

# **State of Alaska FY2008 Governor's Operating Budget**

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

## Component: Disability Determination

### Contribution to Department's Mission

This component will contribute to the department's mission by providing efficient adjudication of claims for disability benefits under Title II and Title XVI of the Social Security Act.

### Core Services

Disability Determination Services (DDS) is 100% federally funded by the Social Security Administration (SSA). 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 adjudicates approximately 7,000 disability claims per year, including medical reviews of those people already receiving disability payments.

### FY2008 Resources Allocated to Achieve Results

**FY2008 Component Budget: \$4,961,300**

**Personnel:**

Full time	28
Part time	0
<b>Total</b>	<b>28</b>

### Key Component Challenges

The Social Security Administration Commissioner announced a new plan for the disability decision process in all 50 states. The Commissioner's plan was predicated on transitioning to an automated case management system using an electronic folder to track client services. The Alaska Disability Determination Services (DDS) began electronic case processing in June 2005. At the end of FY06 the DDS was processing 96% of initial claims electronically. In FY08 the Social Security Administration is expected to implement the Disability Service Improvement Initiative to Region X which includes Alaska. This will institutionalize all of the process changes the SSA has initiated in recent years.

### Significant Changes in Results to be Delivered in FY2008

Services may be delayed while the Disability Determination Services (DDS) office transitions to the new disability process as envisioned in the SSA Commissioner's Disability Service Improvement process (DSI). Additional explanations of decisions will be necessary which may require more time and impact productivity. The deletion of the reconsideration step continues in the DSI but will be replaced by a review by a Federal Reviewing Official who will be an attorney within the Office of Disability and Adjudication. The Reviewing Official will have the ability to return a case to the DDS if documentation is considered inadequate. This ability to remand cases to the DDS for additional documentation could have a significant impact on program costs, both medical expenses and personnel.

### Major Component Accomplishments in 2006

The Disability Determination Services (DDS) completed 5,678 initial claims and 658 continuing disability reviews meeting the federal standard for productivity. In addition to the federal claims the DDS made decisions on 625 claims for the Division of Public Assistance.

The approval rate for disability claims for the past fiscal year was 48.3%, which is slightly decreased from the prior year.

Through careful case management the FFY06 average medical cost per case was held to only a modest increase.

### Statutory and Regulatory Authority

Federal Authority:  
PL 74-271

Social Security Act Disability Benefits

Contact Information
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### Disability Determination Component Financial Summary

*All dollars shown in thousands*

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	1,806.4	2,010.4	2,275.8
72000 Travel	14.2	17.3	17.3
73000 Services	592.9	735.7	735.7
74000 Commodities	46.1	32.5	32.5
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	1,495.5	1,900.0	1,900.0
78000 Miscellaneous	0.0	0.0	0.0
<b>Expenditure Totals</b>	<b>3,955.1</b>	<b>4,695.9</b>	<b>4,961.3</b>
<b>Funding Sources:</b>			
1002 Federal Receipts	3,768.9	4,477.1	4,729.9
1004 General Fund Receipts	1.9	1.9	1.9
1007 Inter-Agency Receipts	184.3	216.9	229.5
<b>Funding Totals</b>	<b>3,955.1</b>	<b>4,695.9</b>	<b>4,961.3</b>

### Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
<b><u>Unrestricted Revenues</u></b>				
None.		0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b><u>Restricted Revenues</u></b>				
Federal Receipts	51010	3,768.9	4,477.1	4,729.9
Interagency Receipts	51015	184.3	216.9	229.5
<b>Restricted Total</b>		<b>3,953.2</b>	<b>4,694.0</b>	<b>4,959.4</b>
<b>Total Estimated Revenues</b>		<b>3,953.2</b>	<b>4,694.0</b>	<b>4,959.4</b>

**Summary of Component Budget Changes  
From FY2007 Management Plan to FY2008 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2007 Management Plan</b>	<b>1.9</b>	<b>4,477.1</b>	<b>216.9</b>	<b>4,695.9</b>
<b>Proposed budget increases:</b>				
-FY 08 Retirement Systems Rate Increases	0.0	252.8	12.6	265.4
<b>FY2008 Governor</b>	<b>1.9</b>	<b>4,729.9</b>	<b>229.5</b>	<b>4,961.3</b>

### Disability Determination Personal Services Information

Authorized Positions			Personal Services Costs	
	<u>FY2007</u> <u>Management</u> <u>Plan</u>	<u>FY2008</u> <u>Governor</u>		
Full-time	28	28	Annual Salaries	1,344,729
Part-time	0	0	Premium Pay	23,922
Nonpermanent	0	0	Annual Benefits	1,015,380
			<i>Less 4.54% Vacancy Factor</i>	(108,231)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>28</b>	<b>28</b>	<b>Total Personal Services</b>	<b>2,275,800</b>

### Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	2	0	0	0	2
Administrative Clerk III	3	0	0	0	3
Administrative Manager I	1	0	0	0	1
Chf Vocational Rehab	1	0	0	0	1
Disability Adjud Assoc I	2	0	0	0	2
Disability Adjud Assoc II	5	0	0	0	5
Disability Adjudicator I	11	0	0	0	11
Disability Adjudicator II	2	0	0	0	2
Disability Hearing Officer	1	0	0	0	1
<b>Totals</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28</b>