



Disability Determination Program Taking Actions to Improve Its Timeliness

at a glance

The Disability Determination Program has taken a number of actions to respond to OPPAGA's concerns about the timeliness of its decisions. For example, it has instituted procedures to decrease the time it takes to receive medical records. Nevertheless, more sustained efforts are needed.

The department's current Legislative Budget Request requests an additional \$22,000 in state general revenue and \$1.7 million in federal Social Security Administration funds for a pay parity package for staff who process claims.¹ The Social Security Administration anticipates that with higher salaries, staff attrition will decline and result in an increase in the timeliness of disability decisions. If approved, the Legislature should direct the department to monitor this strategy, and report on how it affects timeliness.

¹ The Disability Determination Program was transferred from the Department of Labor and Employment Security to the Department of Health, effective January 1, 2000.

Purpose —————

State law requires OPPAGA to inform the Legislature of actions taken in response to our reports.² This progress report presents our assessment of the extent to which the Department of Labor and Employment Security (DLES) addressed the findings and recommendations included in our prior report.³

Background —————

The Disability Determination Program collects and reviews evidence to determine if Florida citizens meet eligibility criteria for two types of disability benefits. In the federal component of the program, staff determine if citizens meet the federal definition of "disabled" and are therefore medically eligible for federal Social Security disability programs.⁴ In the state component of the program, staff make Medicaid disability determinations for Florida's Department of Children and Families. The program processes applications that are forwarded to it after other categorical and financial eligibility determinations have been made.

² Section 11.45(7)(f), F.S.

³ *Program Evaluation and Justification Review: Disability Determination Program Administered by the Department of Labor and Employment Security*, [OPPAGA Report No. 97-52](#), February 1998.

⁴ Federal law defines disabled as the inability to engage in any substantial gainful activity because of a physical or mental impairment expected to last 12 months or result in death.

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The Social Security Administration pays the full cost of determining medical eligibility for two federal Social Security programs that provide support for disabled individuals and their families.

- The Title II Program, also known as Social Security Disability Insurance (SSDI), provides partial replacement of earnings when a disability interferes with the ability to work.
- The Title XVI Program, also known as Supplemental Security Income (SSI), provides a minimum level of income to the disabled as well as the aged and blind based on their demonstrated financial need.

The state and federal government each pay half of the cost of determining eligibility for the state component of the disability determination program. "Medically Needy" programs provide medical benefits to disabled Floridians who do not qualify for federal disability insurance programs because of income and asset requirements. These Florida optional Medicaid programs use federal disability criteria to establish eligibility.

Prior Findings

In our previous review, we found that the Disability Determination Program performs an essential function that benefits disabled citizens of Florida. At little cost to the state, it ensures that federal disability insurance benefits are made available to all eligible citizens. It also helps the state realize efficiencies by using the existing Social Security Administration structure to process applications for the state Medically Needy Program. Given these benefits, we recommended that the program be continued.

However, we identified a significant timeliness problem in the program.⁵ Delays in the processing time for claims create hardship for disabled claimants who may have few resources due to their inability to work and may lack access to medical care to stabilize or improve their conditions. In addition, the state may incur costs during the approval period for individuals who actually qualify for federal assistance.

Our 1998 report noted that federal restrictions on program operations limit the number of actions that Florida's Disability Determination Program can take to improve timeliness. Nevertheless, we identified steps that could be taken to improve the timeliness of the program. We recommended that

- the department develop process strategies to shorten the period of time it takes to receive medical records and
- the Legislature consider the department's request to appropriate additional funds for a pay parity package to reduce staff attrition.⁶

We also noted in our prior report that although the program's performance measures provided useful and accurate information, they could be improved. Specifically, we recommended that the timeliness measure be changed, the meaning of some measures be clarified, and that performance standards more accurately reflect reasonable benchmarks.

In February 1999, we re-assessed the performance of the Disability Determination Program. Based on 1997-98 measures, we determined that the timeliness of disability decisions improved somewhat for both the federal and state components

⁵ At the time of our review, Florida had the longest processing time in relation to states that are similar to it in population size and characteristics.

⁶ In response to a program proposal, the Department of Management Services (1997) found that an upward salary adjustment would not disrupt equity with staff in other agencies who perform comparable work.

of the program. While the program improved its approach to setting performance standards for Fiscal Year 1998-99, we recommended several modifications for Fiscal Year 1999-2000. We also recommended that some standards be revised to reflect more reasonable performance expectations and that the program benchmark its performance against other states.

Current Status

The Department of Labor and Employment Security reports that it has taken a number of actions to respond to our concerns about the timeliness of disability decisions—the program performs below the national average on timeliness, while maintaining one of the lowest cost-per-case figures in the nation. Specifically, the Disability Determination Program has instituted several procedures to help shorten the time it takes to receive medical records. The program also revised its Fiscal Year 1999-2000 measures to incorporate some of OPPAGA's suggestions for improving its performance measurement system.

To address problems with timeliness, the program reports that the Social Security Administration is investigating methods of implementing a process for electronic transmission of medical evidence. At the state level, the program is in the process of purchasing additional fax machines to facilitate requesting and receiving medical

records. In addition, several field offices are implementing processes to more actively enlist disability applicants in efforts to obtain their medical records.

These actions respond to our concerns about timeliness, but performance has only improved slightly. As shown in Exhibit 1, the program has cut two weeks off the time needed to complete initial Medically Needy decisions and has reduced by one week the length of time needed to complete initial eligibility determinations in Title XVI cases. The program has not made progress in reducing the time needed to make Title II disability determinations. With this performance, Florida continues to have a longer processing time than the national average and continues to perform poorly in relation to comparable states (see Exhibit 2).

Exhibit 2 Florida Processing Time Continues to Lag Behind the National Average

	Processing Time Days in Federal Fiscal Year 1999		
	Quarter 1	Quarter 2	Quarter 3
<i>Title II:</i>			
Florida	78.5	93.6	94.2
National Average	74.3	79.5	77.2
<i>Title XVI:</i>			
Florida	81.6	95.2	96.5
National Average	77.3	83.3	81.3

Source: Department of Labor and Employment Security.

Exhibit 1 Timeliness Improves Slightly, But Continued Efforts Needed

Outcome Measures	1996-97	1997-98	1998-99	1999-00 Standard
Average number of days required to complete initial disability decisions				
Title II	84	82	84	80
Title XVI	96	86	88	80
Average number of days required to complete initial Medically Needy decisions	95	89	81	70

Source: OPPAGA Reports No. 97-52 and No. 98-51 and agency data.

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Continued efforts to improve timeliness are needed. For example, as suggested in our 1998 review, the program could improve its performance by eliminating duplication between the federal and state components of the program.

We recommend that with its transfer to the Department of Health, the program continue efforts to ensure that disabled Floridians receive the federal disability insurance benefits to which they are entitled in a timely manner.

The Department of Health's current Legislative Budget Request includes a request for additional appropriations to implement a pay parity package in Fiscal Year 2000-2001. The intent of the package is to address a continuing problem with staff turnover. In 1998-99, approximately 50% of the staff processing initial applications had less than one year of experience. According to the Social Security Administration, the productivity level of newer staff is significantly lower than experienced staff.

Program data indicate that staff attrition remains a significant problem. The federal government will cover 100% of the cost of providing higher salaries to staff who process claims for the Social Security Administration, anticipating that staff attrition will decline and result in an increase in the timeliness of disability decisions. State general funds would be needed to cover the Medicaid match for salary increases for staff that process applications for the state Medically Needy program (around 1% of the additional funds needed).

For Fiscal Year 2000-2001, this would require an additional appropriation of \$1.7 million in federal funds and \$22,000 in general revenue funds. If approved, the Legislature should restrict the increase to the purposes described and direct the department's inspector general to compare staff turnover and processing times before and after implementation and submit a report to the Legislature no later than six months after the end of the fiscal year.

We also recommend that the program be required to maintain performance information that will enable the Legislature to monitor the timeliness of processing client applications. For example, the program should report on the percentage of cases processed within established timeframes, and on its performance in relation to other states.

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