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## SOCIAL SECURITY ADMINISTRATION CASE

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### OVERVIEW

#### Abstract

As organizations grow to meet increasing demands for services, old systems and processes can start to break down, resulting in inefficiencies that give rise to increasing frustration on the part of employees and service recipients. Under these circumstances, achieving a fair review process for citizens can be a trying affair for everyone concerned. This case focuses on both the individual and organizational dilemmas raised in attempting to provide a fair and transparent process for receiving benefits.

#### Main Topics

Bureaucracy and structure, Human resources administration

#### Secondary Topics

Intergovernmental affairs, Ethics

#### Teaching Purpose

To examine the difficulties encountered while trying to balance the demands of both job and citizen in terms of responsibility, accountability, and equity; and to raise issues concerning the treatment of disabled citizens by public agencies.

#### The Organization

The U.S. Social Security Administration is an independent agency of the United States that administers Social Security, a social insurance program consisting of retirement, disability, and survivors' benefits.

#### Main Characters

- Vince Rogov, a veteran seeking disability benefits
- Mike Lawrence, Disability Advocate

### BACKGROUND

The Social Security Administration (SSA), the organization in question, has the characteristics of both a social welfare organization and a typical large federal agency. Social welfare organizations have a unique set of factors that determines their structure and culture. These organizations are designed to serve people, many of whom often have great needs. Complicating this, however, is the fact that—typically—federal agencies, due to their size and scope, are top-down bureaucracies. For example, a single printed policy manual for SSA employees is composed of fifty separate three-inch binders. In order to try to compensate for its bureaucratic structure and to respond to the changing roles of the agency, SSA emphasizes a more flexible response and more employee involvement.

Commissioner of Social Security JoAnn Barnhart described the goals of the agency as service, stewardship, solvency, and staff. Decreasing budgets and a smaller workforce, at the same time that application caseloads are increasing, can lead to conflicts in pursuing all of these goals. In light of these challenges, SSA workers must strive to achieve an ambitious agenda—nothing less than meeting the social security needs and expectations of the American people. These workers are required to exhibit the values of respect, responsiveness, and reliability in accomplishing this daunting task. Clearly, these employees are faced with a challenge.

At the same time, they are committed employees, who are dedicated to their jobs, as exemplified by the fact that the agency was ranked seventh by its workers in the Best Places to Work in Federal Government Survey. SSA workers also have a great deal of respect for one another, ranking the agency third in the same survey in team orientation. They find their work meaningful because it eventually touches the lives of every American citizen. The same survey identified some serious problems, however. One problem is leadership. Since the agency's executives are political appointees, who turn over with every new presidential administration, the change at the top can lead to serious disruptions in the agency. As a result, SSA workers give the agency low scores for effective leadership.

Disability Insurance (DI) is one of the three major programs administered by SSA, along with Old Age and Survivor Insurance (OASDI) and Supplemental Security Income (SSI). The work of administering disability benefit claims has risen dramatically in recent years. During the five-year period from 2000 to 2005, applications for disability insurance increased 60 percent to more than two million. Billions of dollars are now paid in disability benefits. This explosive growth has caused a significant backlog of cases, which can extend for months or even years, from the initial application. In his testimony to Congress in February 2007, Sylvester Schieber, chair of the Social Security Advisory Board, highlighted many issues that contribute to this flood of cases. Perhaps most important are the dual factors of technology and insufficient resources. Thus, while commending

re recent improvement in technology and electronic application and review, he reiterated a call for funding appropriate to the growing list of utilities this agency must deliver.

## THE DISABILITY BENEFITS PROCESS

The process of applying for disability benefits can be long and arduous. Each state's Disability Determination Service (DDS) is charged with conducting the initial review and referral. The standards for determination vary from state to state. This lack of uniformity presents some significant problems for both agency employees and citizens. Obtaining disability benefits is subject to certain basic qualification requirements. First, the worker must have an established work history with a minimum number of employment periods based on age. Second, the length of the disability itself must be expected to last a minimum of twelve months. In some states, the DDS erroneously referred pregnant workers for Social Security Disability, despite the fact that the length of pregnancy would not meet the minimum time required. These flawed referrals, however, may be an attempt by a state to pass along its funding burden to the federal government. Third, and perhaps most important, the disability must be so severe as to eliminate employment in any occupation. Disability is not allowed if a worker can engage in any activity that can generate another source of income. For example, an airline pilot may no longer be able to fly a plane, but he/she may be able to obtain employment as a flight teacher. If this is the case, the ex-pilot does not meet the qualification for disability benefit approval.

After meeting the initial criteria, an applicant is then referred to the federal Social Security Administration. Here the input from field workers becomes crucial. Observational data and any documentation of disability must accompany the application. The majority of SSA workers are conscientious in assisting in the completion of an application. They are unbiased in their assessment of the situation and attempt to present a fair and accurate statement of the disability. In certain cases, a physician's input is required as well. These observations may influence the decision to allow or deny benefits. Mental illness presents perhaps the most challenging disability decision. Whereas physical disability may be temporary and treatable, in psychiatric cases, the expectation of improvement may be less certain. Moreover, the system is not exempt from fraud. In some cases, unscrupulous citizens have been known to collect undeserved benefits. Here the caseworker must balance the citizens' service needs against other agency goals, including stewardship and fiscal responsibility.

An issue with the process becomes apparent after the initial application for benefits. Until recently, the only time review of decisions was allowed was after benefits were awarded. There was virtually no review for cases that resulted in denial of benefits. Given the constrained budget and political pressures, denial was therefore quite common for initial decisions, with the

exception of the most obvious and compelling cases. Only recently has some review of the denial of benefits become a part of the decision-making process and even then on a sporadic basis.

When denial occurs, it is the function of the caseworker to inform the applicant. Not surprisingly, the denial is met with emotions such as anger, sorrow, frustration, confusion, and often feelings of being insulted. Caseworkers attempt to diffuse the denial message by informing the applicant of his/her right to appeal and providing educational material on the appeals process. However, the multistep appeals process is exhausting and frequently can take years for claims to be decided. In a few instances, appeals have even reached the U.S. Supreme Court. Unfortunately, applicants have sometimes died waiting for their claim to be decided.

## THE CLIENT ADVOCACY COMMUNITY

An advocacy community has gradually evolved in response to the growing backlog of disability cases. The appeals process requires an in-depth knowledge of legal procedure, medical expertise, and an encyclopedic understanding of the rules and regulations governing the Social Security system. The average disabled worker does not possess the ability or skills to navigate this path by himself/herself. Qualified advocates are therefore needed to fill this role. Given their expertise and their ability to successfully navigate what is a veritable maze, these advocates often demand fees for their services.

Advocates connect with clients through a variety of means, including walk-ins, phone-ins, and referrals. Their fee is contingent on the award of retroactive benefits to an applicant. Typically, the fee equals 25 percent of the dollar value of an award. Moreover, because the backlog for a case may exceed three years, a retroactive judgment can be significant. Advocates are not motivated by the fees alone, however; many have a background in social service and are seeking to achieve a fair outcome for their clients.

A symbiotic relationship has come into being between advocates and private long-term disability insurance coverage providers. Typically, the insurer is already paying benefits to the disabled worker. Because insurance coverage is integrated with Social Security disability payments, there is motivation for the insurer to seek federal benefits to offset or replace the private insurance benefits. If the advocate helps the client obtain a Social Security disability payment, the insurer may be able to reduce or eliminate the private coverage expense. As a result, insurers do a thorough job of documenting the cause of disability for everyone involved. In many cases, these referrals are then ready for an advocate.

At the same time, advocates are experts in the appeals and application processes. They make sure that all the paperwork required by the Social Security Administration is completed to the letter. As the demands of the agency increase, SSA workers have come to have a true appreciation for the

le advocates play in expediting many aspects of application or appeal. Truly collaborative relationship often results between agency workers and advocates.

## VINCE'S CASE

Then Vince Rogov initially entered Mike Lawrence's office, both Vince and his case seemed reasonable enough. Vince had multiple medical problems, including hypertension, a history of cardiac arrest, and back problems. Furthermore, his medical issues were well documented by physicians at the veteran's Administration (VA) hospital. Vince, however, mentioned to Mike that he had been denied disability benefits by SSA several times. After an introductory interview, Mike decided to take Vince's appeals case.

As his research progressed, Mike unearthed more details of Vince's disabilities. It was during Vince's military service in Iraq that his mental illness began to manifest. He served as a private first class from March 2003 to May 2004. It was during this time that Vince first reported having great difficulty maintaining or engaging in interpersonal relationships. His family and friends said Vince had irreparably severed ties with them. His recent history included several violent episodes and encounters with the military police. He had already accumulated a significant police record at the time of the interview, including numerous weapons charges. After his return from Iraq, Vince's life and grip on reality quickly unraveled. He reported not remembering where he spent the night on many occasions and began having hallucinations.

Mike believed that an appeal with competent legal representation would favorably resolve the impasse. At the most recent meeting, he observed Vince's growing agitation, as he attempted to manage Vince's scheduling expectations. After the advocate's appeals filing, as is standard procedure, the administrative law judge (ALJ) requested that Mike arrange to represent Vince at a hearing of the evidence and testimony. The ALJ also wished to observe Vince. Mike contacted Vince to confirm the appointment. It was at this time that Vince's personality took a violent turn. Vince told Mike that he would be happy to appear. He wanted to get together with all the parties because he was going to shoot everyone: the field worker, Mike, the ALJ, and himself. Mike was understandably shaken and concerned. Clearly, Vince believed that he had nothing to lose by his outburst.

The next day, however, Vince called Mike and apologized profusely. He said he had been drinking and did not mean a word he said to Mike the day before. Vince promised that he would never say or do anything that would cause harm to anyone else. The outburst was, in fact, due to the unbearable amount of stress the case had been putting him through. Mike, however, was understandably skeptical. Although Vince sounded reasonable on the phone, Mike considered Vince's recent psychological

intention to harm. It was a few minutes before he was scheduled to meet with the ALJ. As he walked down the long corridor to the judge's chambers, Mike pondered the situation.

## Discussion Questions

1. Who are the stakeholders? What internal and external stakeholder conflicts do you see?
2. What actions would you recommend for the ALJ?
3. What is the significance of the federal government's role in the case? The state government's role? Explain.
4. What influence do you think Vince's threat presents in decision making? Explain.
5. What are Mike's ethical obligations to Vince? To the SSA?