



Committee On Finance

Max Baucus, Chairman

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Statement of Chairman Max Baucus Summary of Report by Commissioner Barnhart Delays in Processing Social Security Disability Benefits

Background

In October 2001, during the Senate Finance Committee confirmation hearing on the nomination of Jo Anne Barnhart for the position of Social Security Commissioner, Chairman Baucus asked then-Commissioner designee Barnhart to provide a comprehensive study analyzing the root causes behind the delays in processing applications and appeals for the more than 2 million Social Security disability benefit applicants per year.

In accordance with this request, Commissioner Barnhart presented her findings today to Chairman Baucus during an executive session with him.

A summary of the Barnhart Report follows.

Highlights of the 2002 Barnhart Report

- The report concludes that it takes as many as 1,150 days for many disability applications to work their way through the Social Security system.
- Thus, upon completion, disability checks are mailed to recipients, often two to three years after receipt of the initial application.
- Although it requires approximately 1,150 days to process the claims, it takes only seven days to complete the necessary work on each application.
- The review finds that for about half of the processing time, approximately 525 days, applications sit idle because of backlogs of previously submitted applications yet to be completed.
- During the remaining balance of the processing time, approximately 620 days, some of the delays might be reduced with the addition of new technologies and procedural improvements.

The Solutions

-Social Security could substantially reduce the waiting times for receiving disability benefits by eliminating the present backlog. For example, in 2001, there were about 200,000 backlogged cases at the administrative judge level.

-Reducing this overflow will require additional staff and increased budget resources. Commissioner Barnhart has indicated that it would take a minimum of an additional \$400-500 million to eliminate the current backlog.

-Moreover, as noted earlier, at least one-third of the 620 additional days of delays might be reduced by using new technologies and process improvements.

-Commissioner Barnhart will be issuing a second report with her recommendations and estimates of the additional costs needed to reduce the delays for millions of Americans who apply for Social Security disability benefits.