



Committee On Finance

Max Baucus, Chairman

NEWS RELEASE

<http://finance.senate.gov>

For Immediate Release
January 26, 2007

Contact: Carol Guthrie
202-224-4515

BAUCUS STATEMENT REGARDING SOCIAL SECURITY COMMISSIONER JO ANNE BARNHART

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) entered the following statement into the record today on the work of outgoing Social Security Commissioner Jo Anne Barnhart:

I want to commend someone who represents the very best of citizens in public service. I am speaking of Jo Anne Barnhart, the Commissioner of Social Security. Unfortunately, her term ended last Friday. I say “unfortunately” because she has done a superb job.

Jo Anne Barnhart did not need to take this job. She was doing very well running her own consulting firm. But she took the job for one reason. She wanted to improve the way that the Social Security Administration performs its duties. And SSA is a significantly better agency when Jo Anne left than when she first came on board.

That’s not all. Many long-term career employees at SSA have said that she is the best Social Security Commissioner for whom they have worked. And a number of veteran Social Security observers and advocates have said the same thing. She has made a remarkable contribution to that agency.

What has Jo Anne accomplished? Everyone knows that the Social Security program provides benefits to workers who have retired. And the Social Security program also provides benefits to the families of workers who have died. What is less well known is that Social Security provides benefits to workers who become disabled, and to the families of those workers. This is one of Social Security’s major functions.

Determining the benefits that retirees and survivors get is a relatively straightforward process, even where the eligibility rules are very detailed. But the same is not true for benefits for disabled workers.

--3 more--

There, SSA has to determine whether the applicant is permanently and totally disabled. This determination requires a lot of difficult work. For many applicants, the answer is not readily apparent. And the applicant can use several layers of appeals, if denied benefits. These additional layers add to the time that an applicant may have to wait before receiving benefits.

When Jo Anne took over the agency, it could take as much as four years for an applicant to be approved for benefits, if the applicant succeeded at the last layer of appeal. A disabled worker waiting for a decision is not earning any money. This can put enormous pressures on the worker and the worker's family.

My case workers in Montana have heard from some of the applicants who have been waiting incredibly long times for a decision. And their stories are harrowing. And the same was true for one Montana applicant who had to wait four years to get his disability benefits, and who was kind enough to testify before the Finance Committee last year.

Jo Anne was fully aware of this problem when she took over the agency. And she was determined to do something about it.

The first step was to determine why it took so long for applicants to be approved. At her confirmation hearing, Jo Anne indicated that she would study this issue immediately. And she and I agreed that she would report back to me in six months.

Jo Anne completed that study and briefed me six months later, just as she had promised. Amazingly, this was the first comprehensive study SSA had ever done to determine why it took so long for disability applicants to be approved for benefits.

Jo Anne and her staff put every step involved in the disability application process on one chart. When she completed it, that chart was 25 feet long. Jo Anne deserves great credit for initiating and executing this pioneering study.

The study found that there were two causes of the long waiting times for approval of disability benefits. And Jo Anne set out to tackle each of them. About half of the delays occurred because of huge backlogs of cases. The principal cause of these backlogs is inadequate staffing. And the principal cause of inadequate staffing is lack of budgetary resources. The other half of the waiting times was due to huge inefficiencies in the processing of disability claims.

Jo Anne responded to these challenges. First, she set out to reduce as much of the inefficiency in the disability adjudication process as possible.

She initiated the conversion of the application process from a paper-driven process to a completely electronic process. And she aggressively accelerated this conversion, completing the transformation in record time.

As a result, SSA now has the largest repository of medical evidence in the world. And the new system works. Previously, all evidence and records used during the adjudication process had to be mailed from one SSA office to another and from doctors' offices to SSA offices. This was inefficient, time-consuming, and expensive. Now all of this is accomplished electronically. Jo Anne deserves great credit for these changes.

And Jo Anne initiated a Disability Service initiative. This was a major overhaul of the multiple steps in the disability adjudication process. This initiative brought many improvements.

First, quick decisions are made in cases where the disability is obvious. Second, redundant appeal processes were eliminated.

Third, huge amounts of time were saved for some appeals that would normally go to a hearing before an administrative law judge. That is a process that can take well over a year to occur. A new type of legal official was created in the system. This lawyer is given authority to award benefits before the case ever proceeds to a hearing. This dramatically reduces the time for the applicant to get benefits. Many other changes were made as well.

All of these changes are being piloted. It is hoped that these new processes will greatly increase the efficiency by which disability claims are adjudicated. If they do, Jo Anne will have accomplished something truly great.

Jo Anne also initiated action to deal with scarce budgetary resources, the second cause of long delays. She provided detailed and cogent briefings to the Directors of the Office of Management and Budget.

As a result, the Presidents' Budgets have requested a significant increase for SSA's administrative costs each year. This occurred at a time when the Presidents' budgets contained little or no increases, or even decreases in funding, for most appropriated programs.

Unfortunately, through no lack of effort on Jo Anne's part, the amount of money ultimately appropriated for SSA's administrative costs has been substantially below the amount requested by the President each year. This is a problem that needs to be rectified in the future.

--1 more--

One of Jo Anne's finest moments came after the terrible hurricanes, Katrina, Rita, and Wilma decimated whole areas of the Gulf Coast and Florida. GAO reported: "The Social Security Administration had enhanced planning and pre-established procedures in place to provide immediate emergency payments to the significant number of beneficiaries who evacuated and did not receive their monthly checks. With these procedures in place, the Social Security Administration had the capability to deploy staff and equipment from its 1,300 offices across the nation to address the increased workload."

Under Jo Anne's guidance, SSA also successfully implemented some brand new permanent responsibilities without a hitch. For example, SSA was asked to take applications for the low-income subsidy portion of the Medicare prescription drug program. This subsidy allows low-income Medicare beneficiaries to participate in the prescription drug program at no or reduced cost. SSA was also asked to do massive amounts of outreach to find the people who qualified for the subsidies, and it did so.

Jo Anne also guided the implementation of some brand new systems projects. For example, she oversaw the digital recording of hearings. SSA used to record all hearings before its administrative law judges with regular cassette tapes. These tapes were difficult to ship and were often lost during transit. Jo Anne and her team spearheaded the effort to have hearings recorded digitally.

It is clear that Commissioner Barnhart accomplished an extraordinary number of achievements for SSA. She has reason to be proud. And the country owes her a huge debt of gratitude.

I wish her the very best in whatever endeavors she takes on after she leaves SSA. But we will sorely miss her.

###