

Claims for disability benefits surging

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WASHINGTON – Social Security officials say they expect an even larger spike in new disability claims than previously projected, as aging, injured baby boomers tumble out of the work force and need income.

Officials estimate 3.3 million new disability claims over the next year, up from the previous estimate of 3 million just five months ago.

The wave of new applications comes just as officials were making progress in curbing a massive backlog of disability appeals cases, which has plagued the agency for years. Also adding to the problem are recent moves in at least 10 states to furlough hundreds of employees that process initial benefit claims.

Agency officials say the extraordinary increase is driven by the recession and an aging baby boomer work force reaching their most injury-prone years. Long waits for the agency to process claims and resolve appeals can leave claimants struggling to make ends meet. Since October, the number of people waiting to have a claim processed has jumped a stunning 30 percent, from about 556,000 eight months ago to more than 736,000 in July.

“We’re going to be moving backwards this year, the question is how much,” Social Security Commissioner Michael Astrue said in an interview. “The trend line isn’t good.”

Social Security disability benefits are available to people who can no longer work due to injury or illness. The program has been the fastest rising part of Social Security, with spending on disability benefits growing at almost twice the rate of spending on retirement benefits.

Astrue said he is frustrated that some states coping with budget shortfalls have decided to furlough state employees that include workers who process claims. Although the workers are employed by the state, their salaries are paid by the federal government, so Astrue said states save no money by requiring them to take unpaid furloughs.

“At a time when the case load is surging

like that, it just makes the task that much more difficult,” Astrue said.

Last week, New Jersey became the latest state to furlough thousands of employees, including 10 days off for more than 300 who review disability claims. California has furloughed more than 1,400 workers for three days a month through June 2010.

Other states ordering furloughs for some or all employees who review benefit claims include Connecticut, Hawaii, Ohio, Oregon, Wisconsin, Maine, Michigan and Nevada.

The agency denies nearly two-thirds of initial claims, but claimants disputing a decision can appeal to an administrative law judge. That process is so cumbersome, nearly 750,000 people are waiting for a hearing. Some wait years to resolve their claim, but about 61 percent of those who appeal are ultimately approved for benefits.

The economic stimulus package gave the agency \$500 million to help cut the appeals backlog. The agency is hiring hundreds more judges and staff to reduce the case load. The number of cases awaiting a hearing has gone down six months in a row.

Astrue predicted this year the agency would cut the appeals backlog to normal levels by 2013 and says he remains confident of meeting that deadline. But the sharp rise in new claims may knock that schedule off track, especially if congressional funding doesn’t keep pace with the increase.

Some Social Security judges have openly complained about Astrue’s method for addressing the backlog. They say agency directives that each judge should resolve 500-700 cases a year is more work than they can reasonably handle. The judges’ union has cited inconsistent review standards and Astrue’s decision to experiment with video hearings.

“More staff and judges only addresses temporary rises and falls in intake,” said Randall Frye, president of the judges’ union. “We’ve advocated systemic changes.”

Astrue calls his changes reasonable and says some judges are “not holding their weight.”