

**The National Council of Social Security Management Associations, Inc.**  
**GREYSTONE GROUP WASHINGTON REPORT**  
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**Overview**

On Thursday, February 26, 2015, the United States House Labor, Health and Human Services, Education and Related Agencies Appropriations Subcommittee held an **oversight hearing titled, “The Vital Responsibility of Serving the Nation’s Aging and Disabled Communities.”** Acting Commissioner Carolyn Colvin appeared before the Subcommittee along with Kathy Greenlee, Administrator of the Administration for Community Living (ACL) and Assistant Secretary for Aging, HHS. This report outlines the SSA-specific portions of the hearing.

**The following Members of Congress attended the hearing:**

Chairman Tom Cole (R-4<sup>th</sup>-OK)  
Rep. Steve Womack (R-3<sup>rd</sup>-AK)  
Rep. Chuck Fleischmann (R-3<sup>rd</sup>-TN)  
Rep. Andy Harris, M.D. (R-1<sup>st</sup>-MD)  
Rep. Martha Roby (R-2<sup>nd</sup>-AL)  
Rep. Charlie Dent (R-15<sup>th</sup>-PA)  
Rep. Scott Rigell (R-2<sup>nd</sup>-VA)

Ranking Member Rosa DeLauro (D-3<sup>rd</sup>-CT)  
Rep. Lucille Roybal-Allard (D-40<sup>th</sup>-CA)  
Rep. Chaka Fattah (D-2<sup>nd</sup>-PA)

**Member Opening Statements**

The opening statement of Chairman Tom Cole (R-4<sup>th</sup>-OK) can be viewed by clicking on the link below:

<http://docs.house.gov/meetings/AP/AP07/20150226/102993/HHRG-114-AP07-20150226-SD001.pdf>

Remarks as delivered at the hearing by Ranking Member Rosa DeLauro (D-3<sup>rd</sup>-CT) can be viewed by clicking on the link below:

<http://democrats.appropriations.house.gov/news/press-releases/delauro-calls-for-more-support-for-social-security-administration-administration>

### **Prepared Statement of Acting Commissioner Carolyn Colvin**

The prepared statement of Acting Commissioner Carolyn W. Colvin can be viewed at the link below:

<http://docs.house.gov/meetings/AP/AP07/20150226/102993/HHRG-114-AP07-Wstate-ColvinC-20150226.pdf>

### **Hearing Summary**

This oversight hearing provided an opportunity for Acting Commissioner Colvin to update the Subcommittee regarding SSA's appropriations and service to the American public, including seniors and those with disabilities.

The following are statements or exchanges of particular note that took place during the hearing.

Chairman Cole (R-4<sup>th</sup>-OK) pursued a line of questioning with Acting Commissioner Colvin regarding the management of SSA's Disability program, indicating it was "time to make progress" and inquiring about the differences between states on approval ratings. Acting Commissioner Colvin responded that the agency was looking at the disability adjudication process, including resources and the entire process, stating "we can't staff our way out of the backlogs." Acting Commissioner Colvin referenced the President's FY 2016 Budget Request and that the early intervention initiatives should help, while acknowledging Return to Work had only modest successes. Acting Commissioner Colvin provided additional details on the early intervention initiatives including that SSA was working with HHS and looking at those who've been denied; providing medical-vocational services prior to benefit receipt; and that SSA knows people want to work. Acting Commissioner Colvin supplied details regarding the \$50.0 million request included in the President's FY 2016 Budget Request for research and evaluation components to see what early intervention efforts will work.

Chairman Cole also asked Acting Commissioner Colvin to address the disparate outcomes in different states. Acting Commissioner Colvin responded this was not unexpected and different populations exist. Acting Commissioner Colvin supplied information related to in-line quality reviews and the goal of making sure decisions are correct; the fact that the hearings level involves aged cases and disabilities have probably increased.

Ranking Member DeLauro (D-3<sup>rd</sup>-CT) asked Acting Commissioner Colvin to address sequestration and what would happen to the hearings backlog. Acting Commissioner Colvin responded that sequestration would be catastrophic and there would be significant deterioration. Ranking Member DeLauro also mentioned the 64 field office

closures in recent years and the increase in wait times and asked Acting Commissioner Colvin to outline what improvements SSA could make if the President's FY 2016 Budget Request was provided. Ranking Member DeLauro also asked if the agency would be able to address disproportionate staffing levels with the President's Budget Request. Acting Commissioner Colvin responded that in the last three (3) years, SSA has received \$3.0 billion LESS than the President's Budget Requests. Acting Commissioner Colvin also indicated the \$700.0 million increase requested for FY 2016 would allow SSA to replace losses along with a few additional staff, and the majority of the budget increase would be directed to staff and information technology. Acting Commissioner Colvin also stated the field office structure is always going to be the agency's primary method of service delivery, but that the agency needs staff. Ranking Member DeLauro inquired as to whether any additional offices were going to close or if there would be any other cutbacks. She also asked if there were plans to restore offices and noted that it is a problem for their (Congressional) offices when there is not access to SSA offices. Acting Commissioner Colvin responded that SSA will not close offices in FY 2015 and FY 2016 if the agency receives the FY 2016 Budget Request. Acting Commissioner Colvin also noted SSA has been able to replace about half of the staffing losses. She stated the FY 2016 Budget Request would address the \$355 million in fixed cost increases; and address program integrity issues including CDRs, which is important given the backlog of 1.3 million CDRs. The President's Budget Request would allow SSA to complete 908,000 CDRs. Acting Commissioner Colvin also noted the President's Budget Request includes a dedicated program integrity fund so that SSA would not have to make choices between program integrity and other workloads.

Representative Martha Roby (R-2<sup>nd</sup>-AL) asked Acting Commissioner Colvin to discuss the decrease (in approvals). Acting Commissioner Colvin indicated this is due in part to the system in place at ODAR which includes quality reviews and the use of data analytics, and that the agency is always looking at how to improve the process and provides continuous training to meet this objective.

Representative Roby asked next about ALJ hiring and the Office of Personnel Management (OPM). Acting Commissioner Colvin responded the process has been challenging for SSA and a workgroup has been formed. Acting Commissioner Colvin also indicated the (disability hearings) backlog is due in part to the inability to hire ALJs and issues with the register.

Rep. Chaka Fattah (D-2<sup>nd</sup>-PA) asked about the \$50.0 million request for the early intervention initiatives. Acting Commissioner Colvin indicated planning was in the early stages; SSA is working with HHS; and she would provide additional information for the Record.

Rep. Fattah also inquired about workloads, Baby Boomers, the agency's staffing plans, and projections for the future. Acting Commissioner Colvin mentioned the Vision 2025 plan but that she didn't see the numbers going away at that point and that SSA has not reached the point where the agency would have too many staff for the workloads.

Rep. Fattah also indicated that in a perfect world people would have a combination of a pension, savings, and Social Security. He asked Acting Commissioner Colvin to provide the percentage of people who only have Social Security. Acting Commissioner Colvin indicated it was a high percentage and she would provide the information for the Record.

Rep. Charlie Dent (R-15<sup>th</sup>-PA) directed a question to Acting Commissioner Colvin regarding cyberattacks and what security measures are in place for *my Social Security*. Acting Commissioner Colvin responded that SSA has a strong program in place and there is a yearly review by outside consultants. Acting Commissioner Colvin stated that SSA is the largest holder of data on the American public and she would provide additional detailed information for the Record.

Rep. Scott Rigell (R-2<sup>nd</sup>-VA) asked Acting Commissioner Colvin to address SSI and solvency, or the lack thereof, and what responsibility she had for providing recommendations to the Administration. Acting Commissioner Colvin responded that she thought Rep. Rigell actually meant SSDI and her role was to serve as a voice inside the Administration as to what any proposals would mean. Acting Commissioner Colvin indicated the President's reallocation proposal would provide time for a long-term solution to be reached, which requires bipartisan efforts. Rep. Rigell responded that the reallocation proposal was not a long-term solution. Acting Commissioner Colvin stated that it was designed to give time to arrive at a solution. Rep. Rigell indicated the Administration has had 6 years and that was plenty of time.

Rep. Rigell next asked Acting Commissioner Colvin to discuss individuals who are receiving SSDI and if there is a mechanism to "move them off." Acting Commissioner Colvin responded with information regarding CDRs and mentioned the backlog of 1.3 million and that the President's FY 2016 Budget Request would allow the agency to do 908,000 (CDRs). Rep. Rigell stated that he has a "visceral" reaction to those who are taking advantage (of the program) and asked Acting Commissioner Colvin to address the sharp increase in appeals. Acting Commissioner Colvin responded that the increase in the rolls was actually projected due in part to the aging of the Baby Boomers, more women in the workforce, etc. Acting Commissioner Colvin also clarified that for DI, appeals are actually declining.

Rep. Chuck Fleischmann (R-3<sup>rd</sup>-TN) asked Acting Commissioner Colvin to address the increase in online services and noted that Social Security employees have expressed concerns to him. He also made a brief reference to a Vietnamese firm providing services to SSA and identity theft. He requested that Acting Commissioner Colvin outline the specific steps the agency takes to ensure information is not susceptible. He also asked Acting Commissioner Colvin to discuss recommendations from the OIG – including any that SSA has not implemented. Acting Commissioner Colvin replied she would provide detailed information for the Record, but that she was not aware of any major breaches of PI. Acting Commissioner Colvin also indicated there are steps the agency takes that she didn't want to make public.

Rep. Fleischmann also asked Acting Commissioner Colvin to address SSA's efforts to reduce waste, fraud, and abuse and to also address issues related to unemployment compensation. Acting Commissioner Colvin responded that the President's FY 2016 Budget Request does include a proposal related to unemployment compensation and the rate of fraud is actually less than 1.0%. Acting Commissioner Colvin supplied additional details regarding the establishment of SSA's anti-fraud office and additional CDI units. Acting Commissioner Colvin also mentioned the National Anti-Fraud Committee; use of data analytics to identify trends; mandatory training on fraud; new notice language regarding fraud; eServices fraud (the ability to report privately); and legislation to improve prosecution of fraudsters.

Chairman Cole (R-4<sup>th</sup>-OK) commended Acting Commissioner Colvin on SSA's efforts related to fraud.

Rep. Andy Harris, M.D. (R-1<sup>st</sup>-MD) indicated that while he was pleased about the restoration of SSA's hours the wait times are still unacceptably long. He mentioned the \$664 million increase for LAE (Limitation on Administrative Expenses); SSA's plans to exploit technology; and asked Acting Commissioner Colvin to provide details related to SSA's announcements regarding availability of online services. Acting Commissioner Colvin referenced the following: 50% of claims submitted online; availability of *my Social Security*; online statements; in 2015/2016 the availability of replacement (Social Security) cards online; 1099s available online; increasing other types of services; and reducing traffic into field offices. But despite these efforts, some (individuals) are not comfortable using online services and need face-to-face assistance, which is why there is a need to move some traffic out (of the field offices). Acting Commissioner Colvin referenced the staff hired in FY 2015, but that time was still needed to train them and she was hopeful the funding requested for FY 2016 would allow SSA to continue these efforts. Rep. Harris also asked about the service kiosks. Acting Commissioner Colvin

responded SSA was hopeful about the kiosks and also mentioned video conferencing and that it was “just like TV” and there seemed to be great satisfaction with it.

Rep. Lucille Roybal-Allard (D-40<sup>th</sup>-CA) asked Acting Commissioner Colvin to address SSA’s long-term strategic plan and referenced 2025 and “only limited direct services” and “focus on online” and whether this was in the best interest of the people. Acting Commissioner Colvin responded that she wanted to clarify the report was NAPA’s plan and does not reflect the vision of the agency. She indicated SSA would use the NAPA report to inform the agency’s decision but SSA would be coming out with its own plan in the near-term and field offices would remain the basic foundation, but SSA has to look at customer choice. Acting Commissioner Colvin expanded that there will always be a population who prefers and needs face-to-face service.

Chairman Cole (R-4<sup>th</sup>-OK) asked Acting Commissioner Colvin to elaborate on fraud and to provide specifics on what SSA is doing. He also asked Acting Commissioner Colvin to speak to what SSA is doing to reduce improper payments. Acting Commissioner Colvin responded that related to overpayments SSA has an obligation to recover them, but there is a waiver process for overpayments. Acting Commissioner Colvin also addressed underpayments, which often occur because SSA doesn’t get all of the information. Acting Commissioner Colvin also indicated there was a workgroup on this and that wage reporting is often the area of biggest concern. Acting Commissioner Colvin also mentioned AFI; and the ability to telereport wages. Acting Commissioner Colvin addressed fraud in the context of the complexity of SSA’s programs; the fact fraudsters go where the money is; instances where doctors/lawyers have fabricated information and the reality SSA is going after them. Acting Commissioner Colvin also indicated a problem for SSA is the low prosecution rate of cases. Chairman Cole responded he was interested in hearing more about where there is a scheme and if that results in prison time. Acting Commissioner Colvin responded that some get time, but penalties are not where they need to be and SSA tries to push for the maximum penalty. Acting Commissioner Colvin indicated that even for a “smaller crime” such as collecting someone else’s benefits, people should do time. Chairman Cole responded this seems like an area for bipartisan cooperation and while it’s an authorization issue vs. appropriations he is still interested in working on it.

Ranking Member DeLauro (D-3<sup>rd</sup>-CT) also commented that it is outrageous people are trying to game the system.

Ranking Member DeLauro next asked Acting Commissioner Colvin to provide an update on the National Support Center and was it indeed 4-5 months ahead of

schedule, and on track for August. Acting Commissioner Colvin responded it was under budget and ahead of schedule.

Chairman Cole (R-4<sup>th</sup>-OK) closed the hearing by thanking the witnesses for their wonderful work, and indicating there was still a lot to be done. He stated he has an interest in what they are doing, but he also judges by what he hears from his caseworkers. He commented he also sits on the Budget Committee and that the sequester is still “the law of the land.” Chairman Cole stated that, “he’s not convinced we can get out of it and suspect we will appropriate to the law,” and absent negotiation this is where we will end up. Chairman Cole also stated the President’s Budget Request “isn’t going to happen” and that while the Ryan-Murray compromise was not the best thing ever, it was better than the alternative. Chairman Cole also indicated he didn’t think we should rob non-defense on behalf of defense, but people have to start talking about this and not “past each other” and Congress and the Administration really need to sit down. Chairman Cole also indicated to Acting Commissioner Colvin he was not going to draw her into a discussion on solvency as that was “not her job.”

In summary, this was an interesting hearing and one that was overall quite positive for SSA.

If you are interested in watching the full video of the hearing, you can access the hearing event page including the archived webcast by clicking on the link below:  
<http://appropriations.house.gov/calendar/eventsingle.aspx?EventID=393994>

Greystone Group LLC  
3303 South Wakefield Street  
Arlington, VA 22206  
202-547-8530

Contact: Rachel Emmons or Aaron Hunter  
E-mail: [rachele@greystone-group.com](mailto:rachele@greystone-group.com) or [aaronh@greystone-group.com](mailto:aaronh@greystone-group.com)