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EXTENSION OF TIME FOR DETERMINATION OF DISABILITY FOR  
SUPPLEMENTAL SECURITY INCOME PURPOSES IN CERTAIN  
CASES ADDED TO STATE PROGRAMS BETWEEN JUNE 1973 AND  
DECEMBER 1973

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MARCH 13, 1974.—Ordered to be printed

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Mr. Long, from the Committee on Finance, submitted the following

## REPORT

[To accompany H.R. 13025]

The Committee on Finance, to which was referred the bill (H.R. 13025) to increase the period during which benefits may be paid under title XVI of the Social Security Act on the basis of presumptive disability to certain individuals who received aid, on the basis of disability, for December 1973, under a State plan approved under title XIV or XVI of that act, having considered the same, reports favorably thereon with amendments and recommends that the bill (as amended) do pass.

### I. Summary

*House bill.*—H. R. 13025, as passed by the House of Representatives, would permit payments under the new supplemental security income (SSI) program to be made on the basis of presumptive disability for as long as 12 months in the case of certain individuals who were transferred from the former State programs of aid to the disabled to the SSI program at the beginning of this year. Under present law, such payments may not be made for more than 3 months. This amendment will prevent many people who may in fact be eligible for SSI payments from having those payments terminated simply because of the inability of the agency administering the program to make a final determination as to their disability within the time limits now prescribed in the law.

The committee agrees with the House provision and has approved it without change.

*Committee amendment.*—The committee bill would also extend for an additional 3 months the provision of Public Law 93-233 which permits States to participate in the extended unemployment compensation

program if the rate of insured unemployment in the State is at least 4 percent, without regard to the requirement of permanent law that the insured unemployment rate must also have increased by 20 percent over the prior 2 years. The existing provision expires March 31, 1974, and this amendment would extend it through June 30, 1974.

Present law allows States up to 2 years in which to pay back advances which they may receive from the Federal Government if they need them in order to pay unemployment compensation benefits. The committee also added a provision which allows an additional year for repayment by States whose advances would otherwise be due for repayment this year.

## **II. General Discussion**

### **A. EXTENSION OF PRESUMPTIVE DISABILITY PERIOD UNDER SUPPLEMENTAL SECURITY INCOME FOR INITIAL CASELOAD TRANSFERRED FROM STATE PROGRAMS**

The Supplemental Security Income program for the aged, blind, and disabled, as originally enacted, provided that recipients on State rolls for aid to the disabled for December 1973 would be grandfathered into the new Federal SSI program in that they would be considered disabled for purposes of the new program even if they did not meet the SSI definition of disability. However, under a provision of Public Law 93-233, which became law on December 31, 1973, these people are not eligible for SSI unless they either (1) were recipients of State aid to the disabled not only for December 1973 but also for at least 1 month prior to July 1973, or (2) are found to be disabled under Federal criteria.

The purpose of the change was to prevent the conversion to the Federal program of persons who, in months immediately prior to the January 1974 changeover to SSI, may have been improperly placed on the State aid to the disabled rolls. The effect of the change is that each disabled recipient who was converted to the Federal payment rolls for January payment and who did not receive State disability payments for a month prior to July 1973, will have to be reviewed against the Federal disability criteria under title XVI in order to determine whether he qualifies for SSI benefits.

Although the provision adopted in Public Law 93-233 does require that individuals who first came on the State disability rolls after June 1973 must meet the Federal definition of disability in order to qualify for SSI payments, payments under the program may be made to such individuals on the basis of their presumptive disability while the Social Security Administration is in the process of reaching a final determination as to whether or not they do, in fact, meet that definition. However, the authority for making such payments on the basis of presumptive disability is limited to a period not exceeding 3 months.

The Department of Health, Education, and Welfare has indicated that because of the large size of the initial caseload it will not be able to complete all the necessary disability determinations within the 3-month period during which it has authority to continue making payments on the basis of presumptive disability. The Social Security Administration has estimated that the records of more than 300,000 individuals who were converted to the SSI rolls must be examined.

Some of these will be found to have received benefits prior to July 1973, and will therefore be covered by the grandfather clause. Many others, however, will have to have their cases redetermined by State disability determination units which also handle regular disability determinations under title II of the Social Security Act as well as the disability determinations for all new applicants filing for SSI on the basis of disability.

Because there is no authority under present law for paying presumptive disability benefits for longer than 3 months, the Department of Health, Education, and Welfare has indicated that it intends to suspend payments at the end of March 1974 for people whose eligibility remains in doubt. The Department estimates that at that time there will still be about 150,000 to 200,000 people whose eligibility will not yet have been determined, and that a majority of these people will ultimately be found to be fully eligible.

In order to avoid the harsh and inequitable effects of suspending benefits simply because of administrative inability to complete the processing of disability determinations within the time provided by existing law, the committee bill provides for a limited extension (through December 1974) of the period during which SSI payments may be made on the basis of presumptive disability to individuals converted from the State disability rolls. This provision will apply only to those who were getting assistance under State programs of aid to the disabled in December 1973 and who are required to meet the Federal definition of disability because they did not establish their eligibility under the State programs prior to July 1973. As a result, those in this group who are ultimately found to meet the eligibility requirements of the law would receive uninterrupted payments, and those found not to meet the requirements would not be considered to have been overpaid for benefits received prior to the time a determination of their disability is made. In the case of those who are found ineligible, benefits would be terminated as soon as the unfavorable determination of disability is completed. While the committee agrees that due care must be exercised so as to reach correct determinations, it expects that these determinations will be made as promptly as possible, consistent with that objective, and that the Social Security Administration will assure that disability determination units do not give these cases lowest priority simply because payments can be made on the basis of presumptive disability through December 1974. On the other hand, the committee is also aware of the heavy workload on the State agencies in processing regular social security disability insurance claims and new disability claims under SSI. The committee emphasizes the importance of establishing stable precedents for disability determination which will have important consequences for the nature of the administration of the social security and SSI programs in future years.

## B. UNEMPLOYMENT COMPENSATION

*Temporary amendment to extended benefits program.*—Last year the Senate approved an amendment to H.R. 3153 which would modify the provisions of present law as they apply to triggering the extended unemployment compensation programs in individual States. Although the conference on H.R. 3153 temporarily suspended its deliberations

without acting on the bill as a whole, some of the provisions of the bill were attached to other legislation and enacted as Public Law 93-233. The Senate modification of the provisions for triggering extended unemployment compensation was included in the legislation enacted; however, instead of the permanent provision passed by the Senate in H.R. 3153, the change in Public Law 93-233 provided for a temporary 3-month period which ends March 31, 1974. The committee hopes that conference action will soon resume on H.R. 3153, which also contains many other important Senate-passed provisions. However, to assure that unemployment benefits are not interrupted during the interim period pending conclusion of the conference on H.R. 3153, the committee bill would extend the temporary unemployment provision for another 3 months, through June 30, 1974.

Under the permanent provisions of present law, up to 13 weeks of extended unemployment insurance benefits (in addition to 26 weeks of regular benefits) are available with 50 percent Federal financing if the rate of insured unemployment is high enough either nationally or in a particular State. In order for the program to go into effect in an individual State, insured unemployment in the State must be at least 4 percent and it must be at least 20 percent higher than it was in comparable periods in the 2 prior years.

The provision which was adopted on a temporary basis last year, and which would be extended through June 1974 under the committee bill, permits Federal matching of extended benefits in any State whose insured unemployment rate exceeds 4 percent without regard to the 120 percent requirement of permanent law.

According to information received from the Department of Labor, some 21 States and Puerto Rico could be affected by the committee amendment with respect to extended unemployment benefits. Since this provision is optional with the States, however, some of these States would be affected only if the State passes enabling legislation. Of the 22 jurisdictions potentially affected, six are already participating in the extended benefit program under the provisions of Public Law 93-233. In the absence of the committee amendment, no Federally shared payment could be made in those States under this program for weeks of unemployment beginning after March 31, 1974.

#### STATES POTENTIALLY AFFECTED BY EXTENDED UNEMPLOYMENT PROGRAM AMENDMENT

States now participating under Public Law 93-233	Additional States eligible to participate under committee bill	
Alaska	Arkansas	New Mexico
Massachusetts	California	North Dakota
New Jersey	Connecticut	Oregon
New York	Hawaii	Pennsylvania
Rhode Island	Idaho	Puerto Rico
Washington	Minnesota	Utah
	Montana	Vermont
	Nevada	West Virginia

In addition, extended benefits under the permanent provisions of present law will be paid in Michigan starting in March 1974.

*Advances to State unemployment accounts under title XII of the Social Security Act.*—The Federal unemployment compensation laws provide for repayable advances to a State from the Federal unemployment account when the State needs such an advance to pay unemployment compensation for any month. If a State has an unrepaid advance on January 1 of any 2 consecutive years, then the Federal unemployment tax paid by employers in that State is increased.

However, because of the continuing high rate of unemployment, the committee feels that it would be inappropriate to require those States which now have outstanding loans to repay these loans during the current year. The enforcement of that requirement could force those States to increase unemployment tax rates at a time when the State's unemployment tax system is already being required to meet unusually heavy demands to finance benefit claims for the large number of unemployed persons. Accordingly, an amendment has been added to the House-passed bill which would not require any increase in Federal unemployment taxes if a State does not make timely payments of the amounts due in 1974. In effect, States with outstanding loans would be granted an additional year in which to make repayments.

The provision would apply to loans made prior to the date the bill is enacted.

### III. Costs of Carrying Out the Bill

In compliance with section 252(a) of the Legislative Reorganization Act of 1970, the following statement is made relative to the costs to be incurred in carrying out this bill.

On the basis of information provided to the committee by the Department of Health, Education, and Welfare, the committee estimates that section 1 of the bill, relating to an extension of the time for making certain disability determinations under the Supplemental Security Income program, will result in additional benefit payments in fiscal year 1974 totaling \$24 million. This cost will be offset to some extent by a reduction in the amount which would be spent under existing law in fiscal year 1975 as retroactive payments to persons who are eventually determined to have been eligible for SSI. The Department of Health, Education, and Welfare estimates that the amount of these offsetting savings in fiscal year 1975 will be about \$6 million. Otherwise, the committee estimates that section 1 of the bill will have no impact on expenditures for fiscal years after 1974.

On the basis of information provided to the committee by the Department of Labor, the committee estimates that section 2(a) of the bill will result in additional benefit payments of \$161 million in extended unemployment benefits during the 3-month period for which it is effective (April through June 1974). This estimate is based on the assumption that all States will elect to take advantage of this provision which is optional with each State. Of the total benefit costs, one-half (about \$80 million) is Federal and one-half is State.

Section 2(b) of the bill does not involve a Federal cost.

### IV. Vote of Committee in Reporting the Bill

In compliance with section 133 of the Legislative Reorganization Act, as amended, the following statement is made relative to the vote

of the committee on reporting the bill. This bill was ordered favorably reported by the committee without a rollcall vote and without objection.

### V. Changes in Existing Law

In compliance with subsection (4) of Rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

#### FEDERAL-STATE EXTENDED UNEMPLOYMENT COMPENSATION ACT OF 1970

\* \* \* \* \*  
 Sec. 203. (a) \* \* \* \* \*  
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(e) For purposes of this section—

(1) There is a State "on" indicator for a week if the rate of insured unemployment under the State law for the period consisting of such week and the immediately preceding twelve weeks—

(A) equaled or exceeded 120 per centum of the average of such rates for the corresponding thirteen-week period ending in each of the preceding two calendar years, and

(B) equaled or exceeded 4 per centum.

(2) There is a State "off" indicator for a week if, for the period consisting of such week and the immediately preceding twelve weeks, either subparagraph (A) or subparagraph (B) of paragraph (1) was not satisfied. Effective with respect to compensation for weeks of unemployment beginning before July 1, 1973, and beginning after the date of the enactment of this sentence (or, if later, the date established pursuant to State law), the State may by law provide that the determination of whether there has been a State "off" indicator ending any extended benefit period shall be made under this subsection as if paragraph (1) did not contain subparagraph (A) thereof. Effective with respect to compensation for weeks of unemployment beginning before [April] July 1, 1974, and beginning after December 31, 1973 (or, if later, the date established pursuant to State law), the State may by law provide that the determination of whether there has been a State "on" or "off" indicator beginning or ending any extended benefit period shall be made under this subsection as if paragraph (1) did not contain subparagraph (A) thereof.