

THANK YOU CHAIRMAN ROYBAL, RANKING MEMBER McCRERY AND COMMITTEE MEMBERS FOR THE OPPTY TO ADDRESS THE COMMITTEE TODAY.

SSA IS CERTAINLY IN CRISIS DUE TO THE FAILURE OF THE ADMINISTRATION AND CONGRESS TO PROPERLY FUND THE AGENCY FOR MANY OF YEARS. ANNUAL BUDGET BATTLES HAVE LED TO SSA RECEIVING CONSISTENTLY INADEQUATE BUDGETS THAT RESULTED IN STAFFING CUTS AND DECISIONS TO FORGO IMPORTANT WORK LOADS.

AT THE SAME TIME CONGRESS HAS REQUIRED SSA TO TAKE ON ADDITIONAL WORKLOADS WITHOUT PROVIDING THE NECESSARY RESOURCES FOR SUCH WORK. THIS INCLUDES MEDICARE PART D SUBSIDY WORK, MEDICARE PART B APPEALS, MORE STRINGENT SSN EVIDENTIARY STANDARDS. e-VERIFY AND NO MATCH WORKLOADS ARE PROJECTED TO REQUIRE SUBSTANTIAL ADDITIONAL STAFF AND SYSTEMS SUPPORT.

THIS HAS LED TO THE CURRENT SITUATION WHERE:

- APPLICANTS WHO FILE DISABILITY HEARINGS APPEALS WAIT ON AN AVERAGE OF OVER 2 YEARS FROM THE POINT OF INITIAL CLAIM FOR A DECISION DUE TO SERIOUSLY BACKLOGGED PENDING APPEALS.
- WHERE THE AGENCY CAN ONLY PROCESS 33% OF ITS CDR WKLOADS AND 60% of SSI REDETERMINATIONS –INSURING THAT MANY

UNREVIEWED BENEFICIARIES WILL INCUR UNNECESSARY OVERPAYMENTS.

- WHERE 51% OF CLAIMANTS WHO CALLED A FIELD OFFICE LAST YEAR DID NOT GET THEIR CALL ANSWERED AND 25% OF 800 NUMBER CALLERS COULD NOT GET THROUGH.
- WHERE IN OFFICE INTERVIEWS HAVE INCREASED BY OVER 16% THIS YEAR WHILE STAFFING CONTINUES TO BE CUT. THUS, WAITING TIMES HAVE INCREASED IN MANY OFFICES.

EFFORTS BY THE PUBLIC TO COMMUNICATE WITH SSA EMPLOYEES HAVE BECOME A FRUSTRATING EXPERIENCE CHARACTERIZED BY DELAYS, BUSY SIGNALS AND UNANSWERED CALLS.

CONGRESS CLEARLY NEEDS TO APPROPRIATE SIGNIFICANTLY MORE MONEY TO RESTORE MINIMALLY ACCEPTABLE SERVICE LEVELS. AN \$11 BILLION ADMINISTRATIVE BUDGET IN FY09 WITH AN FTE INCREASE OF 5000 WOULD BE A START.

ENACTING OFF BUDGET LEGISLATION FOR THE SSA ADMINISTRATIVE BUDGET IS THE ONLY CONCEIVABLE SOLUTION TO THE YEARLY STRUGGLE AGAINST BUDGET CAPS AND CONGRESSIONAL SCORING REQUIREMENTS THAT RESULTS IN INADEQUATE SSA BUDGETS, STAFFING CUTS AND POOR SERVICE.

OFF BUDGET COULD SOLVE THE ABSURDITY OF A TRUST FUND THAT EARNS HUGE SURPLUSES BUT IS USED FOR EVERYTHING EXCEPT SSA'S RESOURCE REQUIREMENTS.

FEDERALIZING THE DISABILITY PROGRAM AND ELIMINATING THE FEDERAL-STATE BIFURCATION IN DECIDING DISABILITY CLAIMS WOULD GO A LONG WAY TO ENHANCING THE CONSISTENCY OF DECISIONS AND, CONSEQUENTLY, LEAD TO LESS APPEALS AND SMALLER BACKLOGS.

THE CURRENT 54 STATE DISABILITY DETERMINATION AGENCIES THAT ALL OPERATE DIFFERENTLY AND HAVE WIDELY DIFFERENT APPROVAL RATES HAVE OUTLIVED THEIR USEFULNESS.

HOWEVER, THE MOST DISTURBING IMPACT OF THE BUDGET SHORTAGE IN SSA IS THAT THE ADMINISTRATION IS USING THE LACK OF RESOURCES AS AN EXCUSE TO INITIATE FUNDAMENTAL CHANGES IN SSA'S EVIDENTIARY STANDARDS AND THE WAY THE AGENCY OPERATES THAT WILL PERMANENTLY DAMAGE SSA AS A RESPONSIBLE SOCIAL PROGRAM AND HARM THE AMERICAN PEOPLE WHO RELY ON SSA AS THEIR PRIMARY SOURCE FOR RETIREMENT, SURVIVORS AND DISABILITY SECURITY.

THE MAJOR TRANSFORMATION SUPPORTED BY THE ADMINISTRATION IS TO DIMINISH THE HISTORICAL PERSONAL SERVICE ROLE OF SSA EMPLOYEES IN THE CLAIMS PROCESS. IF CLAIMS CAN BE FILED BY THE PUBLIC WITHOUT EMPLOYEE REVIEW AND ASSISTANCE, THE SAVINGS IN ADMINISTRATIVE EXPENSES COULD BE SUBSTANTIAL.

BUT WHAT WOULD BE THE IMPACT OF THIS CHANGE?

ALREADY THIS YEAR, SSA HAS IMPLEMENTED SOME MAJOR CHANGES IN EVIDENTIARY REQUIREMENTS:

- NO CITIZENSHIP VERIFICATION IF ALLEGATION WHEN FILING FOR AN SSN MATCHES ALLEGATION WHEN FILING A CLAIM.
- PROOF OF AGE VERIFICATION ELIMINATED IF ALLEGATION WHEN FILING FOR A SS CARD MATCHES ALLEGATION AT TIME OF RETIREMENT.
- ELIMINATION OF LAG WAGE DEVELOPMENT (LAG WAGES ARE EARNINGS THAT ARE NOT RECORDED YET ON A WAGE EARNERS RECORD. SUCH EARNINGS TEND TO INCREASE BENEFITS.)

ALL 3 EVIDENTIARY REQUIREMENTS (WHICH AFFECT ELIGIBILITY AND BENEFIT AMOUNTS) HINGE ON SSA EMPLOYEES TO REVIEW EVIDENCE AND CERTIFY ITS ACCURACY. ELIMINATING SUCH EVIDENCE ENHANCES THE OPPORTUNITY FOR FRAUD AND INCORRECT PAYMENTS.

SSA INTENDS TO INTRODUCE THE NEW INTERNET SOCIAL SECURITY BENEFITS APPLICATION (ISBA) IN SEPTEMBER. THE GOAL IS TO ALLOW CLAIMANTS TO FILE APPLICATIONS ON THE INTERNET WITHOUT INTERVENTION OR REVIEW BY SSA EMPLOYEE.

THE STREAMLINED APPLICATION WILL ELIMINATE QUESTIONS DESIGNED TO IDENTIFY FRAUD AND QUESTIONS DESIGNED TO EXPLORE CREDITS FOR WAGES THAT WOULD PERMANENTLY INCREASE BENEFITS.

CURRENTLY ALL SSI INTERNET CLAIMS ARE REVIEWED BY SSA CLAIMS REPRESENTATIVES. THEY FIND NUMEROUS ERRORS, OMISSIONS AND DISADVANTAGEOUS CHOICES MADE BY THE MAJORITY

OF CLAIMANTS BASED ON A SURVEY THAT THE UNION CONDUCTED WITH EMPLOYEES WHO DOWNLOAD AND REVIEW INTERNET CLAIMS.

MANDATORY REVIEWS AND RECONTACTS INSURE:

- ADVICE AND ASSISTANCE ON ADVANTAGEOUS MONTH OF ELECTION
- PURSUIT OF BENEFITS FOR ELIGIBLE FAMILY MEMBERS
- THAT CLAIMANTS UNDERSTAND THE IMPACT OF THEIR BENEFIT CHOICES AS WE ASSIST THEM IN NAVIGATING THOSE CHOICES (E.G., WIDOWS V. RETIREMENT V SPOUSE BENEFITS)
- THAT CLAIMANTS RECEIVE EXPLANATIONS OF THEIR RIGHTS, RESPONSIBILITIES AND REPORTING INSTRUCTIONS

THE STATED ADMINISTRATION GOAL IS TO ELIMINATE THIS INTERNET CLAIMS REVIEW AND THAT IT WILL NOW BE THE APPLICANT'S RESPONSIBILITY TO MAKE THE RIGHT CHOICES WITHOUT HELP.

AS A SUBSTITUTE TO EMPLOYEE ASSISTANCE, THE ADMINISTRATION PLANS TO PROVIDE POP UP SCREENS AND EXPANDED ACCESS TO THIRD PARTIES.

RATHER THAN HAVE TRAINED GOVERNMENT EMPLOYEES WITH PUBLIC SERVICE MOTIVATION ASSISTING THE CLAIMANTS, SSA PLANS TO SHIFT THAT ROLE TO 3RD PARTIES WHO WILL CHARGE FEES FOR THEIR SERVICES AND WILL HAVE MINIMAL TRAINING AND KNOWLEDGE OF THE PROGRAM.

THE ADMINISTRATION HAS SHIFTED ITS ENTIRE PR PROGRAM TO A PUSH FOR SSA CLAIMANT TO FILE INTERNET CLAIMS. SOME COMMUNICATIONS OFFER THE PUBLIC NO OTHER OPTION.

CONCURRENT WITH ITS EMPHASIS ON INTERNET CLAIMS, SSA HAS ACCELERATED ITS OFFICE CLOSING PROGRAM. SUCH CLOSINGS TOTALLY REMOVE THE OPTION OF SSA FACE TO FACE SERVICE FOR MANY SSA CUSTOMERS. DESPITE WHAT THE COMMISSIONER SAID EARLIER IN THE HEARING, SSA DID IN FACT CLOSE 17 OFFICES IN 2007 WHICH IS THE LARGEST NUMBER OF OFFICES CLOSED IN THE HISTORY OF THE AGENCY.

SSA'S EVIDENTIARY CHANGES AND INTERNET CLAIMS WITHOUT EMPLOYEE REVIEW WILL UNDOUBTEDLY LEAD TO AN INCREASE IN FRAUD, AND INCORRECT PAYMENTS. IT WILL ALSO LEAD TO THE TRANSFORMATION OF A RESPECTED SOCIAL AGENCY FROM ONE WHERE EMPLOYEES WERE TRAINED TO PERSONALLY ASSIST APPLICANTS FOR BENEFITS TO NAVIGATE A COMPLEX SYSTEM AT A TIME OF PERSONAL CRISIS (RETIREMENT, DISABILITY, DEATH OF HUSBAND, FATHER OR MOTHER), TO AN AGENCY THAT EXPECTS CLAIMANTS TO FEND FOR THEMSELVES. IF SUCH CLAIMANTS MAKE UNWISE CHOICES, IT'S THEIR PROBLEM.

IS THIS THE SOCIAL SECURITY ADM. THAT CONGRESS WANTS?

IF NOT, I STRONGLY SUGGEST THAT YOU ASK HARD QUESTIONS, ENGAGE IN SERIOUS OVERSIGHT AND ENACT LEGISLATION PREVENTING THIS TRAGIC TRANSFORMATION OF SSA FROM HAPPENING.

ALSO, PLEASE SUPPORT CONGRESSMAN HIGGINS BILL, HR 5110, WHICH WILL REQUIRE SSA TO PROVIDE ADVANCE NOTICE AND RATIONALE TO CONGRESS OF ANY OFFICE CLOSING AND, ALSO, REQUIRE THE SSA COMMISSIONER TO SUBMIT THE AGENCY BUDGET DIRECTLY TO CONGRESS RATHER THAN THROUGH OMB WHICH THE COMMISSIONER HAS THE AUTHORITY TO DO NOW AS THE HEAD OF AN INDEPENDENT AGENCY.