

# A Process for Reforming Disability Policy

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Social Security Disability Insurance: The Time for Reform?

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**DISABILITY POLICY**

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# References

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- **David R. Mann and David C. Stapleton**
  - **“Fiscal Austerity and the Transition to a 21st-Century Disability Policy: A Roadmap.”** Working paper. Washington, DC: Mathematica Policy Research, November 2011.
  - **“A Roadmap to a 21st-Century Disability Policy.”** Issue brief no. 12-01, Mathematica Policy Research, January 2012.
  - **“Beyond the Americans with Disabilities Act: Restructuring Disability Policy to Increase Economic Well-Being and Independence.”** In *Disability and Equity at Work*, edited by J. Heymann, M.A. Stein, and G. Moreno. New York: Oxford University Press, forthcoming.

# Overview

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- **Focus on the reform process, not on specific reforms**
- **Three barriers to positive reforms**
- **Two major systemic changes designed to jump-start positive reforms**

# Barrier 1: Lack of Public Trust

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- Major problems with current federal programs
- Distrust of state governments
- Perception of “legislation by anecdote”

# Barrier 2: Financial Structure

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- **Current structure contributes to adverse outcome trends**
  - Massive open-ended funding for income support and health care
  - Limited, tightly controlled funding to help people help themselves
- **Current programs are critical to the well-being of this population, but:**
  - Economically, people with disabilities are falling further behind their peers
  - Public expenditures to support this group are growing rapidly



# Barrier 3: Fragmentation

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- **Responsibilities for multiple programs are spread across multiple agencies and levels of government**
- **The most promising reforms cut across agencies and levels of government**
- **Exhibit A: The Social Security Administration (SSA)**
  - **Focused on improving disability determinations and work incentives for beneficiaries**
  - **The best opportunities to help those with disabilities join or remain in the workforce are outside of SSA's jurisdiction**

# Progress Requires a Support Structure That:

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- **Builds trust**
  - Protects vulnerable people
  - Proceeds at a measured pace
  - Has a high level of transparency
- **Uses financial pressure to promote positive outcomes**
  - Better outcomes for people with disabilities
  - Lower growth in public expenditures
- **Encourages states, localities, and private organizations to innovate in positive ways**



# Provisions of Legislation to Support Positive Reforms

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- **Management and oversight**
  - Builds trust
  - Addresses fragmentation
  - Promotes positive reforms
- **Full and transparent accounting**

# Management and Oversight (1)

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- **A federal entity with a charter to:**
  - **Lead a reform process with positive objectives**
  - **Grant cross-cutting waivers from current programs to states, localities, and private entities for positive reforms**
  - **Coordinate cross-cutting activities under the waivers**
  - **Rigorously monitor disability population outcomes**
  - **Establish and operate an appellate process**
  - **Support continual improvement through evaluation, dissemination, and technical assistance**
  - **Make midcourse adjustments**

# **Management and Oversight Provisions (2)**

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- **Establish an independent consumer review board system**
- **Encourage or require state governments to charter comparable entities**

# Full and Transparent Accounting

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- **Rolling 10-year budget projections**
  - Encompass all federal and state expenditures for working-age people with disabilities
  - Based on current law initially
  - Divide into state-level projections
  - Include projections for state matching dollars
  - Produce annually
  
- **Account for actual expenditures at the end of each year**

# Waivers

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- **Default: None.**
  - Continue to administer current programs
  
- **Preferred: State, local, or private entities lead efforts to restructure programs under waivers designed to:**
  - Improve economic outcomes for the disability population
  - Reduce expenditures relative to projections
  - Start small, build on initial successes, discard initial failures

# What might the waivers allow?

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- **Single door to tailored supports and integrated eligibility determination**
- **Restructure benefits to make work pay, encourage savings, support community living**
- **Integrate SSDI with workers' compensation and private disability benefits**
- **Build transition programs for youth and young adults with disabilities**
- **...and many more**

# Significant Twist

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- **“The federal government cannot wait to reduce expenditure growth for this population.”**
- **Response:**
  - **Create the reform structure we have described**
  - **Make the projected budgets binding, at whatever level politicians are willing to agree on**
- **States, with help from localities and private entities, must either:**
  - **Find ways to reduce expenditures under current programs**
  - **Accelerate positive reforms**

# Contact Information

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