

FUTURE DIRECTIONS IN SOCIAL SECURITY

HEARING
BEFORE THE
SPECIAL COMMITTEE ON AGING
UNITED STATES SENATE
NINETY-FOURTH CONGRESS
FIRST SESSION

PART 12—WASHINGTON, D.C.

MAY 1, 1975



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- Part 2. Washington, D.C., January 22, 1973.
- Part 3. Washington, D.C., January 23, 1973.
- Part 4. Washington, D.C., July 25, 1973.
- Part 5. Washington, D.C., July 26, 1973.
- Part 6. Twin Falls, Idaho, May 16, 1974.
- Part 7. Washington, D.C., July 15, 1974.
- Part 8. Washington, D.C., July 16, 1974.
- Part 9. Washington, D.C., March 18, 1975.
- Part 10. Washington, D.C., March 19, 1975.
- Part 11. Washington, D.C., March 20, 1975.
- Part 12. Washington, D.C., May 1, 1975.
- Part 13. San Francisco, Calif., May 15, 1975.
- Part 14. Los Angeles, Calif., May 16, 1975.
- Part 15. Des Moines, Iowa, May 19, 1975.
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FUTURE DIRECTIONS OF SOCIAL SECURITY

THURSDAY, MAY 1, 1975

U.S. SENATE,
SPECIAL COMMITTEE ON AGING,
Washington, D.C.

The committee met, pursuant to notice, at 9:30 a.m. in room 6226, Dirksen Senate Office Building, Hon. Edward M. Kennedy, presiding. Present: Senators Kennedy, Pell, Chiles, Clark, Fong, Percy, and Stafford.

Also present: David Affeldt, chief counsel; John Guy Miller, minority staff director; Margaret Fayé and Gerald Yee, minority professional staff members; Patricia Oriol, chief clerk; Gerald Strickler, printing assistant; and Kathryn Dann, assistant chief clerk.

OPENING STATEMENT BY SENATOR EDWARD M. KENNEDY, PRESIDING

Senator KENNEDY. I welcome the opportunity to chair this hearing into the administrative problems revolving around the new supplemental security income program for the aged, blind, and disabled.

This hearing of the Special Committee on Aging carries forward the long series of thoughtful inquiries into the "Future Directions of Social Security," pioneered by the special committee chairman, Frank Church.

And this hearing is crucial to that future. For we are asking whether the Social Security Administration can retain its credibility when computers fail, workers operate on pressure creating mandatory overtime schedules, and when many beneficiaries of the system find their checks too low, too high, or nonexistent. And in at least two cases the beneficiary opened his mail to discover that the Social Security Administration had declared him dead.

I met in Fitchburg, Mass., with a number of elderly men and women who told of checks that did not arrive, of months of anxious waiting for a disability determination, of an unresponsive bureaucracy.

And then I met with union leaders and heard of mandatory overtime, of their own frustrations at insufficient training, unclear directions, and impossible workloads.

And I must say that my office in Massachusetts has been virtually besieged over the past year with this problem. During the period June to September 1974 we had close to 2,000 pending social security cases, including disability and SSI, and we met with social security officials several times, as well as with an HEW inspection team.

More recently, the Massachusetts Association of Older Americans, Inc., has broadcast a call to Massachusetts elderly with complaints about SSI. Their telephones have been ringing ever since. Walter Cross, the vice president of the group, will testify this morning, but let me cite just one case to demonstrate why this hearing is being held:

Eighty-year-old Mrs. Laura Vooris of Newtonville, Mass., called to report that she had filed an SSI application in April 1974. Five months later, after receiving no checks and no response, the Social Security Administration was called again. An employee told her to send in her bank book, which she did.

In January and February of 1975 the Social Security Administration called again. Once the answer was that the application was being processed. A second time the answer was that the computer had broken down. A third call in March—the answer still was that the application was in process. Yesterday, more than a year after originally applying, she has yet to receive a check.

Nor is this problem solely in Massachusetts. It was in Idaho where Senator Church was approached by a woman who had been told by the Social Security Administration that she was not receiving a check because she had died.

And it was in Florida where a series of snafus prompted Senator Chiles and other State congressmen to seek an investigation by the General Accounting Office; it was in Rhode Island where Senator Pell found long delays in processing appeals; and in Connecticut where Senator Ribicoff found similar problems.

But it is not solely the older citizens who are angry and frustrated. The employees themselves are rebelling. They have a proud record of past accomplishment and they are not happy about being in a situation where the snafus are becoming standard operating procedure.

The American Federation of Government Employees local newsletter of March 1975 contains these comments. From Lynn, Mass., workers said:

People are coming into the office complaining, screaming they'll call their congressman, and there's just nothing we can do about it. Rejects, rejects, rejects; that's all you ever see. Correct a reject? Never happen. Even your correction rejects.

We find 260,000 backlogged cases acknowledged by Social Security Administration as awaiting admission to the SSI computer rolls. And we still have another 20,000 per month already approved as eligible who find themselves each month without all or a part of their rightful check.

If we are told that 20,000 individual recipients do not receive their appropriate checks each month, we are talking about a far greater number over the course of the year.

And we are talking about individuals who rely on that check, not for extra dollars, but for the money they need to pay for the food they eat, for the oil they burn, for the clothes they wear—for the basic necessities of life.

There is an additional issue as well. For while there are some 4 million Americans on SSI today, an increase of 1 million over the

level receiving assistance before the program was initiated, the initial estimates were that more than 6 million American aged, blind, and disabled would be eligible for the program. Thus, part of our concern over the operation of the program must be to review the steps being taken to expand the outreach of SSI.

As we listen to the witnesses this morning, we must be clear that the concern we have expressed, regarding the administration of the SSI program, is in part stimulated by the recognition that the Social Security Administration has compiled a respected and impressive record over the past 40 years.

I believe there are three overall questions which must be addressed: First, what steps can be taken to protect the individual, to cushion his or her life from the effects of failures of the systems? That is why Senator Pell's legislation, S. 985, which I have cosponsored, is so crucial to insure fairness to social security recipients.

Second, what are the areas of training, permanent staff additions, or additional computer and other facilities that would permit the Social Security Administration to match its performance with SSI to its distinguished record of the past 40 years?

And, finally, whether the history of the events of attempting to implement the SSI program reflect another basic argument for establishing the Social Security Administration as an independent agency, separate from the Department of Health, Education, and Welfare. Two former Commissioners of the Social Security Administration and at least two past Secretaries of HEW have recommended that action. I have cosponsored legislation introduced by the chairman, Senator Church, to achieve that goal.

And so we begin this hearing with a goal of achieving not only greater equity for SSI and social security recipients, but also for assuring a continued high level of performance in the Social Security Administration.

STATEMENT BY SENATOR CLAIBORNE PELL

Senator PELL. Thank you, Mr. Chairman, and thank you for cosponsoring S. 985.

Each month, as you pointed out, almost 10,000 social security title II OASDI recipients and more than an additional 5,000 SSI recipients were the victims of delayed or stolen social security benefit checks. Whether the culprit in the first instance was a misprogrammed computer, or a thief, or even if the check loss was accidental, the unnecessary and unfortunate result was the same: a waiting period which averaged 8 weeks and extended in many cases to 5 months or more to get a simple replacement check.

LONG WAITING PERIODS

When you say this in general terms, it does not bring to your heart and your mind the real distress it is for the individual; I am thinking here, for example, of a lady in Cranston, R.I., my own State—one example of the hundreds of thousands around the country, but you have to think of these in personal terms. She is an old lady and she correctly reported the theft of a check and requested a substitute

in February 1974. Repeated requests brought no result and she contacted my office. I was told a substitute check would be delivered in 2 weeks. That was in October.

A month later, in November, when no check had arrived, again we were on touch with the Social Security Administration, and finally—I must say it was a great service—a Secret Service agent delivered the check to her on December 3—10 months later.

And while a check for this amount may not mean much to the witnesses or the Senators on each side of this table, it means a tremendous amount to a person whose total livelihood—total food, lodging, heat, clothing—depends on these checks.

Last year almost 70,000 Americans requested reconsideration of their claims to disability insurance benefits under title II. Although more than one-half of those cases would later be won on appeal, the average waiting time for that decision was 163 days, and regional waiting averages were as great as 198 days in New England.

At this time, Mr. Chairman, I would like to insert a table in the record showing the various waiting times around the country.

Senator KENNEDY. So ordered.

[The material referred to follows:]

HOW WAITING TIMES HAVE INCREASED FOR SOCIAL SECURITY CLAIMS IN THE LAST 12 MONTHS (ELAPSED TIME BETWEEN FILING APPEAL AND DECISION)

[Number of days]

Region	January 1974	January 1975
I. Boston.....	198	214
II. New York.....	165	229
III. Philadelphia.....	120	223
IV. Atlanta.....	114	183
V. Chicago.....	167	266
VI. Dallas.....	90	168
VII. Kansas City.....	141	210
VIII. Denver.....	126	238
IX. San Francisco.....	113	208
X. Seattle.....	136	160
National average.....	163	203

Senator PELL. This table points out how it has increased in the last 12 months.

I am hopeful that Commissioner Cardwell and Mr. Mode will be able to clarify some policies for us today. I am hopeful they can give us some solid information and insights on the specific problems involved in the replacement of lost, stolen, and delayed monthly benefit checks. I hope they will explain and propose remedies to these huge delays and regional discrepancies within the hearings and appeals process.

Delays in the timely receipt of monthly benefit checks and the multimonth delays within the hearing and appeal processes take a devastating toll in the lives of hundreds of thousands of older, disabled, and low-income Americans.

I will not begin here to recount the many examples of unpardonable delays and administrative bungling which I have heard about from my own constituents. I am certain that all of us here are painfully

aware of the sorts of administrative foulups which do seem to occur regularly, whether it be in Baltimore, or in the regional or district offices, or in the chambers of the administrative law judges.

In this regard, I recognize the very real need for more personnel, for more people, particularly for more administrative law judges, who can help bring some necessary speed to this process.

I mailed a report on social security to my constituents in Rhode Island 3 weeks ago. I included a questionnaire seeking information on their experiences with the SSA and on their expectations of the role that social security benefits would play in their retirement income.

I would ask unanimous consent that a copy of that report be inserted in the record.

Senator KENNEDY. So ordered.*

Senator PELL. My office has been literally flooded with replies to this newsletter, and for a Senator from Rhode Island to be flooded with letters in a State of our low population means very real concern among these people. Sixty percent of the 10,000 replies contain much more than checkmarks in boxes; they contain long, handwritten statements of problems, frustrations, and anguish at the social security bureaucracy, at the system, and at the computer.

These frustrations are felt not only by social security recipients or applicants. Many district offices are just as angry at the problems they see and the men and women in district offices of social security deserve a great deal of credit for the long hours and difficult circumstances under which they must work. They must tell recipients to wait for a computer which they know will routinely botch up simple data processing chores.

For example, one social security staffer wrote :

Can we serve the public? Under the circumstances, the answer is an unqualified "No." The public knows we cannot. Those of us who deal directly with the public know we cannot.

It is particularly enlightening in this regard to read the March 1, 1975, edition of the New England Courier, which is the house organ for the American Federation of Government Employees, Local 1164. This edition of the letter contains more than 75 comments from local social security office employees on the administrative problems which recipients and the employees face every day.

I would ask unanimous consent that this newsletter be included in the record.

Senator KENNEDY. So ordered.**

Senator PELL. I would note that in the audience here, the AFGE is ably represented by their New England chairman-director, Dan Kearney.

SOCIAL SECURITY RECIPIENTS FAIRNESS ACT

I recently submitted legislation, S. 985, the Social Security Recipients Fairness Act, which I believe would relieve many of the human tragedies that we have discussed together. Thirty-eight Sen-

*See appendix 1, item 1, p. 1049.

**See appendix 1, item 2, p. 1050.

ators have cosponsored this bill, and I believe they share the deep dissatisfaction with the performance to date of the SSA in identifying and solving its internal problems.

We may hear a lot of statistics today and a great deal of computer terminology to rationalize delays and errors, but an agency which has the largest computer system in the world, paid for by the taxes of all Americans, must be held accountable for its own performance and efficiency.

This is the philosophy behind my legislation. I believe this bill will serve as a bridge to a more efficient administrative process. It would provide the impetus for social security to act expeditiously and fairly with the individual who suffers as the consequence of a bureaucratic mistake.

When the Social Security Administration begins to operate within a proper time frame, then the provisions of this bill will not be triggered. In that sense, this is transitional: to provide the force for SSA to change, and to remain behind the scenes as a guardian of fair treatment for the individual.

This bill provides that if there is a 3-day delay in the receipt of a check, or if the check has been stolen, and the intended recipient notifies the Social Security Administration of the theft of the check, then, within 1 day's receipt of that notification, a replacement check will be issued.

It also provides that there will be no unfair reductions resulting from overpayment. There would be no greater deduction than 25 percent in a specific month of the social security recipient's income, where now it is 100 percent.

It provides, too, that there must be a determination within 90 days of the case, of an appeal of a citizen, and if it has not been decided within 90 days, it will tentatively be considered in his favor; and if later on it is in his disfavor, the amount paid out would be non-recoverable.

If the appeal involves a question of an existing disability, then there would be 110 days that would elapse before a decision would have to be made, and it also includes this same speedup for the black lung treatment.

Mr. Chairman, at this point I would request that the text of S. 985, the Social Security Recipients Fairness Act, and my statement upon its introduction be placed in the record.

Senator KENNEDY. So ordered.*

Senator PELL. One final thought: Senator Kennedy and I, the other Senators, and all of you on the other side of the table will be talking about a lot of intellectually prepared statistical sheets, but I think the politicians, particularly those who have been out with the rank-and-file of our constituents, recognize the agony and anguish that result when a family or a disabled individual—usually a widow—does not receive the money on which they depend for their total livelihood for 2 or 3 months, and what that means in human terms to that person.

*See appendix 1, items 3 and 4, pp. 1055 and 1059.

Senator FONG. Mr. Chairman, I have to leave. May I have my statement put in the record?

Senator KENNEDY. Yes; without objection, it will be inserted now.

STATEMENT BY SENATOR HIRAM L. FONG

Senator FONG. As the Committee on Aging begins this review of supplementary security income program under the Social Security Act, it should be emphasized that SSI is intended to be an important element in a national commitment that the lives of all older Americans should be ones of independence, honor, and dignity.

A review of the legislative history of this program, beginning with the late Senator Winston Prouty's introduction of his older Americans income assurance bill, a forerunner of SSI, underscores congressional intent that SSI should not be "just another welfare program."

SSI is intended to be a fiscally responsible method of assuring that no elderly, blind, or totally disabled person shall be deprived of the basic necessities of life.

While standards of need are necessary, it has been our intention that income supplements necessary to provide a reasonable minimum income for all older individuals should be provided under SSI with a minimum of redtape or administrative snarls. Often those most in need and most deserving of help are those least able to cope with bureaucratic intricacies and paperwork. This should be at the forefront of our minds as we look at SSI's performance and its future.

As we examine shortcomings in SSI's performance to date—and they are many—we must acknowledge that every new program of such magnitude will have problems. Our purpose in looking at these problems should be to solve them with dispatch.

I shall look forward with deep interest to testimony by our witnesses and their analysis of both positive and negative elements in the SSI record. Their recommendations for SSI improvement should be most useful.

Whether the need is for new legislation, for changes in regulations, better administrative techniques, or for better public understanding of the program, corrective action should begin promptly—always remembering that our purpose is to help people who are often least able to help themselves.

Senator KENNEDY. Senator Stafford.

STATEMENT BY SENATOR ROBERT T. STAFFORD

Senator STAFFORD. Thank you, Mr. Chairman, for this opportunity to make a very brief statement.

The ground has been so well covered by the chairman and by the distinguished Senator from Rhode Island that there is very little left that I would add, except that this problem of social security payment errors does need a high level of attention on the part of the Social Security Administration. This is extremely important in terms of the benefits to the beneficiaries of the system.

And Vermont has not been an exception to the problems that we have had in receipt of social security benefits and SSI payments to people living in my State.

COMPUTER ERRORS

I recall, about a year ago, I guess, when a series of checks came in which were large. Then conflicting orders were issued as to whether or not they were to be cashed or returned. Some were cashed and some were returned. In the meantime, we were assured that frantic efforts were underway to correct the computer errors which apparently had caused the problem.

But at the end of the month, although we were beginning to heave a sigh of relief and believed that the errors had been corrected, the new set of checks which the computer had spewed out were also in error. Another month followed in which we hoped that that was being corrected; but, lo and behold, to my recollection today, the third month, once again, the computer had made mistakes.

Now, this Senator knows that computers are not infallible. For about 4 years this Senator got billed regularly by one of the large stores in this area under the title of Rear Adm. Robert Stafford. Not being a rear admiral and, although I would have enjoyed the title but feeling that I was not entitled to it, I, on a monthly basis, asked the store in question to please change the billing since I was a lowly Senator and not a rear admiral. After 4 years they finally simply removed all titles, and I am now billed as Robert Stafford—period. So I understand that computers make errors.

I hope, especially in the matter of social security benefit payments, that the computer problems can be corrected and that the administration's performance here can be of a very high level. I think it is very important for the welfare of this country generally, and its senior people in particular.

I know the Commissioner and his colleagues have been aware of the problem, and I think they have been working to correct it.

Mr. Chairman, I look forward to these hearings and the testimony. Thank you.

Senator KENNEDY. Senator Clark.

Senator CLARK. Mr. Chairman, I do not have a prepared statement.

Senator KENNEDY. All right. Senator Percy, do you have a statement?

STATEMENT BY SENATOR CHARLES H. PERCY

Senator PERCY. I have no formal statement, but I wish to say two things to the distinguished witnesses this morning.

First, I am happy to report that my 84-year-old mother has always received her social security checks on time and, to the best of her knowledge, they have been accurate, and I am sure that you do not hear from tens of millions of people when everything goes well.

Second, I would like to report that, at a quarter to 1 this morning while in Cincinnati, sleeping soundly in the hotel after a speech at the Women's Clubs of Ohio, I had a telephone call from a colonel in the Air Force who sounded like he had been drinking like a sergeant and whose intelligence level was such that he should not have ever

been above a buck private, complaining to me about his mother's social security check—and she lives in Illinois.

I wish I had your home phone number, Mr. Cardwell—I hope that he remembers that he called me this morning, when he gets to his office, and follows through with my suggestion that he write me, because I want to find out who it was that called me and also follow up on the case.

We generally get the bad news and we get loaded up with it, and we are delighted to have this opportunity to hear from you and question you on what I know we are all interested in and have as a common objective: to make the system work better. We are pleased to have you here this morning.

So I have given you a report on the good and the bad.
 Senator KENNEDY. Senator CHILES.

STATEMENT BY SENATOR LAWTON CHILES

Senator CHILES. Mr. Chairman, I am delighted to have the opportunity to be here for this hearing and to see what progress we are making.

I think, in a program as large as social security, there are always going to be some complaints and there are always going to be some problems. There have been complaints in Florida since I have been in office. However, I have noticed that in the past year those complaints have accelerated tremendously in my State to the extent that most of our time, in my district office in Florida, and most of the mail we receive is concerned with those complaints—social security matters, and especially medicare and medicaid payments, disbursements—than anything else.

We know that there has been something in the papers recently about some attempt to correct some of these problems, and we certainly hope that we will get more information on that in these hearings because there has been a complete breakdown, virtually, in Florida. People are just tremendously upset about the way their payments are handled and the time that it takes once there has been a problem.

Senator KENNEDY. Well, Mr. Commissioner, there have been seven Senators here. I have seen more Senators here this morning than at most of the other meetings that I have been to in the Senate for a long time. That is a reflection of the great degree of interest that all of us have in this program and the very deep willingness and desire to work with you to make sure that it does work. I think we are all very interested in finding out what we can do to make your job easier.

I have called Wally Mode at his office in Massachusetts many times and all of us have been in touch with different regional groups. We are very interested this morning to find out, if there are problems, what we can do to make your job easier. We want you to be frank and candid with us. We want to know so that the steps we will be taking will be responsive to those problems. We want to be of whatever help we possible can, and we look forward to your testimony and we welcome you here, Mr. Cardwell.

STATEMENT OF HON. JAMES B. CARDWELL, COMMISSIONER, SOCIAL SECURITY ADMINISTRATION, ACCOMPANIED BY ROBERT L. TRACHTENBERG, DIRECTOR, BUREAU OF HEARINGS AND APPEALS; SAMUEL E. CROUCH, ACTING DIRECTOR, BUREAU OF DISABILITY INSURANCE; ELLIOT A. KIRSCHBAUM, ASSISTANT TO COMMISSIONER; SUMNER G. WHITTIER, DIRECTOR, BUREAU OF SUPPLEMENTAL SECURITY INCOME; WALTER W. MODE, REGIONAL COMMISSIONER, BOSTON REGION

Mr. CARDWELL. Thank you, Mr. Chairman.

I would like first to introduce those who are at the table with me representing the Social Security Administration.

To my immediate right is Sumner Whittier, who is the Director of the Bureau of Supplemental Security Income and, as such, is the primary program manager for the SSI program.

To his immediate right is Mr. Walter W. Mode, who is the regional commissioner for the New England area centered in Boston, Mass.

To his immediate right is Mr. Robert Trachtenberg, who is the new Director of the Bureau of Hearings and Appeals for the Social Security Administration—and I want to emphasize “new” in that regard. He is new for a reason, the reason being that we hope that his presence will help us in the days ahead.

To my immediate left is Elliot Kirschbaum, who is an Assistant to the Commissioner and who has spent a good deal of last year troubleshooting the SSI program. In fact, he headed a special task force established about a year ago to deal with special SSI problems.

To his immediate left is Mr. Samuel Crouch, who is the Acting Director of the Bureau of Disability Insurance of the agency.

I would like to start out by expressing my appreciation for the spirit of cooperation and the offers of assistance that have come to us, not just from the members of the committee here today, but from the Congress generally. We cannot say that we have lacked support from the Congress.

I would also like to make as clear as I can at the outset that our intention is to lay before you everything we know, to be as open as we know how to be, and to share with you both our problems and our progress.

Before doing that, though, I would note for Senator Percy that the last call that I had at 4 o'clock in the morning was also from a beneficiary in the State of Illinois. It must be something about Illinois.

With the committee's permission, what I would like to do is just briefly summarize my statement, not to read it all, in the name of time and brevity.

Senator KENNEDY. We will include it all in the record.*

Mr. CARDWELL. Thank you, sir.

Senator KENNEDY. I would also like to recognize Sumner Whittier, who has been a distinguished public servant in Massachusetts for many years. Some of us, on our side of the aisle, were glad when Sumner came to Washington and he was not threatening us up there.

*See p. 1017.

He is very well respected and he is universally known for his dedication to public service.

Mr. CARDWELL. I am sure that it is just coincidence that we are weighted on the side of Massachusetts on my right here.

Permit me to start with a brief summary of what the SSI program looks like today.

As of the end of March, there were 4.1 million people as SSI recipients. This is a net increase of 1 million recipients since the time we converted from the State programs on January 1, 1974.

Of the more than 4 million SSI recipients, about 2.3 million are aged and 1.8 million are either blind or disabled. Two-thirds, or about 2.7 million of these people, were converted from the former State rolls.

CONVERSION TOTAL NOW AT 2.7 MILLION

We originally converted a gross number of over 3 million recipients from the State programs, but in the almost 18 months that have elapsed since the conversion, there has been a diminution, of course, due to death and changes in living conditions and resources. The net figure now is 2.7 million.

The remaining 1.4 million are newly eligible people, people that we have brought on the SSI rolls in the last 18 months.

During the calendar year 1974, the monthly number of SSI beneficiaries rose from the 3 million figure I cited a moment ago to 4 million. Total Federal-State spending for this category of Federal recipients increased by 59 percent—from \$3.3 billion spent in 1973 under the former Federal-State programs to nearly \$5.3 billion in 1974.

State expenditures during that period actually decreased slightly by \$43 million, and the Federal Government took up the difference. In other words, our expenditures increased by about \$2 billion, leaving the States with an outlay level of about \$1.3 billion.

Of the almost 2.8 million new claims filed since the SSI program began operating, almost 91 percent, or 2.5 million, have been processed to completion, with 63 percent of these claims resulting in eligibility for benefits.

In addition, there have been over 10.5 million inquiries made to our local offices and telephone inquiry centers regarding the SSI program, possibilities of eligibility, and so forth. And over 22,000 SSI inquiries have been received in Baltimore.

I might note that, reflective of the growing concern on the part of Congress about SSA service and the quality thereof, we received almost 290,000 individual pieces of correspondence from the Congress and leaders of industry and State governments during last year—not just about SSI, of course, but SSA generally. It gives you some feeling for the scale of what is happening.

Now, that is a picture of the SSI statistics about the number of people and how much money is being spent, and I think it shows that the Federal Government has assumed from the States a larger share of the responsibility and concern for this group of our citizens.

I am going to speak in a few minutes about the statistics concerning work processing times, backlogs, and whatever. You have your

own data, I understand, a good bit of which I am sure was derived from information furnished by us.

But before I go into that, I want to underscore my own feeling, and it is a feeling that has come out of 18 months' experience—I came to SSA just about the time the conversion began—and that is that I think we have had, with the possible exception of the hearings and appeals process, a high watermark, a low watermark, or a critical watermark, whatever we should call it, in our administration of this program. In other words, I think the worst is behind us, and I feel quite confident in making this statement. I hope that our exchange today will establish this to your satisfaction.

Let us talk a moment, then, about initial claims, the almost 2.8 million new claims filed since the SSI program began, almost 91 percent of which have been processed.

Reconsiderations and appeals: As of the middle of March, we had received over 155,000 requests for reconsideration of eligibility decisions made by our local offices concerning SSI claims; 95 percent of these requests were based on medical determinations regarding disability.

At the same time, we had received 38,000 requests for formal hearings filed by individuals who were not satisfied with the reconsideration results that they obtained.

To meet this workload we have had to recruit and train 279 hearing examiners and administrative law judges and are continuing to seek additional qualified personnel for these positions. As of today, we have about 29,000 SSI hearings and appeals pending.

Another major segment of our workload is the making of periodic redeterminations of eligibility for and—

Senator KENNEDY. Could you tell us something right here about how long it takes to obtain reconsideration, how long to obtain a hearing, and how long to obtain a final disposition? Can you give us what has happened in recent times to show whether that has been reduced—whether we have moved beyond the high watermark?

HEARINGS AND APPEALS PROCESS

Mr. CARDWELL. Well, I think the statistics on reconsideration processing time will show an improvement, but statistics on hearings and appeals will not. It is now taking about 7 months on a rough average to process a social security hearing appeal.

We do not have, and I cannot give you at this moment, precise data as to how that breaks out between SSI, black lung, and social security cash benefits, including disability, but as you are going to hear today—and we want to go into some of the reasons for it and what might be done—the hearings and appeals process is still in a very serious state.

In summary, we have on hand a total of about 110,000 hearings. With our present resources and our present organizational arrangement, given the process that we are required to administer by law and the administrative arrangements that were originally set up for that process, I would be—

APPEAL WAITING TIME INCREASING

Senator PELL. If the chairman would excuse me, I think that the statistics will show that the rate between January 1, 1974, and January 1, 1975—the length of time has deteriorated almost uniformly across the country to varying degrees.

I think Chicago does the worst—since Senator Percy has left. Massachusetts and Rhode Island are about in the bottom half.

But the statistics are going the wrong way, not the right way. That is where we would be interested in your views, why they are going that way.

Mr. CARDWELL. I would agree it has been going the wrong way. There are some very recent data which suggest that it may be beginning to turn the other way.

But the point I was about to make—and I want this to be clearly understood and I want to put it in as much perspective as I can—given our present arrangement, if we did not receive another appeal for the next year, we would just about finish this backlog we have now at the end of that year.

Senator PELL. The end of when?

Mr. CARDWELL. At the end of the year. In other words, we have a year's worth of work on hand if we did not receive another case.

However, for the first time in recent history—and recent history for this process goes back several years and pre-SSI, as a matter of fact—in the month of April 1975 we processed more hearings and appeals cases than we received. Now, that is the first time that has occurred in recent memory. We take hope in this, but it certainly is not indicative of any capacity to sustain this rate of processing.

Senator KENNEDY. Well, what is our time? You said an average, I guess, of 7 months. I think we—Massachusetts—are up to about 11 months, are we not?

Mr. MODE. 214 days, on an average; and the national average is 203.

Senator CHILES. Can you give us Florida?

Mr. CARDWELL. No, sir, we do not have it readily available for Florida. We could supply it to the record.

[Subsequent to the hearing, Mr. Cardwell supplied the following information:]

The processing times for the four Florida hearing offices are as follows: Miami, 165 days; Jacksonville, 170 days; Orlando, 158 days; and Tampa, 174 days. The above figures include all social security programs.

Senator KENNEDY. The fact of the matter is that you cannot expect that you are not going to have appeals between now and the end of the year.

Mr. CARDWELL. No, no; in fact, on SSI we know that we have not reached the peak of the appeals workload. That workload is still growing.

The black lung workload is declining, as we should expect it to decline; the disability workload is holding about steady—is it not?

Mr. CROUCH. We expect it to climb.

Senator KENNEDY. Have you given any thought to what can be done for these people during the period of these 11 months? Do you have any suggestions that could be made about how you can get your

shop in order, so to speak, to do the catchup work faster? There are an awfully lot of people that are suffering. Why should the people bear the burden of these administrative complications?

Do you have any specific recommendations to make—that can be suggested to try and provide some immediate temporary relief?

Mr. CARDWELL. I do not have any specific suggestions concerning temporary monetary relief. There are situations in which some of the States have, in the case of SSI and other recipients, put the people on general assistance where that was part of their program.

What we do have, though, is our own ideas about what to do with the basic process. In order to put those ideas in perspective I would suggest we first talk a little bit about what the processes consist of, and I would divide that into two parts.

ADMINISTRATIVE PROCEDURE ACT

First, the basic process itself is prescribed by the Administrative Procedure Act.

There are those who have suggested to us that we do not necessarily have to follow that act and that a closer look at the Social Security Act might suggest that we have opportunities to establish our own internal process.

To do so, in my judgment, would depart from some fundamentals of due process that have become fairly traditional, and I, personally, would hate to depart from those at this stage just in the name of a backlog or a workload crisis.

But that basic process itself, I think, has some inherent requirement for orderliness, documentation, and structure. With all that, there is a certain amount of time waiting to go to the equivalent of a court—and this is what this is all about—having the court prepare itself to deal with the case, having the court decide the case after it has heard it, and reaching its own conclusion. All these things take time. I think we are talking about probably several months under the best of circumstances.

Even so, at this stage I would leave the process alone, although there are those who have suggested to us, including the Civil Service Commission, that we may be following an excessively elaborate process, this process prescribed by the Administrative Procedure Act—I want to underscore that.

The issue is whether or not it is literally applicable to the Social Security Act.

The next question is the matter of staffing and the application of manpower to that process.

The Administrative Procedure Act process assumes that it will be executed exclusively by persons who are qualified as Federal hearing examiners or Federal administrative law judges, and there are some governmentwide qualification requirements that must be met in order to so qualify as either a hearing examiner or an administrative law judge.

That factor itself, in my judgment, limits the number of people ultimately available to do this work, and it is not entirely a matter of the Congress or the Office of Management and Budget saying to us: "Hire all the law judges you can find." There are just not that many

going to be available to deal with this kind of backlog in large numbers.

That takes me then to the matter of the administrative structure surrounding those personnel. This is where I think we can make some significant inroads and our plans are somewhat as follows: To increase the number of lawyers and other professional assistants who, although they do not meet the qualifications for being an administrative law judge, have experience and a feel for due process, and let them do more of the preparatory work, more of the support work, for the limited number of law judges that are likely to be available.

The next step, I think, is to divide the work into various points of concentration. We have already learned something about how to do this as we struggled through the black lung hearing process, where we set up specialists and special hearing arrangements for only black lung activities.

The SSI program has its special arrangements for hearings, one of which is that hearing examiners, rather than administrative law judges, conduct a hearing. Hearing examiners are easier to recruit and we probably will be able to move more rapidly in that area once we get ourselves organized. Mr. Trachtenberg, who is new to this agency and to this assignment, was brought here expressly for the purpose of reorganizing and revitalizing the hearings and appeals process. He is a man with some reputation for accomplishment and imagination and creativity, and I would like to give him a chance.

I think he can be personally credited with this glimmer of hope that I cited a moment ago—namely, that in the month of April, for the first time in years, we actually processed more hearings than we received.

That is a long answer to your question.

Senator KENNEDY. I would just say on the Administrative Procedure Act, specifically in terms of changes, I am also chairman of the Administrative Practice and Procedure Subcommittee of the Judiciary, so we would be extremely interested in working with you.

As I understand, the law section of the ABA is working with your people on some of the various procedures, and I recognize—

Mr. CARDWELL. That is right. But that process itself is involved and we need to look at it.

Senator KENNEDY. I would hope that we could be of help. It is an adjudicatory kind of function, and, so, there obviously has to be very careful protection of the rights of the people who are going to be affected.

We would be very interested in what recommendations can be made to expedite the process and still maintain and insure adequate protection of individual rights. We would be glad to get whatever suggestions you have.

Mr. CARDWELL. With your permission, I would move to a discussion of systems which is in my prepared statement.

I would, at this point, emphasize that the systems that support the supplementary security income program are largely computerized. They represent the first so-called on-line data system ever employed by the Social Security Administration.

WRONG TO BLAME THE COMPUTER

But the most important point to understand about these systems is that it is wrong to blame the computer. It is very natural to blame the computer when one is frustrated and when one does not know what else or whom else to blame.

The systems themselves, and the computer programs that were designed to make them function, were never tested—had never been tested—before they were put into place as a working system, and this is a very important thing to understand and to emphasize.

When January 1, 1974, came and the program went live, the agency did not have the opportunity to do the necessary checking and testing of its own systems before it started to operate. In my judgment that is where the problem with SSI service began. And the agency found itself in the months of January, February, March, and into April of 1974 patching and repairing and improvising to make the system work, and in that period the new claims began to come in and started to backlog.

SSA lacked the resources and the capacity at that time, despite the very best effort—and, believe me, at that time people were working around the clock throughout this country, Saturdays, Sundays, holidays—and we could not do the two things simultaneously. That is, we did not have the capacity to modify and repair the conversion data, much of which was in error and modify and repair the computer programs and systems themselves, and also process the new claims.

That is why new claims that were taken in the local social security offices, and that the local offices tried to put into the automated system, were rejected by the system; that's why much of the frustration occurred. That is, in my judgment, its source.

NEW CLAIMS BACKLOG

In May, a year ago, we realized that during our struggle to modify and repair the conversion data, we had allowed this new claims backlog to build. A year ago we had over 600,000 unprocessed SSI claims scattered around the country, and at that time we organized a special effort to work just on the processing of the new claims backlog and to concentrate on perfections of the automated systems.

Elliot Kirschbaum, to my left, headed that effort. It was a small group of people who had proven themselves to be effective and to be competent, and they were given authority to override anybody and everybody in order to get that backlog under control. I think we have it under control. Today it stands at about 259,000 cases.

The systems themselves, in terms of the claims taking and the basic adjudication process, I believe, are now essentially working correctly.

There are still systems perfections needed for other aspects of the program. The matter of accounting to the States for expenditures that we make on their behalf, and billings to the States for that purpose still needs to be computerized in a more satisfactory way. We have a computerized arrangement now, but we know that it is not working as well as it should.

We need to computerize and test a post-adjudicative process, but as far as the basic claims taking and initial adjudicative processes are concerned, I think we are in relatively good shape. If we are still trying to blame the computer at this stage in those processes, we should not be.

Senator KENNEDY. What was the leadtime? It was close to 16 months, was it not?

Mr. CARDWELL. It was really closer to 14 months and there were a number of things that happened during that time that the public-at-large and the Congress generally just were not very much aware of. No one thought about the significance of what happened during that period.

One thing that was happening was the fact that the States were given their own choice as to when they would opt for Federal administration of their supplementary programs or whether they would even supplement at all. The law did not set a deadline for them to make choices. Some States opted in and then opted out, and then opted back in again. Other States waited until the zero hour to opt in.

CHANGES IN THE LAW

Another thing that happened was that the basic law itself was changed twice during that period and each of those changes impacted fundamentally on the systems that had previously been designed and people had to rush in to try to redo them.

Nobody said anything about it to the Congress; nobody said anything about it to the President and the people in charge—

Senator KENNEDY. Well, did anybody say to Congress, with all this opting in and opting out: "We are not going to be prepared to implement, given this time?" Was anybody up from Social Security to say: "The way it is going now, we are not getting the States in there, and if you people are going to expect us to implement it at such and such a time, there are going to be severe problems?"

Mr. CARDWELL. To understand why that did not happen—and I have asked myself the question several times and Secretary Weinberger asked himself the question when he first came to HEW—you have to consider two things. First, here you had an agency, SSA, that had a proven record of success, that represents the largest concentration of computer equipment and expertise in this Government—in this country, probably, and probably in the world—and the attitude was, "If anybody can do it, we can do it."

Second, you have a group of people who were conditioned to give their very best to try to get something done, and that is what they were doing. They were trying to satisfy a requirement of law. They are conditioned to carry out a complicated law. And, by hook or by crook, they were going to make it work.

We are fortunate that they took that attitude and I still think they made it work.

I think we are forgetting the fact that we did complete the conversion process—that is, 3 million converted cases. And, although we started out with very high error rates, even in those first months we were paying 90 to 95 percent of the people on time.

I do not think we could have done any better; I think other people would have made errors of one kind or another in another direction. But, by and large, I think SSA did a tremendous job. I would like to give it credit.

I would note that, perhaps at the risk of my own reputation, most of the problems that are now being identified with SSA have occurred in the first year—the year of transition. It happens to be the year that I have been there. I have been there about 18 months.

But the operating people are essentially the same people as before. SSA is still a career organization managed and directed by careerists. These are people who have spent most of their working lives paying benefits to people. None of that has changed.

I trace many of the problems in the SSI program back to the law itself—back to the way it was designed and the timetable that was established—and I just think our difficulties were a natural result. I do not think anybody could have done any better.

Senator KENNEDY. What you are saying, I think, and what I think all of us believe, is that the employees themselves have an extraordinary capacity and understanding of the whole process and they were prepared to work fulltime and overtime to get the job done. Their proven record of accomplishment has been witnessed over the period of the last 40 years.

It seems to me that if those who understood the system felt that they were going to be unable to accomplish the transition to SSI, or they were going to have to work 20 hours a day in order to get it done, then someone should have flagged this for us.

Mr. CARDWELL. You reach a point of no return, and that point of no return probably occurred sometime between the first legislative change and the second legislative change. You reach a point where there is really no turning back.

The Secretary, when he came in as Secretary in February of 1973, examined very closely the issue of whether the matter should be laid before the Congress and whether additional time should be requested of the Congress for implementation, and the Social Security Administration itself—and I was privy to that—said: “No; we’ll make it work and we think we are well enough along; we think we have most of it under our belts and we think we can make it work.” And, I think, by and large, we did make it work.

MANPOWER REQUIREMENTS

Senator KENNEDY. Well, for example, did you get the personnel from the OMB that you wanted?

Mr. CARDWELL. The record will show—and I think the committee already has requested and has data about this question—that beginning in 1973, during the transition planning period, we requested probably more manpower than was allocated.

I think the history of it goes a little like this: At the time the legislation was under consideration by the Congress, proponents of the legislation argued—and I think the Congress itself had this general understanding—that the Social Security Administration, managing this program on a national basis from a central headquarters,

would be able to do so more efficiently and with less cost and with less manpower than the States. That is where an assumption started to take form, namely, that the Federal manpower requirement should not be as great as the States. As the development of manpower requirements progressed, everyone kind of took that attitude—in the executive branch and in the Congress as well.

The Secretary of HEW at the time SSI was first discussed was Elliot R. Richardson, and Robert M. Ball was the Commissioner. My recollection is that they originally talked about 18,000 people to start with.

They had some briefings on SSI with the Domestic Counsel and with OMB about that time and I was not privy to those discussions. I am sure that the issue of manpower requirements and the concept of a more efficient Federal system was discussed, and that SSA subsequently revised its request to about 15,000—15,000 was the starting point. It was approved by the President, approved by OMB, and approved by the Congress.

It is quite clear today that 15,000 is not enough, was not enough originally, and that was probably the fundamental mistake.

I do not think it is the lack of support on anybody's part. I think it was a miscalculation concerning the relative capacity of the Federal system versus the State systems.

The record, I think, shows from that point forward we have had support in our requests for manpower. We were quite slow, I think, in getting those requests considered. We started talking about additional manpower requirements about July of last year and it was late fall before a final decision was made to seek additional manpower.

Now, I think to the credit of the President, as soon as he heard about this problem, he took, as has been relayed to me, an attitude that:

I would like to have the agency tell me what its workload requirements are, expressed in workload terms, and I will give them the manpower in terms of man-years of effort needed to carry out that workload.

That is his intent and the request now pending before Congress for 10,000 employees reflects that intent—10,000 additional employees for SSA in total.

STAFFING SSI

I must point out that the full 10,000 is not just for SSI. But, the share allocated to SSI would bring the total number of employees requested for SSI to about 23,800 positions.

All indications are that the Senate Committee on Appropriations is prepared to support our request. The House committee has already done so.

Senator KENNEDY. Well, over the period of the last 3 years, what is it that you have requested and what have you received? What have you requested from OMB in terms of total manpower—permanent manpower and temporary manpower?

Mr. CARDWELL. I would have to point out to you one technicality: The SSI manpower budget is organized on a total workload basis for the whole agency and it is not broken down by program.

There were some specific manpower requests, though, made for SSI, and I will cite those. For 1973, SSA requested 15,000 people. The Secretary supported our request to the President for 15,000.

The President's budget request to Congress was for 9,000 people in that year, with the remaining 6,000 committed to a request for the succeeding year. The Congress authorized those 9,000 people.

In 1974 we originally asked for a total SSI level of 18,000. The Secretary supported that request, and as I mentioned, later revised it downward to 15,000, and the President's budget provided a level of 15,000, consistent with the plan as approved for the previous year, namely, 9,000 the first year and 6,000 the second year. The Congress approved the 15,000.

The same level of 15,000 was presented to Congress in the 1975 budget—no increase for SSI.

Senator CHILES. What did you request from OMB?

Mr. CARDWELL. We did not request a specific SSI manpower increment. We did request an increase in total manpower from 76,762 employees to 80,750. The request of the Secretary against that 80,750 positions was reduced to 78,189. The request by the President to the Congress was reduced further to 76,878. That number was authorized by the Congress. They honored the President's request at 76,878, provided a total level for SSI of 15,000.

Now, we asked the Secretary in the spring of last year, as a part of a process called the spring budget review, for a marked increase in social security manpower overall, including SSI, and we indicated at that time that we did not have precise SSI workload experience. We still had not been at it long enough, but we did know that we had certain workloads that were not being met and we cited what they were.

That request would have increased our staffing from the 76,878 authorized by Congress to a total of 89,300. The Department requested against that number, 82,578 positions.

Senator CHILES. The Department? Do you mean OMB?

Mr. CARDWELL. No, the Secretary of HEW.

The President's budget, as recommended to the President by OMB, was 86,648—I am sorry. At that stage the request did not go to the Congress. It was debated back and forth and in January of 1975, the President sent a special supplemental budget request for 86,648, and that request was based on the workload projection given by the agency which said: "That is what our workload requires, assuming an overtime rate of about 8 percent per year."

Now, 8 percent a year for overtime is higher than we would prefer, but given the need to utilize to the fullest extent our skilled people and recognizing that we have been growing so fast that our productivity from new people is inherently lower, we thought we had to maintain that ratio of overtime.

Our request was based on the premise that if we had 86,648 positions available to us, we could catch up with our workload and work down our backlog.

Senator KENNEDY. Basically you have 9,000 less people than you requested in your 1973-74 period when it was starting out?

Mr. CARDWELL. That is exactly right; we started out with too low a number. We have now caught up with that number and passed it.

Senator KENNEDY. Your professional recommendation, based upon the experience of that organization in terms of meeting the responsibilities of the legislation, was that that number of personnel was essential and necessary to do the job. The fact is that you did not get the personnel—what you did get was what was actually requested of the Congress. You got that, but you did not get the personnel you had asked HEW for and now you are asking for supplemental—

Mr. CARDWELL. That is right. We are really trying to catch up.

Now, the President, when he approved this request in the fall, did a fairly unprecedented thing in the salaries and expenses appropriation. He said to us: "You proceed to recruit those personnel, as if you had the Congressional authority, under my authority to make so-called deficiency apportionment allocations."

In other words, he allocated to us a spending rate for the year which, if continued, would exceed our available appropriation. He did this on the assumption that Congress would approve the request, so we actually have recruited and are well into that manpower allocation now. The full effect, of course, of that additional manpower has not been felt.

Senator KENNEDY. These are temporary personnel?

Mr. CARDWELL. No; 6,000 of the additional 15,000 are to be largely under term appointments. This is an arrangement that is fairly unusual. It has been used by a few agencies from time to time.

We are authorized to fill these positions from Civil Service Commission registers under term appointments not to exceed 2 years. In other words, we make the individual an offer of a job for 2 years, but with the understanding that if, in the meantime, permanent vacancies do occur for which his experience would qualify him and he can be reached on a civil service register, he could be converted to a permanent job.

The assumption is in this request that 2 years from now—and I underscore this as an assumption—SSA should be able to get these backlogs down and that it would not necessarily require as many as 6,000 of the aggregate budget request now pending before the Congress. Now, that is an assumption.

It also assumes that we will be able, in that same period, to present to the Congress and gain congressional support of simplification measures for the SSI program and for the title II programs.

These are very significant assumptions and they may not come to pass. Now, I think there is enough goodwill present—enough good intent present in the executive branch that if those assumptions are not met our manpower requirements will be made whole on a permanent basis.

POSSIBLE FUTURE MANPOWER REQUIREMENTS

Senator KENNEDY. What do you need to reach the couple of million people who are not receiving the benefits now who are otherwise eligible? Do you not need these people here to try to serve the function of an outreach program and process all new applications that people are entitled to and otherwise not receiving?

Mr. CARDWELL. We would use these people largely for claims processing, claims adjudication, hearings, appeals processing, dis-

ability determinations, supervision, management, training, and those sorts of things.

Outreach has been managed so far in several ways. A large concentration of effort with the private voluntary agencies was organized in collaboration with the Administration on Aging, which spent grant money to mount a nationwide campaign for outreach, knocking on doors, and things of that sort.

We then followed this effort with a search of the social security rolls for anybody whose record indicated that he might be eligible for SSI. We contacted every one of those people.

Both of those efforts, which I think were dramatic and quite significant, did not pull in the claims that we all assumed they would. I say to you in all honesty, I am not at all sure that that original estimate of 6 million people is an accurate estimate.

Senator KENNEDY. What do you think it is?

Mr. CARDWELL. I would only be guessing. We have told the Secretary and the Office of Management and Budget and the Committee on Appropriations that we think that the number of recipients is going to level off somewhere between 5 and 5½ million.

We think that of the original estimate—which was fashioned from very rough data because information available on this segment of the population and on their incomes and their resources and their living conditions is not that precise—taking the strata of people who would gain the largest benefit from SSI—that that share of the original estimate has been met. It is the people who may be eligible to only a small benefit who have not shown up.

ADDITIONAL MANPOWER NOT THE PROBLEM?

We are committed to a continuing outreach effort. I do not think additional manpower is the problem. I think the problem is one of imagination and creativity. We have several pilot projects that we are now studying to find new outreach techniques.

Senator KENNEDY. I think you have given us a pretty good idea of the manpower. Could you tell us, in relationship to computer time, what was requested and what was turned down?

Mr. CARDWELL. I am not very familiar with the period during 1973 when the basic computer planning was going on, but shortly after I arrived it was quite clear that we did not have sufficient computer capacity for SSI and the growth in our regular program as well. In fact, we lacked a backup capacity for SSI, and I thought that was particularly critical—others had already reached the same conclusion before I arrived.

I think the record would show that it took us too long to obtain that additional capacity, but it has been obtained and right now I think we have adequate computer capacity.

Senator KENNEDY. Do you know what was requested?

Mr. CARDWELL. I do not have it in my head. I would be glad to give you something for the record.*

Senator KENNEDY. Please provide that in terms of the computer time and facilities requested. It is my understanding that this was

*See p. 995.

an area of recognized need and that there was a deficiency in this area as well as in manpower. I was just interested in what was actually thought to be the technical hardware need by the Social Security Administration—what was requested of OMB and what was turned down.

Mr. CARDWELL. Computer capacity is not a matter that would normally be considered in any detail by OMB. The review and approval processes for the acquisition of additional computer capacity in the Federal system is centered first at the departmental level in the Office of the Secretary, and he would have to approve it, and then the General Services Administration would have to approve it.

Senator KENNEDY. Well, under computer needs, what is included in that category that was denied? As I understand, HEW can turn down a request for computer time.

Mr. CARDWELL. It is essentially computer configuration, memory capacity, the size of the computers, the number of computers. That would be—

Senator KENNEDY. Now, was that not denied? Was not some of that denied by HEW?

Mr. CARDWELL. I would have to go back and reconstruct the record during the planning period. I really do not know. I know that when I came on the scene we proposed additional computer capacity and there was a lot of debate as to whether we needed it or not, and we finally convinced everybody that we needed it and then we received it. There may have been a period prior to that, and I will check the record—

Senator KENNEDY. Would you find out?

Mr. CARDWELL. Whether we were actually turned down on the computer I do not know. We will respond for the record.

[Subsequent to the hearing, Mr. Cardwell supplied the following information:]

Because of the nature of the process of acquiring computers in Government, it's almost a truism that things never move quite as quickly as the requester thinks they should. Nevertheless, we believe that HEW and GSA have been cooperative and responsive within the constraints of the system.

During the early days of SSI, it became clear that SSA would have to enhance its computer capacity in two ways: (1) we would need to increase overall capacity to support additional workloads; (2) we would need to develop a brand-new high-speed telecommunications system to respond to SSI program requirements for immediate communications between field offices and the central computer records. Therefore, in June 1974, we requested two IBM 370/168 computer systems to fulfill these needs. These systems were acquired in December 1974 and January 1975.

We are also planning to make additional computer capability available by acquiring three large-scale computer systems to handle health insurance (HI) workloads. When these three are installed they will remove a sizable HI workload now being handled by the existing systems, and will free them for greater SSI workloads.

The date these three new systems will become available depends on the state of readiness of our facilities to house them. We are currently seeking congressional approval for expansion of our existing central computer facilities, and if this is approved, these new systems would be housed there. GSA recently issued a request for proposals for these three systems, and we expect that if things move at their usual pace they will be in use by May 1976. With expedited congressional approval, they could be in use by November or December of this year.

Senator PELL. Mr. Chairman, if I could interpolate here. I would like to stay all morning, but I cannot. I have a couple of specific

queries I would like to put to Mr. Cardwell, and I do not mean to interrupt his presentation.

First, what is your administrative cost on a percentage basis of the dollars that come in? What percent?

2 PERCENT FOR ADMINISTRATIVE COSTS

Mr. CARDWELL. About 2 percent. On regular social security activity it is about 2 percent, which is considered to be quite a good ratio.

Senator PELL. I used to be chairman of the Railroad Retirement Subcommittee and they have a rate—I just checked it out now—of under 1 percent. Why should your rate for administrative costs be twice what theirs is, without any comparison of the efficiency of the two systems?

Mr. CARDWELL. Well, I would like to have an opportunity to see that estimate and the basis for it. I think we will find that it is not comparable.

A 2-percent rate is quite good. Now, we do not have a 2-percent rate on SSI, believe me—I could not answer your question, and I doubt that they are comparable.

Senator PELL. I would submit the estimate in writing to you. I just called up there, the head of the railroad retirement in Chicago—

Mr. CARDWELL. Well, I can tell you where one difference shows up right away. They do not operate a large network like the one that we operate for claims taking and intake. They are just on one end of the system, operating the pension plan itself.

The intake occurs through the employer and through the functioning of the industry that they serve. I think that probably is going to be the explanation.

Senator PELL. For my own information, I would appreciate written answers—we will submit the specific statistics to you—as to the reasons why your administrative costs should be double those of the railroad retirement.

Mr. CARDWELL. I'd be glad to provide a written response for the record. I would also like to point out that our ratio compares very favorably with the life insurance industry, which spends about 17 percent of revenues for operating costs.

[Subsequent to the hearing, Mr. Cardwell supplied the following information:]

The following table summarizes ratios of administrative expenses to income for the social security trust fund programs and the railroad retirement system:

ADMINISTRATIVE COSTS AS PERCENT OF INCOME

[Under present law]

Program	1974 actual	1975 estimate	1976 estimate
Social security:			
Old age and survivors insurance.....	1.5	1.4	1.5
Disability insurance.....	3.2	3.2	3.4
Composite—cash benefit programs.....	1.7	1.6	1.7
Hospital insurance.....	2.1	2.4	2.4
Supplementary medical insurance.....	9.4	10.2	10.4
Composite—all social security programs.....	2.2	2.2	2.3
Railroad retirement account.....	.8	.8	.9

The ratios are calculated by comparing outlays for the administration of each program for each year with estimated trust fund income.

The major components of the social security administrative expenses are funds appropriated directly to SSA—the limitation on salaries and expenses and the limitation on construction. Out of budgeted 1976 SSA trust fund outlays for administration (which amount to \$2.1 billion), \$1.9 billion, or 91 percent, are from these components. The remaining 9 percent of SSA's 1976 administrative expenses is not appropriated directly to SSA. It represents payments from the trust funds to other components of DHEW or to other Federal agencies for services rendered which support the trust fund programs. For example, SSA trust funds finance SSA's proportionate share of the overall cost of running DHEW (\$13 million for departmental management), and SSA pays Treasury Department for several trust fund program functions it performs, including tax collection and disbursement of social security benefit checks (\$122 million in 1976). The railroad retirement administrative expenses all are included in its salaries and expenses appropriation.

A comparison of the ratio of administrative costs to trust fund income for the Railroad Retirement Account with that of the social security trust funds can be misleading. For example, the social security ratio of 2.3 percent budgeted for 1975 reflects the cost of the medicare programs as well as the cost of the retirement survivors and disability insurance programs. If we exclude the medicare programs, to make the social security programs being considered more comparable to the railroad programs, SSA's ratio drops to 1.7 percent.

Even excluding the medicare program, however, there are features of each system that are relatively more expensive to administer than comparable features of the other, and there are broad functions performed by only one of the systems. An example is the SSA function of issuing and maintaining social security numbers for all workers, including railroad employees. This function, budgeted for 1976 at about \$55 million, serves both systems, although it is funded entirely from the social security system.

In addition to such inherent differences in programs and program functions, there are two overriding factors which cause the railroad retirement system's ratio of administrative expenses to trust fund income to be significantly lower than SSA's. For both systems, annual trust fund income is geared roughly to the level needed to cover annual program costs. Thus, factors which impact significantly on the relative proportions of benefits paid by each system also affect relative proportions of tax and other income needed to finance the programs.

The two factors follow:

1. Average monthly benefit amounts under the railroad retirement program are much higher than under social security. For example, payments to retired workers are about 64 percent higher and payments to disabled workers are over 40 percent higher.

2. The railroad retirement program has about 137 beneficiaries for every 100 covered workers, whereas the social security program has only about 32 beneficiaries for every 100 covered workers.

Both of these factors make total benefit payments, and thus total trust fund income as related to overall program size, much larger for railroad retirement than for social security. This, in turn, reduces the railroad retirement program's ratio of administrative costs to trust fund income.

Senator PELL. There I know you are correct, and I think government takes a beating it does not deserve because industry has more waste often built into it than does government.

Mr. CARDWELL. I do not mean to criticize, but I think our scale is larger, for one reason, and that would explain some of it.

REGIONAL VARIANCES IN HEARING REVERSAL RATES

Senator PELL. Now, another specific question to address to Mr. Mode: In reviewing the rate of reversals and affirmations at the hearing stage in different areas of New England from the statistics of the Bureau of Hearings and Appeals, there is a remarkable difference in these reversals depending on where the hearings are being

held. For example, in New England there are four sites, I think: Boston, Hartford, Manchester, and Providence. And I reviewed the cases statistically. We studied hearing statistics in each of these cities in 1973 and early 1974. The percentage of differences in the reversal rates is startling.

The Boston judges reversed 55 percent of the cases; Hartford judges reversed 54; Manchester judges reversed 60 percent, almost 61 percent; while the Providence judges reversed only 39 percent. In other words, there was an average reversal rate in the other three cities of 55 percent, but in Providence it was only 39 percent. What is the reason for the difference?

Mr. MODE. I wish I knew. I do not specifically know why, but individual judges—and one of the things that I do not know if I am permitted to talk about, the Administrative Procedure Act—but as I view it, it is one of the most restricting acts because we do not have administrative jurisdiction over what they decide. This act—I have 17 lawyers on my staff who are excellent people who could do this job, but because of the restrictions—but I think that this is something that should be considered, why these very restrictive provisions are in the Administrative Procedure Act so that we cannot get qualified people who are attorneys who could do this, who understand the law. But individual determinations are made by the judges and we have no administrative control over it.

Senator PELL. But this does not answer my question. My question is, why should the people in Rhode Island get a more unfavorable shake, about 15 percent, than those in the other areas of New England?

Mr. MODE. And my answer is, I do not know; but I would like to pass it on to Mr. Trachtenberg.

Senator PELL. I would like to know your opinion because, from the viewpoint of my constituents, there is a very real problem here; that only 39 percent of the time do they get a decision made in their favor. Whereas, in the other areas of New England it is 55 percent. It is unfair to my State.

Mr. TRACHTENBERG. I do not have an answer, Senator. I have some possibilities that I would like to explore and submit for the record.

One is the fact that there may be a greater percentage of allowances on reconsideration in Rhode Island than there is in some of these other States. That would result in only the tougher cases winding up being appealed in Rhode Island and, therefore, a lower reversal rate. Perhaps, in some of these other areas, the reconsideration is tougher and there is a lower allowance rate on reconsideration. Thus, there would be a higher rate of reversal by the judge.

Mr. CARDWELL. If that answer were correct—I do not know whether it is or not—then your question should be shifted over to why would the reconsideration treatment be different from one jurisdiction to another. It is still the same question, and I think we ought to look at it.

Senator PELL. Would you please look at that so that I can have a sensible answer to this? Because, as of now, it is obviously very, very unfair to my own constituents.*

*See appendix 2, item 1, p. 1066.

There is one comment I would like to make. I am sure you have studied the GAO report regarding your computer utilization. It is about a year old now. Have you followed up on their suggestion with regard to the computer development?

Mr. CARDWELL. Well, we have done and are doing several things. We have done some reorganization of the way in which the computers are managed and the relationship of that management to program management generally.

Computer operations have been functioning autonomously and independent of program operations in the past and we have tried to put the two together under one supervisor.

The Secretary will be announcing very soon the establishment of a citizens' outside review group to look at SSI implementation, and one of the members of that group—it is going to be a small group—will have significant computer expertise, and one of the things he is going to do is review the adequacy of computer organization, programming approach, and computer capacity for SSI.

STAFF TRIPS TO PUERTO RICO?

Senator PELL. Mr. Mode, how frequently are New England-based law judges sent out of their region to hear cases? You may have noticed the newspaper report about judges being sent to Puerto Rico—out of New York, I think that was.

Mr. MODE. Well, on an average they are sent out as needed. And the black lung, as you know, took every single one of our administrative law judges to hear those cases—40, to be exact, for each administrative law judge. That was on a one-man basis.

We still cover Puerto Rico from our office which is, as you know, the first judicial district, so we have to cover those cases. That is part of our region.

Senator PELL. Incidentally, speaking of Puerto Rico, are there more administrative law judges sent there in the winter months than in the summer months? I think it is a matter of justifiable interest that has been raised in the public press.

Mr. CARDWELL. Could I speak on that, sir?

Senator PELL. Yes.

Mr. CARDWELL. It has been reported by Senator Mathias and several of the local papers—the Baltimore papers and maybe others, for that matter—that the General Accounting Office has done an analysis and reached that conclusion. I would like to establish, first, that we have never seen that report, and normally the General Accounting Office would give us an opportunity to see their conclusion and give us a chance to comment. We did not have that chance.

Second—and some of the press reports had this at the bottom of the story and others did not—Mr. Trachtenberg has changed the way in which selections are made as to who goes to Puerto Rico.

I think—and I am guessing at this and would like to hear him speak to it—my guess is that we are going to find that what the GAO found, looking backwards, was that there was a time when the management of the Bureau of Hearings and Appeals, as a reward to people, said: "We will give you a tour in Puerto Rico." Now, that

did not mean that they did not work. It does not mean that everybody that goes to Puerto Rico is on a lark. In fact, it costs less to go to Puerto Rico than it does to go to Florida or to Chicago from New York.

It is a part of the United States. It is an area where there is a very heavy concentration of poor people and where the hearings and appeals process is heavily backlogged.

Senator PELL. I would agree, but would you submit for the record—I think this is the simplest way of getting the facts as to this—for the last 12-month period, the number of assignments for January, February—

Mr. CARDWELL. Yes; we will do that.*

Senator PELL. Thank you.

Mr. CARDWELL. We would also at the proper time like to submit our comments concerning the GAO report as they are made.

Senator PELL. Please do this. With the chairman's approval, as a matter of fact.

Now, has the Social Security Administration or HEW ever asked Congress actually for additional hearing examiners or administrative law judges specifically? In other words, not asked the Bureau of the Budget, asked the Congress.

Mr. CARDWELL. Directly?

Senator PELL. Yes.

Mr. CARDWELL. Yes, we have asked the—

Senator PELL. Have you ever been denied?

Mr. CARDWELL. Not to my knowledge.

APPEALS PROCEDURE

Senator PELL. Does the Appeals Council review any decisions which are not brought in to it by the claimants for benefits? In other words, do you ever take—

Mr. CARDWELL. The answer is "Yes," but I would like Mr. Trachtenberg to answer the question.

Mr. TRACHTENBERG. The answer is "Yes." In some of our programs, Senator, we do conduct a comprehensive review of all decisions of the ALJ's, and in some instances take, on our own motion, action to review and examine a particular decision to make sure it conforms with the social security laws and regulations.

Senator PELL. Then, finally, in connection with the types of reconsideration, case review, and informal conferences, as I understand it, you believe that one of these or maybe two could be dropped out, but do not want to do so because of due process; is that correct?

Mr. TRACHTENBERG. I did not understand the question, Senator.

Senator PELL. My question to you is that, as I understand the reconsideration process, there are three types—case review, the informal conference, and the formal conference—you are saying you go through this process of appeals in order that due process may be secured for the claimants, but that you could drop one or two? Is that correct or not?

*See appendix 2, item 2, p. 1066.

MR. CARDWELL. Senator, I believe the question, if you will permit me, has confused the so-called reconsideration process with the formal appeals process.

There are two steps that occur. First, a claimant has a right, within 30 days of a denial of his initial claim, to ask the claims-taking section of SSA to reconsider his original claim—question: "Would you reverse your original decision?"

And if he does so, we are required to go back through that process again, prehearings and appeal.

If we deny it a second time, within 30 days he then has the right to make a formal appeal to be heard by an administrative law judge or hearing examiner, and if he gets a denial there, he has a right to appeal one more time to the Appeals Council. If he is denied there, he may take it to the courts. So is is a long, drawn-out process.

My comments about wishing to move away from the Administrative Procedure Act were kind of a general sort. I think we should be guided by the general concepts of that act. I was saying that there are those who have suggested to us that those concepts are not required in the case of beneficiary appeals and that the appeals system itself is too elaborate.

I would rather entertain Senator Kennedy's proposition, that we look at that process as it might be applied to SSA, and maybe we could tailor it some more, but not move out of the process entirely. I am a strong believer in due process. That is all I am trying to say.

SENATOR PELL. You can always take the money back out of an individual recipient if there has been a mistake. Why do you insist on absolute certainty before you reissue a monthly benefit check for title II benefits? In other words, why not take the claimant's claim at face value, pay it, give him a preliminary check, and then if he is wrong, you can take it out afterwards?

MR. CARDWELL. Under existing law we do not think we have the authority to do so.

SENATOR PELL. That would be one more reason, I guess, for the passage of the bill we mentioned earlier. Incidentally, what are your views with regard to our bill that Senator Kennedy and other Senators have cosponsored?

MIXED FEELINGS ON BILL

MR. CARDWELL. I have terribly mixed emotions about it. On the one side, I am absolutely sympathetic and as concerned as the sponsors of that bill are about reaching its objective.

On the other hand, I am concerned about what it would do to the basic system—the administrative fabric and mechanisms themselves. I actually think that there is a high risk that the bill would produce an inundation of appeals into the hearing process.

The advocates for the poor would organize themselves and would cause a run on the system. And I would, too, if I were in their place. If I knew that all I had to do was get an appeal pending in a system that was backlogged—and I would know that the chances would be good that my appeal would also backlog—legitimate or not, and then I would get paid for at least some period. Frankly, I think that that provision in the bill is very weak in that regard, and I am very concerned about it.

Senator PELL. But if it is reversed, you would have to pay it back.

Mr. CARDWELL. Yes, but we know from dealing with this population that it does not work that way. The experience with recovery from poor people in the public assistance program and the SSI program has not been good for either side. Recovery itself becomes a harsh process.

There are just as many people concerned about the Government imposing recovery requirements, I believe, as there are those who are concerned about the time it takes to process a claim and whether or not it should or should not be denied. This is just another cry from the people.

Senator PELL. Insuring that the 90 days is fulfilled—and, as you well know, if you do not receive your pay check or there are some mistakes made in it, you do not have to wait 90 days to make sure that that is straightened out, nor do any of us here. But a poor person receiving a check, who has just as much a matter of right as you or I because it has come out of his salary, does have to wait; so I think something of this sort is needed to push it along.

Mr. CARDWELL. My recommendation would be—and I cannot guarantee that we could execute check replacement fast enough for your satisfaction and the satisfaction of an impatient claimant or appellant—to revitalize the basic processes themselves as fast as we can and as efficiently as we can, but more importantly to concentrate on simplifying the legislation itself.

You are really not going to ever totally solve this problem, I believe, as long as you execute the full complexities of the program at the Federal level. It may be too early for me to reach this conclusion, and I would prefer to wait a while before I reach it, but I think events are forcing me to this.

EQUITY NOT POSSIBLE?

I have a feeling that we have here a program that is too complex in its requirements for accountability and equity. For example, we have to account for our decision about a person's resources, his living conditions, whether he lived in one residence and took his meals in another residence. It goes on and on and on. And that really is where the problem lies. That process, with the best of intentions and with the most efficient of people, is going to break down every now and then. It is going to break down always for a certain number of people.

There are people who do not understand the questions that are being asked; they will come back with information other than that requested to move their case, and so forth. And you are always going to have, under that kind of requirement, I believe, these kinds of delays for some certain number of people, maybe a significant number.

Now, the States had this, and the States, over time, in my judgment, started looking the other way. That is particularly true in a lot of the States. They said: "We are overwhelmed by it. We are just going to give them the money."

But we are not authorized to do that. That is not the intention of the law, and if there is any preoccupation with accountability in our Government, it is largely centered in Congress. It is not centered exclusively in the executive branch. This is traditional in the Ameri-

can system of government—account for the Federal dollar, and that is what we are being asked to do.

By the same token, we are asked to be very sympathetic and sensitive to the interests and needs of the beneficiary and, believe me, we are. I think that if you will look at our practices you will find that where we could, we have gone in that direction.

So my recommendation would be to concentrate on improving the basic administrative processes and take a new look as early as we can at the basic structure of the program and try to simplify it. Let's get away from this idea that we are going to tailor every benefit to everybody's individual needs; that we are going to add some for this situation and take some off for that situation. If you live in an institution, we will subtract something; if you leave the institution, we will add it back. That is where the problem lies, sir.

Senator PELL. I appreciate your reply, and I think it is a pretty justified one in all areas of legislation I have seen in the few years that I have been here, particularly as we moved into a majority party in opposition of the President, where we tend to want to dot every "i" and cross every "t"—education legislation particularly—and I do not think we should. There should be broad lines, broad policies, and the administration should carry it out—

Mr. CARDWELL. I feel strongly about that. You are right. I am sure you are right.

Senator PELL. I appreciate the position you are in because, on the one hand, you have the Congress, and public opinion, and the recipients, asking you to work harder, do more, produce more benefit checks.

On the other hand, you have the employees who are really badly—not badly paid, but very much overworked—working very, very hard, stretched almost beyond their own capacity.

Mr. CARDWELL. Absolutely.

Senator PELL. And the only solution is, if we do not simplify the system, at least give you more people to carry out the system as it is.

I thank the chairman for his courtesy in letting me go on this long. I have overstayed my time.

Mr. CARDWELL. Thank you, Senator Pell.

Senator KENNEDY. Could you just summarize the rest of your statement? We have covered an awfully lot of points.

Mr. CARDWELL. I do not want to prolong the matter. We have really discussed all the features I had in the statement and if you are satisfied, I am satisfied.

Senator KENNEDY. Senator Chiles.

HIGH REVERSAL RATES FOR APPEALS

Senator CHILES. I just wanted to ask if your appeals figure for the New England region shows over 50-percent reversals; that would seem to indicate that in the preliminary investigation of matter prior to appeals there is something wrong. With a 50-percent reversal rate, it would seem to indicate again that one of the reasons for this very bulk of appeals is that the job is not being done in the earlier stages.

Mr. CARDWELL. You have struck a nerve. You have really struck a very lively nerve in the whole matter of the disability process.

The record shows—nationally, for that matter—that about half of the cases that were originally denied are reversed in the hearings and appeals process, and that is really indicative that there is something, in my judgment, fundamentally wrong with the process, and it has been wrong for quite probably a long time.

Let us examine, if you will permit me, how this happens, and to do that you have to understand a little bit about the process itself.

It is a process that starts out with a very strict definition of disability and requires clearly defined evidence of the existence of a totally disabling impairment that will last, or is expected to last, 12 months or longer.

There are many times when the initial finding is that the disability will not last at least 12 months even though it meets all other criteria, and this is just one example. There are many other variations you could pick.

The person does not agree. He appeals and—particularly if the appeals process is as long and drawn out as this one has become—6 months to go by, and during that 6 months his physical condition may deteriorate. By the time an administrative law judge gets to the case, he asks for new medical evidence and he permits the individual's physician and other witnesses to come forward with new information and evidence; the administrative law judge frequently establishes the original position was wrong, although it initially represented a good and reasonable judgment. Something has changed, and the administrative law judge reverses the original finding.

In terms of strict definition, the same thing can be true of a man's capacity to work, which is one of the tests. It has to be established that he cannot work because of a disabling impairment—not just in his own occupation, but in the labor market at large.

All I can say is that I have asked the same question that you asked: "Is there not something wrong?" And I think the answer is probably, "yes," and I believe it may be the basic definition and the requirements.

Others, who have worked more on this than I, should address themselves to the issue.

Senator CHILES. I think it would just have to be "yes," if you got over 50 percent.

And the other bad feature of it is: What about the people that stop short of taking that appeal? Looking at these figures, then, we see that there are an awful lot of those people that are being denied their basic rights if they had stayed through the process and gone—

Mr. CARDWELL. We are looking at that in collaboration with GAO. We have had a study underway now for quite a while, a study which they designed but which we are largely executing, and the product will be evaluated by them as well as by us. It is just that question: What happens to people who were denied and what happened to them after that? Did they go to work, or whatever—we are looking at that.

Senator CHILES. What do you ever do in regard to going back or sitting down with your people that are handling these cases on the lower level and saying, "Look, you are being reversed over half of the time"?

I have the feeling that in any other judicial kind of system, and this is sort of a quasijudicial system, if you are having 50-percent reversals, you are going to do something about your lower court judges or you are going to take them to school. You are going to say, "You are being reversed half of the time."

So what are you doing about using these reversals as a means of educating your hearing officers and your hearing personnel?

Mr. CARDWELL. I would like Mr. Crouch, who is the Acting Director of the Bureau of Disability Insurance and has spent a good bit of his work life in this field, to speak to that question. That is a good question.

Senator CHILES. This has been going on for a long time, as I understand it.

Mr. CROUCH. Well, there are three or four points I would like to make.

50-PERCENT REVERSAL "FAIRLY" RECENT PHENOMENON

First, it is true the rate of reversal has been high for some time, but the 50-percent rate is a fairly recent phenomenon. The rate has gone up over the last 2 or 3 years.

This may, in part, reflect some of the pressures on the process from the intensive workloads we have had over the last few years. It may represent a temporary phenomenon at that level. The rate may go back down as we improve the process, with a more reasonable workload situation.

Basically the process involves a disability determination by a State agency at the initial level and at the reconsideration level involving a physician and a trained disability examiner.

The kinds of medical input that are produced at the administrative law judge level are basically the same as at the State agency level; they are no different from the kinds that are input by the State agency people. In fact, in most instances, if the administrative law judge wishes to secure additional medical evidence or special tests, he goes back to the State people who made the initial decision or the reconsideration decision to secure that evidence for him, so that there is direct and continuing feedback with respect to the kind of medical and other information that goes into the record at the administrative law judge level.

There are a number of factors involved, as the Commissioner indicated. The lapse of time, changing situation and circumstances, and do not forget, with the very high workload level at the administrative law judge level at this time, the time between the reconsideration decision and the administrative law judge decision is much longer than it was in times past when the workload was not so high, and that in itself can influence the decision.

But the one factor that is unique at the hearing level before the administrative law judge is the fact that he does have a personal, face-to-face hearing with the individual and the individual's representatives. That does not happen earlier—it was not built into the process at the level of the initial decision or the reconsideration decision. Those decisions are based upon a paper record.

I think it is perhaps the very fact of the face-to-face contact with the decisionmaker that makes a contribution to the rate of change.

We are now, based upon this emerging experience, conducting a rather intensive study in 17 States to provide for that missing element at the reconsideration level, to provide for the applicant a face-to-face contact with the disability examiner and make that a part of the decisionmaking process. This will enable us to determine whether this, in fact, makes a significant difference in what happens at that level and whether it will later on make a significant difference in what happens before the administrative law judge. It is going to take some time to complete that study and to assess the results, but I think it is responsive to the question you raised.

Senator CHILES. Well, I still did not quite get an answer to my question. Do you, on occasion, get your disability people together that make these decisions and go over with them the reversals and the reasons for the reversals and point out to them that something has got to be wrong if they are being reversed 50-some percent of the time? And do you go over that with them and show them what the reversal rate is?

Mr. CROUCH. We go over the reversal rate, but, also, we maintain a continuing process of quality assessment of the performance of the people at the initial level and at the reconsideration level, pointing out to them the kinds of errors they are making and specifically pointing out to them deficiencies in the documentation of the claims, trying to point out to them, the errors that they make and where they can improve the process.

Mr. CARDWELL. I think the answer to your question is, "Yes." Nevertheless, the phenomenon of a very high reversal rate seems to be fundamental to the program, whether it is 50 percent or whatever. It has something to do, I believe, with the process.

This is on my own personal list of SSA problems to work on, this one question. It is very high on my list, and we are going to pay a lot of attention to it. It may well be that we will come up to Congress and say, "You ought to make some changes." I don't know.

Senator KENNEDY. What is on the rest of your list?

Mr. CARDWELL. For the Social Security Administration, I put about five things as being very, very critical. At the top of the list is the hearings and appeals process.

Senator KENNEDY. Just before Senator Chiles leaves—as I understand, this is usually done on a contingency basis as well for lawyers in terms of recovery?

Mr. CARDWELL. No, there are some limitations.

CONTINGENCY FEES PAID TO LAWYERS

Senator KENNEDY. There is a 25-percent contingency limitation, but generally, if you are batting 50 percent on it, it seems to me it is an invitation for the attorneys to get on into this.

Mr. CROUCH. The attorney's fees must be approved by the agency. The attorney must submit a request for a fee indicating the services he provided, and then the agency evaluates those services and makes a determination with respect to the appropriateness of the fee.

Senator KENNEDY. What is the average?

Mr. CROUCH. It depends very much on the level at which the award is approved. If it is approved at the initial—

Mr. CARDWELL. Well, stay on the high side.

Mr. CROUCH. I am really not sure what it is at the hearing—

Mr. TRACHTENBERG. At the hearing level it is about \$700 per case. We paid out approximately \$7.5 million in attorneys' fees in 1974.

Senator CHILES. What did that run as a percentage of the recovery that the attorney made for the client?

Mr. TRACHTENBERG. I do not know.

LEGAL COSTS TO CLAIMANTS

Senator CHILES. If you paid out \$7.5 million in attorneys' fees, how much did you pay out in claims?

Mr. CARDWELL. We do not have the figure in our heads, but we can get it to you.

Senator CHILES. I would be interested in seeing it for the record. [Subsequently, Mr. Cardwell supplied the following information:]

For Fiscal Year 1974, legal fees were paid in 9,152 cases (8,774 retirement, survivors, disability and health insurance, and 378 black lung cases). The amount of past due benefits paid to the claimant from these same hearings was \$24.2 million. The legal fees paid to representatives were \$6,147,554 (\$5,906,633 retirement, survivors, disability and health insurance, and \$240,921 black lung).

Mr. TRACHTENBERG. I should clarify the term "paid out." It comes out of the claimants' retroactive benefits.

Senator KENNEDY. Then the claimants have to pay \$700 out of payments that are legitimately theirs.

Mr. CARDWELL. Also, a lot of these are lump-sum payments, which are in themselves invitations to a higher fee on the part of the attorney.

Senator CHILES. But you have to approve the attorney. He cannot charge a higher fee to them than you approve. You have to approve it.

Mr. CARDWELL. For it to come out of the check. Now, he can charge them off to the side and there is nothing we can do about that—is that not illegal?

Mr. CROUCH. Yes.

Senator CHILES. It is illegal.

Mr. CARDWELL. Could I make one point before answering Senator Kennedy's question? I am not certain that you were aware that the State agency makes the initial decision of disability. That is not done by the Social Security Administration. That is done in each of the States by a State agency, usually the State vocational rehabilitation agency, under standards and instructions and rules that we establish, but the—

Senator CHILES. Then you pick it up from there?

Mr. CARDWELL. We pick it up. The idea was that the process should have a second party working somewhere at arm's length from the Federal agency.

PRIORITIES IN REFORM

Senator Kennedy, in a quick list of major problems and areas that need first attention, I put the hearings and appeals process first. I put the disability program second, and I put the SSI program third.

In other words, I think those first two problems in the long term

are more significant for the future reputation of the Social Security Administration than for SSI.

I think SSI is manageable; I think we will learn how to manage it; we are learning every day, and I just think we will make that one work.

The agency must concern itself with its employees—their attitudes, their capacities, their productivity. Now, the last year obviously is not typical, but we worked our people just to the bone during the early months of SSI and into last summer. People went without vacations; they reconditioned their economy to the overtime, which eventually some day is going to have to be taken away from them, and already has been in many cases.

There are just a whole number of employee attitudinal problems, and we must concern ourselves with them. There are a lot of horrible examples of employee concerns.

In fact, one of the things that surprised me in my time in Social Security is the frequency with which our own employees will complain to their Congressmen rather than to management. In fact, we have analyzed the record of congressional inquiries and their sources and a lot of them are from our own employees. That tells us something that we have got to get on top of.

Last, I would add to my list—we need to make an investment in the long-term updating of the social security basic systems. Everybody has been very complacent about social security systems through the years, and I think they have been allowed to deteriorate.

In this regard, we have a special project which we hope will become a Presidential initiative. It will be presented to the President this summer as part of the next budget process. It is to make a significant investment and major overhaul of all of our basic systems, particularly automated systems, from top to bottom as a separate, autonomous project.

This effort would take 4 or 5 years and it will take investments of millions of dollars, but I would urge it upon, not just the Congress, but I would urge it first upon the Secretary and the White House.

Senator KENNEDY. We will look forward to hearing more about that.

HOW LONG FOR REFORM?

And just finally, before yielding to Senator Percy, what are we supposed to tell the individuals in my State, in any of the States, when we know in so many instances they have to wait anywhere from 7 months or more to receive any kind of benefit? What are we going to tell them—that we are going to straighten it out in another couple of years? Do we promise them that in 2 years the system will expedite their claim?

There seems to be an extraordinary issue of equity involved here, and I think we all bear a very heavy responsibility for it—I think both the Social Security Administration and the Congress does.

I know you are making every effort, and you have been very candid with us about the steps that are being taken. I am sure we are going to hear from the other groups later on about the efforts that they are making, but I not sure that we can just go back and tell these people: "Just wait a little while and be a little more patient." So many of them are in absolutely desperate situations.

Mr. CARDWELL. I agree. I would say two things. I would first divide the people into two groups: Those who act as advocates and spokesmen for the beneficiary group and who have expressed their concern and watch and monitor our performance. I would say to them: "We think the record shows that we have passed the critical points; keep an eye on us to be sure that we sustain and improve performance." There should be confidence in an improved future.

METHODS OF RELIEF FOR CLAIMANTS

Now, the individual beneficiary—and he is the one we are all most concerned about—I think I would say to him several things. In any of these processes, if he has an extraordinary problem, I frankly think that if he can get to us and we can get to him—where we can communicate with each other—that we do have the capacity to work them out. That approach breaks down, you know, if the numbers become too large, but let us look at some of the things that we know we can do.

Regarding the initial claimant, we have the authority to give him up to \$100 at the time of application. If he is disabled, we have the authority to make a presumptive decision, to look at him in a summary fashion and reach a conclusion—to presume from what we can see—that he is probably disabled. If we think he is, we have the authority, under the law, to make payments to him for 3 months.

If he is someone whose claim was taken and approved but somehow got caught up in the system and did not get paid on time or in the right amount, our local offices have the authority to issue one-time payments. If the person comes in with his problem, or if someone else comes on his behalf, our local offices—and these are things we have improvised in the last year—have some capacity to give them relief.

We have capacity to put him in touch with the State agency. We asked the Congress, and the Congress gave us a change in the law which, with an applicant's written consent, permits us to reimburse a State or a political subdivision thereof any time it makes an advance payment—perhaps out of their general assistance program—on behalf of an SSI claimant whose claim is pending.

In the hearings and appeals process, it is more difficult to pick the cases out and react to them because the cases are assigned in pattern to individual judges; they tend to take them as they get to them. But even then I think if someone would tell us about a given troublesome situation, we would do our very best.

That is the only answer I have for you.

Senator KENNEDY. Are you implementing that in any way? Is that a matter of practical experience?

Mr. CARDWELL. Yes.

Senator CHILES. On the extraordinary problem, I think that certainly your office and your people work with us very well when we call a case to their attention. We get tremendously fast results, usually.

But concerning what is happening in my State now, it is not the extraordinary problem any more. It is because of the numbers, and

this is in SSI and in other claims, as I said—medicare and medicaid, too.

My concern is for those people who do not know how to call their Congressman—who do not know how to get in touch with a Senator. I see the amount of time that we can cut when they do call us. In this country today, you should not have to call your Congressman or you should not have to call your Senator in order to get a fast or immediate response.

ELDERLY "DO NOT HAVE A LOT OF TIME"

And when we start talking about time, as Senator Kennedy has pointed out, to someone who is 75 years old, they do not have a lot of time. So when you are talking about 6 months to them, that is a lifetime, because they might not live that 6 months. And while we can hope that you are going to get the bugs out of the system—generally, I think we look at it in overall terms, how soon and what kind of progress is made—I think what we are trying to point out is that Congress, I think, stands willing to give you any kind of help and assistance that we can give you to see that we do not go 5 years before we get this thing working; that we do not go 3 years, if there is a way of doing it in a shorter period of time.

And I think, from the testimony and what you have said today, every request for manpower has been met by the Congress. Our concern is that you are not asking for enough or you are not finding the reasons and saying: "This is where we need the help so that we can get the job done now"—because we really have a credibility problem with our older people. They just say: "There is not much reason to have a law and say that I am going to receive these benefits when I cannot receive them." And in my State it has really broken down to that extent, and that is the real feeling that they have.

Mr. CARDWELL. Your State has always been a very difficult one to serve in terms of the transient, older population and the concentration of eligible population. Obviously we have had troubles there, and I agree with everything you say. I certainly cannot in any way disagree.

I would mention, though, it may well be a fact of life that we are going to have to reckon with, not just in SSA, but in Congress and government generally. This is why I think the idea of simplification has become so important both in the long and short term.

Senator CHILES. Have you made a request to us for simplification?

Mr. CARDWELL. No, sir; but we are working on some, and this is receiving the attention of the White House. You know, we kicked a few shins, and people are pressing us now: "Come forward with your simplification ideas."

Senator CHILES. I pressure you, too.

Mr. CARDWELL. I would mention one political problem—and I say "political" for this reason: Most simplification that is considered through the political process, starting at the executive branch and moving over to Congress, tends to invite a leveling off upward. In other words, if we say we want to correct an inequity—let us say there is a provision in the law designed for equity and it turns out

to be very complicated and reaches very few people. You decide that you would serve more people more efficiently if you eliminate it. The executive branch says:

Fine, we will go for that. Eliminate it. That saves some money. We are trying to control the budget.

It comes over here to the Congress and the Congress says:

We do not want to eliminate this. We cannot cut a benefit back in the name of simplification and efficiency. Let us raise all the benefits up to that equity level.

The executive branch sits back and says:

That is exactly what the Congress will do when they get their chance.

And, so, everybody hesitates and there is a lot of milling around when you come to the issue of simplifying a Federal benefit program, and here we are swimming in the vortex of that current. But I can assure you that we are going to work hard on it, and I think we understand the process and how it works.

I would mention, going back to my fact of life a moment, that our scale is now so significant that it touches everybody and it touches every Congressman. If we operated at 99.99 percent efficiency—which we do not—on an annual basis, you are talking about having missed 300,000 people. In terms of money, you are talking about having mis-spent \$70 million. We are just now talking about such large numbers that this has become commonplace.

Senator CHILES. At some future date I would like to have an opportunity to discuss that kind of program, but I do not think we are discussing that today because I think the situation has been going in the other way.

Mr. CARDWELL. That number is beginning to swell; that number has been swelling very steadily, and the awareness of it started to develop at about the time that SSI, black lung, and the doubling of the disability caseloads occurred. All those things happening at one time has created a shock to the congressional and public conscience about social security service. That is my view.

CASEWORK LOAD QUADRUPLED

Senator CHILES. Well, I can just tell you from my experience, which is just starting 5 years now, when complaints or claims come in the mail—there certainly were claims in the years 1971 and 1972, but going into a part of 1973 and into 1974—this not only doubled, but quadrupled in our office, and it quadrupled in the field. It now is the thing that occupies the vast majority of the time of my staff.

Mr. CARDWELL. More congressional staff time is spent on social security matters than any other aspect of government, as far as I know.

I agree with you; it is the result of the backlog in disability, the backlog in hearings and appeals, and the arrival of the SSI implementation all at the same time. But underlying it all, also, is this steady swelling of the numbers—the basic numbers. I am not disagreeing with you. I am really agreeing with you.

NEED FOR AN OMBUDSMAN

Senator KENNEDY. Just before leaving this point, would it make any sense to have an ombudsman in these various offices to try to

weed out these hardship cases, those that are particularly deserving?

Mr. CARDWELL. I would like too have a chance to talk to some local managers more than I have on that subject. It is something that we have talked about several times among ourselves. It has been entertained in the past several discussions.

Mr. Mode, do you have—

Mr. MODE. We are doing that, Senator. In every office, whenever there is one of the very, very severe cases, the operations supervisor—there is a manager, assistant manager, and the operations supervisor—who is the most knowledgeable, handles every one of those cases, and must. We are trying to lick that—the very difficult cases.

Senator KENNEDY. Besides just having one of top people handle the more difficult cases.

Mr. CARDWELL. You are talking about somebody who would be independent of the basic work force and acts as an advocate.

Mr. MODE. We do not have that.

Senator KENNEDY. Could you take a look at it—particularly at this time?

[Subsequently, Mr. Cardwell supplied the following information:]

Previously, the agency has given consideration to the feasibility of establishing an ombudsman or ombudsmen a number of times and has always concluded that it would not really be an effective way of serving its beneficiary and consumer population. However, given the circumstances of the moment, we will reexamine this question and will start by looking at opportunities for one or two experiments to test the feasibility of this and related approaches to improved response to consumer complaints and problems.

We will communicate back to the committee as to the timing and placement of these experiments.

Mr. CARDWELL. Right. We have tried to develop what we call critical case procedures so that we can flag certain kinds of cases and they will run on a different track, but that concept will only work when the numbers are controllable. You can overwhelm the track, too.

Senator KENNEDY. We have seen it used in some of the hospitals up our way—Massachusetts General Hospital, for example with regard to patients' complaints about their bills and other matters, and it has made a very significant difference. It has made a very important contribution in terms of the payment and service mechanism and, I think, the quality issue as well.

We are going to submit some detailed questions we would like to get to you.

Mr. CARDWELL. Mr. Chairman, I think you are going to end up knowing much more about this than we do. And I think the exchange of information that you have requested will be useful.

LONG DELAYS IN PROCESSING APPLICATIONS

Senator KENNEDY. Senator Percy.

Senator PERCY. Mr. Cardwell, I have just two questions. The hearing this morning has been very helpful, indeed, but I would like to put into the record and advise you and your colleagues of the principal problems that Illinois is experiencing, which I do not think are atypical of other areas.

The aged, blind, and disabled applicants for SSI must wait months for their applications to be considered. In Illinois, before SSI became

a Federal program, applications for public aid were required by Illinois law to be approved or disapproved within 60 days. Now SSI applicants must wait 6 to 14 months to have a decision made. When an applicant appeals a denial of his application, another 6 to 8 months sometimes pass before notice of a hearing is given.

Hearings are always set initially in Chicago. SSI recipients are many times unable to travel because of disability or cost. To have an appeals hearing rescheduled in the applicant's community requires a few more months. The application and appeals process thus may take more than 1 year.

The burden of proof of eligibility for SSI is on the applicant. Because of disability or lack of education, SSI applicants are too frequently unable to assemble necessary documents to prove eligibility.

This rather summarizes the negative side—the gripes that we have been processing.

I think, from your standpoint, the value of these hearings can be—as I think Senator Chiles has tried to show—to reassure you that it is our job to back up and support what you need to do the job.

Here we are creating hundreds of thousands of public service jobs, in a sense make-work, just to keep people busy—get them busy on something. Yet, here we have a really necessary service, a great human need, and we have manpower in our offices responding to requests for help on individual cases from Senators and Congress people. We would rather have that staff available for other things or eliminate the cost. I hate to think of what the cost is for us to bird dog and for you to bird dog all of the individual requests that you get from Congress.

It gives people the feeling that they really do not get anything, as Senator Chiles has said, unless you have a Congressman or Senator pushing it through for you, and we do not like that feeling. We want the feeling that Government—the executive branch—is responsive to these needs and we want to see that you in the Administration get all the tools you need.

The other consideration is that the longer the delay, the greater the inhumanity to the people involved, and the worse effect it has on the economy. Here we are issuing rebate checks for money that we do not have, that Secretary Simon is going to have to go out and borrow, to give rebate checks to people that do not need it. They are going to scratch their heads and wonder why, with all that debt down there, they are getting back this check to somehow stimulate the economy. Yet we have unprocessed applications; we have people with human needs who would quickly put that money, because of their lowest possible subsistence level, right back into the economy.

So those are the inconsistencies. I do not offer that as a criticism. This is a program we are working on together, and I just want you to know that we would really be sympathetic to backing up and supporting whatever you need.

BENEFIT OVERPAYMENTS

I cannot recall that I have ever had a complaint in the area that I am going to mention, but I hope it will be an area that you can clarify. I cannot ever recall getting a complaint from someone say-

ing: "I am being overpaid. I am getting too much. My check is too big. I do not deserve this amount. Do something about it."

I am sure when they get a notice from you to come down to discuss their benefits, and if they suspect that they have been getting overpaid, they are worried about their liability.

Could you clarify for us just exactly what the regulations are, requiring or allowing waiver of recovery of SSI overpayments, if the overpaid person is without fault, if recovery would defeat the purpose of the program or would be against equity or conscience? And can you also describe what the moral responsibility is, or possible legal responsibility, if an individual can clearly see or knows that he is being overpaid—let us say he is suddenly getting twice as much as he expected. What is his responsibility to report that back?

Or, if it is a matter where you pretty well determine that they have been overpaid, but through no fault of their own—and you really do not suspect that they could have known—what is their liability, if any?

Mr. CARDWELL. Well, approaching the last question—the last aspect that you mentioned, namely, the person's liability—that question really centers on the latter question that we would deal with as to whether there was good cause. In other words, if we found that a person had every reason to know that he had been overpaid, we would use that as a starting point, and then we are obliged to attempt to recover. We would then, of course, look at his capacity to repay us, and that would determine the way in which he would repay it, and the time period, and the like.

Senator PERCY. Does the person have a chance for a hearing?

Mr. CARDWELL. Yes. I was going to emphasize that. It has not always been so—and others will correct me if I am wrong about this. In the regular social security program you have a chance for a formal, or even an informal, hearing at that point, but the courts have recently dictated that if a person is notified that he has been overpaid, he must at the same time be notified that he can have, and obtain, an informal hearing at the claims-taking point. He can come forward with a representative, if he likes, and have an informal hearing as to whether the Government had a basis for contending the overpayment. Even if he is dissatisfied after that, he could avail himself of other opportunities.

But, to very simply state it, if we find that it is against the basic purpose of the act or would be against good conscience, we would not recover and would waive the overpayment.

In any event, we would take into account the beneficiary's capacity to repay in establishing a repayment plan, and we have, I think, quite adequate authority to do that to fit individual needs.

Senator PERCY. Have you clarified which party has the burden of proof that the recipient was either not overpaid or that he is, within legal limits, not to be paid?

Mr. CARDWELL. I think the burden of proof is gradually shifting to the Government to establish the basis for contending that he was overpaid.

INCONVENIENCE OF HEARING SITES

Senator PERCY. I see. The last question pertains to SSI hearing examiners serving Illinois. They normally require an appellant to

appear in Chicago. You're familiar with the geography of our State. Chicago presents a barrier to those downstate, not only psychologically, but also from a practical standpoint. They do not necessarily read Chicago newspapers; they look at CBS out of St. Louis; they read the Post Dispatch and the Globe Democrat more than even the Chicago Tribune; and they go there for many things. Chicago is 400 miles away; St. Louis is close.

I am not sure I understand how you are organized. When someone appeals and says he wants to appear some place else, and arrangements are made, it seems to take quite a long time. Is there any way of speeding that process up and making it more applicable to the actual geography and conditions inside the State?

Mr. CARDWELL. Well, in some social security matters the tendency has been through the years to take the service to the people. On the claims end of the process we have literally thousands of offices around the country.

In the hearings and appeals process I think we have about 160 points around the country, but I would like Mr. Trachtenberg to speak specifically of Chicago, if he can.

Senator PERCY. Well, it may be that I misunderstand how it works. With that many, you ought to be able—

Mr. TRACHTENBERG. One of the problems with SSI, Senator, is the fact that a number of our hearing examiner officers that would be located on the outskirts of Chicago have not been opened yet because we are still bringing in new groups of hearing examiners.* I should hope that within the next year part of that problem will be rectified.

I might be able to consider some way of offering to claimants the possibility, when they get the notice of hearing, to indicate promptly if they would like a hearing closer to their residence.

Mr. CARDWELL. We will look at that. It is quite a legitimate question.

Senator PERCY. I realize in the early stages of the program it is very difficult immediately to implement everything. But I view it as a growing problem, a terrific cost barrier, as well as the handicaps and delays involved, to other people. Bureaucracy is really one of the things that irks them. Again, it is a lack of understanding, and they get very frustrated. The older we all get, the more exercised we get about some of these things that seemingly should be simple to solve.

And with this kind of an explanation, we can certainly carry back the word that within a year or so more convenient offices will be available in Illinois.

Mr. CARDWELL. Less than that.

LENGTH OF TIME FOR PROCESSING CLAIMS

In the matter of carrying messages back, could I, with your permission, refer you back to your overview of how SSI looks in Illinois? One of your first points was that a person has to wait 6 to 14 months for his initial claim to be adjudicated.

I really think that picture is a picture that is now about 5 months old, and I think if we were to take the picture today, I do not think

*See appendix 2, item 3, p. 1067.

that it would be anything like that. I would like to have a chance to double check it, and I will, but I just want to make that point.

[Subsequently, Mr. Cardwell supplied the following information:]

For overall processing time, which is from date of application to final award or denial notice preparation, the March 1975 data indicates:

	Total claims	Aged claims	Blind/disabled claims
Average days.....	105	87	110
Median days.....	78	54	81

For total district office processing time, which includes date of application to completion of initial development and the time required to correct exceptions, the March 1975 data indicates:

	Total claims	Aged claims	Blind/disabled claims
Average days.....	65	78	62
Median days.....	31	44	29

For total State agency processing time, which is from State agency receipt to disability decision, the February data indicates:

Average days.....	43
Median days.....	33

The travel policy with respect to claimants in the Chicago region (21 hearing offices) is the same as that of any other region.

That is, claimants are required to travel up to 75 miles to attend a hearing or within the normal business travel area of his home.

In some cases hearings may be held at a greater distance so that several cases may be heard in one location thus affording an earlier hearing for the claimant in the area. In such a case reimbursement for travel expenses will be made in accordance with standard established procedures. If the hearing is scheduled more than 75 miles from the claimant's residence or beyond the normal business travel area, and the claimant cannot conveniently travel to the designated location, the hearing will be scheduled closer to the claimant's home. If the claimant is bed-ridden or unable to travel, a hearing may be held in his home or a hospital or another institution.

In the case of Chicago, some claimants live in Iron Mountain, Marquette, Marinette, Holton, et cetera., which are located far from hearing offices, and claimants at times have no transportation or are not able to travel. In situations such as this, the ALJ will often schedule a hearing trip to a location more convenient to the outlying areas once sufficient cases have been accumulated (5 or 6) in order to justify the trip. Naturally, situations such as this are tracked carefully so as to avoid unduly delaying of the processing of claims from these areas.

On a continuing basis, the regional management support staff of BHA is coordinating with the regions to determine where additional offices may be needed as well as where existing offices might be consolidated or enlarged so as to generate a more effective and efficient operation of processing of claims.

Senator PERCY. Mr. Chairman, I will not get into this area, but I would just make the comment that as recently as last night in a question-and-answer period with 500 women representing the presidents of all the local women's clubs in Ohio, I was struck by the number of questions I had on social security and whether or not the system is bankrupt.

When you look at the hearings entitled, "Future Directions in Social Security," we have a terrific job to reassure Americans ap-

proaching retirement or on retirement now and receiving social security that the system is not bankrupt, that somehow we are going to keep it solvent and keep it, in a sense, a true trust fund.

MR. CARDWELL. As you know, that is a tremendous subject in its own right.

Senator PERCY. That is why I did not want to raise the issue.

MR. CARDWELL. It needs as much attention in many ways as this subject, although I happen to think that it is probably going to be easier to solve.

Senator KENNEDY. Thank you very much.

MR. CARDWELL. Thank you, Mr. Chairman.

[The prepared statement of Mr. Cardwell follows:]

PREPARED STATEMENT OF JAMES B. CARDWELL

Mr. Chairman and members of the committee, I am happy for the opportunity to talk to you about the supplemental security income program. I have testified before this committee previously about the implementation of the SSI program in the early months and about the successes and setbacks we had experienced in its administration. Yesterday marked the close of the SSI program's first 16 months of operations. Now that some of the newness has worn off, it is appropriate that we review what we have already accomplished in this initial venture into direct Federal operation of a need-tested income maintenance program.

INTRODUCTORY OVERVIEW OF SSI ACTIVITIES

Recipients and Benefits

Let me start with a brief summary of how the program looks today—a kind of status report. As of the end of March, 4.1 million people were SSI recipients. This is 1 million more people than were receiving benefits in December 1973 under the former State programs of aid to the aged, blind, and disabled. Of the more than 4 million SSI recipients, 2.3 million are aged and 1.8 million are blind or disabled. Two-thirds, or about 2.7 million, of these beneficiaries had been converted to SSI from the State rolls. The other 1.4 million beneficiaries are newly eligible.

During calendar year 1974 the monthly number of SSI beneficiaries rose from 3 million to 4 million. Total Federal-State spending for the payments to the aged, blind, and disabled increased by 59 percent from \$3.3 billion in 1973 under the former State programs to nearly \$5.3 billion in 1974. State expenditures decreased by \$43 million, to less than \$1.3 billion, while Federal expenditures rose by \$2 billion, to nearly \$4 billion.

Initial Claims

Of the almost 2.8 million new claims filed since the SSI program began operations, almost 91 percent, or 2.5 million, have been processed to completion, with 63 percent of the claims resulting in eligibility for benefits. In addition, there have been over 10½ million inquiries made to our local offices and telephone inquiry centers regarding the SSI program and over 22,000 SSI inquiries have been received at central office.

The Social Security Administration currently receives about 32,000 new SSI claims a week. Our total pending caseload has dropped to about 259,000 claims with about 215,000 of these involving blindness or disability which require medical determinations and review by State agencies.

Reconsiderations and Appeals

Naturally, some of those claimants for SSI who were determined to be ineligible believe that the determinations in their cases were incorrect. As of the middle of March we have received over 155,000 requests for reconsiderations of eligibility decisions on new SSI claims. Ninety-five percent of these requests were based on medical determinations regarding disability cases. As of this same time we have received 38,000 requests for formal hearings filed by individuals who were not satisfied with the reconsideration results. To meet this workload we have had to recruit and train 279 hearing examiners and adminis-

trative law judges and are continuing to seek additional qualified personnel for these positions.

Redeterminations

Another major segment of our workload is the making of periodic redeterminations of eligibility for and amount of SSI benefits payable to individuals already on the rolls. As you know, this redetermination process is an ongoing administrative task; determining a person's eligibility is not a one-time-only job. With respect to the redeterminations for individuals converted to SSI from the prior State programs, to date we have completed over 1.2 million of these redeterminations, with another 1.3 million redeterminations remaining to be done by the end of 1975. Our offices also handled three-fourths of a million other posteligibility actions in March, such as changes in a recipient's income or living arrangements, which increased the total of such actions for the last 6 months to 3.8 million.

Systems

The kind of operation I am describing is highly dependent on extremely complex automated data processing systems. The SSI automated systems had to be designed and developed from the ground up. Tailor made to the program's requirements, the SSI systems are constantly undergoing efforts to upgrade capabilities so that we may automate that portion of our processing which is currently being handled in an improved fashion.

State Supplementation, Medicaid, SDX

As you know, operating the SSI program involves more than paying Federal benefits under a uniform, flat-grant payment standard approach. The law permits and encourages States to supplement SSI for some people and requires States to do so for others, and in either case provides for a State to choose to have the Social Security Administration administer the supplementary payments.

We have negotiated contracts for Federal administration of State supplementation of the Federal benefits in 28 States, and our negotiations are of a continuing nature. In 17 of those States there is Federal administration of both the mandatory and optional State supplements, while 11 States have Federal administration of the mandatory supplementary programs only.

There is no uniformity from State to State in the supplementary programs. Optional State supplementation is designed to permit States to meet needs as they perceive them, and the result is a variety of differing supplementary payment amounts. Mandatory supplementary payments are designed to maintain the December 1973 income levels of recipients converted from the previous State programs of assistance to the aged, blind, and disabled on an individualized basis. These factors contribute a high degree of complexity to the administration of the State supplementary programs. Many of these complexities are ones that we have to live with since they are not susceptible to administrative measures directed toward more efficient operations; they are complexities built into the programs by law.

We have also entered into agreements with 27 States under which we make determinations of eligibility for the State Medicaid programs for SSI applicants. In addition, many States that did not opt for federally administered State supplementation of federally prepared determinations of Medicaid eligibility have signed agreements with the Secretary under which SSA and the State will exchange eligibility and payment data that both parties need to administer their respective programs. Regardless of the type of agreement between us and the State, there is a need for exchanging data between SSA and the various State agencies. We have developed an electronic data processing system for this purpose, known as the SSI/State Data Exchange System, or SDX.

Quality Assurance

In addition, we have had to provide for the necessary management tools with which to analyze our performance. We believe we now have the foundation for an effective quality assurance system in place to permit us to assess our performance by allowing us to measure the accuracy of payments being made and the identification of error-prone factors so that corrective action may be taken.

Other Activities

I don't want to overemphasize these workload related efforts at the expense of such critically necessary administrative activities as the development of policy

and the writing of regulations and instructions. Although involving a small percentage of the total manpower related to the implementation of SSI, these areas have been among the most important in enabling us to deal consistently with the administration of this complex nationwide program.

From the beginning we have made efforts to reach potential eligibles and inform them about the new program. These efforts began long before the January 1, 1974, starting date for SSI. We worked very closely with State and county welfare departments and with local and national organizations interested in the aged, blind, and disabled so that they could inform their constituencies. As the starting date approached, outreach efforts were intensified, and a campaign called SSI-Alert was begun under the sponsorship of the Administration on Aging.

We have also been using a direct mailing system to contact 5.2 million individuals whose social security benefits are low enough to indicate possible eligibility for SSI payments.

OPERATIONAL PROBLEMS IN THE SSI PROGRAM

Adequacy of Claimant and Beneficiary Services

SSA, quite frankly, has been facing a number of significant administrative problems. Perhaps most significant has been the impact of the SSI implementation on agency operations. I want to mention at this point an area of concern that extends over both the social security and SSI programs—that is, the rising number of disability claims and claimant appeals of all types with resultant backlogs in both areas.

We are aware of the growing concern about the adequacy of our response time in the processing of both claims and appeals. We have worked hard to catch up and are, at this point, clearly making inroads in the disability backlog. There were 251,000 applications for social security disability insurance benefits pending as of March 31, 1974. The backlog has been reduced to 196,000 as of March 31, 1975. Over the same period, the disability claims backlog in the SSI program has been reduced from over 400,000 to 215,000 applications pending. This is still higher than we like, but we are now processing claims faster than they are being received consistently month after month. With the additional resources now under consideration, we believe we can bring the backlog under full control by the end of fiscal year 1976, even in the face of steadily rising workloads.

The picture is not good with respect to hearings and appeals. Unlike the disability claims area, which has shown a steady decrease in cases pending, hearings requests pending in SSA's Bureau of Hearings and Appeals actually have increased since the beginning of the year. The present level is over 110,000 cases as compared with over 77,000 on June 30, 1974. *The most urgent business of the Social Security Administration is to bring this hearings backlog down as quickly as possible.* Regrettably, this is not going to take place very soon. We are hiring and training additional administrative law judges and other related personnel and have made and are continuing to make improvements in productivity. The problem is so great, however, that it is likely to take many months to reduce waiting times for hearings to more nearly acceptable levels.

Processing Times for SSI Claims

Our most recent processing times show a median processing time nationally of 39 days for aged claims and 75 days for disability claims. In Massachusetts, processing times are 35 days for an aged claim and 85 days for disability claims. These processing times, however, are not representative of how long on the average it will take to process claims filed today. These processing times are biased toward the high side because they reflect large numbers of old claims cleared in recent months.

The total number of claims pending has been reduced from 390,000 last September to 259,000 presently. This is a net reduction of 131,000 cases—and during a period when we received over 815,000 new claims. Claims have been coming in at a rate of about 32,400 a week, compared to about 35,400 cases cleared per week—a net gain of about 15,000 to 20,000 claims per month.

Probably the best way of looking at our present capacity to process new claims is to compare the average number of new claims being received to the total number of claims pending. Today's pendencies represent about 30 days' worth of receipts for aged-65 cases and 70 days for disability cases. Therefore, on the average, an aged person filing a claim today can expect a decision on his claim

in about 30 days and a disabled applicant could expect a decision in about 70 days.

Factors Contributing to Processing Delays

Operating experience alone has revealed many shortcomings which we are in the process of correcting. One shortcoming revealed was the need for added staff. The President has approved 10,000 new temporary and term employees to help reduce pending workloads and processing time. This additional staff along with our much improved systems capability should bring SSI's operations and that of this agency to a normal level.

Space has been another critical factor in serving the public. We increased the number of district and branch offices we had before the passage of SSI from 959 to 1,280. That is a third more offices spread around the country. We acquire all space through the General Services Administration. Last July, for budgetary reasons, a freeze was placed on all space acquisition activity. This freeze has now been lifted. We are working with GSA to resolve our most critical space problems. A great part of our progress in processing claims has been in the systems area. Initially our computer systems and high-speed communications equipment failed to perform as well as expected and necessary to meet the demands of the SSI program. Time did not permit proper testing before going operational. Legislative changes and last-minute options exercised by many States further complicated systems planning and implementation. Recipient conversion data supplied by many States was faulty.

Many of our transitional problems were one-time in nature. There are still many problems to be resolved, but we have the know-how and the hardware, and they will be solved.

The processing of blind and disability claims offer unique complications. There are inherent delays in the disability determination process. Consultative medical examinations must frequently be scheduled (usually at Social Security's expense). It takes several weeks to arrange for the examination and then it is not uncommon for the applicant not to appear for the examination. In addition, the medical reports resulting from these examinations are often very slow in coming.

The rollback amendment signed December 31, 1973, seriously affected the processing of new disability claims in 1974, especially in the first few months of the program. We redetermined the disability of some 167,000 converted beneficiaries at a time when the State Disability Determination Services were already taxed by heavy workloads. The "rollback" cases have been completed, and the processing of disability claims is much improved although not yet at the level we want. As an example of the improvement in processing disability applications, last September we had about 108 days' work on hand; today we have about 70 days' work on hand.

Replacement of Lost or Stolen Checks

One of the problem areas that has given us concern involves lost and stolen checks and the replacement of these checks. During the first months of the new program as many as 200,000 persons reported to district offices that they had not received an SSI check which they had expected. It was difficult to sort out those whose checks had been misdirected, lost, or stolen from those which had not yet been issued in those early months. Moreover, we soon realized that the SSA/Treasury check replacement system was not as responsive as the ones previously employed by the States.

In cooperation with the Treasury Department we have established and now have in operation an expedited system for SSI which is intended to replace a lost or stolen check within a week. Marked improvement has occurred since we began this arrangement late last August. The time involved in replacing a check has been significantly decreased from an average replacement time of 3 to 4 weeks to a current average of 7 to 10 days. Adding to the improved situation is the fact that now only about 20,000 instances (one-half of 1 percent of checks issued) of reported nonreceipt of SSI checks in any month require action by the Treasury Department. (In 1974, an average of slightly over two-tenths of 1 percent of the 28 million monthly social security cash benefit checks issued were reported to Treasury as not received.)

STEPS TO IMPROVE THE PROGRAM

Automation of Operations

We will still have to develop automated post-entitlement systems for many SSI situations, and we still have a great deal of work to do on our billing pro-

cedures for determining State supplemental payment costs. Much of this work is still being done in an improvised fashion, but we have both the know-how and plans for its eventual automation.

Improved Appeals Processing

I have already mentioned the very serious problem presented by the volume of requests for hearings and appeals in the SSI as well as the title II program. In the SSI program nationwide, there are 72 pending requests for hearings filed by the aged claimants and 29,422 pending requests for hearings filed by claimants for benefits on the basis of disability or blindness. In Massachusetts, there are 507 hearings pending, all of which involve issues of disability or blindness.

Forty-three percent of all SSI requests for hearings nationally and 54 percent in Massachusetts involve concurrent applications for SSI and social security and therefore must be heard by an administrative law judge, rather than an SSI hearing examiner.

As mentioned, we are hiring and training additional administrative law judges and other related personnel and have made and are continuing to make improvements in productivity. The problem is so great, however, that it is likely to take many months to reduce waiting times for hearings to more nearly acceptable levels.

Streamlining Operating Policies and Procedures

We are changing a number of policies to make the program more responsive to the recipients. By revising the criteria for application of the presumptive disability provisions we were able to increase the frequency of placing recipients in pay status before a final decision on their claim. This is evidenced by the fact that in the week of April 17, 1974, 59 presumptive disability determinations were made as compared to 2,405 made the week of April 16, 1975. Applications can now be taken from those soon to be released from institutions so that their first check coincides with their date of release. An SSI beneficiary may now select the category under which he receives benefits according to whatever is most advantageous to him.

We are also studying possible changes in the claims process which would allow faster delivery of the first check. These changes include perhaps eliminating complete verification in areas proven to be of extremely low risk and moving to postverification of selected items where experience has shown the needs of the applicant can be balanced against the integrity of the program.

SSA STAFFING

In organizing for the implementation of the supplemental security income program, it was decided that it would not be established as a separate program with its own separate claims taking, processing and adjudicative staff. In other words, with but one exception, there is no separate organization or staff for the SSI program. The claims taking and adjudicative processes are operated by generalists, and this activity is but one of a number of claims taking and adjudicative functions performed by SSA employees at various levels. The exception involves the Bureau of Supplemental Security Income which is a separate organization established to plan and generally oversee the SSI program. The Bureau of Supplemental Security Income has separate and identifiable staff located at headquarters and among the ten SSA regional offices. (The current strength of the Bureau of Supplemental Security Income, excluding SSI quality assurance activities, is approximately 500 employees.)

The total number of positions requested and authorized for the SSI program in the latest revision of the President's Budget request for FY 1976 is 23,800 positions compared to 86,648 positions for all of SSA. This total includes 10,000 temporary and term employees recently approved by the President to alleviate personnel needs brought on primarily by the SSI program. SSI has accounted for the bulk of the additional staff authorized for the Social Security Administration since 1972, when planning for the program began. Of the near 31,000 position increase at SSA since 1972, only 7,251 positions have gone to the other programs.

CONCLUSION

Lastly, I want to emphasize the depth of our concern and our strong commitment to continuing to work toward improvements in our operation. We are

mindful that a diminution of our services cannot be allowed to continue beyond a reasonable period. We will do whatever is necessary to avoid impairment of what I see as the traditionally high standard of service that has distinguished SSA among Federal agencies. We have received support and encouragement from the Congress in these efforts and the prospects are good, I believe, for steady progress.

Senator KENNEDY. Our next witness, Mr. Clyde Webber, is the president of the American Federation of Government Employees. And let me also welcome Dan Kearney.

Let us get started. We will put your whole statement in the record.* We would appreciate a summary. The hour is getting late and we want to give you a full opportunity to make your comments.

STATEMENTS OF CLYDE M. WEBBER, NATIONAL PRESIDENT, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, ACCOMPANIED BY DANIEL J. KEARNEY, NATIONAL VICE PRESIDENT; LOUIS PELLERZI, GENERAL COUNSEL; CARL SADLER, LEGISLATIVE REPRESENTATIVE; CLARA SHAUGHNESSY, PRESIDENT, NATIONAL COUNCIL AFGE SSA BDOO LOCALS; PERCY DALEY, PRESIDENT, AFGE LOCAL 1164, NEW ENGLAND SSA BDOO COUNCIL; ELLEN ZWIERZYNSKI, DELEGATE, NEW YORK-NEW JERSEY COUNCIL SSA BDOO COUNCIL; STEPHEN KOCZAK, DIRECTOR OF RESEARCH; LOYD GREGORY, SECRETARY-TREASURER, AFGE LOCAL 1164; AND COLLEEN BRADY, EXECUTIVE VICE PRESIDENT, AFGE LOCAL 1164

Mr. WEBBER. Thank you very much.

I would like to introduce my associates here. On my left is Mr. Pellerzi, general counsel of our federation; Mr. Stephen Koczak, who is director of research; Mr. Gregory, secretary-treasurer of Boston local 1164; Mrs. Brady, executive vice president of local 1164; National Vice President Dan Kearney from the Boston area; Ellen Zwierzynski, delegate to the New York-New Jersey Council of AFGE; Clara Shaughnessy, president of the National Council of AFGE field locals; and Carl Sadler, legislative representative.

I would like you to know that also in the audience is the president of our national council of payment center locals covering all of the Social Security Administration payment centers. Mr. Jones; and Joseph B. Rosenberg, president of our local 1923, social security headquarters, representing some 20,000 Social Security Administration employees.

Now, I would be pleased to summarize our statement here.

As indicated in the introduction of our prepared statement,* we represent most of the employees of the Social Security Administration. They are part of the more than 675,000 employees the American Federation of Government Employees represents throughout the U.S. Government. We work with all of the agencies in the Federal service, and I would like to say I have never met a group of more dedicated,

*See p. 1029.

sincere people who are proud of the work that they do and who are trying to do a fine job for the American public.

We are particularly concerned about two items in our testimony. One of them has to do with the things that we talk about with a view to improving management. Those are the fundamental problems. We meet with them periodically. We had two meetings within the last year.

I feel that sometimes in these meetings we are more in a management-type meeting than we are in a labor-management meeting. The confrontation is on trying to get certain things done. Our people want the management to do their job better.

IMPROVING MANAGEMENT OF SSA

We have talked about training, especially the inadequate amount of training facilities which were available in the early stages of this supplemental security income program, including the inadequate training supplies. Many of these stem from regulations which prohibited or delayed the issuance of necessary training materials. There were delays in the receipt of necessary manual inserts which these folks have to apply in their work with the clients of the agency, with the result that these created conditions in which the clients had to wait weeks for determinations.

We had incidents early in the SSI program where there were near riots, particularly in the New York-New Jersey area, when the claimants were taken off of the program because they did not meet the Federal requirements.

There were inadequate waiting room facilities in some locations in the wintertime and it was necessary to hire buses for people to sit in to keep warm while waiting to get their claims processed.

These circumstances are of great concern to the employees of the Social Security Administration, just as they are to the management people who were here before.

I think that probably the thing that has caused the most problems is the matter of inadequate staff. It seems that the "numbers game"—at least that is what we call it—which is played by OMB in keeping the number of Federal employees at a certain level is the overriding consideration as far as the White House and the Office of Management and Budget are concerned.

Here in this current budget document, which was issued by the administration and sent up to Congress some weeks ago, it shows that the actual employment of the Social Security Administration in 1974 was 71,254 people; in 1975, 71,049; and it is anticipated that it will be reduced to 70,865 in fiscal year 1976. The actual facts, of course, are different. We have heard the actual facts from Commissioner Cardwell.

The number that we received yesterday are that there are 82,351 employees on board as of now. There are more than 11,500 more people on the rolls than the budget submission to Congress indicates, but the problem is that many of these people are temporary.

The latest authorization which was requested and received was for 6,000 term employees and 4,000 temporary employees. Now, the ap-

pointment of temporary and term employees reduces the rights of such employees. First, from the standpoint of the benefits which they are entitled to receive through Federal employment; second, from the standpoint of being eligible for promotion in acquiring career rights.

All of these things are things which are problems to the people who are sitting around the table with me here.

If a job comes open, a permanent employee can fill it and a temporary employee cannot fill it. They can fill only the job for which they are hired.

TRAINING AND OVERTIME PROBLEMS

Now, we have been on this subject with management for more than 6 months. We pushed as hard as anyone did to try to get additional employees to alleviate the overtime problem which exists in the Social Security Administration. I have been told that there were more than 5 million hours of overtime worked within the Administration last year. There are more than 88,000 man-hours authorized each month now.

People who work in local offices are required to work overtime. The workload is so heavy that there is no time for training to take place during the regular work hours. But there are also prohibitions to conducting training on overtime. Consequently, the offices are closed during regular work hours in order to make training time available; and people have to work overtime to try to keep the workload up. Even though they are working as hard as they know how, and they are dedicated people, the backlog continues to increase. Although it may be at a plateau now, this is what it has been over the last year or so.

Now, we are also deeply concerned that HEW interposes itself between the Social Security Administration and other agencies in trying to get things done. I could give you two examples: When the SSI program was introduced, great additional responsibilities were placed on the claims authorizers. At our convention in Florida 3 years ago, in August 1972, we had a meeting with Social Security Administration folks. They advised our members that there would be a reclassification of their jobs by the first of the year, that is, by January 1973.

Well, by the first of the year, HEW had it so tight in the sack that there was serious demoralization across the country on the part of the people who felt that they had bona fide commitments in regard to adjustments in their pay.

We finally got the logjam broken—I believe it was in about February of the following year—and we did get the material through HEW and finally got the Civil Service Commission—it was about June of the following year, some 9 or 10 months' delay in getting this one processed.

Now, we have just gone through another exercise, and this one was in futility, for the data review technicians, some 4,000 people in the claims office who are doing quite complex work. At least the Social Security Administration classification people felt that it warranted an upgrade of one grade. It went through the HEW classification

people for an upgrade of one grade, and then we find that the Civil Service Commission, Mr. Poe and his group, has just denied it in an advisory opinion some 3 or 4 weeks ago.

These situations cause serious morale problems within the organization. The people are required to work overtime and they are required to take on new responsibilities—they have workloads which are almost unbelievable, and they cheerfully try to do these things—then as a “reward” they are penalized in their pay checks.

So what we would really like to see would be to get this program out from under the hands of the Department of Health, Education, and Welfare and let the program administrators deal with the White House and with Congress as independent agencies. Let them come up and make their own presentations, have their own discussions with you in regard to needed manpower without having the constraints that they have while they are under the Department of Health, Education, and Welfare.

Senator KENNEDY. There will be many things we will agree on, but this is certainly one of the more important aspects of it. You are to be commended in taking the position.

CRITICISM OF ADMINISTRATION POLICIES

Mr. WEBBER. We feel that Mr. Weinberger is a long way from us philosophically. He may be doing what he thinks is right, but he was the head of OMB and for 3 or 4 years he restricted employment in every agency in the Federal Government. Now he has a program here which has great manpower demands and he finds himself in the position of having to go to the new head of OMB and ask for large numbers of people, and apparently he just will not do it.

And if these 10,000 or 15,000 or 20,000 people were needed now and were on the job now and then there was a systems change as recommended by Commissioner Cardwell this morning—and he made it very clear that it was an assumption that a systems change would reduce the workload where they could eventually meet these manpower requirements which are indicated in the 1976 budget—in an organization of 80,000 positions, attrition could more than take care of this.

In the meantime, there is no good reason to deny the agency the opportunity to recruit people from the appropriate Civil Service registers and bring them into the career service and give them all the rights and benefits that other Federal employees have and let them begin their careers and begin to feel that they are a part of the organization and mission of SSA.

If they are working on an 8-month, 9-month, or 12-month appointment or a 24-month appointment, you can certainly be sure that they will not have the same attitude, the same outlook, or the same direction that people have who have appropriate career appointments.

Now, those are the substantial things which I have selected from our statement. If you would like to ask us some questions, I have people here who work for the agency and I am sure they can give you the answers from the employees' standpoint.

Senator KENNEDY. Is it your position that if you had received the additional personnel initially requested and had the additional train-

ing programs for these personnel, that many of the subsequent difficulties, delays, and inequities would have been dramatically reduced?

Mr. WEBBER. There were a number of delays that I think were just inherent in the situation.

In the meetings which we had with the administration officials, we learned that they had to improvise as they went along—meet the problems as they went along—and they were doing this. But there was also at the beginning a request for more manpower to OMB and to the HEW than they received. I think that the people from management who were just here would agree with me on that.

The training was not what it should have been, and part of it was caused by the unanticipated heavy workload. If it had been better, and I think we would be a lot closer to a good program and still have the kind of reputation that the folks in the Social Security Administration have had all the time—this is one thing they are proud of. If you have talked to any of them, I am sure—

Senator KENNEDY. They have every reason to be, and I think the country is proud of them as well.

Mr. WEBBER. There is one other thing I would say. I had a meeting—this started about 18 months ago—I had a talk with our people and I was concerned that maybe it was possibly the philosophical differences between the people who were in charge of the Government at the top and the people who work for the Social Security Administration, the people who feel like I do. The social security program is a great thing for our country and the improvements that have taken place are worthwhile improvements. I raised the question in our closed group as to whether maybe the Nixon administration was trying to discredit the social security system by letting it do a bad job.

Senator CHILES [presiding]. Because a vote has just started and is in process, we will just continue on. Senator Kennedy will go vote and I will go when he gets back.

Mr. WEBBER. Senator, you understood the point that I made there, that I had a concern that the Social Security Administration had done an outstanding job for 40 years, and that if people wanted to discredit the Social Security Administration, there would be no better way to do it than to give them inadequate resources to carry out a very complicated task.

PROBLEMS IN ROXBURY

Mr. KEARNEY. Senator, I would like to cite one example—Roxbury. In spite of the vast increase in the workload, which went from 400 pending cases to 1,200 pending cases, the staff was not increased proportionately and it went from five claims representatives to eight claims representatives—now, remember, these are new and untrained. Further, these representatives were not given access to the proper equipment, the Roxbury office was not assigned a social security data acquisition and response system. In other words, the office could not get to that big computer down in Birmingham, and this machine has the capacity of instant recall of the approved cases from the computer. It is understood that many offices are still without this type

of equipment. They have got to have this type of recall. They cannot be going to the teletype because the computer does not respond very well to the teletype.

So there are equipment problems; there are problems of room as far as office space goes, and things of that nature.

Senator CHILES. When you raise these equipment problems, what kind of answer do you get as to why they do not have any equipment?

Mr. KEARNEY. How about that, Colleen?

Mrs. BRADY. We were promised access equipment in 1974—they keep promising us and we have not gotten it yet. This was the machinery that would have gotten us into the computer.

Senator CHILES. We indicated that we would submit some other questions for the record, and I would like to see if we could find out how many regions there are where they do not have equipment and what the problem is in regard to equipment. I cannot understand why there would be a reason for this long delay for that.

Mr. WEBBER. I was going to introduce Ellen here. This young lady works in the social security office and has worked up a paper here which shows some of the differences between the regular social security claims activity, what is expected under SSI, and why the problems are as intense as they are.

Senator CHILES. If she has a report that she has worked up on that, we would be glad to include the report in the record.*

YEAR'S TRAINING LOST

Miss ZWIERZYNSKI. I would just like to make one point as to what the nationwide staffing patterns are going to do to my particular region. I am from New York-New Jersey area. I am representing the New York-New Jersey Social Security Council.

Now, going back to January of 1974, we were the worst hit. Our New York City offices were the ones that had to have the buses outside. Our New York City offices were the ones that had to close at 10 o'clock every morning because we did not have enough people to interview—there were just hundreds and hundreds of people. The doors would close at 10 o'clock and people would be given numbers for the next day.

Now, we have just been told of our new staffing figures by our local management. Currently we have 5,003 career Federal employees in our region. We are told that this figure must come down to 4,655 career employees. And currently we have 648 temporary employees. That has got to come down. We must go down to 576 temporaries.

But to replace this, what we will get is 613 term employees. That is not going to do us very much good. We went through hell to train these people that we have on duty right now. We had people who came with the agency and after 3 weeks of training during our crisis period it took us a year to train them and now they are going to be "rifed" out because we are over our temporary ceiling.

The situation is not getting any—

Senator CHILES. Will they be reclassified as term employees?

Miss ZWIERZYNSKI. What we have been told by management is that this cannot happen.

*See appendix 2, Item 4, p. 106S.

Senator CHILES. Cannot happen?

Miss ZWIERZYNSKI. Cannot happen. Civil Service, in a meeting with the New York-New Jersey congressional delegation, told us this would defeat the purpose of the civil service system and this could not be allowed.

We had asked for an extension to convert these employees and we were denied this. At a meeting of the New York-New Jersey congressional delegation a representative of the Civil Service Commission said that the reason for this was that it would defeat the purposes of the civil service system to do such a thing. We pointed out that we need these people right now, but we are not going to get them.

The difference between the 648 and the 576—those people have got to be "rifed," and once their 1-year appointment is up, they are gone.

Senator CHILES. I do not understand how that in any way would—

Miss ZWIERZYNSKI. We are not getting any better in New York and New Jersey. In approximately February of 1974, Mr. Bynam, the director of the Bureau of District Office Operations, spoke to us at a meeting of the New York City social security employees and told us that by April or May of that year the workload would be a lot lighter—we would be in much better shape.

Then in January of this year, Mr. Bynam spoke before the meeting that we had with the New York-New Jersey congressional delegation and told us the situation was getting better very quickly.

For us, it has never gotten any better. It is just getting worse. We do not have the crowds any more, but we still have the problem cases. Just because we do not have 500 people coming in at 8:30 in the morning does not mean that we do not have problems.

Senator CHILES. Do you still have a lot of overtime work?

Miss ZWIERZYNSKI. Yes. Many offices are now, for the first time, going into mandatory overtime. The offices that are going into this are suburban offices, and the reason is, for the last year and a half they have been detailed out of their own offices into the city impacted offices, and now this has got to be switched around because, as you know, we have depleted their staffs. Now they are tremendously backlogged. So what we do is we shift personnel.

We have had more people on details all across New York and New Jersey, taken from their home office, and we send them to an emergency office where the problems are bad. Then that office that we have taken them from becomes worse, and we have to do that all over again.

Senator CHILES. I hate to interrupt. We have come to the halfway mark on the vote, so I am going to have to leave.

Another problem, staff tells me that we have to vacate this room in 35 minutes for something else. I think we will try to submit some questions on this for the record to see if we can get some answers from you.

I want to tell you how much we appreciate your testimony and I am sorry that we got so rushed for time here.

Our next three witnesses, I think if they would just come to the table and we will take them as a panel. Senator Kennedy will be back, and I will be back as soon as I vote.

Mr. DALEY. Senator, could I just get one thing in? We cover the Boston social security—the Boston region in New England. I just wanted to say that I was interested in Commissioner Cardwell's re-

marks that he felt that the Administration needed to pay more attention to employees, and I would just like to say in that connection that there is a theory, a system called labor-management relations, and I would suggest that maybe this is an area that ought to be looked into a little further.

Senator CHILES. Thank you, sir. Your prepared statement will be put into the record at this time.

[The prepared statement of Mr. Webber follows.]

PREPARED STATEMENT OF CLYDE M. WEBBER

We are most grateful to the Special Committee on Aging for the opportunity to appear before you to provide data concerning major problems related to the aging.

The American Federation of Government Employees, AFL-CIO, is the largest organization of Federal employees in the United States. We represent more than 675,000 Federal employees in exclusive units recognized under Executive Order 11491. Because our membership includes Federal employees in virtually every department and agency of the United States, we are deeply involved in keeping abreast of every phase of American life.

We are especially well informed on the problems of the aged for two reasons. First, because we are the exclusive representative of most of the employees of the Social Security Administration which disperses over \$80 billion in income security funds, primarily to the aged. Secondly, we are deeply concerned about the erosion of confidence in a heretofore unblemished reputation of the American social security system.

What is needed most of all at this time is a presentation of facts, as distinguished from propaganda. We welcome this hearing because your Special Committee on Aging is a factfinding committee and will refer facts to the legislative committees. We are appreciative of this opportunity to discuss a most unfortunate situation now existing in the Department of Health, Education, and Welfare and the Social Security Administration regarding the aged, which needs immediate correction.

We would also like to call these facts to the legislative committee of the Senate. We understand that of the 17 standing committees of the Senate, 13 are concerned with the problems of the aging. Of these, the three with which we are most familiar are the Committee on Labor and Public Welfare, the Committee on Finance, and the Committee on Post Office and Civil Service. We believe our testimony will be of special interest to those committees also and, with your permission, we should like to transmit copies of our statement today to those committees.

SUPPLEMENTARY SECURITY INCOME

The immediate subject matter of this hearing concerns the problems which have arisen in administering and implementing the supplementary security income program enacted by Public Law 92-603.

From the outset, these have been massive and multiple. Yet, from the outset, most of these problems could have been avoided through proper planning.

I shall not recount the pitiful situations which developed in January and February of 1974. In those months hundreds of aged, blind, and handicapped stood outside the social security field offices in the cold, waiting to be processed. In some instances the only solution was to hire heated buses to use as waiting rooms until the social security interviewers were ready to receive them. Proper planning could have avoided this.

Today, the situation may be less dramatic than the winter months of January, February, and March, 1974, but the actual situation is just as serious. Unless steps are taken quickly, the aged, blind, and handicapped will continue to suffer delays in scheduling interviews, in having their claims processed, and, most tragically of all, in receiving money rightfully due them.

WHERE DOES THE PROBLEM LIE?

The grievousness of the situation is manifest—yet the solution really is rather simple. The problem does not lie in defining the analysis or prescribing the

remedy. The problem lies simply and solely in the bureaucratic strategies and policies of the White House, the Office of Management and Budget, and the Department of Health, Education, and Welfare, which imposes inertia and frustration on the Social Security Administration.

Almost all the difficulties in the implementation of the supplemental security income program derive from the impediments interposed by HEW and the White House on the management of the Social Security Administration. Had the Social Security Administration existed as an independent agency, the great proportion of the difficulties which we now confront would have been resolved years ago.

With your permission, I should like to insert into the record of this hearing as annex 1*, the statement by the AFL-CIO of August 6, 1974, calling for the creation of an independent Social Security Administration. That statement outlines the social, fiscal, and administrative considerations which justify the immediate creation of an independent Social Security Administration.

PHILOSOPHY OF THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

The Department of Health, Education, and Welfare has pursued a consistent policy of "disincentive" in the matter of an efficient and rapid accomplishment of the goals enunciated in the Social Security Amendments of 1972 (Public Law 92-603). I shall hereafter describe some of the specific methods through which this policy of disincentive has been pursued. However, I should first like to discuss the basic philosophic approaches of the managers of HEW toward discharging Federal statutory obligations to the aged.

It is germane to your hearing to realize that the present Secretary of the Department of Health, Education, and Welfare, Caspar W. Weinberger, is imbued with the philosophies developed by the Nixon administration in the Office of Management and Budget. That philosophy, pursued assiduously by the Office of Management and Budget since its establishment in 1970, is to give precedence to money matters over the rights of human beings. Even today the major preoccupation of the Office of Management and Budget is to reduce the standard of living of all Americans in order to preserve the standard of value of money. I need cite, for example, the well-published policy of President Ford to limit cost-of-living increases to social security pensioners to 5 percent in outright default of Public Law 92-336 enacted by Congress as recently as July 1972. On June 12, 1972, Mr. Weinberger became Director of the Office of Management and Budget. He was the second person to hold that office, succeeding George Shultz, who was named Secretary of the Treasury. On July 2, 1970, he had become the first Deputy Director of the Office of Management and Budget with primary direct responsibility for the preparation of the Federal budget. Thus, he had served more than 18 months in the Office of Management and Budget before becoming Secretary of Health, Education, and Welfare. It is not unfair to say that the policies he has pursued, both at OMB and HEW, have been to give priority to budget and fiscal considerations at the cost of law and the rights and needs of human beings.

May I therefore suggest that your committee accord special consideration to the impact of two most unfortunate circumstances when you come to judge the achievement and the failures of the supplemental security income program. The first is the serious institutional impediments imposed on the Social Security Administration through its subordination to the Department of Health, Education, and Welfare. The second is the hostile philosophy pursued by the present management of HEW regarding social services to the aged.

I believe that once these two considerations are properly understood the origins of many of the problems I shall discuss hereafter will become much more evident.

FACT VERSUS PROPAGANDA

It is unfortunate that the submissions of the Federal budget to the Congress are no longer factual. There are huge distortions in the document for fiscal year 1976, primarily to make it appear that the problems of the country arise out of its expenditures for social programs. Another distortion is to conceal the amount of Federal positions which are being "contracted out". The third distortion is to understate further, as far as possible, the employment situation

*See appendix 2, item 5, p. 1070.

in certain Federal departments in order to justify the massive dismissals which are being planned in them in the future. This is done through the practice of hiring temporary employees.

These distortions are patent in the budget submission concerning the Social Security Administration. I ask your permission to include, as annex 2,* an extract from page 997 showing the detailed description of permanent positions allegedly authorized for fiscal years 1974, 1975, and 1976.

As that extract shows, the total permanent employment in the Social Security Administration for the 3 fiscal years is as follows :

Fiscal year 1974 (actual) -----	71, 254
Fiscal year 1975 (estimate) -----	71, 049
Fiscal year 1976 (estimate) -----	70, 865

All these data are inaccurate.

The fact is that as of April 11, 1975, the Social Security Administration had 82,351 employees. And the President, the Secretary of HEW, and the Administrator of SSA are all aware of this fact.

How shall we account for a situation where there are almost 11,500 more employees on the rolls than the budget submission to Congress indicates?

When the Social Security Administration was confronted with the huge task of executing the SSI program, its Bureau of District Office Operations correctly estimated the need for 15,000 more permanent positions. However, the White House decided to deny these, insisting there should be no increase in permanent positions but that the program should be conducted through the use of (a) term appointments, and (b) the development of a new simplified system of procedures requiring less manpower, bringing total manpower needs back to the 71,000 level. This would require legislation.

In consonance with this philosophy, OMB and HEW developed a program for the authorization of only 11,500 additional employees (instead of the 15,000 requested) distributed as follows :

Term employees -----	6, 000
Temporary employees -----	4, 000
Permanent employees -----	1, 500

The 1,500 permanent employees are actually not new employees authorization but result from exempting SSA from the previously required reduction of 2 percent of permanent work force, an attrition applied to all other departments and agencies in the Government.

But, though the foregoing figures are already sufficiently confusing, I must point out that even those figures do not represent the reality. To the best of my knowledge, as of April 11, there were 82,351 employees in SSA, of whom 74,301 are permanent, but operating under a ceiling of 72,365; and there are 6,292 temporary employees, operating under a ceiling of 7,176. This would indicate that SSA will be under pressure to reduce its permanent staff by approximately 900 positions while in the process of expanding its temporary positions by the same amount.

As a footnote, I should like to point out that in 1972, the Social Security Administration had only 1,804 temporary employees out of a total staff of 57,913.

Under these circumstances, it is obviously difficult for Congress and the American public to really know the structure and staffing pattern at the Social Security Administration. We believe this is a state of affairs that should end. We also believe that the quickest way to end this is to establish the Social Security Administration as an independent Department in the Federal Government, with direct access to Congress.

VIOLATION OF CIVIL SERVICE REGULATIONS

The Classification Act of 1949 clearly establishes the categories and classes under which Federal personnel are to be employed. The provisions of this act were established by Congress in order to enable all departments and agencies to pursue a consistent policy of recruiting, promoting, and compensating Federal employees for work of similar levels of difficulty. A further consideration was to provide management with an effective objective tool to measure accomplishment of mission through the efficient use of personnel.

*See appendix 2, Item 6, p. 1071.

Since the creation of the Office of Management and Budget in 1970, however, the philosophy and the spirit of the Classification Act has been under attack by that Office. A major role in this attack was carried out by the present Secretary of HEW, Mr. Caspar Weinberger. Part of the strategy of OMB was to interfere with the operations of the Civil Service Commission and to impose upon it budget considerations in disregard of the Classification Act of 1949. This was done under the slogan of eliminating "grade creep." As a consequence, many departments and agencies were required to downgrade Federal employees by reducing their classifications through arbitrary actions. Alternately, these departments resorted to hiring temporary employees who can be deterred from requesting proper classification of their jobs.

The role of the Department of HEW is carrying out the policy has been especially damaging to the Social Security Administration. I have already cited the circumstance that there are more than 6,700 temporary employees, of whom approximately 4,200, or 12 percent of all personnel, are involved in the SSI programs. I should like to review the specific problem of temporary employees and classification disputes that have arisen.

TEMPORARY EMPLOYMENT

Another facet of SSA implementation of Public Law 92-603 involved adequate staffing requirements to handle the vast workload of cases generated by the program transfers from the several States to SSA.

During the January 16, 1973, meeting with AFGE representatives, SSA officials advised us that SSA would hire thousands of temporary employees during the latter part of 1973. SSA officials also stated that an increase in overtime for the current staff would be required during the transition.

Employment of temporary staff is recognized as an inadequate solution. Since there is a limitation of 1 year on employment of temporary employees, the recruitment, training, cost, and proficiency acquired of such personnel is lost to SSA upon expiration of such appointments. Each succeeding year it is necessary to replace the previously trained temporary employees with a new group of temporaries.

The training costs, alone, are astronomical. For example, training costs for temporary employees in just the New York region for fiscal years 1974 and 1975 was \$277,664.67 and \$192,047.50, respectively. This included student salaries, instructor salaries, per diem, and rental of space. This could be multiplied many times when one considers the number of SSA regions.

The SSA recently acquired authority to use term employees, an employment category which permits filling positions that will last longer than 1 year but are clearly of a project nature and will terminate upon completion of the project. This is not the rational solution to the problem, only another stop-gap. The SSA programs are of a continuing nature and any solution short of adequate staffing only delays that eventual requirement.

The DHEW concern for monetary values in preference to human values is shown by Secretary Weinberger's decision to delay an outreach program under SSI program for 1 year. Certainly the underprivileged public in this category desperately need all assistance available and to which they are entitled.

The critical manpower problems of SSA are recognized by the administration by the following excerpt from the budget for fiscal year 1976. Under limitation on salaries and expenses, it is stated:

"The administrative costs of the social security trust fund programs and the SSI program are covered by a single appropriation. However, a general fund reimbursement is made to the trust funds for the SSI administrative costs. The appropriation for 1975 is \$2,126 million and is projected as \$2,373 million in 1976. It covers the costs of claims processing, maintenance of beneficiary rolls, payment of benefits, and adjudication of appeals.

"In 1975, a supplemental appropriation of \$121 million is being requested mainly to cover the costs of the October 1974 pay raise (\$42.6 million), additional manpower needed to handle the rapidly expanding social security workloads and SSI State agency costs. This manpower will come from increased overtime work and from 11,500 additional temporary positions. These new positions will be available through fiscal year 1976.

"The underlying cause of SSA's need for more manpower is the SSI program. The manpower required to carry out this program was gravely underestimated

in the 1975 President's budget. Furthermore, data obtained from the States were less reliable than anticipated, and SSA was too optimistic about its ability to handle the SSI program through automation. SSA's necessary concentration on this new program both in district offices and data processing organizations strained its capability to perform its ongoing functions. Backlogs have developed in other program areas (such as requests for hearings and disability claims) as manpower is diverted to work on the SSI program.

"The temporary positions are expected over the next year and a half to aid significantly in reducing current backlogs and increasing social security's ability to respond to the beneficiaries' needs."

CLASSIFICATION

The SSA should have authority to determine its organizational structure, to determine the types of positions necessary to accomplish its mission, and to grade such positions in accord with published Civil Service Commission position classification standards. Since there are a substantial number of like positions in the field service of SSA, any classification (pay) promotion of employees requires review and concurrence by DHEW and the CSC. This results in inordinate delays because each of the reviewing authorities can and do require extensive justifications and further data before final approval. Further, either DHEW or CSC can reject the material submitted for approval or disapprove the upgrading proposals of SSA.

On this particular point, we would like to present several examples of unnecessary delays on the part of both DHEW and the Commission to the detriment of SSA in its effort to properly compensate its employees for work assignments. The positions classification staff experts at SSA apply the same position classification standards as other Government agencies, yet their work must be reviewed and approved before implementation. The SSA position classifiers have firsthand knowledge of the work performance, either by site review, discussion with responsible officials, or review of major program changes and objectives. In comparison, the staff of DHEW only conducts a review of documents submitted for approval without the degree of review and knowledge possessed by the SSA staff: This results in such delays.

On January 16, 1973, representatives of AFGCE met with officials of SSA and DHEW on the problems of implementing Public Law 92-603. The discussion included impact of program changes under Public Law 92-603, on the proper classification structure of various categories of employees. One of the categories involved the proper grade and pay of claims representatives, GS-9, whose positions were last reclassified in 1963.

The agency (SSA) was concerned with the morale of the staff and indicated that such positions warranted reclassification to grade GS-10. It was evident that DHEW (parent agency) was opposing the upgrading and blocking efforts of SSA to submit a request to the Commission for review as required by FPM letter 511-6.

It was also evident that heretofore SSA had site-audited the job in question and by application of classification standards recognized the appropriate grade as being GS-10. Further, SSA advised that funds were available to pay those employees under existing appropriation. Therefore, it was evident that outside forces were forcing SSA to take a position contrary to their original position.

We would appreciate the opportunity to enter into the record, as annex 3,* more specific detailed information on the points emphasized in this presentation on classification problems apart from the data review technician.

SUMMARY AND CONCLUSION

In recapitulation, I believe it is more than evident that a crisis exists and will grow more serious in meeting the needs of the aged. This crisis is largely the result of two circumstances: the one institutional, the other political.

Institutionally, the subordination of the Social Security Administration to the Department of Health, Education, and Welfare has impeded speedy access to the White House and to Congress by those officials in SSA who are responsible for carrying out the mission mandated by Congress. The only solution to this institutional problem is to establish SSA as an independent agency.

*Retained in committee files.

Politically, the decisions of the Office of Management and Budget are disrupting all rational planning regarding current and future staffing. Until the Congress clearly states that the SSA functions must be carried out by permanent civil service personnel, inefficiency, demoralization, and mismanagement will predominate. The swiftest solution also to this problem is the establishment of SSA as an independent agency with a right to appear before Congress to present its own budget proposals.

At the outset, I indicated that it is fortunate your special committee is a fact-finding body. I am most grateful that we have been given the opportunity to bring these facts to your attention. I assure you of our most sincere intention to assist you in every way to assemble all the material you need for further communication to the legislative committees of the Senate which have jurisdiction for initiating the reforms that are necessary.

In conclusion, I thank you on behalf of the American Federation of Government Employees for this opportunity you have given us to testify today.

Mr. AFFELDT [presiding]. We shall now hear from Walter Cross, Mrs. Lena Edgar, and Andy Rosenblatt. Andy Rosenblatt will be our lead-off witness.

STATEMENT OF ANDREW ROSENBLATT, STAFF WRITER, MIAMI HERALD

Mr. ROSENBLATT. Since the committee is in a hurry, I will let my prepared statement stand as submitted.*

I would also direct the attention of the committee to the series of articles that appeared in the Miami Herald** last month which I think tell the story that I will be telling here today.

What I would just like to do is read some of the letters that I have received since these articles appeared. We received 400 letters from our readers within a week after the series ran, and the ones I am about to read, although they may sound particularly poignant, were not selected because they were unusual, but because they are very similar to others we have received.

The people who wrote in to tell us they do not have enough money to live represent the rule, not the exception.

I might also add for the record that the number of letters we have received from people who have problems with social security were not limited to people who are receiving supplemental security income benefits, but extend to all involved with the Social Security Administration.

Those letters that we do receive regarding the SSI program are primarily from people who cannot obtain benefits and who are complaining about the long delays they must endure before their appeals are heard. We have received many letters from SSI recipients who have been approved for benefits complaining that they were approved for benefits but they have not received them. That is the sort of complaints we have been receiving from people drawing regular disability and widows' and survivors' claims.

PROBLEMS CAUSED BY APPEAL DELAY

The first letter I have was sent to the Miami Herald and also to Congressman Dante Fascell from Thomas A. Hendricks of Miami. Mr. Hendricks was completely paralyzed from the waist down due to a

*See p. 1037.

**See appendix 2, item 11, p. 1078.

wound sustained during the Vietnamese war. He was receiving disability under the SSI program and he gave that up because he would rather pursue a job. This is a man who is in the prime of his life and he would rather be working.

He tried to work and he was unable to; he then came back and applied for social security benefits again. He was turned down and has been waiting now for approximately a year for his appeal to be heard.

This is an excerpt from his letter :

Although I am an attorney licensed to practice law in Florida, I am not employed by anyone at this moment, nor do I have any prospects of employment.

I have worked as an associate attorney in a Miami Beach law firm, under the care of at least two physicians, for the past 7 months due to the extreme nature of the pain in my legs and buttocks—only because Social Security would not restore my disability benefits. I was forced to work in extreme pain because I needed a source of income and the Social Security Administration would not guarantee that I would receive any benefits. They stated that they could only consider my application if I was no longer employed.

I would ask you, as a reasonable, prudent person, if you had filed an application for reinstatement of social security disability benefits and supplemental security income based upon a 5-month period of unemployment and had not received an answer or even a hearing in 1 year, whether you would quit a job no matter how much pain you were forced to tolerate or if your employment rendered you unable to receive any physical therapy whatsoever.

I served my country as a combat infantryman in Vietnam when my country asked me to do so. I cannot help but feel that my country, by and through its elected and appointed representatives, has studiously ignored my pleas for help at a time when I need help the most.

I admit that I am not physically capable of holding down a full-time job and have had to refuse three jobs on those grounds.

The conclusion is inescapable: that I am permanently and totally disabled and incapable of performing substantial gainful employment. On that basis I should be reinstated as promptly as possible or that I, at least, be afforded an opportunity to be heard on the matter.

The only way Mr. Hendrick's letter really differs from the others I received regards his service during the Vietnam war. We have received many, many letters from people who have heart ailments, who have had diseases that leave them unable to work, people who are in such poor and frail physical health that they cannot even get to the Social Security office under their own steam.

I would like to read another letter, if I might, from Lillie Mae Trapp, of Miami. Miss Trapp has applied for supplemental security income benefits and has been waiting for almost a year to get them approved.

This is from Miss Trapp's letter :

Starting on July 1, I applied for my social security—again in December; both times in 1974.

I have been out of work for 14 months and I have been repeatedly denied my social security. I have worked hard for 35 years. Now I am unable to work and I cannot get any cooperation from anywhere. I am at my wits' end. I have worked as a maid all my life. I have a fourth-grade education. I am not qualified to do any other work other than physical labor.

For 20 years I have invested all my earnings in buying and maintaining a modest three-bedroom house to make a home for myself and my two children. Since that time I have maintained myself and my two children adequately.

Since I have been ill the children have offered to stop school and help, but, unfortunately, there are no jobs available to them now; it would mean that they, too, may be in my shoes later on.

The doctors say that I am able to do light work. I am not able to use my

right arm. If someone could tell me what kind of light work I can do and would be hired to do, I would be glad to do it.

After 35 years of hard labor and 20 years of putting my earnings into my home, I am going to have to give up my home and go—where? How would I ever pay the rent? What am I to do?

I have paid taxes and social security for 35 years and now I cannot rely on what is rightfully mine.

Would you please help me? I do not know what else to do.

I have spoken with Mrs. Trapp's doctors, who both have certified to the Social Security Administration that she is not able to physically endure work as a maid or any other work.

Mrs. Trapp also says that she has tried to get light work and has been unable to find any.

This is the sort of letter that we get at the newspaper all the time. It is the sort of thing that prompted us to do the series of stories. The complaints are from all parts of Dade County, from all parts of south Florida, and are sent to us for a variety of reasons.

BENEFIT OVERPAYMENTS

In fact, I am sorry that Senator Percy is not here because I do know of two people who have received more benefits than they were due from the Social Security Administration—people who have tried to return these benefits and have been unable to. They have spent months trying to get the record corrected without success.

One of the people, by the name of Mrs. Mildred Dornfest, lives in northwest Dade County. I personally escorted her to the North Miami Beach Social Security Office just to see what would happen. She has received social security checks for the entire year of 1975, although she has never asked for them.

She mentioned the fact that she was not entitled to all of these checks but the workers at the North Miami Beach Social Security Office told her to deposit the checks until they could get the thing straightened out.

There was another woman who wrote us a letter about having been without work for some time. She later went back to work and she tried to get her social security benefits terminated but was unable to do so. I cannot recall her name offhand, but a picture of her appeared in the Miami Herald with a handful of social security checks held out in front of her—all the checks this woman had tried to return.

That is about it, unless you have some questions.

Senator KENNEDY [resuming chair]. I do not know whether you had any reaction to some of the comments we heard from the Commissioner of Social Security earlier today as to what they are trying to do in terms of meeting some of these criticisms, and whether there is anything based upon your own knowledge and based upon your own study that you feel is responsive to the kinds of problems that you have heard here. We are all looking for ways to improve this.

This type of situation is not the fault of Congress not being responsive to the problem. We are obviously not administrators, but it is important that the system function and work.

Having listened to Commissioner Cardwell for a couple of hours, I do not know whether you have any reaction you would like to share with us.

MR. ROSENBLATT. I do not really want to comment upon the Commissioner's statement because I do not think it appropriate to my role as a journalist.

"FRUSTRATED" BY LACK OF STAFF

I will mention, however, that the people who are servicing the social security recipients in south Florida are eminently aware of these problems. They are frustrated about the lack of staff that they have. They are not able to replace people who have left. Apparently there has been an across-the-board job freeze that has affected all Federal agencies, and left these people more than a little frustrated.

They know the sort of job they feel they can do if adequately staffed; they know the sort of job that they want to do. Almost to a man, I found the people in the local social security offices to be very conscientious.

Most of the district managers in south Florida also feel that their offices are understaffed.

I would also mention that on six different occasions I went to the North Miami Beach district office to observe the functioning of a machine called the SSDARS machine, a typewriter with a video display terminal. The machine is used to request information from regional and national social security offices.

When the machine works, it is astonishing that in a matter of seconds that information can be produced. However, during my six visits to the North Miami Beach office, I found the machine was only working three of these times.

I might mention that all the letters we have received at the newspaper have been relayed to the local district offices; they have asked to receive these letters. Some of those people are working overtime to try and get these cases solved, but they tell me they just do not have the tools to do it at the present time.

Senator KENNEDY. Thank you.

[The prepared statement of Mr. Rosenblatt follows:]

PREPARED STATEMENT OF ANDREW ROSENBLATT

I am honored by your invitation to speak before the committee today. This is a rather unique experience for me. As a journalist, I have become accustomed to standing just outside the limelight and find myself more comfortable there.

My purpose in appearing at this hearing is simple. I am here at the request of the committee to provide you with some of the information and insights I accumulated while pursuing a study into the operations of the social security system earlier this year.

For the record, I would just like to add that I am not here to advocate any position or make any recommendations about how the supplementary security income program and the Social Security Administration should be run.

The Miami Herald's decision to explore the operations of the social security system in south Florida was prompted by the steady flow of letters being sent to our action line staff requesting help in dealing with social security problems.* Each of these letters told an individual story of red tape, despair, and woe that could not be ignored.

During my study, I traced dozens of these problems through the Social Security Administration, trying to determine their origin. Thus, this assignment gave me the opportunity to speak with scores of people vitally concerned with the social security system.

I have spoken with the people who receive social security checks and with the people who work to get them out. These are the people I would like to tell

*See appendix 2, item 11, p. 1078.

you about today. In a minute, I would like to read a few of the several hundred social security letters the Herald has received. They speak for themselves.

As you are undoubtedly aware, there is a heavier concentration of social security recipients in Florida than in any other State. Approximately 1.5 million Floridians or one out of every six residents of the State currently receive one form of social security or another. Just over 100,000 Floridians get supplemental security income benefits.

For many of these people, not just the ones who receive SSI, the social security check represents their only source of income. These people have no savings, no family to support them, and sometimes not enough to eat. A visit to the lower half of Miami Beach can attest to what I say.

Thus, the prompt processing of social security claims is of great importance to the senior citizens of Florida whether they are receiving SSI or regular retirement, survivors, and widows benefits.

According to substantial numbers of our readers and officials within the Social Security Administration itself, claims are not being processed and checks are not being delivered as expeditiously as they could. Claims that once took weeks to handle now take months. Lines at social security offices throughout the Miami-Fort Lauderdale metropolitan area are backed up much of the time. People, some of them in poor health, must wait for hours. Those people physically unable to go to a social security office often have to wait up to an hour and more to get through to a social security teleservice representative on the phone. I know, I have tried.

The situation I am describing is a serious one, particularly to those people who have to go through it time and again. The Social Security Administration has its own statistics about how much time it now takes to process particular types of claims today as compared to a year ago so I will not get into that.

Now, you may be saying to yourself: this is a sad situation but what does it have to do with the supplemental security income program? The answer given to me by social security claims representatives, computer operators, and district office managers in Miami, Birmingham, Philadelphia, and New York is plenty. It is their contention that inadequate time was set aside to prepare for the absorption of welfare programs previously administered by States and replaced by SSI.

Their contention seems to make some sense. Within Dade County, Fla., there are 44,000 people, many of them Cuban refugees, drawing SSI benefits today. That number represents about 20 percent of all people in Dade receiving social security benefits.

The bulk of these people were thrust upon local social security offices at the inception of the SSI program. Some offices have still not fully recovered.

During my research, I was able to discern a general trend which showed that complaints about social security service seemed to center around those offices which handled the greatest number of SSI claims, though all offices had their share. Offices with large numbers of problems included the downtown Miami district office as well as the Hialeah and Allapatah branch offices.

The reason for this, social security workers and administrators tell me, is not complex. They say that while the SSI program has increased their workloads, the number of workers employed by the Social Security Administration in Dade County has actually declined due to a job freeze. Since I have seen no figures regarding the number of social security workers in Dade County, I must take their word for it.

Last fall, new and sophisticated equipment was installed at the three social security district offices in Dade County for the express purpose of speeding the processing of SSI claims. The equipment has been of only limited help.

I am speaking of the SSDARS system which can transfer a request for information from Miami to the southern regional program center in Birmingham and back again within seconds. That is when it works. I have seen these computers on several occasions. As often as not, the machines were down because of technical problems and problems in handling overloads.

This is the same system that the Social Security Administration plans to use for handling other types of claims in the future. I do not mean to imply that the Social Security Administration doesn't know what it's doing or that their SSI operation has been a failure. Most claims are handled rapidly and without trouble, but a significant number are not.

As our readers, local social security workers, and even Commissioner Cardwell have told me, the system is not now working as it should.

With your permission, I would like to insert just a few more of our readers' letters

From Bonnie Allen of Miami, Fla.:

"Dear Sirs: I sincerely hope you can help me with my problem in getting my social security benefits. I put in an application in June 1974 and November 1974 (after the first was lost). I called and called the offices and was only given a runaround of when my checks would start. In January I visited the office and was told I would definitely receive my checks in February. Here it is March and I have no checks and no reply. I have called at least 25 times in 9 months and visited the office. I can't seem to get any help. I am entitled to these benefits, since my father (deceased) was a veteran, as long as I remain in school. I am a student at Miami Dade Community College.

"I have asked help in getting these benefits started through writing a few reliable sources but still have gotten no help at all.

"I only hope you can help me, please. If I do not receive these checks soon I cannot continue my education.

"Thank you."

From Ralph Bartel, Miami, Fla.:

"Regarding your offer to help with problems: I retired from the Dade County school system as of June 30, 1973. My wife did, also. Although I was eligible to receive a small social security pension, my wife had insufficient accumulations to qualify, and had to get her benefits from mine. Both of us retired before age 65, and therefore both of our benefits were reduced even more as a result. However, we knew this and accepted the results.

"Our problem is that I had earned the maximum amount necessary, in 1973, to add a full year's earnings to any benefits that were due us prior to retirement, and, to date, have been unable to get our benefits to reflect these higher amounts. I have a letter dated March 1, 1974, stating that I had total benefits withheld in 1973 amounting to \$621.60—the maximum amount required to be withheld. I called the social security office on March 5, 1974, and was told that my rates for 1974 (and my wife's, also) would be adjusted as of January, 1974 to reflect these additional benefits, probably in June.

"On July 3, 1974, I called again. I was told that it would be September or October before I would get the changed benefits.

"On October 4, 1974, I called again. This time I was told I'd get them soon.

"In February I called again. I was told I should be getting these benefits any day now.

"As of today, March 5, 1975, I still haven't received any notice or adjusted pay. Since this is due for *the entire year of 1974*, as well as for 1975, it's become quite a sum—regardless of how small the adjustment may have been. Fortunately, I have not had to depend on this as my sole means of income. But suppose I had? What about those poor people who depend on this as their main or sole means of support? Why should it take so long for a normal adjustment to be made? I'm sure our case is like that of thousands of others. Why the delay?

"I have the names of the individuals I spoke to, at the South Dade branch of the Social Security Office. There is no need to embarrass them for the bureaucratic delays caused by the main distribution agency. But something should certainly be done to prevent their getting the daily abuse that must be their lot. If you can help to clear up such delays I'm certain you would earn the heartfelt gratitude of many elderly and rightfully deserving people.

"Thank you for your interest and efforts on their and our behalf.

"Sincerely yours."

From Roberta Dane, Miami, Fla.:

"DEAR SIR: On August 11, 1974, my husband died. Approximately 1 week later I called Social Security about benefits, at which time they sent me forms for widow benefits and children's benefits. I filled these out and furnished Social Security with birth certificates, marriage license, record of death, discharge papers, et cetera, on September 9, 1974. At that time I was told it would take 1 week to 10 days to process this. A couple of weeks after that I called and they told me the girl made a mistake and it would be about 6 weeks to 2 months. On October 10, 1974, I received a letter from VA requesting a letter from Social Security stating how much the payments were going to be and the date of the first payment. I then called Social Security again and they told me they would look for the file and call me back (which they never did). For the next couple of weeks I called Social Security and they kept giving me the

runaround as to where it is and no real conclusive answer. I had a lawyer friend of mine call 2 weeks ago and they put in an inquiry to New York to find out what stage the file is in. New York office answered this inquiry saying they have no file being processed under this social security number. Now the local social security office tells me I must have the wrong number. (It's not, I have my husband's original card.) Now they tell me I'll have to refile this claim all over again, starting from scratch. Which means I have to send to Massachusetts in different towns to acquire birth certificates for the children. Send to New Hampshire for the marriage certificate. Send to funeral parlor for death certificate, et cetera, and his form for payment. Discharge papers and my husband's divorce decree from his first wife. This is going to take at least 2 weeks to get all this information, and then to resubmit it, et cetera, will take another 2 to 3 months. In the meantime I'm supposed to live on what? I have 4 minor children to feed and clothe and with Christmas just around the corner, I'd like to know how this will be possible with a bunch of unanswered questions and runarounds. I will greatly appreciate anything you can do to find out what the hell is going on. I realize these things take time, but how long? I just want a few legitimate answers.

"Thank you."

Senator KENNEDY. Mr. Cross, we are delighted to have you here as the vice president of the Massachusetts Association for Older Americans and the supervisor of the senior VISTA volunteer program; and a former executive of Carrier Corp. who became a VISTA volunteer in Minnesota and engaged in helping train hardcore unemployed and then returned to Massachusetts and worked with the Association of Older Americans.

We are glad to have you here, and you are accompanied by Mrs. Lena Edgar of Somerville, Mass., and we welcome you here.

STATEMENT OF WALTER H. CROSS, VICE PRESIDENT, MASSACHUSETTS ASSOCIATION FOR OLDER AMERICANS, INC., ACCOMPANIED BY LENA EDGAR

Mr. Cross. Thank you. To begin with, I think you are probably aware of the Massachusetts Association of Older Americans, and we have 20,000 members throughout the State of Massachusetts. We have our own newspaper that is mailed monthly, once a month to all of our members.

We have a VISTA volunteer program that has 77 senior volunteers throughout Massachusetts. Seventy of the volunteers are over 65 years of age. They have all received comprehensive training by the HEW-SSI office and also by the Massachusetts State Welfare Department.

Since the inception of the supplemental security income program in January 1975, they have acted as advocates and assisted in completing between 400 and 500 applications for SSI without losing one case. The majority of these were aged, but many were also disabled, and a few were blind.

PROBLEMS WITH SSI

The SSI program has been an administrative nightmare. The failure of the Social Security Administration to fulfill its contractual responsibilities has resulted in much human suffering.

The average time to ascertain eligibility after date of application

is approximately 3 or 4 months, with many cases taking 6 to 10 months.

During this waiting period, most applicants are unaware, and uninformed by the SSI intake worker, that on March 25, 1974, in the State of Massachusetts, the welfare department negotiated an agreement with SSI to accept referrals for medicaid at the time the SSI application was filed. In effect, this means that the majority of applicants, even though eligible, are denied their rights to medical assistance which is so desperately needed by the elderly and disabled for waiting periods of 4 months to a year.

When SSI applications are filed for a couple, it is not uncommon for the first name fed into the computer to be accepted and the other member of the couple canceled out by the computer, and usually this takes up to a year to rectify.

The SSI/State Data Exchange System—SDX—has been so fragmented and so confused that with the receipt of each data tape the State's data system staff has spent hundreds of man-hours just to be able to process the SDX tape. When this has been accomplished, the State find that much of the data is invalid. Hundreds of thousands of dollars of not only Federal money but also State money is being spent to compensate for this inadequacy, not to mention the havoc being initiated in the lives of aged, blind, and disabled.

In January, a class action legal suit was brought on behalf of two aged SSI applicants and one 63-year-old disabled person who had been waiting for approval of their applications for 5, 7, and 10 months. This was in the United States District Court for the State of Massachusetts in the John McCormick Building, Boston. Three days after the hearing, each applicant received an SSI check retroactive to the date of application—proof that it can be done. However, it would be an insurmountable task to bring suit for the hundreds of mistreated SSI applicants.

It would be impossible to specify in this narrative the multitude of problems, such as continual dropping of recipients by the system for no apparent reason, monthly checks with an erroneous amount, and all the other SSI problems.

Because this problem is dealing with the most defenseless and vulnerable people in our society, the inadequacy of the SSI program has created immense difficulties for many needy people.

The question now is what can be done as quickly as possible to bring the administration of the program to the efficiency and standards long enjoyed by SSA.

It is obvious that SSA totally underestimated the size and complexity of the SSI program, particularly in those States such as Massachusetts that coordinated it with the State minimum income program where income from both sources are combined in one monthly payment.

The established social security offices are operated by dedicated, long-tenure employees who were experts on social security. However, the addition of SSI with all of its complexities added to SSA was a disastrous workload to drop on the overloaded staff without more efficient planning.

RECOMMENDATIONS

New employees were inadequately trained. More training time should be added and training should be conducted at a centralized training facility and not in an operating social security office.

SSA and SSI are not compatible and are like comparing grapefruit and apples.

Intake and claims workers should not be handling claims for both programs, particularly new employees. They should be trained to handle SSI exclusively. As a matter of fact, a study should be made into the feasibility of divorcing the SSI program from social security offices.

Also, in some territories, such as Cambridge, Mass., consideration should be given to splitting the territory and establishing another separate office.

Finally, of course, lack of courtesy and rudeness, usually by new employees, has been common, probably encouraged by new employees working under terrific pressure with inadequate technical knowledge.

No later than 30 days after filing SSI applications and furnishing supporting data such as bank account, income records, house assessment value, and so forth, the concerned SSI office should notify the applicant either of the amount of the award or denial of claim. That is, a decision should be made within 30 days.

No later than 15 days after such notification or decision, the first check should be issued from Baltimore. This means an interval of not more than 45 days from date of application to issuance of check.

It should be a mandatory procedure to issue to all applicants at the time of application a form authorizing Massachusetts State medicaid assistance.

When an SSI check is lost or stolen, it should be procedure to furnish the victim with an emergency check to cover their existence level until the duplicate check is received. At present, duplicates are supposed to be issued from 7 to 14 days after notification, but are taking much longer.

Due to the fact that two-thirds of the applicants are aged, and a large percentage of the disabled are seniors, consideration should be given to hiring many more seniors for SSI work.

The senior VISTA volunteer program, operated by the Massachusetts Association of Older Americans, has proven that seniors are able to communicate with their peer age group with more efficiency and courtesy than most of the younger generation—and I am not a believer in the generation gap.

Most of the long-tenure SSA staff in the regional SSA offices are aware of the SSI problems and would welcome improvement in the manner in which the program is functioning because it affects the whole spectrum of income and health services to the aged, blind, and disabled.

In reference to this, I would like to make some comments on what was said here this morning, particularly about HEW administration. One comment was that they think the waiting periods of 4 and 5 months are over. I heartily disagree.

We get calls every day for assistance in getting a determination for applicants that applied for SSI months ago. I brought down 10 sample cases from our files. Every one of these applicants has been waiting over 5 months, some of them as long as 12 months for adjudication. I do not see any improvement.

As a matter of fact, I am very, very pessimistic the way this program is operating. I am pessimistic for two or three reasons.

I have not see any improvement since SSI was initiated 14 months ago. About the middle of last year I thought: "Maybe this thing will be cleaned up and operating efficiently by the end of the year," but I do not see anything in the works at the present time that leads me to believe that that improvement will be made.

MORE PEOPLE BECOMING ELIGIBLE FOR SSI

And, second, every day, every week, every month, more people are becoming eligible for SSI. Now, the reason they are becoming eligible is because of the fact that the average senior that must retire at 65 might hope at the most to have \$10,000 in assets and might have average social security income of \$188 monthly. They cannot live on \$188, so they must dip into their assets and by the time they are 68, 69, 70 years old, their assets are gone, their income is below the eligibility level, and they are eligible for additional SSI income. This problem differs greatly from SSA.

The same thing is true of hundreds every year that are becoming 65. They are also eligible for SSI because of incomes below the SSI income level.

So the applicants are increasing as their age increases beyond 65, and as far as I can determine, nothing is being done to create a more efficient system. To alert these individuals to their entitled SSI benefits is very important.

I have other comments, but I am afraid they would take too long.

Senator KENNEDY. Maybe we could hear from Mrs. Edgar. Would you like to say a few words?

STATEMENT OF LENA EDGAR

Mrs. EDGAR. A year ago, January 1974, I applied for SSI and they sent me a letter of refusal in February and I went back in March, and they refused me again. So then I went back in May and they said that I had a bank account that was in my daughter's name as well as my own.

Well, that bank account was not mine. It was my daughter's and put there so that I could make use of it when it was needed.

So when that was changed—my son had taken a bank loan for a car through my daughter, and my name was taken off of that bank-book.

Well, that year in July, they sent me a \$5 check—\$5.24 to be exact—around the 1st of August, and in September I received a letter saying that I was not to get that \$5.24 any more.

So it has gone up until this year, February, before Mr. Cross went in for me and got me \$62.51. It was all to do with the low rent that I was paying because it is a house that belongs to my brother. They

said that my income, from the amount of rent that I was supposed to pay to the amount of rent I was paying, and they said that my son was giving me money, which was not so.

If I asked them for money, they gave it to me to pay off my bills; I had a heart operation and I am not able to work, and I am a widow as well. So I could not see why they turned me down.

Now it has been brought before the courts twice, and I guess they have rectified it now.

Senator KENNEDY. Mr. Cross, tell us a little bit about the difficulties that elderly people have in getting some counsel to try to pursue some of their claims—their legitimate claims. We heard during the course of the morning, that in terms of appeals, they win about half of the cases, but one of the problems is that they are not able to get legal advice. These are very, very technical problems. Is this a problem that you are confronted with?

I know you have an interesting program in Massachusetts—could you say a word about that?

Mr. Cross. We have and we do use the legal aid. As a matter of fact, in Mrs. Edgar's case and two other cases that were class-action suits that were brought at the same time, the Cambridge-Somerville legal aid were the ones that prosecuted the claims. However, legal assistance is not available to handle the tremendous amount of legitimate claims that need adjudication.

OVER 50 PERCENT OF ELDERLY NOT MOBILE

Now, one of the big problems here, 50 percent of our seniors are not mobile; 50 percent of them do not know where to go for help, anyway, and this is why our VISTA program is actually organized on the basis of acting as advocates.

Over 50 percent of the senior population is unable to get out to a social security office.

One of their other big problems is that a large percentage of the older generation—not as well educated as the present generation—are afraid of the bureaucrats. As a matter of fact, we have any number of cases where the people are afraid to go to a social security office, and we go as advocates for them or we go with them.

A week ago last Sunday, Frank Manning, our president, and one of the State representatives, were on channel 5—it is a program for seniors at 10:30 Sunday morning. He mentioned in that particular program that if there were any people in the vicinity that needed help with SSI to please call our office.

Our office never spent 2 weeks like the last 2 weeks. The telephone was ringing off the hook. We started to count on Monday afternoon after we had already received a number of calls and we counted over 151 calls in a week besides those that we had received on Monday morning.

Of those calls, that I might say averaged 175, we found 21 people that were entitled to SSI. We have filled out their applications and put them into the social security office. Also, 14 additional calls in which the applicant needed help to receive action on claims filed longer than 3 months.

Some of these cases—I have 10 cases right here*—where cases in which the applicants had been trying to get a decision from the social security office on their claims from anywhere from 6 to 10 months. It is all on the record here.

And this is just a sampling of the tremendous problem that is out there.

We have in the State of Massachusetts—the last count I had was 80,000 people—80,000 people on SSI seniors, 40,000 disabled, and 3,000 blind. Now, we feel, and the estimates agree, that there is another 70,000 seniors now eligible for SSI in the State of Massachusetts because this is about 20 percent of the senior population, but it is a matter of contacting; it is a matter of getting them on the record; and it is a matter of finding them. Of course, Social Security at this time is unable to do that, and they do have to depend on other agencies. We have been very fortunate that we have 77 VISTA volunteers, all seniors who have been trained to assist SSI applicants.

Senator KENNEDY. Well, this is certainly an issue that I am interested in, reaching out to be sure that the people who are entitled to these benefits are going to actually receive them. And I am sure there are many people, as you mentioned, that are unaware of these benefits even today.

Mr. CROSS. Tremendous amounts of them. Just that one television program a week ago Sunday morning—you would not think many people were listening to the program. Twenty-one applicants out of the 175 calls were eligible for SSI.

OUTREACH

I might add that in our VISTA volunteer program we use the census books and we pick out an area and we contact them. "Outreach" to me is sort of a dirty word, because everything has gotten so dangerous in metropolitan areas that it is impossible to risk knocking on doors in many communities. We are afraid to send seniors out even when we know that a senior is living there. So we are using a telephone process, and we find that we can reach many more by telephone. They will confide in us over the phone, where sometimes they are afraid to talk to you through the door when you call at their home.

The problem is there is not sufficient funding or enough people to cover the entire State on some sort of an outreach program. We could use many more VISTA volunteers.

I might add one more thing. I talked with one of the social security offices the other day because I have been after them to try to hire seniors. They told me they had hired four seniors just to work on SSI part time, meaning that those four seniors would work probably 20 hours a week.

Now, as you probably know, Senator, there is a terrific discrimination against seniors in the job market. Here is a beautiful opportunity to put a lot of seniors to work in a worthwhile job, working in social security offices on SSI, and there are many competent

*See appendix 2, Item 12, p. 1090.

seniors that cannot find jobs and would welcome this opportunity to assist the elderly, disabled, and blind.

Senator KENNEDY. I think that is a very good point that has been made during the course of the hearings, one that I am very much in agreement with.

Mr. Rosenblatt, Senator Chiles was just called out. He has some additional questions that he would like to raise with you, so we will just recess very briefly and then he will return.

I want to thank all of you for coming, and we will excuse you, Mr. Cross and Mrs. Edgar, and thank you again for your very good testimony. Can you remain with us for just a little while?

We will recess for just a few minutes.

[A short recess was taken.]

Senator CHILES. Mr. Rosenblatt, I think you made your statement while I was gone, but I had an opportunity to read it before you testified, and there were a few questions that I wanted to ask you for the record.

Since the series that you did—the stories that you did—have you noticed any change in the operation or has any change come to your attention, or are you just hearing more complaints?

SSI IN FLORIDA

Mr. ROSENBLATT. I have not noticed any change. We are hearing many more complaints. Of course, by writing a series about social security, we opened the door for people to write to us.

The district managers who oversee the social security offices in Dade and Broward Counties, however, tell me that there has been no resolution of the problem in their offices. There has been no additional staff hired. In fact, there is actually less staff today in Dade and Broward offices than there was almost 2 months ago when the articles appeared, for the very simple reason that the Federal job freeze has affected the local social security offices.

Senator CHILES. That is interesting because the testimony we were getting this morning from the Commissioner was to the effect that even though they have not formally made a request to the Congress, hence the Congress could not act on the additional employees, the President told them to go ahead and hire and he would allow them to draw their funds on the basis as if they had these 10,000 employees. I think the testimony was that they were already hiring and, in effect, had already put 8,000 of them on board.

But none of those have been seen in Florida; is that right?

Mr. ROSENBLATT. Not in Dade, Broward, and Monroe Counties, at least.

Senator CHILES. From your observations and what you were able to learn, what does it appear, to you, are the most necessary steps that they would have to take if they are going to resolve some of these difficulties?

Mr. ROSENBLATT. Well, I think, as the Commissioner said himself, the question that faces the Congress and that faces the Social Security Administration is how important is the accounting of taxpayers' dollars compared to satisfying the legitimate requests being made by people, not only applying for social security but those already receiving it?

As he has told me before, when you simplify procedures, you lose some accountability. That is a decision that the Congress and the Social Security Administration are going to have to make.

I would mention the district managers of the Social Security offices in south Florida feel that their hands are tied because local Social Security offices rarely have the power to complete the processing of a claim. They can only complete several steps. The rest of the processing lies with people farther away from the recipients—people in the regional offices, people in Baltimore.

In fact, this is a particular problem in Florida not faced by areas with more stable populations. For example, the people in south Illinois will primarily be dealing with the regional office in Chicago. The people in south Florida, however, have to deal with regional offices around the country because the regional office which handles your claim is dependent upon where you first got your social security card. So actually, more requests from south Florida have to be funneled through the regional offices in New York, Philadelphia, and Chicago than the office in Birmingham, Ala.

LOST CHECKS

Senator CHILES. I noted from a story—I do not think it was particularly related to SSI, but it was having to do with the lost checks and all—they indicated that they were going to give some additional authority to the local offices to allow them to be able to make a determination.

Mr. ROSENBLATT. As a result of the articles that I wrote, the House Government Operations Committee, at the request of Congressman Fascell, asked the Commissioner to comment on what he was going to do to rectify that situation. I have the letter with me and I can show it to you. But he promised that by the end of the year procedures would be simplified and local offices would be given more authority.

However, after receiving a copy of that letter from Congressman Fascell, I did call the Social Security Administration office in Baltimore and was informed at this present time there is no plan to do that. They are just considering the possibility—considering alternatives. There is nothing down on paper.

Also when I called Baltimore, they refused to commit themselves to getting something done by the end of the year as the Commissioner had specified in his letter to the House Government Operations Committee.

Senator CHILES. I hope that that committee and this committee, too, will follow up on that and see that it is done because I think, as your story indicated and as you indicate now, it would certainly help in speeding up the process.

I know you are as aware as I am of the tremendous loss of confidence of our people with the system—doubting that it is ever going to function for them or if they have any rights under it—because of the kind of treatment they get.

Mr. ROSENBLATT. Part of the thing is that the Government did such a good job on selling the American people on social security that they are very willing to participate; they believe in the system, and they feel a part of the system. They feel that since they have contributed to it, they are only getting back what they deserve.

Senator CHILES. I think that is true, and I think that when they are denied benefits when the time comes, they get so completely frustrated. Of course in this instance, for most of those people, that is the only time they really touch their Government; and when the Government fails them here, as far as they are concerned the Government has just failed—period.

Mr. ROSENBLATT. I found myself in the peculiar position of having to convince people who have written to us as a last resort to approach the system once again. Not to give up because they have lost the first couple of times—even to the point of promising to accompany people to the Social Security offices because they would not go otherwise.

Senator CHILES. We run into that every day, trying to have them not give up and to continue, and then when we hear the testimony from the Commission panel today that only 50 percent of the people that go to the final appeal are successful, it really bothers me about those who gave up somewhere along the line and did not take that step, that final step. You can see that basically they do not get their rights.

We thank you very much for your testimony today and for the series, which I think does allow us to draw the spotlight a little bit more on the plight of what are really thousands and thousands of people.

Thank you.

Mr. ROSENBLATT. Thank you.

Senator CHILES. We will recess the hearings and the record will continue open.

[Whereupon, at 1:10 p.m., the hearing was adjourned.]

APPENDIXES

Appendix 1

MATERIAL SUBMITTED FOR THE RECORD BY SENATOR CLAIBORNE PELL

ITEM 1. NEWSLETTER—A SPECIAL REPORT ON SOCIAL SECURITY— FROM SENATOR PELL TO HIS CONSTITUENTS IN RHODE ISLAND, DATED APRIL 1975

DEAR FELLOW RHODE ISLANDER: The social security system has become this Nation's largest, most expensive, and most complicated domestic program. It provides retirement income, worker's disability insurance, survivor's benefits, health insurance for the aged and disabled, social services for families with children, and supplemental income to low-income persons. Last year alone, these programs paid a total of \$78.4 billion in benefits to 33 million Americans, including more than 133,000 Rhode Islanders, one out of every seven of us.

Because of its impact upon each of us, it is important to me to learn about your experiences with social security and about your ideas on making it as financially sound and administratively fair and efficient as possible. Every month I receive hundreds of letters with complaints about social security and requests for help in dealing with the complicated and often frustrating procedures to apply for, and receive, benefits.

During my 14 years in the Senate, I have devoted much of my time to social security matters. As a result of your suggestions, I have introduced the Social Security Recipients Fairness Act. It is designed to speed up the replacement of lost, stolen, or delayed benefit checks; speed up the application process for disability insurance and the supplemental security income program; and protect recipients from being penalized because of accidental overpayments. Thirty-six Senators have joined me in this effort.

Again this year I am supporting legislation to increase the present earnings limitation, because I do not believe we should penalize people who need or want to work after they pass the traditional retirement age.

Serious questions are now being raised about the method by which we finance social security. At present the monthly benefits come from trust funds into which employers and employees pay equal sums, which places a heavy burden on low- and middle-income workers.

Furthermore, as the retirement age drops in many industries and fewer workers contribute to the benefits of a larger and larger group of retirees, the trust fund is being strained to the breaking point.

There have been many suggestions for reforming the present system. Some suggest that all taxpayers should support the social security system through the income tax. Others suggest that the amount of income on which employers and employees are currently required to pay social security taxes be increased.

These questions and many others about social security will be discussed in the 94th Congress. It would be a great help to me if you answer the questions and mail it back to my office. It does not need postage.

SOCIAL SECURITY—HOW IS IT WORKING IN RHODE ISLAND?

Service: Is a local Social Security office convenient to you?-----
Have your routine questions or requests for help been handled promptly?---

Pell "Social Security Recipients Fairness Act":

If you were due Social Security benefits, did your first check arrive on time?-----

Has a benefit check ever been lost, stolen or delayed?-----

How long did it take for a replacement to be issued?-----

Security: Would you like the option of having your monthly check delivered directly to your bank and automatically deposited in your account?-----

Overpayments and appeals: Have you ever had a benefit check reduced to compensate for an accidental overpayment?-----

Was the reduction made in one month or spread over several months?-----

Have you ever appealed a Social Security ruling?-----

Was your appeal handled quickly and efficiently?-----

Future plans: What percentage of your retirement income do you expect to come from Social Security?-----

Other ideas: If you have ideas to help make Social Security work better, please let me know:

Thank you for your time and all best wishes to each of you.

Ever sincerely,

CLAIBORNE PELL.

ITEM 2. COMMENTS FROM THE MARCH 1, 1975 EDITION OF THE NEW ENGLAND COURIER, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES LOCAL 1164

COMPUTER PROBLEMS

Lynn, Mass.: "Get someone who can fix that damn computer. That, almost more than anything else, has made us look like idiots."

Burlington, Vt.: "I suppose the worst thing is the system. When people come from systems who are supposed to be able to tell us how to do things, they give instructions like 'Try it out and see what happens.' It's just impossible to work with this computer—and without it, it's impossible to handle the work either."

Keene, N.H.: "My impression toward this system is that of a child trying to run before it has learned to walk."

Roslindale, Mass.: "We have been told that, like Christmas and death, SSADARS is coming. Question—when? Answer—November 1974. It is now January 1975."

Middletown, Conn.: "Still need a better systems base for SSI. Too many rejects and problems that are systems-oriented."

Norwood, Mass.: "HEW, in its anxiety for speed, neglected to properly program the computer to accept couples filing at different times, to change disabled categories to blind categories, to correct social security numbers, to provide for aged recipients who are also blind, and several other types of cases."

Lynn, Mass.: "As far as the computers go, we are still on a hit-or-miss basis: try it; if it works, great!!"

Waterville, Maine: "To get on-line queries we have to work overtime, as the machine is always tied up."

Lynn, Mass.: "People are coming into the office complaining, screaming they'll call their Congressman. And there's just nothing we can do about it. Rejects—rejects—rejects. That's all you ever see. Correct a reject? Never happen. Even your correction rejects."

Roxbury, Mass.: "Thoroughly inadequate EDP system—it is the rule rather than the exception that it is necessary to make the same input several times before it 'takes.' Also, it is not a bit unusual for an input to be accepted one day and the same type of input rejected the following day for no apparent reason. The long-promised SSADARS system is still long-promised for most of us, and the present ARS equipment is practically useless."

Roslindale, Mass.: "Inputs to the computer, such as change of address, have to be input as many as four or five times before it takes."

WORKLOAD

New Bedford, Mass.: "The workload is horrendous . . ."

Montpeiler, Vt.: "Our greatest problem here is staffing; and clerical support is in short supply."

Lawrence, Mass.: "Why won't Congress give us extra staffing? It seems to me overtime is not the answer. For the amount you pay in overtime we could have the extra staffing we need. Yet Congress won't give us the staff but will give us any overtime we need. It seems at a time in our Nation's history when we should conserve, Congress seems determined to pay time-and-one-half when it could get by with straight time if they hired enough employees to do the job properly."

Fitchburg, Mass.: "It is completely unfair to expect that we should work Saturday to clean up a workload or to work on special projects. Required or expected overtime should be eliminated. We need the weekend to recoup and prepare for the following week."

Norwood, Mass.: "The pressure is terrific."

Woonsocket, R.I.: "Too few hands and minds to keep on top."

Worcester, Mass.: "The whole thing has snowballed in the past year so that the additional workload is entirely out of proportion to the staff expected to handle it."

Bangor, Maine: "Understaffed . . . work pressure . . . volume of work at horrendous levels."

Manchester, N.H.: "What we need are more Indians and less chiefs."

Bridgeport, Conn.: "Give us enough time and people to do the job; we will do it."

Lewiston, Maine: "Workloads under SSI are way too large for current staff. You can work willing horses to death!"

Norwood, Mass.: "Inadequate staffing. Voluminous workloads."

Lynn, Mass.: "Entire staff is overworked."

Waterville, Maine: "Additional staffing . . . badly needed at this time."

Woonsocket, R.I.: "We need additional help. Work is increasing daily."

Reconciliation and Analysis Unit, Boston, Mass.: "With only 10 people in R & A it is impossible to keep our heads above water."

Worcester, Mass.: "It takes 2 to 4 hours to do a redetermination in the grandfathering cases involving MIL's, deemed income, and grant amounts in Massachusetts. Ninety-nine percent of these overpayments are going to be waived. All this time spent for nothing except an absurd game."

Rumford, Maine: "We need more employees."

Dorchester, Mass.: "The top-heavy nature of staffing, too many high-salaried personnel in relation to the number of employees doing the toughest and most important work (the public contact employees in district and branch offices)."

Burlington, Vt.: "We have only five claims-development clerks, and we just don't have the clerical support we're supposed to have. 'Give it to your CDC' means dig a hole and bury the item 10 feet deep, in practice. Not the CDC's fault—there's just too much work."

Fitchburg, Mass.: "When the doors open at 9:15 it's just like a floodgate. In pour the claimants."

Waltham, Mass.: "As SSA operates on its own revenue from FICA taxes, it doesn't seem fair it should be restricted to an insufficient amount to operate efficiently, giving good service to claimants and treating employees fairly also. Each year records show we do a higher percentage of work per person, but last year we reached the breaking point."

Manchester, N.H.: "Now, because more and more is being given its employees to perform, a cry of inefficiency and lack of concern is being raised against the SSA employees. It is inevitable that a pack horse slows down when his load is doubled, and he may not be as sure-footed."

Manchester, N.H.: "Staffing is a problem. We need the help, and with the job situation, why the freeze?"

Roxbury, Mass.: "Inadequate staffing and office space."

Framingham, Mass.: "No additional claims development clerk help was

hired for the SSI workload. Therefore, CDC's are expected to double their efforts."

Hyannis, Mass.: "Overwhelming pressure due to absurd understaffing conditions."

Brockton, Mass.: "SSI is our main problem. Because of the way it was implemented it has been the cause of tremendous and unwieldy workloads in every district office in Massachusetts."

Rumford, Maine: "Material is outdated almost as soon as printed."

TRAINING AND INSTRUCTIONS

Cambridge, Mass.: "Training in SSI is sadly neglected. It is strictly a hit-and-miss procedure. One learns by—if one way doesn't work, try another."

Keene, N.H.: "We received too many instructions that were too complicated and were issued in too many different forms. We could never keep up to date, nor could we remember where the various instructions were, i.e., advance copies, SSI handbook, teletypes, memos, circulars, et cetera."

Rumford, Maine: "We receive brief instructions which always say, 'Further instructions to follow.' In the meantime no one knows what to do."

Lynn, Mass.: "When you try and get clarification from the experts, even they are in disagreement."

Roslindale, Mass.: "Why don't we have someone we can get answers from (the correct answers)?"

Waterville, Maine: "New claims representatives have been inadequately prepared to function even marginally in a social security office in the SSI duties."

Bridgeport, Conn.: "There is a lot of 'waste paper' being circulated."

Keene, N.H.: "Real problem is lack of clear-cut, up-to-date operational instructions and consistent policy decisions. Too much is subject to interpretation."

Boston, Mass. Teleservice Center: "No one wants to take responsibility."

Haverhill, Mass.: "Policies are uncertain. No one seems to translate instructions, rules, et cetera, the same way."

Worcester, Mass.: "Only the Government orders a thing done yet ignores all the problems in the way: lack of staff, severe complexity of the laws, problems, and solutions, the volumes of material an individual has to absorb, the buck-passing that goes on in upper management over policy, and establishing written workable guidelines."

Biddeford, Maine: "The SSI manuals are poorly constructed for handling edits, exceptions, and rejects. There is now considerable computer language with which we must be very familiar, and we are not succeeding."

Unidentified office in New England: "We have no positive direction or guidance from the top. It appears that there is (and has been) a complete breakdown of communication between top level HEW (BDOO) personnel and State officials. This places the conscientious district office employee in a very awkward position and is an area that should be remedied, and fast."

PUBLIC RELATIONS

Lowell, Mass.: "The sacrifices being made by the agency in areas of management, training, communication, et cetera, because of the volume and complexity of SSI work are quickly eating away at all employees and eating away at the foundations of a good organization."

Dorchester, Mass.: "Growing displeasure among members of the public filing for social security benefits who must wait to be interviewed due to office personnel being tied up with SSI claimants and problems. These people are filing for an earned right and correctly perceive, regardless of administration publicity, that SSI is a welfare program and social security employees are spending most of their time on these SSI problems."

Lynn, Mass.: "I don't look forward to working when I know that someone is depending on me for answers and money, and although I try my hardest and follow instructions, the same people appear at my desk one month later and accuse me of lying and of not caring because they haven't received anything yet."

New Britain, Conn.: "The Bureau of Hearings and Appeals is extremely

understaffed and slow in its review of hearings, taking 6 to 9 months before a decision is made. Reconsiderations also take too long."

Lynn, Mass.: "There are no emergency funds available for nonreceipts, and the nonreceipt procedure is slow. The claimants are losing confidence in us because of all the publicity."

Burlington, Vt.: "Too much expectation of what DO can do: refer people to other agencies, cope with other agencies constantly calling us to find out what's holding up such-and-such an individual, try to be some kind of social worker, cope with individuals and our own feelings when we discover that 'no more Mister Nice Guy'—we can't give out what they need (either in money or service). While we sit here wringing our hands, title II is going down the drain, too, along with our public image and, as indicated before, our image of ourselves."

Lowell, Mass.: "We the DO people are the ones who have to deal with a public which has no one else to blame, so, quite naturally, puts the onus on us. We in turn are instructed not to blame anyone else, but to do the best we can. So we, the expendables, are doing just that, and damn well—considering."

Roxbury, Mass.: "As bad off as we field people are, the regional and central office people are in far worse shape. Only they don't have to explain to the irate claimant (who is often irate with just cause) that they don't know what the hell they are doing."

East Hartford, Conn.: "It seems to me that our administrative personnel along with our congressional people could at least keep the general public informed of the good job we do and the problems we do experience basically because Congress and the public are not willing to foot the bill for good service."

Worcester, Mass.: "SSA in Massachusetts is getting the same reputation as the welfare offices."

THE SSI PROGRAM

Bridgeport, Conn.: "The SSI program is a nightmare. If we are to give service to our SSI claimants the program must be simplified."

Norwich, Conn.: "Make SSI truly a help to the needy by issuing checks directly from the DO's."

Cambridge, Mass.: "It is too big, and it is too complex. In some instances, it appears the whole thing might break down."

Lawrence, Mass.: "If the States want us to handle their State supplemental plans, the rules for qualifying and determining the amount due the person should conform with the Federal SSI rules. If the States want to apply different standards, they should handle their own programs. It is too much for our system to handle. It is just too complex at the present time."

Providence, R.I.: "In 1974 we had this SSI fiasco dumped on us (we were not hired to be social workers) and all of us, from the manager down, suffered a ridiculously complicated mess, ever changing, which was impossible to decipher."

Waltham, Mass.: "SSI is too cumbersome and complicated to ever work well."

Haverhill, Mass.: "Something must be done, and fast!"

Dorchester, Mass.: "In the long run it would be kinder to do away with these programs than to run them with the shipshod fashion they are now getting from the Social Security Administration."

Keene, N.H.: "We have been forced to shift our resources and manpower from a good SSA system which 'evolved' from 35 years of experience to a system which was rammed down our throats and which had unrealistic expectations."

MANAGEMENT AND MORALE

"Worcester, Mass.: "Lack of job satisfaction (constant frustration). The agency is getting a reputation of 'forcing out' career employees because they cannot cope with the new program as well as new young college grads. Any organization that doesn't care for the welfare of its employees produces no loyalty within the organization. Lack of loyalty or respect tends to isolate each individual as an island of fear and frustration. Quality work has diminished severely—both SSI and SSA. Everyone is statistic-oriented at the expense of the 'individual' we serve."

Woonsocket, R.I.: "The morale of most employees is extremely low. This is the result of frustrated attempts to keep up with the work and satisfy the public."

Rhode Island office: "My suggestion would be to thoroughly investigate not only the inefficient way in which offices seem to be set up, but also the individuals who seem to be rotting the structure from above."

Hyannis, Mass.: "Incredible lack of understanding of district office workloads and pressures."

Hyannis, Mass.: "Employees are being pushed to the point of illness."

Danbury, Conn.: "We do not feel an employee should be forced to go on detail. What happened to the voluntary system?"

Hyannis, Mass.: "Complete lack of compassion and concern on part of upper management. Philosophy seems to be, 'You can do it, boy.'"

Norwood, Mass.: "The people who work for social security are proud of the agency and what it stands for; however, it would be less than honest to say that this pride has not been shaken by the sloppy implementation of SSI."

Eastern Massachusetts office: "This so-called job which has turned into a nightmare. . . . I am a government employee who is tired of having his cost-of-living pay raise delayed, fought over, and cut year after year. I'm tired of being a sacrificial lamb. I am a taxpayer, too! I used to enjoy my job."

Biddeford, Maine: "At the rate we are going the future looks bleak."

Framingham, Mass.: "The morale in the office has been the lowest it has ever been."

Lynn, Mass.: "Completely exhausted, overworked, insulted, deceived, abused, and panic-stricken."

Waterville, Maine: "Production and quality have steadily gone downhill. As have the morale and interest in our jobs, which SSA was once proud of. Employees are now getting the I-don't-care-anymore attitude, which also appears to stem from management as a whole. . . . Morale of employees has reached rock-bottom. Thanks for giving us a chance to speak out."

Burlington, Vt.: "Chaotic work flow; chaotic waiting room conditions; chaotic files; chaotic instructions; constant feeling that it must be our fault that we can't learn, can't cope, can't find anything, can't figure out rejects."

New Bedford, Mass.: "Morale is worse every month because people are getting rundown and with no end of overtime in sight. I believe some workers feel defeated at times because they just get farther backlogged and are told they have new responsibilities when they can't perform all the old responsibilities."

Lawrence, Mass.: "The public has its rights, our claimants have their rights, but doesn't Congress believe the social security employees have any rights? 'Public servant' doesn't mean 'slave.' Slavery was abolished quite some time ago. Our employees have a right to be dealt with fairly. To get back to working a normal 40-hour week. What's with mandatory overtime? Don't we have a right to a family life anymore? Does anyone care?"

Lynn, Mass.: "The brass sit in their ivory towers and make no suggestions as to how to clear this mess up. All we get is push, push, push. Morale is also down. A good word now and then would be helpful."

Boston, Mass.: Teleservice Center: "Solutions—treating people as humans, not machines (both claimants and personnel)."

Roslindale, Mass.: "No one gives a damn that we are doing the best we can, and all we get is abuse."

Lynn, Mass.: "It seems that because the brass bit off more than they can chew, they need a scapegoat. Unfortunately, it appears that the district office has been elected."

Hyannis, Mass.: "Morale is the lowest I have seen it in 15 years of service—with no prospects of things getting better."

Danbury, Conn.: "Why is mobility stressed so much for promotions? Why can't promotions be made within an office?"

Eastern Massachusetts office: "Get management to stop chastising us, and give us management personnel who can help."

Fitchburg, Mass.: "Why don't they start at the top and find out where the real problems are?"

ALFIE AFGE REPORTS ON "THE NUMBERS RACKET IN THE D/O"

Lo and behold I have uncovered what surely is the scoop of the DO season. The central office and powers that be are running a numbers racket right in the DO itself—*shame!*

In the DO just outside of Osh Gosh By Gosh, I stumbled upon a shameful and pitiful sight—robots keeping the DOWR. Amazing though it sounds, the poor CDC has tallied her last claim, broken out her last breakout of the breakout items. A robot named Icky is hiccuping her way through the myriad claims, tally items, breakout items, and whatnot. But like so many things in the SSA outfit, it breaks down, blows fuses, gives wrong data, and the GS-13ers love it. Mrs. W., CR, admitted to me in an interview that she spends more time pushing the "hold" button so the robot won't blow a fuse. She is allotted to blow only 100 fuses a day, and it is a constant drag to be sitting near a mechanical monster, waiting for it to utter, "it does not compute—it does not compute." So what else is new? Mrs. W. went on to state her CDC had a complete nervous breakdown trying to keep three tallies—one for the regular items, another for the breakouts, and a third for the breakouts of the breakout items. It just got too much. The poor thing put the wrong figures in one day, and the computer took five people out of the office. "Overstaffed," they said. (More like "overworked to me.") Anyway, Icky is replacing all CDC's. Mrs. W. stated, "This place is in constant turmoil. The robots make more mistakes. One week we lost 12 people. A month later we got two back." All mistakes? you ask. Ah, no. This is the numbers racket. Rob-Peter-to-pay-Paul type of antics, and the budget stays the same. As I was talking to Mrs. W., Icky started flashing lights and buzzing. Suddenly a hollow "It does not compute" emanated from the metal shell. Mrs. W. pushed back her chair to reach for the "hold" button, fell out of her chair, hit the "compute" button, and Icky blew up. Mrs. W. is recuperating from shock, burns, cuts, and hypertension. Icky has been replaced by Sticky, and if this article sounds nuts, wait a couple of years—"Future Shock" ain't nothing, believe me.

**ITEM 3. INTRODUCTORY STATEMENT BY SENATOR CLAIBORNE PELL
ON S. 985, SOCIAL SECURITY RECIPIENTS FAIRNESS ACT OF 1975;
CONGRESSIONAL RECORD, MARCH 6, 1975**

Mr. PELL. Mr. President, today I am introducing the Social Security Recipients Fairness Act of 1975. The purpose of this legislation is to remedy widespread unfair and unfortunate procedural problems which plague hundreds of thousands of social security recipients each year, with unjustifiable and intolerable delays in applying for, and receiving, social security and black lung benefits due to them.

I am sure that we who serve in the Senate are all too familiar with the case histories of individuals in our States who have experienced severe hardships because their social security checks have been lost, stolen, or delayed; persons who suffer because their social security, supplemental security income, disability insurance, or black lung claims are being held up for an unconscionably long time in the tortuously convoluted appeals systems; and persons who are left destitute because the Social Security Administration is penalizing them wholesale for an accidental benefit overpayment by withholding entire benefit checks to affect a repayment.

When these travesties of administrative procedure fall upon an individual, the consequences are frequently economically disastrous and psychologically demoralizing. The low-income recipient who relies upon the prompt and regular delivery of a benefit check and does not receive it often must go without food or medicine, delay payment of rent or utility bills, or risk fuel or telephone shutoffs. In these times of inflation and tight credit the middle-income recipient faced with no check, is no better off.

I am determined that a stop should be put to this unfair imbalance of the administrative scales. This imbalance places paperwork and computer time requirements of the enormous Social Security bureaucracy far above the human needs of an individual for whom the regular and prompt receipt of benefit checks is absolutely necessary.

I am delighted to be joined in this important effort by Senator Schweiker, whose concern for black lung recipients is responsible for title III of this bill. Title III is identical to legislation which Senator Schweiker introduced in the last Congress, to grant procedural protection to hundreds of persons who have

experienced long delays in the black lung benefit application process. In all, 33 Senators have cosponsored this legislation, and I believe that this reflects our direct experience of the enormous numbers of cases of benefit check losses, and procedural delays.

The legislation I am introducing today reflects my ideas and my evaluation of studies which have focused on the social security claims and appeals process. It is directed toward four basic situations, each of which shares a common denominator; namely, the unfair burdens of loss of time and money which are placed on the benefit recipient or applicant, whenever this massive bureaucracy stalls or makes an error.

LOST, STOLEN, OR DELAYED CHECKS

The most frequent problem I have seen is the delay in issuing benefit checks when a change in personal status occurs or when a regularly issued check is lost or stolen. A study currently under preparation for the Commissioner of the Social Security Administration will show that, last year, there were more than 108,000 lost checks for title II benefits, and more 64,000 lost checks for supplemental security income benefits. This total of more than 172,000 checks points to many cases of hardship and deprivation. I have recently worked on several cases which clearly illustrate this problem.

Mrs. B. and her daughter live in Providence, R.I. Mrs. B.'s husband died in May of 1973, and although she properly notified the Social Security Administration, her claim checks were improperly drafted and made for the wrong amount, for several months. After my office interceded, one check was properly drafted, but the next several reverted to the incorrect amount and wrong recipient name. Again, my office interceded, and again, Mrs. B. went on the merry-go-round of one accurate check, followed by a series of unusable drafts.

After my third intercession, the checks stopped completely. In February 1974, the situation was corrected, taking 9 months to solve.

Mr. D. of Warwick, R.I., was disabled in May 1972. His benefits were supposed to begin in December 1972, but, as check after check failed to arrive, Mr. D. contacted my office. An investigation failed to locate Mr. D.'s file in Social Security's Baltimore headquarters. To complicate matters, each time a call was made to the Social Security Administration, the earlier contacted individual had been replaced, or was ill, or on vacation. Mr. D.'s case ostensibly was placed on the "critical," "emergency," and then "special claim" status, but the checks did not come. In February of 1974, Mr. D. began to receive some compensation. This gentleman's problem took 14 months to resolve.

When Mrs. Y. of Cranston, R.I., discovered that her monthly check had been stolen from her mailbox, she correctly reported the theft and requested a substitute. That was in February 1973. After repeated requests had brought no result, Mrs. Y. contacted my office, and I was advised in early October 1973, that a substitute check would be delivered to Mrs. Y. during the third week of that month. By November 15, when no check had been received, I called Social Security again. Mrs. Y. finally received a check, hand delivered by a member of the Secret Service, on December 3, 1973. Mrs. Y. is on a totally fixed income. She had no resources to cushion the loss of her money, yet it took the SSA and other agencies 10 months to issue a substitute check.

It is hard enough upon the average family when a check is merely delayed, but the experience of Mr. S. of Cranston, R.I., illustrates that it may not help to attempt to straighten out the problem.

Shortly before retirement, Mr. S. had inquired regarding his level of benefits, and learned that he would receive approximately \$388 per month. His first three checks had not arrived when Mr. S. contacted my office. He had already filed the proper notification forms, and to complicate matters, his wife's medicare premiums, which should have been deducted automatically from her benefit check, could not be paid.

When Mr. S. finally received an official looking envelope and opened it, hoping that it was a check, he learned that the couple's medical insurance coverage had been stopped, because the premiums were not being paid. The local social security manager conceded that, with inquiries coming in on the case, the solution might have been delayed. In other words, if Mr. S. had not pointed out that the defaulting of medical insurance was social security's fault, he might have been reimbursed faster.

These examples clearly illustrate that the present operation of this nonsystem is too rigid to meet the completely justifiable emergency needs of the individual social security recipient. My legislation puts the flexibility that is needed into the social security law, so that no person or family will ever again have to wait for more than 4 days for the replacement of a delayed, stolen, or misplaced social security check.

DETERMINATION, HEARING, AND APPEALS

If the sorry performance of the Social Security Administration with regard to lost, stolen, or delayed checks, is distressing, the discrepancies which mark the disposition of disability claim appeals are astonishing.

I have conducted a thorough study of the disability appeals process, and I have carefully documented an outstanding problem which deserves immediate attention and rectification.

The process by which a claimant must contest a social security disability determination is long and complex: it can also be a costly and arduous route. This is, unquestionably, an area in which much thought needs to be given to the rights of the claimant, and to the proper role of the Social Security Administration. In this legislation I have pinpointed one shocking aspect of this appeals process; namely, the length of time it takes from the date an appeal is filed, until a final decision is reached. It has been said that "justice delayed is justice denied." What then, can we say about an appeals process, which can be routinely completed in 93 days in one region, but which takes 120 days in the Atlanta region, 206 days in the Chicago region, and, worst of all, takes an average of 226 days to complete in New England?

The very important question which is resolved for some of our citizens in 93 days, or 3 months on the average, takes more than 7 months, or an average of twice as long, to be resolved for others. How can the Social Security bureaucracy be content when vital decisions are delayed for months beyond the time which is reasonable and proper for a careful determination?

It is edifying to note that the Railroad Retirement Board which administers a similar disability insurance system for railroad employees maintains a 3-month average for their hearings and appeals process, regardless of the region in which the claim originated.

In the last year for which statistics are available, more than 68,000 persons requested appeal hearings after they were dissatisfied with initial disability decisions made by the Social Security Administration. Of those, 61,000 appeals were finally adjudicated. Of that number, 31,467 were reversals, that is, findings in favor of the claimant and in opposition to the earlier disability determination. This means that of the cases which were appealed, more than half were found to have been improperly decided on the local level. I believe that this statistic, in itself, calls for a thorough reappraisal of the initial decision process. What I find shocking in this situation is the enormous disparity in regional efficiency in the determination of this issue. Thousands of disabled Americans wait for months because of unnecessary bureaucratic time wasting. Each month means a loss of badly needed income. Each month of waiting longer than is reasonably necessary represents a tragedy.

Furthermore, these are only average figures which conceal extremes. A close study of the figures indicates that 20 percent of the cases in the New England region are more than 289 days old.

I can compare this sorry record with the Dallas region, the Nation's most efficient in this regard, in which the average age for the one-fifth longest pending cases is only 163 days. I have explored this interregional timelag, and I can find no reason for it other than the fact that some regional offices, my own region among them, apparently believe that they are not responsible for providing adequate service to the average American. I believe that this cavalier attitude is wrong and must be changed, and I have today introduced legislation which will require that standards of efficiency which can be set by one region must become the standards for all of the regional offices.

In addition, this legislation would extend procedural guarantees to applicants for title II and title XVI, supplemental security income benefits.

In an important hearing conducted by the Special Committee on Aging last summer, several expert witnesses testified on the procedural problems and delays faced by SSI applicants. One witness, Robert N. Brown, who is the

director of the Center for Legal Services for the Aging at Syracuse University referred to this legislation as introduced last year, as a specific remedy for the problems faced by applicants who desperately need the benefits of these programs, but whose applications or appeals are held up for many months.

BLACK LUNG BENEFITS

Applicants for black lung benefits suffer from the same delays in their applications for benefits, and in the appeals process, as do persons for benefits under titles II, XVI, and XVIII. Senator Schweiker originally introduced this legislation to the Social Security Recipients Fairness Act in the 93d Congress, and it made sense to us to incorporate it in this bill.

REPAYMENT OF ACCIDENTAL OVERPAYMENTS

Finally, this legislation addresses itself to the problems faced by persons who have received inadvertent benefit overpayments. The present social security benefit structure is so complex that innocent mistakes are bound to occur in the computation of benefits. It is presently the practice of the SSA, upon discovering an overpayment, to deduct the amount of the overpayment in one lump sum from the beneficiaries' monthly check or checks, often completely wiping out an entire month's benefits. I propose that no more than 25 percent of a monthly check be deducted, for as many months as are necessary to refund the overpayment, in this way easing the often intolerable burden upon the individual beneficiary.

Mr. President, if this legislation is passed it will relieve hundreds of thousands of Americans from the burdens imposed by a bureaucracy which is more oriented toward machines than toward people. I do not think that anything could be fairer than to require the bureaucracy to perform important procedures in reasonable amounts of time, and this is the focus of this bill.

ITEM 4. THE SOCIAL SECURITY RECIPIENTS FAIRNESS ACT OF 1975

94TH CONGRESS
1ST SESSION**S. 985**

IN THE SENATE OF THE UNITED STATES

MARCH 6, 1975

Mr. PELL (for himself, Mr. SCHWEIKER, Mr. BAKER, Mr. BAYH, Mr. BEALL, Mr. BROCK, Mr. BROOKE, Mr. BUMPERS, Mr. CASE, Mr. CLARE, Mr. CRANSTON, Mr. CULVER, Mr. DOMENICI, Mr. GOLDWATER, Mr. PHILIP A. HART, Mr. HARTKE, Mr. HATHAWAY, Mr. HUMPHREY, Mr. INOUE, Mr. JAVITS, Mr. KENNEDY, Mr. LEAHY, Mr. MCGEE, Mr. MCGOVERN, Mr. MCINTYRE, Mr. MATHIAS, Mr. MONDALE, Mr. MONTOYA, Mr. NELSON, Mr. PASTORE, Mr. RIBICOFF, Mr. STAFFORD, Mr. STONE, and Mr. TUNNEY) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Social Security Act to establish a procedure for the prompt payment of social security benefits to individuals whose social security checks have been lost, stolen, or otherwise delayed; to expedite hearings and determinations respecting claims for benefits under titles II, XVI, and XVIII of the Act and part B of title IV of the Federal Coal Mine Health and Safety Act of 1969; and to amend title II of the Social Security Act to limit to 25 per centum the reduction that may be made in an individual's benefit check for any month because of any previous overpayments of monthly benefits.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That this Act may be cited as "The Social Security
4 Recipients Fairness Act of 1975".

5 TITLE I—REPLACEMENT OF LOST, STOLEN, OR
6 DELAYED CHECKS

7 SEC. 101. Section 205 (q) of the Social Security Act
8 is amended to read as follows:

9 "Expedited Benefit Payments

10 “(q) (1) Notwithstanding any other provision of law,
11 the Secretary shall establish and put into effect procedures
12 under which expedited payment of monthly benefits under
13 this title will, subject to paragraph (4) of this subsection,
14 be made in the manner prescribed in paragraphs (2) and
15 (3), of this subsection.

16 That this Act may be cited as "The Social Security

17 “(2) (A) Not later than one day after the date an in-
18 dividual files (with the official and at the place prescribed
19 under regulations of the Secretary) a completed application
20 (described in subparagraph (b)), the Secretary shall cer-
21 tify for payment and cause to be made to such individual the
22 monthly insurance benefit payment, or so much thereof
23 which has not been paid, alleged in such application to be
24 due to such individual, unless information known to the Sec-
25 retary indicates that a material allegation made in the ap-

1 plication is untrue or for other reasons such individual is not
2 entitled to such benefit payment, in which case, the Secre-
3 tary shall apprise such individual of such information in
4 writing.

5 “(B) The application referred to in subparagraph (A)
6 shall contain:

7 “(i) the name, address, and social security number
8 of the applicant,

9 “(ii) (a) an allegation that, one or more monthly
10 benefit payments due and payable to the applicant have
11 not been received by the applicant as of the date of the
12 filing of the application, and are at least seventy-two
13 hours overdue, together with the date that each such
14 payment was due, or,

15 (b) an allegation, concurred in by the Secretary,
16 that one or more monthly benefit payments have been
17 made and received in an amount less than that to which
18 such individual is entitled, together with the date that
19 each such payment was received.

20 “(iii) an allegation that the applicant is entitled
21 to such benefit, and,

22 “(iv) such other data or information as the Secre-
23 tary shall by regulations prescribe.

24 “(3) Any payment made pursuant to a certification
25 under this subsection shall not be considered an incorrect

1 payment for purposes of determining the liability of the
2 certifying or disbursing officer.

3 “(4) For purposes of this subsection, benefits payable
4 under section 228 and under title XVI shall be treated as
5 monthly insurance benefits payable under this title.”.

6 SEC. 102. Section 1631 (d) (1) of the Social Security
7 Act is amended by striking “and (f)” and inserting the fol-
8 lowing in lieu thereof: “(f) and (q)”.

9 SEC. 103. The amendments made by sections 101 and
10 102 of this Act shall be effective in the case of applications
11 filed and written requests filed, under section 205.(q) of
12 the Social Security Act, on and after the first day of the
13 first calendar month which begins more than sixty days after
14 the date of enactment of this Act.

15 TITLE II—EXPEDITING OF HEARINGS AND
16 DETERMINATIONS

17 SEC. 201. Part A of title XI of the Social Security Act
18 is amended by inserting, immediately after section 1123,
19 the following new section:

20 “SEC. 1124. (a) In the administration of the programs
21 established by titles II, XVI, and XVIII, the Secretary shall
22 establish procedures designed to assure that—

23 “(1) Any duly requested hearing to which an in-
24 dividual is entitled thereunder will be held within a
25 reasonable period of time after such hearing is so re-

1 requested, if such hearing is requested with respect to a
2 determination of the Secretary: (A) as to the entitle-
3 ment of such individual to monthly insurance benefits
4 under title II and title XVIII or the amount of any cash
5 benefit; (B) which is described in section 1869 (b) (1) ;
6 and (C) as to the entitlement of such individual to bene-
7 fits under title XVI or the amount of any such benefit.

8 “(2) (A) Not later than ninety days after any hear-
9 ing (except a hearing described in subsection (2) (B)
10 of this section) described in subsection (1) of this sec-
11 tion is requested, the Secretary shall render a final deter-
12 mination on the issues which were the subject of such
13 hearing, or if no final determination of the Secretary
14 has been made at that time, the Secretary shall make
15 payments of benefits to such individual in like manner
16 as if a final determination has been made fully in favor
17 of the individual.

18 “(B) Subsection 2 (a) of this section shall be appli-
19 cable to any hearing in which the matter in disagree-
20 ment involves the existence of a disability (within the
21 meaning of sections 423 (d) and 1614 (a) (3) of the
22 Social Security Act) except that the applicable period of
23 time shall be one hundred and ten days.

24 “(3) The time periods described in subsection (2)
25 of this section shall be extended whenever and to the

1 extent that such individual requests any extension of
2 time or continuance, or fails to appear at the time of a
3 hearing.

4 “(4) No payments to an individual shall be made
5 under paragraph (2) for any period after a final deter-
6 mination of the Secretary has been made (after a hear-
7 ing on the matter) denying the claim of such individual.

8 “(5) Any payments made pursuant to paragraph
9 (2) shall not be considered to be an incorrect payment
10 for purposes of determining the liability of the certifying
11 or disbursing officer who made or authorizes such pay-
12 ment to be made.

13 “(6) Any payment made pursuant to paragraph
14 (2) shall be nonrefundable and shall remain the property
15 of the individual.”.

16 **TITLE III—EXPEDITED PAYMENT OF BLACK**
17 **LUNG BENEFITS; AND EXPEDITED HEAR-**
18 **INGS AND DETERMINATIONS RESPECTING**
19 **SUCH BENEFITS**

20 **SEC. 301. (a)** Section 413 (b) of the Federal Coal
21 Mine Health and Safety Act of 1969 is amended by striking
22 out “and (l)” and inserting in lieu thereof “(q), and (l)”.

23 (1) The amendment made by subsection (a) shall be
24 effective in the case of applications filed and written requests
25 filed, under part B of title IV of the Federal Coal Mine
26 Health and Safety Act of 1969, on and after the first day

1 of the first calendar month which begins more than sixty days
2 after the date of enactment of this Act.

3 SEC. 302. The Secretary of Health, Education, and
4 Welfare, in the administration of part B of title IV of the
5 Federal Coal Mine Health and Safety Act of 1969, shall,
6 with respect to hearings and determinations on claims there-
7 under, establish procedures for the expediting of such hear-
8 ings and determinations which are, to the maximum extent
9 feasible, patterned after and consistent with the objectives of
10 section 1124 of the Social Security Act.

11 TITLE IV—LIMITATION OF BENEFIT REDUCTION
12 TO COMPENSATE FOR BENEFIT OVERPAY-
13 MENT

14 SEC. 401. (a) The first sentence of section 204 (a) (1)
15 of the Social Security Act is amended by inserting, imme-
16 diately before the period at the end thereof, the following:
17 “; except that the monthly insurance benefit to which any
18 individual is entitled shall not be reduced by more than 25
19 per centum on account of any overpayment (or overpay-
20 ments) in monthly insurance benefits previously made to
21 such individual or any other individual”.

22 (b) The amendment made by subsection (a) shall be
23 applicable in the case of decreases made under section 204
24 (a) of the Social Security Act from monthly insurance bene-
25 fits payable for months after the month in which this Act
26 is enacted.

Appendix 2

MATERIAL SUBMITTED BY INDIVIDUALS AND ORGANIZATIONS

ITEM 1. LETTER FROM WALTER M. MODE,¹ REGIONAL COMMISSIONER, SOCIAL SECURITY ADMINISTRATION; TO SENATOR CLAIBORNE PELL, DATED MAY 12, 1975

DEAR SENATOR PELL: It was a distinct pleasure to attend and be part of the Senate hearing. I was very much impressed by the knowledge of the Senators and the efficiency with which the hearing was held.

You expressed concern over the reversal rate of the Rhode Island office of the Bureau of Hearings and Appeals. Although my office staff has kept statistical information on the performance of the individual bureaus, I did not have the information necessary to reply to your question properly at the Senate hearing.

Cases heard by administrative law judges in the Rhode Island office include those from sections of eastern Connecticut and southeastern Massachusetts. National reversal rates fall into a range of 45-47 percent; New England reversals are between 42-44 percent; and the Rhode Island office has a reversal rate of between 37-39 percent. Our statistics cover reversal rates by offices, therefore, reversal rates for only Rhode Island citizens are not available.

Unlike the requirements for entitlement to retirement or survivor benefits which are relatively clear-cut, there is a much greater area of judgmental conclusion necessary in determining eligibility for disability benefits. The correlation of various factors, such as physical or mental impairment, work experience, and education, is considered in each individual case. This, of course, applies to all stages of the disability determination process—initial, reconsideration, and hearing. Judicious processing in initial development of claims is more apt to lead to conclusions which will produce a clearer picture of the applicant's condition. Therefore, an alternate question is: "Are the citizens of Rhode Island being treated equitably by the Social Security Administration?"

Based on statistical data, I must conclude that Rhode Island residents are well represented on social security rolls. According to the latest census data (1970), Rhode Island residents comprise 8.02 percent of the New England population. Of the retirement beneficiaries in this region, 8.51 percent are from Rhode Island, and 10.08 percent of our disability beneficiaries are residents of your State.

In addition, SSI activity among Rhode Island social security offices has been vigorously pursued. SSI aged beneficiary rolls have swelled from 4,068 in January 1974 to 7,233 in March 1975, an increase of 76 percent. Disability beneficiaries have increased from 5,961 to 8,273, an increase of 38.8 percent. Much credit for this is due to the dedicated work of Don Piette, former manager of the Providence district office who, unfortunately, passed away last month.

Again, thank you for the opportunity of appearing before your committee.

Sincerely yours,

WALTER W. MODE.

ITEM 2. MONTH-BY-MONTH REPORT ON ADMINISTRATIVE LAW JUDGE ASSIGNMENTS TO PUERTO RICO DURING THE LAST YEAR; SUB- MITTED BY THE SOCIAL SECURITY ADMINISTRATION¹

During the 12-month period January-December 1974, a total of 28 administrative law judges made one trip each to Puerto Rico and heard a total of 937 hearings and 8 court-remanded cases. The monthly breakdown is as follows:

¹ See statement of Social Security Administration, p. 982.

Month	Duration of individual trips (weeks)	Number of cases processed
January.....	1 2	35
	2 2	35
	1 1	20
February.....	1 1	32
	1 1	35
	1 1	30
March.....	1 1	35
April.....	1 1	35
May.....	1 1	35
June.....	1 1	35
July.....	(1)	35
August.....	2	30
	1	35
	1	40
September.....	1	40
	1	40
	1	40
October.....	1	35
	1	35
	1	35
	1	25
November.....	1	35
	1	35
	1	35
	1	40
December.....	1	40
	1	48

¹ 2 weeks—10-working days.

² 1 week—5-working days.

³ None.

⁴ Court-remanded cases.

ITEM 3. LETTER AND ENCLOSURE FROM ROBERT L. TRACHTENBERG,¹ DIRECTOR, BUREAU OF HEARINGS AND APPEALS, SOCIAL SECURITY ADMINISTRATION; TO SENATOR CHARLES H. PERCY, DATED JUNE 10, 1975

DEAR SENATOR PERCY: This is in reference to your question at the May 1 Special Committee on Aging hearing, regarding our travel policy with respect to social security claimants. You may recall that you expressed concern over excessive distances that your constituents had to travel in order to have a hearing. We have reviewed our policies and procedures and wish to assure you that the travel policy, with respect to claimants in the Chicago region (21 hearing offices—list enclosed), is the same as that of any other region. Claimants are required to travel only up to 75 miles to attend a hearing. Generally, however, every effort is made to schedule hearings within the normal business travel area of the claimant's home.

In a few instances, hearings may be held more than 75 miles from the claimant's home in an effort to consolidate cases in one location, thus providing an earlier hearing for the claimant. Reimbursement for travel expenses in this situation is made in accordance with established procedures. If the claimant lives beyond 75 miles from the hearing office, the hearing will be scheduled closer to the claimant's home. If the claimant is bedridden or unable to travel, a hearing may be held in his home or a hospital or another institution.

In the Chicago region, some claimants live in Iron Mountain, Marquette, Marinette, Holton, etc., which are a considerable distance from hearing offices and claimants at times have no transportation or are not able to travel. In these situations, the ALJ often schedules a hearing trip to a location more convenient to the outlying areas once sufficient cases have been accumulated (5 or 6) to justify the trip. Naturally, such situations are watched carefully so as to avoid any undue delay in the processing of claims in these areas.

On a continuing basis, we coordinate with the regions to determine where additional offices may be needed as well as where existing offices might be consolidated or enlarged so as to generate a more effective and efficient operation of processing of claims.

¹ See statement of Social Security Administration, p. 982.

I hope this information is responsive to your inquiry. Please let me know if I may be of further assistance.

Sincerely yours,

ROBERT L. TRACHTENBERG.

[Enclosure.]

Following is a list of SSI only and title II offices in and around Illinois where SSI hearing examiners are assigned. The SSI only offices are marked with an asterisk.

Office :	HE's assigned
Chicago, D.T., Ill.....	2
Chicago, south, Ill.....	---
Cincinnati, Ohio.....	---
Cincinnati, Ohio*.....	1
Cleveland, Ohio.....	---
Cleveland, Ohio*.....	2
Columbus, Ohio.....	---
Detroit, Mich.....	---
Evanston, Ill.....	---
Evansville, Ind.....	---
Flint, Mich.....	---
Fort Wayne, Ind.....	1
Gary, Ind.*.....	2
Green Bay, Mich.....	---
Indianapolis, Ind.....	1
Lansing, Mich.....	---
Milwaukee, Mich.....	---
Minneapolis, Minn.....	2
Peoria, Ill.....	---
Saginaw, Mich.*.....	1
Southfield, Mich.....	2

ITEM 4. REPORT ON "FUTURE DIRECTORS IN SOCIAL SECURITY," BY ELLEN ZWIERZYNSKI,¹ DELEGATE, NEW YORK-NEW JERSEY COUNCIL, AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

As a claims representative for the Social Security Administration, I must interview applicants for supplemental security income. In interviewing applicants, I must: (1) determine whether they meet the requirements, (2) determine the amount of their supplemental security income payments, (3) explain their rights and responsibilities under the program, and (4) refer them for social services to the appropriate agency.

Let us take a simple case for the purpose of illustrating the kinds of determinations and judgments I must make. I shall call this the case of "Mary Example."

Mary is 73 years old and comes into the SSA district office with a friend. The friend tells me that Mary is living in a senior citizens housing project in New Jersey and is having difficulty making ends meet. She recently moved into New Jersey and was formerly living with relatives in Massachusetts. They came together to the office to find out what financial help Mary can get. Her friend indicates that Mary needs a new pair of glasses and asks what Social Security can do about that.

In order to determine whether Mary is eligible for SSI, I must first ask about her living arrangements.

I find out that she lives alone and has been supporting herself on a monthly social security retirement check of \$137.20. I ask her about any other possible sources of income she might have such as pensions, work income, dividend checks, et cetera. Mary tells me she has no other source of income. I also must determine what, if any, resources she has such as bank accounts, stocks, insurance policies, et cetera. It turns out that Mary's only asset is a \$1,500 face value life insurance policy. We can exclude the value of her insurance policy. Mary is still eligible for SSI. Had Mary's insurance policy been worth a great deal more, that might not have been the case.

¹ See statement of American Federation of Government Employees, p. 1022.

I also must establish how Mary has been living on \$137.20 a month. The reason is that we must justify her allegation that Mary has no other income. Mary tells me that she pays \$29 a month rent. Mary says her rent is so low because it is subsidized housing. I am satisfied that Mary's allegations are true.

I complete the application form for Mary because, based on her responses, it appears she is eligible. After completing the appropriate application forms with her, I make a photocopy of her alien registration card to prove she is lawfully admitted to this country as a permanent resident. I do not have to verify her age as she is already getting social security retirement benefits. We then would have her proof of age on file.

After completing the appropriate application forms, I inform Mary that it appears she is eligible for SSI payments. Based on the fact that she is living alone, I can conclude she is living in her own household. This fact determines the amount of her Federal payment from SSI. The Federal payment amount for an individual living in their own household is \$146. We must deduct her monthly social security retirement check from this payment amount after the first \$20 is disregarded. Therefore, I tell Mary that she can receive \$28.80 a month from supplemental security income.

Because she lives in New Jersey, one of the States which pays an optional supplement to the Federal payment, I also inform Mary that she will get \$36 a month from the State of New Jersey for a total of \$64.80. Social security will pay both benefits in one check. This is because the Social Security Administration administers the State supplement for the State of New Jersey. This State supplement is also based on Mary's living arrangements. Mary gets the additional \$36 because she lives alone.

I explain to Mary that it will take 4 to 8 weeks to get her regular SSI check, but her payment will be retroactive to the month she files. Mary tells me she needs new glasses immediately and asks what we can do about it. I inform Mary that in New Jersey a person eligible for SSI is also eligible for medicaid. I explain to her that medicaid can pay the cost of her glasses. Because Mary can't wait until she gets her computer generated medicaid card, I give her a referral to the local medicaid office. This referral slip indicates that Mary is eligible for SSI and the medicaid office will immediately issue her a temporary card. She can use this card for all of her medical needs.

Because Mary has so little funds, I issue Mary an emergency payment for the amount of her first SSI check. Mary can only get up to \$100 in emergency payments in her lifetime because the law limits the use of these funds to genuine emergencies.

I explain her responsibilities to report certain events to the Administration. She must notify us if she changes her address, leaves the United States for more than 30 days, or acquires any additional income or resources. We must also be notified if anyone moves in with her or if she marries. All of these things affect her payment amount.

I ask Mary if she is getting food stamps. In New Jersey, food stamps will not affect her SSI eligibility and most SSI recipients are eligible. She is not receiving them and I give her a referral to the food stamp office.

When I complete the interview with Mary, I certify on a SSI "data input and determine form that all the necessary evidence is in Mary's file. Her file then goes to a data review technician. The data review technician is responsible for correctly coding the information from Mary's file to the computer input form. The form must be completed correctly or else the computer will not generate checks. The faster we can input Mary's data into the computer, the sooner Mary will start getting her checks.

Mary began receiving SSI checks, but several months later we received a report that she is now in a nursing home. This means that her SSI payments will be affected. Medicaid is paying her nursing home bill. When a SSI recipient is living in a nursing home for more than 1 month the medicaid is paying at least 50 percent of the bill, the Federal standard payment amount is \$25. Since Mary's regular SSA check is over \$45 (\$25 + the \$20 disregard), Mary's SSI payments will have to be suspended for every complete month she is in the nursing home. The district office must, however, redetermine Mary's case and advise Mary of her legal rights to appeal our decision.

In New Jersey, luckily for Mary, she will qualify for nursing home assistance which is administered by the State. The district office or the nursing home would refer Mary to the appropriate county welfare board to apply for this assistance. If Mary is released from the nursing home within 1 year of her SSI benefits being suspended, she can resume her SSI benefits if her new living arrangements warrant it. However, each time Mary reports an event that

affects her SSI benefits, her case must be redetermined by a district office employee and the new data input into the computer system. Even if a change takes place each month, the law requires this be done.

The foregoing is one of the simpler cases which are processed by a SSA claims representative. It is, therefore, not representative of the more complex cases involving much more difficult judgments by the claims representative.

ITEM 5. STATEMENT BY AFL-CIO EXECUTIVE COUNCIL ON INDEPENDENT SOCIAL SECURITY ADMINISTRATION, SUBMITTED BY AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES, DATED AUGUST 6, 1974

The social security system is one of the Nation's most successful legislative achievements. In one way or another, social security affects the lives of almost every American family.

The program collects contributions from 100 million workers, covers nearly 200 million Americans, and disburses \$4.3 billion a month in cash benefits to 30 million beneficiaries—one out of every seven Americans. More than 90 percent of all people 65 or older are eligible for social security benefits and 80 percent of the men and women aged 21-64 would receive benefits in the event a family breadwinner incurred a severe long-term disability. Ninety-five percent of mothers and dependent children are eligible for benefits if the father of the family dies.

For older Americans, the social security program is the foundation on which their economic security rests. Social security benefits represent over half the income of two-thirds of aged single beneficiaries and one-half of elderly couple beneficiaries. They account for almost the total income of nearly one-third of the single elderly beneficiaries and 15 percent of older couples.

The importance of this program to the Nation makes it imperative that the financial integrity and nonpolitical administration of the system be assured. Actions by the Nixon administration demonstrate how the program can be manipulated to achieve objectives unrelated to the legitimate and intended purposes of the social security program.

Several times President Nixon has brazenly claimed credit for social security increases by including notices sent out with social security checks identifying himself with benefit increases he either opposed or tried to severely limit. Recently the Secretary of Health, Education, and Welfare refused to accept one of the AFL-CIO's nominees for the Advisory Council on Social Security solely because of his political activities. No official or political party should be allowed to exploit the program in this partisan manner.

Since 1969, the financial transactions of the social security system have been included within a unified budget which combines regular Federal income and expenditures with the largely self-financed social security program. Social security trust funds, including the relatively small amount derived from general revenue, may be used only for the payment of social security benefits and administrative expenses. However, inclusion of the trust funds in the unified budget leads to confusion in the public mind as to whether these funds are used exclusively for social security programs and how well protected are the social security rights of covered individuals.

Furthermore, the inclusion of social security trust funds within the unified budget distorts decisions concerning both social security and non-social security programs. One direct result has been the misleading use of social security trust fund money as a means of reducing the Federal budget deficit. Balancing trust fund income against non-social security expenditures makes the unified budget deficit look smaller. Even worse, needed improvements in social security benefits are opposed not on their merits but because they might reduce trust funds and, consequently, increase the overall budget deficit.

In 1973, the administration proposed to reduce medicare benefits for the elderly by increasing the coinsurance amounts they must pay under the program. Cutting benefits without making compensating improvements results in a surplus in the medicare trust fund and thereby reduces the deficit in the unified budget. This fiscal sleight of hand was reflected in the administration's budget recommendation but fortunately was rejected by the Congress. The AFL-CIO does not believe that the elderly, one of the poorest groups in the

Nation, should bear the burden of clever bookkeeping to make any administration's budget look better.

Social security claims built up by past earnings and contributions are not a proper matter for year-to-year budgetary decisions. The Government must rigorously discharge its responsibility as trustees for those who have built up rights under the system. The program must be kept free from political influence or manipulation geared to the ups and downs of the regular budget.

To help assure the nonpolitical nature of the social security program, an independent, nonpolitical Social Security Administration should be established outside the Department of Health, Education, and Welfare. This kind of independent role need not change most of the interrelationships between the Social Security Administration and other governmental units. For example, there wouldn't be any change in ultimate congressional control over the social security program. Furthermore, establishment of an independent Social Security Administration need in no way inhibit general revenue financing to meet a significant proportion of social security costs. In this connection, the AFL-CIO reaffirms its support for increasing general revenue financing of social security until at least one-third of the cost is funded in this manner.

In order to achieve these objectives, the AFL-CIO urges Congress to enact legislation which would:

1. Establish an independent, nonpolitical Social Security Administration separate from the Department of Health, Education, and Welfare. The Social Security Administration should be under the direction of a five-man governing board, including duly designated representatives of management and labor, appointed by the President with the advice and consent of the Senate and with no more than three members from any one political party.

2. Prohibit the mailing of announcements with social security checks which make reference to any elected officer of the United States.

3. Strengthen public confidence in the social security system by excluding social security trust funds from the unified budget.

ITEM 6. EXTRACT FROM SOCIAL SECURITY ADMINISTRATION BUDGET; SUBMITTED BY AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE OFFICE OF THE SECRETARY

	1974 actual	1975 estimate	1976 estimate
Executive level IV.....	1	1	1
Executive level V.....	1	1	1
Subtotal.....	2	2	2
GS-18.....	6	12	12
GS-17.....	13	12	12
GS-16.....	43	43	43
GS-15.....	951	1,090	1,087
GS-14.....	1,239	1,342	1,340
GS-13.....	2,625	2,870	2,866
GS-12.....	3,903	4,172	4,156
GS-11.....	3,917	4,016	4,011
GS-10.....	7,468	8,141	8,130
GS-9.....	2,947	3,473	3,468
GS-8.....	2,526	2,691	2,687
GS-7.....	4,307	8,635	8,623
GS-6.....	8,197	7,591	7,580
GS-5.....	11,141	7,886	7,875
GS-4.....	11,219	7,941	7,930
GS-3.....	9,886	8,932	8,835
GS-2.....	1,631	2,202	2,199
GS-1.....	199	418	417
Subtotal.....	72,218	71,467	71,281
Ungraded.....	548	584	584
Total permanent positions.....	72,768	72,053	71,867
Unfilled positions, June 30.....	-1,514	-1,004	-1,002
Total permanent employment, end of year.....	71,254	71,049	70,865

ITEM 7. MEMORANDUM FROM MARY ALICE WELLS, UNION STEWARD, ROXBURY, MASS., DISTRICT OFFICE, TO PERCY O. DAILEY, JR., PRESIDENT, LOCAL 1164, AFGE. SUBJECT: SSI PROBLEMS; DATED JANUARY 27, 1975

The year-long nightmare of SSI is no closer to ending now than it was in January of 1974. The problems inherent in the State welfare systems were simply passed on to the Federal Government and I am relatively sure that any SSI recipient would tell us that he is worse off now than before the takeover. To my mind the reason for this disaster is four-fold:

1. Lack of cooperation and communication between the State of Massachusetts and the Federal Government. There are some welfare conversion cases that are still not in payment status because the State did not or could not convert them properly. Even now, SSI claimants are coming to Social Security offices expecting to have their social needs taken care of (this is not their fault, they have been led to believe that social security has replaced the social service aspect of welfare and this is simply not true). It is of the utmost importance that those who made H.R. 1 law know that claims representatives and service representatives are not social workers; at best they are technicians who administer title II and title XVI to the best of their ability—few, if any, have any social work training. We cannot be expected to do social work.

2. Inadequate staffing and office space. Shortly before H.R. 1 became law, SSA hired hundreds of new claims and service representatives. Anyone who has been with SSA for long knows that a CR or SR trainee is worth almost nothing for a year and a half to two years. Trainees are not being trained, but are being allowed to flounder around and do the best they can with what they have. It has been estimated that some 70 percent of BDOO personnel are trainees. The staffing shortage has become so critical that GS-9 CR's are being encouraged to apply for operations supervisor positions, and this is a travesty. It is appalling to think that a CR who has not even reached the journeyman level is expected to supervise not only other CR's, but SR's, DRT's, CDC's, AN clerks, and receptionists. How can we tell others what to do when we are not sure what we, ourselves, should do in a given situation? Also, along with this increase in staffing (however inadequate) came the problem of overcrowding. As you know, in my office, after months of having not enough desks and chairs to go around for the employees, we were forced to split our operation—sending half of the office to one location and keeping the remaining employees in the DO. Those employees who are in the DO interview claimants from 9:00 a.m. until 4:30 p.m. with little or no respite. How many interviews a day does it take before a person begins to lose perspective? All of us want to help our claimants as much as possible, but work pressures are such that real help (i.e., prompt processing of claims) is all but impossible. We are losing more and more dedicated employees every day because they are tired of banging their heads against a brick wall.

3. Inadequate training. Has anyone kept a count of the number of changes instituted since the beginning of SSI? The volume of paper flooding into DO's is unbelievable. The hour between 8 and 9 a.m. has supposedly been set aside for "training." With no time between interviews during the work day, it is impossible to do any paper work associated with a claim, and the only answer (and it is indeed nothing more than a band-aid answer) is to process paper work on overtime or during that precious first hour in the morning. But what happens when the telephone rings? What happens when a claimant comes in before 9 and insists on being seen immediately? And when training is given, how adequate is it? Training materials are a joke. We sit around and spend the hour trying to figure out what they are trying to tell us. It rarely matters who is giving the training, whether it is a supervisor, CR, SR, whatever, the instructions in training packages are so nebulous they are open to several different interpretations. And even if we understand the training this week, who will guarantee that we will understand the training that will come out next week on the same subject changing everything we have just learned? Also, when a really tough question arises and a call is made to the regional office "expert" in charge of a certain function, all we get is a runaround. It is becoming more and more apparent that as bad off as we field people are, the regional and central office people are in far worse shape. Only they don't have to explain to the irate claimant (who is often irate with just cause) that they don't know

what the hell they are doing. As a case in point I give you the redetermination training session which was held at the RO 2 or 3 weeks ago. One person from each office was designated to attend the meeting and was then expected to return to their respective DO's and train the staff. The redetermination expert from central office had to catch an early plane home, so the training was rather rushed, and the expert acknowledged that the task of completing redeterminations by the June 30 deadline was impossible but field people are expected to do it. The field representatives were told to return to their offices and train others as best they could, but there are some redeterminations that simply cannot be fed into the EDP system for various reasons, but it is impossible to weed them out before conducting the 3- to 4-hour interview. During the redetermination interview the claimant will be required to remain seated at the CR's desk until the interview is completed, but after some expertise by interviewers has been gained it is expected that the interviews will be cut from 4 hours to 2½ hours. I wonder if the redetermination expert would like to conduct a 4-hour interview asking questions the claimant feels is none of his business and at the end of that 4-hour interview tell the claimant that he is no longer eligible for SSI benefits.

4. Thoroughly inadequate EDP system. Because training on the SSI systems was so inadequate at the outset (with conflicting instructions in the systems section) it was impossible to get an SSI recipient into the system. It is the rule rather than the exception that it is necessary to make the same input several times before it "takes." Also, it is not a bit unusual for an input to be accepted one day and the same type of input rejected the following day for no apparent reason. The long-promised SSADARS system is still long-promised for most of us, and the present ARS equipment is practically useless. I have spoken with the Western Union repairmen who have practically become part of our staff they are on call so often and they have told me that the equipment in SSA offices was never meant to take the kind of punishment they have been receiving for the last 13 months. When the teletype breaks down work piles up and we can never quite catch up to it. We have been screaming for a year that the system stinks, but no one has done a damn thing about it. For instance, last May we were visited by yet another "expert," this one in the field of SSI systems—this was his specialty. He told us that he would answer any question on SSI systems. We asked. He could not answer. We called him with a rather tough question and he referred us to someone else and so on down the line. We finally did what we have gotten used to do—we phoned several other offices and used a general consensus of opinion. This is certainly no way to run a needs program.

All in all I think those who are responsible for Federal takeover of welfare should be ashamed of themselves. They might have gotten themselves a few votes here and there, but they have done irreparable harm to the aged and disabled poor people for whom this program was to have done so much.

I have been told that just before H.R. 1 became law, a number of changes were instituted and that these changes have been the biggest reason for systems failure, etc. I don't know about that—it seems that no one in the field is ever consulted about anything that concerns us. I do know one thing though. The rank and file SSA employees in DO's and PC's are fed up with the inadequacies under which we are expected to perform superhuman feats. We need training—adequate training. We need staffing—adequate staffing. We need office space—adequate office space. We need systems performance—adequate systems performance. We are not asking for the best of everything, just a betterment of something. We have had it, and if things don't improve the lid is going to blow off. And when it does the politicians are going to catch some fallout.

ITEM 8. SOCIAL SECURITY PROBLEMS AS I SEE THEM, BY JOAN SCOLINS, CLAIMS REPRESENTATIVE TRAINEE, FITCHBURG, MASS., DATED JANUARY 23, 1975

I. The SSI program should have been introduced in phases (e.g., disability at one time, aged at another). Reasons:

(1) Workload could have been measured more effectively and efforts made to hire appropriate numbers of personnel in preparation for phase 2 after phase 1 had been evaluated.

(2) Systems problems could have been identified and corrected before phase 2 was begun. After 12 months some program inadequacies still exist, making it impossible to administer the program with maximum efficiency. For instance:

(a) The program was not designed to accept these changes: (1) One member of a couple ineligible at time of filing of eligible member (one 64 and one 65 years of age). System cannot change an ineligible member of a couple to eligible. Elaborate, time-consuming manual computations have to be done each month to pay such a couple; (2) separation of a couple: (a) Death. If one member dies, the computation for the other has to be manually; (b) one goes to nursing home. Consumption has to be done manually; and (3) remarriage.

(b) Manualization of systems input takes place tardily: (1) One follows manualized instructions, only to have one's input rejected because a program change has been made, but manuals do not yet reflect the change; and (2) The fact that certain manualized instructions are not operable is not indicated (E.g., paying of underpayments to surviving member of couple after death of other member.)

(c) System is unable to properly pay a couple if one is aged and the other is awaiting a disability determination. For months even the aged member was not paid. Now the aged member is paid as if he were single, and if the disability of the second member is allowed, adjustment has to be made. Problem: this method often means that an overpayment has been made and recovery of the overpayment is supposed to take place. To attempt to recover after deliberate overpayment has been made is certainly inefficient.

(3) Suggestions: (a) If HEW takes on AFDC, have it done in stages; (b) do not under any circumstances have a conversion process whereby Welfare does any input or coding. All AFDC recipients should refile in SSA offices. Much faulty input could be thereby prevented.

II. Disability decisions are not made timely. It should be mandatory that a determination be reached at each level within one month. Hearings currently aren't even scheduled for nearly a year in many cases.

III. System for RSI could be made less complicated. Eliminate retirement test.

IV. Policy still not clear in SSI program: (1) What are excludable items for rental income not yet manualized; (2) what is the real meaning of the grant amount not clear; and (3) how to compute benefits when couple split not clear.

ITEM 9. NEWSPAPER ARTICLE FROM THE BOSTON, MASS., HERALD-EXAMINER, DATED FEBRUARY 16, 1975

FEDERAL WORKERS ASK HELP SINCE SUPPLEMENTAL BENEFITS PROGRAM STARTED

By Wendell Coltin

You can add to the voices of Chairman Frank Church of the U.S. Senate Committee on Aging and others who advocate a separate Social Security Administration—the American Federal of Government Employees, which represents more than 90 percent of Social Security Administration's employees.

AFGE, an AFL-CIO affiliate, believes the SSA should be a separate Department, with its own Cabinet officer, who could report directly to Congress and the President, "instead of through a layer of bureaucrats." It is disturbed with conditions since Congress dumped into Social Security's lap the supplementary security income program.

"Relationships between the public and the SSA employes have always been the best until the SSI program came into being," Daniel J. Kearney, AFGE national vice president, told Senator Edward M. Kennedy at a hearing conducted recently in Fitchburg on complaints against the Fitchburg Social Security office. Many complaints related to the SSI program, such as long delays in determination of eligibility for benefits and delivery of checks.

"Our union recognized the problems it would create and we approached Caspar Weinberger of HEW and Roy Ash of the Bureau of the Budget, and pointed out that the agency (SSA) would have to hire a significant number of additional employes in order to augment the program properly. Of course, they turned us down and acquired a small addition of permanent employes.

"Then," said Kearney, "it was proposed the employees work overtime. Overtime should be a sometime arrangement—not a regular occurrence. However, all of our offices have been impacted by the overtime schedule and have been working anywhere from 10 to 18 hours per week overtime. This has been going on for about a year and has created some very difficult situations in which the employees threatened to refuse to work. Our union urged them to continue and we kept pushing for hiring of additional help.

"Overtime, in some areas, has been extremely difficult for the employees, since transportation is geared for 9 to 5 days, generally, and many of our employees are women who augment their husbands incomes and have children to care for, or are widowed or separated. Continued overtime causes disruption in their lives.

"The continuance of such overtime," said Kearney, "has resulted in illness, irritability, and unhappiness. As a matter of fact, a resolution was passed at our convention in Boston in August, to ask Social Security to discontinue the mandatory overtime."

Kearney said the resolution "passed overwhelmingly" and this was made known to officials of HEW, the SSA, Office of Management of the Budget (OMB) and Congress.

"The latest information I have, which is supposed to be confidential," Kearney related, "is that on January 2 the SSA asked OMB for 5,500 permanent slots in order to accommodate the additional workload. OMB has offered 9,000 temporary employes; 5,000 for district offices, 1,500 for payment centers and 2,500 for headquarters. These employees would be term employees and would receive less fringe benefits than the permanent employees and they would have no protection, whatsoever, under Federal civil service laws and regulations. Under such conditions, for the agency to attempt to conduct training programs for these people would seem ridiculous. This is strictly an unsatisfactory answer to the problem."

(Note: This column's check with the regional office of the Social Security Administration found there are 1,975 employees in the 74 district and branch offices in New England).

Kearney stated further, "The workload of the various district offices is being further impacted by the number of people who have been laid off and who retire at ages 62 to 65, as the case may be, who might have continued to work. Also, a good many who are not eligible because of age are applying for disability pensions to which they are properly entitled, but who might have continued to work in private industry had such work been available, in spite of their aches, pains, and disabilities."

Kearney presented Senator Kennedy a copy of a Herald American piece by this writer, which appeared the day he gave his testimony to the Senator. The story said that HEW was to list new SSI regulations that day. Kearney said, "These regulations have been constantly changed over the past years, confusing the employees and the applicants. The administration itself has got to get with it.

"I might add at this point," said Kearney, whose first district headquarters is in Dorchester (512 Gallivan Boulevard), "just as an example, a situation at Quincy. It seems that the (State) welfare office at Quincy, which employs 132 people and services several surrounding cities and towns, has transferred about one-third of its work to the Quincy SSA office, which is being allotted two employees, instead of the 40 required.

"Our union does not condone inefficiency on the part of the employees," Kearney stated. "However, you must understand the pressures they work under. The individual who feels he or she has a complaint should see the manager and point out the circumstances and the manager can take action against the employee to either correct his attitude or punish as necessary. We have a contract with that agency which states exactly how an adverse action shall be effected. If and when such actions are preferred, the union itself conducts its own investigation through its stewards and officers and is able to speak for the employee, when necessary, at a hearing.

"We may, if it appears proper, recommend a transfer of the employee to another position or some other kind of action which might call into play medical advice or other assistance to the employee, should he or she need it," Kearney relates. "Should all our ministrations fail, of course, the employee, if a bad employee, should be separated.

"I think," said Kearney, "if the public follows that course of action, results will be much quicker than writing to their Senator or Congressman, who have to make similar investigations."

At the Fitchburg hearing, Senator Kennedy and Regional SSA Commissioner Walter W. Mode heard employees of the Fitchburg office praised for their courtesy and efficiency; and also criticized for rudeness. Kearney contended, "The public is not always understanding or civil, when they approach a Federal employee for service. I have observed many instances where the public itself was unfair in its demands. Conditions have been so bad in other areas there have been riots." He did not however, condone rudeness.

(This column appears in the Boston Herald American Monday through Friday. Address questions to Medicare Mailbox, Herald American, 300 Harrison Ave., Boston, Mass. 02106).

ITEM 10. SSI PROGRAM IN GENERAL, REPORT SUBMITTED BY AMERICAN FEDERATION OF GOVERNMENT EMPLOYEES

The Social Security Administration which employs approximately 50,000 people, has been gradually assuming more and more responsibility for programs other than the initial intent of the Social Security Act of 1935. Of course the employees are pleased to take on the additional responsibility; however, the problem is that the responsibilities were handed to the agency without proper training and/or staffing. They received the responsibility for medicare in 1965 and there was little additional staff added at that time. Then in late 1972, President Nixon signed a bill into law which gave the Social Security Administration the responsibility of administering what is commonly known as the SSI program, or supplemental security income. Prior to that time the supplemental security income had been handled by the various States and local communities.

The Social Security Administration was given some 14 months to prepare for this program and this was impacted even further when 1 day before it was to take effect, the President signed another bill which changed the eligibility for many people who had already been mailed checks. The law signed by President Nixon on December 31, 1973, created a situation wherein many of the recipients of these checks were technically overpaid, i.e., when SSI was first drawn up, all State disability and old-age conversion cases were to be paid under SSI with no review. In December 1973, President Nixon ruled that all disability cases filed with the State welfare after July 1, 1973, through December 31, 1973, would have to undergo a disability review by the State rehabilitation commission subject to more stringent Federal standards.

Many of these cases received payments under SSI for the first 3 months of 1974 and upon review by the State rehabilitation commission, were then denied. This created an unexpected influx for every SSA district office throughout the State and the employees were subjected to all kinds of abuse by these dis-entitled individuals who suddenly found their monthly checks terminated. As these individuals applied at each district office, they were informed of their rights and district office employees assisted them in filing a new claim or a reconsideration, by the already overburdened SSA district office. Each appeal or reconsideration had to be processed through the State rehabilitation commission for a new decision. This unexpected workload was not anticipated by the planners of SSI, causing considerable delay in payment of new claims.

To understand the impact of this program on the various offices as the responsibility was shifted under the SSI program, we must give some examples of the loads picked up in all of the offices, such as the Dorchester office. The citizens of that area covered by the Dorchester office were serviced by some 200 State welfare employees. It is estimated that approximately 30 percent of the work was shifted to the SSA office that had only 12 to 15 employees at the time. It now has 20 personnel. You would think that the employees would increase with the amount of work, but this did not happen. The net effect of this move was to transfer work performed by about 60 people and only 5 to 8 people were added to the SSA staff.

Another example is the Cambridge office which had about 13 claims representatives and their workload was doubled. The magnificent sum of 4 employees was added to the 13. To make this problem greater, most of them had less than 2 years' experience.

A third, and rather startling, example is the case of the Roxbury office, where at certain periods, the pending cases went from a normal 400 pending cases to 1,200 pending cases. In spite of the huge increase in the workload, the staff went from 5 claims representatives to 8 claims representatives, 3 of whom were trainees. Further, the Roxbury office was not assigned a social security data acquisition and response system, in spite of their overly expanded workload. This machine has the capacity of instant recall of the approved cases from the computer. It is understood that many offices are still without this type of equipment.

Reconciliation and Analysis (R & A): The major villain in this whole program has been the magic computer which we understand is in Birmingham, Ala. When necessary information in coded form is transmitted to that computer, if there should be an error or change in instructions or coding the information given the computer (which happens quite often), it kicks the transmission back and it is returned to the district office, the responsible office, which will try to correct the transmission and provide proper information. This can occur eight or nine times. If the district office is unable to obtain resolution, the case is then referred to Reconciliation and Analysis (R & A), which is headquartered in Boston, and handles these cases for some 80 different Social Security offices.

This R. & A. unit consists of a highly skilled group drawn from various Social Security offices in New England and the personnel in this office are well trained. They will try to recode the applications for the computer processing. It may take as long as 15 days before the individual processing the case finds out from the computer whether or not the payment will be made. If payment cannot be made the computer is bypassed and the individual is issued a one-time payment (OTP). The time for processing an OTP is approximately 5 to 8 days.

There are approximately 4,500 cases in this unit awaiting action and there are five employees directly involved with those cases. Three additional personnel are engaged in a project of some 1,100 cases of applicants whose cases have been continually rejected by the computer for a period of some 13 months.

Overtime: The Social Security Administration has used all sorts of stopgap methods to overcome the workload and speed up payments, such as overtime allotments to various offices and that overtime was made mandatory so that employees have been performing the overtime for somewhat over 1 year.

RECOMMENDATIONS

1. In order to relieve the situation, it is recommended that an immediate hiring program be set in motion to add some 15,000 employees to the Social Security Administration (do not expect results immediately because the training program for that number of people will be absolutely fantastic). We must also realize the people already in the program will have to take time to acquaint their new brothers and sisters with the rules, regulations, etc.

2. An immediate study be made in Congress, in order to simplify the law and streamline payments which would include bringing State and Federal laws into phase so that the operation will be more efficient.

3. The existing formula for emergency or tide-over payments should be liberalized to enable payments in all problem cases. It must be understood that emergency payments are made, but they have to meet with criteria already established. Also, some of the payments are one-shot payments of about \$100. This should be expanded, particularly in cases where people change addresses and the computer does not catch up with them. The encompassing of all emergency payments in problem cases would increase the workload at the Social Security district offices manifold. This would give Social Security the same over-the-counter payment authority the welfare has always had.

4. We recommend the elimination of the 20 out of 40 requirement for disability applications. If an individual is fully insured, he should be eligible for social security benefit. Elimination of the 20 out of 40 quarters would not only save the State money, but would eliminate many complaints for the Congress and Senate. The current law says "you must have 20 quarters out of the past 40 quarters immediately preceding the time of the onset of the infirmity." It should be remembered, of course, as stated above, that the complainant must be fully insured.

ITEM 11. SERIES OF NEWSPAPER ARTICLES ON SOCIAL SECURITY, SUBMITTED BY ANDY ROSENBLATT,¹ STAFF REPORTER, MIAMI HERALD, MIAMI, FLA.

[Mar. 2, 1975]

ONCE EFFICIENT SYSTEM BOGGING DOWN

Reporter Andy Rosenblatt spent a month studying Florida's Social Security program and monitoring the problems of people who had written The Herald's Action Line for help. Here is the first of his three reports.

(By Andy Rosenblatt)

The symptoms are everywhere, America's Social Security Administration is suffering from advancing age.

Although the vast, sophisticated bureaucracy that pumps lifeblood to 31 million poor and elderly people is not yet 40, a serious case of hardening arteries already has set in and slowed the flow of sorely needed benefits.

The high-speed, computerized information system linking local Social Security offices with the agency's national headquarters in Baltimore has memory lapses as it frequently becomes overloaded and breaks down.

There are more signs. Lines at Social Security offices around the country are long and getting longer. So long that retired carpenter William P. Gray, 75, recently spent 4 hours sitting in the Coral Gables office and never saw a government worker. Gray finally walked out, emotionally exhausted and physically sick.

If Gray had not gone to the office, it still would have taken him anywhere from 3 minutes to an hour to get a Social Security worker on the phone.

Service is not what it used to be, Social Security officials concede. Because of administrative problems, lack of staff and new responsibilities, it often takes the system 6 weeks to process an ordinary retirement claim that was once handled in less than a month. Disability claims that used to be handled in 3 months now take twice that long, and disability appeals are backlogged a full year.

These delays and the resulting human frustration have produced enough complaints from Florida's 1.5 million social security recipients (more than a half million in Dade, Broward, and Palm Beach) to prompt a Government study of the bureaucracy's operation throughout the State. The study is currently underway.

For some people, the current mishmash of computer foul-ups, longer waits, and redtape has merely been a matter of inconvenience. For Gray, it has meant moving in with relatives and drawing funds from Dade County Welfare.

Others, like Robert McConnell of Miami, say they are threatening their survival. McConnell, 65, a strapping, former broadcast engineer for radio station WWOX, never thought he would be dependent on social security . . . not until doctors were forced to amputate his disease-riddled left leg.

Today, social security benefits could make the difference for McConnell and his wife between struggling to pay monumental medical bills and living in modest comfort. A difference, that is, if he were receiving the monthly checks Social Security officials admit he is entitled to.

"The medical bills," McConnell says, "exhausted every penny we had. Last year's taxes haven't been paid, the car payments are running behind, and we haven't had meat on the table since I don't know when. It hurts to admit all that."

McConnell first applied for disability and retirement benefits in January 1974. Immediately after, his left toe was removed because gangrene had set in. The disability request was denied. McConnell began receiving retirement checks within 2 months.

It was a good thing he did. On March 27, doctors were forced to amputate McConnell's phlebitis-plagued left leg just below the knee.

As McConnell convalesced in a wheelchair, the problems of being old and sick developed. His social security checks stopped coming. They stopped coming because McConnell's second application for disability was approved and Gov-

¹ See statement, p. 1034.

ernment regulations require that retirement checks be discontinued when someone begins to draw disability.

In McConnell's case, the retirement checks stopped, but the disability checks never began. For the last 8 months, Robert McConnell hasn't received a penny from his Government. Just a runaround.

"Since July, my husband has contacted the Social Security office every month," Mrs. McConnell wrote in a letter to the Herald's Action Line. "Every month he was told that 'a tracer' would be sent out and it would be at least 28 days before he would hear anything. We are wondering how many '28 days' we will be kept waiting . . . I am sick and tired of worrying about how I am going to pay our bills due to someone else's goof."

What happened to Robert McConnell's money? Social Security officials in North Miami Beach and Baltimore admit they don't know. Because it is a critical case, Social Security authorized the issuance of a special emergency check for McConnell 2 weeks ago. That check, like the others, has yet to arrive.

The dilemma facing McConnell and Gray isn't unique.

James W. Cardwell, the Commissioner of the U.S. Social Security Administration, said in a Herald interview: "There are some signs that the quality of service as measured by lapse times and backlogs has diminished nationwide."

SOCIAL SECURITY IN FLORIDA

	Number	Total monthly payment	Average monthly payment
Beneficiary:			
Retired workers.....	861,250	\$144,924,000	\$168.27
Disabled workers.....	88,420	16,225,000	183.50
Dependents and survivors.....	513,625	57,667,000	112.27
Special age 72.....	14,135	1,000,000	70.75
Total.....	1,477,430	219,816,000	148.78
Area county rundown:			
Dade.....	236,310	33,084,000	140.00
Broward.....	171,090	27,688,000	161.83
Palm Beach.....	97,140	15,409,000	158.62
Martin.....	11,195	1,742,000	155.60
St. Lucie.....	12,130	1,739,000	143.36
Indian River.....	10,295	1,562,000	151.33
Monroe.....	7,140	1,006,000	140.90
Collier.....	10,695	1,670,000	156.15
Lee.....	34,840	5,384,000	154.54

¹ Estimate.

Note.—These totals, compiled on June 30, 1974, are the most recent statistics available from the Social Security Administration. They do not include those people receiving Supplemental Security Income, a public assistance program administered by Social Security.

Sam Cohen, manager of the Social Security's Miami north district office, which is handling the McConnell case, and a man who has been with the system since its inception during Franklin Roosevelt's first term, speaks about the problem more succinctly: "Our service," says Cohen, "is not what it used to be, at a time when people are demanding more from their Government than ever before."

Because of constituent complaints, U.S. Senator Lawton Chiles and 10 of Florida's 14 congressmen requested in January that the General Accounting Office look into the matter.

"This situation," Chiles said, "has reached critical proportions in the administration of social security and medicare-medicoid programs. It is clear from the tremendous number of complaints I've received . . . that the administration of these programs needs a searching reevaluation and a great deal of improvement. Social security claims take far too long to process . . ."

Agents from the GAO's regional office in Atlanta currently are in Florida trying to determine the causes and cures for the congested situation.

The complaints reaching Florida Congressmen and Social Security officials center on these areas: the nonreceipt of checks, and delays in the processing of both medicare and disability claims.

Social Security officials are hopeful that the establishment of a medicare claims processing center in Dade County by July will alleviate that problem.

But, they are not optimistic about what can be done about disability delays and the missing checks.

Mrs. Sadye Rosenzweig knows what a problem it is, trying to get the Government to replace a check. A widow, Mrs. Rosenzweig lives alone in a Miami Beach efficiency apartment. There are pictures of children and grandchildren on every wall. A tank of oxygen rests by her bedside.

For the past 10 months, Mrs. Rosenzweig has been waiting for her April 1974 check of \$183.50. She has called and visited the Miami Beach Social Security office and has written letters to Philadelphia, Baltimore, and Washington. The letters have not produced a check. Or even a reply.

"I'm disgusted," Mrs. Rosenzweig says. "It's a bad enough I'm sick and have a heart condition. I don't need this."

Karl Saenger, manager of the Beach office, looked into Mrs. Rosenzweig's case at the Herald's request. "We blew this one," he concluded. "The check was erroneously withheld and I don't know why."

Mrs. Rosenzweig is one of approximately 300,000 persons nationwide who last year reported that they did not receive one or more of their social security checks, according to Treasury Department figures. Government workers looked into each of the claims and found half of them to be justified, requiring the Government to issue substitute checks.

Like other social security procedures, the replacement of a lost check involves numerous steps and Government agencies. It is a procedure designed primarily to protect the Government and not the individual social security recipients involved.

"Too often," said U.S. Senator Abraham Ribicoff (D., Conn.), a former secretary of the Department of Health, Education, and Welfare, "Government redtape and bureaucratic delay deprive citizens of the benefits due them. This works a special hardship on older Americans, welfare recipients, and the disabled who depend largely on these payments for their income.

"Delays in getting their checks can mean more than inconvenience. Delays can mean going without food, defaulting on rent, utilities, medicine, and other necessities."

Local Social Security officials say that a check often is lost because the recipients failed to report a change of address. They also insist that their system is highly efficient, pointing to the fact that less than 1 percent of all checks sent out are reported missing.

"Frankly, I'm surprised," Saenger says, "that there aren't more snafus given the tremendous volume of business we are dealing in."

To solve the problem of lost checks, Ribicoff, Chiles, Claiborne Pell (D., R.I.), and 19 other Senators are sponsoring the Social Security Fairness Act of 1975. The act would compel the Government to issue new checks within 4 days to any bona fide social security recipient who signs a statement that he or she did not receive a monthly check.

Chiles admits that chances of the bill passing are slim, partly because of the Social Security Administration's opposition.

"I don't think the bill is the right solution," says Cardwell, the man who oversees 80,000 employees and the distribution of social security benefits totaling more than \$62 billion a year. "It could produce a run on the system. The right solution is to speed up the service."

Nathan Tatz is all for that. On the fourth day of every month, Tatz puts on a fresh shirt and a sour face and walks to the mailboxes of a Skylake condominium, preparing himself for the worst.

Tatz had to wait 15 months for his deceased wife's disability check. A retired lumber yard manager from New York, Tatz applied for the benefits in December 1973.

Because his records were lost somewhere between Tallahassee, Baltimore, and New York City, Tatz did not get a notice that benefits had been approved until July 1974. That was not the end of the delay.

Tatz did not receive a check until last week. It contained a misspelled name. Banks have refused to cash the check because of the error and Social Security wants it returned.

Although Tatz is not desperately in need of the money, the long wait has been frustrating. So is the prospect that it will go on.

"Everytime I call the Social Security office, I have to bring up the name of my wife, Rose. Naturally, it's a mental thing. It bothers me. She's dead and I want to close the book, but as long as this keeps going on I can't."

The Social Security Administration generally is regarded as the most efficient of Federal agencies. It spends less than 2 percent of its annual budget on operating costs. Forbes Magazine last October called Social Security "the white hat bureaucracy."

So what happened? Why the delays? Government officials say there are several factors involved, the most prominent of which was the Federal Government's decision to assume responsibility for distributing funds to blind, disabled, and poor persons previously drawing welfare checks from their individual States. That decision added 4 million people to the social security rolls in a relatively short period of time.

"The workload per employee," says Cohen, manager of the Miami North Social Security office, "has gotten much heavier (because of the job freeze) and a recession always makes things worse by increasing the number of claims."

Meanwhile, the filing of disability claims, which requires a time-consuming review, has doubled within the past 3 years. A temporary Federal job freeze also has reduced local Social Security office staffs.

Despite all this, Social Security Commissioner Cardwell insists that progress is being made. A request for 11,500 additional workers recently has been approved by President Ford and awaits congressional action.

Cardwell also has organized a separate office within the agency to study ways of simplifying the Nation's voluminous social security law and complicated administrative procedures. That effort is expected to take several years.

What happens until then? The answer probably is very little. The agency has shifted some workers to help reduce the backlog of disability claims, but that, Cardwell admits, is a case of robbing Peter to pay Paul.

Recipients will have to endure their problems with patience. After all, as Ribicoff said, "The Social Security Administration is the most efficient bureaucracy in town. Which gives you some idea what it must be like to deal with the others."

THE COMPUTER IGNORES A FACT OF HER LIFE

Maria C. Puig, 88, has been resurrected—again. A Miami resident since 1945, Mrs. Puig is one of a select group of people who for no apparent reason the Government's computers declare dead.

Mrs. Puig was first informed of her demise in 1971. That's when Social Security workers called her daughter, Mrs. Carmine Bosque, with the bad news.

Mrs. Bosque said reports of her mother's death were not true. Social Security workers, however, refused to believe Mrs. Puig was among the living until she walked in their door.

That settled the matter until last November when Mrs. Puig again was declared dead. This time a telephone call was enough to bring Mrs. Puig back to life.

Mrs. Blenda Jenkins of Bassalt, Idaho, also was declared dead without explanation by Social Security last year. A widow, Mrs. Jenkins testified before a group of U.S. Senators about her problem.

As Mrs. Jenkins approached the legislators, Senator Frank Church recalled a quote of Mark Twain:

"The reports of my death have been greatly exaggerated."—Andy Rosenblatt.
[Tomorrow: How to survive the system.]

[Mar. 3, 1975]

HOW TO GET HELP FASTER ON YOUR CASE

Second of Three Parts

(By Andy Rosenblatt)

A Miami Beach man, just turned 65, recently decided to apply for his social security benefits while he and his wife were shopping along the Lincoln Road Mall.

The couple agreed to meet at Wolfie's restaurant an hour later for lunch. As things turned out, the husband barely made it to the restaurant in time for dinner.

Because the man chose to visit the Miami Beach Social Security office during the first week of the month, he was forced to wait for 2 hours. If he had gone to the office the following week, he would have waited half that time. And, if he had visited the office at the end of the month, he would have had virtually no wait at all.

What's more, because the man didn't bring his birth certificate and other necessary documents with him, he had to return to the office again.

Although the man's experience was not unusual, it easily could have been avoided.

The Social Security system is a massive, complex maze of rules, regulations, and procedures. It's easy to get lost in it. Here is a survival guide, suggestions on how to avoid long waits and unnecessary problems while having your social security claim processed in the shortest possible time:

—File for benefits early. You don't have to wait until you have actually stopped work and retired before filing out a claim. This also applies to handicapped persons who may not be immediately eligible for disability benefits.

By filing early, you are giving Social Security time in which to get the necessary paperwork done so that benefits can start when you become legally eligible to receive them.

—Don't visit a Social Security office without calling first. The visit may not be necessary, since Government representatives can handle many claims and problems over the telephone.

—If you are going to visit a Social Security office, you should still call and find out what documents should be brought with you. This can save return visits.

—Unless your case is urgent, the best time to call or visit a Social Security office is at the end of the week and the end of the month. Long lines inevitably form on Mondays, during the first 2 weeks of the month and on the day after a holiday.

—Deal with the Social Security office closest to your home and continue to deal exclusively with that office. There are 15 offices scattered throughout Dade, Broward, and Palm Beach Counties.

Each of these offices can handle all types of claims and inquiries. By dealing with more than one office, you only run the risk of future confusion.

—While visiting a Social Security office, get the name of the claims or service representative handling your case. When possible, ask to speak with that person if you must make contact with Social Security again. This will enable you to avoid repeating your case history again and again.

—Notify your local Social Security office immediately of any changes of address. It is not sufficient to notify the post office alone. Social Security officials say many checks are not delivered on time because people fail to do this.

—Save all communications received from Social Security. These communications may be important in cutting through redtape at a later date.

Because the social security system touches the lives of 9 out of every 10 Americans, it is inevitable that some problems and foulups will occur.

These are suggestions for dealing with problems that might affect you:

—Most important, notify your local Social Security office of the problem as soon as possible.

—If you are receiving supplemental security income checks (the orange ones) and have not received them on time, contact your local Social Security office. A replacement check for up to \$100 can be issued to you immediately if you are in desperate need.

—If you have not received retirement, widows, or survivors benefits (the blue-green checks) on time, you are expected to notify the local Social Security office after the check has been missing 3 days.

Persons who are in desperate need can request that their representative at the Social Security office handle the problem as a critical case. Representatives usually don't fill out critical case forms unless a check has been missing for at least 2 months. If you can't wait that long, ask to see a supervisor.

Social Security representatives have also been willing, on occasion, to call landlords on a recipient's behalf if he faces eviction because of a delayed check.

Representatives can also direct you to local social agencies which offer housing and food for the needy.

—If you are not satisfied with the way your problem is being handled by Social Security, a call or letter directed to your Congressmen is often of help.

Residents of South Dade, including South Miami Beach, can call Congressman Dante Fascell's office at 350-5301. Residents of central Dade County can call Congressman Claude Pepper's office at 350-5565, and residents of North Dade and South Broward can call Congressman William Lehman's office at 945-7518. Other Broward residents can call Congressman J. Herbert Burke's office at 522-3739.

—Do not call the Social Security Administration's national or regional program centers. This may only delay the case further if they have to pull your folder out of processing.

Writing to these offices may also be a waste of time. Many persons who have sent letters to the regional or national offices of the Social Security Administration report that they never received a reply.

LOST CHECKS? BEACH STAFF IS SYMPATHETIC

If Social Security recipients living on Miami Beach have noticed that their complaints about missing checks are being handled with an unusual amount of sympathy, there's a reason.

The mid-February payroll for the Beach office was lost for 2 days.

"That just goes to show," said Karl Saenger, district manager for the Miami Beach office, "that we sometimes suffer from the same errors and frustrations other people do."—ANDY ROSENBLATT.

YOUR STATISTICS ON 10-SECOND CALL VIA SYSTEM'S HIGH-SPEED COMPUTERS

How much money have you earned in your lifetime? It might take you hours to figure that out.

A Social Security worker in Dade, Broward, and Palm Beach counties can find out in the time it takes to turn on the television.

Besides your earnings, the Social Security worker also can find out where you live, who you live with, and whether or not you own a car.

All this data and more can be transmitted from Social Security's national headquarters in Baltimore to six south Florida district offices in less than 10 seconds, thanks to a high-speed computerized information system.

The system, called SSDARS, has linked Social Security district offices in south Florida with Baltimore since September of last year. While SSDARS is currently only used to transmit information about the recipients of supplemental security income benefits, there are plans to expand the system's use.

And when another program now being planned is completed, social security checks will no longer be put in envelopes and mailed out. They will be delivered electronically to your bank.

"This," says Social Security Commissioner James W. Cardwell, "is the wave of the future."

SSDARS when expanded will eliminate the millions of folders stored in Government warehouses around the country. That should make Roberta Dane, a North Dade widow, very happy.

Mrs. Dane has had her wait for social security benefits extended because her folder is lost.

The error left Mrs. Dane with no choice but to file her application for widow's benefits again. That meant rewriting letters to obtain her marriage certificate, her birth certificate, and the birth certificates of all the children.

The error delayed the benefits more than 4 months, too late to help with Christmas shopping. The plight of Mrs. Dane and her family was further complicated because Veterans' Administration widow's payments could not be approved until Mrs. Dane's social security application was processed.

"I always thought," said Mrs. Dane, "that this sort of thing only happened to other people. It was a shock to find out I wouldn't have the money by Christmas. I didn't want to disappoint the children, not on the first Christmas after their father died. There must be a better way."

"We have no doubts," says Cardwell, "that a lot of streamlining and automation could be done. That's if one could figure out the puzzle of how to keep the system going with the left hand while making the necessary money to operate two systems at the same time."—ANDY ROSENBLATT.

[Tomorrow: Answers to questions you might be asking.]

[Mar. 4, 1975]

WHAT ARE YOUR RIGHTS, BENEFITS UNDER LAW?

Last of a Series

(By Andy Rosenblatt)

How much do you know about your rights and responsibilities under our social security laws? Chances are, not much.

Did you know, for example, that a parent can sometimes collect benefits after the death of a child? Or that you may be required to deduct social security taxes from your maid's check even if she asks you not to?

Over \$62.3 billion in social security benefits were distributed to about 31 million people last year. Knowing the answers to these and other questions could enable you to collect benefits you never realized you were entitled to.

The following questions and answers were compiled with the cooperation of Dade County Social Security district managers Sam Cohen of the Miami North office and Karl Saenger of the Miami Beach office.

Question. Who is entitled to receive Social Security benefits?

Answer. Retired workers over age 62 and severely disabled workers under 65 who have contributed to social security for a minimum of 6 to 40 quarters depending upon their age. A quarter is 3 months.

Spouses of retirement age and spouses with children under 18 who are married to retired, disabled, or deceased workers also are entitled to benefits. So are the disabled children of retired, disabled, or deceased workers if they were disabled before age 22.

Question. Can parents ever draw benefits when a child dies?

Answer. Yes, if the parents are age 62 or over and were financially dependent upon the child.

Question. What happens to the money we pay in social security taxes? How is it invested?

Answer. All the money paid for social security goes into special social security trust funds. These funds are strictly accounted for and kept separate from the general funds of the U.S. Treasury. Most of this money goes through the trust funds and is immediately used to pay current social security recipients.

The relatively small amount of income not immediately used for benefits is invested in Government bonds and similar Federal obligations that pay interest into the trust fund. About \$54 billion is now invested this way.

Two cents of every dollar contributed to social security goes to meet operating expenses.

Question. What are the primary factors used to determine specific social security retirement payments?

Answer. Payments are based on the worker's average yearly earnings and age.

Question. When can a worker begin receiving retirement benefits?

Answer. Retired workers can begin drawing reduced benefits when they are 62 and full benefits at 65. When a worker applies for benefits before reaching age 65, his payments will be reduced five-ninths of 1 percent for every month between the time he retires and his 65th birthday.

For example, a worker who retires at 62 will have his benefits reduced by 20 percent.

Question. I am a widow who never worked before but have been drawing social security benefits on my husband's account. My husband just died. Can I get my late husband's check and widow's benefits at the same time?

Answer. No, only the larger of the two amounts.

Question. My husband died in the middle of the month. Am I entitled to his check for that month?

Answer. No. Social Security does not make payments for parts of the month so the check must be returned.

Question. Must I pay into social security for my maid when she insists that I do not take any tax out of her pay check?

Answer. Definitely. If the maid earns more than \$50 in a quarter, you will be expected to deduct social security taxes from her check and also contribute the employer's share. If you do not deduct social security taxes from the maid's

check, the Treasury Department can later require you to pay the amount yourself.

Question. Will the post office forward my social security check if I have moved?

Answer. The post office is authorized to forward only one check if you have notified it of your new address. However, Social Security officials say this is not always done. They advise people moving to immediately advise the local Social Security office of their new address. This can be done over the telephone.

Question. Where do my social security checks come from and where are my records stored?

Answer. The checks are printed by the Treasury Department in Philadelphia. Most of your social security records are filed in one of six regional program centers. The centers are in New York City, Philadelphia, Birmingham, Ala., Chicago, Kansas City, and San Francisco. Disability records are kept on computer tapes at the Social Security Administration's national headquarters just outside Baltimore.

Question. I am a self-employed individual over 62. I earn about \$20,000. I work 10 full months out of the year. Am I entitled to social security benefits for the 2 months I don't work?

Answer. Yes. The law provides that self-employed individuals may draw benefits for those months they don't work regardless of their overall earnings during the year.

Question. I lost my social security and medicare cards. What should I do?

Answer. Immediately call the Social Security number listed in the telephone book and give your social security number and your health insurance claims number to the person who answers.

Question. Who can get medicare?

Answer. Everyone who is 65 or older and who is entitled to receive monthly social security or railroad retirement benefits. Disabled persons who have been receiving disability benefits for two or more consecutive years are also eligible. Some persons over 65 who are not entitled to social security benefits may still be entitled to partial medicare coverage.

Question. I have read that a new medicare claims center will be opened in Dade County by July 1. Will this center have a public office and a public telephone number for Dade and Monroe County medicare recipients?

Answer. Yes, there will be both. The center, local Social Security officials say, will speed up the processing of medicare claims. However, the officials advise medicare recipients to continue filing claims through their local Social Security offices.

Question. What happens when I report to the local Social Security office that my check is lost?

Answer. First, a claim form is filled out which you must sign. The form is then sent to the Treasury Department Regional Disbursing Center after it becomes obvious that the check was not simply delayed in the mail.

The Treasury Department first determines if your check was actually printed that month or if the post office returned it. If the check was printed and not returned, the Treasury Department sends the claim form on to its Division of Check Claims in Washington. The Check Claims Division checks with its Pennsylvania office to see if the check has been negotiated.

When Treasury determines that the check was not negotiated, it begins processing a new one. On the other hand, if the original check was negotiated, a photocopy of the check and a more detailed claim form is sent to you. If you still allege that the check was not received, a Secret Service investigation is begun. If the investigation uncovers forgery by a third party, a new check will be issued.

Question. Can I get an emergency check issued immediately if my regular check has been lost?

Answer. Not if you are receiving retirement, survivors, widows or disability benefits. There is a procedure for new checks to be issued immediately but it applies only to recipients of supplemental security income benefits.

If you have not received a check on time and are in desperate need, the local Social Security office can handle your problem as a critical case to speed a new payment.

EXAMPLES OF MONTHLY SOCIAL SECURITY PAYMENTS—AVERAGE ANNUAL EARNINGS TAXED FOR SOCIAL SECURITY

Recipient	\$3,000	\$4,000	\$5,000	\$6,000	¹ \$6,492	\$7,000	\$8,000	\$9,000	\$10,000	\$11,000	\$12,000	\$13,000	² \$14,000
Worker retired at 65.....	\$194.10	\$228.50	\$264.90	\$299.40	\$316.30	\$335.50	\$372.20	\$393.50	\$412.50	\$431.30	\$449.00	\$466.00	\$484.00
Disabled worker.....	194.10	228.50	264.90	299.40	316.30	335.50	372.20	393.50	412.50	431.30	449.00	466.00	484.00
Retired at 62.....	155.30	182.80	212.00	239.60	253.10	268.40	297.80	314.80	330.00	345.10	359.20	372.80	387.20
Retired worker's dependent spouse at 65.....	97.10	144.30	132.50	149.70	158.20	167.80	186.10	196.80	206.20	215.70	224.30	233.00	242.00
Retired worker's dependent spouse at 62.....	72.90	85.80	99.40	112.30	118.70	125.90	139.60	147.60	154.70	161.80	168.40	174.90	181.50
Worker's dependent widow/widower at 65.....	194.10	228.50	264.90	299.40	316.30	335.50	372.60	393.50	412.50	431.30	449.00	466.00	484.00
Worker's dependent widow/widower at 60.....	138.80	163.40	189.50	214.10	226.20	239.90	266.20	281.40	294.90	308.40	321.10	333.20	346.10
Dependent widow or widower and one child.....	291.20	342.80	397.40	449.20	474.60	503.40	558.40	590.40	618.60	647.00	673.60	699.00	726.00
Maximum family payment.....	296.80	390.50	488.90	549.30	573.90	597.90	651.40	688.70	721.80	754.70	785.80	815.80	847.00

¹ Because maximum earnings taxed by Social Security were much lower in past years, a worker reaching 65 in 1975 can not have paid taxes on more than an average of \$6,492 a year, so his benefits can not exceed \$304.90. Disability and survivors' benefits can reach higher levels, however, because fewer years (and higher taxable earnings) are used to determine their benefits.

² This is the highest amount currently taxed by Social Security, but it will be some time before benefits, can be based on this amount because 1975 is the first year earnings as high as \$14,100 are being taxed.

1.5 MILLION IN FLORIDA GET \$4 BILLION YEARLY

Social Security is a key part of Florida's economy and it is in trouble.

Approximately 1.5 million Floridians, or one of every six residents, draw social security benefits totalling \$4 billion a year.

Getting those benefits, however, is not as easy as it used to be. Complaints about redtape and delays have prompted Senator Lawton Chiles and 10 of the State's 14 Congressmen to request a General Accounting Office investigation. That study is currently underway.

"I am convinced," Chiles said last month in a speech before the Sarasota Council on Aging, "that redtape and indifference to the plight of the individual citizen has reached critical proportions in the administration of social security and medicare-medicaid. In Florida, perhaps more than any other State, a great many persons are dependent upon general social security benefits . . ."

Chiles, with 21 other Senators, is sponsoring the Social Security Fairness Act in an effort to cut some of the delays.

If the act is passed, Social Security would be required to almost immediately issue a new check to any bona fide recipient who signs a statement that he or she did not receive the original check. The act also would set efficiency deadlines for the processing of disability appeals at Social Security offices.

The Social Security Administration opposes that bill, but it is taking some action of its own. A new Medicare Processing Center is due to be established in Dade County by July 1.—Andy Rosenblatt.

[May 2, 1975]

SOCIAL SECURITY DELAYS EASING, SAYS CHIEF; NOT SO, SAYS CHILES

(By Phil Gailey)

WASHINGTON.—The head of the Social Security Administration told Congress Thursday his agency has passed the "low water mark" and is beginning to get a handle on the administrative problems and delays in the processing of claims.

However, members of the Senate Special Committee on Aging said their mail indicates the problems are getting worse.

Senator Lawton Chiles (D., Fla.) said the number of complaints his office receives from social security recipients has quadrupled in the past year. Many of the complaints involve delays in processing applications and in getting lost or stolen checks replaced.

"Six months can be a lifetime to someone who's 75 years old," Chiles told Social Security Commissioner James B. Cardwell.

Committee members told Cardwell he need only ask Congress for additional manpower if that will expedite the processing of claims.

Cardwell replied that what Congress can do to help is simplify the eligibility requirements for the supplemental security income program.

"We have a program that is too complex in its eligibility requirements," Cardwell said. "We need to get away from the idea of trying to tailor benefits to fit special needs of individuals."

SSI was established by Congress in 1973 as a Federal assistance program for the aged, blind, and disabled. It is administered by the Social Security Administration.

Cardwell said SSI got off to a bad start because of a lack of computer capacity, inadequate staff, and too little time to make the conversion.

Although his agency has processed 91 percent of the 2.8 million applications for SSI benefits, Cardwell said there is still a backlog of 260,000 claims which will take at least another year to process.

An even greater problem, he said, is the growing number of appeal hearings in cases where applicants were ruled ineligible for SSI benefits. He said the current backlog is 110,000 cases.

That backlog continues to grow, he said, even though 279 additional hearing examiners and administrative law judges have been hired to handle appeals.

Cardwell estimated that an average of 20,000 SSI recipients fail to receive their checks each month.

"If a check does not come for a month, it is not a minor inconvenience—it is a disaster," said Senator Edward Kennedy (D., Mass.), who chaired the committee hearing.

"We are talking about individuals who rely on the check not for extra dollars, but for money they need . . . for the basic necessities of life."

Cardwell told Kennedy the Social Security Administration and the Treasury Department now have a new system which should reduce the time for replacing lost or stolen checks from a month to 7-10 days.

Another witness, Andy Rosenblatt, a Miami Herald reporter who spent a month recently investigating social security problems in south Florida, said he found cases where recipients had waited as long as 9 months before their checks were replaced.

He also cited the case of Thomas Hendricks of Miami, an unemployed Vietnam veteran paralyzed from the waist down who filed an application for SSI disability benefits more than a year ago. He still hasn't received a response from the Social Security office.

Rosenblatt said local Social Security officials in the Miami area blame some of the problems on a Federal job-freeze, which led to a reduction in their staffs through attrition.

Senator Claiborne Pell (D., R.I.) and 47 other Senators are sponsoring legislation aimed at reducing delays in processing applications and in replacing lost or stolen checks.

The bill would require the Government to issue a new check within 4 days to any bona fide social security recipient who signs a statement that he or she did not receive his monthly check. It would also mandate that a hearing be held on any appeal within 90 days.

[May 4, 1975]

MAKING SOCIAL SECURITY WORK

(By Andy Rosenblatt)

Washington—One after another the members of the U.S. Senate Special Committee on the Aging leaned forward and made Social Security Commissioner James B. Cardwell an offer they thought no administrator could refuse.

"Just tell us," Senator Edward Kennedy (D., Mass.) said, "what can we do to make your job easier."

Republican committee members also joined the chorus. "We would really be sympathetic," Senator Charles Percy (R., Ill.) said, "to any request for assistance that you might need."

It was an extraordinary offer, especially during these tight budget times. The Senators were ready to give the Social Security Administration a blank check for whatever additional staff and equipment it needs.

What the committee wanted in return was an elimination of redtape, computer foulups, and ever-growing delays which are plaguing social security recipients back home.

The offer was unusual; so was Cardwell's response. He refused. Cardwell said his agency already had plans to hire more workers, mostly temporary employees. He said that would be enough.

"We don't need more employees," Cardwell, known for his fiscal conservatism, said after the hearing. "It's just a question of how many employees you can digest at one time."

Committee members, however, believe that Cardwell's rejection of additional staff has been mandated by other officials in the Ford administration, including Secretary of Health, Education, and Welfare Casper Weinberger.

During 2 hours of testimony before the committee, Cardwell talked vaguely of the Social Security Administration having already reached its low water mark. He also said that social security procedures would be simplified and delays eliminated. It was, he said, only a matter of time.

"We are operating under the assumption," Cardwell said, "that the backlog of disability cases (the most troublesome) can be cleared up in 2 years."

The committee members were getting testy and angry. They had reason to be. Last year, Members of Congress received 300,000 letters from social security recipients who could not get their problems solved within the system. The letters were beginning to take up the preponderance of congressional staff time.

"What are we supposed to do," Kennedy snapped back, "tell our constituents they are going to have to wait 11 months, 2 years, or more? I don't think we can go back and tell the people to be a little more patient when they are desperate now."

"Tell them," Cardwell said, "that progress is being made and that we are doing the best we can."

As Cardwell sat before the committee, there was little doubt about who was the jury and who was the accused. Nor was there much question about the verdict. The committee had found the Social Security Administration guilty as charged, guilty of failing to process social security claims within a reasonable period of time.

The decision was bipartisan and unanimous. "There's been virtually a complete breakdown in the social security system in my State," Senator Lawton Chiles (D., Fla.) said, "and the people are getting rightfully upset."

Crusty Republican Senator Robert Stafford agreed. "Vermont is no exception," he said.

Cardwell has previously admitted that social security service is not what it used to be, that it often takes the system 6 weeks to process an ordinary retirement claim once handled in half that time while disability appeals and hearings are backlogged a full year.

But, despite the recounting of these problems and assorted snafus by social security workers, senior citizens and others, Cardwell continued to insist that the worst was over. "We have the system under control," he said.

The Senators remained unconvinced. It was pointed out that many if not most of the 11,500 new workers Cardwell talked about (10,000 of them temporary) would be replacing employees lost during a Federal job freeze. The total Social Security work force would remain about the same.

But, if the Senators were not satisfied, they at least achieved their purpose. They got Cardwell to make some limited promises for the record, something that the committee could hold him to.

The committee also had laid the groundwork for the passage of additional legislation. Even before the hearings began, Kennedy had decided to offer an amendment to the supplemental appropriations bill giving social security the money to hire more workers whether Cardwell wanted them or not.

Cardwell, HEW comptroller before taking over Social Security in 1973, is certain path. Kennedy and Aging Committee Chairman Frank Church of Idaho, are sponsoring legislation to make the Social Security Administration an independent agency, no longer answerable to the Department of Health, Education, and Welfare and its Secretary Caspar Weinberger, popularly known as "Mac the Knife" for his budget-cutting efforts.

Cardwell, HEW comptroller before taking over Social Security in 1973, is opposed to that idea. But his testimony about the efforts of HEW and the Office of Management, and Budget to cut the Social Security staff can only serve to make passage of the Kennedy-Church bill more likely.

The Commissioner's acknowledgment of the delays also will improve the chances for passage of the Social Security Fairness Act of 1975, an act that would compel the Government to process claims and replace lost checks within a specified period of time.

This was not the first time a Senate committee had used a "fact-finding" hearing to help orchestrate a legislative push. Through the previous use of hearings, the Committee on Aging has managed to get medicare legislation, several social security increases and the Older Americans Act, passed.

"The hearings," Chiles said, "are a device to prod the Social Security Administration along. We have to keep bird-dogging them until they begin to move."

The bird-dogging is obviously going to continue.

"I'll give you odds," a committee staffer said, leaving the hearing room, "that we'll have Cardwell back here, talking about the same things within 6 months."

[May 8, 1975]

SOCIAL SECURITY TO REDUCE STAFF DESPITE CLAIMS BACKLOG

(By Andy Rosenblatt)

At a time when the processing of social security claims is seriously backlogged, Social Security offices in Florida have been told to make slight staff reductions by June 30.

Specifically, the reduction, ordered by the Federal Office of Management and Budget, will cut the number of permanent Social Security workers employed

in the eastern half of Florida from 840 positions to 764 positions. Most of the reduction, however, will be made up by the addition of 69 full-time temporary positions, thus limiting the total staff cut to approximately 1 percent.

According to Ernest Fitzpatrick, Social Security supervisor for the Florida east coast, the reduction will be made through attrition and the shifting of permanent and temporary positions. No layoffs are involved.

"After the staff is reduced through attrition," Fitzpatrick said, "I will be replacing permanent employees who leave with temporary employees, but the number of full-time people will be pretty much the same. I don't see that it will affect service."

Fitzpatrick and Social Security officials in Dade and Broward Counties said Tuesday that more workers are needed if record delays in the processing of social security claims are to be reduced. These delays are not limited to south Florida, but are being reported nationwide.

Figures on the exact number of Social Security positions to be eliminated in Dade, Broward, and Palm Beach Counties have not been released.

Officials at the Social Security district offices in Miami and Fort Lauderdale said they have received no notice to reduce their staffs. However, Sam Cohen, district manager of the North Miami Beach Social Security office believes his staff will be reduced a total of 10 or 12 positions.

"It doesn't look like I'm going to get any people or lose any people," said Joseph Walsh, manager of the Fort Lauderdale district office. "Obviously, we could use some more people. Most of our staff is on overtime and the workload doesn't seem to be slacking off."

Joseph Scott, assistant district manager for the Social Security office in downtown Miami, said delays and backlogs there have been reduced. But, Cohen said the workload in North Miami Beach is continuing to increase.

"It's a mess," Cohen said, "it's getting absolutely impossible to operate this way."

ITEM 12. CASE HISTORIES OF SOCIAL SECURITY APPLICANTS, SUBMITTED BY WALTER H. CROSS,¹ VICE PRESIDENT, MASSACHUSETTS ASSOCIATION FOR OLDER AMERICANS, INC.

Case No. 1, Mrs. L. A. C., 78 years of age, of Allston Mass.: May 28, 1974. SSI application filed by VISTA volunteer, after monthly followups for 6 months, this applicant finally was approved and received check in November 1974, retroactive to June 1--7 months. Could not get any information from Cambridge social security office during this 6-month period. It was necessary to contact HEW-SSI office in J. F. K. Building, Boston, to get this application approved.

Case No. 2, L. M. of Brighton, Mass.: This applicant was patient of Metropolitan State Hospital, Waltham, Mass., and was moved to the above residence in the State mental health program of transferring patients, from Massachusetts mental hospitals to private homes, in January 1974. No provision was made by State of Massachusetts to provide money for personal needs. Wonderful therapy.

July 1, 1974, a VISTA volunteer was called in and completed SSI application and filed with social security office.

February 1, 1975, 7 months after filing application, finally received check retroactive to July 1, 1974, for \$1,516., based SSI level 4, boarding house budget of \$216.61 a month. This was after 7 months of monthly followup with social security office and only consummated because this office went to HEW-SSI headquarters in J.F.K. Building, Boston, Mass.

Then on February 5, 1975, received notice that the method of payment was in error and the following change would be made. The Massachusetts Mental Health Dept. pays homeowners \$165 per month for each patient. They continue to do this, and the difference between the SSI living arrangement level 4 of \$216.61 and the \$165, less \$20 of unearned income, would be \$71.61 which would be paid to this applicant each month.

However, since this decision in February 1975, this applicant has never received the notification in writing, which is mandatory 30 days prior to change.

¹ See statement, p.1040.

She has continued to receive \$216.61 for February, March, and April, 1975.

We have advised her to take 7 months at \$71.61 from the retroactive check, which would amount to \$51.27, and hold the balance of \$1,014.73 for a possible return request by Social Security Administration, also to withhold \$71.61 from her February, March, and April 1975 checks of \$216.61, and hold the balance for possible return.

She did call Social Security this month and the person answering her call fidgettily said not to worry, maybe you will never have to return it.

This treatment is a traumatic experience for anyone, but could be disastrous to a patient that has had an emotional problem.

Case No. 3, E. E., of Newtonville, Mass.: Applied for SSI in April 1974, at this time receiving \$155.20 social security. VISTA volunteer contacted SSI August 29, 1974, for determination of this case and was informed proper papers not filled.

Refiled August 29, 1974 (4 months later), with VISTA volunteer delivering new information, bank book, and insurance policy to SSI.

VISTA called again September 17, 1974, and every 2 weeks. Received her SSI award of \$126.30 a month and retroactive to April 1974 on November 12, 1974. Seven months to process.

She did not receive her medicaid card at that time; had to send a copy of her SSI check to Newton Welfare.

Case No. 4, E. F., of Newton, Mass.: Applied for SSI March 5, 1974. VISTA contacted SSI August 29, 1974, and was informed proper papers in file and ready to be processed.

VISTA called again September 17, 1974, and was informed SSI did not have the proper papers on her.

VISTA filed a new application and delivered to SSI on September 17, 1974.

VISTA called November 20, 1974; SSI said it was being processed.

Called again by VISTA volunteer January 7, 1975, informed that there was an error and it was being worked on December 14, 1974.

Received her award January 24, 1975—\$1300 retroactive award. She did not receive her medicaid card.

Sent copy of SSI check to Newton Welfare; did not receive her medicaid until after March 20, 1975.

Case No. 5, Mrs. L. V., of Newtonville, Mass.: Called VISTA volunteer to inform her that she had filed an SSI application in April 1974, and that an employee of SSI had called her in September 1974 to ask her to send her bank book to SSI which she did, and the bank book was returned to her. She had not heard from SSI so the VISTA volunteer called SSI January 5, 1975, and was informed it was in the file ready to be processed.

The VISTA volunteer called again in February 1975 and was told action had been taken on February 19, 1975.

Called again in February 1975; spoke to a person who said to call the next day as the computer had broken down. The VISTA volunteer called and the person said the application was being processed.

The VISTA volunteer spoke to another person and she told her to call March 20th; she did and she had not received her SSI check.

The VISTA volunteer called April 24, 1975—she had not received an SSI check.

Case No. 6, Mrs. M. A. M., 86 years of age, of Saugus, Mass.: January 1974, awarded \$54.76 each month. Transfer from Massachusetts Old Age Assistance. In early part of 1974 for 1 to 3 months received wrong amount of \$86.38 per month. Investigation proved this was awarded by mistake on some other person's claim number.

Then this applicant did not receive any checks for April, May, June, and July. After another investigation, received retroactive check of \$227.47. Then received her regular check of \$54.76 until March 1975.

Her check was discontinued again and also she was dropped from medicaid. After 2 months of investigation, this was proven as another computer error. After correction received a retroactive check of \$109.52 for March and April 1975.

This person has very poor health and losing her lifeline income and medical assistance was a shock and disaster as her need for continued medical assistance at age 86 is very important.

Case No. 7, Mrs. L. E., widow, 64 years of age, of Somerville, Mass.: Jan-

uary 1974, filed application for SSI disability assistance. Her disability was medically approved by the Massachusetts Rehabilitation Department. Based on income of \$171.10 after \$20 disregard on unearned income, she was entitled to SSI disability assistance of \$87.51 per month.

July 1974, after 6 months of constant weekly contact with the social security office, this applicant was awarded \$5.24 per month. \$54.17 was arbitrarily deducted from her \$87.51 eligibility on the grounds that a child contributed this amount to her sustenance each month.

\$28.10 was arbitrarily deducted from her \$87.51 entitlement on the premise that her apartment was worth \$118.00 per month instead of the \$90 rent paid on the contention that her brother owned the house. She appealed this decision and was denied the \$5.24 after receiving it for 2 months on the grounds her countable income was more than the legal limit.

January 1975, after 12 months, a class action suit was filed in Federal District Court, Boston. Three days after the court hearing she received an award of \$59.41 per month which restored the \$54.17 which was arbitrarily denied on the grounds of partial support by child.

Another class action was immediately initiated to restore the \$28.10 denied on the increased valuation of the apartment rental value ruling.

April 25, 1975, the court ruled in favor of Mrs. L. E. and ordered SSI to restore to her monthly allotment the \$28 the SSI office had ruled as income from their inflated evaluation of the rental value of her apartment. This brought her monthly SSI award to \$92 which actually she was entitled to when her application was filed in January 1974.

The 1 year to process and adjudicate this case and the discretionary judgment used by the SSI office was incredible.

Case No. 8. Mr. and Mrs. A. W., of Brockton, Mass.: January 1974, filed for SSI assistance. May 1974, Mr. A. W. did not receive award until January 1975, 1 year after filing application. In January 1975, received retroactive check of \$383.91 covering 12 months. Then dropped out of system and has not received SSI check for January, February, March, or April 1975.

Contacted HEW. Again this is blamed on computer failure. Promised she will be reactivated and receive retroactive check for 4 months on May 1, 1975.

The tragic part of such failures is that this woman's health is bad, but did not receive medicaid card that she was entitled to for 1 entire year.

Case No. 9. C. S., of East Boston, Mass.: September 11, 1974, filed application for SSI disability assistance. December 1974, received check for November and December in the amount of \$474. January 1, 1975, received monthly check for \$237. No check was received for February, March, or April. February 10, 1975, received letter stating no further payments until final decision.

This letter is in error as investigation proved she had been medically approved. Now SSI states they have lost her file at the social security office.

April 22, 1975, will now have to start all over again to reconstruct her file.

Case No. 10. M. S., of Dorchester, Mass.: December 21, 1973, SSI income payment decision. "Your check will be \$284. This includes \$197.30 from the State of Massachusetts."

June 22, 1974, SSI notice of income change. "The amount of your check beginning July 1974 will be \$341.77. This amount includes \$244.43 from the State of Massachusetts."

January 1, 1975, \$223.96 to \$268.96. Increase of \$45.

April 15, 1975, SSI notice of change. "The amount of your income beginning May 1, 1975, will be \$268.96. This amount includes \$122.96 from State of Massachusetts. The amount of your check has been changed because you are now living in your own household. The amount of your check has been changed because you have moved."

SSI recipients entitled to maximum SSI award when living alone. This procedure of reducing income when living alone has got to be in error.

ITEM 13. LETTER AND ENCLOSURE FROM WALTER H. CROSS,¹ VICE PRESIDENT, MASSACHUSETTS ASSOCIATION FOR OLDER AMERICANS; TO SENATOR EDWARD M. KENNEDY, DATED MAY 15, 1975

DEAR SENATOR KENNEDY: In relation to your question on availability of legal services. Enclosed is a copy of an article in today's *Boston Globe* regarding

¹ See p. 1040.

the decision by Judge W. Arthur Garrity in the class action suit brought for us by the Cambridge-Somerville Legal Aid for the three of our SSI cases of which I referred to in my prior testimony.¹ Note that one of the applicants involved is the Lena Edgar that we brought to Washington to testify before your Senate committee. The adjudication and decision by Judge Garrity is certainly gratifying.

I am enclosing a case² that came into my office yesterday that is very disturbing, but not unusual. Mrs. A. M. G. Brookline, Mass., 87 years of age is the victim of this atrocious SSI ruling.

She applied for SSI assistance in February 1974 and after a waiting period of 6 months was awarded \$268.96, which was the maximum SSI assistance for a senior living alone. This award was in error. Due to her Social Security of \$132.90, the award should have been \$156.06. Now in April 1975, after setting her living standards based on receiving the \$268.96, the award is now being reduced by approximately \$113.

This is a traumatic experience for an 87-year-old lady, and as you can see with her rent increase to \$240 monthly she now has only \$46.96 per month for her other necessities of life. In my judgment, SSI should be allowed a limited period of time to correct such mistakes. Probably a maximum of 30 days. If a correction is now made within that period SSI should be obligated by law to continue payments of the original award. As matters stand in this case, the only possibility we have of helping this lady is to urge the Brookline Housing Authority to furnish her with leased housing which, of course, means that she would pay 25 percent of her income for rent and the balance of her rent would be paid through the HUD leased housing program operated through the Brookline Housing Authority. This action if consummated would restore the income for living that was deducted from her income by the SSI ruling mentioned in the attached letter.

Sincerely yours,

WALTER H. CROSS.

[Enclosure.]

[From the Boston Globe, May 15, 1975]

45-DAY LIMIT SET FOR SSI PROCESSING

(By William F. Doherty)

U.S. District Judge W. Arthur Garrity Jr. yesterday ordered the Cambridge Social Security office to process all claims for Supplemental Security (SSI) benefits within 45 days.

The order, in the form of a preliminary injunction, came in response to a suit brought by the Cambridge and Somerville Legal Services Inc., which claimed the office was slow in processing claims. Attorney Mitchell I. Greenwald argued that applicant's constitutional rights to due process of law were being violated.

Garrity, in issuing the injunction, noted that the Cambridge Social Security office was taking 75 to 100 days to process some applications and said the law requires processing with reasonable promptness.

"We talk about property rights, but no property right is equal to the right to get food to keep body and soul together, the right to money to keep a roof over your head. A right of this nature is the most fundamental right," Garrity said.

Garrity observed that SSI applicants are the elderly, the blind and the handicapped. Because of their handicaps, their expenses are more than the average person's, he said.

Paying the benefits retroactively is not the answer, the judge commented. "By the time the retroactive payments are received a person may be in the cemetery."

"It's the same story . . . a question of hiring more people. Fiscal problems encountered in complying with the constitution or statutes don't outweigh the human needs of the people involved."

The suit was filed on behalf of Mary Santos, 81, of Cambridge, Mary DeForest, 70, of Somerville, and Lena Edgar, 63, of Somerville, who is disabled.

¹ See p. 1094.

² Retained in committee files.

It is also a class action on behalf of all SSI applicants at the Cambridge office, which services Cambridge, Somerville, Lexington, Arlington, Newton, Woburn, Watertown, Winchester and portions of Allston and Brighton.

SSI replaced the state-administered welfare programs of aid to the blind, disabled and elderly.

The suit charged that inadequate staffing and supervision at the Cambridge office had caused a backlog of 1,000 applications.

ITEM 14. BRIEF FILED IN U.S. DISTRICT COURT, STATE OF MASSACHUSETTS, CHALLENGING THE LEGALITY OF THE METHOD BY WHICH SUPPLEMENTAL SECURITY INCOME CLAIMS ARE PROCESSED

In the United States District Court for the State of Massachusetts

MARY SANTOS, MARY DEFOREST, LENA EDGAR, ON THEIR BEHALF AND ON BEHALF OF ALL PERSONS SIMILARLY SITUATED, PLAINTIFFS

v.

CASPAR WEINBERGER, SECRETARY OF HEALTH, EDUCATION AND WELFARE, JAMES BRUCE CARDWELL, COMMISSIONER OF SOCIAL SECURITY, SUMNER WHITTIER, DIRECTOR OF BUREAU OF SUPPLEMENTAL SECURITY, WALTER MODE, REGIONAL COMMISSIONER OF THE SOCIAL SECURITY ADMINISTRATION FOR THE NEW ENGLAND REGION, JOHN LONBERGAN, MANAGER, SOCIAL SECURITY, CAMBRIDGE DISTRICT OFFICE, DEFENDENTS

COMPLAINT

Plaintiffs for their verified complaint respectfully state:

I. Preliminary Statement

1. This suit challenges the legality of the method by which applications for supplemental security income (hereinafter "SSI") benefits until title XVI of the Social Security Act, 42 U.S.C. 1381 *et seq.* (Supp. 1974) are processed by defendant Caspar Weinberger, Secretary, Department of Health, Education, and Welfare, and his central, regional, and local staff. Plaintiffs, applicants for SSI on the basis of age or previously determined disability, and extremely limited financial means, contend that defendants are processing their applications much too slowly and in an arbitrary and capricious fashion, and that this denies them their rights under the SSI statute, the Administrative Procedure Act, and the due process clause of the fifth amendment to the U.S. Constitution.

II. Jurisdiction

2. This suit arises under title XVI of the Social Security Act, 42 U.S.C. 1381 *et seq.* (Supp. 1974) the Administrative Procedure Act, 5 U.S.C. 55 and under the fifth amendment to the U.S. Constitution. Jurisdiction of this court exists under 28 U.S.C. 1361 and 5 U.S.C. 701-706. Plaintiffs request a declaration of rights under the Declaratory Judgment Act, 28 U.S.C. 2201, 2202.

III. Plaintiffs

3. Plaintiffs are applicants for SSI benefits on the basis of age or disability. The age or disability factors relevant to their eligibility have been automatically established at the time of application because of their previous eligibility for social security benefits (title II of the Social Security Act). The determination of disability for the purpose of social security disability benefits is identical to the determination of disability for SSI disability benefits. They reside in Cambridge and Somerville, Mass., which is within the geographical area serviced by the Cambridge Social Security District Office (hereinafter the "Cambridge District Office"). They all believe they are financially eligible for SSI benefits because of income and resources less than

the applicable limits. Plaintiff Santos has waited almost 5 months for her SSI benefits or a notice of denial. Plaintiff Mary DeForest has waited almost 4 months for her SSI benefits or a notice of denial and Plaintiff Lena Edgar has waited 10 months for her SSI benefits or a notice of denial.

IV. Class Action Allegations

4. Plaintiffs bring this suit, pursuant to Rule 23(b)(2) to the Federal Rules of Civil Procedure, on their own behalf and as representatives of a class consisting of every person residing within the area serviced by the Cambridge District Office of the Social Security Administration who has applied or will apply for SSI on the basis of age or disability (whose disability was previously determined for title II benefits) who has not as yet received their first SSI check or notice of denial of eligibility. The class is so numerous that joinder of all members is impracticable. There are questions of law common to the class, namely the legality of the slow, arbitrary, and capricious manner in which defendants are acting on initial applications for benefits. There are also questions of fact common to the class, involving both the manner in which the application are being processed and the straightened financial circumstances of the claimants, which make speedy and expeditious decisions important. The claims of plaintiffs are typical of the claims of all members of the class and plaintiffs will fairly and adequately protect the interests of the class. In addition, defendants have acted and continue to act on grounds generally applicable to the class, thereby making appropriate declaratory and injunctive relief with respect to the class as a whole pursuant to Rule 23(b)(2) of the Federal Rules of Civil Procedure. Further, the representative parties will fairly and adequately represent the interests of the class.

V. Defendants

5. Defendant Caspar Weinberger is the Secretary of Health, Education, and Welfare and as such is intimately responsible for the determination of eligibility for SSI, the payment of SSI benefits, and the general administration of the program. He is also required to "prescribe such requirements with respect to the filing of application . . ." as may be necessary for the effective and efficient administration "(of the SSI program)." 42 U.S.C. 1383(e)(1)(A).

6. Defendants James Bruce Cardwell and Sumner Whittier are on defendant Weinberger's central staff. They are, respectively, Commissioner of Social Security, and Director, Bureau of Supplemental Security Income. As such, they are directly responsible for the determination of eligibility for SSI and for the payment of SSI benefits, nationwide.

7. Defendant Walter Mode is Regional Commissioner of the Social Security Administration for the New England region, which includes the Commonwealth of Massachusetts. It is his responsibility to insure that each of the district offices in the commonwealth administer the SSI statute in accordance with the Administrative Procedure Act and the U.S. Constitution.

8. Defendant John Lonergan is the manager of the Social Security Cambridge District Office. It is his duty to administer the SSI program in accordance with the SSI statute, the Administrative Procedure Act and the U.S. Constitution.

9. Each defendant is required to perform his duties in such manner that SSI eligibility be determined and benefits paid in accordance with the requirements of the Administrative Procedure Act and the U.S. Constitution.

VI. Facts Concerning Named Plaintiffs

A. Plaintiff Mary Santos

10. That plaintiff, Mary Santos, resides at 15 Lambert Street, Cambridge, Mass. She is 81 years of age and lives alone.

11. That on August 9, 1974, Plaintiff Santos, accompanied by her cousin, Joseph Silva, filed a written application for SSI at the Cambridge district office. She has not yet received her first SSI check.

12. That at the time of her application and at all times through the present her sole income has been \$183.80 social security benefits, of which \$6.70 per month is deducted for medicare. She has no resources of any kind, except

for \$100 in a savings account at the time of her application. She has since withdrawn and spent said savings for living expenses.

13. That at the time she applied she was advised that she would be eligible for SSI benefits. She was not asked to submit any further documents. She believes she is entitled to benefits of about \$105 per month since August 1974.

14. That she returned to the Cambridge district office in October 1974 and was again advised she was eligible and would soon receive benefits.

15. That on several occasions since her application she and persons acting on her behalf have complained to the Cambridge district office as to the delay in providing her with her benefits. Although she and her representatives have been repeatedly reassured that she would soon receive benefits, she has yet to receive any benefits or notification of eligibility for benefits or notification of ineligibility for benefits. Five months have elapsed since her application.

16. That as a result of the delay in processing her SSI application Plaintiff Santos has suffered grievously. She has been unable to purchase sufficient food and has frequently gone without her usual meals. She has been unable to purchase needed bedding supplies as she only owns one sheet and one pillowcase. She has been unable to purchase a winter coat which she needs. She has been unable to purchase needed shoes. As a result of the delay in her obtaining a medicaid card, she has been unable have her eyeglasses repaired and has been unable to receive needed dental care. She has suffered grave mental anguish and emotional harm as a result of the above deprivations and as a result of the uncertainty, and frustration of prolonged waiting.

B. Plaintiff Mary DeForest

17. That the Plaintiff Mary DeForest resides at 153 Walnut Street, Somerville, Mass. She is 70 years of age.

18. That on September 9, 1974, she applied by mailing a written application for SSI benefits to the Cambridge district office of the Social Security Administration. That at the time she applied and through the present time her sole income from any source has been social security benefits of \$250.10, and of which \$6.70 is deducted each month for medicare premiums. Her sole resource of any kind is a life insurance policy with a face value of \$1,000.

19. That soon after sending application, she called the Cambridge district office and she was advised that she would be eligible for SSI benefits but that it would take 3 months for an official decision as to her eligibility.

20. That the Social Security Administration first contacted her on November 20, 1974, to request further information, i.e., her social security number, which she provided. The SSI worker then stated that the worker was computing Mrs. DeForest's entitlement.

21. That other than the above request the Social Security Administration has not requested any information concerning her application.

22. That although persons acting on her behalf have complained to the Cambridge district office as to the delay in processing her application the plaintiff DeForest has still not received any official notification as to her eligibility. She still has not received an SSI check, although more than 3 months have elapsed since her application and she has not received a medicaid card.

23. That the plaintiff DeForest has suffered as a result of the delay in providing her with a decision as to her SSI eligibility and as a result of the delay in providing her with the SSI benefits including medicaid card to which she is entitled. She has been unable to obtain eyeglasses that require a special lens for one eye and she has been unable to receive needed dental care because of her lack of a medicaid card. She has been unable to pay her utility bills and owes arrears of about \$26 as a result of her not receiving her SSI benefits. She has suffered mental anguish because of said arrears, as she has always paid her bills on time. She has suffered further mental anguish as a result of her being unable to attend to her medical needs, as stated above, and as a result of the uncertainty and frustration of prolonged waiting.

C. Plaintiff Lena Edgar

24. That the plaintiff Lena Edgar resides at 28 Hall Street, Somerville, Mass. She is 63 years old and has been found disabled by the Social Security Administration and eligible for social security disability benefits. She lives alone.

25. That in March 1974, she applied for SSI benefits by submitting in person, a written application to the Cambridge district office. She was then advised that her application was in order.

26. That at the time of her application and at all times through the present her sole income consists of \$155.80 per month, social security disability benefits and \$34.40 per month social security survivors benefits. She receives no income from her family or any other source.

27. That she has not received any written notification of acceptance or denial as to her application although more than 9 months have elapsed since her application was filed.

28. That upon information and belief her representatives have repeatedly complained of the delay in processing her application. Her representatives have been advised that a negative decision was likely because of the alleged failure of her relatives to provide sufficient information concerning their finances to the Cambridge district office.

29. She believes she is entitled to SSI benefits of \$87.51 per month since March 1974, that the purported reasons for the alleged denial are in error, and she intends to appeal in the event of such a denial. She has been unable to appeal such a denial of remedy because of the alleged failure of defendants to provide her with a notice of denial and with specific reasons for said denial.

30. That as a result of the excessive and outrageous delay in providing her with a final written decision the plaintiff Edgar has been grievously harmed. She has suffered great mental anguish as a result of the uncertainty and aggravation of waiting. It appears that she will have to pursue further time consuming administrative remedies in order to obtain her entitlement as the decision after 9 months of waiting appears to be a denial, and she has been foreclosed from an administrative appeal during the waiting period.

VII. Facts Concerning the Class

31. The supplemental security income program (SSI) is a nationwide, federally administered income maintenance program, under which those aged, blind, and disabled persons who have sufficiently low levels of income and financial resources are provided with a minimum income. The present level of Federal payment for a single individual is \$146 per month. Massachusetts supplements this benefit with an additional \$128.96 per month. The SSI program began operating on January 1, 1974. The governing law is a new title XVI to the Social Security Act, found at 42 U.S.C. 1381, *et seq.*

32. SSI replaced the State-administered (although primarily federally-funded) welfare programs of aid to the blind, aid to the disabled, and old age assistance. It is a subsistence-level benefit available only to those who can demonstrate extreme financial need, and who, in addition, are either aged, blind, or disabled, as variously defined. Persons who are eligible for SSI are automatically eligible for the medical assistance program, medicaid (title XIX of Social Security Act).

33. Except for persons previously eligible for old age assistance and aid to the disabled, persons who claim to be eligible for SSI must apply therefor, 20 C.F.R. 416.201, *et seq.* A person who has so applied must wait to receive his regular SSI benefits until the administrative eligibility procedures of the Social Security Administration have been completed, although his benefit period begins on the first of the month in which the person applies. The only provision for interim payments during the eligibility determination process is a \$100 one-time emergency advance to persons who are presumptively eligible and who have emergency needs and up to 3 months interim payments for persons presumptively disabled and presumptively eligible.

34. A claimant or someone acting on his behalf must file an application for SSI at a district office of the Social Security Administration.

35. The district office processes or "develops" the application by verifying factors of eligibility through documentation and then makes an initial determination of eligibility or ineligibility. Initial payment or notification of denial is then made to the claimant.

36. That the "development" or verification necessary for most claimants based upon age or disability whose disability has already been determined is very limited so that it may be completed at the time of the interview ac-

companying the filing of the application, or within 10 days of filing the application if the claimant is promptly and properly notified of the items necessary for verification.

37. The Cambridge district office is located at 625 Mount Auburn Street, Cambridge, Mass., and services Cambridge, Somerville, Lexington, Arlington, Newton, Woburn, Waban, Watertown, Winchester, and portions of Allston and Brighton.

38. The Cambridge district office does not make an initial determination of eligibility reasonably promptly so that a claimant based upon old age or disability previously established receives initial payment or notice of denial within 30 days.

39. That upon information and belief a very substantial backlog of applications has developed at the Cambridge district office so that applications are not considered and acted upon for as much as 3 months. In November 1974, there was a backlog in excess of 2,000 unacted upon applications and a special task force of additional workers was assigned for several weeks to the Cambridge district office by the New England regional office to reduce the backlog. Although a considerable backlog of more than 1,000 unacted upon cases remained, the special task force was withdrawn from the Cambridge district office. As a result of the backlog, those claimants whose applications require no further development or verification do not receive their initial payment or notice of denial for 2 or 3 months following their application.

40. That the Cambridge district office has no procedures for providing claimants at the time of application or shortly thereafter with written confirmation of filing the application and with written confirmation of what items, if any, must be produced by the claimant to complete the development. The Cambridge district office has no procedure for providing recipients with written notification of the status of their application at regular intervals.

41. Under the old age assistance program which preceded SSI, all of the applications on the basis of age were required to be processed and aid furnished with reasonable promptness, 42 U.S.C. 302(a)(8). Old age applicants in Massachusetts would have received an initial payment or denial within 30 days.

42. Defendant Weinberger is directed by law to "prescribe such requirements with respect to the filing of applications . . . as may be necessary for the effective and efficient administration (of the SSI program)," 42 U.S.C. 1383 (e)(1)(A).

43. Defendants Weinberger and Cardwell stated in the Federal Register of September 13, 1974, that the Social Security Administration expected that initial determinations in nondisability cases should be made within 30 days, and that they would make every effort to render an initial determination within a 30-day period.

44. In the same Federal Register, defendants Cardwell and Weinberger, although requested to do so by the Legal Services for Elderly Poor Center, explicitly refused to promulgate a regulation requiring that initial determinations of eligibility in nondisability cases be made within 30 days.

45. Not only has defendant Weinberger refused to promulgate any time limits, but he has failed to prescribe or require in any manner that applications be processed promptly and expeditiously. Nor has he prescribed specific procedures which would insure that claimants are informed immediately after receipt of the application, and at regular intervals thereafter, of the status of their application and of what, if anything, they must do to facilitate an initial determination as to their eligibility. Neither has he established payment and notification procedures which are reasonably prompt as claimants must frequently wait for 2 to 4 weeks to receive initial payment or notice of denial even after the initial determination by district office.

46. That numerous persons have suffered grievously as a result of the delays in providing the class with prompt payment of their SSI benefits or notice of denial. Those persons found eligible have had to forego their benefits when they needed them, endure very limited incomes, suffer hunger, forego necessary medical care, endure embarrassment, anxiety, and frustration and mental anguish. For those persons who are eventually denied, they are unable to pursue their right to an administrative appeal or to comply with eligibility requirements when possible.

VII. Claims

A. Claims Under the Social Security Act

47. By failing to make reasonably prompt initial determinations of eligibility or ineligibility, and reasonably prompt payment or notification of denial, defendants are breaching their mandatory duty under the SSI statute. Title XVI of the Social Security Act, 42 U.S.C. 1381, *et seq.* Said statute creates an income maintenance program and is designed to provide for the maintenance of needy persons and as such requires the speedy determination of eligibility or lack thereof and prompt payment or notification of denial.

48. By failing to promulgate regulations providing for the receipt of prompt initial payment by eligible applicants and by not requiring that his staff make initial determinations of eligibility, initial payment or notification of denial within 30 days, and by not prescribing specific procedures and safeguards which would result in initial payment or notification of denial within 30 days, and by inadequately staffing and supervising the Cambridge district office, defendants have violated their statutory duty to "prescribe such requirements with respect to the filing of applications . . . as may be necessary for the effective and efficient administration of this subchapter." 42 U.S.C. 1383 (e) (1) (A).

B. Claims Under the Administrative Procedure Act

49. By failing to make reasonably prompt initial determinations as to plaintiff's eligibility and by failing to promptly make initial payment or notification of denial, defendants have violated their duty to plaintiff's expressed in the Administrative Procedure Act, to "proceed to conclude a matter presented to it . . ." (w)ith due regard to the convenience and necessity of the parties . . . and within a reasonable time . . . 5 USC 555 (b) (2).

50. By failing to promulgate regulations providing for prompt initial determinations as to initial eligibility and for initial payment or notification of denial by not requiring his staff to make such determinations within 30 days and by not prescribing specific procedures which would result in a minimum of time between initial application and payment and by inadequately staffing and supervising the Cambridge district office, defendants have promoted, induced, caused, and allowed a pattern and practice of violations of the Administrative Procedure Act, 5 U.S.C. 555(b), with regard to plaintiffs claims.

51. By failing to make reasonably prompt initial determinations as to plaintiffs eligibility and payment or notification of denial defendants have delayed to such a degree as to make their failure to act final agency action and to thus make it subject to review under the Administrative Procedure Act, 5 U.S.C. 704, 706(1).

C. Claims Under the U.S. Constitution

52. By failing to make reasonably prompt initial determinations as to eligibility and by not promptly providing plaintiffs with payment when eligible, defendants have arbitrarily and capriciously denied those plaintiffs who are eligible their benefits during the waiting period in violation of the due process clause of the fifth amendment to the U.S. Constitution. Those persons who are found ineligible are denied their statutory appeal during the waiting period in violation of the due process clause of the fifth amendment to the U.S. Constitution.

53. By inadequately staffing and supervising the Cambridge district office and by allowing a backlog in excess of 1,000 applications and resulting delays in excess of 2 months and by allowing applicants at the Cambridge district office to suffer delays far longer than applicants at other district offices, defendants have violated their duty to provide plaintiffs with the equal protection of the laws in violation of due process clause of the fifth amendment to the U.S. Constitution.

PRAYERS FOR RELIEF

Wherefore, plaintiffs on their own behalf and on behalf of all others similarly situated, respectfully pray this court to:

1. Issue a temporary restraining order on behalf of the named plaintiffs restraining defendants from any further delay and no later than 3 days from issuance of this order in providing plaintiffs with either an initial payment of SSI benefits or a notice of denial.

2. Enter an order that this suit may be maintained as a class action.

3. Issue a preliminary and permanent injunction on behalf of plaintiffs and the class requiring defendants to:

(a) Provide them with initial payment of their SSI benefits or notification of denial within 30 days of application.

(b) Promulgate regulations requiring initial payment of SSI benefits or notification of denial within 30 days of application.

(c) Establish such payment and notification procedures as are reasonably prompt and as will enable payment of initial benefits or notification of denial within the time limits set forth herein.

(d) Promulgate such regulations and establish such procedures as are necessary to insure that the Cambridge district office promptly process applications so that an initial payment or notification of denial is provided within 30 days of application. Such procedures shall include immediate written confirmation of receipt of applications and notification of what additional items if any, the claimant must supply to facilitate development of the application and notification at regular intervals as to the status of the application.

(e) Provide such staffing to the Cambridge district office as is necessary to insure that applications are processed within the time limits set forth herein.

4. Enter a judgment declaring that:

(a) Defendants have violated plaintiffs' rights to a prompt determination of eligibility for SSI and to initial payment of SSI benefits, in violation of title XVI of the Social Security Act, 42 U.S.C. 1381, *et seq*; the Administrative Procedure Act, 5 U.S.C. 555(b) (2), 704, 706(1) and the due process and equal protection guarantees of the fifth amendment to the U.S. Constitution.

(b) That the duty to act promptly on SSI applications requires either an initial SSI payment or a notification of denial within 30 days of application.

(c) That defendants have violated their duty to plaintiffs and members of their class to promulgate regulations requiring initial payment or notification of denial within 30 days and their duty to promulgate such additional procedures and safeguards and their duty to supervise and staff the Cambridge district office to insure that payment or notification of denial is made within 30 days.

5. Allow plaintiffs their costs in this suit and reasonable attorneys fees.

6. Award such other and further relief as this court may deem just and proper.

January 7, 1975.

PAUL LICHTERMAN,
MITCHELL I. GREENWALD,
ROBERT BURDICK,
Attorneys for the Plaintiffs.

Mary Santos, being duly sworn, deposes and says that she has read the foregoing complaint and particularly those paragraphs as to her individual facts and she swears that those facts relating to her situation are true except as to such matters stated upon information and belief and as to those matters she believes them to be true.

MARY SANTOS.

Sworn to before me this 8th day of January, 1975.

MARY N. WANER,
Notary Public.

My commission expires April 5, 1979.

Mary DeForest, being duly sworn, deposes and says that she has read the foregoing complaint and particularly those paragraphs as to her individual facts and she swears that those facts relating to her situation are true except as to such matters stated upon information and belief and as to those matters she believes them to be true.

MARY DEFOREST.

Sworn to before me this 7th day of January, 1975.

ALFRED D. ELLIS,
Notary Public.

My commission expires February 16, 1978.

Lena Edgar, being duly sworn, deposes and says that she has read the foregoing complaint and particularly those paragraphs as to her individual facts

and she swears that those facts relating to her situation are true except as to such matters stated upon information and belief and as to those matters she believes them to be true.

Sworn to before me this 7th day of January, 1975.

LENA EDGAR.

ALFRED D. ELLIS,
Notary Public.

My commission expires February 16, 1978.

ITEM 15. LETTER FROM WALTER H. CROSS,¹ VICE PRESIDENT, MASSACHUSETTS ASSOCIATION FOR OLDER AMERICANS, INC.; TO SENATOR EDWARD M. KENNEDY, DATED JUNE 3, 1975

DEAR SENATOR KENNEDY: The following information is provided as an addendum to my testimony May 1 before the U.S. Senate Special Committee on Aging hearing, investigating the HEW Social Security Department's operation of Supplemental Security Income (SSI).

Since the inception of SSI January 1, 1974, the length of time to approve eligible applicants has been tragically long. Prior testimony verified that it has been common for such decisions to take from 3 to 6 months and longer.

The disastrous result of this is not only the delay in providing the additional income so desperately needed for their survival, but withholding of medical assistance approval to that segment of our population, the aged, blind, and disabled who need health care the most.

Since the SSI program started, the State data exchange tape (SDX) furnished by SSI to the Massachusetts State Welfare has consistently delayed furnishing the State with the names of persons approved for SSI. This results in delays of months for the State welfare department to supply the applicant with Medicaid approval after the applicant had previously waited months for SSI approval. Due to the fact that many of the aged are not aware that they are eligible for medical assistance, this gap in the system means that many are paying for medical assistance and drugs out of their meager incomes long after eligibility for Medicaid has been determined.

In the last week in May another appalling error in the SDX tape occurred.

The SDX tape erroneously notified the Massachusetts State Welfare Department that up to an estimated four thousand recipients of SSI were ineligible. The State medical assistance in turn notified this large group of recipients by mailing them the attached Notice of Medicaid Termination (SSI). See exhibit B.²

This office received numerous calls from SSI recipients who had received the notification and were terrified that not only Medicaid but SSI income would be terminated.

It can be estimated that the calls this office received were only the tip of the iceberg and it will cost the State considerable time and expense to correct this error, in addition to the misery it has caused to hundreds of the most vulnerable and defenseless in our society.

In the month of April 1974, the SSI division of HEW and the Massachusetts State Welfare Department agreed to expedite medical assistance to SSI applicants who expressed a need for immediate medical assistance and the referral, Form exhibit A,² attached, was devised to be used for this purpose. In those cases in which this procedure was used, a Medicaid identification number is supposed to be issued to the applicant when the form is received by the State welfare department. However, this procedure has not been too successful due to the fact that most applicants are ignorant of the procedure and are not notified of its existence.

This procedure should be made mandatory immediately. Too many aged, blind, and disabled applicants are not receiving vitally needed medical help and this mandatory regulation would help to correct this situation.

Regarding the gaps in the SDX tape system, which has consistently operated inefficiently to the detriment of the aged, blind, and disabled, and the snafu this past month that erroneously terminated thousands of eligible Medicaid

¹ See statement, p. 1040.

² Retained in committee files.

recipients, it is almost too much to expect that after one and a half years of operation that improvements can be made in the foreseeable future to bring it to an efficient level of operation.

It is hoped that this additional information will contribute to the overall analysis of the hearing committee's investigation of the functioning of the SSI operation.

Sincerely yours,

WALTER H. CROSS.

ITEM 16. LETTER FROM ANNE SILVERSTEIN, STAFF ATTORNEY, NATIONAL SENIOR CITIZENS LAW CENTER, REGARDING ADMINISTRATIVE PROBLEMS IN SSI; TO SENATOR EDWARD M. KENNEDY, DATED MAY 12, 1975

DEAR SENATOR KENNEDY: As you may know, the National Senior Citizens Law Center is a federally funded legal services backup center whose concern is the legal problems of a specific client group, the elderly poor. This letter is in response to your request for comments, in connection with the hearings held on the 1st of May, on administrative problems in the Supplemental Security Income program. Our sense of what these problems are and our information as to their extent and impact on individuals come from our contacts with legal services attorneys who represent individual clients on a day-to-day basis.

Broadly categorized, the problems we are aware of are delays in claims processing, inadequate procedures for emergency assistance, problems of outreach and the related problem of informal disallowance, and denials of due process in the appeals procedure.

A. DELAYS IN CLAIMS PROCESSING

For convenience these might be divided into two stages, delays in processing initial applications for benefits and delays in the appeals process.

The Department of Health, Education, and Welfare had required in its regulations governing the now repealed adult categorical assistance programs (aid to the aged, aid to the permanently and totally disabled, and aid to the blind) that the States make decisions on initial applications within certain time limits. The Department has not seen fit to impose similar requirements on itself in the administration of the SSI program. The most charitable explanation for this failure is probably that the Department intended to process applications expeditiously and hence saw no need for such a requirement in the regulations. Unfortunately, the facts do not demonstrate that this is the case. We are aware of at least two law suits filed by legal services programs on behalf of SSI applicants who had suffered inordinate delays. Two of the named plaintiffs in one of the cases, *Santos v. Weinberger*,* alleged in their complaint that they are 81 and 70 years of age respectively, that they had filed applications in August and September of 1974 respectively, and that as of the date of the filing of the complaint, January 7, 1975, neither had received any notification whatsoever as to their eligibility. Both of these plaintiffs are recipients of retirement benefits until title II of the Social Security Act so that information as to their entitlement on the basis of age should be entirely clear. A third named plaintiff in the *Santos* case alleged that she is 63 years old and a recipient of disability benefits under title II of the Social Security Act. She too had received no decision on her eligibility as of the filing of the complaint, more than 9 months after the date of her application. Again, since the substantive criteria for disability under title II of the Social Security Act and title XVI (SSI) are identical, her eligibility on the basis of disability should be entirely clear. These are typical of many stories we have heard in personal conversations with lawyers and others.

It is apparent that Congress never intended that initial applicants would have to wait so long for notification. The existence of the statutory authorization for making payments on the basis of presumptive disability pending a final determination of eligibility (42 U.S.C. § 1383(a)(4)(B)) demonstrates a congressional awareness that disability decisions are more difficult than other kinds of eligibility decisions, but even here the authorization for payments to

*See p. 1094.

presumptively disabled individuals is limited to three months evidencing the notion that final disability determinations could be made in that time, and that *a fortiori* other kinds of eligibility determinations could be made much faster.

It is likely that even the existence of a time limit for making initial determinations would not be sufficient. Congress should mandate that benefits be paid after a certain time has expired if no decision on the application has been made. This is the only way to put any teeth into a time limit requirement.

It is important to realize that a failure to receive any decision at all is much more damaging than even a negative initial determination would be. This is so because until the Social Security Administration makes an initial determination, the applicant has no access whatsoever to the appeals process.

As in the initial application process, an individual who gets to the appeal stage endures long delays. According to an SSI update done by the Bureau of Supplemental Security Income in February of 1975, as of January 17, 1975, 27,325 hearings had been requested but of these only 4,429 had been processed. Of the hearings processed, 42 percent resulted in reversals of adverse determinations. This means that many eligible individuals had to wait up to a year to receive their first check, and even worse, many thousands of other individuals have not had their hearings scheduled or held. These delays are occurring despite an explicit statutory mandate that a hearing decision be issued (except in disability cases) within 90 days of the date the hearing is originally requested. (41 U.S.C. § 1383(c)(2).)

Our information is that an important contributing factor to this backlog of cases in which hearings have been requested was the disagreement between the Civil Service Commission and the Social Security Administration over the qualifications and status of the hearing examiners. (See House Committee on Ways and Means, *Committee Staff Report on the Disability Insurance Program*, pages 55-64.) The Social Security Administration contended, we believe quite correctly, that the hearing examiners in SSI should be Administrative Law Judges just as they are in OASDI. The Civil Service Commission refused to establish lists of Administrative Law Judges for hiring to hear SSI cases. In our view, the legislative history makes clear that the position of the Civil Service Commission was incorrect, and the Social Security Administration understandably was reluctant to acquiesce in the Civil Service Commission's interpretation. The result was that for a long time hearing officers were not being hired. A technical amendment to the SSI statute could clear this up.

The hearing backlog is a perfect example of how even a clear congressional mandate can be frustrated. Again, the statute should require that benefits be paid if a hearing decision is not issued within the time required by statute. We would also recommend that the exception for disability cases be repealed, although a longer time limit in such cases could perhaps be justified.

B. PROCEDURES FOR EMERGENCY ASSISTANCE

Included in this are problems in replacing checks that either have not arrived or have been lost, stolen or destroyed, and problems in the administration of the statutory provision for emergency assistance to initial applicants.

Our contacts with legal services attorneys indicate that replacing lost or non-received checks is the most pressing problem that exists in the SSI program. Until last summer there really were no effective procedures at all. Sometime in July of 1974 the Social Security Administration developed a procedure for issuing substitute checks. We attempted to make legal services programs throughout the country aware of these procedures. For several months afterwards we were continually being told that personnel in Social Security district offices had never heard of them.

Although the Social Security Administration claims that substitute checks can be issued within 5 to 7 days of the time the requisite forms are "inputted," our information is otherwise. We have received letters from legal services attorneys and others in Michigan, New York, Massachusetts, Oklahoma, and Washington detailing horror stories. A person who depends on his SSI check to provide the necessities of life, as we must assume almost all recipients do, simply cannot wait weeks or months to have a check replaced. If a check does not arrive when it is due, disaster will ensue. SSI recipients do not have the resources to manage while they wait for their checks.

It appears that the only solution to this problem is to give the authority to write checks to the individual district offices. Any procedure which depends on a

computer sending certain information to the Treasury Department is not going to be satisfactory. Since the district offices already have authority to issue checks in cases of emergency assistance to initial applicants, it is hard to see why similar authority could not be given in situations where the beneficiary needs emergency replacement.

The SSI statute authorizes, but does not mandate, emergency payments to initial applicants, and the Secretary elected to develop a program for emergency payments. In our experience, however, emergency assistance to applicants who alleged disability as the categorical eligibility factor has been virtually non-existent. Initially the Social Security Administration authorized emergency assistance for disability applicants only if the individual was an amputee or totally deaf. For all others, the decision on emergency assistance was not made until a decision—often months later—on presumptive disability (based on medical evidence) could be made. This procedure made nonsense out of the statute. We understand that recently the Social Security Administration extended the list of categories of impairments for which there was authority in the local district offices to make emergency advances. Although quite an improvement over the past procedure, this is still not satisfactory.

We would recommend that the emergency advance payment provision be made mandatory and that decisions on requests for such payments be required to be made within five days of the date of application.

C. OUTREACH AND INFORMAL DISALLOWANCE

If serious thought is being given to adding a requirement for outreach to the statute, then the experience of SSI-ALERT should be carefully considered. Although obviously well intentioned, the ALERT was in many respects a disaster. The method in SSI-ALERT was to give volunteer canvassers a very simple form to use when interviewing potential recipients. The chief danger in this is that incorrect determinations of eligibility will be made by the volunteer, and the person being interviewed will never even bother to file a formal application. In fact, this is an ongoing problem at Social Security district offices. There is no doubt that many individuals who go to the Social Security offices to make an application are discouraged from doing so by a claims worker, who, given the complexity of the eligibility requirements, may have well made an incorrect decision based on incomplete information. In order to guard against this in any future outreach program we would suggest that any kind of questionnaire completed by a potential recipient or a volunteer interviewer be considered a formal application for benefits.

D. DENIALS OF DUE PROCESS

Pursuant to the U.S. Supreme Court decision in *Goldberg v. Kelly*, recipients of assistance under the old categorical adult programs were entitled to advance notice and a prior hearing before benefits could be suspended, reduced or terminated. The Social Security Administration recognizes the applicability of this decision to SSI recipients but has attempted in the interest of administrative convenience to carve out by regulation a wide area of exceptions (subpart M of SSI regulations). These exceptions inevitably will result in eligible individuals being denied essential benefits because of incorrect assertions of fact and erroneous applications of law. The statute should explicitly forbid the reduction, suspension, or termination of benefits for any reason without advance notice and the opportunity of a prior hearing.

We appreciate the opportunity to share our views with you.

Very truly yours,

ANNE SILVERSTEIN.

ITEM 17. LETTER FROM CYRIL F. BRICKFIELD, COUNSEL, NATIONAL RETIRED TEACHERS ASSOCIATION-AMERICAN ASSOCIATION OF RETIRED PERSONS; TO SENATOR EDWARD M. KENNEDY, DATED APRIL 28, 1975

DEAR SENATOR KENNEDY: Our associations appreciate the continuing evaluation which your committee is performing concerning the implementation of the Supplemental Security Income Program. We are grateful for this opportunity to update our policy statements which were submitted to the committee on July 26, 1973, and July 16, 1974.

Although our associations' membership reflects only a small portion of the SSI eligibles, we believe our assistance in the molding and implementation of the program underscores our qualifications as spokesmen for the elderly eligibles. Our associations have maintained a continuing liaison with both the Congress and the Department of Health, Education, and Welfare in building the program. We were the largest volunteer organization to initiate and sustain an SSI outreach effort. Furthermore, as an advocate for all older Americans, we have been in the forefront of efforts to improve both the title XVI statute and the administrative regulations interpreting the law.

We must emphasize at the outset of this series of oversight hearings that the SSI program has worked to the betterment of most eligibles. While inflation has eaten away many of the real gains which the payment levels had aimed to secure, and while the processing of claims has fallen far short of expectations, comparatively speaking, the Supplemental Security Income Program is a major improvement over the earlier Federal-State matching grant-in-aid programs for income maintenance for the aged, blind, and disabled. We emphasize this point because we fear that assorted criticism of the program may create an unhealthy climate of regression rather than progression. We who have assisted in developing the program have the responsibility to ensure its direction.

Mindful of this explicit declaration of support for the SSI program, our Association must join those who have voiced legitimate constructive criticism of program implementation. We are concerned that the original legislation, even as amended, fails to meet the needs of eligible older Americans.

For one, the benefit levels are much too low, and these subsistence benefits have been further eroded by inflation.

Second, we object to the demeaning application procedure to which applicants are subjected in order to qualify for benefits. This administrative redtape is hardly in keeping with the dignity promised in the benefit program.

Third, we are concerned that many of the problems inherent in the conversion from the State-run to the federally administered maintenance program need serious review so that these same mistakes will not be repeated in future actions to federalize medicaid and expand the provisions of a Federal income maintenance floor. Particularly appalling are the number of instances where no efforts were made at the State level to adequately ensure that only those in need received assistance. It might not be fraud, but it certainly is neglect.

It has been our experience that much of the confusion which has lingered since the conversion is directly tied to the lack of quality controls under the previous arrangements and that many of the complaints generated are in response to the quality assurance efforts of the Bureau of Supplemental Security Income. It was clearly the intention of those of us who helped build the SSI program to provide an efficient and equitable income maintenance program to maximize our limited resources by targeting them only to those really in need. The advocacy of increased benefit levels for the Federal floor is predicated on the principle of efficient allocation of funds.

Finally, we are deeply concerned about the continuing efforts to make the SSI program available to all older Americans who might be eligible. Our associations provided the largest singular outreach effort of any adult group, but we sensed a resistance to assist all who are entitled. Outreach must be sustained until all older Americans are aware that they might be entitled to assistance as a right if they meet the eligibility standards.

Our goal is an improved income maintenance floor for all eligibles. While our earlier testimony has mentioned a number of possible amendments which would clarify congressional intent, the following is a reiteration of our key objectives:

1. We urge that the Federal payment under the Supplemental Security Income Program for the aged, blind, and disabled provide an annual amount of income not less than the amount determined as the index of poverty for a non-farm family of one as prepared by the Office of Economic Opportunity.

2. We urge that, for purposes of establishing the low income level to which the amount of SSI benefits should be related, the feasibility of establishing a low income index, that takes into account variations in the cost of living not only between urban and rural areas, but also between States and regions within States, be studied.

3. We urge that SSI income, unearned income, and resource exclusions be liberalized and subject to an automatic cost-of-living index to reflect economic conditions.

4. We urge that the Congress determine whether the regulatory interpretations pertaining to income to be excluded and income to be counted for purposes of SSI eligibility are sufficiently liberal to reflect correctly the intent of Congress, especially: (1) the regulation requiring a one-third reduction of SSI benefits where the individual is making payments for support and maintenance to the person in whose household he is living, and (2) the regulation requiring the inclusion in income of prizes, awards, gifts, and inheritances of nominal value.

We urge that the Congress determine whether the regulatory interpretations pertaining to the determination of resources to be excluded and resources to be counted for purposes of SSI eligibility are sufficiently liberal to reflect correctly the intent of Congress.

During this series of oversight hearings, the members of your committee will hear numerous instances of seemingly senseless obstacles to prevent SSI applicants from receiving their benefits. We ask for your continued efforts to improve upon the existing program. There is need for all of us to rededicate ourselves to providing SSI recipients with quality programs based upon the principles of dignity and purpose, rather than on the rhetoric associated with those principles. Where this necessitates legislative change, we solicit the leadership of the committee's members.

Sincerely,

CYRIL F. BRICKFIELD.

**ITEM 18. STATEMENT OF THE NATIONAL PARALEGAL INSTITUTE, INC.,
SUBMITTED BY WILLIAM R. FRY, DIRECTOR, DATED APRIL 29, 1975**

The National Paralegal Institute is a nonprofit corporation located in Washington, D.C., and funded by the Community Services Agency (formerly Office of Economic Opportunity) and the Department of Health, Education, and Welfare for work in the field of paralegals. The Institute is the only national organization devoted exclusively to the training and support of paralegals working in the public sector of the law. The Institute has developed training materials designed specifically for paralegals who serve senior citizens, and has a great interest in the expansion of legal services to older Americans.

I will leave it to others presenting testimony to the committee to argue the case for the expansion of legal services to senior citizens. That case has been made sufficiently compelling so that the HEW Administration on Aging is at this time planning to invest \$1 million to develop legal services programs for senior citizens, and the Congress is considering legislation to amend the Older Americans Act to elevate the delivery of legal services from a permitted activity to a priority.

The Administration on Aging and others who have viewed the problem of legal services have, with virtual unanimity, come to the conclusion that paralegals will play a dominant role in the delivery of such services. The paralegal movement, in the last 5 years, has expanded dramatically, to the point where the President of the American Bar Association recently commented that among the arsenal of techniques available for extending legal services to the middle class, paralegals seem the most promising.

Aside from the support work which paralegals provide to attorneys, paralegals have a broad area of independent initiative and responsibility. Under the regulations of accompanying most Federal public benefit programs non-lawyers are permitted to assist citizens in applying for benefits, and are allowed to represent them in administrative hearings. These regulations have generally been read to allow nonlawyers to handle the entire case of a citizen seeking public benefits, or having a grievance against the granting agency.

Without such representation, from legal services projects, senior citizen agencies, and others, many thousands of senior citizens in the country would go without assistance. Accordingly, the use of paralegals should be encouraged and expanded, and the policies of the Administration on Aging in this direction indicate that such is their perception.

Until recently, those of us working in the public sector legal services program thought the right of paralegals to represent and assist public benefit clients to be secure. Regulations permitting this representation have been on the books for years, and there appeared to be little opposition to such work by paralegals. Moreover, in *Sperry v. Florida*, the Supreme Court upheld the

right of a federally funded program to permit nonlawyers to represent clients at an administrative hearing despite a State prohibition against it.

However, the right of paralegals to provide this important representation is now being called into question. During the last several years, Legal Services programs in Michigan and Colorado were called upon to justify the utilization of paralegals in administrative hearings, in what was said to be the practice of law. These cases were settled without confrontation. Currently, a more serious matter is in process in Minnesota. The County Attorney in Ramsey County (St. Paul) has charged before the county and State bar associations that OEO Legal Services paralegals are engaged in the practice of law and other improper conduct in representing clients at welfare hearings, and has sought a ruling from the State Bar Association prohibiting the use of paralegals in welfare hearings. That ruling has not yet been made, but the outcome of the matter is uncertain. The ramifications of a ruling against the use of paralegals would be deeply troubling. There is in St. Paul a substantial senior citizen legal services program which relies heavily on paralegals. A ruling in the welfare representation case would no doubt reach that program, as well as all others in Minnesota. To our knowledge, a ruling against administrative representation would also establish the first precedent in the United States for blocking nonlawyers from this service.

The arguments made in Minnesota in support of prohibiting lay representation are, in summary, as follows:

1. *Sperry v. Florida* was a patent case in which the Supreme Court ruled that the State of Florida could not prohibit lay representation before the Federal agency in Florida patent cases. However, welfare programs are administered by grants through the State, and thus hearings are held before State rather than Federal agencies. Accordingly, the argument runs, the State is entitled to regulate who may practice law before such agencies.

2. The Federal regulations permitting law representation are permissive only and do not prohibit the State setting a "higher" standard as to who may appear in administrative agencies.

The underlying issues in this matter are not entirely simple. Some legitimate concern has been expressed about methods of assuring that paralegal representation is competent. We, as a national training program, fully support the notion that paralegals should be appropriately trained, and where possible given supervision by attorneys. However, the argument in Minnesota, and which we anticipate in other jurisdictions, cuts much deeper. In the absence of a recognized, licensed, and fully controlled paralegal occupation, many bar associations may insist that only lawyers can appear in administrative hearings.

While recognizing that there are legitimate issues in the question of non-lawyer representation at administrative hearings, it must also be plain to those who follow the economics of the legal profession that lawyers are increasingly concerned about loss of legal business to paralegals (even such business as administrative representation which most lawyers avoid). Threats to the livelihood of attorneys come from all directions. No-fault insurance, group legal practice, and paralegals are among the threats. Accordingly, it is appropriate for Congress to observe the situation closely and to insure that the public interest is not sacrificed as a result of territorial disputes between lawyers and paralegals.

I, therefore, urge that this committee consider legislation to clarify the intent and the reach of Federal regulations permitting nonlawyer representation to those who are seeking public benefits. I am not certain what form this legislation should appropriately take, but suggest the following alternatives:

(1) an amendment to the Administrative Procedures Act asserting the congressional intention that regulations by Federal agencies permitting law representation before Federal agencies, or before State agencies operating federally funded programs, pre-empt the field;

(2) legislation stating that citizens appearing before Federal agencies, or State agencies administering federally funded programs, shall have the right to be represented by nonlawyers, and that this pre-empts the field;

(3) legislation establishing criteria for representatives appearing before Federal agencies, or State agencies administering federally funded programs, which criteria may require such elements as experience, training, and lawyer supervision, but would not require a licensed attorney.

Respectfully submitted,

WILLIAM R. FRY.

ITEM 19. LETTER AND ENCLOSURES FROM JAMES B. CARDWELL,* COMMISSIONER OF SOCIAL SECURITY; TO SENATOR CHURCH, DATED APRIL 22, 1975

DEAR SENATOR CHURCH: I am enclosing for your information a set of charts showing the principal characteristics of the arrangements in each State and the District of Columbia beginning January 1, 1975, with respect to State supplementation and medicaid eligibility under the Federal supplemental security income program for the aged, blind, and disabled. The supplementation amounts shown represent additional State payments related to the current Federal base. These charts replace those we provided last July to cover the period July 1 through December 31, 1974.

The current maximum Federal supplemental security income payment levels (\$146 for individuals; \$219 for couples) are higher than the basic maximum payment levels which were paid in 27 States under the former State welfare programs in 1973. The higher basic payment floor, the substantially increased Federal share of program costs, and the reduced program costs for many of the States, all served as an impetus for initiation of further program expansion by the States.

With the start of the supplemental security income program in January 1974, 30 States immediately began providing some type of optional supplementation payments to better serve the needs of the aged, blind, and disabled. Currently, 38 States provide for supplemental payments at their own option.

The costs of the State supplementation payments are fully borne by the States, of course, except in the six States (California, Hawaii, Massachusetts, Nevada, New York, and Wisconsin) where there is a Federal sharing under the "hold-harmless" provisions of the law.

In addition to administering the Federal supplemental security income program in all 50 States and the District of Columbia, the Social Security Administration is also administering (100 percent of administrative costs borne by the Federal Government) both mandatory and optional supplementation programs in 17 States and mandatory State supplementation in another 15 States (including five States which also administer their own optional supplementation program). Eighteen States administer and pay all costs for their own supplementation programs and an additional five States handle only their own optional programs while the Federal Government administers their mandatory supplementation.

The Federal-State team approach to meeting the needs of the elderly and disabled is favorably reflected in the various program arrangements shown in the enclosed charts. Further program improvements and expansion are planned for 1975 by many States with Federal involvement to help the aged, blind, and disabled meet rising costs of living. The Social Security Administration is also preparing to implement a Federal cost-of-living increase for all recipients effective July 1, 1975, and many States are expected to pass the increase along to recipients rather than reducing State supplemental payments.

Sincerely yours,

JAMES B. CARDWELL

[Enclosures].

SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED

(Prepared by the U.S. Department of Health, Education, and Welfare, Social Security Administration, Bureau of Supplemental Security Income for the Aged, Blind, and Disabled.)

Following are two sets of revised charts summarizing current State decisions on supplementation payment levels for both Federal- and State-administered programs effective January 1, 1975, or later. Users of these charts should bear in mind that the State decisions on administration of the supplementation programs, locus of medicaid eligibility determinations, and payment categories and levels are subject to change.

Please note that chart A covers only supplemental payments to the aged. Chart B displays the supplementation levels for the blind and disabled in only those States where the State supplemental payment levels to these recipients differ from the supplements to the aged.

*See statement, p. 982.

CHART A.—SUMMARY OF STATE SUPPLEMENTATION FOR THE AGED AND STATE MEDICAID DECISIONS

(Effective Jan. 1, 1975, unless otherwise indicated)

State	Administration of State supplements		State payment categories	State payment amounts ¹				Medicaid eligibility		
	Mandatory	Optional		Recipients transferred from State rolls		Newly eligible recipients		Criteria	Determinations by	Comment
				Individuals	Couples	Individuals	Couples			
Alabama	State	State	Living independently	None	\$11	None	\$11	Title XVI	SSA	No essential person provision. See chart B.
			In nursing or foster care home, up to.	\$4	81	\$4	81			
			In cerebral palsy treatment center, up to.	147	367	147	367			
Alaska	State	State	Living independently and actual cost of shelter is:					Title XVI	State	Flat grant standards.
			Less than \$35	39	*66	39	*66			*Whether or not separately eligible.
			\$35 or more	104	*131	104	*131			
			Room and board (individual)	104	NA	104	NA			
Arizona	State	State	Living independently	None	None	None	None	1974 State legislature enacted a Medicaid program—will be implemented October 1975.		No essential person provision.
			In licensed private nursing home:							
			Receiving SSI	80	160	80	160			
			Ineligible for SSI*	80	160	80	160			*Pub/priv. non-profit charit/organ. funds paying care.
			In licensed county-operated nursing home**	174	348	174	348			** No SSI because State w/o Medicaid (See chart B).
			Requires housekeeping services.	20	20	20	20			
			Requires visiting nurse or home health aide services, up to.	160	320	160	320			
Arkansas	Federal	None	Living independently	None	10	None	None	Title XVI	SSA	
California	Federal	Federal	Living independently	89	221	89	221	Title XVI	SSA	See chart B.
			Out-of-home care	137	347	137	347			
			In household of another	94	229	94	229			
			Living independently without cooking facilities	114	271	114	271			
Colorado	State	State	Living independently	39	120	39	120	January 1972	State	Flat grant standards. See chart B.

Footnotes at end of table.

CHART A.—SUMMARY OF STATE SUPPLEMENTATION FOR THE AGED AND STATE MEDICAID DECISIONS—Continued

(Effective Jan. 1, 1975, unless otherwise indicated)

State	Administration of State supplements		State payment categories	State payment amounts ¹				Medicaid eligibility		
	Mandatory	Optional		Recipients transferred from State rolls		Newly eligible recipients		Criteria	Determinations by	Comment
				Individuals	Couples	Individuals	Couples			
Connecticut.....	State.....	State.....	Living independently..... (Budget process used to establish payment amounts for both transferred and newly eligible recipients.)	\$92	\$67	\$92	\$67	January 1972....	State.....	No essential person provision.
Delaware.....	Federal.....	Federal.....	Living independently..... Adult foster care.....	4 63	29 199	None 63	None 199	Title XVI.....	SSA.....	See chart B.
District of Columbia.....	Federal.....	Federal.....	Living independently..... Living in foster care home.....	None 24	None 121	None 24	None 121	Title XVI.....	SSA.....	
Florida.....	Federal.....	State.....	Living independently..... Adult foster care*..... Boarding home with personal care or in home for aged.** (Must be SSI recipient to be eligible for optional supplementation.)	None	None	None	None 225 25	Title XVI.....	SSA.....	*Effective Jan. 1, 1974. **Effective Oct. 1, 1974; not yet implemented.
Georgia.....	Federal.....	None.....	Living independently.....	None	None	None	None	Title XVI.....	SSA.....	
Hawaii.....	Federal.....	Federal.....	Living independently..... In Household of another..... In public housing..... With ineligible spouse in household of another..... With ineligible spouse in own household..... In domiciliary care I*..... In domiciliary care II*..... In domiciliary care III*.....	27 2 6 43 87 102 152 214	41 3 9 NA NA 277 377 501	None 2 6 43 87 102 152 214	None 3 9 NA NA 277 377 501	January 1972....	State.....	*State certified domiciliary care units.
Idaho.....	State.....	State.....	Living independently*..... With essential person..... Room and board..... Hotel—renting room.....	46 88 16 12	37 NA NA NA	46 88 16 12	46 88 16 12	Title XVI.....	State.....	*Payments shown are based on maximum shelter allowance of \$76.

Illinois	State*	State	Living independently (The State optional program applies to both transferred and new cases, and allows State to supplement on a special needs basis including rent so that above amounts can be exceeded.)	29	None	29	None	January 1972	State	*Changed to State administration effective Oct. 1, 1974. No essential person provision. Must be SSI recipient to receive optional supplement.
Indiana	Federal	None	Living independently	None	None	None	None	January 1972	State	See chart B.
Iowa	Federal	Federal	Living independently	None	None	None	None	Title XVI	SSA	See chart B.
			Living with dependent person in licensed adult foster or boarding home.	73	NA	73	NA			
			Custodial care (licensed private facility).	44	181	44	181			
			In family life home (approved by State)*	104	301	104	301			
Kansas	Federal	None	Living independently	34	161	34	161			
Kentucky	State	State	Living independently	57	23	None	None	January 1972	State	
			In personal care facility (non-title XIX):	None	None	None	None	Title XVI	SSA	
			Class I	91	255	91	255			
			Class II	76	225	76	225			
			Class III	61	195	61	195			
			In licensed Minihome (serving 3 or fewer).	23	119	23	119			
			Caretaker required in home	23	53	23	53			
			And with ineligible spouse.	88	NA	88	NA			
Louisiana	Federal	None	Living independently	None	None	None	None	Title XVI	SSA	
Maine	Federal	Federal	Living independently	10	15	10	15	Title XVI	SSA	
			Living with others	8	12	8	12			
			In household of another	8	12	8	12			
			Foster or licensed boarding home*	64	201	64	201			*Less than 6 beds.
			Licensed boarding home**	79	231	79	231			**More than 5 beds.
Maryland	Federal	State*	Living independently	None	None	None	None	Title XVI	SSA	*For new applicants only; implemented in fall of 1974.
			In domiciliary care	104	281	104	281	(effective Jan. 1, 1975).		
Massachusetts	Federal	Federal	Living independently	123	191	123	191	Title XVI	SSA	
			Shared living expenses	59	191	59	191			
			In household of another	95	185	95	185			See chart B.
			Boarding	71	191	71	191			
			Domiciliary care	196	465	196	465			

Footnotes at end of table.

CHART A.—SUMMARY OF STATE SUPPLEMENTATION FOR THE AGED AND STATE MEDICAID DECISIONS—Continued

(Effective Jan. 1, 1975, unless otherwise indicated)

State	Administration of State supplements		State payment categories	State payment amounts ¹				Medicaid eligibility		Comment
	Mandatory	Optional		Recipients transferred from State rolls		Newly eligible recipients		Criteria	Determinations by	
				Individuals	Couples	Individuals	Couples			
Michigan	Federal	Federal	Living independently	\$24	\$36	\$24	\$36	Title XVI	State	*Payment levels increased effective Jan. 1, 1975.
			In household of another	16	24	16	24			
			Domiciliary care*	92	257	92	257			
			Personal care*	158	389	158	389			
Minnesota	Federal	State	In home for aged**	174	422	174	422			**Payment category effective Jan. 1, 1975. No essential person provision.
			Living independently	32	39	32	39	January 1972	State	
Mississippi	Federal	None	Living independently	None	None	None	None	January 1972	State	
Missouri	State	State	Living independently	None	None	None	None	January 1972	State	Nursing home supplement based on deficit between countable income and amount charged up to maximum shown. See chart B.
			In licensed domiciliary nursing home, up to.	150	300	150	300			
			In licensed practical or professional nursing home, up to.	200	400	200	400			
			(Optional supplement is for nursing home and blind-cases only.)							
Montana	Federal	Federal	Living independently	None	None	None	None	Title XVI	SSA	
			Adult foster care home or home for disabled.	49	171	49	171			
			Licensed rest home with boarding care.	4	81	4	81			
Nebraska	State	State	Living independently*	67	70	67	70	January 1972	State	*Based on maximum shelter allowance of \$100.
			Individual and essential person.*	140	NA	140	NA			
			Room and board, up to.	54	179	54	179			
Nevada	Federal	Federal	Adult foster home, up to.	69	209	69	209			See chart B.
			Living independently	39	79	39	79	Title XVI	State	
			In household of another	26	53	26	53			
			Domiciliary care	110	293	110	293			
New Hampshire	State	State	Living independently	27	9	24	16	January 1972	State	Optional supplement based on new flat-grant standards.
			Individual and essential person.	89	NA	89	NA			

		Individual in supervised living arrangement.		47	NA	47	NA	-----	Amounts shown for transferred cases based on maximum basic level.
New Jersey	Federal	Federal	Living independently	36	31	36	31	Title XVI	*Payment levels to be increased effective Jan. 1, 1975.
			Licensed boarding home*	94	261	94	261	SSA	
New Mexico	State	None	With ineligible spouse	104	NA	104	NA	-----	**Living in household of another.
			With others (1 or 2)**	28	78	28	78	-----	
			With others (3 or more)**	3	38	3	38	-----	
New York	Federal	Federal	Living independently	None	None	None	None	Title XVI	Area A: New York City. Area B: Dutchess, Orange, Sullivan, Ulster, and Westchester Counties. Area C: All other counties.
			Living with others	61	76	61	76	SSA	
			In household of another	8	27	8	27	-----	
			In household of another	14	35	14	35	-----	
			Congregate care:					-----	
			Level I:					-----	
			Area A	134	341	134	341	-----	
			Area B	79	231	79	231	-----	
			Area C	79	231	79	231	-----	
			Level II:	229	531	229	531	-----	
			Level III:					-----	
			Area A	493	1,059	493	1,059	-----	
			Area B	469	1,011	469	1,011	-----	
			Area C	154	381	154	381	-----	
North Carolina	State	State	Living independently	None	None	None	None	January 1972	*Based on maximum shelter allowance of \$72. Note: Optional supplementation is optional with counties. See chart B. *Optional with counties for special needs.
			With ineligible spouse or essential person.	*4	NA	*4	NA	State	
			Domiciliary group care (non-title XIX), up to.	113	\$299	113	\$299	-----	
			Attendant care at home, up to.	79	41	79	41	-----	
North Dakota	State	State*	Living independently	None	None	None	None	Title XVI	
Ohio	Federal	None	Living independently	None	None	None	None	January 1972	
Oklahoma	State	State	Living independently	A 20 B 17	A 40 B 34	A 20 B 17	A 40 B 34	January 1972	
			In household of another	20 17	40 34	20 17	40 34	-----	
			Meals at restaurant	35 32	70 64	35 32	70 64	-----	
			In health facility recognizing medicaid payments.	40	80	40	80	-----	
			A—No income other than SSI and State Supplement.					-----	
			B—Income other than SSI and State supplement.					-----	

Footnotes at end of table.

CHART A.—SUMMARY OF STATE SUPPLEMENTATION FOR THE AGED AND STATE MEDICAID DECISIONS—Continued

(Effective Jan. 1, 1975, unless otherwise indicated)

State	Administration of State supplements		State payment categories	State payment amounts ¹				Medicaid eligibility		
	Mandatory	Optional		Recipients transferred from State rolls		Newly eligible recipients		Criteria	Determinations by	Comment
				Individuals	Couples	Individuals	Couples			
Oregon	State	State	Living independently	\$23	\$26	\$23	\$26	Title XVI	State	See chart B. Payment levels were increased effective Nov. 1, 1974.
			With ineligible spouse or essential person.	99	NA	99	NA			
Pennsylvania	Federal	Federal	In household of another	25	65	25	65	Title XVI	SSA	No State payment made if no Federal payment due.
			Living independently	20	30	20	30			
			In household of another	20	30	20	30			
			With 1 essential person*	30	45					
			With 1 essential person in household of another*	30	45					
Rhode Island	Federal	Federal	Living independently	37	68	37	68	Title XVI	SSA	
			In household of another	43	76	43	76			
South Carolina	Federal	State	Living independently	None	None	None	None	Title XVI	SSA	*Optional supplementation for SSI recipients in boarding homes or who have an essential person.
South Dakota	Federal	State	Living independently	44	11	None	None	Title XVI	SSA	See chart B.
			In supervised personal care or adult foster home,* up to.	300	600	300	600			*Must be SSI recipient
Tennessee	Federal	None	Living independently	None	None	None	None	Title XVI	SSA	
Texas	None	None	Living independently*	None	None	None	None	Title XVI	SSA	
Utah	Federal	None	Living independently	None	None	None	None	January 1972	State	See chart B.
Vermont	Federal	Federal	Living independently	31	14			Title XVI	Federal*	
			Area 1	NA	NA	29	41			Geographical variations effective Jan. 1, 1975. Area 1: All towns except in Area 2; Area 2: Chittendon County (Burlington).
			Area 2	NA	NA	29	61			
			Living independently with essential person:							
			Area 1	NA	NA	114	126			
			Area 2	NA	NA	134	146			

			In household of another.....	NA	NA	23	29	-----	*Changeover to SSA
			In household of another with	NA	NA	78	114	-----	determinations effective
			essential person.					-----	July 1, 1974.
			In custodial care facility:					-----	
			Licensed.....	NA	NA	84	241	-----	
			Unlicensed.....	NA	NA	59	191	-----	
Virginia.....	State.....	State*	Living independently.....	6	None	None	None	Title XVI..... State.....	*Effective July 1, 1974.
			Domiciliary care,* and up.....	32	137	32	137	-----	Payment level varies by facility. See chart B.
			Living independently:					-----	
			Area 1.....	30	33	30	33	Title XVI..... State.....	Area 1: King,
			Area 2.....	16	6	16	6	-----	
			In Household of Another:	12	14	12	14	-----	Pierce, Snohomish, and Thurston Counties.
			Areas 1 and 2.					-----	
			With ineligible spouse or essential person:					-----	
			Area 1.....	106	NA	106	NA	-----	Area 2: All other counties.
			Area 2.....	79	NA	79	NA	-----	
			With ineligible spouse or essential person in household of another: Areas 1 and 2.	14	NA	NA	NA	-----	
			Board and room: Areas 1 and 2.	3	71	3	71	-----	
			Adult family home*: Areas 1 and 2.	56	186	56	186	-----	*For retarded adults.
West Virginia.....	State.....	None.....	Living independently.....	None	None	None	None	Title XVI..... SSA.....	
Wisconsin.....	Federal.....	Federal.....	Living independently*.....	82	123	82	123	Title XVI..... SSA.....	*Increased retroactive to July 1974; implementation expected Apr. 1, 1975.
			In household of another*.....	82	123	82	123	-----	
			With ineligible spouse**.....	196	NA	196	NA	-----	**New category retroactive to July 1, 1974; implementation expected June 1, 1975. See chart B.
			In household of another**.....	172	NA	172	NA	-----	
Wyoming.....	Federal.....	None.....	Living independently.....	None	None	None	None	Title XVI..... SSA.....	

¹ For total payment to recipients, add Federal SSI payment of \$146 for individuals and \$219 for couples, except if living in household of another add reduced (because of income in kind—room and board) Federal SSI payment of \$97 for individuals and \$146 for couples. In the case of transferred recipients with essential persons, an additional Federal payment of \$73 (reduced to \$49 if living in household of another) will be made which may reduce the State supplement. For recipients in public or private health facilities which receive medicaid payments on their behalf, add Federal payment of \$25 only. (All payment amounts are rounded off, e.g., 51 cents or more is raised to \$1.)

² And charges as paid to \$175.

³ And charges as paid to \$350.

NA—Not applicable.

Note: Monthly State supplemental payments to aged recipients with no countable income and no special needs are shown in column "State payment amounts." State payment amounts may actually vary for individual recipients because of special needs payments made by the State under former or current State programs. The supplement is shown as "none" when Federal base payment equals or exceeds State minimum required or optional payment levels for recipients without special needs. Supplemental payments to the blind and disabled are the same unless reference is made to chart B.

CHART B.—SUMMARY OF STATE SUPPLEMENTATION FOR THE BLIND AND DISABLED

(Effective Jan. 1, 1975, unless otherwise indicated)

State	Administration of State supplements		State payment categories	State payment amounts to blind ¹				State payment amounts to disabled ¹			
	Mandatory	Optional		Recipients transferred from State rolls		Newly eligible recipients		Recipients transferred from State rolls		Newly eligible recipients	
				Individuals	Couples	Individuals	Couples	Individuals	Couples	Individuals	Couples
FOR STATES NOT LISTED, THE BLIND AND DISABLED SUPPLEMENT IS THE SAME LEVEL AS FOR THE AGED (CHART A)											
Arizona	State	State	Living independently	(Same as Aged)				(Same as Aged)			
			In licensed private nursing home:								
			Receiving SSI	None	None	None	None	None	None	None	None
			Ineligible for SSI	None	None	None	None	None	None	None	None
			In licensed county-operated nursing home:	None	None	None	None	None	None	None	None
			Requires housekeeping services	(Same as Aged)				(Same as Aged)			
			Requires visiting nurse or home health aide services	None	None	None	None	None	None	None	None
Alabama	State	State	Living independently	None	\$31	None	\$31	None	None	None	None
			In nursing or foster care home, up to	\$4	81	\$4	81	\$4	\$81	\$4	\$81
			In cerebral palsy center, up to	147	367	147	367	147	367	147	367
California	Federal	Federal	Living independently	119	311	119	311	89	221	89	221
			Without cooking facilities	119	311	119	311	114	271	114	271
			Out-of-home care	137	347	137	347	137	347	137	347
			In household of another	124	319	124	319	94	229	94	229
			Disabled minor in house of parent/relative	NA	NA	NA	NA	NA	NA	.67	NA
			(Note: Effective July 1, 1974, blind individual aged 65 or over is entitled to highest payment category for which qualified.)								
Colorado	State	State	Living independently	9	91	9	91	9	91	9	91
			Individual with essential person, up to	74	NA	74	NA	74	NA	74	NA
			Home care, up to	225	307	225	307	225	307	225	307
Delaware	Federal	Federal	Living independently	4	81	None	None	None	None	None	None
			Adult foster care	(Same as for Aged)				(Same as for Aged)			
Indiana	Federal	None	Living independently	None	69	None	None	None	None	None	None
			Living independently	18	36	18	36	None	None	None	None
Iowa	Federal	Federal	In household of another	18	36	18	36	None	None	None	None
			Living with dependent person	91	NA	91	NA	73	NA	73	NA

			In licensed adult foster or boarding home	44	181	44	181	44	181	44	181
			Custodial care (licensed private facility)	104	301	104	301	104	301	104	301
			In family life home (approved by State)	34	161	34	161	34	161	34	161
Massachusetts	Federal	Federal	Living independently	146	365	146	365	113	175	113	175
			Shared living expenses	146	365	146	365	51	175	51	175
			Living in household of another	195	438	195	438	83	170	83	170
			Boarding	146	365	146	365	59	175	59	175
			Domiciliary care	146	365	146	365	202	477	202	477
Missouri	State	State	Living independently	None	10	None	10	None	None	None	None
			In licensed domiciliary nursing home, up to	150	300	150	300	150	300	150	300
			In licensed practical or professional nursing home, up to	200	400	200	400	200	400	200	400
Nevada	Federal	Federal	Living independently	69	211	69	211	(Note: Nevada has had no APTD program.)			
			In household of another	118	284	118	284				
			Domiciliary care	109	291	109	291				
North Carolina	State	State	Living independently	None	None	None	None	None	None	None	None
			With ineligible spouse or essential person	10	NA	10	NA	4	NA	4	NA
			Domiciliary group care (non-title XIX), up to	113	299	113	299	113	299	113	299
			Attendant care at home, up to	94	11	94	11	79	6	79	6
			(State pays up to \$114 to individuals blind by State but not by SSA definition.)					(State pays up to \$114 to individuals disabled by State but not by SSA definition.)			
Oregon	State	State	Living independently	48	57	48	57	23	26	23	26
			With ineligible spouse or essential person	130	NA	130	NA	99	NA	99	NA
			In household of another	47	94	47	94	25	65	25	65
South Carolina	Federal	State	Living independently	None	1	None	None	None	None	None	None
Utah	Federal	None	Living independently	None	43	None	None	None	None	None	None
Virginia	State	State	Living independently	7	None	None	None	(Same as for aged)			
			Domiciliary care		(Same as for aged)			(Same as for aged)			
Wisconsin	Federal	Federal	In private nonmedical group home ²	NA	NA	NA	NA	240	481	204	481

¹ For total payment to recipients, add Federal SSI payment of \$146 for individuals and \$219 for couples, except if living "in household of another" add reduced (because of income in kind—room and board) Federal SSI payment of \$97 for individuals and \$146 for couples. In the case of transferred recipients with essential persons, an additional Federal payment of \$73 (reduced to \$49 if living "in household of another") will be made which may reduce the State supplement. For recipients in public or private health facilities which receive medicaid payments on their behalf, add Federal payment of \$25 only. (All payment amounts are rounded off, e.g., 51 cents or more is raised to \$1.)

² Effective July 1, 1974—Implementation expected June 1, 1975.

NA—Not applicable.

Note: Monthly State supplemental payments to blind and disabled recipients with no countable income and no special needs are shown in columns "State Payment Amounts to Blind (Disabled)." State payment amounts may actually vary for individual recipients because of special needs payments made by the State under former or current State programs. The supplement is shown as "none" when Federal base payment equals or exceeds State minimum required or optional payment levels for recipients without special needs. Payments to couples may also vary when the category (aged, blind, or disabled) of eligibility of the spouses differ.