

DARRELL E. ISSA, CALIFORNIA  
CHAIRMAN

JOHN L. MICA, FLORIDA  
MICHAEL R. TURNER, OHIO  
JOHN J. DUNCAN, JR., TENNESSEE  
PATRICK T. McHENRY, NORTH CAROLINA  
JIM JORDAN, OHIO  
JASON CHAFFETZ, UTAH  
TIM WALBERG, MICHIGAN  
JAMES LANKFORD, OKLAHOMA  
JUSTIN AMASH, MICHIGAN  
PAUL A. GOSAR, ARIZONA  
PATRICK MEEHAN, PENNSYLVANIA  
SCOTT DESJARLAIS, TENNESSEE  
TREY GOWDY, SOUTH CAROLINA  
BLAKE FARENTHOLD, TEXAS  
DOC HASTINGS, WASHINGTON  
CYNTHIA M. LUMMIS, WYOMING  
ROB WOODALL, GEORGIA  
THOMAS MASSIE, KENTUCKY  
DOUG COLLINS, GEORGIA  
MARK MEADOWS, NORTH CAROLINA  
KERRY L. BENTIVOLIO, MICHIGAN  
RON DESANTIS, FLORIDA

LAWRENCE J. BRADY  
STAFF DIRECTOR

ONE HUNDRED THIRTEENTH CONGRESS

# Congress of the United States

## House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

2157 RAYBURN HOUSE OFFICE BUILDING

WASHINGTON, DC 20515-6143

MAJORITY (202) 225-5074  
FACSIMILE (202) 225-3974  
MINORITY (202) 225-5051

<http://oversight.house.gov>

ELIJAH E. CUMMINGS, MARYLAND  
RANKING MINORITY MEMBER

CAROLYN B. MALONEY, NEW YORK  
ELEANOR HOLMES NORTON,  
DISTRICT OF COLUMBIA  
JOHN F. TIERNEY, MASSACHUSETTS  
WM. LACY CLAY, MISSOURI  
STEPHEN F. LYNCH, MASSACHUSETTS  
JIM COOPER, TENNESSEE  
GERALD E. CONNOLLY, VIRGINIA  
JACKIE SPEIER, CALIFORNIA  
MATTHEW A. CARTWRIGHT, PENNSYLVANIA  
MARK POCAN, WISCONSIN  
L. TAMMY DUCKWORTH, ILLINOIS  
ROBIN L. KELLY, ILLINOIS  
DANNY K. DAVIS, ILLINOIS  
PETER WELCH, VERMONT  
TONY CARDENAS, CALIFORNIA  
STEVEN A. HORSFORD, NEVADA  
MICHELLE LUJAN GRISHAM, NEW MEXICO

### Opening Statement

Rep. Jackie Speier, Subcommittee Ranking Member

### Subcommittee on Energy Policy, Health Care and Entitlements Hearing on "Continuing Oversight of the Social Security Administration's Mismanagement of Federal Disability Programs"

November 19, 2013

Thank you, Mr. Chairman for holding this important hearing, and thank you to our witnesses for being here.

Disability insurance benefits are a lifeline for millions of Americans who can no longer work in any capacity because of a serious disability. This is a benefit that American employees pay for through their FICA taxes. While the number of applicants and beneficiaries has increased over the past several years, this is an increase that was projected more than 20 years ago as a result of demographics, the aging of the baby boom generation and the increasing number of women in the workforce.

Every program needs vigorous oversight and strong policies in place to prevent waste, fraud and abuse. The Social Security Administration has initiated significant efforts to improve management oversight and accountability for the disability adjudication and review process.

For instance, the agency is reviewing the quality of ALJ decisions to ensure their legal sufficiency, and the Appeals Council reviews ALJ decisions and provides useful feedback to individual ALJs regarding the quality of their decisions and to the agency regarding its policy guidance.

The recently created Division of Quality conducts reviews of ALJ award decisions before the benefits go out, and conducts discretionary reviews of denial decisions. These reviews help ensure the quality of ALJ decisions and allow the agency to do a focused review of specific issues related to the hearing process at a hearing office or with a specific ALJ.

In addition, SSA has initiated efforts to address concerns raised by ALJs and others regarding some disability adjudication and review policies. For instance, the SSA has noticed a proposed rulemaking that requires a claimant to submit all evidence that relates to their disability

claim, and in a timely manner. This regulation will enhance the accuracy of disability determinations and address the concerns that some claimants or their representatives are withholding evidence that may not be favorable to their claim.

The fact is that national allowance rates have gone down since 2008 from 61% to 47%, its lowest rate since the 1990s.

It is important to ensure that these determinations are done fairly and thoroughly. But it is equally important to ensure that ongoing benefits are proper. Continuing Disability Reviews, which are periodic reviews of disability awards to determine if the beneficiary continues to meet the disability criteria, are critical to the integrity of the system. Unfortunately there are too few of them. These reviews are a highly effective means for reducing overpayments or identifying fraud. In fact every \$1 spent on CDRs yields \$9 in program savings. According to the IG, SSA could have avoided paying \$556 million in 2011 if they had just performed medical CDRs in the backlog when they were due. So it is troubling to hear that there is a 1.3 million backlog of scheduled CDRs this year. It is also troubling to learn that benefits are still being paid to some who have died, or who have been incarcerated.

Let's be clear—this is partly Congress' fault. Funding for the SSA has fallen dramatically in the past two fiscal years. It is up to Congress to provide the funding the agency needs to fulfill its mandate to effectively monitor program integrity and save taxpayer dollars. I hope all of my colleagues would agree that given the clear cost-benefit analysis provided by the Inspector General, we should ensure that the agency has sufficient funds to conduct all of its scheduled CDRs and continue other program improvements that have allowed it to reduce its backlogs and increase efficiencies while improving program integrity.

But even in the context of overall improvement, there clearly is still abuse of the system by some bad actors. A recent investigation conducted by the U.S. Senate Homeland Security and Governmental Affairs Committee and Senate Permanent Subcommittee on Investigations identified evidence related to a scheme to defraud SSA implicating a law firm, an ALJ in Huntington, West Virginia and doctors.

As Senator Tom Carper, Chairman of that Committee, stated: "While we don't have any evidence that this is more than an isolated case, one example of inappropriate actions of this nature is one too many."

I look forward to hearing from our witnesses how we can work together to continue this trend toward an improved disability system.

---

Contact: Jennifer Hoffman, Communications Director (202) 226-5181