

**United States Senate
Committee on Homeland Security and Governmental Affairs
Subcommittee on Oversight of Government Management,
the Federal Workforce, and the District of Columbia**

Improving Social Security Disability Insurance Claims Processing in Ohio

Testimony of

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Chairman Akaka, Ranking Member Voinovich, and members of the Subcommittee, my name is Richard Warsinskey. I am a Past President of the National Council of Social Security Management Associations (NCSSMA). I have been the manager of the Social Security office in Downtown Cleveland for over fifteen years and have worked for the Social Security Administration for thirty-five years.

I also help coordinate the activities of the SSA Advocacy Group. This group works to improve SSA's services at all levels and has over 35 member organizations. Members include senior citizen organizations and disability support groups from across the country, SSA and Disability Determination Services associations, and Federal management associations and employee unions.

NCSSMA is a membership association of nearly 3,400 Social Security Administration (SSA) managers and supervisors who provide leadership in more than 1,300 field offices and teleservice centers throughout the country. We are the frontline service providers for SSA in communities all over the nation. We are also the federal employees many of your staff members contact to resolve issues for your constituents who receive Social Security retirement benefits, survivors or disability benefits, or Supplemental Security Income. One of NCSSMA's top priorities is a strong, stable Social Security Administration: One that delivers quality and prompt community based service. We also consider it a top priority to be good stewards of the taxpayers' moneys.

Background and Historic Trends with SSA Disability Hearings Backlog in Ohio

Today we celebrate the opening of the Akron Hearing Office. This opening along with that of the Toledo Hearing Office will be a great help to thousands of Ohioans waiting for a decision on their disability hearing. Our testimony will show that significant progress has been and continues to be made in improving the processing of disability hearing cases in Ohio. Senator Voinovich's strong leadership along with the Commissioner's perseverance in ensuring the opening of these two offices is highly commendable and greatly appreciated. Senator Voinovich has long been concerned about addressing the disability hearings backlog in Ohio. In fact, he was aware of this issue well before it gained national attention. On March 29, 2004, Senator Voinovich convened a hearing in Cleveland

titled, *The Road to Recovery: Solving the Social Security Disability Backlog*. For the full hearing transcript see: <http://www.access.gpo.gov/congress/senate/pdf/108hr/94200.pdf>.

The Senator expressed concern about the disability case backlog during this hearing. He stated:

“As many of you know, the Cleveland Social Security Office of Hearings and Appeals, OHA, has one of the longest processing times for disability cases in the Nation. And that’s one of the reasons why we have so many cases come to us in our constituency office.

Currently, the national processing time at the hearing level is 368 days. The processing time in Cleveland is an astounding 550 days. Unfortunately, residents throughout Ohio face similar delays in three hearing offices in Cincinnati 412 days, Columbus 477 days, Dayton 381 days. These are all times way above the national average.”

Senator Voinovich also stated that there were 8,796 cases pending in Cleveland:

“When examining the case load in Cleveland, it is evident slow processing time is only part of the problem. For instance, at the end of last month, the Cleveland hearing office had a backlog of 8,796 cases of which 5,461 had yet to be assigned to a particular judge. Those are just numbers but, folks, there are people behind those numbers.”

The unfortunate truth is that the hearings backlog in Cleveland got worse, not better, in the next few years. The number of pending hearings increased by an additional 3,340 cases to 12,136 in January 2005. At the end of FY 2007 the number of pending hearings was at 14,755 cases.

However, with the strong support of Commissioner Astrue, SSA transferred a significant number of cases out of Cleveland to help reduce the hearings backlog and improve processing time. The number of pending hearings dropped in FY 2008 and FY 2009. In FY 2010 and the first month of FY 2011 (October 2010), SSA transferred 3,088 cases to other hearing offices. Recently most of the transferred cases have been going to the Akron Hearing Office. As of October 2010, the Cleveland Hearing Office has 6,558 hearings pending, which is a significant reduction.

As indicated, Senator Voinovich stated at the March 2004 hearing that the processing time in Cleveland was at 550 days. Unfortunately, processing time of the Cleveland Hearing Office along with the other three Ohio Hearing Offices continued to be very high. **But there has been a significant reduction in processing time in the past fiscal year, with an even more dramatic reduction in October 2010.**

AVERAGE PROCESSING TIME (DAYS) FOR OHIO HEARINGS OFFICES							
	Cleveland	Columbus	Dayton	Cincinnati	Akron	Toledo	Nation
FY 2005	616	603	507	519	NA	NA	443
FY 2006	584	674	599	542	NA	NA	483
FY 2007	599	774	677	600	NA	NA	512
FY 2008	678	746	757	633	NA	NA	514
FY 2009	590	650	640	648	NA	NA	491
FY 2010	548	623	596	506	NA	NA	426
Oct. 10	481	557	487	448	334	350	377

This improvement is most marked in the Cincinnati Hearing Office where the processing time has dropped from 648 days in FY 2009 to 448 days in October 2010. It is also notable that the processing time in the Cleveland Hearing Office has gone from 678 days in FY 2008 to 481 days in October 2010.

SSA has made a major resource investment to improve the disability hearings backlog situation. The agency hired 228 Administrative Law Judges (ALJs) and 1,300 additional staff to support the new ALJs nationwide. The agency is also opening or expanding 19 hearing offices, including a fifth national hearing center.

To maintain its progress, SSA must deal with an anticipated retirement wave of ALJs and support staff. As of October 1, 2009, 59 percent of the ALJs are eligible to retire now and about 76 percent will be eligible to retire in five years. Among paralegal specialists, about 39 percent are eligible to retire now and over 54 percent will be eligible to retire in five years. With this challenge, SSA has worked to have an effective recruitment vehicle that allows the agency to hire the brightest and best ALJs and support staff candidates. We applaud the Office of Personnel Management's (OPM) efforts to streamline hiring. SSA has worked closely with OPM to ensure they have up-to-date registers to hire new ALJs.

The staff of the new hearing offices in Akron and Toledo will largely be new SSA employees or current SSA employees new to the hearing offices. It will take a number of months for these new hearing offices to achieve full proficiency as the staff learns their new jobs. The good news is that the addition of these two hearing offices will quickly make a **marked** difference to the people of Ohio who are waiting for a decision on their case.

There are a few cautionary factors to be aware of regarding the hearing situation in Ohio:

- There has been a **dramatic rise in the number of hearings filed because of the recession**. Nationally the number of new hearings in FY 2010 was up by about 97,000 or 15 percent over FY 2009, and up 130,000, or 22 percent over FY 2008. Hearing filings have escalated at an even steeper rate in recent months.
- The national peak in the number of pending hearings was 768,540 in December 2008. From that point forward, the number of pending hearings began to decrease and in June 2010, the pending was 694,417. This downward trend then stalled, and the number of pending hearings increased again for four straight months starting in July 2010. Currently, the number of pending hearings is 718,198.
- The situation **in Ohio** differs somewhat from the national picture, but **the number of new hearings filed continues to be very high**. This is primarily for two reasons. First, Ohio's economy has struggled throughout the past decade, leading to high disability filings earlier than other parts of the country. Additionally, Ohio has an average approval rate for disability claims at the initial and reconsideration level that is lower than national average. In recent months, there has been a significant spike in the number of new hearings filed. Following is specific data for each Ohio hearing office:

- **CLEVELAND**: The number of hearings received on a daily basis was 30.35 in FY 2010 as compared to 31.86 in FY 2009, and 29.02 in FY 2008. It is important to note that the rate in Cleveland has increased significantly from May through August 2010. The four-month average was 35.87 hearings received per day. However, as the Akron Hearing Office started taking cases the daily receipts dropped to 24.84 in September and to 22.38 in October.
- **COLUMBUS**: The number of hearings received on a daily basis was 25.82 in FY 2010 compared to 25.32 in FY 2009 and 21.9 in FY 2008. The rate has also increased significantly in the last five months of FY 2010 and that rate was an average of 31.43 a day. It declined slightly to 29.75 in October 2010 as 1,057 cases were transferred to other hearing offices.
- **DAYTON**: The number of hearings received on a daily basis is 12.31 in FY 2010 compared to 12.51 in FY 2009, and 12.77 in FY 2008. The rate has increased over the course of the last five months of FY 2010 to 14.84 a day. It increased to 15.43 a day in October as 521 cases were transferred to other hearing offices.
- **CINCINNATI**: The number of hearings received on a daily basis increased much more dramatically in FY 2010 than in past years. It was at 24.17 on a daily basis in FY 2010 compared to 15.05 in FY 2009, and 15.33 in FY 2008. The rate has increased even more in the last five months of FY 2010 to 28.02 a day. It was 28.46 a day in October as 486 cases were transferred to other hearing offices.

Disability Workload Trends in the Ohio DDS

Before a hearing is received in an Ohio hearing office, it must pass through the Disability Determination Service (DDS) in Columbus. Although the State of Ohio administers this office, the Social Security Administration provides its funding.

Nationwide, approximately 600,000 new initial disability claims were filed in FY 2010 as compared to FY 2008. As of October there were more than 260,000 additional disability claims pending in DDSs across the country than in FY 2008. This is approximately a 47 percent increase. Currently there are nearly 41 percent more reconsiderations pending nationwide than there were in FY 2008. Once these cases move past the reconsideration stage, the applicant or their representative can file a request for a hearing before an ALJ.

Ohio has not seen the same rate of growth in new disability claim filings as many other states. As indicated, the Ohio economy began to slump well before the current recession. In addition, Ohio approves fewer initial disability claims on average than most states. The following chart indicates the annual receipts of disability claims in the Ohio DDS since FY 2010.

ANNUAL RECEIPTS DISABILITY CLAIMS - OHIO DDS			
FY 2001	92, 909	FY 2006	114,293
FY 2002	103,194	FY 2007	117,406
FY 2003	109,447	FY 2008	121,106
FY 2004	118,749	FY 2009	135,587
FY 2005	110,979	FY 2010	129,506

Ohio is one of seven states that are currently furloughing state employees, including DDS employees. This is despite the fact that SSA provides 100 percent of the funding necessary for the DDSs to operate. Ohio furloughed employees 10 days in FY 2010 and will furlough employees ten days again in FY 2011. Hawaii is furloughing employees a total of 42 days from July 1, 2009 to June 30, 2011. SSA has opposed the decision to implement furloughs by the State of Ohio and other states.

Furloughs have contributed to the increase in the number of pending claims in the Ohio DDS, as well as the extended processing times. As of October 2010, the Ohio DDS had 37,983 claims pending compared to 25,669 claims pending at the end of FY 2008. This is an increase of 48 percent. The pending claims at the Ohio DDS are slightly below the final FY 2009 pending level of 40,878.

The Ohio DDS has also experienced an increase in its processing time along with the nation as a whole as detailed in the chart below. The processing times in Hawaii have increased for initial claims. For reconsiderations, processing time deteriorated considerably in Hawaii in FY 2010.

DDS CASE PROCESSING TIME (AVERAGE DAYS)			
Title II Disability Initial Claims			
	Ohio	Nation	Hawaii
FY 2008	90.9	81.2	84.8
FY 2009	89.1	80.7	82.5
FY 2010	112.5	90.7	98.5
Title XVI Disability Initial Claims			
	Ohio	Nation	Hawaii
FY 2008	92.6	81.9	92.2
FY 2009	91.8	83.1	89.2
FY 2010	114.8	93.9	105.3
Reconsideration Cases			
	Ohio	Nation	Hawaii
FY 2008	83	73.3	132.1
FY 2009	86.6	69.3	97.3
FY 2010	108.3	86.2	136.8

The processing times outlined above only include the time DDSs handle the cases. There is additional time required to completely process all disability cases. This includes the time the field offices take to interview a claimant and approve payment. There is also a sample review of cases done by SSA regional offices that can add to the overall time involved for a case. All of this can add up to 15 to 20 additional days to process a case.

The furloughs in Ohio have resulted in the loss of \$4,545,221 in funding for the Ohio DDS, and have delayed benefits related to about 9,826 cases through September 2010. The furloughs have resulted in monthly benefit delays of \$2,317,636 reaching Ohio citizens. In Hawaii, the furloughs have resulted in the loss of \$653,592 in funding for the Hawaii DDS, and have delayed benefits related to about 1,032 cases through September 2010. The furloughs have resulted in monthly benefit delays of \$378,000 reaching Hawaii citizens who are in desperate need of assistance. **This is very unfortunate for the citizens of both states and the other states in the nation who are in desperate need of assistance. This is an unnecessary tragedy. Despite this additional obstacle, DDS management and staff are making their best efforts to work as many cases as they can.**

The DDS workloads include more than making medical decisions on initial and reconsideration disability claims. A key workload performed by the DDSs is the review of Continuing Disability Reviews (CDRs). SSA currently **has a backlog of about 1.5 million un-worked medical CDRs.**

The savings realized by completing medical CDRs is substantial. For every \$1 spent, there is about \$10 in lifetime savings. The capacity of the DDSs to work CDRs is reduced by the increased number of initial claims being filed. The DDSs could complete additional CDRs if they had the funding necessary to do so.

The DDSs also have the capacity to review cases awaiting a hearing decision through an informal remand process. In general, about 25 to 33 percent of these informal remand cases are approved. Unfortunately, due to the significant increase in the number of new claims, the DDSs reviewed only about 6,000 of these cases in FY 2010. The Ohio DDS reviewed less than 10 cases through the end of FY 2010.

One of the challenges confronting the DDSs is the high turnover of staff. This is illustrated by the chart below.

DDS STAFF ATTRITION							
	ALL DDS STAFF				DDS Examiners		
	Nation	Ohio	Hawaii		Nation	Ohio	Hawaii
FY 2008	10.2%	10.2%	4.5%		12.8%	9.8%	9.1%
FY 2009	12.2%	12.6%	7.3%		12.2%	12.7%	14.6%
FY 2010	10.6%	15.0%	1.5%		14.5%	15.7%	2.8%

Nationwide, DDS turnover for all staff has remained steady compared to FY 2008, but nationally for examiners it rose in FY 2010. For the Ohio DDS, attrition has increased significantly for both examiners and total staff and is higher than the national average. (For Hawaii, turnover in FY 2010 was quite low.) The high turnover in the DDSs results in additional training costs for new staff and staff time that would otherwise be spent on processing cases. Much of the turnover is driven by cuts

in pay and furloughs in the states. Reducing the turnover rate in DDSs would certainly help make the DDSs more efficient and productive.

The Ohio DDS allowance rates have been lower than the national average. This results in a higher number of denied claimants who may file for a hearing. This can contribute to more hearings being filed in Ohio. However, it is notable that in FY 2010, the gap between the national and Ohio allowance rate narrowed. The fact that the Ohio DDS has had a lower allowance rate than the nation as a whole does not indicate that the interpretation and implementation of the rules is incorrect. There is a human judgment factor involved with decisions made by DDS examiners and reviewers.

One change that may improve consistency in decisions is amending the law that requires a 50 percent review of all approved and 5 percent of all disapproved initial and reconsideration disability cases. The intent of this final review is to ensure consistency in approvals in all states, as SSA's Office of Quality Assurance completes this review as opposed to the state DDSs. A legislative change to require a truly random review of all disability decisions may help reduce the hearings backlog, save administrative dollars, and prevent hardships for some claimants.

In Ohio, local SSA field offices are working closely with the State Department of Mental Health Services, local mental health agencies, and the Ohio DDS to identify individuals who need special assistance. These are often homeless individuals that are severely ill. An example is in the Cleveland Downtown SSA office. A local Mental Health Services Representative locates these individuals. She provides our office with detailed packages of completed forms and medical documentation which are then expedited by the Ohio DDS. *To date almost all of these cases have been approved.*

Hearing Office Productivity

The productivity of each hearing office is a factor to consider when analyzing the hearings backlog and attempting to reduce it. The following are the disposition rates per available ALJ per day for the nation, the four Ohio hearing offices, and the Honolulu Hearing Office:

ALJ HEARING DISPOSITION RATE PER DAY BY HEARING OFFICE						
	FY 05	FY 06	FY 07	FY08	FY09	FY 10
Nation	2.2	2.2	2.19	2.3	2.37	2.38
Cleveland	1.86	1.81	2.17	2.37	1.93	2.17
Columbus	1.79	1.9	1.61	1.92	1.56	1.72
Dayton	2.1	1.98	1.98	1.95	2.03	2.01
Cincinnati	1.79	1.9	1.61	1.92	1.56	1.9
Honolulu	3.33	3.08	3.32	3.9	2.89	3.65

In Ohio in FY 2009, the available ALJs produced 18,079 hearing dispositions. The average daily dispositions for all available ALJs in Ohio were 1.76 in FY 2009. Had the disposition rate been at the national average, the total hearings disposed by the available ALJs in Ohio would have been 24,345. This difference of 6,166 hearings would have reduced the hearings backlog in the Ohio hearing offices.

In a report released in July 2010, SSA's Office of Inspector General (OIG) reviewed ALJ productivity as a factor in SSA's goal to eliminate the hearings backlog by FY 2013. The report was titled, *The Office of Disability Adjudication and Review's 2013 Pending Hearings Backlog Plan* and may be viewed at the following link: <http://www.ssa.gov/oig/ADOBEPDF/A-12-10-20114.pdf>.

SSA has stated that a reduction of total hearings pending to 466,000 nationally will eliminate the backlog. As indicated earlier, the number of hearings pending as of October 2010 is 718,198. The OIG stated that it is important that ALJ productivity does not decline and indicated that a 3 percent decrease in ALJ productivity from FY 2010 to FY 2013 could result in 495,000 pending hearings by FY 2013. However, if ALJ productivity increased by 3 percent from FY 2010 to FY 2013, the number of pending cases would be reduced to 314,000 by FY 2013.

Any fluctuation in ALJ productivity will have a significant impact on the hearings backlog. It is important to note that there are about 4.6 staff members supporting each ALJ. Hearing dispositions occur due to the collective work of all staff in a hearing office. SSA has made significant additions to the number of support staff for each hearing office, including the Ohio hearing offices. The agency is also introducing many new technology enhancements to improve the productivity of hearing offices.

A key element to improving SSA's and hearing office productivity is to provide timely, adequate resources for training. Because SSA's funding has improved in the last few years, SSA has been able to invest more in training. Senator Voinovich has certainly been a leader in supporting training, especially for management. We believe this is a prudent position and appreciate this support.

SSA also reinstituted the Senior Attorney Adjudicator program in November 2007. Senior Attorneys can adjudicate a fully favorable on-the-record decision, which conserves precious ALJ resources. In FY 2010, Senior Attorneys disposed of 2,551 total hearings in Ohio hearing offices as follows: Cleveland – 964; Columbus – 409; Dayton – 349; and Cincinnati – 829.

This is a significant increase over FY 2009 when Senior Attorneys produced only 1,146 case dispositions in the four Ohio hearing offices.

Because of the Senior Attorney Adjudicator program and the informal remand of cases to DDSs, hearings adjudicated by the ALJs often require more development and testimony from vocational experts. While this may result in slightly lower productivity figures for some ALJs, the overall result of the combined approach serves to reduce the hearings backlog and processing times.

Local management in the Ohio hearing offices has also worked hard to streamline processing of cases. Local management has been greatly assisted by the entire organization of the Office of Disability and Adjudication Review (ODAR). With the addition of the Akron and Toledo Hearing Offices, the number of hearing dispositions in Ohio should increase significantly. Such an increase in dispositions will reduce the hearings backlog even more rapidly.

SSA Funding

It is important to understand that annual appropriated funding levels for SSA have a critical impact on the hearings backlog. In the years following the March 2004 hearing convened by Senator Voinovich in Cleveland, the hearings backlog increased significantly, both nationwide and in Ohio, well in advance of the recession. One of the most significant reasons for this increase was the significant underfunding of SSA, which we illustrate in the following chart. It compares funding levels approved by Congress for SSA to the requests from the President and the Commissioner of Social Security. From FY 2004 to FY 2007, the final appropriated funding levels totaled \$854 million less than the President's requests and \$3.071 billion less than the Commissioner's requests.

SSA FUNDING REQUESTS AND FINAL APPROPRIATIONS: FY 2004 – FY 2007					
(\$Billions)	Commissioner's Request	President's Request	Final Appropriation	Final vs. President	Final vs. Commissioner
FY 2004	\$8.895	\$8.530	\$8.313	(\$0.217)	(\$0.585)
FY 2005	\$9.310	\$8.878	\$8.733	(\$0.145)	(\$0.577)
FY 2006	\$10.106	\$9.403	\$9.109	(\$0.294)	(\$0.977)
FY 2007	\$10.230	\$9.496	\$9.298	(\$0.198)	(\$0.932)
Total	\$38.541	\$36.307	\$35.453	(\$0.854)	(\$3.071)

However, as you can see from the next chart below, from FY 2008 to FY 2010, the cumulative final appropriation level was \$203 million **more** than the President's requests. In addition, SSA received nearly \$1.0 billion in Recovery Act funding. Half of the Recovery Act funds were designated to replace the aging SSA National Computer Center. Much of the other Recovery Act funding has been utilized to help address the hearings backlog at SSA.

SSA FUNDING REQUESTS AND FINAL APPROPRIATIONS: FY 2008 – FY 2010					
(figures are in \$Billions)	Commissioner's Request	President's Request	Final Appropriation	Final vs. President	Final vs. Commissioner
FY 2008	\$10.420	\$9.597	\$9.745	\$0.148	(\$0.675)
FY 2009	\$10.395	\$10.327	\$10.454	\$0.059	\$0.127
FY 2010	\$11.793	\$11.451	\$11.447	(\$0.004)	(\$0.346)
Total	\$32.608	\$31.375	\$31.646	\$0.203	(\$0.894)

The increased resources for SSA became even more essential as the agency's workloads grew at a very rapid pace following the beginning of the recession. With this increased funding SSA has been able to complete significant hiring of additional ALJs, support staff, and DDS staff. The addition of hearing offices such as those in Akron and Toledo has also been possible.

SSA has also increased production in other areas during this period. For example, the number of SSI redeterminations SSA field offices completed has doubled from 1.2 million to 2.4 million from FY 2008 to FY 2010. These efforts will save taxpayers \$7 for every \$1 spent on this workload.

For FY 2011, the President has requested \$12.379 billion for SSA's administrative budget. This funding is essential to maintain the progress achieved on the hearings backlog, handle the increasing workloads from the recession, and process program integrity workloads such as SSI redeterminations and medical Continuing Disability Reviews. There have been some discussions about freezes or even across the board cuts for SSA's FY 2011 appropriation using the FY 2010 funding as the baseline. If SSA receives funding at the FY 2010 level for FY 2011, this would reverse the positive progress that has been achieved in all of SSA's workloads. Attempting to address the FY 2011 workload demands at SSA with FY 2010 resource levels is not a prudent course of action. Freezing SSA's budget at FY 10 levels or lower would almost certainly lead to significant cutbacks and would be catastrophic for members of the public who rely on SSA for assistance.

SSA's community based field offices have contact with thousands of people every day that are desperate for help and the numbers are increasing. In FY 2010, field offices saw a record 45.3 million customers while handling about 60 million phone calls. One of the major roles SSA field offices play is to refer people to other agencies for assistance. SSA field offices maintain an extensive list of places to refer people to for help. These nearly 1,300 offices located in communities throughout the country provide a valuable and necessary safety net to assist the public. It is extremely vital that SSA has the resources necessary to ensure that the public is not harmed by reduced SSA services. At the same time, SSA must maintain the progress accomplished in reducing the disability hearings backlog.

Incentives to Return to Work

While a comprehensive review of the Supplemental Security Income (SSI) program should be considered to simplify the program and reduce administrative costs, such a review would be a difficult and lengthy process. However, we believe there are areas where the Social Security Disability and SSI programs can be improved. These improvements would benefit both the public and SSA in addition to yielding significant administrative savings.

One of the most complex and time-consuming workloads for SSA field offices is return to work cases. Modifying the incentives for disabled beneficiaries to return to work would save valuable workyears, thereby increasing productivity and improving the services provided to the public.

The Congressional Budget Office (CBO) released a report on July 22, 2010 titled: *Social Security Disability Insurance: Participation Trends and Fiscal Implications*. See:

http://www.cbo.gov/ftpdocs/116xx/doc11673/07-22-SSDisabilityIns_Brief.pdf for the full report.

This report states that the number of people receiving Social Security Disability benefits has tripled from 2.7 million to 9.7 million from 1970 to 2009. The CBO projects the number of disability beneficiaries will grow to 11.4 million by 2015. Each year about 7 percent of the beneficiaries leave the program. About half of disability beneficiaries transfer to the retirement program upon reaching age 66, approximately 40 percent pass away, but only about 1 percent is found to no longer be disabled.

NCSSMA supports consideration of modification of the Return to Work provisions. Studies have repeatedly shown that beneficiaries are very often afraid to return to work for fear of losing their benefits and Medicare. Instead of using complex determinations for trial work periods, extended periods of eligibility and tracking wages, the following changes should be considered:

1. Using an Earnings Test similar to retirement benefits to determine when benefits are paid.
2. Eliminating work as a cause of Disability cessation.
3. Basing earning determinations on the date paid, consistent with SSA's SSI program.
4. Assuring lifetime eligibility for Medicare.

Serious consideration should be given to legislation to effect these changes. In addition to reducing administrative costs through simplification and program efficiencies, these changes would be equitable to beneficiaries and promote attempts to return to work by the disabled.

Recommendations

We offer the following key recommendations to improve services at SSA and in particular the Ohio Disability workloads:

1. Approve at least the \$12.379 billion for SSA's administrative funding proposed by the President for FY 2011.
2. Consider multiyear budgets to continue the progress SSA is making in handling both the disability hearings backlog and increased workloads from the recession.
3. Exclude SSA's administrative funding from any cap that sets an arbitrary ceiling on discretionary spending.
4. Remove SSA's administrative funding from discretionary budget caps and provide a separate limit in the Budget Resolution.
5. Consider legislation that withholds federal funds from states like Ohio that furlough DDS employees.
6. Consider legislation to ensure a more consistent and thorough review of approved and denied disability cases.
7. Consider legislation to modify work incentives for Social Security Disability beneficiaries that return to work.

Conclusion

The Social Security Administration has been severely challenged over the last several years by increased disability filings and the subsequent hearings backlog, which has resulted in unfortunate delays for disability claimants. The situation in Ohio Hearing Offices and the Ohio DDS was particularly acute with delays and backlogs worse than the national average.

Ohio hearing offices have made and continue to make **significant improvement** in the processing times of hearings, following a national trend. We have presented statistical information and trends which demonstrate the progress that has been achieved and is continuing to be made. This data alone does not fully illustrate the initiatives undertaken to make this a successful effort. Local hearing office management is making significant gains to reduce the hearings backlog and improve efficiencies of their offices.

The additional resources provided by Congress are critical and will make a huge difference in maintaining the momentum gained in reducing the hearings backlog and providing valuable assistance to the public. With the Commissioner's strong support, SSA is distributing these resources to meet

the workload challenges and backlogs. In the end, SSA needs to have adequate and stable funding without the interruption of a Continuing Resolution.

The disability programs that SSA administers are vital to our nation. John F. Kennedy said this on June 30, 1961:

"It is with great satisfaction that I have signed into law the Social Security Amendments of 1961. They represent an additional step toward eliminating many of the hardships resulting from old-age, disability, or the death of the family wage earner. . . . A Nation's strength lies in the well being of its people. The social security program plays an important part in providing for families, children, and older persons in time of stress, but it cannot remain static. Changes in our population, in our working habits, and in our standard of living require constant revision."

As we are emerging from a severe recession, SSA continues to serve our nation by ensuring that all Americans receive the benefits they have contributed to and deserve in a timely and accurate manner.

On behalf of the members of NCSSMA, I thank you again for the opportunity to submit this written testimony to the Subcommittee and to state our views. We respectfully ask that you consider our comments and appreciate any assistance you can provide in ensuring that the American public receives the critical and necessary service that they deserve from the Social Security Administration. An increased investment in SSA is prudent as the agency has a proven record of effectiveness and efficiency in providing service to the American public.