

# DISABILITY DETERMINATION

## Enabling Laws

Act 112 of 2016  
A.C.A. §20-76-301 et seq.  
Titles II and XVI of the Social Security Act

## History and Organization

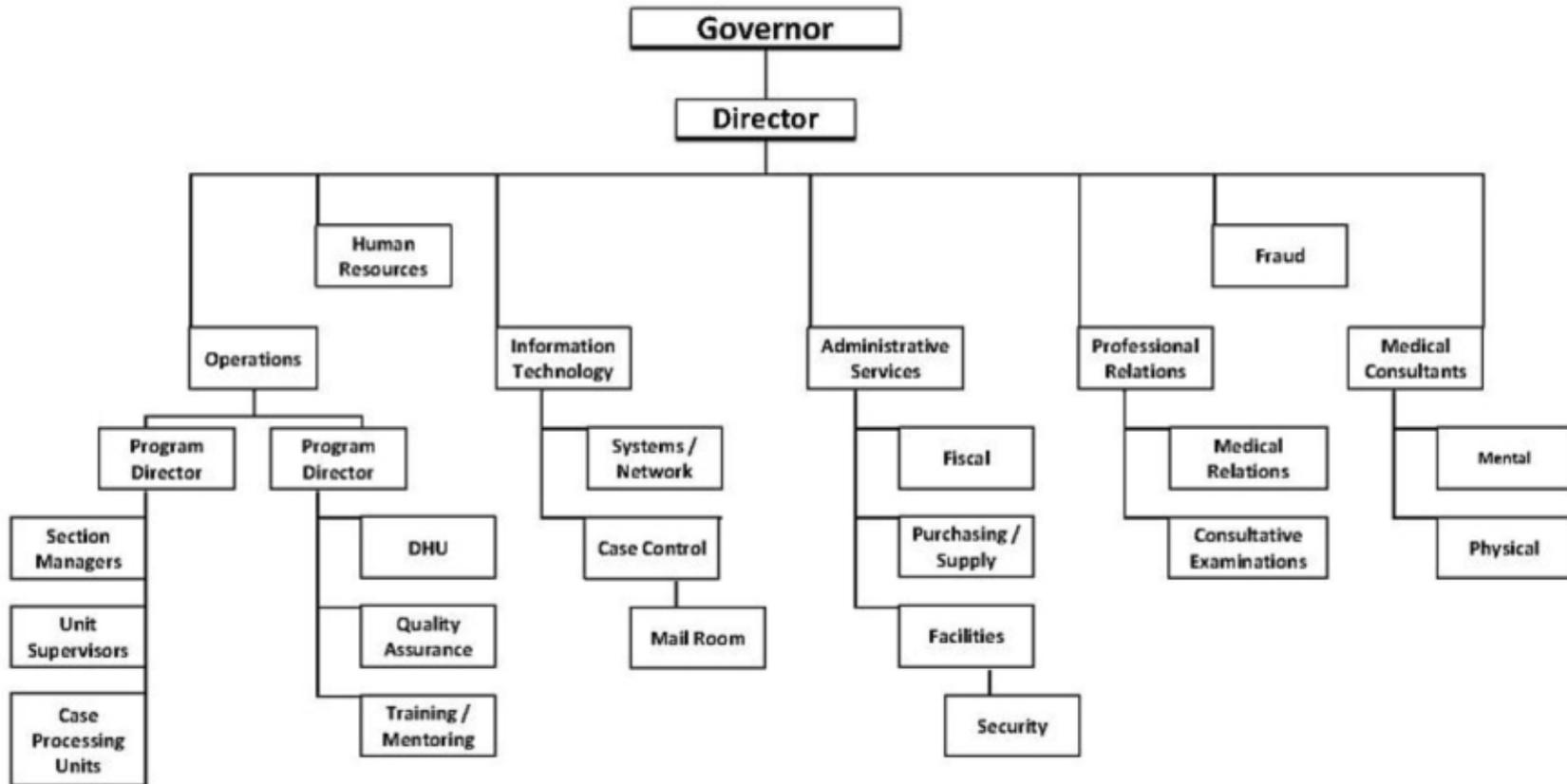
The State Department for Social Security Administration Disability Determination was created by Act 14 of the Second Extraordinary Session of the 1961 Arkansas General Assembly and codified in State law under A.C.A. §20-76-301 et seq. Act 177 of the 1965 Arkansas General Assembly changed the agency title to Disability Determination for Social Security Administration.

The Agency is a department within the executive branch, and accordingly is under the direction of the Chief Executive of the State of Arkansas. The Social Security Administration provides funds to the State of Arkansas to carry out the disability determination and hearing functions for the federal government.

The basic statutory authorities for the Social Security Disability Program are contained in Titles II (Section 221) and XVI (Section 1633) of the Social Security Act. These sections of the Social Security Act were amended by P.L. 95-265 on June 9, 1980, to provide for administration of this state agency by federal regulations rather than by agreement. On January 1, 1984, P.L. 97-445 gave all disability beneficiaries the opportunity for a face-to-face evidentiary hearing before benefits ceased.

The Disability Insurance Program includes two groups of claimants: Title II and Title XVI. To qualify for Title II Social Security disability benefits, an individual must have worked long enough in jobs covered by Social Security and must have a medical condition that meets Social Security's definition of disability. In general, monthly benefits are paid to people who are unable to work for a year or more, or who have a condition expected to end in death. The disability must be so severe the worker cannot work, considering age, education and experience. Title XVI (Supplemental Security Income) provides cash assistance to people with limited income and resources who are age 65 or older, blind or disabled. Disabled children may also be eligible for Supplemental Security Income. Employment taxes primarily finance Social Security Title II disability insurance benefits while Title XVI funds come from federal revenues.

As of October 2010, the Arkansas Disability Determination for Social Security Administration has been adjudicating disability claims for other states in the Union. The Social Security Administration chose Arkansas to work these claims due to proven efficiency and accuracy in disability claims adjudication.



## Agency Commentary

The mission of the Arkansas Disability Determination for Social Security Administration (DDSSA) is to provide timely and accurate determinations of whether or not applicants for Social Security Disability Benefits are disabled. The mission entails procuring medical records from treating doctors and hospitals and providing medical examinations when adequate existing medical records are not available.

The Arkansas DDS has proven to be a national leader when it comes to DDS adjudication. Listed below are a few recent highlights.

- Better use of current medical records, eliminating the need for more expensive consultative examinations. This initiative has produced savings of over \$1.2 million through first three quarters of FFY16.
- State's cost per case is at \$394, which currently ranks 11<sup>th</sup> nationally.
- Arkansas DDS is currently ranked 16<sup>th</sup> nationally in initial quality with 96.5% accuracy while also ranked 6<sup>th</sup> in the nation in processing time at 71.1 days.
- New Cooperative Disability Investigations (CDI) task force has led to prevention of, and cessation of fraudulent claims totaling over \$4 million.

Requests for fiscal years 2018 and 2019 include an increase in appropriation above Base Level to restore 23 positions, which were unbudgeted in FY17 due to current SSA climate making hiring at that level an unlikely scenario in FFY17. DDSSA will need these positions going forward to remain flexible in the event that federal SSA counterparts need manpower for national-level initiatives that Arkansas must help meet. Additional appropriation is also needed in overtime. This amount was granted by the legislature in FY16 to help the agency meet workload goals assigned by federal SSA office. The final appropriation request is in capital outlay for anticipated equipment expenses in both years of the biennium. Funding for appropriation for the Arkansas Disability Determination for Social Security Administration is 100% federal funds from the Social Security Administration.

## **Audit Findings**

DIVISION OF LEGISLATIVE AUDIT  
 AUDIT OF :  
 STATE OF ARKANSAS DISABILITY DETERMINATION FOR SOCIAL SECURITY ADMINISTRATION  
 FOR THE YEAR ENDED JUNE 30, 2015

Findings	Recommendations
None	None

## Employment Summary

	Male	Female	Total	%
White Employees	104	182	286	73 %
Black Employees	14	78	92	23 %
Other Racial Minorities	7	8	15	4 %
Total Minorities			107	27 %
Total Employees			393	100 %

## Publications

### A.C.A. 25-1-201 et seq.

Name	Statutory Authorization	Required for		# of Copies	Reason(s) for Continued Publication and Distribution	Unbound Black & White Copies Produced During the Last Two Years	Cost of Unbound Copies Produced During the Last Two Years
		Governor	General Assembly				
None	N/A	N	N	0	N/A	0	0.00

## Agency Position Usage Report

FY2014 - 2015						FY2015 - 2016						FY2016 - 2017					
Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused	Authorized in Act	Budgeted			Unbudgeted Total	% of Authorized Unused
	Filled	Unfilled	Total				Filled	Unfilled	Total				Filled	Unfilled	Total		
483	396	70	466	17	18.01 %	479	403	53	456	23	15.87 %	479	394	62	456	23	17.75 %

**ARKANSAS PLANNING BUDGETING & ADMINISTRATIVE SYSTEM**  
**STATE CONTRACTS OVER \$50,000 AWARDED TO MINORITY OWNED BUSINESSES**  
 Fiscal Year 2016  
 Required by A.C.A. 25-36-104

**AGENCY: 0311 DISABILITY DETERMINATION**

Minority Business	Total Contract Awarded	Minority Type per A.C.A. 15-4-303 (2)					
		African American	Hispanic American	American Indian	Asian American	Pacific Islander American	Disabled Veteran
Rios Psychological Services	\$156,000		X				

<b>TOTAL NUMBER OF MINORITY CONTRACTS AWARDED</b>	<u>1</u>
<b>TOTAL EXPENDITURES FOR CONTRACTS AWARDED</b>	<u>\$2,602,738</u>
<b>% OF MINORITY CONTRACTS AWARDED</b>	<u>4.01 %</u>

## **Analysis of Budget Request**

**Appropriation:** 2QQ - DDSSA-Operations

**Funding Sources:** FSD - Disability Determination - Federal

Disability Determination for Social Security Administration (DDSSA) is the State Agency responsible for determining the eligibility of Arkansans for disability and other payments in accordance with federal Social Security laws, regulations and instructions. The Agency makes determinations for disability benefits under Titles II and XVI of the Social Security Act and investigates suspected cases of fraud or abuse. Title II claimants are those who have contributed FICA taxes on wages for five of the past ten years prior to the date of alleged disability. Title XVI (Supplemental Security Income) claimants are those who have established the fact that they have low income and resources and are alleging disability.

Base Level Regular Salaries and Personal Services Matching include the continuation of the previously authorized 2017 Salaries and Career Service Payments for eligible employees. Personal Services Matching includes the monthly contribution for State employee's health insurance for a total State match per budgeted employee of \$420 per month. Base Level salaries and matching do not include appropriation for a Cost of Living Adjustment or Merit Pay Increases. The Base Level salary of unclassified positions reflects the FY17 line item maximum plus the previously authorized 2016 1% Cost of Living Adjustment authorized by Act 1007 (3 (B)) of 2015.

The Base Level request is for appropriation of \$53,440,763 in FY18 and \$53,486,032 in FY19.

The Agency's Change Level request is for appropriation of \$2,383,196 in FY18 and \$2,383,629 in FY19, and includes the following:

- Regular Salaries and related Personal Services Matching of \$1,669,946 in FY18 and \$1,670,379 in FY19 for the restoration of sixteen (16) DDSSA Adjudicative Assistant C113 positions, six (6) DDSSA Medical Consultant N916 positions, and one (1) DDSSA Medical Specialist N919 position, which were unbudgeted in FY17. These positions will allow the Agency to meet demands brought on by the federal SSA office.
- Overtime and related Personal Services Matching of \$613,250 each fiscal year to help the Agency meet workload goals assigned by federal SSA office.
- Capital Outlay of \$100,000 each fiscal year for desks, cubicles, and other office equipment for one of the adjudicative units.

The Executive Recommendation provides for the Agency Request.

## Appropriation Summary

**Appropriation:** 2QQ - DDSSA-Operations

**Funding Sources:** FSD - Disability Determination - Federal

### Historical Data

### Agency Request and Executive Recommendation

Commitment Item		Historical Data			Agency Request and Executive Recommendation			Agency Request and Executive Recommendation		
		2015-2016 Actual	2016-2017 Budget	2016-2017 Authorized	2017-2018			2018-2019		
					Base Level	Agency	Executive	Base Level	Agency	Executive
Regular Salaries	5010000	22,187,347	24,898,800	26,037,436	24,910,101	26,176,373	26,176,373	24,935,001	26,201,273	26,201,273
<b>#Positions</b>		<b>452</b>	<b>456</b>	<b>479</b>	<b>456</b>	<b>479</b>	<b>479</b>	<b>456</b>	<b>479</b>	<b>479</b>
Extra Help	5010001	345,038	390,000	390,000	390,000	390,000	390,000	390,000	390,000	390,000
<b>#Extra Help</b>		<b>14</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>
Personal Services Matching	5010003	7,178,657	8,088,044	8,484,141	8,124,562	8,641,486	8,641,486	8,144,931	8,662,288	8,662,288
Overtime	5010006	1,172,091	1,360,000	860,000	860,000	1,360,000	1,360,000	860,000	1,360,000	1,360,000
Operating Expenses	5020002	2,814,353	3,984,400	3,984,400	3,984,400	3,984,400	3,984,400	3,984,400	3,984,400	3,984,400
Conference & Travel Expenses	5050009	6,738	26,500	26,500	26,500	26,500	26,500	26,500	26,500	26,500
Professional Fees	5060010	11,409,499	15,145,200	15,145,200	15,145,200	15,145,200	15,145,200	15,145,200	15,145,200	15,145,200
Data Processing	5090012	0	0	0	0	0	0	0	0	0
Refunds/Reimbursements	5110014	0	0	0	0	0	0	0	0	0
Capital Outlay	5120011	85,427	100,000	100,000	0	100,000	100,000	0	100,000	100,000
<b>Total</b>		<b>45,199,150</b>	<b>53,992,944</b>	<b>55,027,677</b>	<b>53,440,763</b>	<b>55,823,959</b>	<b>55,823,959</b>	<b>53,486,032</b>	<b>55,869,661</b>	<b>55,869,661</b>
<b>Funding Sources</b>										
Federal Revenue	4000020	45,199,150	53,992,944		53,440,763	55,823,959	55,823,959	53,486,032	55,869,661	55,869,661
Total Funding		45,199,150	53,992,944		53,440,763	55,823,959	55,823,959	53,486,032	55,869,661	55,869,661
Excess Appropriation/(Funding)		0	0		0	0	0	0	0	0
<b>Grand Total</b>		<b>45,199,150</b>	<b>53,992,944</b>		<b>53,440,763</b>	<b>55,823,959</b>	<b>55,823,959</b>	<b>53,486,032</b>	<b>55,869,661</b>	<b>55,869,661</b>

Budget exceeds Authorized Appropriation in Overtime due to a transfer from the Miscellaneous Federal Grant Holding Account.

## Change Level by Appropriation

**Appropriation:** 2QQ - DDSSA-Operations  
**Funding Sources:** FSD - Disability Determination - Federal

### Agency Request

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>53,440,763</b>	<b>456</b>	<b>53,440,763</b>	<b>100.0</b>	<b>53,486,032</b>	<b>456</b>	<b>53,486,032</b>	<b>100.0</b>
C01	Existing Program	2,383,196	23	55,823,959	104.5	2,383,629	23	55,869,661	104.5

### Executive Recommendation

Change Level		2017-2018	Pos	Cumulative	% of BL	2018-2019	Pos	Cumulative	% of BL
<b>BL</b>	<b>Base Level</b>	<b>53,440,763</b>	<b>456</b>	<b>53,440,763</b>	<b>100.0</b>	<b>53,486,032</b>	<b>456</b>	<b>53,486,032</b>	<b>100.0</b>
C01	Existing Program	2,383,196	23	55,823,959	104.5	2,383,629	23	55,869,661	104.5

### Justification

C01	Reflects \$1,669,946 in FY18 and \$1,670,379 in FY19 to restore 23 positions, \$613,250 in each year of the biennium to cover possible additional overtime when requested by federal SSA, and \$100,000 in each year of the biennium for anticipated equipment costs and furniture replacement in one adjudication unit.
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