

Understanding Social Security Disability Insurance – what happens to your patients?

**Karen Hercules-Doerr
National Sales Director,
Consumer Sales & Marketing**



Summary

Increasingly nurses are a primary gatekeeper for helping patients secure financial resources for medical care relating to recovery following treatment for a chronic illness or acute injury. At this time, there are limited educational resources for nurses to access to provide credible and timely information for patient counsel. Timely and credible information on financial resources provided by the nurse could assist those with disabilities and their families to secure monthly income that could assist them in paying their medical bills, maintain their insurance to pay these bills, and better adhere to pursuing medical care to overcome their disability or improve their health.

There are many different types of public and private disability benefits. State, federal and private long term disability plans all have different criteria, processes, timelines and benefits. Increasing provider education and awareness regarding potential types of financial and healthcare benefits patients with progressive chronic illness like multiple sclerosis (MS) may qualify for is vitally important to successful discharge planning and patient education.

A review of the literature shows that while much is written on the policy issues of Social Security Disability Insurance, Medicare, Medicaid, and state based aid, very little is written to educate medical professionals on how to help their patients secure financial benefits or provide the resources to do so. The Social Security Administration's information is a general overview of the program and what it may

provide. It does not provide specific information that can help medical professionals counsel patients on the Social Security's Sequential Evaluation as it applies to their individual case in seeking their Social Security Disability Insurance benefit.

Healthcare providers report feeling overwhelmed and unprepared to answer questions regarding disability and whether or not an individual will qualify for benefits or when to apply.

WIFM – What's in it for me?

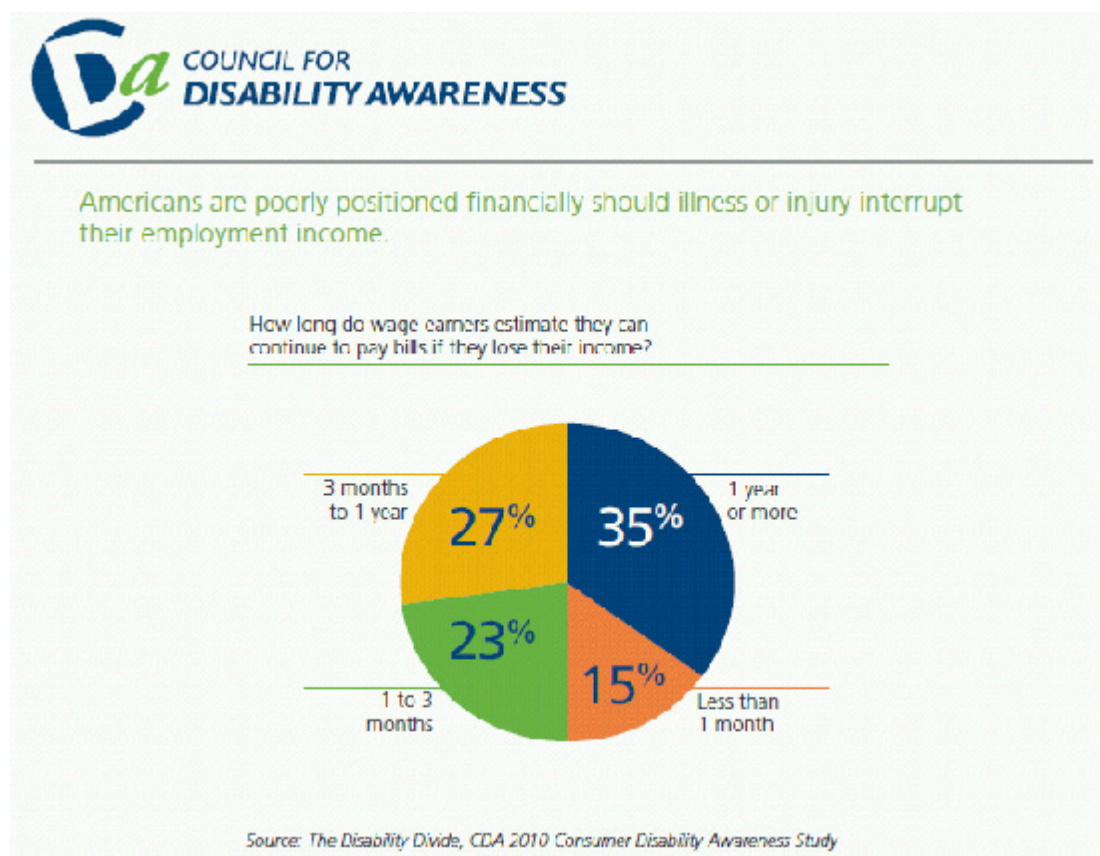
- Nurses are frequently asked to complete insurance and disability paperwork – many times without adequate training or specific guidance

- Understanding criteria for benefits, length of time for decision making and potential financial outcomes provides you with better information for patient and their caregivers in discharge planning

Frequency of Disability

- Two out of three people in workforce today do not have a LTD policy
- One out of three people will lose their health insurance while waiting on a decision from SSA
- 90% of MS patients report having work history and being diagnosed while working
- Fewer than half of adults age 51-64 who qualify for any type of public disability benefit (SSDI, SSI, WC, Veterans Disability) actually receive it
 - SSDI (30%), SSI (16%), Workers Compensation (9%), Veterans Administration (5%)*

What would you do if you became disabled?



*Half in Ten, Why Taking Disability into Account is Essential to Reducing Income Poverty and Expanding Economic Inclusion, Shawn Fremstad, September 2009, Center for Economic and Policy Research, 1611 Connecticut Avenue, NW, Suite 400, Washington, D.C. 20009, 202-293-5380, www.cepr.net

Objective 1: Differentiate Types of disability benefits

Disability Definition

- Under ADA, an individual with a disability is a person who: (1) has a physical or mental impairment that substantially limits one or more major life activities; OR (2) has a record of such an impairment; OR (3) is regarded as having such an impairment.*
- WHO : Any restriction or lack (resulting from an impairment) of ability to perform an activity in the manner or within the range considered normal for a human being.**

SSA's Definition of Disability (20 CFR 404.1527)

“An inability to do **any** substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted, or can be expected to last, for a continuous period of not less than 12 months.”

Types of Disability Benefits

- Private disability policies
 - Offered as part of employment
 - Short Term and Long Term Disability benefits
 - Employer sponsored and private pay
- Government sponsored
 - State Disability Insurance (SDI)
 - [NY, NJ, CA, HI]
 - Social Security Disability Insurance (SSDI)
 - Supplemental Security Income (SSI)
- Short term disability

*ADA <http://www.ada.gov/q%26aeng02.htm#29>

** WHO <http://www.who.int/mediacentre/factsheets/fs352/en/>

- Offered to employees who work >30 hours
- Provides replacement income @ 50-70% of salary
- Employer paid
- Starts 14 days after condition/injury occurs
- Can last 10-26 weeks
- Long term disability
 - Option for employers & employees
 - Provides replacement income when you cannot do current job @ 50-70% of salary
 - Insurance policy pays
 - Starts 90-180 days after event
 - Can last 5-10 years or pay until 65 years old

Long Term Disability Policies

- May include a wait time before benefits are paid
- Potential exclusions include: self reported symptoms,

depression and/or affective disorder, pre-existing conditions

- All policies require you to eventually file for SSDI

Types of Disability Benefits

- Workers compensation
 - Designed to protect workers and dependents against injury/accident or occupational hazards encountered
 - Provides cash and medical benefits while under evaluation
 - Evaluated on a percentage %
- Veterans compensation
 - May be disability related; evaluation on a percentage per claim related to service
 - May be means based to support low income war time veterans from poverty
 - Initial claims = 14 months; appeals can take up to 7 years

Supplemental Security Income (SSI)

- Monthly income paid to people who are aged, disabled, blind (includes children under the age of 18)
- Must meet SSA's disability criteria AND have limited income and resources
- Individual must pass screening threshold of household income and resources
 - Household income <\$710/month for individual or <\$1,066/mo for a couple
 - Resources that do count include net worth >\$2,000 per individual or >\$3,000 per couple (includes any bank acct, stocks & bonds, 401(k), CDs, more than 1 vehicle)

To Qualify for SSDI, You Must:

- Be between 21 years old and retirement age
- Have worked 5 out of last 10 years (earned 40 work credits)
- Be currently unable to work and are expected to be unable to work for at least 12 months
- Be under a medical professional's care

7 Key SSDI Patient Benefits:

1. Monthly cash income
 - Cash benefits begin 5 full months after the disability onset date
 - May include lump sum payment of retroactive benefits
2. Medicare entitlement
 - Entitled to coverage 24 months after date of disability (+5 month SSDI wait)
 - Drug coverage
3. Extension of COBRA benefits (29 mos. V. 18 mos.)
4. Protection of Social Security retirement benefits
5. Return-to-work incentives
6. Dependent and survivor benefits
7. Prevents permanent loss of SSDI benefits with timely filing

Objective 2 : SSDI Process & Barriers

Current Federal Disability Landscape

- Social Security Administration is in CRISIS:
 - Social Security office closing across the country
 - 3.1 million applications projected to be filed in 2013
 - 1.8 million applications pending currently

Your patient gets in line today behind 5 million applications

- Projected Sequester impact
 - Budget cut by \$890 million in 2013
 - Estimate 6 week furlough of SSA and DDS employees
 - Increase wait time of +70 days initial application
 - Staff loss of 5000

SSDI Levels

Level 1 – Initial Application

Level 2 – Reconsideration

Level 3 – Hearing by ALJ

Level 4 – Appeals Council Review

Level 5 – Federal District Court

Level 1 - Initial Application

- Application completed by claimant with SSA district office (or with representative).
- SSA sends case for medical/vocational development to

Disability Determination Services (DDS). May request consultative exam.

- SSA reports decision to be made in @ 137 days in 2013. Approximately 67% of claims are denied at this level.
- **Allsup Award Rate = 52%**
- Mandatory 5 month wait period assigned in level one before any cash disbursement is made.

Why a Rep? Getting Help Early Matters



“If claimants....had representatives earlier in the disability process, some of them may have received an allowance decision at the DDS level, saving them time and SSA money.

First, the claimants may not have had to go to the hearing level if they had representatives to assist them with

completing SSA’s forms and providing the necessary evidence at the DDS level.

This could have saved some claimants about 500 days in receiving an allowance decision.”

Disability Impairments on Cases Most Frequently Denied by Disability Determination Services and Subsequently Allowed by Administrative Law Judges, August 2010. <http://www.ssa.gov/oig/ADOBEPDF/A-07-09-19083.pdf>

Regional Statistics - OIG

Table 5 States with DDS Denial Rates and Hearing Level Allowance Rates Greater Than the National Averages by Impairment								
State	Disorders of Back		Osteoarthritis and Allied Disorders		Diabetes Mellitus		Disorders of Muscle, Ligament, and Fascia	
	DDS Denial Rate	Hearing Level Allowance Rate	DDS Denial Rate	Hearing Level Allowance Rate	DDS Denial Rate	Hearing Level Allowance Rate	DDS Denial Rate	Hearing Level Allowance Rate
Alabama	85%	80%	65%	80%	92%	73%	87%	73%
Georgia	88%	74%	77%	76%	91%	74%	90%	69%
Illinois	82%	76%	62%	77%	82%	76%	84%	73%
North Carolina	87%	72%	71%	73%	90%	72%	92%	69%
South Carolina	90%	75%	76%	76%	91%	72%	91%	71%
Tennessee	92%	78%	80%	81%	92%	78%	90%	78%

Level 2 - Reconsideration

- If claimant is not awarded at first level, seeks appeal with the SSA District Office.
- Claimant has a 60 day window to file and submit an appeal.
- **Reconsideration level typically takes 3-5 months. Approximately 88% of claims are denied at this level.**
- **Allsup Award Rate = 20%**

“Skip”/Redesign States

- New SSA policy adopted in 1999 that enables the disabled individual to skip the “reconsideration” and move straight to the hearing. (ODAR)
- List of the “skip states”:
 - AL, AK, CO, LA, MO, NH, NY, PA, MI
 - ** CA Los Angeles North and West branches

Level 3 - Office of Disability, Adjudication and Review (ODAR)

- Claimant files appeal with SSA District Office.
- District Office forwards request to ODAR.
- If hearing required, Administrative Law Judge (ALJ) conducts hearing with claimant and makes decision whether claimant is disabled or not.
- Decision typically reached at 353 days on average in 2012 according to SSA. 48% denial rate at this level.
- **Allsup Award Rate = 80%**

STATE-BY-STATE DISABILITY BACKLOG	
<i>Released by Allsup, 2013</i>	
State²	Hearing Backlog¹
Florida	64,680
California	52,691
New York	46,956
Pennsylvania	46,085
Texas	41,050
Georgia	39,526
Michigan	35,035
Tennessee	35,014
Ohio	33,294
Alabama	32,929
North Carolina	30,152
Missouri ⁷	27,565
Illinois	20,730

¹ Total pending claims, hearing offices (HO), Office of Disability Adjudication and Review, http://www.ssa.gov/appeals/DataSets/Archive/archive_data_reports.html; FY2013 through 12/28/12

² For total SSDI beneficiaries by state, http://www.socialsecurity.gov/policy/docs/statcomps/di_asr/

Level 4 - Appeals Council

- Claimant files appeal with Appeals Council.
- District Office forwards file to Appeals Council for review.

- SSA reports 393 days at this level in 2012.
- No significant change expected in 2013.
- Approximately 98% are denied.
- **Allsup Award Rate = 2%**
- Appeals Council awards, remands or affirms ALJ's decision.
 - A remand means the case should be reviewed again by ALJ (back to level 3).
 - An award means the case moves forward in process.
 - An affirm means the ALJ's decision is upheld

Level 5 - Federal District Court

- Only a level that requires formal representation by attorney who will file civil suit in Federal District Court
- Typically lasts 12 months
- 98% of claims are denied at this level

But Did You Know...

- Without an opinion from a treating medical source, SSA is free to use non-treating, non-examining physicians to provide an opinion...and they do.

What is Sequential Evaluation?

- SSA follows a 5 step process to determine disability. Each step is posed as a question:
 - Is the claimant working and earning <\$1040?
 - Is the impairment severe?
 - Does it meet a medical listing?
 - Can the claimant do his/her past work?
 - Can the claimant do ANY work, full time?

What are the Disability Medical Listings?

- Musculoskeletal System
- Respiratory System
- Digestive System
- Hematological Disorders

- Neurological
- Malignant Neoplastic Diseases
- Immune System Disorders
- Special Senses and Speech
- Cardiovascular System
- Genitourinary System
- Skin Disorders
- Impairments that affect multiple body systems
- Mental Disorders

Allsup `s Awards by Primary Diagnosis

1. Disorders of Back
2. Affective Disorders
3. Osteoarthritis and Allied Disorders
4. Other & Unspecified Arthropathies
5. Late Effects of Cerebrovascular Disease
6. Organic Mental Disorders
7. Chronic Pulmonary Insufficiency
8. Ischemic Heart Disease
9. **Multiple Sclerosis**
10. Disorders of Muscle, Ligament, Fascia

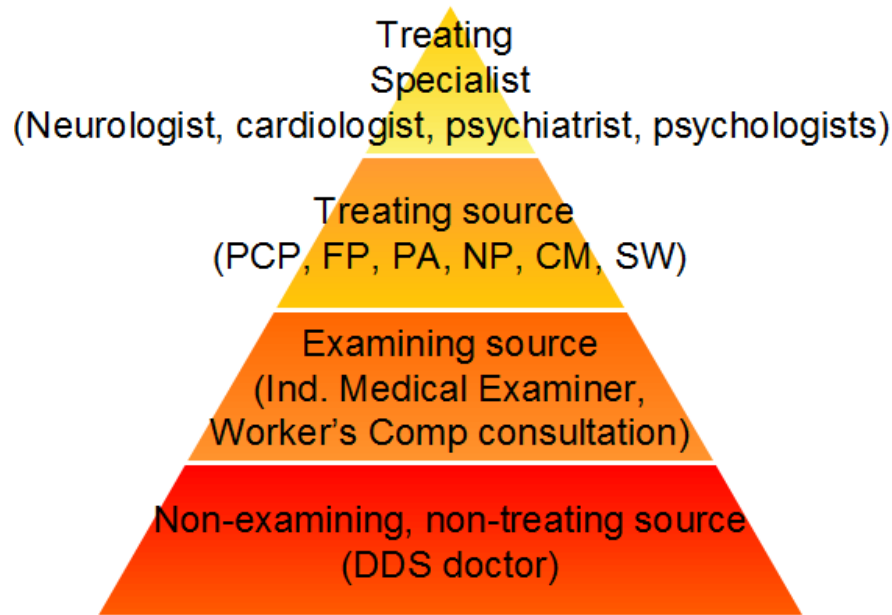
The DDS Decision Making Process

- Adjudicators are **NOT** doctors, however they offer **opinions based on a combination of evidence, including treating source evidence (your treatment notes).**
- Consultative Exams (not performed in every case) are general overviews, short exams, which are suspect as they are performed by physicians who are usually not specialists in the fields that the claimants have listed as impairments and have no history with the patient.
- Contrary to SSA rules/regulations, these exams are typically given significant weight over treating source evidence and opinion.
- Adjudicators may also consult with “in-house” doctors

who review the evidence and offer an opinion on the case.

- **As the treating source, YOU are in the best position to know your patient's limitations.**
- SSA acknowledges this in their rules & regulations. They want your opinion and your objective clinical records.

SSA Hierarchy in Decision Making



Early Identification

- Referral of a claimant early in the disability process, is an advantage to the patient and the treating sources as the longitudinal records can be established.
- Generally, reactive model - crisis driven when patient is destitute or has lost health insurance.
- Claims are denied frequently due in part to the length of treatment and inconsistency of record.

Objective 3: Clinical indicators that may precipitate long term disability

Clinical indicators to consider prior to disability

- Confirmation of MS diagnosis (duration, signs and symptoms prior to diagnosis)
- Significantly altered work activities
- Treatment (success and failures)
- Restricted ADL activities
- Modified ADL activities
- Balance problems
- Neuro-cognitive decline

Co-morbid conditions

- Fatigue
- Weakness
- Bowel and bladder problems
- Depression

Areas that support "disabled" with MS

- Motor function
- Visual impairment
- Mental impairment
- Fatigue

Major criteria for evaluating an impairment caused by multiple sclerosis

- A. Significant and persistent disorganization of motor function in two extremities, resulting in sustained disturbance of gross and dexterous movements of gait

and station; or

- B. Visual impairments with either best corrected vision in the better eye of 20/200 or less, marked contraction of peripheral visual fields in the better eye with the widest diameter subtending an angle around the point of fixation no greater than 20 degrees, or visual field efficiency in the better eye of 20 percent or less after best correction; or
- C. Organic, mental impairment with marked restrictions as defined by psychological or behavioral abnormalities associated with a dysfunction of the brain; or
- D. Significant, reproducible fatigue of motor function with substantial muscle weakness on repetitive activity, demonstrated on physical examination, resulting from neurological dysfunction in areas of the central nervous system known to be pathologically involved by the multiple sclerosis process.

Allsup Since 1984

- Headquartered in Belleville, IL since 1984
- 200,000 individuals awarded, secured over \$18 billion in SSDI and Medicare benefits for our claimants
- 97% success rate for those who complete the process with us
- 98% of our claimants would recommend us to friends and family
- TrueHelp[®]

Allsup 's Awards by Primary Diagnosis

1. Disorders of Back
2. Affective Disorders
3. Osteoarthritis and Allied Disorders

4. Other & Unspecified Arthropathies
5. Late Effects of Cerebrovascular Disease
6. Organic Mental Disorders
7. Chronic Pulmonary Insufficiency
8. Ischemic Heart Disease
9. **Multiple Sclerosis**
10. Disorders of Muscle, Ligament, Fascia

Conclusions:

Knowledge is power. Understanding the SSDI decision making process and the importance of timely filing and expert representation expedites access to important cash and insurance benefits for individuals with disabilities and minimizes the exposure to the provider of significant cost demands associated with treating patients without a

steady source of income or insurance. Educated patients and providers can make well informed decisions that affect an individual's physical and financial health when facing long term disability.

Declining Rate of Claims Awarded

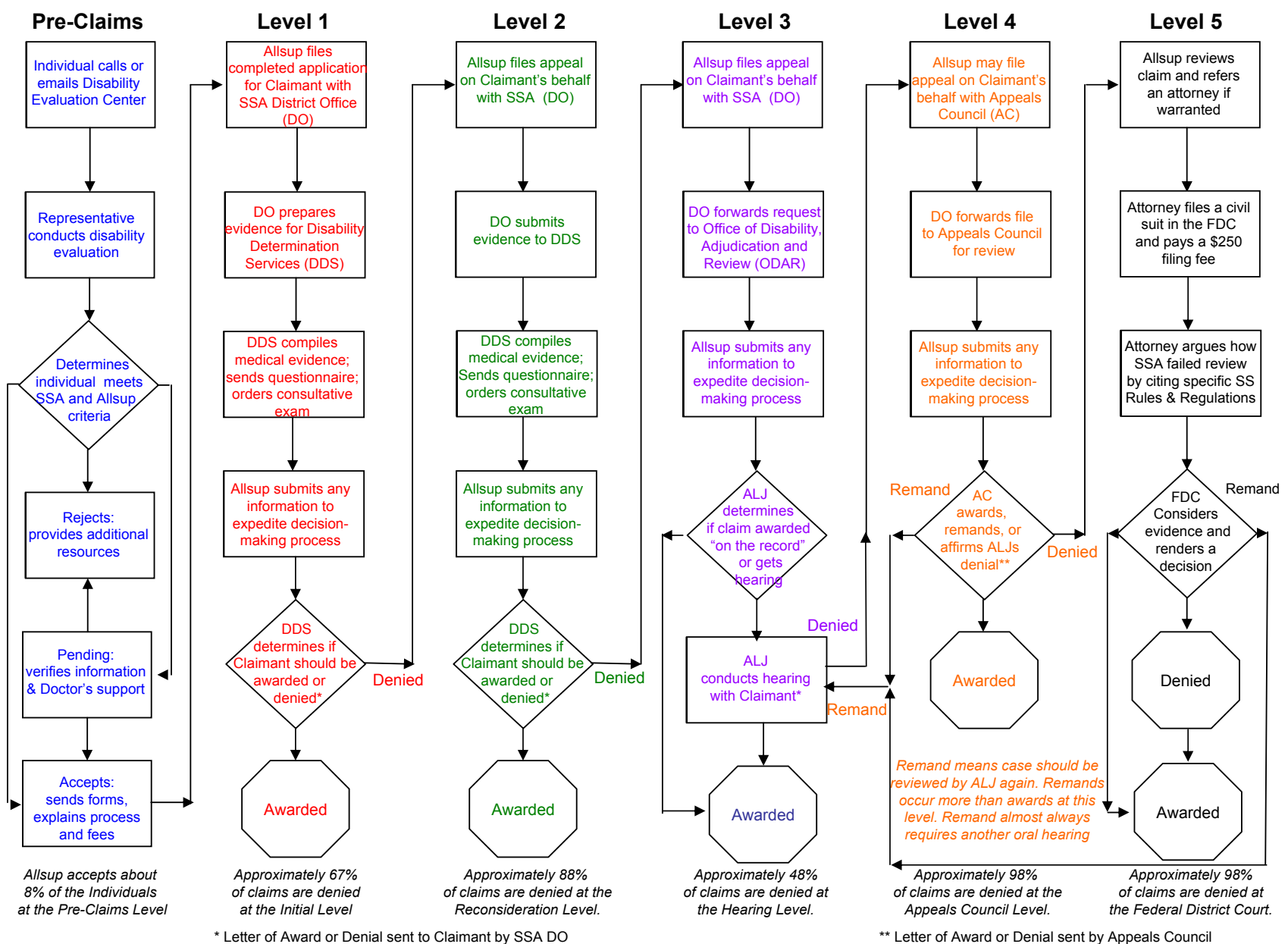
Social Security Administration Disability Decisions Declining Rate of Social Security Disability Claims Awarded

Initial Application	Claims	Allow	Deny
FY 2012	3,121,433	33%	67%
FY 2011	3,295,806	34%	66%
FY 2010	3,045,135	35%	65%
FY 2009	2,688,152	37%	63%

Reconsideration	Claims	Allow	Deny
FY 2012	796,862	12%	88%
FY 2011	819,710	12%	88%
FY 2010	719,270	13%	87%
FY 2009	582,992	14%	86%

Hearing	Claims	Allow	Dismiss	Deny
FY 2012	668,061	52%	16%	32%
FY 2011	662,765	58%	13%	29%
FY 2010	619,887	62%	13%	25%
FY 2009	554,025	63%	15%	22%

Social Security Disability Representation Flowchart



Three Ways to Make a Referral

- **Provider only:** online via <http://www.AllsupCares.com> OR via designated number at (866) 606-8812
 - Note your organization to expedite internal process and response
- **Customer Only:** online via Apply.Allsup.com
 - Note your organization to expedite internal process and response

Resources

- www.Allsupcares.com and www.Allsup.com
- Office of Inspector General Audit Report August 2010
- Council for Disability Awareness, 2012 Long Term Disability Claims Review 1-13
- SSA Annual Performance Plan for FY 2012
- Center for Economic Policy and Reform; “Half in Ten: Why Taking Disability into Account is Essential to Reducing Income Poverty and Expanding Economic Inclusion”; 9-09
- HFMA; “The Changing Face of Self-Payment in Hospitals”; 11-09
- SSA State Agency Operations Report 1-10
- “Disability Just Before Retirement Often Leads to Poverty.” Richard W. Johnson, Melissa M. Favreault, Corina Mommaerts. Older Americans Economic Security, The Retirement Policy Program. The Urban Institute. (January 2010)
- Income at Risk Report – Allsup 2013
- Social Security Administration | www.ssa.gov

In the interest of full disclosure please be informed that I, Karen Hercules-Doerr, in my role of national sales director, am an employee of Allsup and as such receive financial compensation for providing this information today.



Allsup[®]
Life Reclaimed