention.

We will explore how SSA collects death information for its own use and how that same information is distributed for external use. Accuracy and timeliness will be the key issues. A second study will be the Windfall Elimination Provision and the Government Pension Offset and will follow the flow of pension data from their sources, i.e., State, local or Federal pension agencies. The study will look at the frequency and

quality of data received, when and how it is used by the agency, and assess to what degree overpayments or underpayments are detected and/or prevented. A third issue brief will focus on similar issues involving Worker's Compensation data.

Compendium of Board Reports and Publications

- 1) *The Unsustainable Cost of Healthcare*, September 2009.
- 2) *The Social Security Statement: How It Can Be Improved*, August 2009.
- 3) *Annual Report*, Calendar Year 2008 (May 2009). The Board has prepared an *Annual Report* since 1998. They were prepared on a fiscal year basis from 1998 to 2002.
- 4) Issue Brief: *Statement on the Supplemental Security Income Program: A Look Back at the Last 10 Years*, May 2009. The document was also published as “Statement on the Supplemental Security Income Program,” by the Social Security Advisory Board in the *Annual Report of the Supplemental Security Income Program*, Social Security Administration, May 2009.
- 5) *Bridging the Gap: Improving SSA’s Public Service through Technology*, April 2009.
- 6) Issue Brief: *Disability Programs in the 21st Century* series, Volume 1, Number 3, “Substantial Gainful Activity,” April 2009.
- 7) Issue Brief: *Disability Programs in the 21st Century* series, Volume 1, Number 2, “Need for Review of the Supplemental Security Income Program’s Benefit Levels, Asset Limits, and Income Exclusions,” reissued March 2009.
- 8) Issue Brief: *Disability Programs in the 21st Century* series, Volume 1, Number 1, “Interactions between Supplemental Security Income and Temporary Assistance for Needy Families,” reissued February 2009.
- 9) *Challenges Facing the Social Security Administration: Present and Future*, December 2008.
- 10) *Working for Retirement Security*, September 2008.
- 11) Issue Brief #4: *Need for Review of the Supplemental Security Income Program’s Benefit Levels, Asset Limits, and Income Exclusions*, May 2008. The document was also published as “Statement on the Supplemental Security Income Program,” by the Social Security Advisory Board in the *Annual Report of the Supplemental Security Income Program*, Social Security Administration, May 2008.
- 12) “Statement on the Supplemental Security Income Program,” additional Statement by the Social Security Advisory Board in the *Annual Report of the Supplemental Security Income Program*, Social Security Administration, May 2007. The Board has prepared these Statements annually since 1998. In 2006 the Board also published this Statement as the *Social Security Advisory Board Issue Brief #2*.
- 13) Issue Brief #3: *Recruiting SSA Administrative Law Judges: Need for Review of OPM Role and Performance*, April 2007.
- 14) *A Disability System for the 21st Century*, September 2006.
- 15) *Improving the Social Security Administration’s Hearing Process*, September 2006.
- 16) *Disability Decision Making: Data and Materials* (2nd ed.), May 2006.
- 17) Issue Brief #1: *The Impact of Immigration on Social Security and the National Economy*, December 2005.

- 18) *Social Security: Why Action Should Be Taken Soon* (3rd ed.), September 2005.
- 19) *Retirement Security: The Unfolding of a Predictable Surprise*, March 2005.
- 20) *The Social Security Definition of Disability*, October 2003.
- 21) *The 2003 Technical Panel on Assumptions and Methods, Report to the Social Security Advisory Board*, October 2003.
- 22) *Introducing Non-adversarial Government Representatives to Improve the Record for Decision in Social Security Disability Adjudications, A Report to the Social Security Advisory Board*, June 2003.
- 23) *SSA's Obligation to Ensure that the Public's Funds are Responsibly Collected and Expended*, March 2002.
- 24) *Alternative Approaches to Judicial Review of Social Security Disability Cases: A Report to the Social Security Advisory Board*, March 2002.
- 25) *Challenges Facing the New Commissioner of Social Security*, Statement by Stanford G. Ross, December 2001.
- 26) *Estimating the Real Rate of Return on Stocks Over the Long Term*, Papers presented to the Social Security Advisory Board, August 2001.
- 27) *Social Security: Why Action Should Be Taken Soon* (Revised Edition), July 2001. The Board issued this report originally in July 1998.
- 28) *Agenda for Social Security: Challenges for the New Congress and the New Administration*, February 2001.
- 29) *Charting the Future of Social Security's Disability Programs: The Need for Fundamental Change*, January 2001.
- 30) *Disability Decision Making: Data and Materials*, January 2001.
- 31) *The Technical Panel on Assumptions and Methods, Report to the Social Security Advisory Board*, November 1999.
- 32) *How the Social Security Administration Can Improve Its Service to the Public*, September 1999.
- 33) *Forum on the Implications of Raising the Social Security Retirement Age*, May 1999 (staff document).
- 34) *How SSA's Disability Programs Can Be Improved*, August 1998.
- 35) *Social Security: Why Action Should Be Taken Soon*, July 1998.
- 36) *Strengthening Social Security Research: The Responsibilities of the Social Security Administration*, January 1998.
- 37) *Increasing Public Understanding of Social Security*, September 1997.
- 38) *Forum on a Long-Range Research and Program Evaluation Plan for the Social Security Administration: Proceedings and Additional Comments*, June 24, 1997 (staff document).
- 39) *Developing Social Security Policy: How the Social Security Administration Can Provide Greater Policy Leadership*, March 1997.

Most reports are available on the Board's web site at www.ssab.gov

2009 Board Operations and Communications

Addresses

In October 2009, Ms. Hardy addressed the National Association of Disability Examiners at its national conference in Covington, Kentucky. Also in October Mr. Warshawsky addressed the Association of Administrative Law Judges in Buffalo, New York at its annual meeting.

Communications

In March, Chairman Schieber sent an op-ed to major newspapers across the country criticizing the actions of State governments for furloughing State employees who are engaged in making disability determinations for the Social Security Administration. Also in March Chairman Schieber wrote to the Acting Office of Personnel Management Director and stressed the need for OPM to develop a register of strong administrative law judge candidates for the Social Security Administration.

Meetings

From January 2009 through December 2009, we met at our offices eight times and held one conference call. In June we made a site visit to Salt Lake City for the purpose of gathering and evaluating information for our report, *The Unsustainable Cost of Healthcare*. In September we traveled to Social Security headquarters in Baltimore to meet with agency executives.

Publications

In February, we reissued *Issue Brief: Disability Programs in the 21st Century Series* (Volume 1, Number 1) – “Interactions between Supplemental Security Income and Temporary Assistance for Needy Families.” In March we reissued *Issue Brief: Disability Programs in the 21st Century Series* (Volume 1, Number 2) – “Need for Review of the Supplemental

Security Income Program’s Benefit Levels, Asset Limits, and Income Exclusions.” In April we published *Issue Brief: Disability Programs in the 21st Century Series* (Volume 1, Number 3) – “Substantial Gainful Activity,” and also our report, *Bridging the Gap: Improving SSA’s Public Service through Technology*. In May, we published *Issue Brief: Statement on the Supplemental Security Income Program: A Look Back at the Last 10 Years*, which was also published as “Statement on the Supplemental Security Income Program,” in the Social Security Administration’s *Annual Report of the Supplemental Security Income Program*. We also published our *2008 Annual Report* in May. In August we issued our report, *The Social Security Statement: How It Can Be Improved*, and in September we published *The Unsustainable Cost of Health Care*.

Testimony

In April, Chairman Schieber testified before the Social Security Subcommittee of the House of Representatives’ Committee on Ways and Means regarding the progress the Social Security Administration has made on implementing *The American Recovery and Reinvestment Act of 2009*. In November, Acting Chair Kennelly testified before the Social Security Subcommittee on the progress the Social Security Administration has made in clearing its disability claims backlogs, and the new challenges it faces because of the economic recession.

Board Changes

Sylvester Schieber’s term expired September 30, 2009. Barbara Kennelly assumed the responsibilities of Acting Chair until a permanent Chair is appointed. In December, Jagadeesh Gokhale was appointed to the Board by the U.S. Senate.

Individuals with Whom the Board Met at its Monthly Meetings in 2009

January

Jason Fichtner, Acting Deputy Commissioner,
Social Security Administration

Richard Balkus, Associate Commissioner for Program
Development and Research,
Social Security Administration

Joseph Cannelongo, CEO, Advocare, Inc.

Manuel de la Puente, Associate Commissioner for
Research, Evaluation, and Statistics,
Social Security Administration

William Gray, Deputy Commissioner for Systems,
Social Security Administration

Thomas Hughes, former Chief Information Officer,
Social Security Administration

Gina Livermore, Senior Researcher, Center for Studying
Disability Policy, Mathematica Policy Research

Linda Maxfield, Assistant Deputy Commissioner for
Policy, Social Security Administration

Marilyn Silver, JBS International

David Stapleton, Director, Center for Studying Disability
Policy, Mathematica Policy Research

James Woods, Department of Labor (retired)

February

Michael Astrue, Commissioner of Social Security

Joseph Antos, Wilson H. Taylor Scholar in Health Care
and Retirement Policy, American Enterprise Institute

Steven B. Cohen, Director, Center for Financing, Access,
and Cost Trends, Agency for Healthcare Research
and Quality

Helen Darling, President, National Business
Group on Health

Karen Davis, President, The Commonwealth Fund

Victor Fuchs, Stanford University

David Nexon, Senior Executive Vice President, AdvaMed
Advanced Medical Technology Association

Duane Olson, Manager for Health and Welfare Plans,
Deere and Company

Eric Stanchfield, Executive Director, District of Columbia
Retirement Board

Donald Steinwachs, Professor and Director of the Health
Services Research and Development Center,
The Johns Hopkins Bloomberg School of
Public Health

March

Michael Astrue, Commissioner of Social Security

Larry Massanari, Regional Commissioner, Philadelphia,
Social Security Administration (retired)

Mark McClellan, Director of the Engelberg Center for
Health Care Reform, The Brookings Institution

April

Michael Astrue, Commissioner of Social Security

Mark Booth, Congressional Budget Office

Sheila Dacey, Congressional Budget Office

Eli Donkar, Deputy Chief Actuary, Social Security
Administration

David Foster, Deputy Commissioner for Disability
Adjudication and Review, Social Security
Administration

Marge Ginsburg, Executive Director for the Center for
Healthcare Decisions

Stephen Goss, Chief Actuary, Social Security
Administration

Joyce Manchester, Unit Chief, Long-term Modeling
Group, Health and Human Resources Division,
Congressional Budget Office

Samuel Papenfuss, Unit Chief, Income Security and
Education Cost Estimates Unit, Budget
Analysis Division, Congressional Budget Office

Michael Pierce, System Specialist for the Office of Disability Adjudication and Review, Social Security Administration

Ronald Raborg, Assistant Deputy Commissioner for Disability Adjudication and Review, Social Security Administration

David Rafferty, Congressional Budget Office

Samuel Spagnolo, M.D., Professor of Medicine and Attending Physician, George Washington University and Senior Attending Physician, Department of Veterans' Affairs, Medical Center, Washington, D.C.

May

G. Kelly Croft, Deputy Commissioner for Quality Performance, Social Security Administration

Richard Foster, Chief Actuary, Centers for Medicare and Medicaid Services

Stephen Goss, Chief Actuary, Social Security Administration

Alice Wade, Deputy Chief Actuary, Social Security Administration

June

David Carlson, Medical Relations Officer, Utah Disability Determination Services

Dr. Cathy Chambliss, Research Associate, Center for Public Policy and Administration, University of Utah

Cathy Daley, Program Director, Utah Department of Rehabilitation

Connie Everson, Wisconsin 4-State Pilot

Jan Foushee, Regional Communication Director, Denver Region, Social Security Administration

Kathy Franson, Supervisor, SSI/SSDI Outreach, Access and Recovery (SOAR) Project Team, Metro Center Office, Department of Workforce Services, Utah Department of Human Services

Brent James, M.D., Executive Director for Intermountain Healthcare's Institute for Healthcare Delivery Research and Vice President of Medical Research and Continuing Medical Education Services

Martha Lambie, Acting Denver Regional Commissioner, Social Security Administration

Sarah McCormick, University of Utah

Gary Nakao, Administrator, Utah Disability Determination, Services

Brent Newreen, Employment Center Manager, Metro Center Office, Department of Workforce Services, Utah Department of Human Services

Lloyd Pendleton, SSI/SSDI Outreach, Access and Recovery Project State Team Lead, Division of Housing and Community Development, Utah Department of Human Services

John Pierpont, Department of Workforce Services, Utah Department of Human Services

Amy Porter, Director, Connecticut 4-State Pilot

Marc Probst, CIO for Intermountain Healthcare, Inc.

John Reiser, Director, Wisconsin 4-State Pilot

Angelica Rose, Salt Lake City Field Office Manager, Social Security Administration

James Smith, Director, Vermont 4-State Pilot

Staff in the Salt Lake City Field Office, Social Security Administration

Jolene Weiler, Supervisory Benefit Specialist, Utah Department of Rehabilitation

John Westy, Program Services Director, Utah Department of Rehabilitation

James Whitaker, Department of Workforce Services, Utah Department of Human Services

Alison Wright, Utah Department of Rehabilitation

July

Michael Astrue, Commissioner of Social Security

Alan Balutis, Chairman of the Social Security Administration's Future Systems Advisory Panel

Jerry Berson, Assistant Deputy Commissioner for Systems, Social Security Administration

Ruby Burrell, Associate Commissioner for Disability Determinations, Social Security Administration

Linda Dorn, Special Advisor to the Commissioner, Social Security Administration

Jason Fichtner, Acting Deputy Commissioner, Social Security Administration

Karie Kilgore, Project Manager, Office of Systems, Social Security Administration

Linda Maxfield, Senior Advisor to the Deputy Commissioner, Social Security Administration

John Phillips, Director, Office of Policy Research, Social Security Administration

Robbie Watts, Senior Advisor, Social Security Administration

Linda Zampelli, Business Project Manager, Office of Systems, Social Security Administration

September

Michael Astrue, Commissioner of Social Security

Randy Abrams, Deputy Associate Commissioner for Central Operations, Social Security Administration

Frank Baitman, Chief Information Officer, Social Security Administration

Mark Blatchford, Associate Commissioner for Automation Support, Social Security Administration

James Borland, Senior Advisor to the Commissioner for Health Information Technology, Social Security Administration

Executives from the Office of Disability Operations, Social Security Administration

LaTina Greene, Deputy Associate Commissioner for Central Operations, Social Security Administration

Roger McDonnell, Assistant Deputy Commissioner for Operations, Social Security Administration

Linda McMahon, Deputy Commissioner for Operations, Social Security Administration

Inell Moore, Assistant Associate Commissioner for Disability Operations, Social Security Administration

Carolyn Simmons, Associate Commissioner for Central Operations, Social Security Administration

Roy Snyder, Office of Telephone Services, Social Security Administration

November

Frank Baitman, Chief Information Officer, Social Security Administration

James Bentley, Acting Associate Commissioner for Budget, Facilities, and Security, Office of Disability Adjudication and Review, Social Security Administration

Judy Chesser, Deputy Commissioner for Legislative and Regulatory Affairs, Social Security Administration

Jason Fichtner, Chief Economist, Social Security Administration

David Foster, Deputy Commissioner, Office of Disability Adjudication and Review, Social Security Administration

Stephen Goss, Chief Actuary, Social Security Administration

Kenneth Mannella, Congressional Affairs Staff, Office of Legislative and Regulatory Affairs, Social Security Administration

Lisa Markowski, Office of Disability Adjudication and Review, Social Security Administration

Ronald Raborg, Assistant Deputy Commissioner for Disability Adjudication and Review, Social Security Administration

December

Patrick O'Carroll, Inspector General, Social Security Administration

James Kissko, Deputy Inspector General, Social Security Administration

Current Members of the Social Security Advisory Board

Barbara B. Kennelly, Acting Chair

Barbara B. Kennelly became President and Chief Executive Officer of the National Committee to Preserve Social Security and Medicare in April 2002 after a distinguished 23-year career in elected public office. Mrs. Kennelly served 17 years in the United States House of Representatives representing the First District of Connecticut. During her Congressional career, Mrs. Kennelly was the first woman elected to serve as the Vice Chair of the House Democratic Caucus. Mrs. Kennelly was also the first woman to serve on the House Committee on Intelligence and to chair one of its subcommittees. She was the first woman to serve as Chief Majority Whip, and the third woman in history to serve on the 200-year-old Ways and Means Committee. During the 105th Congress, she was the ranking member of the Subcommittee on Social Security. Prior to her election to Congress, Mrs. Kennelly was Secretary of State of Connecticut. After serving in Congress, Mrs. Kennelly was appointed to the position of Counselor to the Commissioner at the Social Security Administration (SSA). As Counselor, Mrs. Kennelly worked closely with the Commissioner of Social Security Kenneth S. Apfel, and members of Congress to inform and educate the American people on the choices they face to ensure the future solvency of Social Security. She served on the Policy Committee for the 2005 White House Conference on Aging. Mrs. Kennelly received a B.A. in Economics from Trinity College, Washington, D.C. She earned a certificate from the Harvard Business School on completion of the Harvard-Radcliffe Program in Business Administration and a Master's Degree in Government from Trinity College, Hartford. Term of office: January 2006 to September 2011.

Dana K. Bilyeu

Dana K. Bilyeu is the Executive Officer of the Public Employees' Retirement System of Nevada. As the Executive Officer of the \$21 billion pension trust she is responsible for all aspects of fund management including analysis of plan funding, investment oversight, operational and strategic planning, and fiduciary and governance issues. Mrs. Bilyeu is principally responsible for the relationship with the System's independent actuary and oversees the data reconciliation process for actuarial valuations of the System. In her capacity as the Executive Officer, Mrs. Bilyeu provides information and analysis to the Nevada Legislature in consideration of pension policy issues affecting State and local government. Prior to her appointment as the Executive Officer, Mrs. Bilyeu served for eight years as the System's Operations Officer, overseeing all aspects of benefit administration, including survivor, disability, and retirement benefit programs. Mrs. Bilyeu also was responsible for cost effectiveness measurement for all activities of the System. She was accountable for technology oversight as well as policy issues related to the public safety sector of public employment. Prior to her employment at the System, Mrs. Bilyeu was the System's legal counsel, representing the System in a variety of aspects from benefits litigation, contracts analysis, to Board governance. Mrs. Bilyeu is a member of the National Association of State Retirement Administrators, the National Council on Teacher Retirement, the National Conference of Public Employee Retirement Systems, and the National Association of Public Pension Attorneys. She also serves on the Public Employee Advisory Board for the International Foundation of Employee Benefit Plans. She received her *juris doctor* from California Western School of Law

and her B.A. from the University of Arizona. Term of office: December 2006 to September 2010.

Jagadeesh Gokhale

Jagadeesh Gokhale is a senior fellow at the Cato Institute. He earlier worked at the American Enterprise Institute as a visiting scholar (2003), the U.S. Treasury Department as a consultant (2002), and the Federal Reserve Bank of Cleveland as a senior economic advisor (1990-2003). An economist by training, his main research fields are macro and public economics with a special focus on the effects of fiscal policy on future generations. During 2008, he served as a member of the Task Force on Sustainability Issues for the Federal Accounting Standards Advisory Board. Dr. Gokhale has written extensively on policy issues including Social Security and Medicare reform, national saving, private insurance, financial planning, wealth inequality, generational accounting, and public intergenerational transfers and he has testified several times before Congress on these topics. He has published several papers in such top-tier journals as the *American Economic Review*, *Journal of Economic Perspectives*, *Quarterly Journal of Economics*, *Review of Economics and Statistics*; in publications of the National Bureau of Economic Research and the Cleveland Federal Reserve; in the US Budget report's *Analytical Perspectives*; and in popular newspapers and online media such as the *Wall Street Journal*, *The Financial Times*, *The Washington Post*, *American Spectator*, and *Forbes*. Dr. Gokhale is a co-author of *Fiscal and Generational Imbalances* that revealed the U.S. fiscal imbalance to be in the tens of trillions of dollars. Another book by him entitled *Social Security: A Fresh Look at Policy Alternatives* is forthcoming from the University of Chicago Press in 2010. Term of Office: November 2009 to September 2015.

Dorcas R. Hardy

Dorcas R. Hardy is President of DRHardy & Associates, a government relations and public policy firm serving a diverse portfolio of clients. After her appointment by President Ronald Reagan as Assistant Secretary of Human Development Services, Ms. Hardy was appointed Commissioner of Social Security (1986 to 1989) and was appointed by President George W. Bush to chair the Policy Committee for the 2005 White House Conference on Aging. Ms. Hardy has launched and hosted her own primetime, weekly television program, "Financing Your Future," on Financial News Network and UPI Broadcasting, and "The Senior American," an NET political program for older Americans. She speaks and writes widely about domestic and international retirement financing issues and entitlement program reforms and is the co-author of *Social Insecurity: The Crisis in America's Social Security System and How to Plan Now for Your Own Financial Survival*, Random House, 1992. A former CEO of a rehabilitation technology firm, Ms. Hardy promotes redesign and modernization of the Social Security, Medicare, and disability insurance systems. Additionally, she has chaired a Task Force to rebuild vocational rehabilitation services for disabled veterans for the Department of Veterans Affairs. She received her B.A. from Connecticut College, her M.B.A. from Pepperdine University, and completed the Executive Program in Health Policy and Financial Management at Harvard University. Ms. Hardy is a Certified Senior Advisor and serves on the Board of Directors of Wright Investors Service Managed Funds, and First Coast Service Options of Florida. First term of office: April 2002 to September 2004. Current term of office: October 2004 to September 2010.

Marsha Rose Katz

Marsha Rose Katz is a Project Director at the University of Montana Rural Institute in Missoula, where her work has concentrated on assisting persons with disabilities to utilize Social Security work incentives to start their own businesses or engage in wage employment. Since coming to the Rural Institute in 1999, Ms. Katz has focused on providing training and technical assistance on both employment and SSI/SSDI to rural, frontier and tribal communities across the country. Previously, she worked for nearly 20 years in a disability rights community based organization, the Association for Community Advocacy (ACA), a local Arc in Ann Arbor, Michigan. She served as both Vice President of ACA, and Director of its Family Resource Center. It was at ACA that Ms. Katz began her nearly 30 years of individual and systems advocacy regarding programs administered by SSA, especially the SSI and SSDI programs. Ms. Katz has written numerous articles and created many widely distributed user-friendly general handouts on SSI and SSDI, the majority of which focus on the impact of work on benefits, and utilizing work incentives. She is the author of *Don't Look for Logic; An Advocate's Manual for Negotiating the SSI and SSDI Programs*, published by the Rural Institute. Her Bachelor's and Master's Degrees are from the University of Michigan. Ms. Katz's many years of experience as a trainer, technical advisor, and advocate have been guided and informed by her partnership with people with disabilities, from her husband, Bob Liston, to the people she assisted in her work with ACA and the Arc Michigan, her current work at the Rural Institute, and her longstanding participation in ADAPT, the nation's largest cross-disability, grassroots disability rights organization. Term of office: November 2006 to September 2012.

Mark J. Warshawsky

Mark J. Warshawsky is Director of Retirement Research at Towers Watson, a global human capital consulting firm. He conducts and oversees research on employer-sponsored retirement programs and policies. A frequent speaker to business and professional groups, Dr. Warshawsky is a recognized thought leader on pensions, social security, insurance and healthcare financing. He has written numerous articles published in leading professional journals, books and working papers, and has testified before Congress on pensions, annuities and other economic issues. A member of the Social Security Advisory Board for a term through 2012, he is also on the Advisory Board of the Pension Research Council of the Wharton School. From 2004 to 2006, Dr. Warshawsky served as assistant secretary for economic policy at the U.S. Treasury Department. During his tenure, he played a key role in the development of the Administration's pension reform proposals, particularly pertaining to single-employer defined benefit plans, which were ultimately included in the Pension Protection Act ("PPA") of 2006. He was also involved extensively in the formulation of Social Security reform proposals, and oversaw the Department's comprehensive 2005 study of the terror risk insurance program. In addition, Dr. Warshawsky led the efforts to update and enhance substantially the measures and disclosures in the Social Security and Medicare Trustees' Reports, as well as the setting of the macroeconomic forecasts, which underlie the administration's budget submissions to Congress. Dr. Warshawsky's research has been influential in the 2001-2002 regulatory reform of minimum distribution requirements for qualified retirement plans, the increasing realization of the importance of financial protection against outliving one's financial resources in retirement, and a product innovation to integrate the immediate life annuity and long-term care insurance. For the latter research, he won a prize from the British Institute of Actuaries in

2001 for a professional article he co-authored. Favorable tax treatment for this integrated product was also included in PPA due to Dr. Warshawsky's advocacy. Dr. Warshawsky has also held senior-level economic research positions at the Internal Revenue Service, the Federal Reserve Board in Washington, D.C. and TIAA-CREF, where he established the Paul A. Samuelson Prize and organized several research conferences. A native of Chicago, he received a Ph.D. in Economics from Harvard University and a B.A. with Highest Distinction from Northwestern University. Term of office: December 2006 to September 2012.

Legislation that Established the Social Security Advisory Board

In 1994, when Congress passed Public Law 103-296 establishing the Social Security Administration as an independent agency, it also created an independent, bipartisan Advisory Board to advise the President, the Congress, and the Commissioner of Social Security on matters related to the Social Security and Supplemental Security Income programs. Under this legislation, appointments to the Board are made by the President, the Speaker of the House of Representatives, and the President pro tempore of the Senate.

Advisory Board members are appointed to staggered six year terms, made up as follows: three appointed by the President (no more than two from the same political party); and two each (no more than one from the same political party) by the Speaker of the House (in consultation with the Chairman and the Ranking Minority Member of the Committee on Ways and Means) and by the President pro tempore of the Senate (in consultation with the Chairman and Ranking Minority Member of the Committee on Finance). Presidential appointments are subject to Senate confirmation. The President designates one member of the Board to serve as Chairman for a four year term, coincident with the term of the President, or until the designation of a successor.

The Board's Mandate

Public Law 103-296 as amended gives the Board the following functions;

- 1) Analyzing the Nation's retirement and disability systems and making recommendations with respect to how the Old-Age, Survivors, and Disability Insurance (OASDI) programs and the Supplemental Security Income (SSI) program, supported by the other public and private systems, can most effectively assure economic security;
- 2) studying and making recommendations relating to the coordination of programs that provide health security with programs described in paragraph (1);
- 3) making recommendations to the President and to the Congress with respect to policies that will ensure the solvency of the old-age, survivors, and disability insurance program, both in the short-term and the long-term;
- 4) making recommendations with respect to the quality of service that the Administration provides to the public;
- 5) making recommendations with respect to policies and regulations regarding the old-age, survivors, and disability insurance program and the supplemental security income program;
- 6) increasing public understanding of the social security system;
- 7) making recommendations with respect to a long-range research and program evaluation plan for the Administration; and
- 8) reviewing and assessing any major studies of social security as may come to the attention of the Board; and
- 9) making recommendations with respect to such other matters as the Board determines to be appropriate.

Social Security Advisory Board Staff Members

Katherine Thornton, Staff Director

Katherine Thornton joined the Advisory Board as the Deputy Staff Director in 2005. Before coming to the Board, she held several senior management positions in the Social Security Administration. From 1995-2002, she was the Director of the Center for Disability Programs in the Philadelphia region before relocating to SSA's Baltimore headquarters. While in headquarters, Ms. Thornton was a member of the Senior Executive Service candidate development program, and had a series of assignments including a leadership role for the Agency's eDib project, as well as serving as a program manager with the International Social Security Association in Geneva Switzerland. She holds a Bachelor's Degree in Sociology and Social Work from Western Michigan University.

Deborah Sullivan, Deputy Staff Director

Deborah (Debi) Sullivan joined the Social Security Advisory Board staff in September 2007 as the Deputy Staff Director. Before joining the Board staff, she was a participant in the Social Security Administration's (SSA's) Senior Executive Service Candidate Program and did extensive work on the agency's most recent disability service improvement initiatives. Ms. Sullivan began working for SSA as a claims representative in Columbus, Indiana in 1978 and has held increasingly more responsible supervisory and managerial positions throughout her career. She worked in a number of SSA field offices and the Regional Offices in both Chicago and Atlanta. In 2002, she relocated to SSA's headquarters in Baltimore to become the Executive Officer of SSA's strategic planning component, which was responsible for the publication of the agency's annual planning documents and periodic strategic plans. During her tenure at the Social Security Administration, Ms. Sullivan was the recipient of many

awards including five Commissioner's Citations and a National Performance Award. She holds a Bachelor's Degree in History and Political Science from Ball State University and has completed additional graduate work at Emory University in Atlanta.

Joel A. Feinleib, Staff Economist

Joel Feinleib joined the Advisory Board as Staff Economist in 2005 focusing on long-term financing issues, reform proposals, and empirical research. He previously worked as a research consultant and policy analyst in Washington D.C. and Chicago specializing in the economic, demographic and statistical analysis of social policy issues including welfare policy, drug control policy, environmental health and HIV/AIDS prevention. He holds a B.S. in Economics from The Wharton School, University of Pennsylvania and a Masters in Public Policy Studies from the University of Chicago.

Beverly Rollins Sheingorn, Executive Officer

Beverly Rollins Sheingorn began her career with the Federal Government as a claims representative for the Social Security Administration in the Rockville, Maryland field office. She held a number of jobs with SSA, including senior executive analyst for both the Associate Commissioner of Hearings and Appeals and the Deputy Commissioner for Programs. In 1995, she worked with the National Commission on Childhood Disability, serving as an executive assistant to the Staff Director. Prior to working for the Federal Government, Ms. Rollins Sheingorn worked as a social worker for the Head Start program and the West Virginia Department of Welfare. Since joining the Board staff in 1996, she has served as Executive Officer. She holds a Bachelor's degree in Social Work from West Virginia University and a Master's degree in General Administration from the University of Maryland.

George Schuette, Professional Staff

Before joining the Advisory Board staff in 1999, George Schuette worked for the Kentucky Department for Human Resources and the Social Security Administration, taught in colleges, and served in the U.S. Army. He began working for SSA as a generalist claims representative in Cincinnati in 1977. In 1980 he moved to Baltimore to work in the Office of Training. He worked in staff and management positions in a variety of areas, including analyst training, management training, programmatic training, evaluation, and career development. He was involved in the introduction of new technologies to the agency, including personal computers, computer-based training, and interactive video. He has a Ph.D. in history from Duke University.

Roberta (Robin) Walker, Staff Assistant

Robin Walker joined the Advisory Board staff in December 2009 after spending many years as an Executive Assistant in the public sector. Most recently she supported the work of the President and Vice President of a D.C. construction firm. Ms. Walker has years of experience in managing all aspects of a corporate office.

David Warner, Professional Staff

David Warner began his career with the Federal Government in 1988 as a budget and program analyst for the Office of the Secretary of the Department of Health and Human Services in Washington, D.C. He worked principally on the administrative budget for the Medicare program and the program and administrative budgets for Medicaid and the Social Security Administration. Mr. Warner transferred to the Social Security Administration in 1995. Until 1998, he served as a senior social insurance specialist and executive officer for the Deputy Commissioner for Legislation and Congressional Affairs. In 1998, Mr. Warner completed a developmental assignment as professional

staff to the Social Security Subcommittee of the House Committee on Ways and Means. Since joining the staff of the Social Security Advisory Board in 1999, he has served as professional staff to the Board. He holds a Bachelor's degree in psychology from the University of Wisconsin and a Master's degree in public sector and non-profit financial management from the University of Maryland.

