

Opening Statement of Social Security Subcommittee Ranking Member

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Social Security Subcommittee Hearing on Securing the

Future of the Social Security Disability Insurance Program

Committee on Ways and Means

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(Remarks as Prepared)

“Mr. Chairman, thank you for calling this hearing.

“Nearly 157 million Americans contribute to Social Security with every paycheck. In return, these workers and their families earn guaranteed protection against the devastating consequences of (1) disappearing pension and retirement savings, (2) premature death and (3) career-ending disability.

“The vast majority of American workers never have to use the disability insurance in Social Security. But, for those who become so disabled that they can’t work at all, it is a lifeline.

“We owe it to America's workers to safeguard their contributions to the Social Security Trust Fund, whether against the Wall Street privatizers who would raid the Trust Fund or from erroneous payment of disability benefits to those who have not earned them. That’s why it is crucial that the Social Security Administration (SSA) receive the funding it needs to fight waste, fraud, and abuse, and to prevent simple errors.

“The increased funding for ‘program integrity’ within SSA which was authorized in last fall’s bipartisan Budget Control Act is a very good step in that direction. The Congressional Budget Office (CBO) estimates that the increased resources will prevent about \$11 billion in overpayments within the decade, and even more later. That’s because the eligibility reviews that SSA is able to conduct as a result of this special funding will generate \$10-\$12 in savings for every dollar we invest.

“It sure would be nice to see more consistency in Congress' commitment to payment accuracy. A little more than a decade ago, the Clinton Administration, working with Congress, completely eliminated the backlog of benefit payment cases that needed review. Devastatingly, subsequent Congresses let the funding drop by almost 75% by 2007, and the backlog came back with a vengeance.

“In 2009 and 2010, working with President Obama, we restored some of SSA's budget and succeeded in reducing the backlog. But then last year was a disaster. Congress' Continuing Resolution for 2011 froze the agency's funding once again -- at a time when over 13,000 baby boomers are starting to collect their Social Security benefits everyday. This funding roller coaster has real consequences for the Social Security Trust Fund.

“We also need to put the program integrity funding -- which is about six percent of Social Security’s overall operating budget -- in context. One of our witnesses, Mr. Steve Clifton, runs a

Social Security field office in Greeley, Colorado. He also represents the men and women who manage Social Security's offices across the country. As we'll hear from Mr. Clifton, most of SSA's quality control efforts -- including "program integrity" -- are performed on the front lines, by regular office staff, not by a special cadre of employees.

"Preventing and correcting errors is a day-to-day responsibility. It falls on the same Social Security field offices and the same State Disability Determination workers who process initial claims, answer questions for the public, track down lost checks, assign Social Security Numbers, and provide every other service Americans need from Social Security.

"So when my colleagues across the aisle make the choice, as they did in early 2011 and then again last month, to limit SSA to a smaller ACTUAL operating budget than SSA had the year before, that has REAL consequences for payment accuracy. When you force SSA to operate under a hiring freeze, as it had to last year and continues to this year, that means SSA can't replace retiring or departing employees who are experienced and hard-working. They are the very people we rely on to prevent mistakes on the front end so we don't have to correct them on the back end. Put another way: the boost in 'program integrity' funding was a step forward. But the overall cut in SSA's funding which hits the very people expected to perform the "program integrity" work amounts to several steps backwards.

"One final point. As important as it is to make sure Social Security payments are accurate, and as significant as the savings can be when SSA has the resources to do the job well, I want to make sure we keep SSA's overpayments in perspective.

"In 2010, Social Security -- which had 72 million field office visits and phone calls, processed over 8 million benefit applications, and paid out benefits to over 54 million seniors, survivors and disabled workers -- had a four tenths of one percent overall overpayment rate. More specifically, Social Security's disability insurance program, which handles a complicated eligibility process and requires applicants to provide specialized medical and vocational evidence, had an overpayment rate of seven tenths of one percent. Most of this was due to simple errors.

"For comparison, the cost overrun for 98 of the Department of Defense's major weapons systems was 31 percent. What makes this glaring statistic even more staggering is the fact that DoD continues to do business with hundreds of contractors which the Pentagon knows were involved in fraud against the taxpayers.

“So, Mr. Chairman, I look forward to working together with you and our colleagues to safeguard the investment American workers make in Social Security. And let’s keep the big picture in mind. Tens of millions of Americans and their families rely on Social Security to be there when they need it. That means having a Social Security office open and fully staffed to help them. It means getting back every penny in Social Security overpayments. And, for the sake of fairness and integrity, it means applying the same rigor and standard of accountability for all programs within the federal budget, from Social Security to national security.”

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