

Welcome and Introduction

What You Should Know About Social Security Disability Insurance and Medicare

Presented by

Tai Venuti, Allsup manager of Strategic Alliances

Julie Bannester, Center for Medicare & Medicaid Services

**AIRS 2013 Training and Education Conference
June 5, 2013**

Overview of SSDI presentation

Today we'll cover:

- SSDI Basics
 - History/description
 - Benefits
 - Eligibility
- SSDI vs. SSI
- SSDI Process
- Why people need help
- 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 4.2% 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 2013 is **\$1,132** for an individual and **\$1,919** 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.

Return to Work Incentives

- **9-Month Trial Work Period**
 - Individual has the opportunity to attempt to return to work FT for 9 months in a 60-month period. If successful, benefits cease. If unsuccessful, benefits continue with no disruption, no termination.
 - The monthly earnings amount used to determine if a month counts is \$750.
- **Ticket-to-Work**
 - Allows you to keep cash benefits and Medicare or Medicaid while you test your ability to work.
- **Working Part-Time/Substantial Gainful Activity** threshold
 - Level of earnings SSA uses when evaluating work activity for disability entitlement purposes. It is \$1,040 for 2013.

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 disabled children
 - Must have been diagnosed before age 22.
 - Eligible for SSDI benefits based on either parent’s work history.
 - Parent must be receiving Social Security disability or retirement benefits.

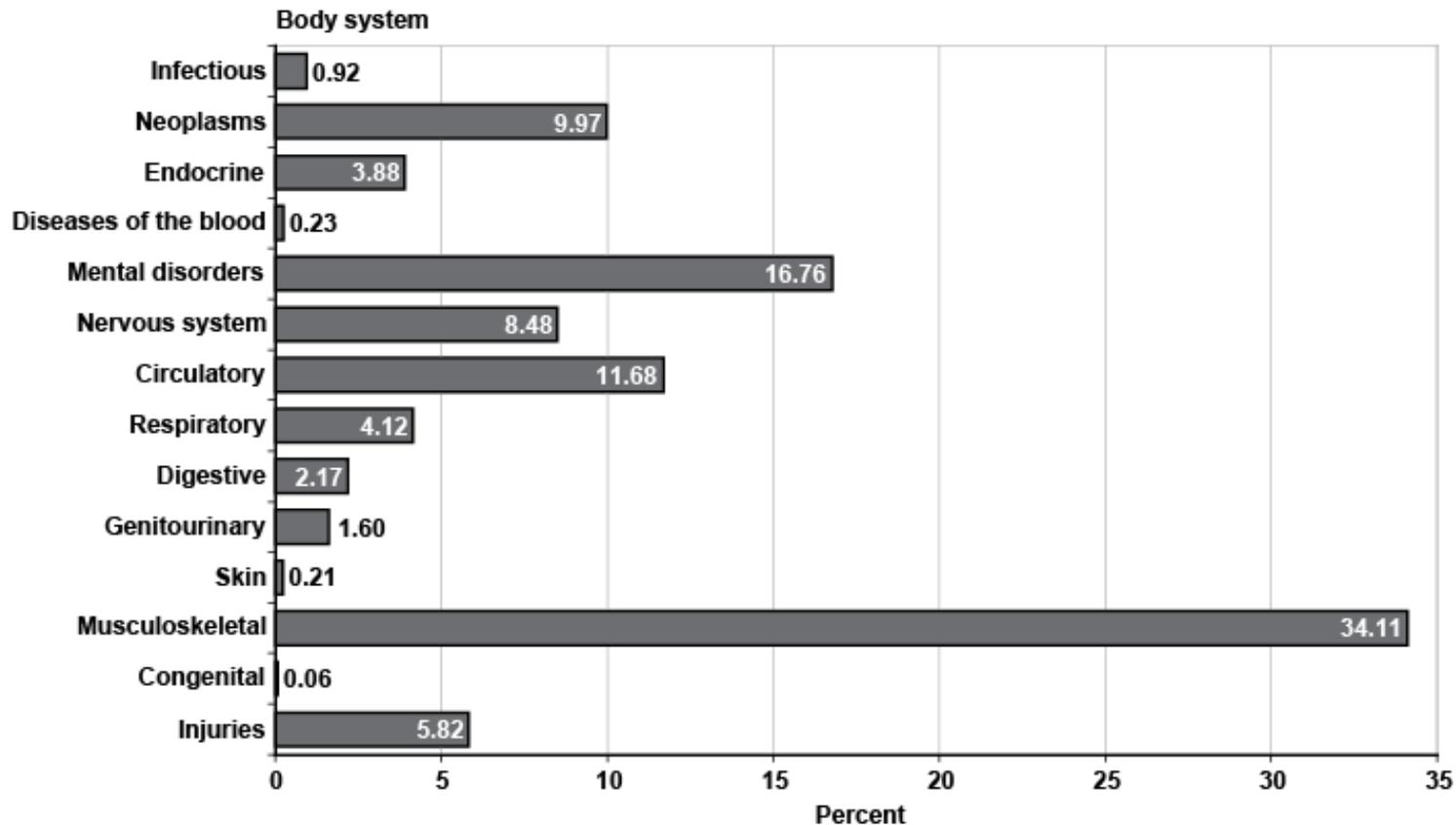
SSA Profile

SSA profile of disabled-worker beneficiaries:

- Workers accounted for the largest share (87 percent) of disabled beneficiaries.
- Average age was 53.
- Men represented nearly 53 percent.
- Mental disorders was the diagnosis for about a third.
- In 2013, average monthly benefit received was **\$1,132** (**\$1,919** for disabled workers with dependents).
- Supplemental Security Income payments were another source of income for about 1 out of 7.

SSA Claimant Diagnoses

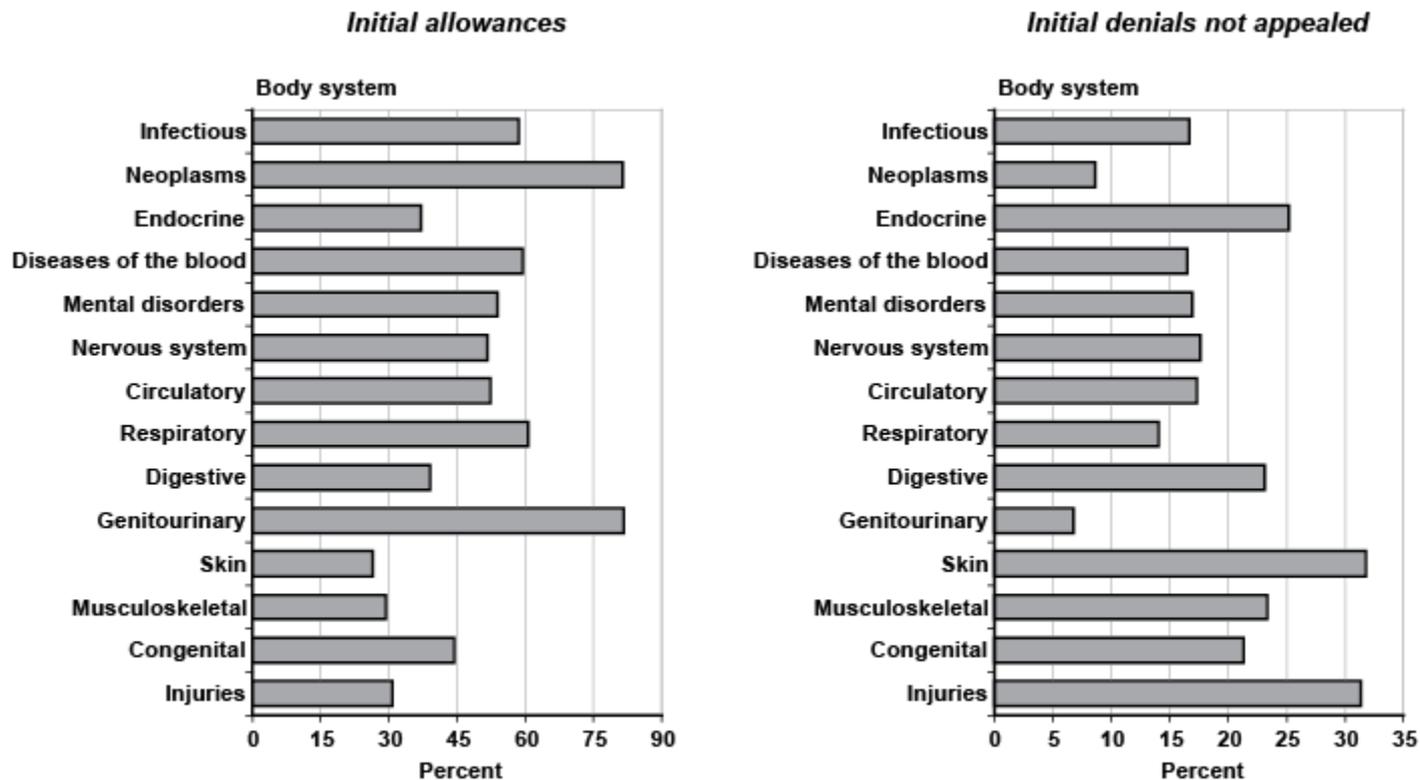
Percentage of claimants, by body system



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

SSA decisions, by diagnosis

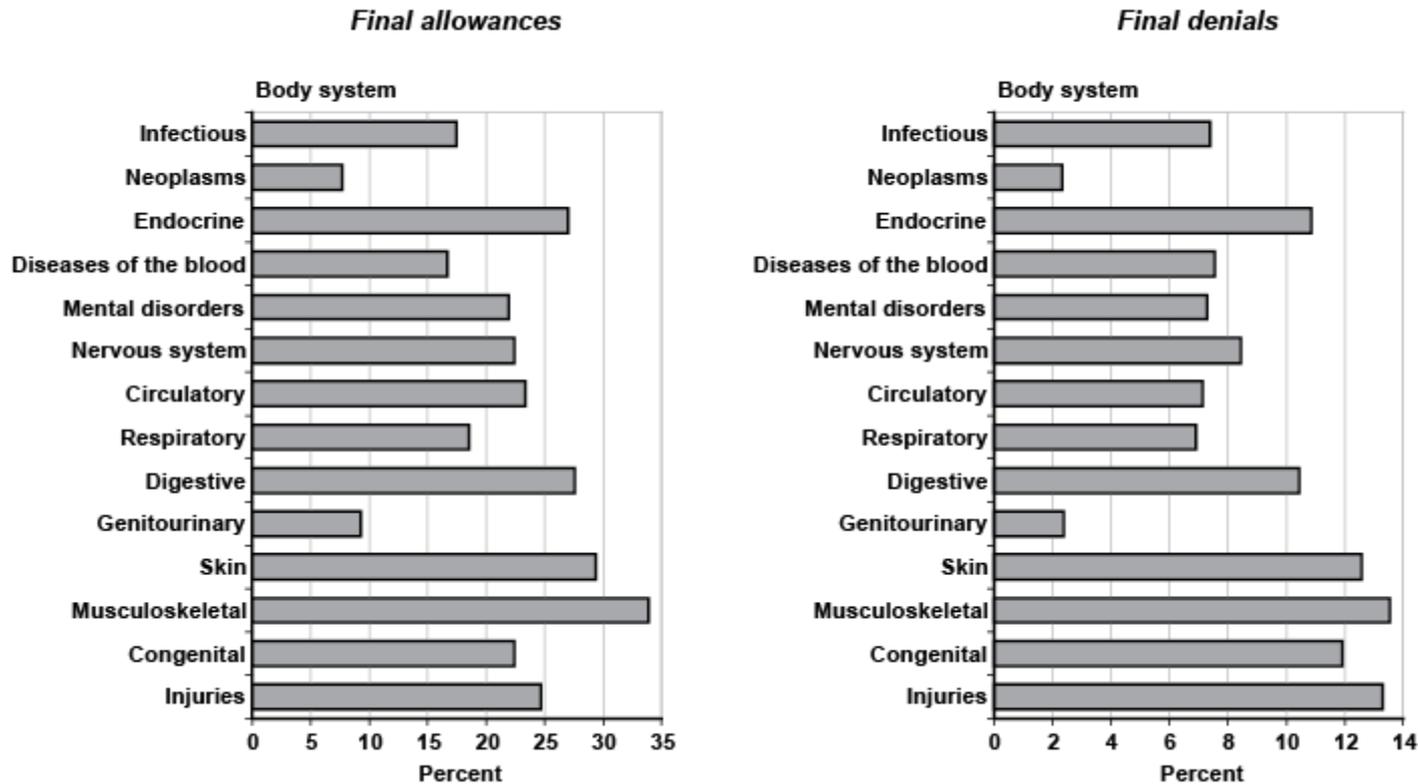
Percentage of adjudicative disability categories, by body system



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

SSA decisions, by diagnosis

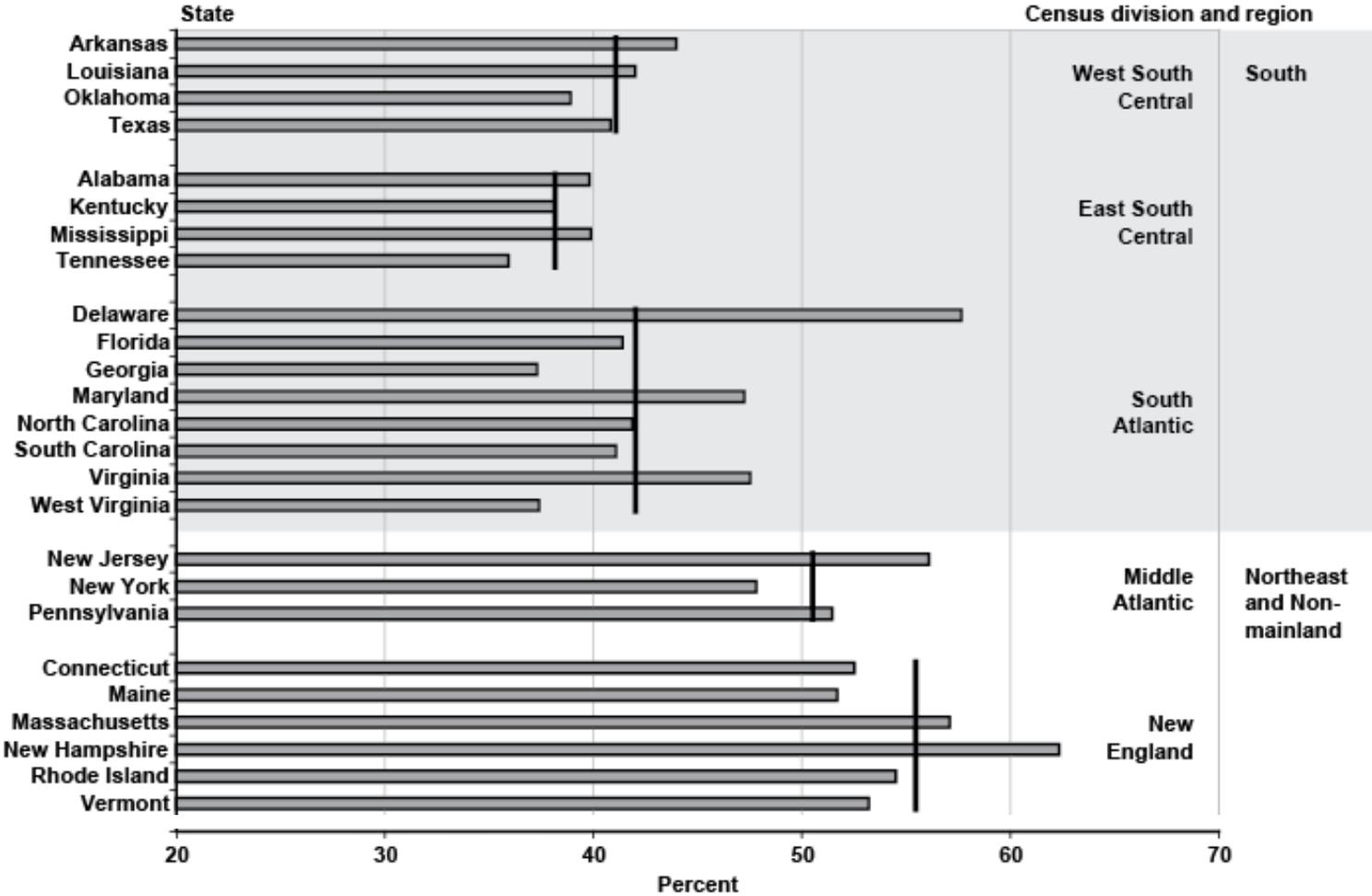
Percentage of adjudicative disability categories, by body system



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

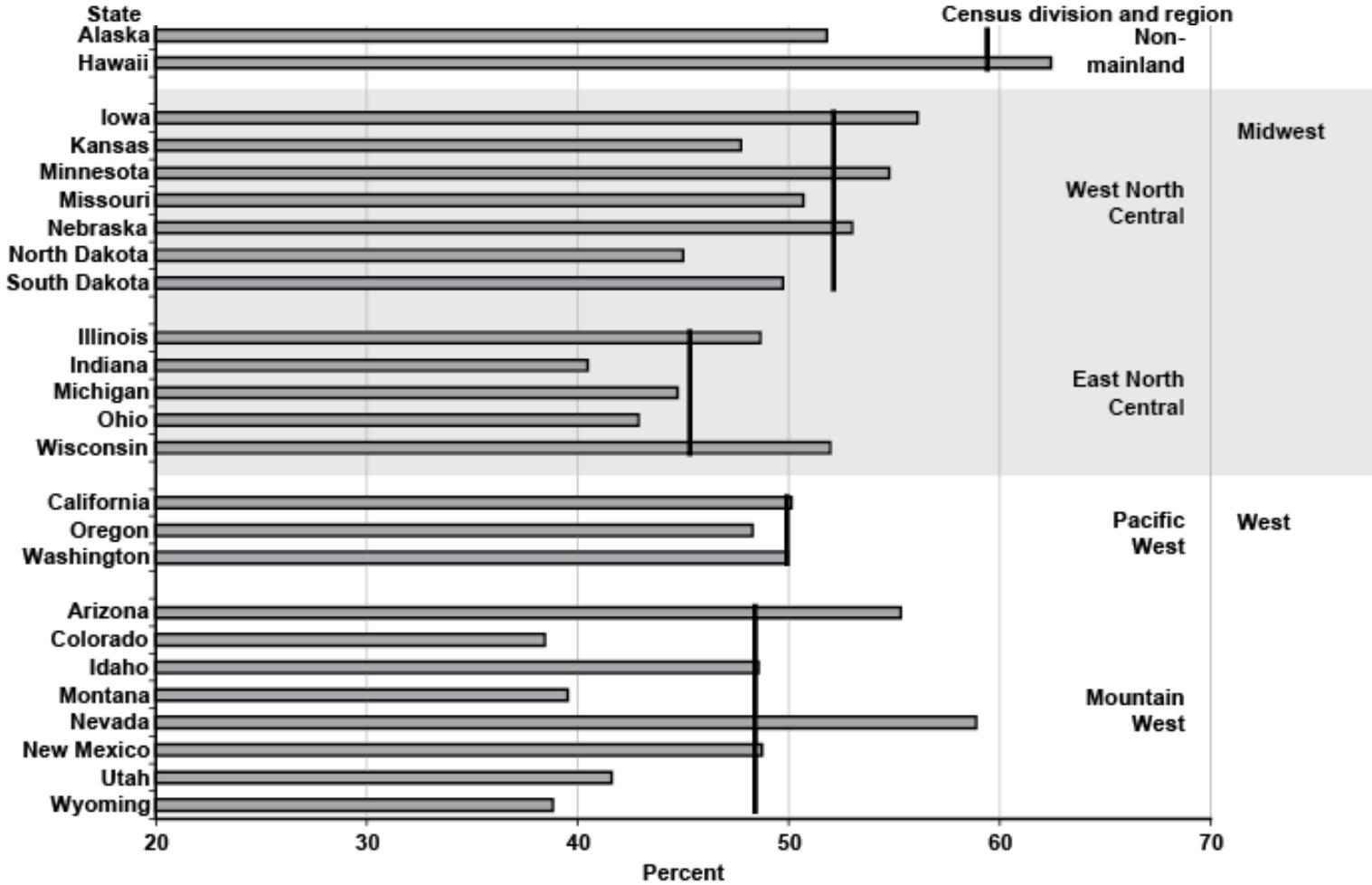
SSA initial decisions, by state

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



SSA initial decisions, by state, cont.

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



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 2013 = \$710/individual.
- Federal SSI rates monthly maximum in 2013= \$1,066/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.

Determining Disability for SSDI

SSA follows a Sequential Evaluation

- First, are you working and earning less than \$1,010/month?
- Second, are you unable to do activities related to work?
- Third, does your disability meet a medical listing?
- Fourth, can you perform your previous job?
- Finally, does age, education, training and work experience allow you to do another job?

What is the SSDI Process?

- Consists of 5 levels within application process.
- 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.
- About 78% of all 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 = 102 days in 2012.
- Approximately 67% 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 88 percent of claims are denied at this level.

“Skip”/Redesign States

- New 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

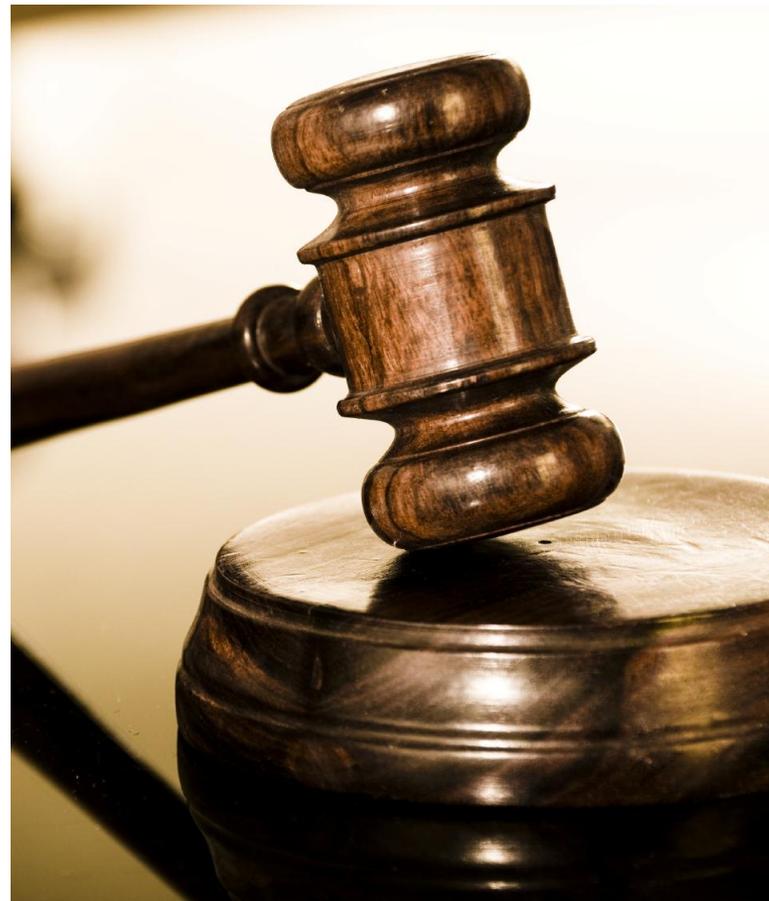
- Claimant files appeal with SSA District Office.
- District Office forwards request to Office of Disability, Adjudication and Review (ODAR).
- Administrative law judge (ALJ) determines if claim can be awarded on the record or if it requires hearing.
- If hearing required, (ALJ) conducts hearing with claimant.
- Typically takes about a year to get a hearing, decision typically reached @ 353 days in 2012 according to SSA.
- Approximately 52% of claims are awarded at this level (2012).

Level 4 – Appeals Council

- Claimant files appeal with Appeals Council.
- District Office forwards file to Appeals Council for review.
- Typically lasts about one year; SSA reports 393 days at this level in 2012.
- Appeals Council awards, remands or affirms ALJ's denial
 - Remands = case should be reviewed again by ALJ
 - Awarded moves forward in process
 - **Approximately 98% 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
- About 78% of individuals have representation at the hearing level (FY 2010)
- 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.

Getting Help With SSDI



“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.”

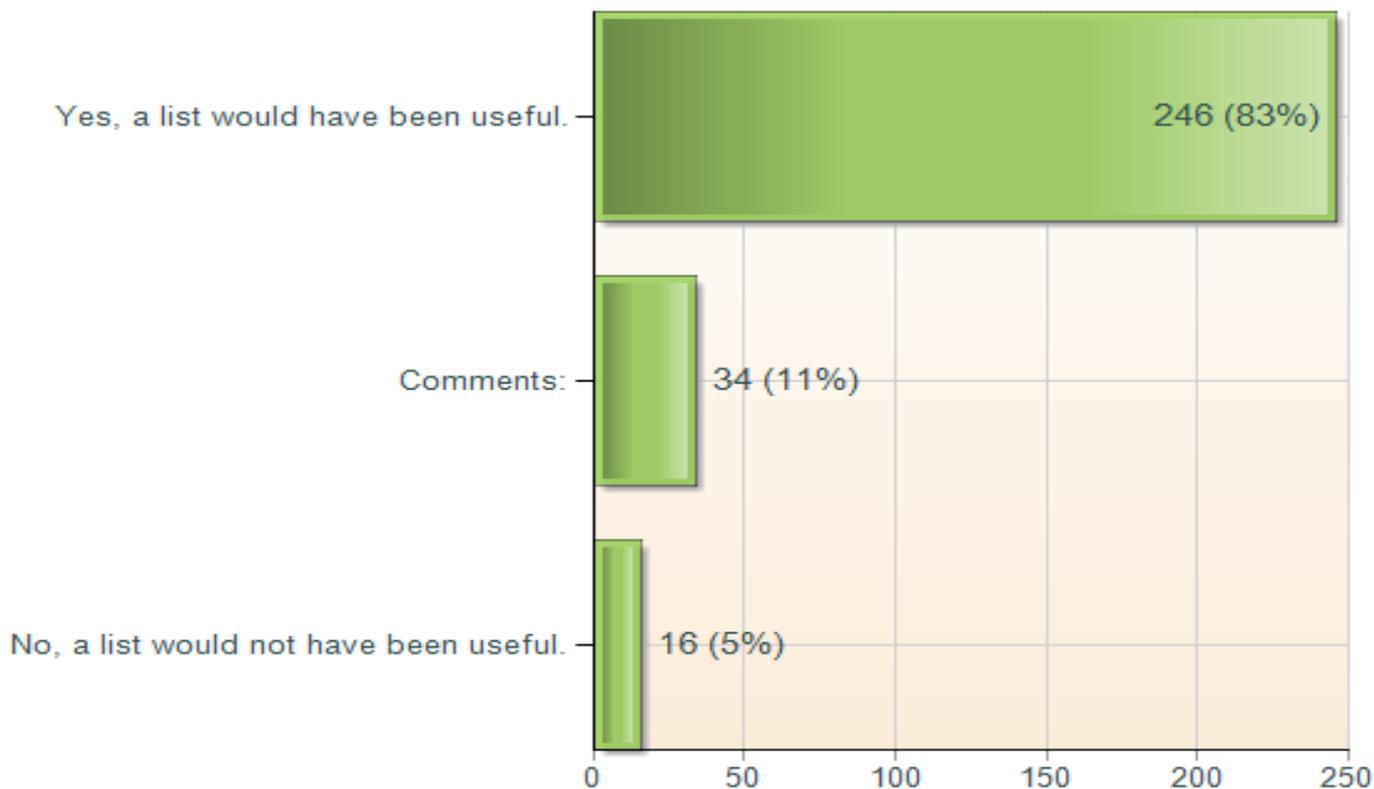
How Much Does it Cost?



- 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.

I Wish Someone Had Told Me...

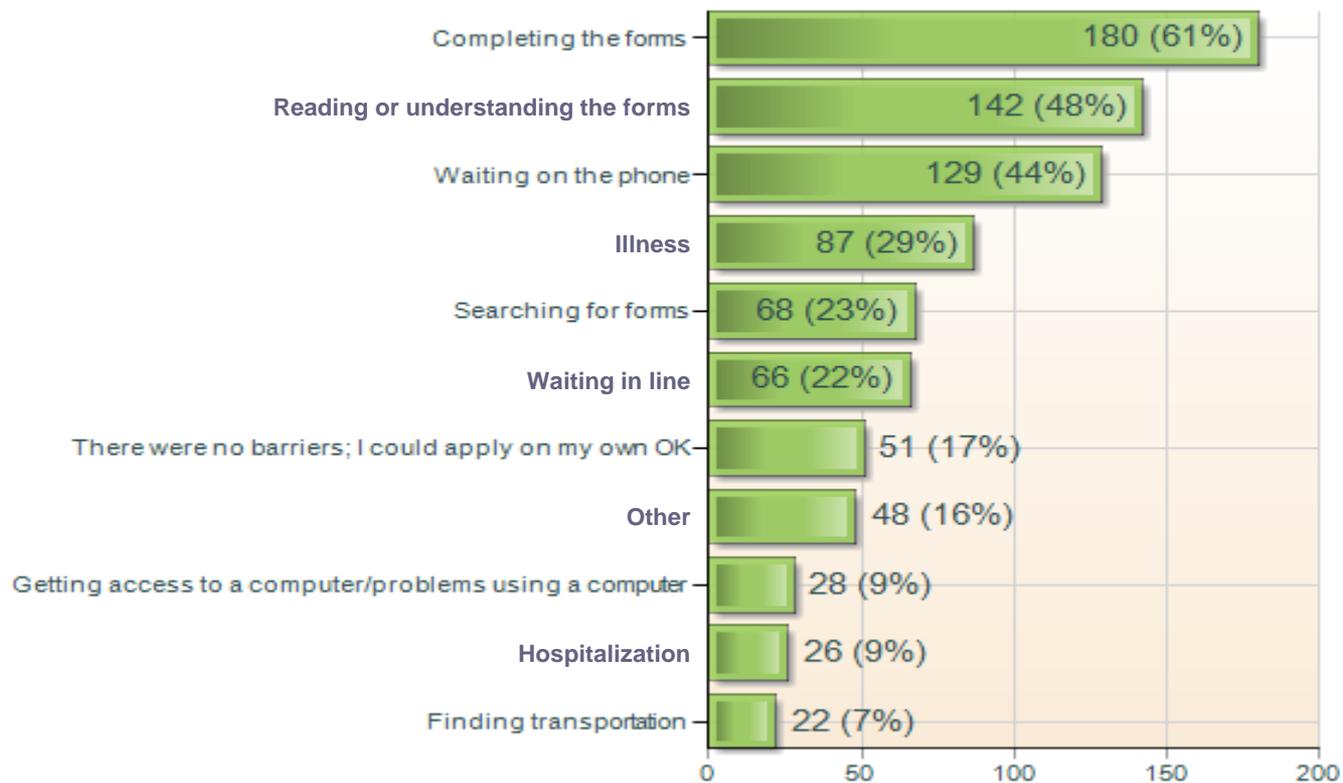
Would you have found it helpful or valuable if the SSA had provided you with a list of authorized third-party representatives to choose from?



Note: sample size =296
Copyright Allsup 2012

Difficulties “Going it Alone”

Please provide details on what difficulties you experienced when handling the SSDI process on your own.

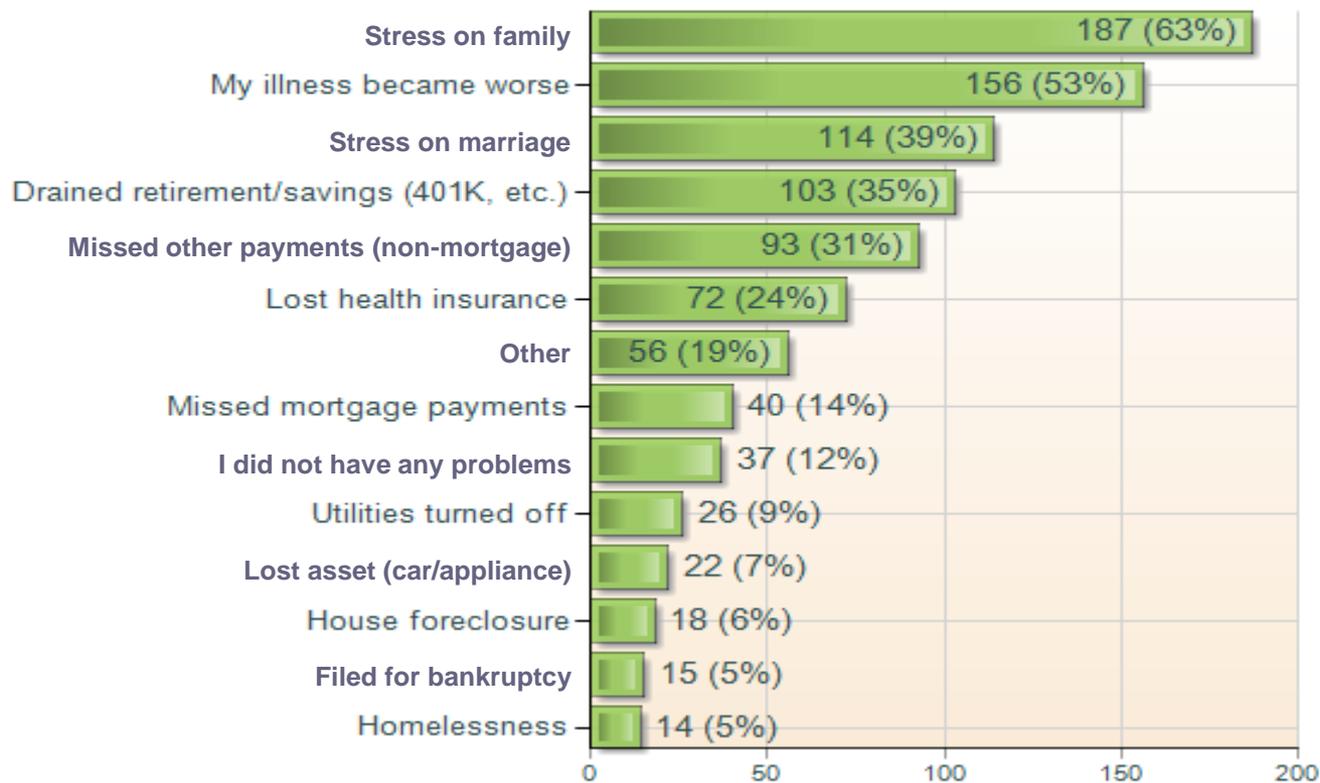


Note: respondents could select more than one

Copyright Allsup 2012

Experiences While Waiting

Did you face repercussions during the time period before you received your SSDI award, and if so, what were they? (Please select all that apply.)



Note: respondents could select more than one

Copyright Allsup 2012

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?

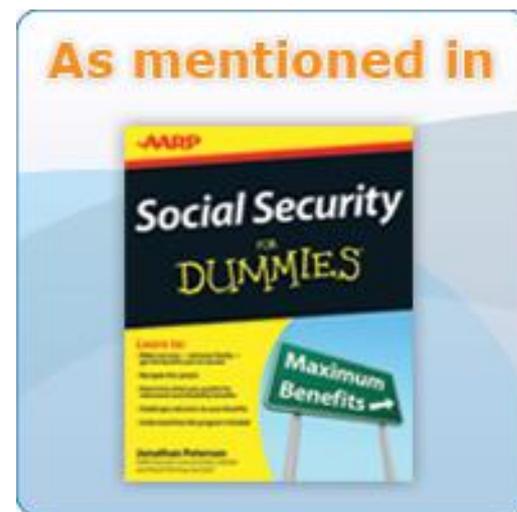
You should not pay a fee if you don't receive your SSDI award.

Web pages of interest

- [Items That Will Help Speed Your Free SSDI Evaluation](#)
- [Oregon Man Appreciates Help from Disability Experts](#)
- [Beware of Ten Mistakes after Social Security Denies Disability Benefits](#)
- [SSA medical listings and guidelines](#)
- [Allsup Alliances referral form](#)

Connect

- Expert.Allsup.com
- Disability Evaluation Center at (888) 841-2126.
- Tai Venuti, t.venuti@allsupinc.com



Questions?

Thank you for all that you do!