

**State of Alaska
FY2009 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.

FY2009 Resources Allocated to Achieve Results

FY2009 Component Budget: \$5,071,600

Personnel:

Full time	27
Part time	0
Total	27

Key Component Challenges

Over the past few years the Social Security Administration (SSA) developed a Disability Services Initiative (DSI) that included changes that were expected to improve the accuracy, consistency, and timeliness of decision-making throughout the disability determination process. When those changes were put into place on a pilot basis, some components of the pilot experienced enhanced ability to make timely and accurate decisions. Other parts of the DSI were found to be more costly than anticipated. The result is that the SSA is again revising the case processing system. One anticipated change is a Quick Disability Decision (QDD) process which should begin in the Alaska Disability Determination Services (DDS) in November, 2007. This will result in the DDS more expeditiously awarding benefits in appropriate circumstances. Another possible change is in the appeal process. Alaska has, for several years, used a prototype process which eliminated the reconsideration step. After an initial denial, the next step for Alaskans is a hearing with an administrative law judge.

Another significant challenge over the next year or two is the development of future supervisors and managers for the DDS.

Significant Changes in Results to be Delivered in FY2009

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 2007

The Alaska Disability Determination Services (DDS) was able to meet Social Security Administration FY07 goals. The DDS also completed decisions on 5,286 claims. In addition to the federal claims the DDS made decisions on 528 claims for the Division of Public Assistance.

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

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,765.3	1,991.8	2,123.5
72000 Travel	15.4	17.3	17.3
73000 Services	607.2	1,019.7	998.3
74000 Commodities	88.0	32.5	32.5
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	1,402.6	1,900.0	1,900.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,878.5	4,961.3	5,071.6
Funding Sources:			
1002 Federal Receipts	3,706.2	4,729.9	4,833.8
1004 General Fund Receipts	1.9	1.9	1.9
1007 Inter-Agency Receipts	170.4	229.5	235.9
Funding Totals	3,878.5	4,961.3	5,071.6

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	3,706.2	4,729.9	4,833.8
Interagency Receipts	51015	170.4	229.5	235.9
Restricted Total		3,876.6	4,959.4	5,069.7
Total Estimated Revenues		3,876.6	4,959.4	5,069.7

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	1.9	4,729.9	229.5	4,961.3
Adjustments which will continue current level of service:				
-FY 09 Bargaining Unit Contract Terms: General Government Unit	0.0	103.9	6.4	110.3
FY2009 Governor	1.9	4,833.8	235.9	5,071.6

**Disability Determination
Personal Services Information**

Authorized Positions		Personal Services Costs		
FY2008				
Management		FY2009		
Plan		Governor		
			Annual Salaries	1,300,555
Full-time	27	27	COLA	102,262
Part-time	0	0	Premium Pay	16,096
Nonpermanent	0	0	Annual Benefits	748,271
			<i>Less 2.02% Vacancy Factor</i>	(43,684)
			Lump Sum Premium Pay	0
Totals	27	27	Total Personal Services	2,123,500

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	4	0	0	0	4
Disability Adjud Assoc II	2	0	0	0	2
Disability Adjudicator I	10	0	0	0	10
Disability Adjudicator II	3	0	0	0	3
Disability Hearing Officer	1	0	0	0	1
Totals	27	0	0	0	27