

**State of Alaska
FY2003 Governor's Operating Budget**

**Department of Labor and Workforce Development
Disability Determination
Component Budget Summary**

Component: Disability Determination

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Component Mission

To provide efficient adjudication of claims for disability benefits under Title II and Title XVI of the Social Security Act.

Component Services Provided

Disability Determination Services (DDS) is 100% federally funded by the Social Security Administration. Historically, the DDS operated under contract agreement between the state (Division of Vocational Rehabilitation) and the Federal Government (SSA). In 1980, federal legislation changed that relationship. The DDS operates as a federally regulated agency. Adjudication services are also provided for the Department of Health & Social Services, Division of Public Assistance through a Reimbursable Services Agreement (RSA).

These federal funds are used solely to provide medical determinations for persons alleging disability under Title II (Social Security) and Title XVI (Supplemental Security Income) provisions of the Social Security Act, as amended.

The DDS is responsible for obtaining medical records, and in certain situations, purchasing medical exams, in order to adjudicate these disability claims.

The DDS also refers claimants to the Division of Vocational Rehabilitation for consideration of a wide range of services.

The DDS adjudicates approximately 5,400 disability claims a year, including medical reviews of those people already receiving disability payments.

Disabled persons in Alaska under the Title II and Title XVI disability programs and their dependents receive approximately \$36,000,000 per year in payments based on disability. This figure does not include any state funds or other state benefits that these recipients may receive or for which they may be eligible by virtue of their eligibility for federal SSA and/or SSI disability benefits.

Component Goals and Strategies

PROVIDE SERVICES TO ENABLE ALASKANS WITH DISABILITIES TO RECEIVE SOCIAL SECURITY BENEFITS.

- * Adjudicate approximately 5,400 claims annually for Supplemental Security Income (SSI) and Social Security Disability Income (SSDI);
- * Maintain adequate staff and resources to provide adjudication and administrative services;
- * Conduct quality control activities; and
- * Provide adequate staff training.
- * Streamline the Prototype process to decrease processing time and increase productivity.

Key Component Issues for FY2002 – 2003

Alaska Disability Determination Services is one of ten states in the country to start adjudicating disability claims in a new manner. This new process, called the Disability Prototype, started in FY 2000. It involves more claimant contact, more focus on treating physician opinion and symptomatology, and elimination of the reconsideration step. The Social Security Administration originally intended the non-Prototype states would start the new process in FY 2001, however the ten original states continue to work with the Social Security Administration on streamlining the process. While no new states have implemented the Prototype process, the Social Security Administration is evaluating the process to determine whether there are adequate resources to implement across all states.

Major Component Accomplishments in 2001

The administrative structure was reorganized in the past year and additional staff was added to address the increased workload that resulted from the Prototype changes. The DDS completed 5,162 initial claims and 269 continuing disability reviews. The approval rate for the past fiscal year was 49% which is an increase from pre-Prototype when approvals accounted for 42% of decisions. The Prototype process currently takes longer to process claims but results in better decisions with more information provided to claimants about the decision process.

Statutory and Regulatory Authority

PL 74-271

Disability Determination
Component Financial Summary

All dollars in thousands

Non-Formula Program:	FY2001 Actuals	FY2002 Authorized	FY2003 Governor
Component Expenditures:			
71000 Personal Services	1,404.3	1,376.2	1,551.8
72000 Travel	32.3	32.3	32.3
73000 Contractual	448.3	1,149.9	1,055.0
74000 Supplies	28.6	12.1	30.0
75000 Equipment	2.0	118.0	58.5
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	1,955.3	2,400.0	2,400.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,870.8	5,088.5	5,127.6
Funding Sources:			
1002 Federal Receipts	3,719.3	4,888.9	4,926.4
1007 Inter-Agency Receipts	151.5	199.6	201.2
Funding Totals	3,870.8	5,088.5	5,127.6

Estimated Revenue Collections

Description	Master Revenue Account	FY2001 Actuals	FY2002 Authorized	FY2002 Cash Estimate	FY2003 Governor	FY2004 Forecast
Unrestricted Revenues						
None.		0.0	0.0	0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0	0.0	0.0
Restricted Revenues						
Federal Receipts	51010	3,432.6	4,888.9	4,888.9	4,926.4	4,926.4
Interagency Receipts	51015	151.5	199.6	199.6	201.2	201.2
Restricted Total		3,584.1	5,088.5	5,088.5	5,127.6	5,127.6
Total Estimated Revenues		3,584.1	5,088.5	5,088.5	5,127.6	5,127.6

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Proposed Changes in Levels of Service for FY2003

There are no changes in services proposed for FY2003 in this component.

Summary of Component Budget Changes

From FY2002 Authorized to FY2003 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2002 Authorized	0.0	4,888.9	199.6	5,088.5
Adjustments which will continue current level of service:				
-Year 3 Labor Costs - Net Change from FY2002	0.0	37.5	1.6	39.1
FY2003 Governor	0.0	4,926.4	201.2	5,127.6

Disability Determination

Personal Services Information

	Authorized Positions	Personal Services Costs		
	<u>FY2002</u> <u>Authorized</u>	<u>FY2003</u> <u>Governor</u>		
Full-time	26	29	Annual Salaries	1,149,231
Part-time	0	0	COLA	25,985
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	436,493
			<i>Less 3.72% Vacancy Factor</i>	(59,909)
			Lump Sum Premium Pay	0
Totals	26	29	Total Personal Services	1,551,800

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Administrative Clerk I	1	0	0	0	1
Administrative Clerk II	2	0	0	0	2
Administrative Clerk III	4	0	0	0	4
Chf Vocational Rehab	1	0	0	0	1
Disability Adjud Assoc I	6	0	0	0	6
Disability Adjud Assoc II	7	0	0	0	7
Disability Adjudicator I	4	0	0	0	4
Disability Adjudicator II	2	0	0	0	2
Disability Hearing Offcr	1	0	0	0	1
Totals	29	0	0	0	29