

CHAPTER VIII PROGRAM REVIEW ISSUES

A. PREAMBLE TO CHAPTER

Congress passed legislation to create the SSI program in 1972. Since the first payments in January 1974, the program has provided a valuable lifeline to millions of aged, blind and disabled persons. SSI benefits help provide life's necessities--food, clothing, and shelter--to people who might otherwise be without these basic items.

Society has changed since 1972 but the SSI program remains fundamentally unchanged in structure and purpose. Until now, there has never been a comprehensive review of the program by a group entirely from outside the Federal government.

Provisions for review of trust fund programs of the Social Security Act. Shortly after the Social Security Act was established, the Social Security Board and Congress appointed an Advisory Council to examine the advisability of amending the social insurance program to ensure that its financing was sound. The Advisory Council, consisting of representatives of employees, employers, and the general public, met initially in 1937 and periodically thereafter.

In 1969, the Advisory Council's charter was expanded to reflect a broader scope of review, including the scope of coverage of the trust fund programs (old-age and survivors insurance, disability insurance, and hospital insurance and supplementary medical insurance under Medicare); the adequacy of benefits; and all other aspects, including the impact of the programs on public assistance programs under the Social Security Act.

Currently, under the law, a new Council is appointed every four years. Each Council is charged, by the Secretary of HHS, with addressing certain issues (however, the Council is not limited to those issues) and it submits a comprehensive report to the Secretary. Through the years, the various Advisory Councils have provided independent reviews which have enabled the Government to be responsive to the changes in society and the needs of the people.

B. AN ADVISORY COUNCIL LEVEL OF REVIEW

Background Information:

Reviews of SSI. At the time of the statutory mandate for an "Advisory Council on Social Security", the SSI program had not been established, and the Act has never been modified to specify that this Council should review the SSI program. Only one Social Security Advisory Council has ever addressed SSI program issues.

Although the SSI program has undergone numerous refinements and modifications since enactment, the basic structure has not changed. A number of reviews have been conducted over the years, but not on a regular basis. Only one review was comprehensive and involved direct reporting to the Secretary, as is the case with the Advisory Council on Social Security.

Major initiatives to review the operation of the SSI program were done on an ad hoc basis and for a variety of reasons. Some of the early reviews performed in the 1970's were in response to complaints about the program not living up to expectations and the quality of service. These were done by representatives from both inside and outside the Federal Government. Later studies done in the 1980's focused on achieving administrative simplification. These efforts were mostly internal efforts aimed at improving SSA's field office efficiency and understanding.

This current review of the program was initiated in 1990 by Social Security Commissioner Gwendolyn S. King. She recognized an existing need for a broad-based review to determine how well the program has met, and will continue to meet, the needs of the population it is intended to serve, recognizing current fiscal constraints.

Testimony received. Many commenters expressed support and appreciation for the SSI Modernization Project, remarking that the effort is important and necessary. Additionally, some people stated that the SSI program would benefit from a periodic, independent review, similar to the Social Security Advisory Council process afforded the four trust fund programs. They said that a separate Advisory Council for SSI is desirable because: (1) there are fundamental differences between the SSI program and the social insurance programs: (2) the scope of review would be too great to be manageable if the SSI review were combined with a review of the social insurance programs: and (3) the issues involved in a review of SSI would require extensive consideration of other social and domestic programs.

Experts' Discussion of Program Review:

All of the experts who addressed the subject stated that program review at an advisory council level would ensure a detailed analytical review of the SSI program. This review would achieve a level of visibility equivalent to that afforded the social insurance programs, because recommendations for change made by the Council are brought before the Secretary and Congress. Also, they believed that an advisory council level of review for SSI would establish a formalized process of periodic review by an independent group which would be sensitive to the needs of the SSI population and responsive to changes in society.

Two options for an advisory council were considered. One option would amend the Social Security Act to include SSI in the Social Security Advisory Council jurisdiction. While this approach would not guarantee that the SSI program would be reviewed every four years, it would include SSI in the Council's jurisdiction and allow the program to be reviewed singly or jointly with the trust fund programs.

The other option was to establish a separate Advisory Council on SSI. This option would guarantee that the SSI program receives a regular, comprehensive review by an independent group of experts who would report to the Secretary. The mandate would include a broad charter for the examination of the SSI program, such as the SSI relationship with Federal and State income maintenance programs (other than trust fund programs). The separate Advisory Council would be expected to take into account actions of the most recent or existing Advisory Council for the social insurance programs on issues of mutual interest.

A majority of the experts concluded that a separate Advisory Council should be established for the SSI program. This affirmed the views expressed by the public. One expert stated, "The failure to regularly review the program has resulted in creating prolonged hardships for beneficiaries and inefficiency in the SSI program." The majority view was that a separate council would provide a better focus on the SSI program, rather than having SSI issues reviewed along with other Social Security programs and Medicare. However, two experts said they believed that including SSI in the Social Security Advisory Council's jurisdiction would give the SSI program a higher profile.

Recapitulation of Experts' Opinions on Program Review:

| <u>Option</u> | <u>Experts Supporting</u> |
|---|-------------------------------|
| 1. Establish a separate Advisory Council on SSI. | 17 |
| Comment: One of the experts favoring this option supported the option below as a second choice. | |
| 2. Include SSI in the Social Security Advisory Council jurisdiction. | 3 |

C. OPTION PREFERRED BY A MAJORITY OF EXPERTS
SUMMARY AND COST ESTIMATES

Program Review. A majority of the experts supports SSI program review by a separate Advisory Council. They conclude that such a level of separate review would increase the overall effectiveness of the program.

| <u>Fiscal Year</u> | <u>Estimated Cost</u> (In millions) | | |
|--------------------|--|---------------------------|-------------------------|
| | <u>SSI Program</u> | <u>SSI Administrative</u> | <u>Medicaid Program</u> |
| All | None | (a) | None |

(a): Unable to estimate

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