

STATEMENT OF MICHAEL J. ASTRUE

SENATE FINANCE COMMITTEE

January 24, 2007

Mr. Chairman, Members of the Committee, thank you for scheduling this hearing. I am honored to be here.

Before I begin my remarks, I'd like to introduce my wife, Laura, a foreign language teacher. Our daughter, Caitlin, is a freshman at Washington University, and our son, James, is a sophomore on an Army ROTC scholarship at the Georgetown School of Foreign Service. Their academic commitments have prevented them from attending today.

I started my career here in 1978 in an entry-level job for Senator Richard Schweiker, and then went on to work for the National Council of Senior Citizens after the Senator announced his retirement. When I returned to Washington in 1985 to work primarily on Social Security issues, the system was an abstraction for me—an incredibly important one, but an abstraction nonetheless. That changed radically two months later when my father, at the age of 52, suffered a severe cerebral hemorrhage, which we soon learned was caused by a rare form of brain cancer. I handled all the paperwork for my father's SSDI and Medicare applications.

One thing I learned from the frustrations of that experience is how well-meaning people in agencies, just like me at age 28, often do not understand what actually happens in practice in complex programs such as Social Security. Accordingly, the following year, when I began working as Counselor to the Commissioner of Social Security, one of the first things I did was visit DDS's in Pennsylvania, Maryland, Delaware and Massachusetts to see how the disability determination process actually worked in those states.

The lessons learned from those trips were incredibly useful to me as we tried to improve the disability programs after many years of inflamed controversy. I am particularly proud of having led the effort to terminate the agency's longstanding "nonacquiescence" policies, an achievement

highlighted by Chairman Moynihan when I was last before you in 1989 during my confirmation hearing for General Counsel of HHS.

While I intend to duplicate those DDS trips, I expect to focus first on operations relating to Medicare Part D. Based on Commissioner Barnhart's public comments, she and I agree that there has been an unacceptable level of problems to date, and the agency has even greater Medicare responsibilities this year. I can't tell from the publicly available materials and the briefing materials exactly where the operational issues are, and how many of them are under SSA's direct control, but I want to assure you that I will be relentless in getting at the real issues, that I will focus on action and not blame, and that I will be proactive and candid with this Committee if we need legislative clarifications or additional support.

This task may be complicated, however, by budget constraints and the likelihood of furloughs that Commissioner Barnhart has repeatedly raised in recent months. I cannot help but be exceptionally concerned about this outcome at a time when the agency is already under significant operational stress. I very much need this Committee's advice and guidance as to how to manage this situation, and how to avoid repetition of it in the future. It will be difficult to advance this Committee's interest in improving the disability determination process and the agency's performance with regard to its Part D responsibilities if both senior and line employees are distracted and demoralized by furloughs.

With regard to the Commissioner's role on retirement policy, my goal is to be a good steward of the program for both current and future beneficiaries. For current beneficiaries, this role means setting high standards for management, performance and service—and committing to meeting those standards. It also means being scrupulous and painstaking in making sure the agency adheres to the law and to the best demonstrated practices of accounting, efficiency and compassion.

For future beneficiaries, good stewardship means engaging with others in the agency and the executive branch, with members of this Committee and other Members of Congress, and with outside groups and experts, to provide unbiased data about all the options for safeguarding the financial stability of the program. It is part of our obligation to the American public that we must strive to continue to offer the best possible support for older Americans and people with disabilities, and their families, in the

coming decades. I look forward to providing technical support for those in the legislative and executive branches engaged in this policy debate.

Let me conclude by noting that Commissioner Barnhart is someone whom I like, admire and respect from our two previous tours of duty together. I feel blessed to have been asked to follow this strong and principled leader in a position so vital to our success as a nation. If confirmed, this Committee can count on me to do everything I can to live up to her record and to be another good steward for the Social Security Administration.

Thank you, and I'll be happy to answer any questions you have.