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6 The Growth in Disability Programs as Seen by SSA Field Office Managers

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There are 1,300 persons in the Social Security Administration (SSA) who have witnessed firsthand the recent dramatic growth in the Social Security Disability Insurance (DI) and SSI disability programs: the managers of local social security offices. This group provides a truly unique source of information, and we knew, if asked, they would give us straightforward, thoughtful responses. So in March 1994 we surveyed them for their perceptions as to what factors contributed to the increase in the number of persons applying for and receiving disability benefits.

The survey had both structured questions—to get the managers' thoughts on specific issues such as the impact of the local economy and the types of advisors and organized outreach efforts in their area—and open-ended questions—to enable the managers to provide any feedback they wanted. All 1,300 managers were surveyed, and 1,171 responded, for a 90 percent response rate. About 38 percent of those responding (or 446 managers) took extra time and effort to write insightful, in-depth comments to the open-ended questions.

Before getting into the findings, though, it is important to mention three caveats to the survey. First, the managers were not anonymous in the survey. It was critical that we be able to recontact them for clarification if needed. (Judging from the quoted material in this article, however, they certainly seemed to be indifferent to being identifiable.) Second, much of the information requested was subjective: the survey solicited their opinions, not quantifiable data. And third, the survey did not discriminate between factors that would affect social security (DI) versus SSI claims. (Note: A more detailed version of this paper—with

additional information about the survey, its methodology, and findings—is available from the authors.)

SURVEY FINDINGS

The field office managers identified a wide range of factors that they thought affected the recent (since 1989) growth in the number of persons applying for and receiving disability benefits: local economic conditions, increased awareness of the availability of benefits, court cases, the decision process (that is, the way SSA determines if a person is disabled), changes in medical standards, the impact of state and local governments, the value of the disability benefit package, the lack of continuing disability reviews, other financial incentives (such as a private insurance company's requiring a disability application as a condition to receive payment), and other miscellaneous factors.

Considering these factors led us to conclude that the growth in the disability programs was not simply a demand-side phenomenon (that is, the growth was not simply due to the fact that more persons were seeking benefits and/or more beneficiaries were staying on the rolls). There was a supply-side effect as well: for example, court rulings had made whole new classes of persons eligible for benefits, and outreach efforts had sought applications from persons who had heretofore not chosen to apply for benefits. Further, we found that the factors could be grouped by whether they were internal or external to the agency (Table 6.1). The distinction is important because the external factors are outside SSA's control, but the internal factors can be more easily altered or influenced by policymakers.

Local Economic Conditions

High unemployment is often thought to cause an increase in the number of persons applying for disability. The field office managers were asked the extent to which they believed that local economic conditions influenced the number of applications in their area. About a quarter of the managers said that local conditions had either no impact (9 percent) or had very little impact (14 percent); the remaining three-

Table 6.1 Factors Identified by Field Office Managers as Influencing the Growth in SSA Disability Programs

Demand effects	
External to SSA:	Internal to SSA:
Economy, unemployment	Outreach, program awareness
Changing occupational structure	Higher allowance rates
State cutbacks, burden shifting	Fewer continuing disability reviews
Advisors, attorneys, etc.	Attractiveness of benefits package
HIV/AIDS	Easier medical standards
Incentives to apply	Attorney fee policy
Aging of the population	
Change in attitudes, less stigma	
Supply effects	
External to SSA:	Internal to SSA:
Court cases	Outreach
Congressional mandates (includes outreach, medical improvement standard, etc.)	Easing medical standards (includes <i>Zebley</i> regulations, new mental listing, drug addicts and alcoholics)
	Fewer continuing disability reviews
	Workload credits

quarters of the managers were about evenly divided between those who believed that local economic conditions had a modest impact (39 percent) or a large impact (37 percent).

Managers were asked to cite some past events that had affected their particular office. Some listed event after event of specific plant closings and severe cutbacks, clearly demonstrating a sensitivity to events in their local economy and labor market. Others simply said “general economic conditions” or “layoffs in construction industry.” More than a third of the managers listed three or more events. Some said that growth during the recent recession was different from that of past recessions. Under-employment was cited as often as unemployment as

the source of the problem. Some managers, however, said their area experienced growth in the number of disability applications and awards despite a healthy or improving economy. A few of the reasons they gave for this are discussed in the section on miscellaneous factors.

Overall, the survey responses from the field office managers tended to support a link between poor local economic conditions, unemployment, and layoffs and increased applications for disability benefits. Among the comments offered were the following:

Economic conditions definitely have a major impact in the rise in disability claims. When factories have massive layoffs or close down, we receive DIB [disability insurance benefit] claims from workers with medical problems who had been working despite of their impairments.

The economy has taken a downturn. You cannot lay off thousands of people in their mid-forties and not think that they are not going to file for benefits.

Lack of retraining, lack of access to health insurance, and unavailability of alternative employment that replaces lost earnings can lead to physical and/or emotional deterioration that gradually builds until SSA is the only option left.

Increased Awareness of the Availability of Benefits

Since the late 1980s, SSA has made a concerted effort to increase public knowledge and understanding of the disability program. Did the managers think that these efforts contributed to the growth in the disability programs? Clearly they did.

The managers were asked for some details about their own efforts in this area. For example, did their office provide information about the disability program to the local media? About 80 percent said yes. (Managers who responded negatively sometimes noted that these activities were handled by their area director's office, or that their office was in a major metropolitan area so that these activities were done by the offices in the city. Some managers said that they had tried to place materials in the local media, but were unsuccessful due to lack of interest from the media—usually newspapers.) The survey listed eight public information or outreach activities that might have been done: more than half of the managers did at least three.

Nearly four out of five field offices maintained outside contacts for the purposes of providing information and advice. The contacts were usually with hospitals, advocacy groups, welfare and social service agencies, mental health clinics, doctors, employers, vocational rehabilitation providers, AIDS clinics, and penal institutions. More than half the managers said that their office had made special arrangements with these contacts for taking disability claims.

Obviously, the managers had put considerable time and effort into their public information and outreach work—which may explain why many of them were frustrated with our inquiries about outreach activities.

We were asked to do SSI outreach for many years. When we are asked to do something we do it and we do it quite successfully. Why do you now want to know why there was an increase in applications?

Question—if we’ve pushed outreach for years and awarded millions to grantee agencies [to help us reach all potential claimants], why are we now concerned that applications are on the rise?

It appears that our agency’s own initiatives are responsible. Several years ago we undertook massive outreach initiatives to spread the word and contact as many potential disability applicants as possible. We worked hard at this; we were successful; and, now we are reaping the benefits of our efforts. The increase in disability claims is not a great mystery to us in the field offices. Rather it is a logical outcome of this agency’s initiatives and goals over the past several years.

Some managers felt that SSA had gone overboard in its outreach efforts—and they said so:

I strongly believe that SSA is pushing outreach too much.

I personally believe SSA has taken outreach efforts to the extreme. In doing so I’m concerned that we have not always served the other half of those we represent—the taxpayer—properly.

In addition to SSA’s outreach and public information activities, there are many other ways that a person could have become aware of the DI and SSI disability programs. Some of the ways mentioned by the managers include referrals from state or local agencies or advocacy

groups; referrals by attorneys; the publicity generated by court cases; or word of mouth.

According to nearly 90 percent of the managers, claimants were often sent to their office by local welfare agencies. One-third said that the local legal aid society, advocacy groups for the disabled, or private social service agencies often referred claimants to them. The survey asked if any of these groups gave bad advice—that is, were they referring persons who were clearly not eligible for disability benefits? More than 20 percent of the managers could name one or more advisors who consistently did this: half of them cited local welfare agencies—those who administer the General Assistance, Aid to Families with Dependent Children (AFDC), food stamps, and Medicaid programs. One manager stated:

Most of our applicants are referred to us by the state welfare offices. . . . Many physicians believe they are "helping" their patient to continue receiving welfare benefits if they were to check 12 months or longer, not realizing that the patient is then required to file for SSA/SSI benefits. Claimants with broken leg(s), or pregnancy or some other mild ailment are unnecessarily being referred.

Nearly 60 percent of the managers said that attorneys in their area often advertised for disability claimants. Furthermore, about 90 percent of the managers could list at least one person or organization in their area who actively promoted filings for disability benefits by providing either information or assistance to persons going through the application or appeals process. Nearly 25 percent of the managers could name nine or more such advisors! In all, the managers gave over 3,500 names of persons or groups who provided advice and assistance. (Perhaps the most interesting of these were the third-party arrangements whereby a state government contracts with a private company and pays a fee for each individual who is deemed eligible for a disability benefit. For example, under one Maryland program, the private contractor is paid a fee for each welfare recipient who is placed on the SSI rolls. Other states and localities have adopted similar strategies.)

More than 80 percent of the managers said that TV, radio, or newspapers in their area usually or sometimes provided coverage of the disability programs.

The press reports on people receiving SSI because of drug or alcohol addiction have resulted in an increase in people filing alleging these disabilities.

News articles on the substance abuse cases allowance rates have had some impact.

Word of mouth was cited as a source of information by nearly 20 percent of the managers who offered comments. They said that new applicants often came to their office after talking with other applicants or because they were encouraged to apply after hearing stories about others being allowed benefits and getting large retroactive checks.

The impact of “word on the street” in connection with SSI for children and DA&A [benefits based on drug addiction and alcoholism] cannot be ignored. Individuals file because neighbors and relatives have received benefits. It is not infrequent that a parent will make an appointment for a child who has been diagnosed by the schools with “special needs,” but by the time of the appointment he/she will want to file applications for other children in the family.

Court Cases

Court decisions was the topic most frequently addressed in the field office managers’ comments: fully half of them mentioned the courts as a factor in the growth of the disability program.

Nothing creates an incentive for filing a claim like a court case which results in adding a lot of people to the rolls. Nothing creates new claims like a neighbor getting a big retro check.

And among the court cases, none has had more impact than the *Zebley* decision. In fact, the *Zebley* case (which dealt with benefits for disabled children under the SSI program) was the single factor most cited as influencing the growth in the disability rolls: 43 percent of the managers who offered comments said it was a major factor in the increase in workloads and growth in the disability program. The managers also thought that some teachers and school administrators either assisted parents to apply or actually pushed parents to apply because their school could then receive benefits (such as additional special education funding and access to medical and other tests). As one manager stated:

These [SSI disabled children's benefits] are being pushed by local schools, physicians, and most of all economically disadvantaged parents. In addition to the cash received by the family, entitlement to our disability programs opens the door to other federal government funding for agencies as well as individuals in assisting these children.

None of the managers indicated approval of SSA's *Zebley* policy; all indicated that this was an area in need of attention. Some of the managers had strong opinions.

We have observed some disability claims (mostly SSI disabled child's claims) where the medical evidence used to establish benefit entitlement has seemed to us to be so "slim" that it would make one think that almost any adolescent and pre-adolescent child going through the typical socialization experiences and "growing pains" may qualify for SSI.

Rarely do we take a claim from a disabled child who has a physical disability. Almost all of them are mental. The decisions are based on subjective "evidence" and the claimants have learned how to act and answer the questions. I do not have the figures but it appears that generally there is more than one SSI applicant or recipient in the household. It is not unusual for an applicant to file for 2 to 5 children at the same time.

Once a parent gets one child on SSI they begin the process of qualifying others in the family, 5 or more siblings getting SSI is not unusual.

The Decision Process

The application and decision process has clearly changed in recent years. Allowance rates (particularly through reversals at the Administrative Law Judge [ALJ] level) are up. Attorney involvement is up, appeals rates are up, and denied applicants refile more than they did in the past. SSA's attorney fee arrangements guarantee payment will be received—and large backlogs and slow processing time, combined with high ALJ allowance rates, guarantees large retroactive payments and large fees for representatives. The managers had the following comments about recent changes in the decision process.

Field office staff believe that there are too many levels of disability appeal and find it difficult to accept SSA's disparities of allowances at the different decisional levels: 30% at initial level, 12% at reconsideration, and 80–90% at hearings level.

We are seeing more non-attorney reps soliciting clients, even across state lines; some appear to have questionable motives, to the point of coaching prospective applicants on responses, impairments, limitations, and conduct.

We continue to get disturbing allegations that the word is out and that anyone can get disability by “faking” their way through consultative examinations. We are repeatedly getting disability applicants who have never been treated for their alleged impairment and the sole medical source for the decision is a single consultative exam.

Disability applicants have expressed a belief that there is a different set of criteria used at the hearings level. Applicants frequently ask if they can't go straight to filing a request for a hearing because they have had other applicants tell them they will be denied at the initial and reconsideration levels but will be allowed at the hearing level.

We believe the High allowance/Reversal rate by ALJs encourages both applicants and local firms to pursue disability no matter how slight the impairment might be. “The word” is out on the street—file for disability. You'll get denied but if you appeal to a judge you'll get approved. Unfortunately, the stats prove this theory . . .

. . . they will file and refile if denied. Many believe that if you keep trying, an approval will come sooner or later.

Changes in Medical Standards

More liberal standards—either because of court cases, legislation, or changes in regulations—have encouraged more individuals to apply for benefits. Comments about SSA's drug addiction and alcoholism (DA&A) policy were offered by nearly 20 percent of the field office managers who provided comments. As was the case with comments concerning the *Zebley* case and SSI childhood disability benefits, no manager indicated that SSA had made an improvement to the program with its current policy in this area.

Drug and alcohol abusers are also finding easy benefits with SSI. A couple of years ago, addicts needed a primary diagnosis relating to a mental or physical impairment before benefits could be paid. As I am writing this, I have an SSA-831 [disability determination form] in front of me showing a primary diagnosis of Cocaine Dependence, with a secondary diagnosis of Alcohol Abuse. This applicant has no physical or mental impairment alleged or diagnosed. Most addicts have responded positively to the promise of easy, free money from the government.

The most significant cause for the increase in our disability claims was because of the change in criteria for the mentally ill and DA&A cases. . . . We need a different approach to behavior controlled illnesses. . . . Our present system only encourages people to continue their destructive behavior.

In 1984 Congress mandated that SSA review and update its listings of mental impairments. This was done, and allowances for mental impairments rose considerably before leveling off. Nearly 10 percent of the managers who offered comments mentioned mental impairments.

The word is out in the legal profession that: (a) if you go to a hearing and (b) show some mental involvement of disability in addition to the physical documentation, you will win.

If a comment by an applicant or observation by an interviewer shows any indication of a mental problem, we order a psychological [exam]. This is done even though the claimant has never been previously treated for a mental problem and in all probability never will be. Thus, in numerous cases, a one time exam forms a significant piece of evidence on which an allowance is made. We base allowances on such terrible impairments as attention deficit disorder, hyperactivity, personality and mood disorders.

About 7 percent of the managers who gave comments discussed the impact that easier standards and high or disparate allowance rates were having on the program. One manager noted how his own disability determination service responded to pressure to loosen standards:

After media coverage of the low allowance rate . . . of individuals filing for disability benefits, we began to see our allowance rate increase from 24 percent to 48 percent. It is now averaging about 40 percent.

However, not all managers felt that easing the standards was an error on SSA's part. Some felt that these more liberal standards were more appropriate, particularly in light of the problems some workers have in finding jobs. One manager questioned the validity of the standards "when 80 percent of the initial claims are denied."

The Impact of State and Local Governments

Many states have tried to solve their budget problems by cutting back their social programs and shifting the financial burden to the federal government. Has this affected the DI or SSI disability programs? Of course: about 10 percent of the managers who offered comments mentioned state welfare offices and their referral policies as a factor in the growth SSA disability programs; more than 5 percent mentioned cutbacks in state welfare benefits and other programs; and about 5 percent mentioned state efforts to shift the burden from state or local programs to federal programs.

We believe another major factor is increased referrals from public and private welfare agencies. The economic crunch facing states and localities has caused them to look to SSA programs as they have never done before.

Our local welfare office employs over 250 people, our office but 21. The welfare office now has 4 disability advocates whose job it is to refer people to get them off welfare rolls and onto other programs like SSI and disability.

The Value of the Disability Benefit Package

Some managers felt that the benefit package (cash benefits as well as health coverage under Medicaid or Medicare—after a twenty-four-month waiting period) was becoming more generous than the work alternative, considering the paucity of good, high-paying jobs. Benefits—especially SSI benefits to disabled children—were considerably more generous than welfare payments. Although only 3 percent of the managers who commented mentioned the value of the benefits package, some of their comments are worth noting.

The program is turning into an income subsidy for anyone who can get it, with very large financial rewards when you include

medical assistance, cash tax free payments, and all the other related benefits. People can still earn a lot of wages or SE [self-employment income] each month plus the underground economy.

In many instances receipt of SSA and SSI benefits provide a standard of living comparable to that of those who work full time in this area.

AFDC households are enticed by the possibility of receiving monthly check of \$469.00 per child instead of the \$115/month AFDC grant, with no limit for the number of children in the household. We have an unknown number of households in our service area receiving SSI for 2, 3, and even 4 members. They tell others in the neighborhood who come in to file for their child who they say is “dumber” than the neighbor’s child who is getting SSI.

The Lack of Continuing Disability Reviews

Over the past several years, SSA has opted to conduct fewer Continuing Disability Reviews (CDRs) in order to devote more staff to processing the backlog of initial claims. In the past, CDRs were done regularly to make sure that a person continued to be eligible to receive disability benefits. About 20 percent of the managers who offered comments felt that the reduction in CDRs contributed to program growth—not because there were fewer beneficiaries being found ineligible and thus removed from the rolls, but because fewer CDRs encouraged claimants to apply—it made benefits appear to be a lifetime promise of support. All the managers who commented in this area indicated that conducting more CDRs should be a priority; none thought that this was a workload that could be sacrificed without a detrimental effect on the programs. Some of them commented as follows.

Even the fact that Social Security has failed to perform a significant number of medical CDRs in the last few years may contribute slightly in making disability-based benefits appear more attractive. Having a “permanent” source of income may increase one’s motivation to contact Social Security and apply for benefits.

We believe the permanent nature of SSA disability benefits (usually paid for the rest of an individuals life) encourages filings as a means of a lifetime income.

CDR's [continuing disability reviews] aren't being done, so the idea is becoming more wide spread that if you "get on" Social Security disability you are there forever, so it is worth the effort.

Other Financial Incentives

The survey asked the field office managers to list any sources of financial incentives offered to individuals to encourage them to apply for benefits. One-fourth of the managers listed one or more such incentive. Among those mentioned were 1) some private insurance companies require an application for disability benefits as a condition for disability or long-term sickness benefits—and some reduce disability pay if the insured fails to apply; 2) some employers or unions require a disability filing as a condition for extended sick pay; 3) some welfare or general assistance programs provide a higher payment while a disability claim is pending or require a disability application as a condition for receiving benefits or continuing benefits; 4) some state general assistance or welfare programs do not have work requirement for persons filing for disability benefits; 5) some local governments have a fund for health expenses for indigents that pays medical expenses only while a claim is pending; 6) some AFDC payments are terminated after a child reaches a certain age unless there is a disability claim pending; and 7) some states provide no access to the Medicaid program unless there is a disability application pending. Some of the managers pointed out:

We receive far more applications from persons who know they will be denied but are required by their insurance company to file. Insurance company can then get a copy of our file and not have to pay for a lot of medical reports.

We have numerous employers with sick pay plans which require participants to file for DIB [disability insurance benefits]. In many cases, there is no doubt that the claim will be denied. However, the individual must file as a requirement to continue to receive benefits. In some cases, the individual says they know they will be denied and are filing only because they must.

The State, through Welfare and the school boards, as well as some private Agencies, quickly figured out by having children file for

SSI, we would conduct needed medical tests at our cost. With a simple release form they then have access to those records.

Many of the people who file for disability are required to do so by the State or County in order to receive medical assistance. They only need medical help not disability benefits to get back on their feet. Universal medical coverage would reduce the number of applicants.

Some people file for SSI each year or so, even though they are regularly denied, because they want a visit to the doctor, and we will pay for consultative exams for those without medical evidence.

Other Miscellaneous Factors

Changes in Attitude

Field office managers stated that they've noticed a real change in the public's attitude about receiving government benefits. There is a greater acceptability—with less stigma attached. Some of the managers said that they have found that disability is now viewed as an acceptable alternative to work.

. . . there are available jobs in high enough numbers to rule out local economic conditions as the primary factor for any increase in disability claims. The fact is, however, when a potential job applicant or already employed person working for the Federal minimum wage or even \$5.00 an hour sees their monthly take-home pay vs. what their friends are getting in monthly welfare or disability benefits, there is no incentive to work . . . It is therefore our belief that IT IS THE WORK ETHIC that is missing from the population in our area, not the lack of available work.

Prior to the 1960's, there was great reluctance on the part of most citizens to ask for government assistance. The work ethic was strong and those who could work, even in spite of impairments, sought every opportunity to work as a matter of pride and self-esteem. This is not longer the case. The definition of disability has changed in the minds of the American public. Conditions that were once seen as impairments are now seen as totally disabling. Shrinking job markets and the growth of government programs are contributing factors. The stigma that was once attached to asking for public assistance is gone . . .

A subtle change in how people view disability has occurred in recent years. It is no longer viewed (or even presented by SSA) as a severe long-term condition preventing you from doing anything. It is viewed today as an income supplement to unemployable or underemployed individuals.

The Aging of the Baby Boomers

More than 7 percent of the field office managers who offered comments mentioned changing demographics and the aging of the baby boom generation as a factor in the growth of the disability rolls.

We've noticed an increase in disability claims in our area even though our economy has remained strong, and we're not in a hot bed of advocacy group activity. My spin on the increase in claims is due to: the babyboomers are getting into their 40's and 50's, which is prime DIB [disability insurance benefit] filing time.

. . . there are more people in their mid to late 40's, i.e., the age that the individual is more likely to become disabled. In other words, the "baby boomers" are getting older and their age is causing them to fall victim to the impairment related statistics.

Prisoners and Prison Newsletters

Just over 4 percent of the field office managers who offered comments mentioned a growing trend among prisoners to seek benefits—which should not be surprising: SSA has been doing outreach efforts in penal institutions for several years. Two of the managers commented as follows.

Folsom Prison in our service area turns over 100 prisoners a week who believe they are SSI eligible and who will file claims as soon as they are on the street.

The prison system underground tells inmates they are eligible for DIB [disability insurance benefits] . . . In the last 4 years we have seen a big increase of applicants recently released from prison. Parole Officers often refer claimants to file for disability.

Employer Disincentives to Hire the Disabled

Despite whether the economy is good or bad, there are certain disincentives to employers to hire the disabled: a disabled worker may cause an increase in the company's group insurance rates, or he or she

may increase workers' compensation rates for the company or file workers' compensation claims. Several field office managers mentioned these disincentives as possibly influencing the growth in the DI and SSI disability programs.

Employers, because of workmen's comp, will not hire anyone with any type of physical problems.

Many people comment that they would work, but no one will hire them because:

- 1) Insurance/workers' compensation risk
- 2) Group insurance would be cancelled
- 3) Worried about workers' comp claims
- 4) Previous medical problems (e.g., back problems)

CONCLUSIONS

According to the field office managers, much of the increase in disability applications and awards was influenced by changes in the way SSA does business. Some of these changes were internal (for example, SSA's decision to do fewer continuing disability reviews in order to process more initial claims), and some of these changes were external (for example, the *Zebley* court case).

Overall, the field office managers strongly agreed in three areas: first, attention needs to be given to SSA's current policy regarding disabled children's benefits under the SSI program; second, attention needs to be given to SSA's current policy regarding drug addicts and alcoholics; and third, reinstatement of continuing disability reviews needs to become an agency priority.

The survey responses make it difficult to ignore the potential impact SSA's own decisions have on program growth: the growth since the late 1980s cannot be solely attributed to outside influences beyond the agency's control.