Welcome and Introduction

What You Need to Know About Social Security Disability Insurance

Presented by

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Let’s Take a Look Back.....
I work with/assist people who have a chronic illness or disability, including mental illness.
In my work, I receive questions about disability benefits.
How Did You Answer?

I have a good understanding of the SSDI application process.

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How Did You Answer?

I have a good understanding of Social Security’s Ticket to Work Program.

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Overview

Today we’ll cover:

- SSDI Basics
- SSDI vs. SSI
- SSDI Process
- Why people need help
- Returning to work with SSDI
- Resources
About SSDI

• Established in August 1956.

• Payroll tax-funded, federal insurance program. It provides income to people unable to work because of a disability.

• FICA taxes include 6.2% for Social Security, a small portion of which is allocated to SSDI.

• To qualify, you must be both “currently insured” and “fully insured”—that is you have earned 20 “work credits” in the last 10 years. Usually, if you have worked five out of the last 10 years you are currently insured.

• If you are under age 31 when you become disabled, it is possible to be currently insured with less than 20 quarters of coverage.

• SSDI is not “means-based.”
Benefits of SSDI

• **Monthly Income:** A regular monthly payment based on your lifetime earnings, adjusted annually for cost-of-living. A portion may be tax-free. Average benefit in 2016 is $1,165 for an individual and $1,976 for a disabled worker with a family.

• **Medical Benefits:** 24 months after date of your SSDI cash entitlement, you qualify for Medicare. This includes Medicare Advantage, often a better option for those with disabilities.

• **Drug Coverage:** Medicare coverage includes Part D.

• **COBRA Extension:** If you receive SSDI, you may be able to extend your COBRA benefit coverage an additional 11 months.
Benefits of SSDI

- **Protected Retirement Benefits:** SSDI “freezes” your Social Security earnings record during the disability period. These years aren’t counted when computing future benefits, so your retirement benefit may be higher.

- **Return-to-Work Incentives:** Social Security will provide opportunities to return to work while still paying your disability benefits.

- **Protecting other income benefits:** Most long-term disability (LTD) policies require claimants to apply for SSDI. If you do not, your LTD benefits often are suspended, resulting in a reduction in income.

- **Dependent SSDI Coverage:** Dependents under the age of 18 typically also qualify for SSDI.
SSDI Eligibility

The SSA defines a person as disabled if:

- A physical or mental impairment prevents you from engaging in any substantial gainful work.
- Your condition is expected to last 12 months or longer or result in death.

To qualify:

- You meet the criteria above.
- You have worked (and paid FICA taxes) 5 out of the last 10 years (in most cases).
- You have not reached retirement age (65-67).
  - Over 21 years of age and less than retirement age
- You have medical proof of disability.
Special Populations

- **Disabled widows, widowers and divorced spouses.**
  - Eligible for SSDI benefits on the “number holder’s” (NH) work record.
  
  - Must be at least 50 years old, but not yet 60.

  - Disability must have started before, or within seven years of NH’s death, or within seven years from the claimant’s last entitlement to mother’s, father’s or widow(er)’s benefits.

  - Generally, widow(er)s or surviving divorced spouse claimants must be unmarried.
Adult children with a disability may be eligible for SSDI based on their parents’ work record if they are unmarried and:

- Their medical condition was diagnosed before age 22.
- They meet SSA’s disability criteria for adults.
- They are not doing any substantial work (earning more than $1,130 a month).
- Either parent has worked long enough to be insured under Social Security and is receiving retirement or disability benefits or is deceased.
- An adult child who is receiving SSI may apply for SSDI benefits once a parent begins receiving Social Security retirement or disability benefits.
SSA profile of disabled-worker beneficiaries:

- Workers accounted for the largest share of disabled beneficiaries (87.4 percent).
- Average age was 53.
- Men represented under 52 percent.
- Musculoskeletal system and connective tissue diseases were the diagnosis for about a third.
- Supplemental Security Income payments were another source of income for about one out of seven.
Social Security's Five-Step Process

1. Determine if an individual is engaging in substantial gainful activity (earning more than $1,130 a month).

2. Conclude disability is severe enough to significantly limit one's ability to perform basic work activities needed to do most jobs. For example:

   - Walking, standing, sitting, lifting, pushing, pulling, reaching, carrying or handling.
   - Seeing, hearing and speaking.
   - Understanding/carrying out and remembering simple instructions.
   - Responding appropriately to supervision, co-workers and usual work situations.
   - Dealing with changes in a routine work setting.
3. Ask if condition meets or equals a medical listing.

4. Explore the ability of an individual to perform work they have done in the past despite their condition. If the SSA finds that a person can do his past work, benefits are denied. If the person cannot, then the process proceeds to the fifth and final step.

5. Review age, education, work experience and physical/mental condition to determine what other work, if any, the person can perform. SSA enlists medical-vocational rules, which vary according to age.
Social Security's Five-Step Process

SSA will likely reach a determination of disabled if a person is:

- **Under age 50** and, as a result of his/her condition, unable to perform sedentary work—the ability to lift a maximum of 10 pounds at a time, sit six hours and occasionally walk and stand two hours per eight-hour day.

- **Age 50 or older** and, due to the disability, limited to performing sedentary work, but has no work-related skills that allow him to do so.

- **Age 55 or older** and, due to the disability, limited to performing light work, but has no work-related skills that allow him to do so.

- **Over age 60** and, due to the disability, unable to perform any of the jobs he performed in the last 15 years.

- **Any age** and, because of a disability, has a psychological impairment that prevents even simple, unskilled work.
SSA Claimant Diagnoses

Percentage of claimants, by body system

Source: SSA, 2013, Outcome Variation in the Social Security Disability Insurance Program: The Role of Primary Diagnoses
SSA Initial Approvals, by State

Percentage of initial allowances, by state and Census division and region

36% Lowest initial allowance rate

Source: SSA, 2013, Outcome Variation in the Social Security Disability Insurance Program: The Role of Primary Diagnoses
SSA Initial Decisions, by State

Percentage of initial allowances, by state and Census division and region

- **62%** Highest initial allowance rate
- **46%** National average in study
- **32%** Current national average

Source: SSA, 2013, Outcome Variation in the Social Security Disability Insurance Program: The Role of Primary Diagnoses
Supplemental Security Income (SSI)

- Supplemental Security Income (SSI) is a welfare based program.

- Provides monthly income to people who are 65 or older, disabled, or blind (including children under 18) and have little/no work history.

- Funded through general tax revenues.

- Must meet SSA’s disability criteria AND have limited income and resources (needs based).
Supplemental Security Income (SSI)

- Federal SSI rates monthly maximum in 2016 = $733/individual.

- Federal SSI rates monthly maximum in 2015 = $1,100/couple.

- States have option of providing Medicaid.

- Must pass screening threshold of household income and resources.
  
  - Resources that **do not count** include a home where a person lives and one car (usually).
  
  - Resources that **do count** include net worth > $2000 individual or > $3000 as a couple. Includes bank accounts, stocks & bonds, 401(k), CDs, more than one vehicle.
What is the SSDI Application Process?

• Consists of five levels.

• Majority of individuals who file get frustrated with denial percentages and never continue with the process.

• Appeals process allows individual to request additional consideration at hearing levels.

• Most hearings involve a representative.
Level 1 – Initial Application

- Application completed by claimant with SSA district office (or with representative).

- **Mandatory wait period for benefits is 5 months after date of onset.**

- District office prepares evidence for state-level Disability Determination Services (DDS).

- DDS compiles medical evidence, sends questionnaire, orders consultative exam.

- DDS determines if claimant should be awarded or denied.

- SSA reports time at this level = 114 days in 2015.

- Approximately 68 percent of claims are denied at this level.
Level 2 – Reconsideration

- If claimant is not awarded at first level, seeks appeal with the SSA District Office.
- Claimant has 60 days to file and submit an appeal.
- District Office submits evidence to DDS.
- DDS compiles medical evidence, sends questionnaire, orders consultative exam.
- DDS determines if claimant should be awarded or denied.
- Reconsideration level typically takes 3-5 months.
- Approximately 89 percent of claims are denied at this level.
“Skip”/Redesign States

• SSA policy adopted in 1999 that enables the disabled individual to skip the “reconsideration” and move straight to the hearing.

• Two offices in California (LA N 00057 and LA W 00056)

• “Skip states” include AL, AK, CO, LA, MI, MO, NH, NY, PA
Level 3 – Hearing with ALJ

- Claimant files appeal with SSA District Office.
- District Office forwards request to Office of Disability, Adjudication and Review (ODAR).
- Administrative law judge (ALJ) determines if claim can be awarded on the record or if it requires hearing.
- If hearing required, (ALJ) conducts hearing with claimant.
- Typically takes about a year to get a hearing and wait times are growing. Decision typically reached @ 480 days in 2015. SSA estimates 540 days in 2016.
- Approximately 55 percent of claims are denied at this level.
Disability Backlog

California is the most backlogged state, with 93,158 claims pending a hearing.

The average processing time is 499 days.

Maryland has the longest processing time at 660 days.
Level 4 – Appeals Council

- Claimant files appeal with Appeals Council.
- District Office forwards file to Appeals Council for review.
- Typically lasts about one year.
- Appeals Council awards, remands or affirms ALJ’s denial
  - Remands = case should be reviewed again by ALJ
  - Awarded moves forward in process
  - **Approximately 99 percent are denied**
Level 5 – Federal District Court

• Requires formal representation by attorney who will file civil suit in Federal District Court.

• Typically lasts 12 months.

• 98% of claims are denied at this level.
Why People Need Help

- More individuals applying for SSDI
- Process is complicated and intimidating
- Nearly 30% denied for technical reasons
- Most individuals have representation at the hearing level.

- Fewer resources at SSA to handle incoming requests
- Most individuals do not have enough savings/income to sustain them through the months- to years-long process.
“If claimants....had representatives earlier in the disability process, some of them may have received an allowance decision at the DDS level, saving them time and SSA money.

First, the claimants may not have had to go to the hearing level if they had representatives to assist them with completing SSA’s forms and providing the necessary evidence at the DDS level.

This could have saved some claimants about 500 days in receiving an allowance decision.”


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How Much Does it Cost?

- Fees regulated by the federal government and are contingency based.

- **Flat rate** if awarded at level 1 (determined by SSA) OR

- **25%** of retro payment if claim goes through appeal process---capped at $6,000.

- Clients should ask if representative charges for out-of-pocket expenses, such as medical records, phone calls, travel, etc.
Health Insurance Dilemma

SSDI applicants who lose their health insurance coverage while waiting for disability benefits can receive assistance from a Certified Application Counselor (CAC).
Advice for SSDI Applicants

• Don’t go it alone --- pass the stress off to a representative or advocate.

• Assemble all the documentation and patience you can.

• You have a right to be treated fairly and with dignity by SSA and DDS staff, the ALJ and your SSDI representative.

• **Continue and document treatment.**

• **SSDI is an investment you made during your working years for just this reason. If you are disabled, you deserve a return on that investment.**
Questions to Ask Potential SSDI Representatives

- Do you specialize in SSDI?
- Do you help with initial applications?
- What is your success rate?
- What is your success rate at the initial level? Those approved quickly at the application level and receive no retroactive award typically pay much less.
- What specific activities will you handle? Obtain medical records, follow up with physicians, contact SSA for status updates?
- Do you have experience representing someone with my disability?
- How will you keep me up to date on what’s happening with my claim?
Meeting the “Ticket to Work Challenge”

**Challenge: Individuals are eligible for Ticket to Work only after they are awarded SSDI benefits.**

By the time someone asks an individual if they would like to try to work, they have invested months or years providing evidence of their inability to work in order to receive SSDI benefits. The process can take two to three years. By that time, many individuals are likely to have become more isolated, lost critical work capacity and have a diminished desire to work.
Meeting the “Ticket to Work Challenge”

Solution:

• Individuals thinking about applying or who have a claim pending for SSDI benefits, should familiarize themselves with the Ticket to Work program before and during the adjudication process.

• Learning about work supports and incentives can help individuals visualize an eventual return to work. This enhances their mental and emotional capacity to take full advantage of the Ticket to Work program when they are ready.
Myths About SSDI and Returning to Work

**Myth:** Approval for SSDI means you’ll never be able to work again.

**Fact:** SSDI benefits were never designed to be permanent. Nearly 30 percent of SSDI recipients eventually find work.

**Myth:** If I re-enter the workforce, I will lose my SSDI and Medicare benefits.

**Fact:** The SSA and Ticket to Work program offer a variety of incentives and resources that act as a safety net to help you transition back to work without immediately losing benefits.
Is SSDI Permanent?

Not always...

• Among SSDI applicants, approximately 20% have *substantial work capacity* and 23% have some work capacity (Rand, 2013)

• National survey found that 22 percent of beneficiaries studied were employed in the 10 years following their SSDI award (New Beneficiary Survey, 1997)

• In a study of 216 individuals unemployed due to arthritis and musculoskeletal disorders, 24 percent had returned to *permanent paid employment* of at least 20 hours a week after one year (Stratton, et. al, 1996)
Why Work?

Disability is a natural part of the human experience and in no way diminishes the right of individuals to:

• (A) live independently;

• (B) enjoy self-determination;

• (C) make choices;

• (D) contribute to society;

• (E) pursue meaningful careers; and

• (F) enjoy full inclusion and integration in the economic, political, social, cultural, and educational mainstream of American society.

From the Federal Rehabilitation Act of 1973
Why Work?

• SSDI is an important resource for former workers, but monthly cash benefits are usually much less than previous wages.

• Employment affords the opportunity to build on previous work experience and grow professionally and personally.

• Advances in technology, training and supportive mechanisms have evolved, allowing people with a range of disabilities to adapt and ultimately re-enter the economy.

• With the right opportunities and supports, many people can earn a higher standard of living by going to work and leaving the benefit rolls.
Ticket to Work

• Social Security’s Ticket to Work program supports career development for people with mental illness by providing choices, opportunities and supports needed to become and stay employed.

• Ticket to Work holders are SSDI beneficiaries who would like to improve their earning potential and who are committed to preparing for long-term success in the workforce.

• The Ticket program and its work incentives allow individuals to keep their SSDI benefits while they explore employment.
Benefits for Ticket to Work Participants

1. Trial Work Period (TWP) - Allows a 9-month trial work period without losing SSDI benefits regardless of work earnings.

2. Extended Period of Eligibility – 36 months after TWP ends. Full benefits continue for months in which earnings are below SGA, as long as you continue to have a disabling impairment.

3. Expedited reinstatement of benefits – Benefits are reinstated without new application for 6 months while SSA evaluates your eligibility to receive benefits. Can utilize this incentive for up to 5 years after your benefits stop due to work earnings.
4. Continuation of Medicare coverage – For up to 93 months after TWP and includes Medicare part A, part B if enrolled, and prescription drug coverage if enrolled.

5. Exclusion from medical continuing disability reviews – As long as you are making timely progress toward your employment goals.

6. Access to free services to help prepare for re-employment.
What is an Employment Network?

**Employment Network (EN)**
- Contracts with Social Security to provide **free** services to beneficiaries.
- Helps them develop an Individual Work Plan (IWP).
  - Defines employment goals.
  - Describes specialized services the EN will provide.
- Provides career counseling, job placement, and ongoing support services. Some provide additional services.
- Beneficiary can “shop around” for an EN that best suits their needs.

**EN services may include:**
- Career Planning
- Job Placement
- Ongoing Employment Support
- Benefits Counsel
Common Questions

Q. Is an EN the same as a staffing/employment agency?
A. They can be similar. They provide job placement assistance and teach individuals how to job search on their own, and provide additional services like benefits counseling.

Q. Can beneficiaries just work part-time?
A. Yes. Initially they can work part-time. The goal is to eventually help transition away from benefits to full-time income that’s more than their SSDI benefit.

Q. Do they pay for school or training?
A. ENs can make referrals to state vocational rehabilitation agencies or local American Job Center, which have programs specifically for those needs, prior to your job search.
Q. Do employers hire people with disabilities?
A. YES! Employers are actively seeking people with disabilities for many reasons.
   - Finding the best candidates for their open positions
   - Section 503 Compliance
   - Access to a large, loyal network of consumers
   - Enhancing diversity and inclusion in their organization

Q. Will people lose benefits as soon as they start work?
A. ENs should work closely with beneficiaries to review their benefits to determine available work incentives, and how and when benefits will be impacted.
Ways to Connect

For SSDI information and resources
- AllsupAlliances.com
- Online eligibility screening Expert.Allsup.com
- Disability Evaluation Center at (800) 279-4357

For Ticket to Work information and resources
- ChooseWork.net
- AllsupES.com
- info@allsupES.com
- (866) 540-5105
Questions?

Thank You