

State of Alaska
FY2004 Governor's Operating Budget

Department of Labor and Workforce Development
Disability Determination
Component Budget Summary

Component: Disability Determination

Contact: Dave Quisenberry, Acting Director

Tel: (907) 465-2814 **Fax:** (907) 465-2856 **E-mail:** Dave_Quisenberry@labor.state.ak.us

Component Mission

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

Disabled persons in Alaska under the federal 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.

Key Component Issues for FY2003 – 2004

Alaska 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 the 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. Currently the Prototype states are in a holding mode, waiting for the Social Security Administration Commissioner to make a decision about whether Prototype states will return to the old process which includes a reconsideration step or whether a revised process will be implemented in all 50 states. This decision is expected by mid FY2003.

Major Component Accomplishments in 2002

The administrative structure reorganization was completed this year and additional staff were added to address the increased workload that resulted from the Prototype changes. The DDS completed 5,070 initial claims and 1,248 continuing disability reviews. The approval rate for the past fiscal year was 51.7% which is an increase from pre-Prototype status, when approvals accounted for 42% of decisions. The Prototype method 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

	FY2002 Actuals	FY2003 Authorized	FY2004 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,538.4	1,551.8	1,711.4
72000 Travel	26.7	32.3	32.3
73000 Contractual	685.8	1,055.0	974.2
74000 Supplies	42.1	30.0	30.0
75000 Equipment	50.7	58.5	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	2,035.6	2,400.0	2,400.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	4,379.3	5,127.6	5,147.9
Funding Sources:			
1002 Federal Receipts	4,231.1	4,926.4	4,945.8
1007 Inter-Agency Receipts	148.2	201.2	202.1
Funding Totals	4,379.3	5,127.6	5,147.9

Disability Determination
Proposed Changes in Levels of Service for FY2004

No change to services is anticipated.

Summary of Component Budget Changes
From FY2003 Authorized to FY2004 Governor

All dollars in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2003 Authorized	0.0	4,926.4	201.2	5,127.6
Adjustments which will continue current level of service:				
-Annualize FY2003 COLA Increase for General Government and Supervisory Bargaining Units	0.0	19.4	0.9	20.3
FY2004 Governor	0.0	4,945.8	202.1	5,147.9

Disability Determination
Personal Services Information

	Authorized Positions		Personal Services Costs	
	<u>FY2003</u> <u>Authorized</u>	<u>FY2004</u> <u>Governor</u>		
Full-time	29	29	Annual Salaries	1,283,095
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	463,224
			<i>Less 2.00% Vacancy Factor</i>	(34,926)
			Lump Sum Premium Pay	0
Totals	29	29	Total Personal Services	1,711,393

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk I	1	0	0	0	1
Administrative Clerk II	2	0	0	0	2
Administrative Clerk III	4	0	0	0	4
Administrative Manager I	1	0	0	0	1
Chf Vocational Rehab	1	0	0	0	1
Disability Adjud Assoc I	1	0	0	0	1
Disability Adjud Assoc II	7	0	0	0	7
Disability Adjudicator I	9	0	0	0	9
Disability Adjudicator II	2	0	0	0	2
Disability Hearing Offcr	1	0	0	0	1
Totals	29	0	0	0	29