SECTION 4. SUPPLEMENTAL SECURITY INCOME (SSI)*

CONTENTS

*The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 changed this program; see appendix L for details.

BACKGROUND

The Supplemental Security Income (SSI) Program is a means tested, federally administered income assistance program authorized by title XVI of the Social Security Act. Established in 1972 (Public Law 92–603) and begun in 1974, SSI provides monthly cash payments in accordance with uniform, nationwide eligibility requirements to needy aged, blind and disabled persons.

The SSI Program replaced the Federal-State programs of old age assistance and aid to the blind established by the original Social Security Act of 1935 as well as the program of aid to the permanently and totally disabled established by the Social Security amendments of 1950. Under the former programs, Federal matching funds were offered to the States to enable them to give cash relief, "as far as practicable" in each State, to persons in eligible categories whom the States deemed needy. The States set benefit levels and administered these programs. The Federal-State adult assistance programs continue to operate in Guam, Puerto Rico, and the Virgin Islands. Under the Covenant to Establish a Commonwealth of the Northern Mariana Islands, enacted as Public Law 94–241 on March 24, 1976, the Northern Mariana Islands became the only U.S. jurisdiction outside the 50 States and the District of Columbia authorized to operate an SSI Program.

The Congress intended the new SSI Program to be more than just a Federal version of the former State adult assistance programs which it replaced. In describing the new program, the report of the Committee on Finance stated: The Committee bill would make a major departure from the traditional concept of public assistance as it now applies to the aged, the blind and the disabled. Building on the present Social Security Program, it would create a new Federal program administered by the Social Security Administration (SSA), designed to provide a positive assurance that the Nation's aged, blind, and disabled people would no longer have to subsist on below poverty-level incomes (Senate Report No. 92–1230, 1972, p. 384).

The SSI Program was envisioned as a basic national income maintenance system for the aged, blind, and disabled which would differ from the State programs it replaced in a number of ways. It would be administered by SSA in a manner as comparable as possible to the way in which benefits were administered under the Social Security Program. While it was understood that modifications would be necessary to make SSA's systems work for the new SSI Program, SSI was seen as an add-on rather than a new system. SSA had a longstanding reputation for dealing with the public on a fair and humane basis, but with scrupulous regard for the requirements of law. Thus, it was expected that both recipients and taxpayers would be pleased with the outcome.

Under the former adult assistance programs the amount of assistance could vary from person to person according to an evaluation of the individual's needs. The SSI Program, by contrast, represented a "flat grant" approach in which there would be a uniform Federal income support level.

In contrast to the former State programs with their provisions for liens against property and relative support requirements, the SSI Program was intended to have minimal barriers to eligibility other than a lack of income. Even here, the new SSI Program incorporated more generous provisions for disregarding income—particularly earned income—than was provided under the old-age assistance program. The report of the House Committee on Ways and Means stated that the SSI Program was designed to provide incentives and opportunities for those able to work or to be rehabilitated that would enable them to escape from their dependent situations (House Report No. 92–231, 1971, p. 147).

For the most part, the nature of the SSI Program is expressed by its title. It was conceived as a guaranteed minimum income for the aged, blind, and disabled which would supplement the Social Security Program and act as an income-related program to provide for those who were not covered or minimally covered under Social Security or who had earned only a minimal entitlement under the program.

It should be noted that even though SSA administers the SSI Program, SSI is not the same as Social Security. The SSI Program is funded by general revenues of the U.S. Treasury—personal income taxes, corporation taxes, and other taxes. Social Security benefits are funded by the Social Security taxes paid by workers, employers, and self-employed persons. The programs also differ in other areas such as the conditions of eligibility and the method of determining payments. In addition, States have the option of supplementing the basic Federal SSI payment. In some cases, State supplementary payments are administered by the State instead of the Federal Government (i.e., the Social Security Administration).

TRENDS

Table 4–1 summarizes the trends in the SSI Program since its inception in 1974:

1. The number of recipients on SSI has risen from nearly 4 million in 1974 to 6.5 million in December 1995. The number of SSI recipients declined early in the program as the number of aged individuals on SSI declined, but that trend reversed in the mid-1980s as rapid growth in disabled recipients outstripped the minimal change in the elderly and blind SSI populations.

TABLE 4–1.—SUPPLEMENTAL SECURITY INCOME SUMMARY, SELECTED YEARS 1974–95

Item	1974	1978	1980	1984	1986	1988	1990	1991	1992	1993	1994	1995
Recipients: [1]												
Total	3,996,064	4,216,925	4,142,017	4,029,333	4,269,184	4,463,869	4,817,127	5,118,470	5,566,189	5,984,300	6,295,786	6,514,134
Aged	2,285,909	1,967,900	1,807,776	1,530,289	1,473,428	1,433,420	1,454,041	1,464,684	1,471,022	1,474,852	1,465,905	1,446,122
Blind	74,616	77,135	78,401	80,524	83,115	82,864	83,686	84,549	85,400	85,456	84,911	83,545
Disabled	1,635,539	2,171,890	2,255,840	2,418,522	2,712,641	2,947,585	3,279,400	3,569,237	4,009,767	4,424,022	4,744,470	4,984,467
Number with section 1619(a)	NA	NA	NA	406 (8/84)	992 (1/86)	19,920	[2] 13,994	15,531	17,603	18,597	24,315	28,060
Number with section 1619(b)	NA	NA	NA	6,804	8,106	15,625	23,517	26,852	31,649	34,293	40,683	47,002
Annual payments (in millions):												
Total	$5,246	$6,552	$7,940	$10,372	$12,081	$13,786	$16,599	$18,534	$22,238	$23,991	$25,870	$27,037
Federal benefits	3,833	4,881	5,866	8,281	9,498	10,734	12,894	14,765	18,247	20,722	22,175	23,919
Federal admin. State supp	1,264	1,491	1,848	1,792	2,243	2,671	3,239	3,231	3,435	3,270	3,116	3,118
State admin. State supp	149	180	226	299	340	381	466	538	[3] 556	564	579	[4] 620
Annual payments (in millions of 1995 dollars)	$17,034	$15,535	$15,024	$15,267	$16,740	$17,836	$19,526	$20,755	$24,174	$25,312	$26,596	$27,037
Monthly Federal benefits rates:												
Individuals	$140.00	$177.80	$208.20	$314.00	$336.00	$354.00	$386.00	$407.00	$422.00	$434.00	$446.00	$458.00
Couples	210.00	266.70	312.30	472.00	504.00	532.00	579.00	610.00	633.00	652.00	687.00	687.00
Average Federal SSI payments: [1]												
All Recipients	$95.11	$111.98	$143.35	$196.16	$215.40	$227.49	$261.47	$286.03	$329.74	$317.41	$325.26	$358.40
Aged individuals	78.48	91.22	112.45	143.24	151.38	159.36	175.29	186.28	195.86	204.45	211.55	219.13
Aged couples	93.02	120.48	157.56	221.98	246.07	273.18	322.82	414.26	448.61	478.42	505.64	534.00
Average federally administered: [1]												
State supplementation	$70.92	$75.00	$99.15	$97.61	$115.41	$122.68	$139.79	$130.55	$118.08	$108.50	$101.46	$105.24
Income of recipients percent with: [1]												
Social Security benefits	52.7	51.7	51.0	49.6	48.9	47.8	45.9	44.3	41.3	40.1	39.1	37.9
Other unearned income	10.5	11.5	11.0	11.2	12.1	12.4	13.0	14.1	14.5	13.4	13.1	12.8
Earnings	2.8	3.1	3.2	3.5	3.9	4.4	4.7	4.6	4.4	4.3	4.2	4.3

Average amount of: [1]												
Social Security benefits	$130.01	$156.50	$196.94	$250.61	$263.29	$286.49	$318.57	$329.19	$335.72	$338.85	$345.20	$354.47
Other unearned income	61.10	66.93	74.35	84.56	86.40	85.92	98.13	94.71	91.96	100.44	101.13	105.32
Earnings	80.00	99.32	106.95	126.47	142.17	173.09	195.64	206.86	207.55	210.22	225.01	234.94
Poverty thresholds (age 65 and over):												
Individual	$2,364	$3,127	$3,949	$4,979	$5,255	$5,674	$6,268	$6,532	$6,729	$6,930	$7,108	$7,309
Couple	2,982	3,944	4,983	6,282	6,630	7,158	7,905	8,241	8,489	8,741	8,967	9,221
Federal benefit rate as a percent of poverty:												
Individual	74.1	72.7	72.3	75.6	76.7	74.9	73.9	74.8	75.3	75.2	75.3	75.2
Couple	88.1	86.4	86.0	90.2	91.2	89.2	87.9	88.8	89.5	89.5	89.5	89.4

[1] December data.
[2] The decrease in 1619(a) participants in 1990 was caused by the increase in the substantial gainful activity level to $500 monthly.
[3] Fiscal year 1992 data.
[4] Fiscal year 1995 data.

NA—Not available.

Source: Social Security Administration (1995 and various years) and unpublished data.

2. Total annual benefits paid under the SSI Program rose from about $5.2 billion in 1974 to $27.0 billion in 1995.
3. The monthly Federal benefit rates for individuals and couples rose from $140 and $210 in 1974 to $470 and $705 in 1996 (1996 figures are not in table), respectively. Nearly all of these changes resulted from the statutory indexation of the Federal benefit rates to the Consumer Price Index (CPI).
4. The proportion of SSI recipients receiving Social Security benefits declined from nearly 53 percent in 1974 to about 38 percent in 1995. The fraction of SSI recipients receiving some other type of unearned income rose from about 11 percent in 1974 to 13 percent in 1995, and the fraction with earnings increased from about 3 percent in 1974 to more than 4 percent in December 1995.
5. The Federal benefit rate as a percent of the appropriate poverty level for individuals has ranged from 72 to 77 percent and is currently 75 percent; for couples it has ranged from 86 to 91 percent and is currently at 89 percent. Most States supplement the Federal benefit for at least some participants.
6. The SSI Program pays benefits to children who are blind or have other disabilities. Some of the increases in participation since 1991 reflect the revised definition of disability for children as a result of the Supreme Court's decision in the *Sullivan* v. *Zebley* case.

BASIC ELIGIBILITY

Categorical Requirements

To qualify for SSI payments, a person must satisfy the program criteria for age, blindness or disability. The aged are defined as persons 65 years and older. The blind are individuals with 20/200 vision or less with the use of a correcting lens in the person's better eye, or those with tunnel vision of 20 degrees or less. Disabled individuals are those unable to engage in any substantial gainful activity by reason of a medically determined physical or mental impairment expected to result in death or that has lasted, or can be expected to last, for a continuous period of at least 12 months. The test of "substantial gainful activity" is to earn $500 monthly in counted income, with impairment-related expenses subtracted from earnings. Generally, the individual must be unable to do any kind of work that exists in the national economy, taking into account age, education, and work experience.

Children may qualify for SSI if they are under age 18 (or under age 22 if a full-time student), unmarried, and meet the applicable SSI disability or blindness, income, and resource requirements. The child's impairment must be of severity comparable to that of an adult whose disability prevents him from working. The Supreme Court ruled in *Sullivan* v. *Zebley* (1990) that in determining the severity of a child's impairment, SSA must consider whether the limitations caused by the impairment substantially reduce the child's ability to do the things and behave in the ways that children of a similar age normally do.

To be found disabled, children must have a medically determinable physical or mental impairment that substantially reduces their ability to function independently, and effectively engage in "age-appropriate" activities. This impairment must be expected to result in death or to last for a continuous period of not less than 12 months.

To determine whether an adult is disabled, SSA compares the medical evidence to a "Listing of Impairments" that are presumed to be too severe to allow the individual to perform any "substantial gainful activity" (this listing also is used for Social Security Disability Insurance (DI) cases). If the individual has an impairment on the list, she qualifies for SSI benefits without further inquiry. If the individual's impairment is not on the list, SSA makes an individualized assessment to determine whether the person would be able to "do his own past work or any other work that exists in the national economy given his age, education, and work experience." If the adult applicant cannot work based on these factors, she is eligible for SSI benefits.

Before the 1990 Supreme Court ruling in *Sullivan* v. *Zebley*, SSA treated children in a different way. If the child's impairment did not match the listed impairment, the child was not eligible for SSI benefits. In contrast to adults, there was no additional functional assessment done. On February 20, 1990, the Supreme Court ruled in *Sullivan* v. *Zebley* that SSA's refusal to consider the functional limitations of children when assessing their SSI eligibility for disability benefits was "manifestly contrary to the statute." On February 11, 1991, SSA published the revised regulations for determining whether a child is disabled.

Under the disability determination process for children, individuals whose impairments do not meet or equal the "Listing of Impairments" in Federal regulations are subject to an individualized functional assessment (IFA). This assessment, established pursuant to the *Zebley* decision, examines whether the child can engage in "age-appropriate" activities effectively. If not, the child is determined to be disabled.

CITIZENSHIP AND RESIDENCY REQUIREMENTS

To qualify for SSI, a person must (1) be a U.S. citizen or an immigrant lawfully admitted for permanent residence or otherwise permanently residing in the United States under color of law and, (2) be a resident of the United States or the Northern Mariana Islands, or a blind or disabled child of military personnel stationed outside the United States, or a student temporarily abroad.

INCOME AND RESOURCE REQUIREMENTS

Income

Individuals and couples are eligible for SSI if their incomes fall below the Federal maximum monthly SSI benefit, currently $470 for an individual and $705 for a couple. If only one member of a couple qualifies for SSI, part of the ineligible spouse's income is considered to be that of the eligible spouse (this procedures is called "deeming"). If a couple has been separated or living apart for over 6 months, each person is treated as an individual. If an unmarried child living at home is under age 18, some of the parent's income is deemed to that child. If an alien/immigrant is sponsored into the United States, some of the sponsor's income is deemed to that immigrant.

Income includes cash, checks, and items received "in-kind" such as food and shelter. Wages, net earnings from self-employment, and income from sheltered workshops are considered earned income. Social Security benefits, workers' or veterans' compensation annuities, rent, and interest are counted as unearned income.

An individual does not have to be totally without income to be eligible for SSI benefits. Maximum SSI benefits are paid (assuming the other conditions of eligibility are met) if the individual or couple has no "countable" income in that particular month. If the individual or couple has "countable" income, a dollar-for-dollar reduction is made against the maximum payment. Not all income is counted for SSI purposes. Major exclusions include the first $20 of monthly income from virtually any source (such as Social Security benefits, but not needs-tested income such as veterans' pensions) and the first $65 of monthly earned income plus one-half of remaining earnings.

Income received in sheltered workshops and work activity centers is considered earned income and qualifies for earned income exclusions. Table 4–2 shows the maximum income that an individual and couple can have, taking into account these income exclusions, and still remain eligible for Federal SSI benefits.

TABLE 4–2.—MAXIMUM INCOME FOR ELIGIBILITY FOR FEDERAL SSI BENEFITS, 1996

	Receiving only Social Security		Receiving only wage income	
	Monthly	Annually	Monthly	Annually
Individual	$490	$5,800	$1,025	$12,300
Couple	725	8,700	1,495	17,940

Source: Office of Supplemental Security Income, Social Security Administration.

Work-related expenses are disregarded (i.e., subtracted from income) in the case of blind applicants or recipients and impairment-related work expenses are disregarded in the case of disabled applicants or recipients.

The SSI Program also does not count income and resources that are set aside as part of an approved plan for achieving self-support (PASS). A PASS is an income and resource exclusion that allows an SSI recipient who is blind or disabled to set aside income and resources for a work goal. The money set aside can be used to pay for such items or services as education, vocational training, or starting a business.

The value of any in-kind assistance is counted as income unless such in-kind assistance is specifically excluded by statute. Generally, in-kind assistance provided by or under the auspices of a federally assisted program, or by a State or local government (for example, nutrition, food stamps, housing or social services), will not be counted as income. As described later, if an SSI applicant or recipient is living in the household of another and receiving in-kind support and maintenance from her, the SSI benefit standard for such an individual is reduced by one-third. By regulation, SSA has also ruled that the value of any in-kind support and maintenance received (other than in the case of those receiving in-kind assistance by reason of living in another's household), is presumed to equal one-third of the Federal SSI benefit standard plus $20. The individual can rebut this presumption. If it is determined that the actual value is less than the one-third amount, the lower actual value will be counted as unearned income.

In-kind support and maintenance provided by a private nonprofit organization to aged, blind, or disabled individuals is excluded under the SSI Program if the State determines that the assistance is provided on the basis of need. Certain types of assistance provided to help meet home energy needs are also excluded from income. Assistance provided to an aged, blind, or disabled individual for the purpose of meeting home energy costs either in cash or in kind and which is furnished by a home heating oil or gas supplier or by a utility company is to be excluded. Assistance for home energy costs provided in-kind by a private nonprofit organization is also excluded.

As countable income increases, a recipient's SSI benefit amount decreases. Ineligibility for SSI occurs when countable income equals the Federal benefit standard plus the amount of State supplementation, if any.

Resources

SSI eligibility is restricted to qualified persons who have resources/assets of not more than $2,000, or $3,000 in the case of a couple. The resource limit for a couple applies even if only one member of a couple is eligible. If the couple has been separated or living independently for over 6 months, each person is treated as an individual. If an unmarried child living at home is under age 18, the parent's assets are considered to be the child's (i.e., deemed to the child).

In determining countable resources, a number of items are not included, such as the individual's home; and, within reasonable limits set by SSA: household goods, personal effects, an automobile, and a burial space for the individual, spouse, and members of the immediate family. Regulations place a limit of $2,000 in equity value on excluded household goods and personal effects and exclude the first $4,500 in current market value of an auto (100 percent of the auto's value is excluded if it is used to obtain medical treatment or for employment or has been modified for use by or transportation of a handicapped person or is necessary to perform essential daily activities because of distance, climate or terrain). The value of property which is used in a person's trade, or business, or by the person as an employee is also excluded. The value of certain other property that produces income, goods or services essential to a person's self-support may be excluded within limits set by SSA in regulations. SSI and Social Security retroactive benefit payments may not be considered as a resource for a period of 6 months after the month in which the retroactive benefit is received. Resources set aside under a PASS (plan for achieving self support) are also excluded.

The cash surrender value of life insurance policies if the total face value of all policies on an individual's life is $1,500 or less are not counted toward the $2,000 or $3,000 countable resources limit. The entire cash surrender value of life insurance policies if the total face value of all policies on an individual's life is greater than $1,500 counts toward the resources limit, but may be excludable under one of the other resource provisions.

An individual and spouse may have excluded up to $1,500 each of burial funds. However, the $1,500 maximum amount is reduced by the face value of any excluded life insurance policies and the value of any irrevocable burial contracts, trusts or arrangements. If left to accumulate, interest earned on excluded burial funds and burial spaces is not countable as either income or resources for SSI purposes.

Current law provides that as of July 1, 1988, an individual who gives away or sells any nonexcludable resource for less than fair market value will no longer be subject to a penalty for such a transfer. However, such a transfer may make the individual ineligible for certain Medicaid covered nursing services. SSA must notify individuals of the penalty and provide information upon request to the States regarding transfers of resources.

The Deficit Reduction Act of 1984 (Public Law 98–369) requires the Internal Revenue Service (IRS) to furnish SSA with certain nonwage information about SSI recipients. The IRS information consists primarily of reports of interest payments submitted to IRS by financial institutions but also includes income from dividends, unemployment compensation, etc. The purpose of the provision was to assist in alerting SSA of the potential ownership by SSI recipients of bank accounts in excess of the countable resources limit. In fiscal year 1987, computer matches between IRS tax files and SSI records resulted in 239,000 such matches. Only cases involving IRS reports of interest income of $51 or more were examined. The resulting savings to the SSI Program were $64 million. As a result of SSA's evaluation of these cases, the tolerance level was lowered to $41 beginning with fiscal year 1988 and 398,000 matches were identified. In fiscal year 1989, the matches totaled 508,000. SSA has evaluated and adjusted the tolerance levels several times over the years. Effective October 1993, the tolerance level for income from resources—e.g., interest and dividends—is $60. The tolerance level for other nonwage income not from resources—e.g., unemployment compensation and pensions—is $1,000. Also, a special tolerance was developed for cases that had been matched before; if the current year's resources are less than $10 more than the prior year's resource indicators, the IRS report is not examined. All match information is sent to Social Security offices for verification of the information. For fiscal years 1994 and 1995 there were 297,000 and 181,000 matches, respectively.

Based on a study of the 1993 matches, SSA decided to apply a statistical profiling technique to the IRS matches. Statistical profiling increases the cost-effectiveness of the IRS process by targeting the more error-prone matches and eliminating the less productive matches. The resulting savings to the SSI Program were $45 million.

Prior to the 1984 Deficit Reduction Act, if in any month a recipient's assets exceeded the asset limit, the individual was ineligible for benefits in that month and the entire amount of the benefit paid for that month was considered an overpayment subject to recovery. Effective October 1, 1984, SSI law provides that in cases where there is an overpayment based solely on an excess of assets of $50 or less, the recipient is deemed to be without fault for purposes of waiving the overpayment and the overpayment is not recovered unless the Secretary finds that the failure to accurately and timely report the excess was knowing and willful on the part of the recipient.

An individual may receive SSI benefits for a limited time even though he has certain nonliquid property that, if counted, would make him ineligible. These benefits are conditioned upon the disposal of the property, and are subject to recovery as overpayments when the property is sold. The 1987 Budget Reconciliation Act provides, in addition, for the exclusion of real property (if it cannot be sold) because it is jointly owned and sale would cause undue hardship to the joint owner due to loss of housing, because it has legal impediments to its sale, or because reasonable efforts to sell it have been unsuccessful.

Deeming of Income and Resources

The income of an ineligible spouse who lives with an adult SSI applicant or recipient is considered in determining the eligibility and amount of payment to the individual. The income of the parents of a child under the age of 18 who is blind or disabled is also considered in determining the eligibility and payment for the child. However, since 1990, children with disabilities who are eligible for Medicaid at home under State home care plans, who previously received SSI personal needs allowances while in medical institutions, and who otherwise would be ineligible for SSI because of their parents' income or resources, have been eligible for the $30 monthly personal needs allowance that would be payable if they were institutionalized, without regard to their parents' income and resources. Effective October 1, 1993, an ineligible parent or spouse who is absent from a household due solely to a duty assignment as a member of the Armed Forces is considered, absent evidence to the contrary, to be living in the same household as the SSI applicant or recipient for deeming purposes.

By regulation, the Commissioner of Social Security has provided that in determining the amount of the income of an ineligible spouse or parent to be deemed to the SSI applicant or recipient, the needs of the spouse or parent and other children in the household are taken into account. In addition, the SSI earned and unearned income exclusions are applied in determining the amount of income to be deemed to the SSI applicant or recipient. If the combined countable income of an SSI applicant and an ineligible spouse does not exceed the SSI benefit standard for an eligible couple in that State (including any federally administered State supplementary payment), the SSI applicant would be eligible to receive an SSI and/or State supplementary benefit.

For example, in 1996 in a State with no supplementation, here is how the deeming procedure would work in the case of an ineligible spouse earning $550 per month living with an eligible individual with $200 of Social Security benefits:

Unearned income of eligible individual	$200.00
Less $20 exclusion	−20.00
Countable unearned income	180.00
Earned income of ineligible individual	550.00
Less $65 earned income disregard	−65.00
Less one-half of remaining earnings ($485)	−242.50
Countable earned income	242.50
Plus countable unearned income	180.00
Couple's total countable income	422.50
SSI payment standard for couples	705.00
Less countable income	−422.50
Benefit payable to eligible individual	282.50

Thus, the benefit for the eligible individual will be $282.50. Without deeming and as an individual, the recipient would have received $290 [$470−($200 less $20 exclusion)]. The $20 exclusion can only be used once and is first applied to unearned income, which in this example is the $200 of Social Security income.

An individual's resources are deemed to include those of the ineligible spouse (or in the case of a child under the age of 18, those of the parents) with whom the individual is living. Under SSI regulations, in determining the amount of the spouse's or parents' resources that can be deemed, all applicable exclusions are applied. In the case of a child, only the value of the parents' resources that exceeds the applicable limits ($2,000 for a single parent, and $3,000 for two parents) is deemed to the child. Also, under regulations, pension funds of an ineligible spouse or parent are excluded from deeming.

In December 1995, there were about 109,000 children's cases in which deeming reduced benefits. This figure does not take into account, however, the number of children who were not eligible because of the deeming provision.

In determining the eligibility of aliens applying for SSI, the income and resources of their sponsors are considered. After income and resources allowances for the needs of the sponsors and income allowances for their dependents, the remainder is deemed available for the support of the alien applicant. Prior to January 1, 1994, the remainder was deemed available for a 3-year period after the alien's entry into the United States. Effective January 1, 1994, through September 30, 1996, the remainder is deemed available for a 5-year period after the alien's entry into the United States. Under current law, the deeming period will revert to 3 years again on October 1, 1996. This provision does not apply to those who become blind or disabled after admission as a permanent resident, to refugees, and to persons granted political asylum.

Presumptive SSI Eligibility for Persons with AIDS and HIV

SSI law permits benefits to be paid to a person applying for SSI benefits on the basis of disability or blindness before a formal determination of disability or blindness has been made when available information indicates a high probability that the person is disabled or blind and the person is otherwise eligible.

Section 1631(a)(4)(B) of the Social Security Act provides that the Commissioner of Social Security may pay up to 6 months of SSI benefits to a person applying for SSI based on disability or blindness prior to the determination of the individual's disability or blindness if the individual is presumptively disabled or blind and otherwise eligible. A finding of presumptive disability or blindness may be made at the Social Security field offices only for specified impairment categories (because the field office employees generally are not trained disability adjudicators); however, at the State agencies (where there are disability adjudicators) they may be made for any impairment category.

On February 11, 1985, Acquired Immunodeficiency Syndrome (AIDS), as defined by the Centers for Disease Control, was added (pursuant to interim Federal regulations) to the impairment categories, thus allowing field offices to find presumptive disability for persons claiming they had AIDS. These regulations were scheduled to expire February 11, 1988, but were extended until December 31, 1989; and in 1989 they were extended until December 31, 1991. In December 1991, a new more liberal regulation was implemented. Under the new procedures, the Social Security field offices may make a finding of presumptive disability for any individual with the Human Immunodeficiency Virus (HIV) whose disease manifestations are of listing-level severity, not only to those who have been diagnosed with AIDS.

The Social Security Administration standards governing presumptive SSI eligibility for persons with HIV disease have been challenged in court in at least one State on the grounds that they discriminate against women. The contention is that the listing of impairments reflects the course of HIV disease in men, while women tend to have different symptoms and are therefore excluded. Others have argued that the Center for Disease Control definition and the somewhat broader SSA listing have failed to keep pace with changing manifestations of HIV disease.

Public Institution Requirement

In general, public institutions are prisons, hospitals, nursing homes, or any institution that is operated or administered by a governmental unit. This governmental unit could be the Federal, State, city, or county government, or another political subdivision of the State. Residents of public institutions for a full calendar month are ineligible for SSI unless one of the following exceptions applies:

1. The public institution is a medical treatment facility and Medicaid pays more than 50 percent of the cost of care.
2. The individual is residing in a publicly operated community residence which serves no more than 16 residents. Such a facility must provide an alternative living arrangement to a large

institution and be residential (i.e., not a correctional, educational or medical facility).

3. The public institution is a public emergency shelter for the homeless. Such a facility provides food, a place to sleep, and some services to homeless individuals on a temporary basis. Payments to a resident of a public emergency shelter for the homeless are limited to no more than 6 months in any 9-month period.
4. The individual is in a public institution primarily to receive educational or vocational training. To qualify, the training must be an approved program and must be designed to prepare an individual for gainful employment.
5. The individual was eligible for SSI under one of the special provisions of section 1619 of the Social Security Act (see section on "Special SSI Provisions for the Working Disabled, Overview of Section 1619 Provisions") in the month preceding the first full month of residency in a medical or psychiatric institution which agrees to permit the individual to retain benefit payments. Payment may be made for the first full month of institutionalization and the subsequent month.
6. A physician certifies that the recipient's stay in a medical facility is likely not to exceed 3 months and the recipient needs to continue to maintain and provide for the expenses of the home to which he may return. Payments may be made for up to the first 3 full months of institutionalization.

To help institutionalized individuals return to community living, the SSI Program includes a prerelease procedure for institutionalized individuals. Some individuals are medically ready to be released from an institution but are financially unable to support themselves. The prerelease procedure allows such individuals to apply for SSI payments and food stamps several months in advance of their anticipated release so benefits can commence quickly after release. A formal prerelease agreement can be developed between an institution and the local Social Security office. However, an individual can file an application for SSI under prerelease without the existence of such an agreement.

APPLICATION TO OTHER PROGRAMS REQUIREMENT

Since SSI payments are reduced by other income, applicants and recipients must apply for any other money benefits due them. SSA works with recipients and helps them get any other benefits for which they are eligible.

ELIGIBILITY FOR SOCIAL SECURITY

As noted, SSI law requires that SSI applicants file for all other benefits for which they may be entitled. Since its inception SSI has been viewed as the "program of last resort." That is, after evaluating all other income, SSI pays what is necessary to bring an individual to the statutorily prescribed income "floor." As of December 1995, 38 percent of all SSI recipients also received Social Security benefits (63 percent of the aged, 31 percent of the disabled, and 36 percent of the blind). Social Security benefits are the single highest source of income for SSI recipients. The SSI Program considers Social Security benefits unearned income and thus counts all but $20 monthly in determining the SSI benefit amount.

Eligibility for Aid to Families with Dependent Children (AFDC)

An *individual* cannot receive both SSI payments and AFDC benefits and, if eligible for both, must choose which benefit to receive. Generally, the AFDC agency encourages individuals to file for SSI and, once the SSI payments start, the individual is removed from the AFDC filing unit.

Eligibility for Medicaid

States have three options as to how they treat SSI recipients in relation to Medicaid eligibility. Section 1634 of SSI law allows SSA to enter into agreements with States to cover all SSI recipients with Medicaid eligibility. SSI recipients are not required to make a separate application for Medicaid under this arrangement. As of January 1, 1996, 32 States and the District of Columbia chose this option, and SSI recipients in these States account for approximately 78 percent of all SSI recipients nationwide.

Under the second option, States elect to provide Medicaid eligibility for all SSI recipients, but only if the recipient completes a separate application with the State agency which administers the Medicaid Program. The seven States of Alaska, Idaho, Kansas, Nebraska, Nevada, Oregon, and Utah and the Commonwealth of the Northern Mariana Islands affecting about 2.6 percent of SSI recipients nationwide, have elected this option.

The third and most restrictive option is known as the "209(b)" option, under which States may impose Medicaid eligibility criteria which are more restrictive than SSI criteria, so long as the criteria chosen are not more restrictive than the State's approved Medicaid State plan in January 1972. The 209(b) States may be more restrictive in defining blindness or disability, and/or more restrictive in their financial requirements for eligibility, and/or require a Medicaid application with the State. However, aged, blind, and disabled SSI recipients who are Medicaid applicants must be allowed to spend-down in 209(b) States, regardless of whether or not the State has a medically needy program. As of January 1, 1996, 11 States use the 209(b) option for Medicaid coverage of aged, blind, and disabled SSI recipients. About 19.3 percent of the SSI recipient population nationwide lives in these 209(b) States. The 11 States that use this option are:

Connecticut	Minnesota	Ohio
Hawaii	Missouri	Oklahoma
Illinois	New Hampshire	Virginia
Indiana	North Dakota	

An amendment included in the 1986 SSI disability amendments (Public Law 99–643) required, effective July 1, 1987, that 209(b) States continue Medicaid coverage for individuals in section 1619 status if they had been eligible for Medicaid for the month preceding their becoming eligible under section 1619 (see special section on "Special SSI Provisions for the Working Disabled, Overview of Section 1619 Provisions").

The same legislation required States to provide for continued Medicaid coverage for those individuals who lose their eligibility for SSI on or after July 1, 1987 when their income increases because they become newly eligible for Social Security benefits as an adult who became disabled as a child (disabled adult child) or because of an increase in their benefits as an adult who became disabled as a child. "Disabled adult children" who otherwise would be eligible for SSI continue to be considered SSI recipients for Medicaid purposes. Protection against loss of Medicaid also is provided for certain blind or disabled individuals who lose their SSI benefits when they qualify for Social Security disabled widow or widower's benefits beginning as early as age 50. The Omnibus Budget Reconciliation Act of 1990 provides that such individuals, who otherwise would continue to qualify for SSI on the basis of blindness or disability, will be deemed to be SSI recipients for purposes of Medicaid eligibility until they become eligible for Medicare Hospital Insurance. This provision has been effective since January 1, 1991.

ELIGIBILITY FOR FOOD STAMPS

Except in California, which has converted food stamp benefits to cash that is included in the State supplementary payments, SSI recipients may be eligible to receive food stamps. SSI beneficiaries living alone or in a household where all other members of the household receive or are applying for SSI benefits can file for food stamps at an SSA office. If all household members receive SSI, they do not need to meet the Food Stamp Program financial eligibility standards to participate in the program because they are categorically eligible. However, SSI beneficiaries living in households where other household members do not receive or are not applying for SSI benefits are referred to the local food stamp office to file for food stamps. These households must meet the net income eligibility standard of the Food Stamp Program to be eligible for food stamp benefits.

The interaction with the Food Stamp Program has important financial implications for a State which desires to increase the income of its SSI recipients by $1. Because food stamps are reduced by $0.30 for each additional $1 of SSI income including State supplements, the State must expend $1.43 to obtain an effective $1 increase in SSI recipients' total income.

VOCATIONAL REHABILITATION AND TREATMENT AND MONITORING REQUIREMENTS

Section 1615(d) of the Social Security Act requires SSA to reimburse State vocational rehabilitation agencies for reasonable and necessary costs of services which resulted in disabled SSI recipients being successfully rehabilitated. The objective of vocational rehabilitation for SSI recipients is to help disabled individuals achieve and sustain productive, self-supporting work activity. SSA provides funds to reimburse vocational rehabilitation agencies for costs incurred in successfully rehabilitating SSI recipients. A successful rehabilitation is defined by law as one in which vocational rehabilitation services result in performance of substantial gainful activity for a continuous period of 9 months.

Public Law 104–121, enacted in 1996, includes provisions which prohibit SSI and disability insurance eligibility for individuals whose drug addiction or alcoholism is a contributing factor material to the finding of disability. This law stipulates that recipients who are disabled due to another impairment, and who are determined by the Commissioner of Social Security to also have drug or alcohol problems are to be paid benefits via a representative payee and are to be referred for treatment. Previously, persons who were disabled because of drug addiction or alcoholism were required to accept appropriate treatment for their conditions as a condition of SSI eligibility.

SSI BENEFITS

FEDERAL SSI BENEFIT STANDARD

The Federal SSI benefit standard for an individual for 1996 is $470 a month and $705 for a couple. As is discussed later, most States supplement the Federal SSI benefit. The result is a combined Federal SSI/State supplemented benefit against which countable income is compared in determining eligibility and benefit amount. However, many States limit their supplementation to certain categories of individuals based on specific indicators of need—especially special housing needs. In September 1995, 321,887 persons, or 5.0 percent of all SSI recipients, were eligible for benefits only because (federally administered) State supplementation increased the benefit.

The Federal SSI benefits are indexed to the Consumer Price Index (CPI) and by the same percentage as Social Security benefits. This occurs through a reference in the SSI law to the Social Security cost-of-living adjustment (COLA) provision. Prior to the Social Security amendments of 1983 (Public Law 98–21), the SSI and Social Security cost-of-living increases occurred in benefits paid in July. Public law 98–21 delayed the Social Security and SSI COLA's from July 1983 to January 1984. However, in lieu of a COLA increase in the SSI benefit standard in July 1983, the Federal SSI benefit was increased in July, 1983, by $20 a month for an individual and $30 a month for a couple. Table 4–3 shows the Federal SSI benefit from the beginning of the SSI Program until the present time.

BENEFITS FOR PERSONS LIVING IN THE HOUSEHOLD OF ANOTHER

The SSI law provides that if an SSI applicant or recipient is "living in another person's household and receiving support and maintenance in-kind from such person," the Federal SSI benefit applicable to such individual or couple is two-thirds of the regular Federal SSI benefit. As shown in table 4–3, the Federal SSI benefit in 1996 for those determined to be living in the household of another is $313.34 for an individual and $470 for a couple.

Regulations specify the criteria for determining when this reduced benefit applies. It does not apply to an individual who owns or rents; buys food separately; eats meals out rather than eating with the household; or pays a pro rata share of the household's food and shelter expenses.

In September 1995, 4.6 percent, or about 298,800 SSI recipients, had their benefits determined on the basis of this "one-third reduction" benefit standard. Sixty-three percent of those recipients were receiving benefits on the basis of disability (see table 4–4).

TABLE 4–3.—FEDERAL SSI BENEFIT LEVELS, 1974–96

[In dollars]

Year	Eligibility status						
	Medicaid institution	Own household			Household of another		
		Single	Couple	Essential person	Single	Couple	Essential person
Initial	25.00	130.00	195.00	65.00	86.67	130.00	43.34
Jan. 1974	25.00	140.00	210.00	70.00	93.34	140.00	46.67
July 1974	25.00	146.00	219.00	73.00	97.34	146.00	48.67
July 1975	25.00	157.70	236.60	78.90	105.14	157.74	52.60
July 1976	25.00	167.80	251.80	84.00	111.87	167.87	56.00
July 1977	25.00	177.80	266.70	89.00	118.54	177.80	59.34
July 1978	25.00	189.40	284.10	94.80	126.27	189.40	63.20
July 1979	25.00	208.20	312.30	104.20	138.80	208.20	69.47
July 1980	25.00	238.00	357.00	119.20	158.67	238.00	79.47
July 1981	25.00	264.70	397.00	132.60	176.47	264.67	88.40
July 1982	25.00	284.30	426.40	142.50	189.54	284.27	95.00
July 1983	25.00	304.30	456.40	152.50	202.87	304.27	101.67
Jan. 1984 [1]	25.00	314.00	472.00	157.00	209.34	314.67	104.67
Jan. 1985	25.00	325.00	488.00	163.00	216.67	325.34	108.67
Jan. 1986	25.00	336.00	504.00	168.00	224.00	336.00	112.00
Jan. 1987	25.00	340.00	510.00	170.00	226.67	340.00	113.34
Jan. 1988	25.00	354.00	532.00	177.00	236.00	354.67	118.00
Jan. 1989	30.00	368.00	553.00	184.00	245.34	368.67	122.67
Jan. 1990	30.00	386.00	579.00	193.00	257.34	386.00	128.67
Jan. 1991	30.00	407.00	610.00	204.00	271.34	406.67	136.00
Jan. 1992	30.00	422.00	633.00	211.00	281.34	422.00	140.67
Jan. 1993	30.00	434.00	652.00	217.00	289.34	434.67	144.67
Jan. 1994	30.00	446.00	669.00	223.00	297.34	446.00	148.67
Jan. 1995	30.00	458.00	687.00	229.00	305.34	458.00	152.66
Jan. 1996	30.00	470.00	705.00	235.00	313.34	470.00	152.57

[1] Cost-of-living adjustments to Federal SSI benefit levels are rounded to the next lower whole dollar beginning with the increase effective January 1984.

Source: Office of Research and Statistics, Social Security Administration.

Of the 25 States and the District of Columbia that provide optional supplements to the Federal SSI benefit, 9 States and the District of Columbia provide the same amount of supplementation for those whose Federal SSI benefit amount is determined on the basis of the "one-third reduction." Eight States provide a higher State supplementation for such recipients; in six States the amount of State supplementation is less; two States provide no supplementation for those recipients; and one State's supplementation varies depending upon need.

BENEFITS FOR PERSONS LIVING IN A MEDICAID INSTITUTION

When individuals enter a hospital or other medical institution in which more than half of the bill is paid by the Medicaid Program, their monthly SSI benefit standard is reduced to $30, beginning with the first full calendar month of residence. This Personal Needs Allowance (PNA) is intended to take care of small personal expenses, with the cost of maintenance and medical care being provided through Medicaid. The Federal PNA benefit of $25 was increased to $30 a month on July 1, 1988—the first increase since the SSI Program began in 1974. The annual cost-of-living increase for SSI does not apply to the personal needs allowance. The 1987 Budget Reconciliation Act does, however, provide that if a physician certifies that the recipient's stay in such a medical institution is not likely to exceed 3 months and they need to continue to maintain a home to which they may return, SSI benefits will not be reduced and recipients will continue to receive full SSI benefits for up to the first 3 months of institutionalization.

TABLE 4–4.—NUMBER AND PERCENTAGE DISTRIBUTION OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS, BY LIVING ARRANGEMENT AND CATEGORY, SEPTEMBER 1995

Living arrangement [1]	Total	Reason for eligibility		
		Aged	Blind	Disabled
Own household	93.0	90.2	92.2	93.8
Another's household	4.6	7.4	4.9	3.8
Institutional care covered by Medicaid	2.4	2.4	2.9	2.4
Total percent	100.0	100.0	100.0	100.0
Total number	6,495,422	1,454,554	84,553	4,956,315

[1] As used for determination of Federal SSI payment standard.

Source: Office of Research and Statistics, Social Security Administration.

Approximately 155,890 or 2.4 percent of SSI recipients received benefits in September, 1995, on the basis of this personal needs allowance. For those individuals whose income from non-SSI sources exceeds the $30 benefit standard (including those who were receiving both Social Security and SSI before entering an institution), Medicaid regulations require States to allow them (and other non-SSI Medicaid eligibles) to retain no less than $30 a month of their income as a "personal needs allowance" when their income is applied, along with Medicaid reimbursement, to pay for their institutional medical care.

Sixteen State programs have exercised their option to supplement the PNA. Prior to the 1985 Budget Reconciliation Act, SSI regulations would not allow for Federal administration of State PNA supplements. An amendment included in that legislation now requires SSA, at the request of a State, to administer such State supplementary payments. As of December 1995, California, the District of Columbia, Maine, Massachusetts, Michigan, New Jersey, New York, Rhode Island, Vermont, and Washington had opted for Federal administration. Approximately 28 States allow some or all of those individuals affected by the Medicaid personal needs allowance regulations to retain more than $30 a month.

Benefits of Former Recipients of State Assistance

Another benefit affecting some persons involves Federal payments to an individual who was transferred to SSI from a former State program of aid to the aged, blind or disabled. The Federal benefits of these persons are increased by up to $235 monthly in 1996 to take into account an "essential person" living in the household.

Essential persons are persons (generally an ineligible spouse or relative) who live with the eligible individual and who are considered necessary to provide essential care and services for the eligible individual and whose needs were taken into account in December 1973 in determining the need of the individual. Essential persons do not themselves receive SSI payments; rather, the standard of payment to which an eligible individual or couple is entitled is increased, and any income and resources of the essential persons are combined with those of the eligible individual or couple in calculating the amount to which the individual or couple is eligible.

Eligibility for such increased payments apply only to a person included as an essential person in December 1973 and ends when the person no longer lives with the eligible individual, becomes eligible for SSI in his own right, or becomes the eligible spouse of an eligible individual.

Some States have categories of State supplementation similar to the "essential persons" category for individuals transferred from the pre-SSI Program.

Overpayments

A provision in the 1984 Deficit Reduction Act established a limit on the rate that overpayments made to SSI recipients can be recovered. The amount of recovery in any month is now limited to the lesser of: (1) the amount of the benefit for that month; or (2) an amount equal to 10 percent of the countable income (plus the SSI payment) of the individual (or couple) for that month. This limitation does not apply if there is fraud, willful misrepresentation, or concealment of information in connection with the overpayment. The recipient may request a higher or lower rate at which benefits may be withheld to recover the overpayment.

Faster Initial SSI Payments

Making initial payments faster for those who are presumptively or proven eligible is a goal of the SSI Program. The provisions for a one-time emergency advance payment continues to permit a faster response to presumptive or proven eligibility in new claims with critical needs. In fiscal year 1995, Social Security offices made 6,212 emergency advance payments in these new claims situations totaling $2,745,349 with an average payment amount of $441.

Beginning in October 1985, local Social Security offices were given the authority to make "immediate payments" for certain Social Security and SSI cases when it is found that benefits are due but unpaid and an expedited Treasury payment would be too slow. "Immediate" usually means while the beneficiary waits or the next day at the latest. Payments are made using bank drafts prepared by the local field office. Payments are limited to the maximum per beneficiary of $400 or the amount due, whichever is less, once in a 30-day period. The person's eligibility for benefits must be verified by the local office and payment approved by the office manager. During fiscal year 1995, 55,671 Social Security and 42,123 SSI immediate payments were issued under this procedure. The total amount of these payments equalled $34,114,510 for an average of $348 per payment.

State Supplementation

Mandatory State supplementation

State supplementary payments are required by law to maintain income levels of former public assistance recipients transferred to the Federal SSI Program. The purpose of these mandatory State supplements is to assure that no person suffers a reduction in income as a result of the change from former State adult assistance programs to the SSI Program. Under mandatory supplementation rules, States are to maintain recipients of the programs of old age assistance, aid to the blind, and aid to the permanently and totally disabled at their December 1973 income level. That level is the amount an individual received in December 1973 under the terms and conditions of the State plan in effect for the month of June 1973, plus his or her other income. Thus, States must provide a supplementary payment to any individual who, because of special needs or other reasons, had a December 1973 payment higher than the amount she received under the basic Federal SSI Program.

To remain eligible for Medicaid Federal matching funds, States were required to adopt a mandatory State supplementation program. In December 1995, approximately 3,200 recipients or less than 0.1 percent of all recipients were receiving payments based in part or solely because of the mandatory supplementation rule.

Optional State supplementation

In addition to any mandatory supplementation States must provide, a State (or political subdivision) may choose to provide an optional supplement to Federal SSI payments. This optional supplement also is intended to help individuals meet needs which are not fully met by the Federal payment. The State determines whether it will make such a payment, to whom, and in what amount. States have the option of covering recipients of mandatory supplementation under their program of optional supplementation.

At the present time, all but eight States and jurisdictions provide some form of optional State supplementation. States that provide no supplement are: Arkansas, Georgia, Kansas, Mississippi, Commonwealth of the Northern Mariana Islands, Tennessee, Texas, and West Virginia. States (or local jurisdictions) may elect to administer their supplementary payments themselves or may contract with SSA for Federal administration. Sixteen States and the District of Columbia have contracted with SSA to administer the

State optional supplementation program. Since the SSI Program began in 1974, seven States have shifted from Federal to State administration of their optional State supplementation program.

Variation in payment amount

In addition to categorical variations which may apply (i.e., aged, blind, disabled), a State may elect a number of variations in optional supplementary payments to account for specific differences in living costs to a recipient. The type and amount of the variations selected must be specified in the Federal-State agreement. A State may make variations in its payments to account for both geographic and living arrangement cost differences.

A significant number of the aged, disabled and blind population receiving SSI cannot live alone because of mental or physical limitations and have a need for housing which includes services beyond room and board. These services often include supervision for daily living and protective services for the mentally retarded, chronically mentally ill, or the frail or confused elderly. Such nonmedical supervised and/or group living arrangements generally cost more than the Federal SSI benefit needs standard of $458 and $470 a month in 1995 and 1996, respectively, and often more than the combined Federal and SSI State supplementation for those classified as living independently.

All but 10 of the 50 States and the District of Columbia have Federal or State administered State supplementation which is specifically directed at covering the additional cost of providing housing in a protective, supervised, or group living arrangement.

These living arrangements are identified by a variety of terms including: adult foster care homes; domiciliary care homes; congregate care; group homes for the mentally retarded, and a variety of other terms. The amount of supplementation by the State also varies a great deal. For example, in the State of Maryland under a State-administered supplementation program, a "specialized and intensive supervision" group living facility has a State supplementation of $666 a month in addition to the Federal benefit level of $470. The total Federal and State SSI payment in a month is $1,136. In one State, the State supplementation is less than $2 a month for those who need little supervision and care. However, in some States, the cost of supervised group living care is also partially met by direct State funding of the staff. In a number of States, the State makes payments for nonmedical group care directly to private residential facilities based on a rate negotiated by the State with each facility. In such cases, there is often a "personal needs allowance" payment made directly to or on behalf of the residents of the facility.

Administrative fees

The Omnibus Budget Reconciliation Act of 1993 amended the State supplementation provision to provide for State payment for Federal administration of State supplementary payments. For fiscal year 1994 (i.e., from October 1, 1993 through September 30, 1994), a State with federally administered supplementary payments pays the Commissioner an administration fee of $1.67 per payment. The rate per payment changes to $3.33 for fiscal year

1995, and $5.00 for fiscal year 1996 and each succeeding year, or a different rate deemed appropriate for the State by the Commissioner.

State SSI supplement levels over time

Throughout the entire period from July 1975 to January 1996, 23 States have continuously provided supplemental SSI payments to aged individuals living independently, and 21 States continuously supplemented SSI payments to aged couples living independently.

During the period from July 1975 to January 1996, no State increased supplements faster than inflation for aged individuals living independently (see table 4–5).

Among the States which have supplemented SSI payments for aged couples living independently, only Alaska and Minnesota have kept their supplemental increases equivalent to or higher than inflation (see table 4–6). Other States have allowed inflation to erode the purchasing power of supplements or have reduced them in the face of State fiscal problems.

Approximately 45 percent of SSI recipients receive a State supplement. For those SSI recipients, other than those receiving a State supplement because they are living in some type of group living arrangement, the amount of State supplement ranges from $2 a month to $362 a month for an individual. At present, 25 States and the District of Columbia supplement the Federal standard for individuals living independently.

The District of Columbia, South Dakota, Utah, and Wyoming all began supplementing SSI payments to individuals between 1975 and 1980.

TABLE 4–5.—STATE SSI SUPPLEMENTS FOR AGED INDIVIDUALS WITHOUT COUNTABLE INCOME LIVING INDEPENDENTLY, SELECTED YEARS 1975–96

State	July 1975	July 1980	Jan. 1985	Jan. 1988	Jan. 1990	Jan. 1991	Jan. 1992	Jan. 1993	Jan. 1994	Jan. 1995	Jan. 1996	Percent change (constant dollars) 1975–96[1]
Alaska[2]	$142	$235	$261	$305	$331	$349	$362	$374	$362	$362	$362	−11
California	101	182	179	221	244	223	223	186	157	157	156	−46
Colorado	27	55	58	58	54	45	56	56	56	56	56	−27
Connecticut[3]	NA	102	141	403	366	359	325	313	301	NA	[3] NA	NA
District of Columbia	0	15	15	15	15	15	15	15	15	5	5	NA
Hawaii	17	15	5	5	5	5	5	5	5	5	5	−90
Idaho	63	74	78	73	73	70	70	65	45	37	37	−79
Illinois[3]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Maine	10	10	10	10	10	10	10	10	10	10	10	−65
Massachusetts	111	137	129	129	129	129	129	129	129	129	126	−60
Michigan	12	24	27	30	30	31	14	14	14	14	14	−59
Minnesota[4]	31	34	35	35	75	81	81	81	81	81	81	−8
Nebraska	67	75	69	43	38	24	30	28	21	19	12	−94
Nevada	55	47	36	36	36	36	36	36	36	36	36	−77
New Hampshire	12	46	27	27	27	27	27	27	27	27	27	−21
New Jersey	24	23	31	31	31	31	31	31	31	31	31	−55
New York	61	63	61	72	86	86	86	86	86	86	86	−51
Oklahoma	27	79	60	64	64	64	64	60	57	55	54	−30
Oregon	17	12	2	2	2	2	2	2	2	2	2	−96
Pennsylvania	20	32	32	32	32	32	32	32	32	32	27	−53
Rhode Island	31	42	54	58	64	64	67	64	64	64	64	−28
South Dakota	0	15	15	15	15	15	15	15	15	15	15	NA
Utah	0	10	10	9	6	6	5	5	1	0	0	NA
Vermont	29	41	53	59	63	65	65	57	55	59	47	−43
Washington[5]	36	43	38	28	28	28	28	28	28	28	25	−76
Wisconsin	70	100	100	103	103	103	93	93	85	84	84	−58
Wyoming	0	20	20	20	20	20	20	10	10	10	10	NA

Median	31	43	36	36	37	36	32	31	31	32	27	−69

[1] The percentage change in constant dollars was computed by inflating July 1975 to January 1996 by the CPI–U price index. The July 1975 index value is 54.2 and the January 1996 value is 154.4.
[2] 1975 and 1980—less if shelter costs less than $35 monthly.
[3] State decides benefit on a case-by-case basis.
[4] State has two geographic payment levels—Hennepin County and the remainder of Minnesota. Level shown is for Hennepin County, the area with the largest number of SSI recipients.
[5] State has two geographic payment levels—highest levels are shown in table. Sum paid in King, Pierce, Kitsap, Snohomish, and Thurston Counties.

NA—Not available.

Source: Office of Supplemental Security Income, Social Security Administration, and Committee on Ways and Means staff calculations.

TABLE 4–6.—STATE SSI SUPPLEMENTS FOR AGED COUPLES WITHOUT COUNTABLE INCOME LIVING INDEPENDENTLY, SELECTED YEARS 1975–96

State	July 1975	July 1980	Jan. 1985	Jan. 1988	Jan. 1990	Jan. 1991	Jan. 1992	Jan. 1993	Jan. 1994	Jan. 1995	Jan. 1996	Percent change (constant dollars) 1975–96 [1]
Alabama	$9	0	0	0	0	0	0	0	0	0	0	−100
Alaska [2]	183	$338	$371	$444	$484	$510	$528	$544	$528	$528	528	1
California	251	389	448	534	588	557	557	488	440	415	396	−45
Colorado	133	229	278	292	309	293	323	328	323	323	323	−15
Connecticut [3]	NA	NA	86	602	525	522	461	442	425	NA	[3] NA	NA
District of Columbia	0	30	30	30	30	30	30	30	30	15	15	NA
Hawaii	28	24	9	9	9	9	9	9	9	9	9	−89
Idaho	49	80	46	44	45	44	45	40	21	9	9	−94
Illinois [3]	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Maine	15	15	15	15	15	15	15	15	15	15	15	−65
Massachusetts	173	214	202	202	202	202	202	202	202	202	197	−60
Michigan	18	36	40	45	45	46	21	21	21	28	28	−45
Minnesota [4]	38	44	66	66	88	132	129	126	126	126	111	3
Nebraska	67	114	100	66	65	34	48	39	40	22	14	−93
Nevada	106	90	74	74	74	74	74	74	74	74	74	−76
New Hampshire	0	42	21	21	21	21	21	21	21	21	22	NA
New Jersey	13	12	25	25	25	25	25	25	25	25	25	−33
New York	76	79	76	93	102	103	103	102	102	102	103	−52
Oklahoma	54	158	120	128	128	128	128	120	114	110	108	−30
Oregon	17	10	0	0	0	0	0	0	0	0	0	−100
Pennsylvania	30	49	49	49	49	49	49	49	49	49	44	−49
Rhode Island	59	79	102	111	120	121	127	120	120	120	121	−28
South Dakota	0	15	15	15	15	15	15	15	15	15	15	NA
Utah	0	20	20	18	12	12	11	10	5	5	5	NA
Vermont	61	76	96	106	115	118	118	110	103	110	92	−47
Washington [5]	40	44	37	22	22	22	22	22	22	22	20	−82
Wisconsin	105	161	161	166	166	166	146	146	134	132	132	−56
Wyoming	0	40	40	40	40	40	40	19	19	25	25	NA

Median	57	63	66	66	65	49	49	30	39	28	25	−85

[1] The percentage change in constant dollars was computed by inflating July 1975 to January 1996 by the CPI–U price index. The July 1975 index value is 54.2 and the January 1996 value is 154.4.

[2] 1975 and 1980—less if shelter costs less than $35 monthly.

[3] State decides benefit on a case-by-case basis.

[4] State has various geographic payment levels. Level shown is for Hennepin County, the area with the largest number of SSI recipients.

[5] State has two geographic payment levels—highest levels are shown in table. Sum paid in King, Pierce, Kitsap, Snohomish, and Thurston Counties.

NA—Not available.

Source: Office of Supplemental Security Income, Social Security Administration.

Maximum SSI and Food Stamp Benefits For Individuals Living Independently

Table 4–7 for individuals and table 4–8 for couples illustrate the maximum potential payment from Federal SSI, State supplements, and food stamps for persons with no income, by State. These tables assume that the elderly individual or couple receive an excess shelter deduction of $247 (the maximum for nonelderly) and an excess medical cost deduction of $14 in the Food Stamp Program. Approximately 62 percent of SSI households in the Food Stamp Program claim a shelter deduction; it is estimated that approximately 17 percent of them are allowed a deduction that exceeds the excess shelter expense ceiling for nonelderly or nondisabled households ($247 per month). About 4 percent of SSI households claim a medical cost deduction.

TABLE 4–7.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS FOR AGED INDIVIDUALS LIVING INDEPENDENTLY, JANUARY 1996 [1]

State	Maximum SSI benefit	Food stamp benefit [2]	Combined benefits	
			Monthly	Annual
Alabama	$470	$93	$563	$6,756
Alaska	832	102	934	11,208
Arizona	470	93	563	6,756
Arkansas	470	93	563	6,756
California	626	[3] 0	626	7,512
Colorado	526	76	602	7,224
Connecticut	[4] NA	NA	NA	NA
Delaware	470	93	563	6,756
District of Columbia	475	92	567	6,804
Florida	470	93	563	6,756
Georgia	470	93	563	6,756
Hawaii	475	198	673	8,076
Idaho	[5] 507	88	595	7,140
Illinois	[6] NA	NA	NA	NA
Indiana	470	93	563	6,756
Iowa	470	93	563	6,756
Kansas	470	93	563	6,756
Kentucky	470	93	563	6,756
Louisiana	470	93	563	6,756
Maine	480	90	570	6,840
Maryland	470	93	563	6,756
Massachusetts	596	55	651	7,812
Michigan	484	89	573	6,876
Minnesota	[7] 551	69	620	7,440
Mississippi	470	93	563	6,756
Missouri	470	93	563	6,756
Montana	470	93	563	6,756
Nebraska	482	89	571	6,852
Nevada	506	82	588	7,056

TABLE 4–7.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS FOR AGED INDIVIDUALS LIVING INDEPENDENTLY, JANUARY 1996 [1]—Continued

State	Maximum SSI benefit	Food stamp benefit [2]	Combined benefits	
			Monthly	Annual
New Hampshire	497	85	582	6,984
New Jersey	501	84	585	7,020
New Mexico	470	93	563	6,756
New York	556	67	623	7,476
North Carolina	470	93	563	6,756
North Dakota	470	93	563	6,756
Ohio	470	93	563	6,756
Oklahoma	524	77	601	7,212
Oregon	472	92	564	6,768
Pennsylvania	497	85	582	6,984
Rhode Island	534	74	608	7,296
South Carolina	470	93	563	6,756
South Dakota	485	89	574	6,888
Tennessee	470	93	563	6,756
Texas	470	93	563	6,756
Utah	470	93	563	6,756
Vermont	[8] 517	79	596	7,152
Virginia	470	93	563	6,756
Washington	[9] 495	86	581	6,972
West Virginia	470	93	563	6,756
Wisconsin	554	68	622	7,464
Wyoming	480	90	570	6,840

[1] In most States these maximums apply also to blind or disabled SSI recipients who are living in their own households; but some States provide different benefit schedules for each category.

[2] For one-person households, maximum food stamp benefits from October 1995 through September 1996 are $119 in the 48 contiguous States and the District of Columbia, $153 in Alaska (urban areas, benefit levels in rural Alaska are increased by about 50 percent to account for higher food prices in such areas), and $198 in Hawaii.

For the 48 contiguous States and the District of Columbia, the calculation of benefits assumes: (1) a ''standard'' deduction of $134 per month; (2) an excess shelter deduction of $247 per month (the maximum allowable for nonelderly, nondisabled households); and (3) an excess medical expense deduction of $4 monthly (estimated from 1993 medical expense information). If smaller excess shelter costs were assumed, food stamp benefits would be smaller. For Alaska and Hawaii, higher deduction levels were used, as provided by law ($662 and $546, respectively, for combined standard and excess shelter allowance).

[3] SSI recipients in California are ineligible for food stamps. California provides increased cash aid in lieu of stamps.

[4] Individual budget process.

[5] State disregards $20 of SSI payment in determining the State supplementary payment.

[6] State decides benefits on case-by-case basis.

[7] Payment level for Hennepin County. State has two geographic payment levels—one for Hennepin County and the other for the remainder of the State.

[8] State has two geographic payment levels—highest are shown in table.

[9] Sum paid in King, Pierce, Kitsap, Snohomish, and Thurston Counties.

NA—Not available.

Source: Table prepared by the Congressional Research Service (CRS) based on data from the Social Security Administration.

TABLE 4–8.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS FOR AGED COUPLES LIVING INDEPENDENTLY, JANUARY 1996 [1]

State	Maximum SSI benefit	Food stamp benefit [2]	Combined benefits	
			Monthly	Annual
Alabama	$705	$122	$827	$9,924
Alaska	1,233	108	1,341	16,092
Arizona	705	122	827	9,924
Arkansas	705	122	827	9,924
California	1,101	[3] 0	1,101	13,212
Colorado	1,028	25	1,053	12,636
Connecticut	[4] NA	NA	NA	NA
Delaware	705	122	827	9,924
District of Columbia	720	117	837	10,044
Florida	705	122	827	9,924
Georgia	705	122	827	9,924
Hawaii	714	313	1,027	12,324
Idaho	[5] 714	125	839	10,068
Illinois	[6] NA	NA	NA	NA
Indiana	705	122	827	9,924
Iowa	705	122	827	9,924
Kansas	705	122	827	9,924
Kentucky	705	122	827	9,924
Louisiana	705	122	827	9,924
Maine	720	117	837	10,044
Maryland	705	122	827	9,924
Massachusetts	902	62	964	11,568
Michigan	733	113	846	10,152
Minnesota	[7] 816	88	904	10,848
Mississippi	705	122	827	9,924
Missouri	705	122	827	9,924
Montana	705	122	827	9,924
Nebraska	719	117	836	10,032
Nevada	779	99	878	10,536
New Hampshire	727	115	842	10,104
New Jersey	730	114	844	10,128
New Mexico	705	122	827	9,924
New York	808	91	899	10,788
North Carolina	705	122	827	9,924
North Dakota	705	122	827	9,924
Ohio	705	122	827	9,924
Oklahoma	813	89	902	10,824
Oregon	705	122	827	9,924
Pennsylvania	749	108	857	10,284
Rhode Island	826	85	911	10,932
South Carolina	705	122	827	9,924
South Dakota	720	117	837	10,044
Tennessee	705	122	827	9,924

TABLE 4–8.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS FOR AGED COUPLES LIVING INDEPENDENTLY, JANUARY 1996 [1]—Continued

State	Maximum SSI benefit	Food stamp benefit [2]	Combined benefits	
			Monthly	Annual
Texas	705	122	827	9,924
Utah	710	120	830	9,960
Vermont	[8] 797	94	891	10,692
Virginia	705	122	827	9,924
Washington	[9] 725	115	840	10,080
West Virginia	705	122	827	9,924
Wisconsin	837	82	919	11,028
Wyoming	730	114	844	10,128

[1] In most States these maximums apply also to blind or disabled SSI recipients who are living in their own households; but some States provide different benefit schedules for each category.

[2] For two-person households, maximum food stamp benefits from October 1995 through September 1996 are $218 in the 48 contiguous States and the District of Columbia, $280 in Alaska (urban areas, benefit levels for rural Alaska are about 50 percent higher to account for high food prices in such areas), and $364 in Hawaii.

For the 48 contiguous States and the District of Columbia, the calculation of benefits assumes: (1) a ''standard'' deduction of $134 per month, (2) an excess shelter deduction of $247 per month (the maximum allowable for nonelderly, nondisabled households); and (3) an excess medical expense deduction of $4 monthly (estimated from 1993 medical expense information). If smaller excess shelter costs were assumed, food stamp benefits would be smaller. For Alaska and Hawaii, higher deduction levels were used, as provided by law ($662 and $546, respectively, for combined standard and excess shelter allowance).

[3] SSI recipients in California are ineligible for food stamps. California provides increased cash aid in lieu of stamps.

[4] Individual budget process.

[5] State disregards $20 monthly of SSI income in determining the State supplementary payment amounts.

[6] State decides benefits on case-by-case basis.

[7] Payment level for Hennepin County. State has two geographic payment levels—one for Hennepin County and one for the remainder of the State.

[8] State has two geographic payment levels—highest levels are shown in table.

[9] Sum paid in King, Pierce, Kitsap, Snohomish, and Thurston Counties.

NA—Not available.

Source: Table prepared by the Congressional Research Service (CRS) based on data from the Social Security Administration.

COMPARISON OF SSI PAYMENT LEVELS TO POVERTY THRESHOLDS

Table 4–9 compares the Federal SSI benefit for a single individual to the Bureau of the Census poverty threshold. Both the poverty threshold and the benefit level are indexed to the Consumer Price Index. (The percentage increase for the poverty threshold and the SSI benefit increase varies slightly because of a difference in the method of calculation.) As a result of Public Law 98–21, the SSI benefit levels were increased by $20 per month for individuals and $30 per month for couples in July 1983. They were further increased by 3.5 percent in January 1984. This explains why SSI benefits, in relation to the poverty level, increased to approximately 75 percent in 1984 and 1985 compared to 71 percent in the 1975 to 1982 period. In 1996, benefit levels were 77.2 percent of the poverty level.

TABLE 4–9.—COMPARISON OF COMBINED BENEFITS TO POVERTY THRESHOLDS FOR ELIGIBLE INDIVIDUALS RECEIVING SSI; SSI AND SOCIAL SECURITY; AND SSI, SOCIAL SECURITY, AND FOOD STAMPS; SELECTED YEARS 1975–96

Poverty threshold and benefits	Calendar year										
	1975	1980	1984	1986	1988	1990	1991	1992	1993	1994	1996
Poverty threshold	2,572	3,941	4,980	5,255	5,672	6,268	6,532	6,729	6,930	7,107	7,309
Federal SSI benefits:											
Dollars per year	1,822	2,677	3,768	4,032	4,248	4,632	4,884	5,064	5,208	5,352	5,640
Percent of poverty	70.8	72.3	75.6	76.7	74.9	73.9	74.8	75.3	75.2	75.3	77.2
Federal SSI and Social Security:											
Dollars per year	2,062	2,917	4,008	4,272	4,488	4,872	5,124	5,304	5,448	5,592	5,880
Percent of poverty	80.2	74.0	80.5	81.3	79.1	77.7	78.4	78.8	78.6	78.7	80.4
Federal SSI, Social Security, and food stamps:[1]											
Dollars per year	2,350	3,345	4,294	4,488	4,848	5,318	5,580	5,820	5,952	6,072	6,372
Percent of poverty	91.4	84.9	86.2	85.4	85.5	84.8	85.4	86.5	85.9	85.4	87.2

[1] In computing the food stamp benefit for 1975, average deductions among all elderly households are assumed. For later years (except 1996), the applicable standard deduction plus average shelter and medical deductions among all elderly households is assumed. For 1996, the applicable standard deduction plus average shelter and medical deductions among all SSI households is assumed.

Source: Congressional Research Service.

Table 4–10 presents the same information for a couple. The SSI benefit for a couple is 91.7 percent of the poverty threshold in 1996.

TRENDS IN THE SSI CASELOAD

NUMBER OF RECIPIENTS

As shown in table 4–11, in September 1995, 6.495 million persons received federally administered SSI payments. Of these, 1.455 million received federally administered payments on the basis of being aged, 4.956 million on the basis of being disabled, and 84,553 on the basis of blindness. However, 666,890 of those receiving benefits on the basis of disability or blindness were over the age of 65. Table 4–11 also indicates that approximately 4 million of those receiving federally administered SSI payments received only Federal SSI payments, 2.2 million received a combination of Federal and State payments, and 321,887 received State supplements only.

Table 4–12 shows the trends in the numbers of persons receiving federally administered SSI payments from December, 1975, through September, 1995, both by reason for eligibility and by age categories. There was a steady decline in the number of SSI recipients from 1975 until 1983. However, in the last 12 years the number of SSI recipients has increased from about 3.9 million to more than 6.5 million, an increase of over 65 percent.

CHARACTERISTICS OF ADULT DISABLED AND BLIND RECIPIENTS

Major disabling diagnosis.—As shown in table 4–13, of the SSI disabled ages 18–64, 28.2 percent were eligible on the basis of mental retardation and 31 percent on the basis of other mental disorders. Therefore, over one-half of all SSI disabled recipients are eligible on the basis of a mental disability. The next three largest categories are: diseases of the nervous system and sense organs—10.0 percent; diseases of musculoskeletal and connective tissues—7.1 percent; and diseases of the circulatory system—5.0 percent. In December 1994, 1.3 million or 23.6 percent of the adult disabled or blind receiving SSI benefits had a representative payee. Representative payees are individuals, agencies, or institutions selected by SSA to receive and use SSI payments on behalf of the SSI recipient when it has been found necessary by reason of the mental or physical limitations of the recipient.

Age.—When a person who is receiving SSI on the basis of blindness or disability becomes age 65, SSA does not convert the individual to eligibility on the basis of age. As shown in table 4–14, 16.2 percent of the SSI adult population receiving benefits on the basis of disability are age 65 or over (27.5 percent of the blind were age 65 or over).

TABLE 4–10.—COMPARISON OF COMBINED BENEFITS TO POVERTY THRESHOLDS FOR ELIGIBLE COUPLES RECEIVING SSI; SSI AND SOCIAL SECURITY; AND SSI, SOCIAL SECURITY, AND FOOD STAMPS; SELECTED YEARS: 1975–96

Poverty threshold and benefits	Calendar year										
	1975	1980	1984	1986	1988	1990	1991	1992	1993	1994	1996
Poverty threshold	3,232	4,954	6,280	6,628	7,156	7,906	8,238	8,489	8,741	8,964	9,221
Federal SSI benefits:											
Dollars per year	2,734	4,016	5,664	6,048	6,384	6,948	7,320	7,596	7,824	8,028	8,460
Percent of poverty	84.6	81.1	90.2	91.2	89.2	87.9	88.9	89.5	89.5	89.6	91.7
Federal SSI and Social Security:											
Dollars per year	2,974	4,256	5,904	6,288	6,624	7,188	7,560	7,836	8,064	8,268	8,700
Percent of poverty	92.0	86.0	94.0	94.9	92.6	90.9	91.8	92.3	92.3	92.2	94.3
Federal SSI, Social Security, and food stamps: [1]											
Dollars per year	3,430	4,906	6,393	6,696	7,200	7,935	8,340	8,700	8,880	9,084	9,540
Percent of poverty	106.1	99.0	101.8	101.0	100.6	100.4	101.2	102.5	101.6	101.3	103.5

[1] In computing the food stamp benefit for 1975, average deductions among all elderly households are assumed. For later years (except 1996), the applicable standard deduction plus average shelter and medical deductions among all elderly households is assumed. For 1996, the applicable standard deduction plus average shelter and medical deductions among all SSI households is assumed.

Source: Congressional Research Service.

TABLE 4–11.—NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS, TOTAL AMOUNT AND AVERAGE MONTHLY AMOUNT, BY SOURCE OF PAYMENT AND CATEGORY, SEPTEMBER 1995

Source of payment	Total	Aged	Blind	Disabled
	Number of persons			
With—				
Federally administered payments [1]	6,495,422	1,454,554	[2] 84,553	[3] 4,956,315
Federal payment only	3,984,722	790,120	45,489	3,149,113
Both Federal and State supplementation	2,188,813	531,466	32,475	1,624,872
State supplementation only	321,887	132,968	6,589	182,330
Total with—				
Federal payment [4]	6,173,535	1,321,586	77,964	4,773,985
State supplementation [5]	2,510,700	664,434	39,064	1,807,202
	Amount of payments [in thousands]			
Total	2,329,284	363,944	31,456	1,933,884
Federal payments	2,060,757	289,414	25,531	1,745,812
State supplementation	268,526	74,530	5,925	188,072
	Average monthly amount			
Total	$358.60	$250.21	$372.02	$390.19
Federal payments	333.81	218.99	327.47	365.69
State supplementation	106.95	112.17	151.67	104.07

[1] All persons with Federal SSI payments and/or federally administered State supplementation.
[2] Includes an estimated 20,747 persons age 65 or older.
[3] Includes an estimated 646,149 persons age 65 or older.
[4] All persons with a Federal SSI payment whether receiving a Federal payment only or both a Federal and State supplementation.
[5] All persons with federally administered State supplementation whether receiving State supplementation only or both a Federal SSI payment and a State supplementation.

Source: Office of Research and Statistics, Social Security Administration.

TABLE 4–12.—NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED SSI PAYMENTS BY CATEGORY AND AGE, SELECTED YEARS 1975–95

[In thousands]

Reason for eligibility and age	Year										
	Dec. 1975	Sept. 1983	Sept. 1986	Sept. 1988	Sept. 1989	Sept. 1990	Sept. 1991	Sept. 1992	Sept. 1993	Sept. 1994	Sept. 1995
Reason for eligibility:											
Aged	2,307	1,528	1,476	1,434	1,439	1,452	1,463	1,478	1,474	1,470	1,455
Blind	74	79	83	83	83	84	85	86	86	85	85
Under 18	3	6	7	7	7	7	7	8	8	8	8
18–21	4	5	5	4	4	4	4	4	4	4	4
22–64	46	45	48	49	49	50	51	52	52	52	52
65 or older	22	23	23	22	22	22	22	22	22	21	21
Disabled	1,933	2,292	2,673	2,917	3,048	3,229	3,502	3,921	4,348	4,692	4,956
Under 18	104	191	231	247	256	287	366	511	683	812	898
18–21	90	122	138	136	139	143	150	167	186	202	219
22–64	1,559	1,517	1,787	1,987	2,091	2,218	2,393	2,637	2,864	3,049	3,193
65 or older	179	462	517	548	563	579	592	606	615	629	646
Age:											
Under 18	107	197	238	254	263	294	373	518	691	820	906
18–21	93	127	143	140	143	147	154	171	190	206	223
22–64	1,605	1,562	1,835	2,036	2,140	2,269	2,445	2,690	2,917	3,101	3,245
65 or older	2,508	2,013	2,016	2,003	2,023	2,051	2,078	2,107	2,110	2,120	2,121
Total	4,314	3,898	4,232	4,434	4,570	4,764	5,050	5,486	5,908	6,247	6,495

Source: Office of Research and Statistics, Social Security Administration.

Sex.—In January 1996, 54.3 percent of those receiving SSI benefits on the basis of disability and 56.3 percent on the basis of blindness were women (table 4–15).

Race.—In January 1996, 52.8 percent of those receiving SSI on the basis of disability were white; 31.3 percent were black; 12.3 percent were other races; and in 3.5 percent of the cases, race was not reported (table 4–15).

TABLE 4–13.—DISABILITY DIAGNOSIS OF SSI AND SECTION 1619 DISABILITY RECIPIENTS, SEPTEMBER 1995 [1]

[Percentage distribution by diagnostic group]

Diagnostic group	Supplemental Security Income—SSI		
	All SSI disabled 18–64 yrs.	SSI sec. 1619(a) participants	SSI sec. 1619(b) participants
Individuals [2]	4,345,820	20,309	31,110
Total percent	100.0	100.0	100.0
Infectious and parasitic diseases	1.7	1.0	1.5
Neoplasms	1.5	1.4	1.7
Endocrine, nutritional, and metabolic disorders	4.1	2.1	2.5
Mental disorders (other than mental retardation)	31.2	29.6	32.5
Mental retardation	28.2	45.3	37.8
Diseases of:			
Nervous system and sense organs [3]	10.1	12.7	13.5
Circulatory system	5.0	1.6	2.4
Respiratory system	2.6	0.9	0.9
Digestive system	0.6	0.4	0.6
Musculoskeletal system	7.1	2.8	4.3
Congenital anomalies	1.6	0.9	0.8
Injuries	2.8	2.4	3.1
Other	3.4	2.5	2.8

[1] Information on diagnosis of SSI disabled recipients under age 65 is from the December 1995 SSI 10-percent disability file. Information on diagnosis for section 1619 recipients is available from SSI source files.

[2] Includes only recipients whose diagnosis information is specifically identified on the source files.

[3] Most of the section 1619(b) participants who are classified as blind individuals are included in this category. A few section 1619(b) blind participants have a primary impairment other than diseases of the eye and are coded in other categories in this table. Also, there are a few participants classified as having diseases of the eye who are not blind, whose impairment does not meet the definition of blindness, and are classified as disabled.

Source: Office of Supplemental Security Income, Social Security Administration.

Other income.—In September 1995, 31.0 percent of the disabled and 36.3 percent of the blind received Social Security benefits. Table 4–16 shows the number of SSI recipients with other sources of unearned income.

CHARACTERISTICS OF RECIPIENTS RECEIVING BENEFITS ON THE BASIS OF AGE

Age.—In September 1995, of SSI recipients receiving benefits on the basis of age (65 or older) 34.5 percent were 80 years of age or older (table 4–14).

Sex.—In January 1996, 73.2 percent of those receiving benefits on the basis of age were women (table 4–15).

TABLE 4–14.—NUMBER AND PERCENTAGE DISTRIBUTION OF SSI RECIPIENTS RECEIVING FEDERALLY ADMINISTERED PAYMENTS BY CATEGORY AND AGE GROUP, SEPTEMBER 1995

Age group	Total	Aged	Blind	Disabled
Children:				
Total number	960,009	....	9,108	950,901
Total percent	100.0	....	100.0	100.0
Under 5	15.4	....	14.6	15.4
5–9	28.5	....	27.2	28.5
10–14	32.8	....	29.6	32.8
15–17	17.7	....	16.6	17.7
18–21 [1]	5.6	....	12.0	5.6
Adults:				
Total number	5,535,413	1,454,554	75,445	4,005,414
Total percent	100.0	100.0	100.0	100.0
18–21 [1]	3.1	....	3.9	4.2
22–29	8.7	....	12.9	11.8
30–39	14.6	....	16.9	19.8
40–49	14.0	....	15.8	19.1
50–59	14.0	....	14.6	19.1
60–64	7.4	....	8.4	10.0
65–69	10.6	20.2	8.2	7.2
70–74	9.7	25.3	6.5	4.2
75–79	7.2	19.9	4.8	2.6
80 or older	10.8	34.5	8.0	2.2

[1] Persons aged 18–21 can be classified as either children or adults depending on their student status.

Source: Office of Research and Statistics, Social Security Administration.

Race.—In January 1996, 49.9 percent of those receiving SSI on the basis of age were white; 21.0 percent were black; 25.6 percent were other races; and in 3.5 percent of the cases, race was not reported (table 4–15).

Other income.—In September 1995, 63.2 percent of SSI recipients receiving benefits on the basis of age also received Social Security benefits. Only 1.9 percent had earned income (table 4–16).

The number of persons receiving federally administered SSI payment and unearned income, by type of income, is included in table 4–17.

TABLE 4–15.—NUMBER AND PERCENTAGE DISTRIBUTION OF ALL PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS BY CATEGORY, RACE, AND SEX, JANUARY 1996

Race and sex	Total	Aged	Blind	Disabled
Total number	6,475,500	1,444,300	87,100	4,944,100
Total percent	100.0	100.0	100.0	100.0
Race:				
White	52.2	49.9	54.5	52.8
Black	29.0	21.0	25.7	31.3
Other	15.3	25.6	15.4	12.3
Not reported	3.5	3.5	4.4	3.5
Sex and race:				
Men	41.5	26.8	43.7	45.7
White	21.0	12.2	23.4	23.5
Black	12.1	4.4	10.9	14.4
Other	6.6	9.2	7.1	5.9
Not reported	1.8	1.0	2.3	2.0
Women	58.5	73.2	56.3	54.3
White	31.2	37.7	31.1	29.3
Black	16.9	16.7	14.8	16.9
Other	8.7	16.5	8.3	6.5
Not reported	1.8	2.5	2.1	1.5

Source: Office of Research and Statistics, Social Security Administration.

TABLE 4–16.—PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS AND INCOME AND AVERAGE MONTHLY AMOUNT, BY CATEGORY AND TYPE OF INCOME, SEPTEMBER 1995

Type of income	Total	Reason for eligibility		
		Aged	Blind	Disabled
Total number	6,495,422	1,454,554	[1] 84,553	[2] 4,956,315
	Number			
Social Security benefits	2,489,246	919,797	30,688	1,538,761
Other unearned income	849,487	300,893	10,349	538,245
Earned income	284,912	27,328	6,198	251,386
	Average monthly income			
Social Security benefits	$345.58	$351.40	$360.79	$341.80
Other unearned income	105.32	84.22	97.52	117.26
Earned income	237.92	237.64	506.31	231.34

[1] Includes 20,747 persons aged 65 or over.
[2] Includes 646,149 persons aged 65 or older.

Source: Office of Research and Statistics, Social Security Administration.

TABLE 4–17.—NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED SSI PAYMENTS AND UNEARNED INCOME (OTHER THAN SOCIAL SECURITY) AND AVERAGE MONTHLY UNEARNED INCOME BY TYPE OF INCOME, SEPTEMBER 1995

Type of income	Number [1]	Average [2]
Veterans' benefits	115,967	155.50
Railroad retirement	4,842	325.93
Black lung benefits	1,685	310.91
Employment pensions	50,096	112.27
Worker's compensation	4,590	293.92
Support and maintenance in kind	236,700	102.40
Support from absent parents	79,531	152.61
Asset income	247,072	9.25
Assistance based on need	40,596	94.86
Other [3]	69,408	290.10
Total	849,487	$105.32

[1] With unearned income other than social security benefits.
[2] Monthly amount of unearned income.
[3] Includes military, civil service pension, and demonstration projects.

Source: Office of Research and Statistics, Social Security Administration.

CHARACTERISTICS OF CHILDREN RECEIVING BENEFITS

At the end of its first year (December 1974), the SSI Program paid benefits to 71,000 disabled and blind children, less than 2 percent of the SSI caseload. By comparison, in December 1980 payments were made to almost 229,000 blind and disabled children, 5.5 percent of the 4.1 million recipients in that month.

In December 1995, 974,000 blind and disabled children were eligible for SSI payments, nearly a fourteenfold increase. These children made up 15.0 percent of the over 6.5 million SSI recipients, and represent a fast growing segment of the SSI population.

Most notable has been the growth since 1989. Many analysts attribute the growth to outreach activities, the Supreme Court decision in the *Zebley* case (see below), expansion of the mental impairment category, and reduction in reviews of continuing disability.

To be eligible for SSI payments as a child, an individual must be under age 18 (or under 22 if a full time student), be unmarried, and meet the SSI disability or blindness, citizenship/residency, and income and resources criteria.

In December 1995, almost 63 percent of the SSI children were 12 years old or less, and an estimated 20 percent of the children were under age 6. About 31 percent, an estimated 300,000 children, were between the ages of 13 and 17. Child recipients were more likely to be boys than girls, by about 3 to 2. Approximately 46 percent were nonwhite.

Eighty percent of the children live in their parents' home. Less than two percent are patients in a medical facility where more than half of the cost of their care is covered by the Medicaid Program. Another 16 percent live in other hospitals, nursing homes, residential schools, foster care, or independently.

About 25 percent of the children had some type of unearned income. The three major types of unearned income were: in-kind support and maintenance (7 percent), Social Security benefits (8.1 percent), and support from absent parents (8 percent). In addition, about 11 percent of children had income "deemed" from their parents.

Given the rapid growth in the number of children receiving SSI, as well as a growing debate over the procedures by which children's eligibility should be judged, Congress established the National Commission on Childhood Disability to review the definition of childhood disability and examine several related issues, and report its findings to Congress by November 30, 1995 (Public Law 103–296). The Commission, which reported in October of 1995, recommended that the SSI statute be amended to state that the purpose of the SSI Childhood Disability Program is to: help low-income families (and other individuals and organizations) who care for eligible children with disabilities in providing basic necessities to maintain the child at home or in another appropriate setting; cover the additional costs of caring for and raising a child with a disability; enhance the child's opportunity to develop; and offset lost family income because a parent remains out of the labor force or underemployed to care for the child. The Commission also recommended that the SSI definition of childhood disability be strengthened; that a benefit scale be created which reduces SSI benefits for multiple children in the same family to reflect economies of scale in the consumption of food, clothing, and shelter; that continuing disability reviews be performed at least every 2 years for children whose impairment is likely to improve; that appropriate health care treatment be required as a condition of continuing eligibility for SSI children; that parents or the child's representative payee be required to report financial expenditures on a periodic random basis; and that categorical eligibility for Medicaid be afforded all SSI children.

In May 1995, another report on the children's SSI Program was released. This report conducted by the Committee on Childhood Disability of the National Academy of Social Insurance (responding to a study request from the House Committee on Ways and Means in the 102d Congress), was entitled "Restructuring the SSI Disability Program for Children and Adolescents." The Academy's expert group contended that the basic purpose of SSI cash benefits for children is to support and preserve the capacity of families to care for their disabled children in their own homes. Thus, the SSI benefit was intended to provide for some of the additional, nonmedical, but disability-related, costs of raising a disabled child; to compensate for some of the income lost because of the everyday necessities of caring for a disabled child; and to meet the child's basic needs for food, clothing, and shelter. The Committee also urged that SSI childhood eligibility criteria be strengthened, that family benefits in cases where there are multiple eligible children in the household be limited, that disabled teens be encouraged to work, and that children be periodically reviewed (National Academy of Social Insurance, 1995).

The General Accounting Office (GAO) also examined the growing children's caseload and attempted to understand why the caseload was growing so rapidly. GAO compared the results of SSA's decisions regarding children by type of disability and basis of award 2 years before and 2 years after the medical listings were expanded and a new procedure for determining disability called the Individualized Functional Assessment had been initiated. The study found that the number of children receiving SSI disability benefits more than doubled between 1989 and 1992, from almost 300,000 to 770,500. According to the report, although the new individualized functional assessment (IFA) process mandated by the Supreme Court in *Sullivan* v. *Zebley* added 87,900 children to the rolls, most of the children who received new awards during the 2 years after the IFA went into effect in 1991 met the medical listing. The report indicated that the huge increases in the diagnosis of mental impairments—including mental retardation and attention deficit hyperactivity disorder—accounted for more than two-thirds of the growth in awards.

Given the rapidly growing number of children in SSI, GAO assessed the implementation of the IFA process. The GAO study found that from 1991 to 1994, SSA made about 219,000 IFA awards to children who did not meet SSA's more restrictive listing of impairments. These awards accounted for one-third of all awards made during this period and about $1 billion a year in benefit payments. GAO also found that the IFA process relies too heavily on adjudicator's judgments, rather than on objective criteria. The study found little evidence, however, that parents' coaching their children to act out in disruptive behaviors to improve chances of obtaining SSI was widespread, but could not rule out its existence.

Overview of Caseload Developments

In summary, the trends in the nature of the SSI population show the following:

—A steady decline in the number of persons receiving SSI benefits on the basis of old age.

—An increase from 107,000 in December 1975 to 906,000 in September 1995 of the number of disabled and blind children under 18 receiving SSI benefits.

—A sharp increase of 1,683,000 between 1983 and 1995 in the number of persons ages 22–64 receiving benefits on the basis of disability or blindness.

ELIGIBILITY OF DRUG ADDICTS AND ALCOHOLICS

Under both the SSI and the Social Security Disability Insurance (DI) Programs, disability is defined as a mental or physical impairment that is so severe that it prevents an individual from doing any kind of work that exists in the national economy, taking into account age, education, and work experience. Until recently, drug addiction and alcoholism were qualifying medical impairments under both SSI and DI. Thus, a person whose drug addiction or alcoholism was a contributing factor material to his disability was eligible for SSI. The SSI Program required that payments for drug addicts and alcoholics be made to a representative payee (i.e., a person or agency responsible for managing the recipient's finances), that recipients participate in treatment if available, and that the treatment be monitored.

SSI provisions relating to drug addicts and alcoholics were contained in the original SSI law (Public Law 92–603). Initially, the Senate sought to exclude these individuals from SSI by putting them in a separate services program. During debate on the 1972 legislation, Members of the Senate argued that these drug addicts and alcoholics would need treatment, case management, and close monitoring so that they would not use the SSI benefits to "support their alcoholism or addiction." The Senate provision that excluded drug addicts and alcoholics from the SSI Program was deleted in favor of the House provision that required recipients to undergo treatment. The Senate's concern about providing direct payments to substance abusers was accommodated by the provision requiring that benefits be provided through representative payees. Although virtually all SSI recipients diagnosed as drug addicts or alcoholics received their payments via a representative payee, most representative payees were family members or friends of recipients, and it is suspected that they were likely to give in to threats, coercion, or persuasion of the recipient, thereby enabling recipients to obtain direct control of their SSI payments.

In 1994, Congress responded to concerns that significant numbers of SSI and DI recipients were using their Federal cash payments to support their addictions by passing legislation (Public Law 103–296) that placed a 3-year time limit on program benefits to persons disabled solely because of their addiction to drugs or alcohol, extended requirements on treatment and monitoring to DI recipients, required DI recipients classified as substance abusers to receive their benefits through representative payees, encouraged organizations and agencies to act as representative payees for recipients classified as substance abusers, and temporarily or permanently ended benefits of recipients who failed to comply with treatment requirements.

By August 1995, there were about 135,000 SSI recipients whose disability was based solely on their drug addiction or alcoholism, although the Congressional Budget Office (CBO) estimates that perhaps as many of 75 percent of them would be eligible for SSI based on another sufficiently disabling condition.

In March 1996, Congress passed legislation that ended drug and alcohol addiction as conditions that qualify individuals for SSI benefits. Under Public Law 104–121, individuals would not be considered disabled for either SSI or DI if drug addiction or alcoholism were the contributing factor material to their disability. Thus, eligibility for SSI and DI benefits ended for persons classified as substance abusers. The bill mandates the Commissioner of Social Security to require that persons who qualify for SSI or DI based on some other disabling condition, but who are determined to have a drug or alcohol condition receive their SSI or DI benefits through a representative payee and are referred to treatment. Public Law 104–121 also authorizes $50 million for fiscal year 1997 and $50 million for fiscal year 1998 for drug treatment services. Recipients classified as drug addicts or alcoholics will no longer be eligible for SSI beginning January 1, 1997. Applicants were no longer eligible for SSI beginning March 29, 1996 if they were disabled solely on the basis of drug or alcohol addiction.

ELIGIBILITY OF LEGAL IMMIGRANTS (ALIENS) FOR SSI

In addition to meeting the categorical requirements (aged, blind, or disabled) and the income and resource requirements, to qualify for SSI a person must be a citizen of the United States or an alien lawfully admitted to the United States for permanent residence or otherwise residing in the United States under color of law. For 5 years after entry into the United States, aliens are deemed to have available a portion of the income and resources of their immigration sponsors. (The deeming period was extended from 3 years to 5 years, effective January 1, 1994 through September 30, 1996.)

ELIGIBILITY OF THE HOMELESS

SSA has implemented specific legislation and developed outreach programs and administrative initiatives to better meet the needs of the homeless, who may be eligible for SSI. This action was prompted by evidence that approximately 30 to 40 percent of the residents of emergency homeless shelters are chronically mentally ill, and are former residents of mental institutions.

These initiatives address the special problems related to the homeless: they are often difficult to locate and contact; they have limited ability to find information needed to apply for benefits; and they are often reluctant to follow through with the claims process or are incapable of doing so. While many of the chronically mentally ill live with family members or have other ongoing contact with those who can assist them with daily living activities, the homeless, mentally ill are more likely to have very limited contact with family or others who could assist them in obtaining housing or applying for benefits.

SSA has identified homelessness as one barrier to filing for SSI benefits and, in response, has initiated a wide range of outreach activities aimed at this population. For example, local field offices have established ongoing programs in which local social service agencies, soup kitchens, shelters, and churches screen homeless people for possible SSI eligibility, refer them to SSA, and help them through the application process. Many of SSA's outreach demonstration programs deal specifically with the homeless or concentrate on the homeless in addition to other target populations, especially individuals who suffer from mental illness or AIDS.

SSA is also participating in the Interagency Council on Homelessness (ICH) established by the Congress in 1987 to assist homeless individuals and families.

SPECIAL SSI PROVISIONS FOR THE WORKING DISABLED

EARNED INCOME DISREGARDS

Since SSI began in 1974, the law has required that a portion of the earned income of SSI recipients be disregarded in determining the eligibility for and the amount of SSI benefits. In determining SSI eligibility and benefits, the first $65 of monthly earned income (or, up to the first $85 if the recipient has no unearned income) plus one-half of the remaining earnings are disregarded. In addition, any work-related expenses are disregarded in the case of blind persons and impairment-related work expenses are disregarded in the case of disabled persons. Also, income and resources set aside under a plan for achieving self-support are excluded.

Eliminating Work Disincentives

Prior to enactment of the section 1619 program in 1980, on a temporary 3-year basis, a disabled SSI recipient who worked faced a substantial risk of losing SSI benefits and frequently, Medicaid. Work was treated the same way it was under the Social Security Disability Insurance (SSDI) Program: after a trial work period, work at the level of substantial gainful activity ($500 or more of earnings per month; $300 per month before January 1990) led to the loss of disability status even if the individual's total income and resources were within SSI Program limits. Loss of SSI disability status caused loss of categorical Medicaid eligibility as well. (Many States provide automatic Medicaid coverage to all recipients of Federal SSI payments. Nearly all States follow the SSI definition of disability to establish Medicaid eligibility.) Thus, disabled individuals had a disincentive to work because of their fear of losing SSI benefits and Medicaid.

Overview of Section 1619 Provisions

In response to this work disincentive, in 1986 Congress enacted Public Law 99–643 which added section 1619 to the Social Security Act. Under this provision, SSI recipients who work can continue to receive benefits even if their earnings are at or above the level of substantial gainful activity and as long as there is not a medical improvement in the disabling condition. Under the income disregard formula, the amount of their cash benefits is gradually reduced as earnings increase until their countable earnings reach the SSI benefit standard or what is known as the "break-even point." In a State with no supplementation, as shown in table 4–2, this earned income eligibility limit is $1,025 per month in 1996 for a person who has no unearned income. People who receive section 1619 benefits continue to be eligible for Medicaid on the same basis as regular SSI recipients. If States supplement the Federal benefits standard, the "break-even point" increases $2 for every $1 of State supplementation above the Federal benefit standard.

Under section 1619(b), blind and disabled individuals can continue to be eligible for Medicaid even if their earnings take them past the SSI income disregard "break-even point." In some 209(b) States, workers may lose Medicaid eligibility before attaining 1619 (a) or (b) status, if they did not have Medicaid coverage the month before section 1619 status began, thus making this provision inoperable for those workers. Special eligibility status under section 1619(b), under which the individual is considered a blind or disabled individual receiving SSI benefits for purposes of Medicaid eligibility, applies as long as the individual: (1) continues to be blind or have a disabling impairment; (2) except for earnings, continues to meet all the other requirements for SSI eligibility; (3) would be seriously inhibited from continuing to work by the termination of eligibility for Medicaid services; and (4) has earnings that are not sufficient to provide a reasonable equivalent of the benefits (SSI, State supplementary payments, Medicaid and publicly funded attendant care) that would have been available if he or she did not have those earnings.

In making an initial determination under the fourth criterion, SSA decided to compare the individual's gross earnings to a "threshold" amount. The threshold amount is the amount of gross earnings, after the monthly $20 general income, $65 earned income, and one-half of the remainder exclusions are applied, that it would take to reduce to zero the Federal SSI benefit and State supplementary payment plus the average Medicaid expenditures for disabled SSI cash recipients for the State of residence. If the individual's earnings exceed the threshold, an individualized threshold is calculated which considers the person's actual Medicaid use, the State supplement rate for the person's actual living arrangement, and the value of publicly funded attendant care available to the person in the absence of his or her earnings. In determining a person's income to compare to the individualized threshold, any applicable exclusions are deducted from his earnings, including work expenses if the person is blind, impairment-related work expenses, and income set aside under a plan for achieving self-support.

In other words, Medicaid eligibility continues until the individual's earnings reach a higher plateau which takes into account the person's ability to afford medical care as well as normal living expenses.

A disabled individual also has the ongoing protection of being able to be reinstated to eligibility for cash assistance benefits under regular SSI or 1619(a), or Medicaid only eligibility under 1619(b) if her work attempt fails or the physical or mental disability makes the ability to work erratic. This protection is not indefinite, but SSA cannot terminate the disability status of an individual for 12 months after her most recent eligibility for regular SSI or under section 1619 (a) or (b). However, if the individual recovers medically, a new application and new disability determination would be required to establish a new period of eligibility.

MEASURES OF SSI PARTICIPATION

SSI PARTICIPATION RATES

Table 4–18 shows Federal SSI participation among the elderly and the total population using various measures. The numerator in the first three columns is the sum of columns two and four in table 4–21. Thus, the number of SSI aged participants includes the disabled and blind population over age 65. Column one simply divides the SSI aged participants by the total number of elderly. That rate declined from 11.1 percent in 1975 to 6.5 percent in 1989, primarily as a result of increasing incomes among the aged and decreasing participation among low-income elderly. The rate was 6.8 percent in 1994. Column two presents the number of elderly SSI recipients divided by the number of poor elderly. This rate has declined from 76 percent in 1975 to 54 percent in 1982. Between 1982 and 1984, this percentage increased, perhaps as a result of outreach efforts mandated by the 1983 Social Security amendments (Public Law

98–21). After 1984, the rate declined to 56.5 percent in 1987, increased to 60.1 percent in 1989, declined to 53 percent in 1992, and increased to 57.9 percent in 1994. This rate is a gross measure of participation, in that it does not control for other SSI eligibility factors such as assets or the under counting of income. Column three shows the number of SSI aged recipients as a percentage of the number of poor elderly before means tested transfers.

TABLE 4–18.—SSI PARTICIPATION RATES, 1975–94

[In percent]

	Among all elderly	Among elderly poor	Among pretransfer elderly poor	Among entire population
1975	11.1	75.6	NA	2.0
1976	10.3	72.4	NA	1.9
1977	9.8	74.1	NA	1.9
1978	9.4	71.5	NA	1.9
1979	9.0	61.3	68.7	1.8
1980	8.7	57.5	64.7	1.8
1981	8.1	55.0	63.3	1.8
1982	7.5	53.6	62.3	1.7
1983	7.3	55.2	61.9	1.7
1984	7.3	61.2	66.3	1.7
1985	7.1	58.7	64.5	1.7
1986	6.9	57.9	63.4	1.8
1987	6.8	56.5	64.7	1.8
1988	6.6	57.6	64.3	1.8
1989	6.5	60.1	64.6	1.9
1990	6.6	56.3	63.3	1.9
1991	6.8	55.0	61.1	2.0
1992	6.5	52.7	NA	2.2
1993	6.7	56.3	NA	2.3
1994	6.8	57.9	NA	2.4

NA—Not available.

Note.—The denominator for columns 1 and 4 is in table 15, appendix N, the denominator for column 3 is shown in table 3 of appendix J, and the denominator for column 3 is in table 19 of appendix J.

Source: Staff of the Committee on Ways and Means.

The final column of table 4–18 shows the number of Federal SSI participants as a percentage of the total population. The numerator for this calculation is the first column of table 21. As shown in the table, the percentage of the entire population receiving SSI benefits has declined from 2.0 percent in 1975 to 1.7 percent for the 1982 to 1985 time period. It has since increased to 2.4 percent in 1994.

Table 4–19 shows the percentage of a given State's population receiving SSI benefits for selected years.

As shown in table 4–19, the total percentage of the population receiving SSI benefits increased to 2.46 percent in 1995 from 2 percent in 1975. However, between these years, the percentage of the population receiving SSI benefits declined to 1.74 percent in 1985 (a 13-percent decline) and has since risen to 2.46 percent of the population in 1995.

TABLE 4–19.—SSI RECIPIENCY RATES BY STATE, SELECTED YEARS 1975–95

State	1975	1985	1990	1991	1992	1993	1995
Alabama	3.98	3.29	3.29	3.35	3.43	3.64	3.86
Alaska	0.81	0.65	0.84	0.87	0.90	0.96	1.09
Arizona	1.24	1.04	1.22	1.33	1.42	1.54	1.77
Arkansas	4.09	3.14	3.23	3.34	3.47	3.66	3.86
California	3.09	2.59	2.93	3.03	3.10	3.14	3.17
Colorado	1.37	0.93	1.14	1.23	1.29	1.38	1.52
Connecticut	0.76	0.83	0.98	1.05	1.10	1.19	1.36
Delaware	1.19	1.21	1.21	1.23	1.27	1.34	1.51
District of Columbia	2.23	2.51	2.67	2.83	3.00	3.21	3.63
Florida	1.86	1.62	1.71	1.82	1.90	2.06	2.34
Georgia	3.27	2.56	2.46	2.51	2.55	2.65	2.80
Hawaii	1.08	1.08	1.25	1.27	1.30	1.40	1.52
Idaho	1.06	0.84	1.03	1.10	1.21	1.28	1.44
Illinois	1.22	1.18	1.55	1.67	1.78	2.00	2.25
Indiana	0.83	0.87	1.09	1.17	1.26	1.39	1.52
Iowa	1.00	0.96	1.18	1.23	1.29	1.37	1.47
Kansas	1.05	0.87	0.99	1.05	1.14	1.26	1.44
Kentucky	2.83	2.65	3.11	3.27	3.42	3.71	4.23
Louisiana	3.90	2.87	3.15	3.29	3.49	3.84	4.18
Maine	2.31	1.89	1.93	1.97	2.03	2.17	2.47
Maryland	1.17	1.16	1.25	1.30	1.35	1.44	1.61
Massachusetts	2.30	1.91	1.98	2.12	2.23	2.40	2.72
Michigan	1.31	1.35	1.54	1.61	1.71	1.93	2.19
Minnesota	1.00	0.78	0.92	0.99	1.05	1.17	1.84
Mississippi	5.21	4.28	4.42	4.56	4.68	4.98	5.33
Missouri	2.10	1.58	1.66	1.75	1.83	1.96	2.15
Montana	1.12	0.92	1.25	1.33	1.38	1.44	1.61
Nebraska	1.06	0.88	0.99	1.05	1.09	1.19	1.30
Nevada	1.00	0.85	0.95	0.98	1.04	1.14	1.37
New Hampshire	0.67	0.62	0.62	0.68	0.71	0.77	0.92
New Jersey	1.11	1.23	1.36	1.44	1.52	1.66	1.81
New Mexico	2.29	1.83	2.08	2.19	2.25	2.39	2.65
New York	2.24	2.00	2.31	2.46	2.60	2.85	3.20
North Carolina	2.71	2.21	2.24	2.33	2.36	2.47	2.65
North Dakota	1.25	0.96	1.17	1.25	1.30	1.34	1.42
Ohio	1.22	1.19	1.44	1.55	1.63	1.84	2.19
Oklahoma	3.03	1.81	1.92	1.97	2.02	2.13	2.27
Oregon	1.12	0.95	1.11	1.18	1.24	1.35	1.43
Pennsylvania	1.24	1.39	1.60	1.69	1.77	1.90	2.16
Rhode Island	1.72	1.62	1.74	1.83	1.91	2.05	3.27
South Carolina	2.84	2.60	2.59	2.61	2.67	2.80	2.97
South Dakota	1.32	1.19	1.45	1.53	1.62	1.72	1.87
Tennessee	3.24	2.71	2.87	2.98	3.06	3.22	3.42
Texas	2.23	1.57	1.73	1.81	1.87	2.00	2.17
Utah	0.76	0.53	0.73	0.79	0.84	0.94	1.06
Vermont	1.93	1.76	1.79	1.89	1.99	2.08	2.25
Virginia	1.53	1.49	1.54	1.61	1.67	1.76	1.95
Washington	1.46	1.09	1.27	1.34	1.39	1.50	1.66
West Virginia	2.37	2.24	2.63	2.78	2.91	3.17	3.66
Wisconsin	1.44	1.50	1.75	1.83	1.88	2.04	2.17

TABLE 4–19.—SSI RECIPIENCY RATES BY STATE, SELECTED YEARS 1975–95—Continued

State	1975	1985	1990	1991	1992	1993	1995
Wyoming	0.67	0.45	0.76	0.85	0.92	1.04	1.19
Total [1]	2.00	1.74	1.94	2.03	2.11	2.26	2.46

[1] The total number of SSI recipients used to calculate the total recipiency rate includes a certain number of recipients whose State is unknown. For 1975, 1985, 1990, 1991, 1992, and 1993, the numbers of unknown (in thousands) respectively were 256, 14, 0, 96, 71, and 91.

Source: Social Security Administration, Ways and Means Committee staff, and Congressional Research Service. Percentages are calculated as the average number of monthly SSI recipients over the total population of each State in July of the selected year. For 1995, percentages are calculated as the number of SSI recipients in July 1995 divided by the total population of each State in July 1995.

CHANGES IN NUMBER OF RECIPIENTS, 1970–95

SSI is one of the largest cash assistance programs for the poor and one of the fastest growing entitlement programs; program costs grew 20 percent annually from 1991 through 1994. According to GAO, three groups have accounted for nearly 90 percent of the SSI Program's growth since 1991: adults with mental impairments, children, and noncitizens. These groups grew at an annual average rate of 11.0, 16.4, and 15.5 percent, respectively, from 1986 through 1993, compared with 4.9 percent for all SSI recipients. The SSI recipient population has also changed dramatically: disabled recipients now account for nearly 80 percent of recipients. The GAO report found that SSI recipients now tend to be younger, stay on SSI longer, receive larger benefits, and depend more on SSI as a primary source of income. Factors contributing to caseload growth include the following: expansion in disability eligibility, notably for mentally impaired adults and for children; increased outreach by SSA; little effort to help recipients return to work; infrequent reviews of cases to confirm that the disability is continuing; immigration growth; and transfers from State programs, among others (U.S. General Accounting Office, 1995).

Table 4–20 illustrates the changes in the number of individuals receiving assistance under the federally administered SSI Program and prior programs. The total number of individuals receiving assistance was 3.1 million in 1970; this increased to 4.3 million in 1975 and declined to 3.9 million in 1982. Since then, the number of SSI recipients has grown each year. In 1995, there were over 6.5 million SSI recipients. Despite this overall growth, the number of aged receiving SSI has declined sharply since 1975 from 2.3 million (or 2.5 million if disabled over age 65 are counted as aged) to 1.4 million individuals in 1995 (2.1 million if disabled over 65 are counted). Meanwhile, the number of blind or disabled receiving assistance increased sharply from 1.0 million in 1970 to roughly 5.1 million in 1995 (4.4 million if persons over age 65 are excluded).

The number of persons receiving SSI payment, by State, in December 1995 is provided in table 4–21.

TABLE 4–20.—NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED SSI PAYMENTS, 1974–2001; AND ADULT ASSISTANCE UNDER PRIOR PROGRAMS, 1970–73

[In thousands]

Year [1]	Total [2]	Aged [3]	Blind or disabled		Federal SSI [6]	State supplemental only
			Total [4]	65 and older [5]		
1970	3,098	2,082	1,016			
1971	3,172	2,024	1,148			
1972	3,182	1,934	1,248			
1973	3,173	1,820	1,353			
1974	3,996	2,286	1,710	(7)	(8)	(8)
1975	4,314	2,307	2,007	201	3,893	421
1976	4,236	2,148	2,088	249	3,799	437
1977	4,238	2,051	2,187	302	3,778	460
1978	4,217	1,968	2,249	344	3,755	462
1979	4,150	1,872	2,278	386	3,687	462
1980	4,142	1,808	2,334	419	3,682	460
1981	4,019	1,678	2,341	443	3,590	429
1982	3,858	1,549	2,309	462	3,473	384
1983	3,901	1,515	2,386	485	3,590	311
1984	4,029	1,530	2,499	507	3,699	331
1985	4,138	1,504	2,634	525	3,799	339
1986	4,269	1,473	2,796	540	3,922	348
1987	4,385	1,455	2,930	560	4,019	366
1988	4,464	1,433	3,030	573	4,089	375
1989	4,593	1,439	3,154	587	4,206	387
1990	4,817	1,454	3,363	605	4,412	405
1991	5,118	1,465	3,654	615	4,730	389
1992	5,566	1,471	4,095	628	5,202	364
1993	6,011	1,475	4,536	638	5,664	347
1994	6,296	1,466	4,830	653	5,965	331
1995	6,514	1,446	5,068	669	6,194	320
1996 [9]	6,767	1,437	5,330	684	6,446	321
1997 [9]	6,946	1,423	5,523	698	6,625	321
1998 [9]	7,113	1,411	5,702	712	6,793	320
1999 [9]	7,282	1,403	5,879	726	6,962	320
2000 [9]	7,429	1,394	6,035	740	7,110	319
2001 [9]	7,566	1,387	6,179	754	7,246	320

[1] Data are for December of each year.
[2] All persons with Federal SSI payments and/or federally administered State supplementation; 1974–94. For 1970–73, the total is the number of recipients under the Old-Age Assistance and Aid to the Blind and Aid to the Permanently and Totally Disabled Programs.
[3] For 1970–73, this column is the number of recipients under the Old-Age Assistance Program.
[4] For 1970–73, this column is the number of recipients under the Aid to the Blind and Aid to the Permanently and Totally Disabled Programs.
[5] For 1974–2001, this is the number of age 65 or older individuals who first received SSI benefits because of being blind or disabled.
[6] All persons with Federal SSI payments include those receiving Federal payments only or both Federal SSI and federally administered State supplementation.
[7] Data not available for December 1974. In January 1974, there were 87,000 blind and disabled recipients aged 65 or older.
[8] Data not available.
[9] For 1996–2001, data are projections based on the President's budget estimates of December 1996.

Source: Office of the Actuary, Social Security Administration.

TABLE 4–21.—NUMBER OF PERSONS RECEIVING SSI PAYMENTS, BY STATE, DECEMBER 1995

State	Federally administered				State administered total [1]
	Total	Aged	Blind	Disabled	
Total [3]	6,514,134	1,446,122	83,545	4,984,467	299,858
Alabama [3]	165,093	38,052	1,465	125,576	1,985
Alaska [3]	6,879	1,217	116	5,546	4,726
Arizona [3]	72,961	13,505	891	58,565	674
Arkansas	94,486	20,826	1,157	72,503	....
California	1,031,872	332,090	21,979	677,803	....
Colorado [3]	56,672	9,608	552	46,512	30,812
Connecticut [3]	44,661	7,668	501	36,492	29,807
Delaware	10,996	1,573	120	9,303	....
District of Columbia	20,238	3,246	187	16,805	....
Florida [3]	338,246	99,038	3,255	235,953	14,223
Georgia	198,933	43,666	2,549	152,718	....
Hawaii	18,731	7,552	159	11,020	....
Idaho [3]	16,605	1,968	151	14,486	[4] 2,985
Illinois [3]	266,563	35,769	2,461	228,333	44,367
Indiana [3]	88,757	9,440	1,084	78,233	1,139
Iowa	41,571	5,999	1,002	34,570	....
Kansas	37,552	4,678	400	32,474	....
Kentucky [3]	165,286	24,675	1,739	138,872	5,881
Louisiana	182,104	33,339	2,182	146,583	....
Maine	30,841	5,956	281	24,604	....
Maryland [4]	82,494	16,834	833	64,827	1,648
Massachusetts	163,528	46,829	4,563	112,136	....
Michigan	210,265	23,143	2,092	185,030	....
Minnesota [3]	62,126	10,421	777	50,928	[5] 17,571
Mississippi	141,061	32,026	1,461	107,574	....
Missouri [3]	113,734	17,465	1,032	95,237	10,365
Montana	14,057	1,674	133	12,250	....
Nebraska [3]	21,326	3,084	258	17,984	6,364
Nevada	20,783	6,072	610	14,101	....
New Hampshire [3]	10,533	1,314	106	9,113	6,881
New Jersey	144,004	35,450	1,123	107,431	....
New Mexico [3]	44,755	9,844	644	34,267	231
New York	588,538	145,502	3,784	439,252	....
North Carolina [3]	190,790	44,058	2,443	144,289	19,862
North Dakota [3]	8,970	1,820	92	7,058	[4] 355
Ohio	248,195	21,770	2,464	223,961	....
Oklahoma [3]	74,281	15,208	971	58,102	[5] 68,765
Oregon [3]	47,124	7,183	617	39,324	[5] 16,971
Pennsylvania	264,564	42,952	2,719	218,893	....
Rhode Island	24,245	4,948	244	19,053	....
South Carolina [4]	111,095	23,851	1,782	85,462	4,124
South Dakota [4]	13,631	2,506	130	10,995	232
Tennessee	179,676	32,697	1,860	145,119	....
Texas [5]	404,097	126,932	5,652	271,513	....
Utah	20,462	2,210	292	17,960	....

TABLE 4–21.—NUMBER OF PERSONS RECEIVING SSI PAYMENTS, BY STATE, DECEMBER 1995—Continued

State	Federally administered				State administered total [1]
	Total	Aged	Blind	Disabled	
Vermont	13,015	2,101	131	10,783	....
Virginia [3]	130,310	28,120	1,604	100,586	7,025
Washington	91,654	13,068	931	77,655	....
West Virginia [6]	67,791	7,737	708	59,346	....
Wisconsin	111,585	18,548	1,188	91,849	....
Wyoming [3]	5,759	682	58	5,019	2,865
Other:					
N. Mariana Islands	544	190	12	342	....

[1] Includes fewer than 200 cases not distributed by State.
[2] September 1995 data.
[3] Data for Federal SSI payments only. State has state-administered supplementation.
[4] Data for Federal SSI payments and federally administered state supplementation only, State also has state-administered supplementation.
[5] Estimated data.
[6] Data for Federal SSI payments only, State supplementary payments not made.

Source: Office of Research and Statistics and Office of Retirement and Survivors insurance and Supplemental Security Income Policy, Social Security Administration.

SSI PROGRAM COSTS

Table 4–22 shows total expenditures for the SSI Program in each State, including not only the federally administered Federal and State supplementation payments but also the State administered State supplementation payments. Table 4–23 shows the total (Federal- and State-administered) State supplementation payments for SSI for fiscal years 1985 through 1995.

Table 4–24 illustrates the total amount of Federal and State benefit payments from calendar years 1970 to 1987 and fiscal years 1988 to 2002. From 1970 to 1973, these were the benefits under the old-age assistance, aid to the blind, and aid to the permanently and totally disabled programs. In fiscal year 1995, Federal benefit payments totaled $24.443 billion and State payments totaled $3.681 billion, amounting to an overall total of $28.124 billion. In fiscal year 1996, total (Federal and State) SSI benefits are estimated to total $27.9 billion and projected to increase to $41.5 billion in fiscal year 2002.

TABLE 4–22.—SUPPLEMENTAL SECURITY INCOME: TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND FEDERALLY ADMINISTERED AND STATE ADMINISTERED STATE SUPPLEMENTARY PAYMENTS, FISCAL YEAR 1995

[In thousands of dollars]

State	Total	Federal SSI [1]	State supplementation	
			Federally administered [2]	State administered
Total	$27,247,713	$23,512,463	$3,114,385	$620,865
Alabama	594,372	593,002		1,370
Alaska [3]	39,456	26,484		12,972
Arizona	281,967	281,558		409
Arkansas	322,314	322,310	4	
California	5,335,712	3,354,710	1,981,002	
Colorado	269,875	213,172		56,703
Connecticut	277,012	176,682		100,330
Delaware	39,356	38,539	817	
District of Columbia	83,153	78,811	4,342	
Florida	1,283,365	1,264,985	([4])	18,380
Georgia	681,292	681,277	15	
Hawaii	80,717	69,412	11,305	
Idaho [3]	70,928	61,469		9,459
Illinois	1,220,637	1,151,187		69,450
Indiana	345,508	341,722		3,786
Iowa	145,538	142,587	2,951	
Kansas	137,252	137,251	1	
Kentucky	637,194	620,351		16,843
Louisiana	708,185	708,185	([5])	
Maine	94,373	86,831	7,542	
Maryland	334,378	328,143	([4])	6,235
Massachusetts	687,156	527,076	160,080	
Michigan	892,043	854,774	37,269	
Minnesota [3]	294,510	230,790		63,720
Mississippi	500,936	500,930	6	
Missouri	452,238	422,689		29,549
Montana	51,492	50,552	940	
Nebraska	80,478	74,508		5,970
Nevada	76,542	72,657	3,885	
New Hampshire	48,422	37,383		11,039
New Jersey	588,426	551,771	76,655	
New Mexico	162,046	161,753		293
New York	2,672,815	2,162,719	510,096	
North Carolina	741,847	626,602		115,245
North Dakota [3]	30,392	28,464		1,928

TABLE 4–22.—SUPPLEMENTAL SECURITY INCOME: TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND FEDERALLY ADMINISTERED AND STATE ADMINISTERED STATE SUPPLEMENTARY PAYMENTS, FISCAL YEAR 1995—Continued

[In thousands of dollars]

State	Total	Federal SSI [1]	State supplementation: Federally administered [2]	State supplementation: State administered
Ohio	1,027,215	1,027,215	13	....
Oklahoma	297,636	261,825	....	35,811
Oregon [3]	206,606	178,561	....	28,045
Pennsylvania	1,139,278	1,003,125	136,153	....
Rhode Island	97,234	78,423	18,811	....
South Carolina	391,142	378,392	....	12,750
South Dakota	47,306	46,533	9	764
Tennessee	636,486	636,486	([4])	....
Texas	1,365,758	1,365,758	....	....
Utah	79,406	79,346	60	....
Vermont	49,195	38,799	10,396	....
Virginia	481,064	461,908	....	19,156
Washington	391,780	363,264	28,516	....
West Virginia	269,671	269,671	....	....
Wisconsin	481,012	357,319	123,693	....
Wyoming	21,165	20,505	....	660
N. Mariana Islands	2,351	2,351	....	....

[1] Includes $1.6 million not distributed by State.
[2] Total reduced by $176,000 due to adjustments not yet identified and credited by State.
[3] Data estimated for State-administered payments.
[4] Amount not shown; negative adjustment exceeds amount paid.
[5] Less than $500.

Source: Office of Research and Statistics, Social Security Administration.

TABLE 4–23.—STATE SSI SUPPLEMENTATION PAYMENTS, FISCAL YEARS 1985–95

[In thousands of dollars]

State	Year										
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Alabama	$15,003	$13,659	$11,606	$10,436	$7,964	$6,594	$6,394	$3,845	$2,083	$1,673	$1,370
Alaska	12,970	12,970	12,970	12,970	12,970	12,972	12,972	12,972	12,972	12,972	12,972
Arizona	2,194	2,668	3,045	3,309	2,691	2,560	3,129	3,129	3,129	411	409
Arkansas	30	28	32	20	14	15	12	8	0	6	4
California	1,288,260	1,466,079	1,729,305	1,862,170	2,038,339	2,274,296	2,303,637	2,433,459	2,212,330	2,014,831	1,981,002
Colorado	47,474	38,320	35,416	24,132	41,035	42,649	50,002	53,309	55,057	53,376	56,703
Connecticut	31,200	36,578	46,577	54,584	74,257	67,670	98,838	94,725	96,836	99,424	100,330
Delaware	457	671	703	730	725	708	721	750	747	819	817
Dist. of Columbia	4,106	4,202	4,265	4,538	4,498	4,365	4,278	4,694	4,899	5,095	4,342
Florida	8,174	9,718	11,314	11,309	12,609	14,656	18,055	18,899	18,608	18,608	18,380
Georgia	13	8	19	18	10	16	9	12	19	18	15
Hawaii	3,598	3,740	3,893	4,263	6,799	10,885	10,314	10,698	11,066	11,299	11,305
Idaho	4,023	4,136	4,205	4,205	4,205	4,212	4,212	4,212	4,212	4,212	9,459
Illinois	44,491	51,197	56,856	59,573	55,716	57,137	65,756	64,241	65,836	73,398	69,450
Indiana	1,191	1,744	2,666	3,619	3,099	3,285	3,405	3,563	3,817	3,884	3,786
Iowa	1,620	1,908	2,098	2,204	2,275	2,408	2,508	2,672	2,859	2,940	2,951
Kansas	32	27	34	25	21	21	17	12	0	2	1
Kentucky	9,947	9,795	10,109	10,467	10,473	11,611	14,801	15,492	15,313	16,612	16,843
Louisiana	51	42	47	33	23	25	19	12	4	(1)	(1)
Maine	5,372	5,413	7,454	7,540	7,452	7,494	7,371	7,325	7,233	7,415	7,542
Maryland	4,238	5,252	5,505	6,159	6,159	6,155	6,520	6,542	6,269	6,102	6,235
Massachusetts	109,954	109,452	112,561	120,010	114,691	117,113	124,761	137,516	147,866	153,034	160,080
Michigan	62,824	66,338	68,779	69,833	72,369	74,682	72,561	61,636	62,683	61,955	37,296
Minnesota	17,024	19,818	22,850	24,667	40,641	43,924	48,933	55,224	53,860	53,860	63,720
Mississippi	33	29	35	27	26	22	19	12	11	7	6
Missouri	6,027	5,132	4,410	4,009	3,102	2,808	8,476	26,158	25,866	24,286	29,549
Montana	805	834	844	839	842	864	910	909	902	960	940
Nebraska	5,325	5,348	5,457	5,454	6,550	5,793	5,334	6,175	6,705	5,990	5,970
Nevada	2,421	2,531	2,594	2,704	2,771	2,928	3,029	3,184	3,586	3,717	3,885

TABLE 4–23.—STATE SSI SUPPLEMENTATION PAYMENTS, FISCAL YEARS 1985–95—Continued

[In thousands of dollars]

State	Year										
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
New Hampshire	7,740	7,326	6,501	5,865	9,662	6,843	7,675	7,948	8,512	9,573	11,039
New Jersey	46,675	48,124	49,996	50,446	59,291	53,697	57,328	64,765	71,965	74,242	76,655
New Mexico	226	216	280	248	270	263	307	333	329	321	293
New York	225,075	277,035	305,678	317,504	366,972	388,150	410,081	440,374	476,029	494,345	510,096
North Carolina	36,449	41,091	47,963	52,745	58,989	63,135	75,066	91,925	95,445	106,493	115,245
North Dakota	1,183	1,518	1,406	1,480	1,549	1,390	1,291	1,408	1,220	1,676	1,928
Ohio	1	35	37	31	30	34	31	31	28	18	13
Oklahoma	30,187	31,380	32,894	34,045	33,414	34,168	35,055	36,012	36,557	34,987	35,811
Oregon	9,781	9,767	10,342	11,843	15,419	17,946	20,169	20,169	20,169	20,169	28,045
Pennsylvania	65,203	69,186	75,502	74,670	76,565	79,571	84,668	94,971	109,947	128,339	136,153
Rhode Island	8,842	9,402	9,848	10,263	10,816	11,729	12,973	14,967	16,097	17,384	18,811
South Carolina	3,932	4,812	4,927	5,004	9,785	8,897	11,994	11,685	12,377	11,880	12,750
South Dakota	499	591	636	587	590	567	620	652	681	709	773
Tennessee	6	0	6	1	4	4	1	1	0	(2)	(2)
Texas [1]	0	0	0	0	0	0	0	0	0	(3)	(3)
Utah	820	872	855	1,086	981	808	898	959	878	201	60
Vermont	6,709	7,236	7,684	7,841	8,346	8,685	9,374	10,299	9,927	9,715	10,396
Virginia	11,267	12,164	12,846	14,432	15,949	15,296	16,863	16,782	17,317	17,752	19,156
Washington	20,022	17,443	19,424	18,058	18,994	19,915	21,558	24,043	26,808	28,374	28,516
West Virginia [1]	0	0	0	0	0	0	0	0	0	(3)	(3)
Wisconsin	71,733	80,288	86,363	90,642	95,205	100,276	107,543	118,063	132,761	125,789	123,693
Wyoming	199	216	218	226	296	279	326	440	527	597	660
Total	2,234,846	2,496,275	2,835,516	3,006,796	3,308,277	3,589,348	3,750,812	3,987,110	3,862,151	3,719,314	3,735,250

[1] Less than $500.
[2] Amount not shown; negative adjustment exceeds amount paid.
[3] Texas and West Virginia do not pay State supplementation.

Source: Office of Research and Statistics, Social Security Administration.

TABLE 4–24.—FEDERAL AND STATE BENEFIT PAYMENTS UNDER SSI AND PRIOR ADULT ASSISTANCE PROGRAMS, CALENDAR YEARS 1970–87 AND FISCAL YEARS 1988–2002 [1]

[In millions of dollars]

Year [2]	Total	Total constant 1995 dollars	Federal payments	Total State payments	State payments: Federally administered	State payments: State administered	SSI administrative costs (fiscal year)
1970	2,939	11,779	1,801	1,138	....	....	....
1971	3,206	12,218	(3)	(3)	....	....	....
1972	3,392	12,479	1,993	1,398	....	....	....
1973	3,418	12,088	1,987	1,432	....	....	....
1974	5,246	17,034	3,833	1,413	1,264	149	[4] 285
1975	5,878	17,182	4,314	1,565	1,403	162	399
1976	6,066	16,559	4,512	1,554	1,388	166	500
1977	6,306	16,605	4,703	1,603	1,431	172	NA
1978	6,552	15,535	4,881	1,671	1,491	180	539
1979	7,075	15,205	5,279	1,796	1,590	207	610
1980	7,941	15,026	5,866	2,074	1,848	226	668
1981	8,593	14,636	6,518	2,076	1,839	237	718
1982	8,981	14,246	6,907	2,074	1,798	276	779
1983	9,404	14,411	7,423	1,981	1,711	270	830
1984	10,372	15,267	8,281	2,091	1,792	299	864
1985	11,060	15,701	8,777	2,283	1,973	311	953
1986	12,081	16,740	9,498	2,583	2,243	340	1,022
1987	12,951	17,446	10,029	2,922	2,563	359	976
1988	14,375	18,598	11,368	3,007	2,645	362	975
1989	14,707	18,163	11,399	3,308	2,881	427	1,051
1990	16,095	18,933	12,507	3,589	3,159	431	1,075
1991	17,979	20,133	14,228	3,751	3,235	516	1,257
1992	21,258	23,109	17,270	3,987	3,431	556	1,538
1993	24,173	25,504	20,312	3,862	3,298	564	1,467
1994	28,288	29,082	24,461	3,827	3,219	608	1,781
1995	28,124	28,124	24,443	3,681	3,060	621	1,978
1996 [4 6]	27,946	27,209	24,336	3,610	2,940	670	2,102
1997 [4 5]	31,991	30,215	28,151	3,840	3,125	715	2,123
1998 [4 5]	33,984	31,145	30,094	3,890	3,125	765	2,124
1999 [4 5]	35,847	31,906	31,912	3,935	3,125	810	2,124
2000 [4 5]	40,536	35,069	36,311	4,225	3,365	860	2,124
2001 [4 5]	36,784	30,922	32,999	3,785	2,880	905	2,124
2002 [4 5]	41,517	33,885	37,437	4,080	3,125	955	2,124

[1] Payments and adjustments during the respective year but not necessarily accrued for that year.

[2] 1970–73 refers to Old-Age Assistance, Aid to the Blind and Aid to the Permanently and Totally Disabled; 1974–2002 refers to Supplemental Security Income.

[3] Data not available.

[4] Additional administrative costs are reflected for the SSI program share of the President's Disability Investment in fiscal years 1994–2002 and for the Automation Investment in fiscal years 1994–98.

[5] Estimated. Federal outlays are projections based on the President's budget estimates of January 1996. State outlays are rough estimates on an aggregate national basis.

[6] Fiscal year 1995 adminstrative expenses included funds to pay back the OASI Trust Fund with interest for SSI administrative funding shortfalls in prior years.

Source: Office of Budget, Social Security Administration.

LEGISLATIVE HISTORY

Legislative Changes Made in the 92d Congress

1972

Public Law 92–603, the Social Security amendments of 1972, replaced existing Federal-State programs of assistance to the aged, blind, and disabled with a program fully financed and administered by the Federal Government, effective January 1, 1974. The old Federal-State programs remained in effect for Guam, Puerto Rico, and the Virgin Islands, since these jurisdictions are not covered by the new SSI Program. The SSI Program used the same definitions of "blindness" and "disability" as those used under the Old-Age Survivors and Disability Insurance (OASDI) Program and an individual had to be at least age 65 to be considered "aged."

To be eligible for SSI benefits, aged, blind, and disabled persons could not have resources of more than $1,500 and a couple could not have resources of more than $2,250. In determining resources, a number of items generally are not counted, such as the individual's home, household goods, automobile and personal effects. In January 1974, an aged, blind, or disabled individual with no other income received an SSI benefit payment of $140 per month. An eligible couple with no other income received $210 per month. The SSI law required that the amount of SSI payable was to be reduced by other income available to recipients, but the reductions were not on a dollar-for-dollar basis. The first $20 of almost any kind of income was to be disregarded as well as the first $65 of earned income plus one half of any earnings above that $65. It also required that individuals who were living in another person's household and receiving in-kind support and maintenance from that person were to have their SSI benefit based on a one-third reduction of the Federal SSI benefit standard. Persons in a medical facility where the Medicaid Program was paying at least 50 percent of the cost of the person's care received an SSI benefit based on a reduced Federal SSI benefit standard of $25 in the case of an individual and $30 in the case of a couple (i.e., a personal needs allowance). The 1972 law included a provision that prohibited persons receiving SSI benefits from participating in the food stamp or surplus commodity distribution programs.

To protect individuals who were eligible for payments under the Federal-State programs of old-age assistance (enacted in 1935), aid to the blind (enacted in 1935), and aid to the permanently and totally disabled (enacted in 1950), but who would have been ineligible or eligible for a lesser payment under the SSI Program, the 1972 law contained several "grandfather clauses." Under the grandfather clause provisions (1) persons who received aid to the blind or aid to the disabled in December 1973 were considered blind or disabled under the SSI Program if they met the definitions of blindness or disability in effect in their States as of October 1972 and (2) persons who received assistance in December 1973 and December 1972 were considered able to meet the resource requirement as long as their resources did not exceed the resource limits of the State assistance plan in effect in October 1972.

The 1972 law permitted States to supplement the Federal SSI benefit payment (without such payments being counted as income for the SSI Program). It also allowed States to have the Federal Government make the supplementary payment and absorb the administrative costs of doing so. Under the 1972 law, States were guaranteed that if they were required to pay more than they paid in calendar year 1972 in order to maintain pre-SSI assistance levels, they would receive some financial relief under a fiscal savings provision, sometimes called the "hold harmless" clause. Under the fiscal saving provision, a State which elects to have the Federal Government administer its State supplementary payments (including required supplementary payments) is not required to contribute more toward the cost of these payments than the State's calendar year 1972 share of the cost of aid to the aged, blind, and disabled.

The 1972 law required disabled and blind recipients to be referred to State agencies for vocational rehabilitation services. A recipient who refused without good cause any vocational rehabilitation services offered would no longer be eligible for SSI benefits. It also required that payments to persons classified as SSI drug addicts or alcoholics be made to a representative payee (i.e., person or agency responsible for managing the recipient's finances), that these recipients participate in drug treatment programs if available and appropriate, and that the treatment be monitored. In addition, the 1972 law provided States with several options, largely dependent on their previous coverage levels, for purposes of determining Medicaid eligibility for the aged, blind, and disabled.

LEGISLATIVE CHANGES MADE IN THE 93D CONGRESS

1973

Public Law 93–66 increased the SSI payment levels from $130 to $140 per month for an individual and from $195 to $210 per month for a couple, effective for July 1974.

Public Law 93–66 required that States, in order to be eligible for Federal matching funds for Medicaid, provide additional payments to supplement the SSI payment of those who were receiving aid to the aged, blind, or disabled in December 1973. These payments must be sufficient to assure that the individual continues to have as much total income (SSI payment plus other income) as he had in December 1973 (aid to the aged, blind, or disabled plus other income). This requirement applied only to those individuals who were actually on the assistance rolls in December 1973. Public Law 93–66 also provided that in cases where an essential person (a person whose needs were taken into account under a State plan as a person whose presence in the household was considered necessary to provide care and essential services for the public assistance recipient) was included in the State's assistance payment in December 1973, the SSI benefit would also include the essential person (i.e., the amount would be increased by $65 per month ($70 per month effective July 1974)).

Public Law 93–86 permitted SSI recipients to receive food stamp benefits only if the individual's SSI benefits were not equal to the total of the SSI payment (including any State supplement) plus the food stamp bonus that was available in December 1973.

1974

Public Law 93–233, the Social Security Act amendments of 1973, increased SSI payments to $140 per month for an individual and $210 per month for a couple effective January 1, 1974. Effective July 1, 1974 these amounts were increased to $146 for an individual and to $219 for a couple. The l973 Social Security Act amendments temporarily suspended the SSI-food stamp provision of Public Law 93–86 (effective January–June 1974). Thus, SSI recipients in all States except the States where food stamps were cashed out were eligible for food stamps if they met the income and resource requirements (Public Law 93–335 extended this provision for another 12 months—until July 1, 1975). Under the 1973 amendments, only persons who had received aid to the disabled before July 1973 and who were on the rolls in December 1973 would be grandfathered into the SSI Program. Moreover, the grandfather clause with respect to the resource limit was liberalized in that persons who met the State resource limits in October 1972 and who were on the rolls in December 1973 (in the same State) were eligible for SSI (as long as they were continuously eligible for SSI). Public Law 93–233 permitted the adjustment of the grandfather clause in such a way that it assures the same level of total family income (rather than the individual's income) in cases where the SSI recipient lived with an AFDC family.

Another provision of Public Law 93–233 stipulated that the Federal SSI payment would be reduced dollar-for-dollar for any State supplementary payment which was made for care provided to institutionalized individuals, if the care could be provided under the State's Medicaid Program.

Public Law 93–368 provided for automatic increases in Federal SSI benefits at the same percentages as cost-of-living increases for Social Security recipients. It also contained a provision giving the Federal Government the authority to reimburse States for assistance provided to individuals who applied for, but had not yet received, SSI benefits.

Legislative Changes Made in the 94th Congress

1976

Public Law 94–585 established Federal SSI "passthrough" requirements, effective with the cost-of-living increase provided in July 1977. These provisions provide States with two options for meeting the passthrough requirements. One option is the aggregate spending level option, under which a State may make State supplementary payments in any current 12-month period that are no less, in the aggregate, than were made in the previous 12-month period. The other option is the individual payment level option, under which a State may maintain the supplementary payment levels that were in effect for categories of individual recipients in December 1976.

Legislative Changes Made in the 96th Congress

1980

Public Law 96–265, the Social Security Disability amendments of 1980, established a new section, 1619, which authorized a 3-year demonstration project (beginning January 1, 1981) providing special cash benefits (equivalent to "regular" SSI benefits) and continued Medicaid eligibility to persons who had been eligible for SSI disability payments, but had earned income in excess of the "substantial gainful activity" standard (this provision is later referred to as the section 1619 provision). Public Law 96–265 allowed wages received by an SSI recipient for working in a sheltered workshop to be eligible for the earned income disregard used in computing benefits. It permitted disabled SSI and SSDI recipients to deduct costs of items and services (e.g., prostheses, medical devices and equipment, attendant care services, etc.) needed to enable the recipient to work from income in determining whether the recipient is engaging in substantial gainful activity and in determining the recipient's SSI benefit amount. The 1980 amendments extended to 24 months, from 9 months, the "trial work period" during which a disabled person could return to work without losing the right to an immediate reinstatement of SSI and/or SSDI benefits if continued employment proved impossible.

Public Law 96–265 eliminated the "deeming" of income and resources requirement for children aged 18–20, so that all deeming of income and resources from parents to children would end when the child reached age 18. It also stipulated that a portion of the income and resources of a sponsor of an alien/immigrant be deemed to the alien for 3 years after entry (excludes refugees, political asylees, and those who become blind or disabled after entry into the United States).

Legislative Changes Made in the 97th Congress

1981

Public Law 97–35, the Omnibus Budget Reconciliation Act of 1981, established a new period for determining SSI eligibility and benefit amount. Under the 1981 law, eligibility and benefit amount which were based on an individual's income, resources, and other relevant circumstances in a calendar quarter are now to be based on a month. The 1981 Act stipulated that States would be paid only for vocational rehabilitative services provided to persons who were to return to the performance of substance gainful activity for a continuous period of at least 9 months. In addition, while the negotiability of SSI checks was not limited, the Secretary of the Treasury, on a monthly basis, was required to notify the Secretary of the Department of Health and Human Services of all benefit checks which were not cashed within 180 days of issuance. Moreover, the DHHS Secretary was required to return or credit amounts which represented State supplementary payments to the States. (Public Law 97–248 clarifies that State supplementary payments includes "State supplementation only checks."

1982

Public Law 97–248, the Tax Equity and Fiscal Responsibility Act of 1982, established a prorating procedure under which SSI benefit levels for recipients during their first month on the program would be determined according to the day of the month on which they applied or met the eligibility requirements, whichever date is later, provided that a recipient's SSI benefit be rounded down to the next lower dollar, required that SSI benefits be reduced in the first month in which a recipient received a cost-of-living increase in Social Security payments, excluded from countable resources, for eligibility purposes, burial spaces and burial funds of up to $1,500 each for the individual and spouse.

It also authorized reductions in the hold harmless payment (payments to limit State's financial liability for supplementing Federal SSI benefits to maintain benefit levels of pre-SSI recipients at their January 1972 benefit levels), as follows: 40 percent of what it would have otherwise been in 1983, to 20 percent in 1984, and no hold harmless payments in 1985 and years thereafter.

In addition, it allowed States to shift from the aggregate spending option (States which supplement Federal SSI benefits are required to pass through the Federal SSI cost-of-living increases by (1) maintaining the December 1976 State supplementation payment level for recipients or (2) providing no less than the total aggregate amount of State supplementation paid by the State in the previous 12-month period) to the State supplementation payment level option by maintaining the payment level in the previous December rather than December 1976.

LEGISLATIVE CHANGES MADE IN THE 98TH CONGRESS

1983

Public Law 98–21, the Social Security amendments of 1983, increased the Federal SSI benefit standard by $20 per month for an individual and by $30 per month for a couple, effective July 1, 1983, and delayed the annual cost-of-living adjustments from January to July, beginning January 1984 (thus, SSI and OASDI cost-of-living adjustments would continue to occur at the same time). It provided that aged, blind, and disabled residents of public emergency shelters for the homeless could be eligible for SSI payments for as many as 3 months in a 12-month period. Under Public Law 98–21, in-kind support and maintenance provided by a private nonprofit organization was excluded from income by the SSI Program if it was determined that the assistance was based on need. The 1983 amendments also required the DHHS Secretary to provide, before July 1984, a one-time notice to all elderly OASDI recipients who were potentially eligible for SSI payments of the availability of SSI. Moreover, similar information on SSI availability was to be included with the standard notice to OASDI recipients of upcoming eligibility for Supplementary Medical Insurance at age 65.

Public Law 98–21 modified Public Law 94–585 by substituting the State supplementary payment levels in effect in March 1983 for those in effect in December 1976 as the levels that States must maintain in order to comply with the payment level passthrough requirement and with regard to the $20/$30 increase in the Federal

SSI benefit standard in July 1983, by requiring States to pass through only as much as would have been required if the SSI cost-of-living adjustment had not changed from July 1983 to January 1984.

1984

Public Law 98–460, the Social Security Disability Benefits Reform Act of 1984, extended the section 1619 provision (continued SSI benefits and Medicaid coverage for persons working despite severe impairments) through June 30, 1987 (the demonstration was scheduled to end December 31, 1983). In addition, it required the Secretaries of the Department of Health and Human Services and the Department of Education to inform SSI applicants, recipients, and potentially interested public and private organizations of the Section 1619 program. It also permitted the DHHS Secretary to terminate OASDI or SSI benefits only if there was substantial evidence that an individual's medical condition had improved since the individual began receiving benefits and that the individual was able to work. Public Law 98–460 required that the combined effects of an individual's multiple impairments be weighed in making the disability determination. It continued the existing practice of rejecting as conclusive evidence of a disability an individual's claim that he or she was in pain, but required the Department of Health and Human Services to conduct a study on the role of pain in determining disability. It also continued the moratorium on reviews of mentally impaired recipients, which had been in place since June 7, 1983, until new standards were published in the Federal regulations.

Public Law 98–460 required stricter rules for the appointing and monitoring of persons who receive OASDI or SSI payments on behalf of the eligible persons (representative payees—responsible for managing the recipient's finances). The penalties against misuse of OASDI or SSI funds by representative payees were raised.

Legislative Changes Made in the 99th Congress

1986

Public Law 99–643, the Employment Opportunities for Disabled Americans Act, made permanent and simplified the provisions of section 1619. (As mentioned earlier, the section 1619 provisions seek to encourage disabled and blind recipients of SSI to work by providing special SSI payments and Medicaid coverage while they work.) It also authorized full SSI benefits for 2 months for persons in a public medical or psychiatric institution if they were eligible for section 1619 benefits or services in the month prior to their admission. Public Law 99–643 provided that States shall not be required to follow the SSI rule that members of a couple sharing a room in a Medicaid institution be considered as two individuals if following the SSI rule would disadvantage either spouse in determining eligibility for any other program under the Social Security Act.

LEGISLATIVE CHANGES MADE IN THE 100TH CONGRESS

1987

Public Law 100–203, the Budget Reconciliation Act of 1987, permanently extended the provision that authorized in-kind support and maintenance (that was based on need) provided by a private nonprofit organization to be excluded from income by the SSI Program (the provision was to expire September 30, 1987). Public Law 100–203 excluded real property from SSI eligibility calculations if the property could not be sold because it was jointly owned and the sale would cause a hardship to other owners, its sale was legally prevented, or reasonable efforts to sell it had been unsuccessful. It permitted the DHHS Secretary to waive the transfer of assets rule, which counted the value of assets sold at less than market value for 24 months after the transaction in computing benefit eligibility, if the absence of such a waiver would cause undue hardship.

Public Law 100–203 extended to July 1, 1988, the period during which widows and widowers who would have lost eligibility for SSI because of the 1983 Social Security benefit increase for widows and widowers could apply for Medicaid as SSI recipients. It continued SSI eligibility for blind or disabled widows or widowers who were required to apply for Social Security benefits at age 60. It increased the amount of immediate emergency SSI payments from $100 to the Federal SSI benefit standard ($470 for an individual in 1996) plus, if any, the federally administered State supplementary payment. It permitted the Federal Government to reimburse States that paid SSI benefits to persons whose eligibility was terminated or suspended but who later were found to be eligible for SSI benefits. It continued full SSI benefits to persons in a Medicaid hospitals or in public institutions whose primary purpose is to provide medical or psychiatric care if a doctor certified that they were not likely to stay more than 3 months.

Public Law 100–203 required that any interest on burial accounts must be disregarded in determining whether an individual met the SSI resource requirement. It required that AFDC payments be disregarded in determining SSI benefits (previously, under the SSI retrospective accounting period, AFDC benefits received in the month of SSI application were counted as income in determining SSI benefit for the first 2 months of SSI receipt). It gives the States the option of treating a husband and wife who have been living in a Medicaid institution for 6 months as a couple, if doing so would prevent a reduction or termination of Medicaid benefits. It increased the “personal needs” allowance for SSI recipients in Medicaid facilities from $25 to $30 in the case of an individual and from $50 to $60 in the case of a couple. It continues SSI benefits to individuals whose blindness has ceased if they are participating in an approved vocational rehabilitation program (under the same conditions that apply to the disabled). It required SSA to inform blind SSI recipients about their benefits by telephone, certified letter, or some other process agreed to by the recipient.

Public Law 100–203 provided that a person in an emergency shelter could receive SSI benefits for 6 months in a 9-month period. It authorized several types of demonstration projects designed to help homeless persons who could qualify for SSI benefits. It provided that, for the 2-year period beginning October 1, 1987, retroactive SSI and Social Security payments received during the period must be disregarded as resource for 9 months. It required that death benefits and gifts and inheritances from a family member be disregarded from the determination of a person's SSI eligibility if the benefits were used to pay for the deceased person's last illness and burial.

Legislative Changes Made in the 101st Congress

1989

Public Law 101–239, the Omnibus Budget Reconciliation Act of 1989, (1) established a permanent outreach program for disabled and blind children, (2) continued eligibility for disabled children in a military family that moves overseas, (3) waived the SSI income and resource deeming rules in the case of severely disabled children who were eligible for SSI while in a medical institution and who qualify for Medicaid under a State home care plan, (4) disregarded domestic commercial transportation tickets given as gifts to SSI recipients (unless they are converted to cash), (5) required that a married couple be treated as separate individuals beginning with the first month following the month of separation, (6) excluded interest and other accruals on burial spaces in determining income and resources for the purpose of the SSI Program, (7) required that the value of property which is used in a person's trade or business, or in the employment of a family member, be excluded from the equity value of the person's property, and (8) authorized demonstration projects to test the use of volunteer senior aides to provide basic medical assistance and support to families with disabled or chronically ill children.

1990

Public Law 101–508, the Omnibus Budget Reconciliation Act of 1990, included a provision that requires the Secretary of the Department of Health and Human Services to inform the family of a child who is awarded a retroactive payment as a result of the *Sullivan* v. *Zebley* Supreme Court decision that the family may be able to place the payment in a trust for the benefit of the child and that legal aid may be available for this. Public Law 101–508 also included a provision that requires the DHHS Secretary to make reasonable efforts to ensure that a qualified pediatrician or other specialist in a field of medicine appropriate to the disability of the child evaluate the child's disability for purposes of determining eligibility for SSI.

The 1990 Omnibus Budget Reconciliation Act also liberalized the treatment of certain income by disregarding certain expenses and payments in determining SSI eligibility and/or benefits. Pursuant to the 1990 law, the SSA is to (1) exclude victim's compensation payments from income for purposes of SSI eligibility and benefits and exclude such payments from resources for the 9-month period beginning after the month of receipt, (2) treat royalties and honoraria as earned income rather than unearned income, and (3) exclude State or local relocation assistance from income and from resources for no more than 9 months (provision effective for 3 years).

Public Law 101–508 included four provisions related to section 1619 of the Social Security Act. The first provision eliminates the age limit requirement for persons in the section 1619(b) program. The second provision requires that impairment-related work expenses be excluded from the earnings of a disabled individual in determining State supplementary payments and Federal SSI benefits. Previous law permitted only disabled persons who received Federal SSI benefits to deduct impairment-related work expenses from income in determining SSI eligibility and reeligibility. The third provision authorizes reimbursement for vocational rehabilitation services provided in months for which individuals were eligible for Medicaid coverage under section 1619(b), were in suspended benefit status, [1] or were receiving federally administered State supplementary payments. Under previous law, State vocational rehabilitation agencies already were reimbursed for the costs incurred by regular SSI recipients and section 1619(a) recipients. The fourth provision provides that continuing disability and blindness reviews are required only once every 12 months for section 1619 recipients. Under previous law, a disabled or blind individual with income fluctuations was subject to several disability reviews in the course of a year.

Public Law 101–508 also (1) required the Secretary of the Department of Health and Human Services and the Secretary of Agriculture to develop a procedure under which concurrent applications for the SSI and Food Stamp Programs are given to persons who are about to be released from an institution, and (2) extended the presumptive eligibility time period from 3 months to 6 months.

LEGISLATIVE CHANGES MADE IN THE 103D CONGRESS

1993

Public Law 103–66, the Omnibus Budget Reconciliation Act of 1993, required the DHHS Secretary to charge States fees for the Federal cost of administering SSI supplementary payments. The fees started at $1.67 for each monthly supplementary payment in fiscal year 1994, increasing to $3.33 in fiscal year 1995, and to $5 in fiscal year 1996. The fee in subsequent years would be $5 or an amount determined by the DHHS Secretary. It permanently excluded from consideration as income or resources any State or local relocation assistance received by SSI recipients, prevented SSI benefits from declining when the spouse or parent of a recipient was absent from home solely because of active military service (certain hazardous duty pay was also excluded from income), and required that children who were U.S. citizens would remain eligible for SSI when they accompanied their parents on U.S. military assignments to Puerto Rico or to U.S. territories and possessions (previous law continued payments only if the parents were on military assignments in foreign countries).

In addition, to eliminate the unintended SSI benefit increase for January and February following a cost-of-living adjustment and the offsetting reduction for March (i.e., the 2-month retrospective bene-

[1] Disabled or blind persons are considered to be in "suspended eligibility or benefit status" if, within the last 12 months, they were recipients of regular SSI, section 1619(a) benefits or 1619(b) coverage.

fit calculation rule), Public Law 103–66 required that the benefit reduction for in-kind support and maintenance (generally one-third of the Federal SSI benefit standard plus $20 monthly) be based on the existing month's benefits. Public Law 103–66 also disregarded from income up to $2,000 received by American Indians that came from leases on individually owned trust or restricted American Indian lands (previously only income received by American Indians from tribally owned trust lands had been excluded as income).

1994

Public Law 103–296, the Social Security Independence and Program Improvements Act of 1994, made numerous changes to the SSI Program. In addition to establishing SSA as an independent agency (with responsibility for both OASDI and SSI, it included the provisions discussed below.

Restrictions on benefits based on disability of substance abusers.—Places restrictions on SSI disability insurance payments to individuals disabled by drug addiction and alcoholism (DAA) and establishes barriers against a beneficiary's using SSI benefits to support an addiction.

Payment limitation.—Limits the payment of SSI benefits to 36 months for individuals whose substance abuse is material to their disability, beginning with the first month for which treatment is available. This restriction sunsets October 1, 2004. Medicare, Medicaid, and dependent's benefits will continue as long as the terminated beneficiary continues to be disabled and otherwise eligible (i.e., except for the 36-month limit). The payment limit will not apply to individuals who are disabled independent of the alcoholism or drug addiction at the close of the 36-month period.

Suspension for noncompliance.—Provides for suspending benefits for noncompliance with treatment for substance abusers, beginning the month after SSA sends notification of noncompliance. Once benefits are suspended for noncompliance, they may be reinstated only after demonstrated compliance with treatment requirements for specified periods—a minimum of 2 months, 3 months, and 6 months, respectively, for the first, second, third and additional instances of noncompliance. Suspension of benefits for 12 consecutive months will result in termination of benefits.

Referral and monitoring.—Requires the establishment of referral and monitoring agency contracts in each State and issuance of regulations defining appropriate treatment for substance abusers.

Retroactive benefits.—Requires gradual payment of retroactive disability benefits to substance abusers, except for beneficiaries who have outstanding debts related to housing and are at high risk of homelessness. Retroactive benefits due to an individual whose entitlement terminates will continue in prorated amounts until they are fully paid. In addition, if a beneficiary dies without having received all retroactive benefits, the unpaid amount becomes and underpayment.

Representative payment.—Requires SSA to give preference to the appointment of social service agencies or to Federal, State, or local government agencies as representative payees for disability substance abusers, unless SSA determines that a family member would be a more appropriate payee.

Permits organizations that serve as representative payees for substances abusers to retain, as compensation for their services, the lesser of 10 percent of the monthly benefit or $50, indexed to the CPI. Also indexes to the CPI the maximum payee service fee ($25) for other beneficiaries with a qualified organizational payee.

Studies and reports.—Requires the following studies and reports:

A study of (1) the feasibility, cost and equity of requiring representative payees for all disability beneficiaries who suffer from drug addiction or alcoholism, regardless of whether their addiction is material to their addiction; (2) the feasibility, cost and equity of providing noncash benefits; and (3) the extent of substance abuse among child recipients and their representative payees. A report on the studies is due by December 31, 1995.

A report on the Secretary's activities relating to the monitoring and testing of disability beneficiaries. The report is due by December 1, 1996.

Demonstration projects designed to explore innovative referral, monitoring, and treatment approaches with respect to disability beneficiaries who are subject to a treatment requirement. A report on these projects is due by December 31, 1997.

Continuing disability review (CDRs) for SSI recipients.—Requires SSA, in each of the fiscal years 1996, 1997, and 1998, to perform CDRs for a minimum of 100,000 SSI recipients and one-third of all childhood SSI recipients who are between age 18 and age 19. The latter provision applies to individuals who attain age 18 in or after the ninth month after enactment. Requires SSA to report its findings no later than October 1, 1998.

SSI eligibility for students temporarily abroad.—Allows individuals who leave the United States temporarily as part of an educational program that is not available in the United States, that is designed for gainful employment, and that is sponsored by a school in the United States to continue receiving SSI benefits for up to 1 year if they were eligible for SSI the month they left the country.

Disregard of cost-of-living increases for continued eligibility for work incentives.—Continues Medicaid under section 1619(b) for an individual whose Social Security cost-of-living increase otherwise would make them ineligible because of excess unearned income.

Provisions to combat SSI Program fraud.—Strengthens present law in deterring fraud and abuse in the SSI Programs by:

1. Requiring that third-party translators certify under oath the accuracy of their translations, whether they are acting as the applicant's legal representative, and their relationship to the applicant.
2. Authorizing civil penalties to be imposed against third parties, medical professionals, and SSI recipients who engage in fraudulent schemes to enroll ineligible individuals in the SSI Program. In addition, medical professionals may be barred from participation in Medicare and Medicaid.
3. Treating SSI fraud as a felony.
4. Clarifying SSA's authority to reopen SSI cases where there is reason to believe that an application or supporting documents are fraudulent, and to terminate benefits expeditiously in cases where SSA determines that there is insufficient reliable evidence of disability.

5. Requiring the Inspector General to immediately notify SSA about SSI cases under investigation for fraud, and requiring SSA to immediately reopen such cases where there is reason to believe that an application or supporting documents are fraudulent, unless the U.S. Attorney or equivalent State prosecutor determines that doing so would jeopardize criminal prosecution of the parties involved.
6. Requiring SSA to obtain and utilize, to the extent it is useful, preadmission immigrant and refugee medical information, identification information, and employment history compiled by the Immigration and Naturalization Service or the Centers for Disease Control when developing SSI claims for aliens.
7. Requiring SSA to submit an annual report to the House Committee on Ways and Means and the Senate Committee on Finance on the extent to which it has reviewed SSI cases, including the extent to which the cases reviewed involved a high likelihood of probability of fraud.

Exemption from adjustment in pass along requirements.—Allows states the option of exempting *Zebley*-related retroactive State supplementary payments from the annual supplementary payments expenditure amount that a State must maintain in the following year in order to meet the pass along requirement.

Nursing home notification.—Requires nursing homes to notify SSA within 2 weeks after they admit SSI recipients.

Public Law 103–432, the Social Security Act amendments of 1994, replaced the words children under age 18 with individuals under age 18 with respect to the disability definition. The purpose of this provision was to enable all persons under age 18 to be evaluated under the childhood disabilities criteria. Under previous law a person who was married or the head of a household was not considered a child for SSI purposes even though he or she was under age 18.

Legislative Changes Made in the 104th Congress

1996

Public Law 104–121, the Contract with America Advancement Act of 1996, among other things, prohibits disability insurance (DI) and Supplemental Security Income (SSI) eligibility to individuals whose drug addiction and/or alcoholism (DAA) is a contributing factor material to the finding of disability. This provision would apply to individuals who file for benefits on or after the date of enactment and to individuals whose claims are finally adjudicated on or after the date of enactment. This provision applies to current beneficiaries on January 1, 1997. It stipulates that SSI must: (1) notify current DAA beneficiaries of new provisions within 90 days of enactment; and (2) complete new medical determinations by January 1, 1997 for affected current beneficiaries who request such a determination within 120 days after the date of enactment. Public Law 104–121 applies representative payee requirements to DI or SSI beneficiaries who have a DAA condition, as determined by the Commissioner, and who are incapable of managing benefits. SSA would refer these individuals to the appropriate State agency for treatment. The representative payee and referral for treatment provisions would apply to applications filed after the third month following the month of enactment. In addition, it retains the $50 fee that representatives can collect for beneficiaries who have a DAA condition. Public Law 104–121 authorizes an appropriation of $50 million for each of fiscal years 1997 and 1998 to carry out on a priority basis activities relating to the treatment of drug and alcohol abuse under the Public Health Service Act.

In addition, Public Law 104–121 authorizes additional funds to SSA for fiscal years 1996 through 2002 for the purpose of conducting Social Security disability insurance (DI) continuing disability reviews (CDRs) and Supplemental Security Income (SSI) CDRs and disability eligibility redeterminations. This would be accomplished by increasing the amount of funds available for appropriations under the discretionary spending cap. It directs the Commissioner of Social Security to ensure that the funds made available pursuant to this provision are used, to the greatest extent practicable, to maximize the combined savings to the old-age, survivors, and disability insurance (OASDI), SSI, Medicare, and Medicaid Programs. Moreover, it requires the Commissioner to report annually, for fiscal years 1996 through 2002, to Congress on the amount of money spent on CDRs, the number of reviews conducted (by category), the disposition of such reviews (by program), and the estimated savings over the short-, medium-, and long-term for OASDI, SSI, Medicare, and Medicaid Programs from CDRs which result in cessations, and the estimated present value of such savings.

REFERENCES

Louis W. Sullivan, Secretary of Health and Human Services, petitioner, v. Brian Zebley, et al., No. 88–1377 (U.S. filed February 20, 1990).

National Academy of Social Insurance. (1995). *Restructuring the SSI disability program for children and adolescents*. Washington, DC: Author.

Social Security Administration. (1995 and various years). *Annual statistical supplement to the Social Security Bulletin, 1995* (SSA Pub. No. 13–11700). Washington, DC: Author. [earlier years of this annual publication were used in preparing various tables for this chapter.]

Social Security Administration. (1995, October). *Supplemental Security Income for Children with Disabilities* (Report to Congress of the National Commission on Childhood Disability). Washington, DC: Author.

U.S. General Accounting Office. (1995, July). *Supplemental security income: Growth and changes in recipient population call for reexamining program* (GAO/HEHS 95–137). Washington, DC: Author.

U.S. House of Representatives, Committee on Ways and Means. *Social Security Amendments of 1971* (House Report No. 92–231). Washington, DC: U.S. Government Printing Office.

U.S. Senate, Committee on Finance. *Social Security Amendments of 1972* (Senate Report No. 92–1230). Washington, DC: U.S. Government Printing Office.