

## **SECTION 3. SUPPLEMENTAL SECURITY INCOME (SSI)**

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**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 eligible persons 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" (U.S. Senate, 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 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 evalua-

tion 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 (U.S. House, 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 3-1 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 6.6 million in December 1996. 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.
2. Total annual benefits paid under the SSI Program rose from about \$5.2 billion in 1974 to \$28.3 billion in 1996.
3. The monthly Federal benefit rates for individuals and couples rose from \$140 and \$210 in 1974 to \$484 and \$726 in 1997 (1997 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 37 percent in 1996. The fraction of SSI recipients receiving some other type of unearned income rose slightly from about 11 percent in 1974 to 12 percent in 1996, and the fraction with earnings increased from about 3 percent in 1974 to more than 4 percent in December 1996.
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. Public Law 104-193 (enacted August 22, 1996) established a more restrictive disability definition for children which is expected to result in a slower rate of growth in the number of children receiving SSI benefits.

## 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. Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, established a new disability definition for children under age 18 which requires a child to have "a medically determinable physical or mental impairment which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months."

Under previous law, low-income children could qualify for SSI benefits in two ways: their disability could match one of the impairments in the medical "listing of impairments" or they could be evaluated under an individualized functional assessment disability determination procedure (generally considered a less stringent process) that determined whether an unlisted impairment seriously

limited a child's ability to perform activities normal for his age. Both methods were stipulated in Federal regulations. Until the Supreme Court's 1990 ruling in *Sullivan v. Zebley*, the medical listings were the only way to determine a child's eligibility for SSI benefits. Adults, in contrast, could receive an assessment of their functional and vocational capacities even if they did not meet one of the listings. The Court ruled that sole reliance on the listings did not satisfy the law's requirement to gauge whether children's disorders were of comparable severity to impairments that would disable adults.

The 1996 welfare reform law (Public Law 104-193) discontinues the individualized functional assessment disability determination procedure and the "comparable severity" standard upon which it was based. Many children on the rolls as a result of an individualized functional assessment will have their benefits terminated, and future awards based on individualized functional assessments will be barred. Thus, the SSI Program for Children will be restricted to those who have impairments that meet or equal at least one of the listings. Pursuant to Public Law 104-193, the listing of impairments has been changed to reflect the new disability definition for children.

#### CITIZENSHIP AND RESIDENCY REQUIREMENTS

To qualify for SSI a person must be a citizen of the United States or, if not a citizen, be a refugee or asylee who has been in the country for less than 7 years, or be a "qualified alien" who was receiving SSI as of August 22, 1996 or who was living in the United States on August 22, 1996 and subsequently became disabled. (For more detailed information on eligibility requirements for noncitizens, see appendix J.)

In addition to the citizenship requirement, a person must be a resident of the United States or the Northern Mariana Islands, or a child of a person in the military stationed outside the United States, or a student temporarily abroad; must apply for all other benefits to which she is entitled; and must, if she is disabled, accept vocational rehabilitation services if they are offered.

#### PROHIBITION OF PAYMENT TO FUGITIVES

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193) provides that, as of August 22, 1996, SSI benefits may not be paid to individuals who are fleeing to avoid prosecution for a crime which is a felony, or fleeing to avoid custody or confinement after conviction for a crime which is a felony, or violating a condition of probation or parole imposed under Federal or State law.

#### INCOME AND RESOURCE REQUIREMENTS

##### *Income*

Individuals and couples are eligible for SSI if their incomes fall below the Federal maximum monthly SSI benefit, currently \$484 for an individual and \$726 for a couple (calendar year 1997 standards). 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 procedure is called "deeming"). If a couple separates, each person is treated as an individual in the month following the month of separation. If an unmarried child living at home is under age 18, some of the parent's income is deemed to that child. If an immigrant is sponsored into the United States, some of the sponsor's and the sponsor's spouse'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 the earned income exclusion. Table 3-2 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 3-2.—MAXIMUM INCOME FOR ELIGIBILITY FOR FEDERAL SSI BENEFITS, 1997

	Receiving only Social Security		Receiving only wage income	
	Monthly	Annually	Monthly	Annually
Individual .....	\$504	\$6,048	\$1,053	\$12,636
Couple .....	746	8,952	1,537	18,444

Source: Office of Research, Evaluation and Statistics, 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-kind assistance received 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 also 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 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 pay-

ments 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 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.

Individuals who give away or sell any nonexcludable resource for less than fair market value are not subject to penalty. 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, and other sources. In fiscal year 1987, computer matches between IRS tax files and SSI records resulted in 239,000 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 there are 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 1997 in a State with no supplementation, here is how the deeming procedure would work in the case of an ineli-

gible spouse earning \$600 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 .....	600.00
Less \$65 earned income disregard .....	– 65.00
Less one-half of remaining earnings (\$485) .....	– 267.50
Countable earned income .....	267.50
Plus countable unearned income .....	180.00
Couple's total countable income .....	447.50
SSI payment standard for couples .....	726.00
Less countable income .....	– 447.50
Benefit payable to eligible individual .....	278.50

Thus, the benefit for the eligible individual will be \$278 (SSI law requires that benefits be rounded down to the next lower dollar). Without deeming and as an individual, the recipient would have received \$304 [\$484 – (\$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 1996, there were about 128,000 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. (For a discussion of deeming rules for noncitizens, see appendix J.)

#### 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 will be 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 a finding of presumptive eligibility may be made for any impairment category.

On February 11, 1985, acquired immune deficiency 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, rather than only for 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 Centers 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. The 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 she 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.

Under Federal law, residents of public institutions for a full calendar month generally are ineligible for SSI benefits. Prisons are considered public institutions. The bar against SSI benefits to prisoners was enforced through an exchange of computerized data between the Social Security Administration and the Federal Bureau of Prisons, State prisons, and some county prisons. According to the SSA’s Office of the Inspector General, these computerized arrangements covered about 73 percent of inmates—all Federal and State prisoners but only about 15 percent of county prisoners. The agreements were voluntary and until recently involved no payments to the institutions. However, the 1996 welfare reform law (Public Law 104–193), required the Commissioner of Social Security to enter into a contract with any interested State or local institution (such as a prison, jail, or mental hospital) under which the institution must provide to the Commissioner on a monthly basis the names, Social Security numbers, dates of birth, and such other identifying information concerning the inmates or residents of the institution to help the Commissioner enforce the “prohibition of payments to residents of public institutions” rule. The Commissioner must pay the institution up to \$400 for each resident if the information is provided to the Commissioner within 30 days after such individual becomes a resident or up to \$200 for each inmate if the information is provided after 30 days but within 90 days of the person becoming a resident. According to the Congressional Budget Office, this requirement is expected to save \$100 million over the 6-year period (1997–2002).

## 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 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 1996, 37 percent of all SSI recipients also received Social Security benefits (62 percent of the aged, 30 percent of the disabled, and 35 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 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 the State has a medically needy program. Currently 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 section below 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 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 was disabled as a child (disabled adult child) or because of an increase in their benefits as an adult who was 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.

#### 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 SSI

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.

## SSI BENEFITS

### FEDERAL SSI BENEFIT STANDARD

The Federal SSI benefit standard for an individual for 1997 is \$484 a month and \$726 for a couple. As is discussed later, most States supplement the Federal SSI benefit. The result is a combined Federal SSI/State supplemental 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.

Like Social Security benefits, Federal SSI benefits are indexed to the Consumer Price Index (CPI). Indexing 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 COLAs from July 1983 to January 1984. However, in lieu of a COLA increase in the SSI benefit standard, the Federal SSI benefit was increased in July 1983 by \$20 a month for an individual and \$30 a month for a couple. Table 3–3 shows the Federal SSI benefit from the beginning of the SSI Program until the present time.

In fiscal year 1996, about 781,000 people were awarded SSI benefits. Under previous law, new recipients received a prorated SSI benefit for the month in which they applied. For example, a person who applied on the 15th of the month could receive 2 weeks of benefits for that month. (The typical applicant did not get that money immediately because SSA might take several months to process the application.) The 1996 welfare reform law changes the effective date of an SSI application to the later of the first day of the month following the date the application is filed or the date the individual first becomes eligible for SSI benefits.

### BENEFITS FOR PERSONS LIVING IN THE HOUSEHOLD OF ANOTHER

SSI law provides that if an 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 3–3, the Federal SSI benefit in 1996 for those determined to be living in the household of another is \$322.67 for an individual and \$484 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.

TABLE 3-3.—FEDERAL SSI BENEFIT LEVELS, 1974-97

[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 <sup>1</sup>	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
Jan. 1997	30.00	484.00	726.00	242.00	322.67	484.00	161.33

<sup>1</sup> 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, Evaluation and Statistics, Social Security Administration.

In December 1996 4.2 percent, or about 277,800 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 3-4).

#### 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 benefit, called a 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 1996 welfare reform law requires that children (under age 18) residing in medical institutions

who have private medical insurance be eligible only for the \$30 SSI personal needs allowance, just like those with Medicaid coverage. 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. However, the 1987 Budget Reconciliation Act provides 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 3-4.—NUMBER AND PERCENTAGE DISTRIBUTION OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS, BY LIVING ARRANGEMENT AND CATEGORY, DECEMBER 1996

Living arrangement <sup>1</sup>	Total	Reason for eligibility		
		Aged	Blind	Disabled
Own household .....	93.5	91.0	92.4	94.2
Another's household .....	4.2	6.7	4.8	3.5
Institutional care covered by Medicaid	2.3	2.2	2.8	2.3
Total percent .....	100.0	100.0	100.0	100.0
Total number .....	6,613,718	1,412,632	82,137	5,118,949

<sup>1</sup> As used for determination of Federal SSI payment standard.

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

Approximately 152,120 or 2.3 percent of SSI recipients received benefits in December 1996 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 1996, California, the District of Columbia, Maine, Massachusetts, Michigan, New Jersey, New York, Rhode Island, and Vermont 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. As shown in table 3-3, the Federal benefits of these persons are increased by up to \$242 monthly in 1997 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 for 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 limits on recovery by the Social Security Administration of overpayments made to SSI recipients. 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 (AND SOCIAL SECURITY) 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. Pursuant to the 1996 welfare reform legislation, these emergency advance payments must be repaid through proportionate reductions in SSI benefits over a period of not more than 6 months. In fiscal year 1996, Social Security offices made 6,871 emergency advance payments using their third-party drafts in these new claims situations totaling \$3,074,542 with an average payment amount of \$447.

Beginning in October 1985, local Social Security offices were given the authority to make "immediate payments" for Social Security and SSI cases at management's discretion when the local of-

fices found that benefits were 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 third-party drafts issued 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 payment must be approved by office management. During fiscal year 1996, 48,235 Social Security and 51,516 SSI immediate payments were issued under this procedure. The total amount of these payments equalled \$35,233,014 for an average of \$353 per payment.

#### STATE SUPPLEMENTATION

##### *Mandatory State supplementation*

State supplementary payments are required by law to maintain income levels of former State adult 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 transfer 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 1996, approximately 2,800 recipients or less than 0.1 percent of all recipients were receiving payments based in part on 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. Fifteen 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.

Section 1618 of the Social Security Act requires States that have chosen to supplement the Federal SSI benefit to continue to provide supplementation and to maintain the supplementary payments (or spending for supplements) at specified levels. The purpose of section 1618 is to encourage States to pass along to SSI recipients the amount of any Federal benefit increase. Some States had not done this before the enactment of section 1618 on October 21, 1976 (Public Law 94-585). Instead, when Congress enacted cost-of-living increases in the Federal SSI benefit amount, some States would reduce the levels of the State supplementary payments by the amount of the Federal benefit increase. As a result, SSI recipients in those States received no increase in the combined Federal/State benefit amount when the Federal payment rose. Congress responded by enacting the pass-along/maintenance-of-effort provision for State supplementary payments (that is, section 1618).

Section 1618 allows States to comply with the pass along/maintenance-of-effort requirement by either (1) maintaining their State supplementary payment levels for specified types of living arrangements at or above March 1983 levels (sometimes referred to as the payment level method) or (2) maintaining their supplementary payment spending so that total annual Federal and State expenditures will be at least equal to what they were in the prior 12-month period plus any Federal cost-of-living increase, provided the State was in compliance for that period (sometimes referred to as the total expenditures method). In effect, section 1618 requires that once a State elects to provide supplementary payments, it must continue to do so.

Under section 1618, a State that is found to be out of compliance under the maintenance-of-effort rules is subject to loss of its Federal Medicaid reimbursement. In California's case, a further "penalty" would be levied for failure to meet the pass along/maintenance-of-effort mandate. It would lose permission to "cash out" food stamp benefits for SSI recipients, and regular food stamp allotments would have to be offered to them.

#### *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 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 \$484 a month in 1997, and often more than the combined Federal and SSI State supplementa-

tion for those classified as living independently. Thus, 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 \$484. Thus the maximum total Federal and State SSI payment in a month in Maryland is \$1,150. 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. Some States make 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 PNA 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, the administration fee was \$1.67 per payment. The rate per payment rose 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.

The Balanced Budget Act of 1997 (Public Law 105-33) increases the amount of the fee charged by the SSA to administer a State's supplementary SSI payments. The current fee is \$5 per check. It will be increased to \$6.20 in fiscal year 1998, \$7.60 in fiscal year 1999, \$7.80 in fiscal year 2000, \$8.10 in fiscal year 2001, and \$8.50 in fiscal year 2002. Each succeeding year, fees would be indexed to increases in the Consumer Price Index or set at a different rate as determined by the Commissioner of Social Security. Amounts of fees collected in excess of \$5 per check would be credited to a special Treasury fund available for Social Security Administration administrative purposes. Such amounts would be credited as a discretionary offset to discretionary spending to the extent that they are made available for expenditures in appropriation acts.

#### *State SSI supplement levels over time*

Throughout the entire period from July 1975 to January 1997, 23 States have continuously provided supplemental SSI payments to aged individuals living independently.

During the period from July 1975 to January 1997, no State increased supplements faster than inflation for aged individuals living independently or aged couples living independently (see tables 3-5 and 3-6).

TABLE 3-5.—STATE SSI SUPPLEMENTS FOR AGED INDIVIDUALS WITHOUT COUNTABLE INCOME LIVING INDEPENDENTLY, SELECTED YEARS 1975-97

State	July 1975	July 1980	Jan. 1985	Jan. 1988	Jan. 1990	Jan. 1991	Jan. 1992	Jan. 1993	Jan. 1994	Jan. 1995	Jan. 1996	Jan. 1997	Percent change (constant dol- lars) 1975-97 <sup>1</sup>
Alaska <sup>2</sup>	\$142	\$235	\$261	\$305	\$331	\$349	\$362	\$374	\$362	\$362	\$362	\$362	-13
California	101	182	179	221	244	223	223	186	157	157	156	156	-47
Colorado	27	55	58	58	54	45	56	56	56	56	56	62	-22
Connecticut <sup>3</sup>	NA	102	141	403	366	359	325	313	301	NA	3 NA	243	NA
District of Columbia	0	15	15	15	15	15	15	15	15	5	5	0	NA
Hawaii	17	15	5	5	5	5	5	5	5	5	5	5	-90
Idaho	63	74	78	73	73	70	70	65	45	37	37	48	-74
Illinois <sup>3</sup>	NA												
Maine	10	10	10	10	10	10	10	10	10	10	10	10	-66
Massachusetts	111	137	129	129	129	129	129	129	129	129	126	126	-61
Michigan	12	24	27	30	30	31	14	14	14	14	14	14	-60
Minnesota <sup>4</sup>	31	34	35	35	75	81	81	81	81	81	81	81	-11
Nebraska	67	75	69	43	38	24	30	28	21	19	12	8	-96
Nevada	55	47	36	36	36	36	36	36	36	36	36	36	-78
New Hampshire	12	46	27	27	27	27	27	27	27	27	27	27	-23
New Jersey	24	23	31	31	31	31	31	31	31	31	31	31	-56
New York	61	63	61	72	86	86	86	86	86	86	86	86	-52
Oklahoma	27	79	60	64	64	64	64	60	57	55	54	53	-33
Oregon	17	12	2	2	2	2	2	2	2	2	2	2	-96
Pennsylvania	20	32	32	32	32	32	32	32	32	32	27	27	-54
Rhode Island	31	42	54	58	64	64	67	64	64	64	64	64	-30
South Dakota	0	15	15	15	15	15	15	15	15	15	15	15	NA
Utah	0	10	10	9	6	6	5	5	1	0	0	0	NA
Vermont	29	41	53	59	63	65	65	57	55	59	47	55	-35
Washington <sup>5</sup>	36	43	38	28	28	28	28	28	28	28	25	28	-74
Wisconsin	70	100	100	103	103	103	93	93	85	84	84	84	-59



TABLE 3-6.—STATE SSI SUPPLEMENTS FOR AGED COUPLES WITHOUT COUNTABLE INCOME LIVING INDEPENDENTLY, SELECTED YEARS 1975-97

State	July 1975	July 1980	Jan. 1985	Jan. 1988	Jan. 1990	Jan. 1991	Jan. 1992	Jan. 1993	Jan. 1994	Jan. 1995	Jan. 1996	Jan. 1997	Percent change (constant dol- lars) 1975-97 <sup>1</sup>
Alabama	\$9	0	0	0	0	0	0	0	0	0	0	0	-100
Alaska <sup>2</sup>	183	\$338	\$371	\$444	\$484	\$510	\$528	\$544	\$528	\$528	\$528	\$528	-2
California	251	389	448	534	588	557	557	488	440	415	396	396	-46
Colorado	133	229	278	292	309	293	323	328	323	323	323	346	-11
Connecticut <sup>3</sup>	NA	NA	86	602	525	522	461	442	425	NA	NA	368	NA
District of Columbia	0	30	30	30	30	30	30	30	30	15	15	0	NA
Hawaii	28	24	9	9	9	9	9	9	9	9	9	9	-89
Idaho	49	80	46	44	45	44	45	40	21	9	9	16	-89
Illinois <sup>3</sup>	NA												
Maine	15	15	15	15	15	15	15	15	15	15	15	15	-66
Massachusetts	173	214	202	202	202	202	202	202	202	202	197	197	-61
Michigan	18	36	40	45	45	46	21	21	21	28	28	28	-47
Minnesota <sup>4</sup>	38	44	66	66	88	132	129	126	126	126	111	111	-1
Nebraska	67	114	100	66	65	34	48	39	40	22	14	3	-99
Nevada	106	90	74	74	74	74	74	74	74	74	74	74	-76
New Hampshire	0	42	21	21	21	21	21	21	21	21	22	21	NA
New Jersey	13	12	25	25	25	25	25	25	25	25	25	25	-35
New York	76	79	76	93	102	103	103	102	102	102	103	103	-54
Oklahoma	54	158	120	128	128	128	128	120	114	110	108	106	-33
Oregon	17	10	0	0	0	0	0	0	0	0	0	0	-100
Pennsylvania	30	49	49	49	49	49	49	49	49	49	44	44	-50
Rhode Island	59	79	102	111	120	121	127	120	120	120	121	121	-30
South Dakota	0	15	15	15	15	15	15	15	15	15	15	15	NA
Utah	0	20	20	18	12	12	11	10	5	5	5	5	NA
Vermont	61	76	96	106	115	118	118	110	103	110	92	103	-43
Washington <sup>5</sup>	40	44	37	22	22	22	22	22	22	22	20	22	-81



Approximately 37 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 supplement the Federal standard for individuals living independently.

MAXIMUM SSI AND FOOD STAMP BENEFITS FOR INDIVIDUALS LIVING INDEPENDENTLY

Table 3-7 for individuals and table 3-8 for couples illustrate by State the maximum potential payment from Federal SSI, State supplements, and food stamps for persons with no income. These tables assume that the elderly individual or couple receive an excess shelter deduction of \$250 (the maximum for nonelderly) and an excess medical cost deduction of \$4 in the Food Stamp Program. Approximately 66 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 (\$250 per month). About 4 percent of SSI households claim a medical cost deduction.

TABLE 3-7.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS FOR AGED INDIVIDUALS LIVING INDEPENDENTLY, JANUARY 1997 <sup>1</sup>

State	Maximum SSI benefit	Food stamp benefit <sup>2</sup>	Combined benefits	
			Monthly	Annual
Alabama .....	\$484	\$91	\$575	\$6,900
Alaska .....	846	99	945	11,340
Arizona .....	484	91	575	6,900
Arkansas .....	484	91	575	6,900
California .....	640	<sup>3</sup> 0	640	7,680
Colorado .....	546	72	618	7,416
Connecticut .....	747	12	<sup>4</sup> NA	NA
Delaware .....	484	91	575	6,900
District of Columbia .....	484	91	575	6,900
Florida .....	484	91	575	6,900
Georgia .....	484	91	575	6,900
Hawaii .....	489	198	687	8,244
Idaho .....	<sup>5</sup> 532	82	614	7,368
Illinois .....	<sup>6</sup> NA	NA	NA	NA
Indiana .....	484	91	575	6,900
Iowa .....	484	91	575	6,900
Kansas .....	484	91	575	6,900
Kentucky .....	484	91	575	6,900
Louisiana .....	484	91	575	6,900
Maine .....	494	88	582	6,984
Maryland .....	484	91	575	6,900
Massachusetts .....	610	53	663	7,956
Michigan .....	498	87	585	7,020
Minnesota .....	<sup>7</sup> 565	66	631	7,572

TABLE 3-7.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS FOR AGED INDIVIDUALS LIVING INDEPENDENTLY, JANUARY 1997<sup>1</sup>—Continued

State	Maximum SSI benefit	Food stamp benefit <sup>2</sup>	Combined benefits	
			Monthly	Annual
Mississippi .....	484	91	575	6,900
Missouri .....	484	91	575	6,900
Montana .....	484	91	575	6,900
Nebraska .....	492	88	580	6,960
Nevada .....	520	80	600	7,200
New Hampshire .....	511	83	594	7,128
New Jersey .....	515	81	596	7,152
New Mexico .....	484	91	575	6,900
New York .....	570	65	635	7,620
North Carolina .....	484	91	575	6,900
North Dakota .....	484	91	575	6,900
Ohio .....	484	91	575	6,900
Oklahoma .....	537	75	612	7,344
Oregon .....	486	90	576	6,912
Pennsylvania .....	511	83	594	7,128
Rhode Island .....	548	72	620	7,440
South Carolina .....	484	91	575	6,900
South Dakota .....	499	86	585	7,020
Tennessee .....	484	91	575	6,900
Texas .....	484	91	575	6,900
Utah .....	484	91	575	6,900
Vermont .....	<sup>8</sup> 539	74	613	7,356
Virginia .....	484	91	575	6,900
Washington .....	<sup>9</sup> 512	82	594	7,128
West Virginia .....	484	91	575	6,900
Wisconsin .....	568	66	634	7,608
Wyoming .....	494	88	582	6,984

<sup>1</sup>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.

<sup>2</sup>For one-person households, maximum food stamp benefits from October 1996 through September 1997 are \$120 in the 48 contiguous States and the District of Columbia, \$153 in Alaska, 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 \$250 per month (the maximum allowable for nonelderly, nondisabled households); and (3) an excess medical expense deduction of \$4 monthly (estimated from 1995 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 (\$663 and \$546, respectively, for combined standard and excess shelter allowance).

<sup>3</sup>SSI recipients in California are ineligible for food stamps. California provides increased cash aid in lieu of stamps.

<sup>4</sup>Individual budget process.

<sup>5</sup>State disregards \$20 of SSI payment in determining the State supplementary payment.

<sup>6</sup>State decides benefits on case-by-case basis.

<sup>7</sup>Payment level for Hennepin County. State has two geographic payment levels—one for Hennepin County and the other for the remainder of the State.

<sup>8</sup>State has two geographic payment levels—highest are shown in table.

<sup>9</sup>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 3-8.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS FOR AGED COUPLES LIVING INDEPENDENTLY, JANUARY 1997 <sup>1</sup>

State	Maximum SSI benefit	Food stamp benefit <sup>2</sup>	Combined benefits	
			Monthly	Annual
Alabama .....	\$726	\$118	\$844	\$10,128
Alaska .....	1,254	103	1,357	16,284
Arizona .....	726	118	844	10,128
Arkansas .....	726	118	844	10,128
California .....	1,122	<sup>3</sup> 0	1,122	13,464
Colorado .....	1,072	14	1,086	13,032
Connecticut .....	<sup>4</sup> 1,094	8	NA	NA
Delaware .....	726	118	844	10,128
District of Columbia .....	726	118	844	10,128
Florida .....	726	118	844	10,128
Georgia .....	726	118	844	10,128
Hawaii .....	735	308	1,043	12,516
Idaho .....	<sup>5</sup> 742	119	861	10,332
Illinois .....	<sup>6</sup> 726	118	844	10,128
Indiana .....	726	118	844	10,128
Iowa .....	726	118	844	10,128
Kansas .....	726	118	844	10,128
Kentucky .....	726	118	844	10,128
Louisiana .....	726	118	844	10,128
Maine .....	741	114	855	10,260
Maryland .....	726	118	844	10,128
Massachusetts .....	923	59	982	11,784
Michigan .....	754	110	864	10,368
Minnesota .....	<sup>7</sup> 837	85	922	11,064
Mississippi .....	726	118	844	10,128
Missouri .....	726	118	844	10,128
Montana .....	726	118	844	10,128
Nebraska .....	729	117	846	10,152
Nevada .....	800	96	896	10,752
New Hampshire .....	747	112	859	10,308
New Jersey .....	751	111	862	10,344
New Mexico .....	726	118	844	10,128
New York .....	829	87	916	10,992
North Carolina .....	726	118	844	10,128
North Dakota .....	726	118	844	10,128
Ohio .....	726	118	844	10,128
Oklahoma .....	832	86	918	11,016
Oregon .....	726	118	844	10,128
Pennsylvania .....	770	105	875	10,500
Rhode Island .....	847	82	929	11,148
South Carolina .....	726	118	844	10,128
South Dakota .....	741	114	855	10,260
Tennessee .....	726	118	844	10,128
Texas .....	726	118	844	10,128
Utah .....	731	117	848	10,176
Vermont .....	<sup>8</sup> 829	87	916	10,992
Virginia .....	726	118	844	10,128
Washington .....	<sup>9</sup> 748	112	860	10,320

TABLE 3-8.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS FOR AGED COUPLES LIVING INDEPENDENTLY, JANUARY 1997<sup>1</sup>—Continued

State	Maximum SSI benefit	Food stamp benefit <sup>2</sup>	Combined benefits	
			Monthly	Annual
Wisconsin .....	726	118	844	10,128
Wyoming .....	858	79	937	11,244
West Virginia .....	751	111	862	10,344

<sup>1</sup> 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.

<sup>2</sup> For two-person households, maximum food stamp benefits from October 1996 through September 1997 are \$220 in the 48 contiguous States and the District of Columbia, \$280 in Alaska, 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 \$250 per month (the maximum allowable for nonelderly, nondisabled households); and (3) an excess medical expense deduction of \$4 monthly (estimated from 1995 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 (\$663 and \$546, respectively, for combined standard and excess shelter allowance).

<sup>3</sup> SSI recipients in California are ineligible for food stamps. California provides increased cash aid in lieu of stamps.

<sup>4</sup> Individual budget process.

<sup>5</sup> State disregards \$20 monthly of SSI income in determining the State supplementary payment amounts.

<sup>6</sup> State decides benefits on case-by-case basis.

<sup>7</sup> Payment level for Hennepin County. State has two geographic payment levels—one for Hennepin County and one for the remainder of the State.

<sup>8</sup> State has two geographic payment levels—highest levels are shown in table.

<sup>9</sup> 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 3-9 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 1997, benefit levels were 77.2 percent of the poverty level.

Table 3-10 presents the same information for a couple. The SSI benefit for a couple is 91.8 percent of the poverty threshold in 1997.

TABLE 3-9.—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 1975-97

Poverty threshold and benefits	Calendar year										
	1975	1980	1984	1986	1988	1990	1992	1993	1994	1996	1997
Poverty threshold .....	\$2,572	\$3,941	\$4,980	\$5,255	\$5,672	\$6,268	\$6,729	\$6,930	\$7,107	\$7,309	\$7,525
Federal SSI benefits:											
Dollars per year .....	\$1,822	\$2,677	\$3,768	\$4,032	\$4,248	\$4,632	\$5,064	\$5,208	\$5,352	\$5,640	\$5,808
Percent of poverty .....	70.8	72.3	75.6	76.7	74.9	73.9	75.3	75.2	75.3	77.2	77.2
Federal SSI and Social Security:											
Dollars per year .....	\$2,062	\$2,917	\$4,008	\$4,272	\$4,488	\$4,872	\$5,304	\$5,448	\$5,592	\$5,880	\$6,048
Percent of poverty .....	80.2	74.0	80.5	81.3	79.1	77.7	78.8	78.6	78.7	80.4	80.4
Federal SSI, Social Security, and food stamps: <sup>1</sup>											
Dollars per year .....	\$2,350	\$3,345	\$4,294	\$4,488	\$4,848	\$5,318	\$5,820	\$5,952	\$6,072	\$6,372	\$6,600
Percent of poverty .....	91.4	84.9	86.2	85.4	85.5	84.8	86.5	85.9	85.4	87.2	87.7

<sup>1</sup> In computing the food stamp benefit for 1975, average deductions among all elderly households are assumed. For later years (except 1996 and 1997), the applicable standard deduction plus average shelter and medical deductions among all elderly households is assumed. For 1996 and 1997, the applicable standard deduction plus average shelter and medical deductions among all SSI households is assumed.

Source: Congressional Research Service.

TABLE 3-10.—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 1975-97

Poverty threshold and benefits	Calendar year										
	1975	1980	1984	1986	1988	1990	1992	1993	1994	1996	1997
Poverty threshold .....	\$3,232	\$4,954	\$6,280	\$6,628	\$7,156	\$7,906	\$8,489	\$8,741	\$8,964	\$9,221	\$9,491
Federal SSI benefits:											
Dollars per year .....	\$2,734	\$4,016	\$5,664	\$6,048	\$6,384	\$6,948	\$7,596	\$7,824	\$8,028	\$8,460	\$8,712
Percent of poverty .....	84.6	81.1	90.2	91.2	89.2	87.9	89.5	89.5	89.6	91.7	91.8
Federal SSI and Social Security:											
Dollars per year .....	\$2,974	\$4,256	\$5,904	\$6,288	\$6,624	\$7,188	\$7,836	\$8,064	\$8,268	\$8,700	\$8,952
Percent of poverty .....	92.0	86.0	94.0	94.9	92.6	90.9	92.3	92.3	92.2	94.3	94.3
Federal SSI, Social Security, and food stamps: <sup>1</sup>											
Dollars per year .....	\$3,430	\$4,906	\$6,393	\$6,696	\$7,200	\$7,935	\$8,700	\$8,880	\$9,084	\$9,540	\$9,828
Percent of poverty .....	106.1	99.0	101.8	101.0	100.6	100.4	102.5	101.6	101.3	103.5	103.6

<sup>1</sup> In computing the food stamp benefit for 1975, average deductions among all elderly households are assumed. For later years (except 1996 and 1997), the applicable standard deduction plus average shelter and medical deductions among all elderly households is assumed. For 1996 and 1997, the applicable standard deduction plus average shelter and medical deductions among all SSI households is assumed.

Source: Congressional Research Service.

## TRENDS IN THE SSI CASELOAD

### NUMBER OF RECIPIENTS

As shown in table 3-11, in December 1996, 6.6 million persons received federally administered SSI payments. Of these, 1.4 million received federally administered payments on the basis of being aged, 5.1 million on the basis of being disabled, and 82,137 on the basis of blindness. However, 677,519 of those receiving benefits on the basis of disability or blindness were over the age of 65. Table 3-11 also indicates that approximately 4.2 million of those receiving federally administered SSI payments received only Federal SSI payments, 2.1 million received a combination of Federal and State payments, and 288,187 received State supplements only.

Table 3-12 shows the trends in the numbers of persons receiving federally administered SSI payments from December 1975 through September 1996, 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 6.6 million, an increase of 70 percent.

### CHARACTERISTICS OF ADULT DISABLED AND BLIND RECIPIENTS

*Major disabling diagnosis.*—As shown in table 3-13, of the SSI disabled ages 18-64, 28.4 percent were eligible on the basis of mental retardation and 30 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—10.1 percent; diseases of musculoskeletal and connective tissues—7.3 percent; and diseases of the circulatory system—4.9 percent. In December 1995, 1.3 million or 23.8 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 3-14, 16.1 percent of the SSI adult population receiving benefits on the basis of disability are age 65 or over (27.2 percent of the blind were age 65 or over).

*Sex.*—In January 1997, 54.8 percent of those receiving SSI benefits on the basis of disability and 55.6 percent on the basis of blindness were women (table 3-15).

*Race.*—In January 1997, 52.4 percent of those receiving SSI on the basis of disability were white; 30.9 percent were black; 12.7 percent were other races; and in 4 percent of the cases, race was not reported (table 3-15).

TABLE 3-11.—NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS, TOTAL AMOUNT AND AVERAGE MONTHLY AMOUNT, BY SOURCE OF PAYMENT AND CATEGORY, DECEMBER 1996

Source of payment	Total	Aged	Blind	Disabled
Number of persons				
Federally administered payments <sup>1</sup> .....	6,613,718	1,412,632	<sup>2</sup> 82,137	<sup>3</sup> 5,118,949
Federal payment only .....	4,192,248	774,459	45,378	3,372,411
Both Federal and State supplementation .....	2,133,283	522,003	30,802	1,580,478
State supplementation only .....	288,187	116,170	5,957	166,060
Total Federal payment <sup>4</sup> .....	6,325,531	1,296,462	76,180	4,952,889
Total State supplementation <sup>5</sup> .....	2,421,470	638,173	36,759	1,746,538
Amount of payments [in thousands]				
Federal payments .....	\$2,145,851	\$296,665	\$25,477	\$1,823,709
State supplementation .....	253,242	71,678	5,653	175,911
Total .....	2,399,093	368,343	31,130	1,999,620
Average monthly amount				
Federal payments .....	339.24	228.83	334.44	368.21
State supplementation .....	104.58	112.32	153.78	100.72
Total .....	362.75	260.75	379.00	390.63

<sup>1</sup> All persons with Federal SSI payments and/or federally administered State supplementation.

<sup>2</sup> Includes an estimated 20,747 persons age 65 or older.

<sup>3</sup> Includes an estimated 646,149 persons age 65 or older.

<sup>4</sup> All persons with a Federal SSI payment whether receiving a Federal payment only or both a Federal and State supplementation.

<sup>5</sup> 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, Evaluation and Statistics, Social Security Administration.

*Other income.*—In December 1996, 30.2 percent of the disabled and 35.4 percent of the blind received Social Security benefits. Table 3-16 shows the number of SSI recipients with other sources of income, both unearned and earned.

#### CHARACTERISTICS OF RECIPIENTS RECEIVING BENEFITS ON THE BASIS OF AGE

*Age.*—In December 1996, of SSI recipients receiving benefits on the basis of age (65 or older), 33.9 percent were 80 years of age or older (table 3-14).

TABLE 3-12.—NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED SSI PAYMENTS BY CATEGORY AND AGE, SELECTED YEARS 1975-96  
 [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	Sept. 1996
<b>Reason for eligibility:</b>												
Aged .....	2,307	1,528	1,476	1,434	1,439	1,452	1,463	1,478	1,474	1,470	1,455	1,429
Blind .....	74	79	83	83	83	84	85	86	86	85	85	83
Under 18 .....	3	6	7	7	7	7	7	8	8	8	8	8
18-21 .....	4	5	5	4	4	4	4	4	4	4	4	4
22-64 .....	46	45	48	49	49	50	51	52	52	52	52	51
65 or older .....	22	23	23	22	22	22	22	22	22	21	21	20
Disabled .....	1,933	2,292	2,673	2,917	3,048	3,229	3,502	3,921	4,348	4,692	4,956	5,124
Under 18 .....	104	191	231	247	256	287	366	511	683	812	898	950
18-21 .....	90	122	138	136	139	143	150	167	186	202	219	232
22-64 .....	1,559	1,517	1,787	1,987	2,091	2,218	2,393	2,637	2,864	3,049	3,193	3,285
65 or older .....	179	462	517	548	563	579	592	606	615	629	646	656
<b>Age:</b>												
Under 18 .....	107	197	238	254	263	294	373	518	691	820	906	958
18-21 .....	93	127	143	140	143	147	154	171	190	206	223	236
22-64 .....	1,605	1,562	1,835	2,036	2,140	2,269	2,445	2,690	2,917	3,101	3,245	3,337
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	2,105
<b>Total .....</b>	<b>4,314</b>	<b>3,898</b>	<b>4,232</b>	<b>4,434</b>	<b>4,570</b>	<b>4,764</b>	<b>5,050</b>	<b>5,486</b>	<b>5,908</b>	<b>6,247</b>	<b>6,495</b>	<b>6,636</b>

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

TABLE 3-13.—DISABILITY DIAGNOSIS OF SSI AND SECTION 1619 DISABILITY RECIPIENTS, DECEMBER 1996 <sup>1</sup>

[Percentage distribution by diagnostic group]

Diagnostic group	Supplemental Security Income (SSI)		
	All SSI disabled 18-64 yrs.	SSI section 1619(a) participants	SSI section 1619(b) participants
Infectious and parasitic diseases .....	1.7	1.1	1.5
Neoplasms .....	1.4	1.3	1.6
Endocrine, nutritional, and metabolic disorders .....	4.3	2.1	2.7
Mental disorders:			
Schizophrenia .....	8.9	9.6	11.6
Other psychiatric .....	21.5	19.3	20.0
Mental retardation .....	28.4	46.6	38.6
Diseases of:			
Nervous system and sense organs <sup>2</sup> .....	10.1	12.1	13.3
Circulatory system .....	4.9	1.5	2.3
Respiratory system .....	2.7	1.0	1.0
Digestive system .....	0.7	0.4	0.6
Genito-urinary system .....	0.9	1.1	1.6
Musculoskeletal system and connective tissues .....	7.3	3.0	4.4
Congenital anomalies .....	1.7	0.9	0.8
Injury and poisoning .....	2.7	2.2	3.3
Other .....	2.7	1.3	1.2
Total percent .....	100.0	100.0	100.0
Total individuals <sup>3</sup> .....	4,375,650	23,101	34,909

<sup>1</sup> 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.

<sup>2</sup> 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.

<sup>3</sup> Includes only recipients whose diagnosis information is specifically identified on the source files.

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

*Sex.*—In January 1997, 72.9 percent of those receiving benefits on the basis of age were women (table 3-15).

*Race.*—In January 1997, 48.6 percent of those receiving SSI on the basis of age were white; 20.5 percent were black; 27.4 percent were other races; and in 3.5 percent of the cases, race was not reported (table 3-15).

*Other income.*—In December 1996, 61.7 percent of SSI recipients receiving benefits on the basis of age also received Social Security benefits. Only 1.8 percent had earned income (table 3-16).

The number of persons receiving federally administered SSI payment and unearned income, by type of income, is included in table 3-17.

TABLE 3-14.—NUMBER AND PERCENTAGE DISTRIBUTION OF SSI RECIPIENTS RECEIVING FEDERALLY ADMINISTERED PAYMENTS BY CATEGORY AND AGE GROUP, DECEMBER 1996

Age group	Total	Aged	Blind	Disabled
<b>Children:</b>				
Under 5 .....	14.5	.....	12.7	14.5
5-9 .....	28.1	.....	27.0	28.1
10-14 .....	32.8	.....	30.0	32.8
15-17 .....	18.4	.....	17.9	18.4
18-21 <sup>1</sup> .....	6.2	.....	12.4	6.1
Total percent .....	100.0	.....	100.0	100.0
Total number .....	1,017,992	.....	8,752	1,009,240
<b>Adults:</b>				
18-21 <sup>1</sup> .....	3.1	.....	3.8	4.2
22-29 .....	8.5	.....	12.4	11.3
30-39 .....	14.3	.....	16.9	19.2
40-49 .....	14.8	.....	16.4	19.8
50-59 .....	14.5	.....	14.9	19.5
60-64 .....	7.4	.....	8.3	10.0
65-69 .....	10.2	19.1	8.0	7.2
70-74 .....	9.6	25.8	6.6	4.1
75-79 .....	7.2	21.2	4.8	2.5
80 or older .....	10.3	33.9	7.8	2.3
Total percent .....	100.0	100.0	100.0	100.0
Total number .....	5,595,726	1,412,632	73,385	4,109,709

<sup>1</sup> Persons aged 18-21 can be classified as either children or adults depending on their student status.

Source: Office of Research, Evaluation 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. By December 1996, 1,018,000 blind and disabled children were eligible for SSI payments, nearly a fourteenfold increase over December 1974. These children made up 15.4 percent of the over 6.6 million SSI recipients, and represent a fast growing segment of the SSI population.

TABLE 3-15.—NUMBER AND PERCENTAGE DISTRIBUTION OF ALL PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS, BY CATEGORY, RACE, AND SEX, JANUARY 1, 1997

Race and sex	Total	Aged	Blind	Disabled
Race:				
White .....	51.6	48.6	53.3	52.4
Black .....	28.5	20.5	26.8	30.9
Other .....	16.0	27.4	15.6	12.7
Not reported .....	3.9	3.5	4.3	4.0
Sex and race:				
Men .....	41.3	27.1	44.4	45.2
White .....	20.7	12.0	23.5	23.1
Black .....	11.8	4.3	11.5	13.9
Other .....	6.8	9.8	7.2	6.0
Not reported .....	2.0	1.0	2.3	2.3
Women .....	58.7	72.9	55.6	54.8
White .....	30.9	36.6	29.8	29.4
Black .....	16.8	16.2	15.3	16.9
Other .....	9.1	17.6	8.4	6.7
Not reported .....	1.9	2.4	2.0	1.7
Total percent .....	100.0	100.0	100.0	100.0
Total number .....	6,504,900	1,412,600	83,500	5,008,800

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

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 1996, 62 percent of SSI children were 12 years old or younger, and about 19 percent of the children were under age 6. About 32 percent, an estimated 316,000 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 45 percent were nonwhite.

Eighty-one percent of children live in their parents' home. Less than 2 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 24 percent of the children had some type of unearned income. The three major types of unearned income were: support from absent parents (8.3 percent), Social Security benefits (8.2 percent), and in-kind support and maintenance (6.8 percent). In addition, about 13 percent of children had income "deemed" from their parents.

TABLE 3-16.—PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS AND ALSO RECEIVING OTHER INCOME, AND AVERAGE AMOUNT OF INCOME, BY SOURCE OF INCOME AND CATEGORY, DECEMBER 1996

Source of income	Total	Aged	Blind	Disabled
Number with income				
Social Security benefits .....	2,446,307	871,719	29,043	1,545,545
Other unearned income .....	823,058	289,622	9,736	523,700
Earned income .....	289,469	25,642	6,012	257,815
Percent with income				
Social Security benefits .....	37.0	61.7	35.4	30.2
Other unearned income .....	12.4	20.5	11.9	10.2
Earned income .....	4.4	1.8	7.3	5.0
Average monthly income				
Social Security benefits .....	\$362.56	\$368.45	\$378.98	\$358.92
Other unearned income .....	112.46	84.96	98.74	127.91
Earned income .....	258.42	243.96	534.75	253.41
Total number .....	6,613,718	1,412,632	<sup>1</sup> 82,137	<sup>2</sup> 5,118,949

<sup>1</sup>Includes 20,747 persons aged 65 or over.

<sup>2</sup>Includes 646,149 persons aged 65 or older.

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

TABLE 3-17.—NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED SSI PAYMENTS AND UNEARNED INCOME (OTHER THAN SOCIAL SECURITY) AND AVERAGE MONTHLY UNEARNED INCOME, BY TYPE OF INCOME, DECEMBER 1996

Type of income	Number <sup>1</sup>	Average <sup>2</sup>
Veterans' benefits .....	108,697	\$157.44
Railroad retirement .....	4,409	338.10
Black lung benefits .....	1,588	321.77
Employment pensions <sup>3</sup> .....	54,131	130.49
Worker's compensation .....	4,618	306.98
Support and maintenance in kind .....	237,899	107.41
Support from absent parents .....	88,159	159.23
Asset income .....	235,707	7.71
Assistance based on need .....	16,003	104.65
Other <sup>4</sup> .....	64,489	327.33
Total .....	823,058	112.46

<sup>1</sup>With unearned income other than Social Security benefits.

<sup>2</sup>Monthly amount of unearned income.

<sup>3</sup>Includes civil service pension.

<sup>4</sup>Includes military and demonstration projects.

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

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 tightened; 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, a report on the Children's SSI Program was released 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). 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 tightened, 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 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 individualized functional assessment (IFA). The GAO study found that from 1991 to 1994 about 219,000 IFA awards were made 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 that parents' coaching their children to act out in disruptive behaviors to improve chances of obtaining SSI was widespread. However, as the GAO report stated, "measuring the extent to which coaching may actually occur is extremely difficult."

In December 1996, there were 1,017,992 children enrolled in the SSI Program. As a result of the changes made by Public Law 104-193, the administration estimates that 135,000 disabled children who were receiving SSI on the date of enactment will no longer qualify because of the new rules. The average number of SSI children is expected to fall to 950,000 in fiscal year 1998, when the new law is fully implemented, before rising again in subsequent years.

#### 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 1,017,992 in December 1996 of the number of disabled and blind children under 18 receiving SSI benefits.
- A sharp increase of 1,774,000 between 1983 and 1996 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 some of them were likely to give in to threats, coercion, or persuasion of the recipient, thereby in some cases 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.

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 law 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 nonetheless determined to have a drug or alcohol condition and are incapable of managing their own benefits, have a representative payee and be referred for treatment. The preferred representative payee for persons with a drug or alcohol condition who are not capable of managing their own benefits is an organization. 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 solely as drug addicts or alcoholics became ineligible for SSI beginning January 1, 1997. Applicants were no longer eligible for bene-

fits beginning March 29, 1996 if they were disabled solely on the basis of drug or alcohol addiction.

In June 1996, there were about 119,000 SSI recipients whose disability was based solely on their drug addiction or alcoholism. The Congressional Budget Office (CBO) estimated that perhaps as many of 75 percent of them would be eligible for SSI based on another sufficiently disabling condition. Even so, by January 1997, 9 months after the end of eligibility for addicted applicants and 1 month after the termination of benefits of the 119,000 SSI recipients whose sole disability was addiction, only 56,000 (47 percent) continued to receive SSI based on some other disabling condition.

#### **ELIGIBILITY OF NONCITIZENS FOR SSI**

Although the 1996 welfare reform law (Public Law 104-193) barred most noncitizens from receiving SSI, this prohibition was in effect repealed by Public Law 105-33, the Balanced Budget Act of 1997, for legal immigrants who were receiving SSI on August 22, 1996 and disabled legal immigrants who were living in the United States on August 22, 1996. For more information on provisions and issues related to noncitizens, see appendix J.

#### **ELIGIBILITY OF THE HOMELESS**

SSA has developed several 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.

Because homelessness is a barrier to filing for SSI benefits, SSA 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 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 (PASS) 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 both SSI cash benefits and Medicaid. Work was treated the same way it was under the Social Security Disability Insurance (DI) 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 3-2, this earned income eligibility limit is \$1,053 per month in 1997 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 granted by 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 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 this 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 earnings. In determining a person's income to compare to the individualized threshold, any applicable exclusions are deducted from earnings, including work expenses if the person is blind, impairment-related work expenses, and income set aside under a plan for achieving self-support (PASS).

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 causes a pattern of erratic work. This protection is not indefinite, but SSA cannot terminate the disability status of an individual for 12 months after her most recent determination of 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 3-18 shows several measures of Federal SSI participation among the elderly and the total population. The numerator in the first three columns is the sum of columns 2 and 4 in table 3-20. Thus, the number of SSI aged participants includes the disabled and blind population over age 65. Column 1 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 6.2 percent in 1996. Column 2 presents the number of elderly SSI recipients divided by the number of poor elderly. This rate 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 52.7 percent in 1992, and increased to 63.7 percent in 1995. 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.

TABLE 3-18.—SSI PARTICIPATION RATES, 1975-96

[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 .....	6.4	57.8	NA	2.4
1995 .....	6.3	63.7	NA	2.5
1996 .....	6.2	NA	NA	2.5

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 3-18 shows the number of SSI participants as a percentage of the total population. The numerator for this calculation is the first column of table 3-20. The percentage of the entire population receiving SSI benefits declined from 2.0 percent in 1975 to 1.7 percent for the 1982-85 time period, but has

since steadily increased to 2.5 percent—its highest level ever—in 1995 and 1996.

Table 3–19 shows the percentage of a given State’s population receiving SSI benefits for selected years.

TABLE 3–19.—SSI RECIPIENCY RATES BY STATE, SELECTED YEARS 1975–96

State	1975	1985	1990	1991	1992	1993	1995	1996
Alabama .....	3.98	3.29	3.29	3.35	3.43	3.64	3.86	3.91
Alaska .....	0.81	0.65	0.84	0.87	0.90	0.96	1.09	1.20
Arizona .....	1.24	1.04	1.22	1.33	1.42	1.54	1.77	1.71
Arkansas .....	4.09	3.14	3.23	3.34	3.47	3.66	3.86	3.80
California .....	3.09	2.59	2.93	3.03	3.10	3.14	3.17	3.29
Colorado .....	1.37	0.93	1.14	1.23	1.29	1.38	1.52	1.52
Connecticut .....	0.76	0.83	0.98	1.05	1.10	1.19	1.36	1.41
Delaware .....	1.19	1.21	1.21	1.23	1.27	1.34	1.51	1.58
District of Columbia .....	2.23	2.51	2.67	2.83	3.00	3.21	3.63	3.76
Florida .....	1.86	1.62	1.71	1.82	1.90	2.06	2.34	2.44
Georgia .....	3.27	2.56	2.46	2.51	2.55	2.65	2.80	2.74
Hawaii .....	1.08	1.08	1.25	1.27	1.30	1.40	1.52	1.64
Idaho .....	1.06	0.84	1.03	1.10	1.21	1.28	1.44	1.46
Illinois .....	1.22	1.18	1.55	1.67	1.78	2.00	2.25	2.28
Indiana .....	0.83	0.87	1.09	1.17	1.26	1.39	1.52	1.56
Iowa .....	1.00	0.96	1.18	1.23	1.29	1.37	1.47	1.49
Kansas .....	1.05	0.87	0.99	1.05	1.14	1.26	1.44	1.51
Kentucky .....	2.83	2.65	3.11	3.27	3.42	3.71	4.23	4.37
Louisiana .....	3.90	2.87	3.15	3.29	3.49	3.84	4.18	4.21
Maine .....	2.31	1.89	1.93	1.97	2.03	2.17	2.47	2.23
Maryland .....	1.17	1.16	1.25	1.30	1.35	1.44	1.61	1.67
Massachusetts .....	2.30	1.91	1.98	2.12	2.23	2.40	2.72	2.73
Michigan .....	1.31	1.35	1.54	1.61	1.71	1.93	2.19	2.23
Minnesota .....	1.00	0.78	0.92	0.99	1.05	1.17	1.84	1.38
Mississippi .....	5.21	4.28	4.42	4.56	4.68	4.98	5.33	5.23
Missouri .....	2.10	1.58	1.66	1.75	1.83	1.96	2.15	2.18
Montana .....	1.12	0.92	1.25	1.33	1.38	1.44	1.61	1.63
Nebraska .....	1.06	0.88	0.99	1.05	1.09	1.19	1.30	1.33
Nevada .....	1.00	0.85	0.95	0.98	1.04	1.14	1.37	1.36
New Hampshire .....	0.67	0.62	0.62	0.68	0.71	0.77	0.92	0.95
New Jersey .....	1.11	1.23	1.36	1.44	1.52	1.66	1.81	1.84
New Mexico .....	2.29	1.83	2.08	2.19	2.25	2.39	2.65	2.67
New York .....	2.24	2.00	2.31	2.46	2.60	2.85	3.20	3.33
North Carolina .....	2.71	2.21	2.24	2.33	2.36	2.47	2.65	2.67
North Dakota .....	1.25	0.96	1.17	1.25	1.30	1.34	1.42	1.41
Ohio .....	1.22	1.19	1.44	1.55	1.63	1.84	2.19	2.28
Oklahoma .....	3.03	1.81	1.92	1.97	2.02	2.13	2.27	2.28
Oregon .....	1.12	0.95	1.11	1.18	1.24	1.35	1.43	1.52
Pennsylvania .....	1.24	1.39	1.60	1.69	1.77	1.90	2.16	2.23
Rhode Island .....	1.72	1.62	1.74	1.83	1.91	2.05	3.27	2.53
South Carolina .....	2.84	2.60	2.59	2.61	2.67	2.80	2.97	3.04
South Dakota .....	1.32	1.19	1.45	1.53	1.62	1.72	1.87	1.92
Tennessee .....	3.24	2.71	2.87	2.98	3.06	3.22	3.42	3.40
Texas .....	2.23	1.57	1.73	1.81	1.87	2.00	2.17	2.16
Utah .....	0.76	0.53	0.73	0.79	0.84	0.94	1.06	1.05

TABLE 3-19.—SSI RECIPIENCY RATES BY STATE, SELECTED YEARS 1975-96—  
Continued

State	1975	1985	1990	1991	1992	1993	1995	1996
Vermont .....	1.93	1.76	1.79	1.89	1.99	2.08	2.25	2.19
Virginia .....	1.53	1.49	1.54	1.61	1.67	1.76	1.95	2.00
Washington .....	1.46	1.09	1.27	1.34	1.39	1.50	1.66	1.72
West Virginia .....	2.37	2.24	2.63	2.78	2.91	3.17	3.66	3.78
Wisconsin .....	1.44	1.50	1.75	1.83	1.88	2.04	2.17	1.86
Wyoming .....	0.67	0.45	0.76	0.85	0.92	1.04	1.19	1.24
Total <sup>1</sup> .....	2.00	1.74	1.94	2.03	2.11	2.26	2.46	2.50

<sup>1</sup> The total number of SSI recipients used to calculate the total reciprocity 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. For 1996, percentages are calculated as the number of SSI recipients in July 1996 divided by the total population of each State in July 1996.

#### CHANGES IN NUMBER OF RECIPIENTS, 1970-96

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; lack of 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 3-20 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 number 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 1996, there were over 6.6 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 and blind persons over age 65 are counted as aged) to 1.4 million individuals in 1996 (2.1 million if disabled and blind persons over 65 are counted). Meanwhile, the number of blind or disabled receiving assistance increased sharply

from 1.0 million in 1970 to 5.2 million in 1996 (4.5 million if persons over age 65 are excluded).

The number of persons receiving SSI payments, by State, in December 1996 is provided in table 3–21.

TABLE 3–20.—NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED SSI PAYMENTS, 1974–2002; AND ADULT ASSISTANCE UNDER PRIOR PROGRAMS, 1970–73

[In thousands]

Year <sup>1</sup>	Total <sup>2</sup>	Aged <sup>3</sup>	Blind or disabled		Federal SSI <sup>6</sup>	State supplemental only
			Total <sup>4</sup>	65 and older <sup>5</sup>		
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	312
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 .....	5,984	1,475	4,507	638	5,636	348
1994 .....	6,296	1,466	4,830	653	5,965	331
1995 .....	6,514	1,446	5,068	669	6,194	320
1996 .....	6,614	1,413	5,201	678	6,326	288
1997 <sup>9</sup> .....	6,140	1,136	5,003	(10)	5,863	283
1998 <sup>9</sup> .....	6,161	1,120	5,041	(10)	5,891	277
1999 <sup>9</sup> .....	6,221	1,105	5,116	(10)	5,956	270
2000 <sup>9</sup> .....	6,277	1,092	5,185	(10)	6,018	265
2001 <sup>9</sup> .....	6,331	1,080	5,251	(10)	6,076	260
2002 <sup>9</sup> .....	6,380	1,070	5,310	(10)	6,130	255

<sup>1</sup> Data are for December of each year.

<sup>2</sup> All persons with Federal SSI payments and/or federally administered State supplementation for 1974–2002. 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.

<sup>3</sup> For 1970–73, this column is the number of recipients under the Old-Age Assistance Program.

<sup>4</sup> 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.

<sup>5</sup> Number of age 65 or older individuals included in the blind or disabled category.

<sup>6</sup>All persons with Federal SSI payments, including those receiving Federal payments only or both Federal SSI and federally administered State supplementation.

<sup>7</sup>Data not available for December 1974. In January 1974, there were 87,000 blind and disabled recipients aged 65 or older.

<sup>8</sup>Data not available.

<sup>9</sup>For 1997–2002, data are projections based on the President's budget estimates of February 1997.

<sup>10</sup>Estimates not available.

Source: Office of the Actuary, Social Security Administration.

TABLE 3–21.—NUMBER OF PERSONS RECEIVING SSI PAYMENTS, BY STATE, DECEMBER 1996

State	Federally administered				State-administered total <sup>1</sup>
	Total	Aged	Blind	Disabled	
Alabama <sup>2</sup>	166,975	35,595	1,416	129,964	1,683
Alaska <sup>2</sup>	7,346	1,227	114	6,005	4,726
Arizona <sup>2</sup>	75,763	13,533	910	61,320	610
Arkansas	94,368	19,474	1,118	73,776	.....
California	1,044,753	332,007	21,786	690,960	.....
Colorado <sup>2</sup>	57,501	9,542	545	47,414	31,462
Connecticut <sup>2</sup>	46,121	7,483	517	38,121	29,153
Delaware	11,447	1,560	125	9,762	.....
District of Columbia	20,270	3,050	185	17,035	.....
Florida <sup>3</sup>	352,775	99,546	3,213	250,016	14,223
Georgia	200,894	41,686	2,512	156,696	.....
Hawaii	19,513	7,611	165	11,737	.....
Idaho <sup>2</sup>	17,417	1,932	166	15,319	2,985
Illinois <sup>2</sup>	268,422	35,107	2,439	230,876	44,137
Indiana <sup>2</sup>	90,656	8,989	1,072	80,595	1,139
Iowa	41,936	5,694	935	35,307	.....
Kansas	38,263	4,437	399	33,427	.....
Kentucky <sup>2</sup>	170,007	23,675	1,681	144,651	5,680
Louisiana	182,403	31,646	2,113	148,644	.....
Maine	27,830	4,143	241	23,446	.....
Maryland <sup>3</sup>	84,747	16,727	823	67,197	1,680
Massachusetts	165,563	46,602	4,511	114,450	.....
Michigan	213,546	22,208	2,037	189,301	.....
Minnesota <sup>2</sup>	63,823	10,463	752	52,608	<sup>4</sup> 21,339
Mississippi	141,197	29,972	1,413	109,812	.....
Missouri <sup>2</sup>	116,446	16,450	1,043	98,953	10,026
Montana	14,213	1,628	140	12,445	.....
Nebraska <sup>2</sup>	21,831	2,943	247	18,641	5,717
Nevada	21,902	6,296	587	15,019	.....
New Hampshire <sup>2</sup>	11,040	1,258	115	9,667	6,678
New Jersey	145,707	35,363	1,098	109,246	.....
New Mexico <sup>2</sup>	45,740	9,718	637	35,385	243
New York	606,000	145,860	3,653	456,487	.....
North Carolina <sup>2</sup>	195,134	42,387	2,361	150,386	20,209
North Dakota <sup>2</sup>	8,899	1,731	80	7,088	<sup>4</sup> 355
Ohio	254,184	20,897	2,426	230,861	.....
Oklahoma <sup>2</sup>	75,160	14,290	937	59,933	72,741
Oregon <sup>2</sup>	48,481	7,177	630	40,674	<sup>4</sup> 16,971
Pennsylvania	270,221	41,809	2,664	225,748	.....
Rhode Island	25,283	4,860	248	20,175	.....
South Carolina <sup>3</sup>	112,187	22,442	1,732	88,013	4,351
South Dakota <sup>3</sup>	13,750	2,406	140	11,204	3,576
Tennessee	178,885	30,701	1,848	146,336	.....
Texas <sup>5</sup>	412,028	125,442	5,630	280,956	.....
Utah	21,013	2,206	298	18,509	.....

TABLE 3-21.—NUMBER OF PERSONS RECEIVING SSI PAYMENTS, BY STATE, DECEMBER 1996—Continued

State	Federally administered				State-administered total <sup>1</sup>
	Total	Aged	Blind	Disabled	
Vermont .....	12,890	1,969	129	10,792	.....
Virginia <sup>2</sup> .....	133,433	27,396	1,589	104,448	6,776
Washington .....	94,795	13,435	940	80,420	82
West Virginia <sup>5</sup> .....	69,720	7,307	676	61,737	.....
Wisconsin .....	94,719	11,897	1,036	81,786	.....
Wyoming <sup>2</sup> .....	5,876	669	55	5,152	2,923
Other:					
N. Mariana Islands .....	555	171	10	374	.....
<b>Total<sup>6</sup> .....</b>	<b>6,613,718</b>	<b>1,412,632</b>	<b>82,137</b>	<b>5,118,949</b>	<b>309,383</b>

<sup>1</sup> July 1996 data.

<sup>2</sup> Data for Federal SSI payments only. State has State-administered supplementation.

<sup>3</sup> Data for Federal SSI payments and federally administered State supplementation only, State also has State-administered supplementation.

<sup>4</sup> Estimated data.

<sup>5</sup> Data for Federal SSI payments only, State supplementary payments not made.

<sup>6</sup> Includes fewer than 200 cases not distributed by State.

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

### SSI PROGRAM COSTS

Table 3-22 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 3-23 shows the total (Federal- and State-administered) State supplementation payments for SSI for fiscal years 1986-96.

Table 3-24 presents the total amount of Federal and State benefit payments from calendar years 1970-87 and fiscal years 1988-2002. From 1970-73, 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 1996, Federal benefit payments totaled \$25.0 billion and State payments totaled \$3.4 billion, amounting to an overall total of \$28.4 billion. In fiscal year 1997, total (Federal and State) SSI benefits are estimated to total \$29.5 billion and projected to increase to \$32.7 billion in fiscal year 2002.

TABLE 3-22.—SUPPLEMENTAL SECURITY INCOME: TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND FEDERAL- AND STATE-ADMINISTERED STATE SUPPLEMENTARY PAYMENTS, FISCAL YEAR 1996

[In thousands of dollars]

State	Total	Federal SSI <sup>1</sup>	State supplementation	
			Federally administered <sup>2</sup>	State administered
Alabama .....	\$624,792	\$623,765	.....	\$1,027
Alaska <sup>3</sup> .....	41,191	28,219	.....	12,972
Arizona .....	304,588	304,214	.....	374
Arkansas .....	334,450	334,445	\$5 .....	.....
California .....	5,561,339	3,567,026	1,994,313 .....	.....
Colorado .....	286,246	227,132	.....	59,114
Connecticut .....	290,516	192,281	.....	98,235
Delaware .....	42,777	41,941	836 .....	.....
District of Columbia .....	84,391	81,512	2,879 .....	.....
Florida .....	1,410,256	1,391,872	( <sup>4</sup> ) .....	18,384
Georgia .....	722,312	722,291	21 .....	.....
Hawaii .....	86,890	75,411	11,479 .....	.....
Idaho .....	70,967	66,214	.....	4,753
Illinois .....	1,223,862	1,191,972	.....	31,890
Indiana .....	367,762	364,222	.....	3,540
Iowa .....	152,619	149,601	3,018 .....	.....
Kansas .....	149,357	149,356	1 .....	.....
Kentucky .....	684,809	668,482	.....	16,327
Louisiana .....	730,987	730,987	( <sup>5</sup> ) .....	.....
Maine .....	99,499	95,583	3,916 .....	.....
Maryland .....	356,340	349,910	36 .....	6,394
Massachusetts .....	724,965	565,336	159,629 .....	.....
Michigan .....	932,521	905,134	27,387 .....	.....
Minnesota <sup>3</sup> .....	310,857	247,137	.....	63,720
Mississippi .....	514,826	514,818	8 .....	.....
Missouri .....	476,469	451,315	.....	25,154
Montana .....	54,704	53,799	905 .....	.....
Nebraska .....	86,828	80,535	.....	6,293
Nevada .....	84,433	80,350	4,083 .....	.....
New Hampshire .....	51,502	41,013	.....	10,489
New Jersey .....	612,883	535,503	77,380 .....	.....
New Mexico .....	173,542	173,255	.....	287
New York .....	2,867,367	2,340,239	527,128 .....	.....
North Carolina .....	763,010	677,736	.....	85,274
North Dakota <sup>3</sup> .....	31,379	29,462	.....	1,917
Ohio .....	1,095,633	1,095,632	1 .....	.....
Oklahoma .....	313,262	276,274	.....	36,988
Oregon <sup>3</sup> .....	222,681	194,636	.....	28,045
Pennsylvania .....	1,201,433	1,071,815	129,618 .....	.....
Rhode Island .....	105,415	85,765	19,650 .....	.....
South Carolina .....	411,782	398,524	.....	13,258
South Dakota .....	50,784	49,154	8 .....	1,622
Tennessee .....	666,612	666,612	.....	.....

TABLE 3-22.—SUPPLEMENTAL SECURITY INCOME: TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND FEDERAL- AND STATE-ADMINISTERED STATE SUPPLEMENTARY PAYMENTS, FISCAL YEAR 1996—Continued

[In thousands of dollars]

State	Total	Federal SSI <sup>1</sup>	State supplementation	
			Federally administered <sup>2</sup>	State administered
Texas .....	1,448,235	1,448,235	( <sup>4</sup> )	.....
Utah .....	84,295	84,238	57	.....
Vermont .....	49,979	40,577	9,402	.....
Virginia .....	512,108	492,476	.....	19,632
Washington .....	419,008	392,213	26,769	26
West Virginia .....	289,083	289,083	.....	.....
Wisconsin .....	407,264	374,754	32,510	.....
Wyoming .....	22,828	22,138	.....	690
N. Mariana Islands	2,481	2,481	.....	.....
<b>Total .....</b>	<b>\$28,615,468</b>	<b>25,038,366</b>	<b>3,030,697</b>	<b>\$546,405</b>

<sup>1</sup> Includes \$1.7 million not distributed by State.

<sup>2</sup> Total reduced by \$342,000 due to adjustments not yet identified and credited by State.

<sup>3</sup> Data estimated for State-administered payments.

<sup>4</sup> Amount not shown; negative adjustment exceeds amount paid.

<sup>5</sup> Less than \$500.

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

TABLE 3-23.—STATE SSI SUPPLEMENTATION PAYMENTS, FISCAL YEARS 1986-96  
 [In thousands of dollars]

State	Year										
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
Alabama .....	\$13,659	\$11,606	\$10,436	\$7,964	\$6,594	\$6,394	\$3,845	\$2,083	\$1,673	\$1,370	\$1,027
Alaska .....	12,970	12,970	12,970	12,970	12,972	12,972	12,972	12,972	12,972	12,972	12,972
Arizona .....	2,668	3,045	3,309	2,691	2,560	3,129	3,129	3,129	411	409	374
Arkansas .....	28	32	20	14	15	12	8	0	6	4	5
California .....	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	1,994,313
Colorado .....	38,320	35,416	24,132	41,035	42,649	50,002	53,309	55,057	53,376	56,703	59,114
Connecticut .....	36,578	46,577	54,584	74,257	67,670	98,838	94,725	96,836	99,424	100,330	98,235
Delaware .....	671	703	730	725	708	721	750	747	819	817	836
District of Columbia .....	4,202	4,265	4,538	4,498	4,365	4,278	4,694	4,899	5,095	4,342	2,879
Florida .....	9,718	11,314	11,309	12,609	14,656	18,055	18,899	18,608	18,608	18,380	18,384
Georgia .....	8	19	18	10	16	9	12	19	18	15	21
Hawaii .....	3,740	3,893	4,263	6,799	10,885	10,314	10,698	11,066	11,299	11,305	11,479
Idaho .....	4,136	4,205	4,205	4,205	4,212	4,212	4,212	4,212	4,212	4,212	4,753
Illinois .....	51,197	56,856	59,573	55,716	57,137	65,756	64,241	65,836	73,398	69,459	31,890
Indiana .....	1,744	2,666	3,619	3,099	3,285	3,405	3,563	3,817	3,884	3,786	3,540
Iowa .....	1,908	2,098	2,204	2,275	2,408	2,508	2,672	2,859	2,940	2,951	3,018
Kansas .....	27	34	25	21	21	17	12	0	2	1	1
Kentucky .....	9,795	10,109	10,467	10,473	11,611	14,801	15,492	15,313	16,612	16,843	16,377
Louisiana .....	42	47	33	23	25	19	12	4	( <sup>1</sup> )	( <sup>1</sup> )	( <sup>1</sup> )
Maine .....	5,413	7,454	7,540	7,452	7,494	7,371	7,325	7,233	7,415	7,542	3,916
Maryland .....	5,252	5,505	6,159	6,159	6,155	6,520	6,542	6,269	6,102	6,235	6,430
Massachusetts .....	109,452	112,561	120,010	114,691	117,113	124,761	137,516	147,866	153,034	160,080	159,629
Michigan .....	66,338	68,779	69,833	72,369	74,682	72,561	61,636	62,683	61,955	37,296	27,387
Minnesota .....	19,818	22,850	24,667	40,641	43,924	48,933	55,224	53,860	53,860	63,720	63,720
Mississippi .....	29	35	27	26	22	19	12	11	7	6	8
Missouri .....	5,132	4,410	4,009	3,102	2,808	8,476	26,158	25,866	24,286	29,549	25,154
Montana .....	834	844	839	864	864	910	909	902	960	940	905
Nebraska .....	5,348	5,457	5,454	6,550	5,793	5,334	6,175	6,705	5,990	5,970	6,293
Nevada .....	2,531	2,594	2,704	2,771	2,928	3,029	3,184	3,586	3,717	3,885	4,083

TABLE 3-23.—STATE SSI SUPPLEMENTATION PAYMENTS, FISCAL YEARS 1986-96—Continued  
 [In thousands of dollars]

State	Year										
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996
New Hampshire .....	7,326	6,501	5,865	9,662	6,843	7,675	7,948	8,512	9,573	11,039	10,489
New Jersey .....	48,124	49,996	50,446	59,291	53,697	57,328	64,765	71,965	74,242	76,655	77,380
New Mexico .....	216	280	248	270	263	307	333	321	321	293	287
New York .....	277,035	305,678	317,504	366,972	388,150	410,081	440,374	476,029	494,345	510,096	527,128
North Carolina .....	41,091	47,963	52,745	58,989	63,135	75,066	91,925	95,445	106,493	115,245	85,274
North Dakota .....	1,518	1,406	1,480	1,549	1,390	1,291	1,408	1,220	1,676	1,928	1,917
Ohio .....	35	37	31	30	34	31	31	28	18	13	1
Oklahoma .....	31,380	32,894	34,045	33,414	34,168	35,055	36,012	36,557	34,987	35,811	36,988
Oregon .....	9,767	10,342	11,843	15,419	17,946	20,169	20,169	20,169	20,169	28,045	28,045
Pennsylvania .....	69,186	75,502	74,670	76,565	79,571	84,668	94,971	109,947	128,339	136,153	129,618
Rhode Island .....	9,402	9,848	10,263	10,816	11,729	12,973	14,967	16,097	17,384	18,811	19,650
South Carolina .....	4,812	4,927	5,004	9,785	8,897	11,994	11,685	12,377	11,880	12,750	13,258
South Dakota .....	591	636	587	590	567	620	652	681	709	73	1,630
Texas .....	0	6	1	4	4	1	1	0	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Tennessee .....	0	0	0	0	0	0	0	0	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Texas .....	0	0	0	0	0	0	0	0	( <sup>2</sup> )	( <sup>2</sup> )	( <sup>2</sup> )
Utah .....	872	855	1,086	981	808	898	959	878	201	60	57
Vermont .....	7,236	7,684	7,841	8,346	8,685	9,374	10,299	9,927	9,715	10,396	9,402
Virginia .....	12,164	12,846	14,432	15,949	15,296	16,863	16,782	17,317	17,752	19,156	19,632
Washington .....	17,443	19,424	18,058	18,994	19,915	21,558	24,043	26,808	28,374	28,516	26,795
West Virginia .....	0	0	0	0	0	0	0	0	( <sup>3</sup> )	( <sup>3</sup> )	( <sup>3</sup> )
Wisconsin .....	80,288	86,363	90,642	95,205	100,276	107,543	118,063	132,761	125,789	123,693	32,510
Wyoming .....	216	218	226	296	279	326	440	527	597	660	690
Total .....	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	3,577,102

<sup>1</sup> Less than \$500.

<sup>2</sup> Amount not shown; negative adjustment exceeds amount paid.

<sup>3</sup> Texas and West Virginia do not pay State supplementation.

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

TABLE 3-24.—FEDERAL AND STATE BENEFIT PAYMENTS UNDER SSI AND PRIOR ADULT ASSISTANCE PROGRAMS, CALENDAR YEARS 1970-87 AND FISCAL YEARS 1988-2002 <sup>1</sup>

[In millions of dollars]

Year <sup>2</sup>	Total	Total constant 1996 dollars	Federal payments	Total State payments	State payments		SSI administrative costs (fiscal year)
					Federally administered	State administered	
1970	\$2,939	\$11,885	\$1,801	\$1,138			
1971	3,206	12,420	( <sup>3</sup> )	( <sup>3</sup> )			
1972	3,392	12,732	1,993	1,398			
1973	3,418	12,078	1,987	1,432			
1974	5,246	16,696	3,833	1,413	\$1,264	\$149	\$285
1975	5,878	17,142	4,314	1,565	1,403	162	399
1976	6,066	16,727	4,512	1,554	1,388	166	500
1977	6,306	16,327	4,703	1,603	1,431	172	NA
1978	6,552	15,767	4,881	1,671	1,491	180	539
1979	7,075	15,290	5,279	1,796	1,590	207	610
1980	7,941	15,121	5,866	2,074	1,848	226	668
1981	8,593	14,832	6,518	2,076	1,839	237	718
1982	8,981	14,602	6,907	2,074	1,798	276	779
1983	9,404	14,814	7,423	1,981	1,711	270	830
1984	10,372	15,663	8,281	2,091	1,792	299	864
1985	11,060	16,127	8,777	2,283	1,973	311	953
1986	12,081	17,295	9,498	2,583	2,243	340	1,022
1987	12,951	17,887	10,029	2,922	2,563	359	976
1988	14,375	19,065	11,368	3,007	2,645	362	975
1989	14,707	18,609	11,399	3,308	2,881	427	1,051
1990	16,095	19,321	12,507	3,589	3,159	431	1,075
1991	17,979	20,711	14,228	3,751	3,235	516	1,257
1992	21,258	23,773	17,270	3,987	3,431	556	1,538
1993	24,173	26,247	20,312	3,862	3,298	564	1,467
1994 <sup>4</sup>	28,288	29,949	24,461	3,827	3,219	608	1,781
1995 <sup>4, 5</sup>	28,124	28,954	24,443	3,681	3,060	621	1,978
1996 <sup>4</sup>	28,429	28,429	25,038	3,391	2,845	546	1,949
1997 <sup>4</sup>	29,452	28,762	26,442	3,010	3,010	NA <sup>6</sup>	2,133
1998 <sup>4, 6</sup>	28,445	27,048	25,435	3,010	3,010	NA <sup>6</sup>	2,248
1999 <sup>4, 6</sup>	29,749	27,464	26,739	3,010	3,010	NA <sup>6</sup>	2,255
2000 <sup>4, 6</sup>	32,907	29,495	29,662	3,245	3,245	NA <sup>6</sup>	2,276
2001 <sup>4, 6</sup>	29,174	25,387	26,399	2,775	2,755	NA <sup>6</sup>	2,274
2002 <sup>4, 6</sup>	32,677	27,580	29,667	3,010	3,010	NA <sup>6</sup>	2,268

<sup>1</sup> Payments and adjustments during the respective year but not necessarily accrued for that year.<sup>2</sup> 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.<sup>3</sup> Data not available.<sup>4</sup> Additional administrative costs are reflected for the SSI Program share of the President's disability investment in fiscal years 1994-95, the automation investment in fiscal years 1994-2002, and capital budgeting in fiscal years 1999-2002.<sup>5</sup> Fiscal year 1995 administrative expenses included funds to pay back the OASI Trust Fund with interest for SSI administrative funding shortfalls in prior years.<sup>6</sup> SSA does not collect the information necessary for making a forecast of State-administered benefit payments. For 1997-2002, data are projections based on the President's budget estimates of February 1997.

NA—Not available.

Source: Office of Budget, Social Security Administration.

## LEGISLATIVE HISTORY

### 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 benefit 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 for 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 an 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 individuals disabled due to substance abuse, unless SSA determines that a family member would be a more appropriate payee.

Permits organizations that serve as representative payees for substance 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 reviews (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 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 edu-

cational 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 changes, 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 also 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, the new law retains the \$50 fee that representatives can collect for beneficiaries who have a DAA condition. The legislation also 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.

Further, Public Law 104–121 authorizes additional funds to SSA for fiscal years 1996–2002 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 new funding level is achieved by increasing the amount of funds available for appropriations under the discretionary spending cap. The Commissioner of Social Security must 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, the Commissioner is required to report annually, for fiscal years 1996–2002, 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.

Public Law 104–193, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, signed on August 22, 1996, makes several major changes in SSI law. These include:

*Limited eligibility of noncitizens for SSI benefits.*—PRWORA prohibits SSI eligibility for all noncitizens except: refugees, asylees, and noncitizens whose deportation has been withheld (limited to their first 5 years of residence); certain active duty Armed Forces personnel, honorably discharged veterans, and their spouses and dependent children; and lawful permanent residents who have worked for 10 years or more. For purposes of the exception based on work, children are credited with all quarters worked by their parents, and married individuals (including widows) are credited with work performed by spouses during their marriage. However, after December 31, 1996, quarters of work during which an individual received Federal public assistance are not countable toward this exception.

*Deeming of sponsors' incomes and resources.*—For purposes of eligibility for sponsored noncitizens admitted under new, legally enforceable affidavits of support, PRWORA deems all of the sponsors' (and sponsors' spouses') incomes and resources to the noncitizen until citizenship. However, deeming is not required for lawful permanent residents who have worked for 10 or more years (not counting quarters of work after 1996 during which the individual received Federal public assistance), or for children and spouses of workers credited with work performed by them.

*Requirements for affidavits of support for sponsorship.*—Affidavits of support are made legally enforceable against the sponsor until the noncitizen becomes a U.S. citizen, and requires the agency that provides assistance to a noncitizen to request reimbursement from the sponsor for assistance provided. Also requires that all newly-signed affidavits be legally enforceable.

*Reporting of illegal immigrants to the Immigration and Naturalization Service (INS).*—The Commissioner of Social Security must furnish to the INS the name, address, and other identifying information of any individual that SSA knows is unlawfully in the United States.

*SSI eligibility based on childhood disability.*—The comparable severity standard is eliminated and replaced by the standard that a child is considered disabled if she has a medically determinable impairment which results in "marked and severe" functional limitations and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months. The Social Security Administration (SSA) is directed to eliminate references to maladaptive behavior in the domain of personal/behavioral function in the listing of impairments for children and to discontinue the use of individualized functional assessments in evaluating a child's disability. SSA is also required to redetermine, using the new criteria and by no later than August 22, 1997, the eligibility of recipients who may be affected by the new criteria. Benefits for those recipients who do not meet the new criteria would end on or after the later of July 1, 1997, or the date of the redetermination.

Continuing disability reviews (CDRs) must be conducted once every 3 years for child recipients with nonpermanent impairments, and not later than 12 months after birth for low-birth weight babies. Representative payees must present evidence to SSA that the recipient is receiving treatment that is medically necessary and

available, unless SSA determines that such treatment would be inappropriate or unnecessary. An eligibility redetermination, using the adult initial eligibility criteria, must be performed within 1 year after the recipient turns 18.

*Funding.*—PRWORA authorizes the appropriation of an additional \$150 million in fiscal year 1997 and \$100 million in fiscal year 1998 for the costs of performing CDRs and redeterminations.

*Prisoner reporting.*—The law provides for incentive payments (\$400 for information received within 30 days of confinement or \$200 for information received from 31 to 90 days after confinement) to State and local penal institutions that furnish identifying information to SSA which results in suspension of SSI benefits to prisoners.

*Modifying the effective date of applications.*—An individual's application for SSI benefits would be effective on the first day of the month following the date on which the application is filed, or on which the individual first becomes eligible, whichever is later. (This change effectively eliminates prorated payments for the month of application, while continuing emergency advance payments, and subsequent repayments over several months, in certain cases.)

*Reduction in cash benefits payable to institutionalized individuals whose medical costs are covered by private insurance.*—PRWORA limits to not more than \$30 a month, cash benefits payable to children who are in an institution receiving medical care covered by private insurance.

*Installment payments of large past-due SSI payments.*—A schedule for paying large retroactive SSI benefit amounts at 6-month intervals is established.

*Dedicated savings accounts.*—PRWORA requires the establishment of a bank account to maintain large retroactive SSI benefits, to be used for education or job skill training, special equipment, medical rehabilitation, or other appropriate items or services related to the impairment of the child.

Public Law 104-208, the Department of Defense Appropriations Act for fiscal year 1997, includes the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, which amends Public Law 104-193 with regard to noncitizens' eligibility for SSI benefits. Noncitizen individuals who are battered or abused, or if their children are battered or abused, are added to the list of "qualified aliens." Sponsorship affidavits of support are made legally binding and sponsor-to-immigrant deeming of income and resources in the SSI Program continues until noncitizens become U.S. citizens or they, their spouses, or parents work 40 quarters in the United States. The law also provides additional exceptions to sponsor-to-immigrant deeming for indigent noncitizens whose sponsors do not provide them with income sufficient to obtain food and shelter and for battered individuals and their children.

In addition, Public Law 104-208 requires several reports to Congress. The Commissioner of Social Security is required to report the aggregate number of Social Security numbers issued to noncitizens not authorized to work but under which earnings were reported and the extent to which Social Security numbers and Social Security cards are used by noncitizens for fraudulent purposes. These two reports are due no later than 3 months after the end of each

fiscal year, and within 1 year after the date of enactment, respectively. The General Accounting Office also is required to report to Congress and the Department of Justice within 180 days after the date of enactment on the extent to which means-tested benefits are being paid to noncitizens acting as representative payees who are not “qualified aliens.”

#### LEGISLATIVE CHANGES MADE IN THE 105TH CONGRESS

Public Law 105–18, an emergency supplemental appropriations bill, provides a 1-month extension for noncitizens who were receiving benefits on the date of enactment of Public Law 104–193—August 22, 1996—and who would not continue to be eligible under the noncitizen restrictions in that law by changing the date by which SSI redeterminations of eligibility had to be completed from August 22, 1997 to September 30, 1997.

Public Law 105–33, the Balanced Budget Act of 1997, made several major changes in SSI. These include:

*SSI eligibility for aliens receiving SSI on August 22, 1996 and certain disabled legal aliens.*—Public Law 105–33 provides that, despite restrictions in the 1996 welfare reform law, noncitizens lawfully residing in the United States who received SSI on August 22, 1996, would remain eligible for SSI. In addition, noncitizens lawfully residing in the United States on August 22, 1996, would be eligible for SSI if they become disabled in the future. It also provides that members of Native American Indian tribes who are noncitizens would not be affected by the SSI restrictions in Public Law 104–193. In addition, individuals who received SSI prior to January 1, 1979, would continue to be eligible for benefits if the Commissioner of Social Security lacks clear and convincing evidence that such individuals are noncitizens ineligible for benefits.

*Extension of eligibility period for refugees and certain other qualified aliens from 5 to 7 years for SSI and Medicaid; status of Cuban/Haitian entrants and certain Amerasians.*—Public Law 105–33 extends from 5 years to 7 years the initial eligibility period for SSI and Medicaid for refugees, asylees, and noncitizens who have had their deportations withheld. In addition, Cuban and Haitian entrants and Amerasian immigrants are added to the categories of noncitizens who are considered “qualified aliens,” are eligible for SSI for their initial 7 years, and are exempt from the 5-year eligibility ban on noncitizens entering the United States after August 22, 1996.

*Exceptions for certain Indians from noncitizen limitations on eligibility for Supplemental Security Income and Medicaid benefits.*—Public Law 105–33 exempts noncitizen members of federally recognized Indian tribes or noncitizen Native Americans from the SSI and Medicaid restrictions in the 1996 act.

*Exemption from noncitizen restrictions on SSI Program participation by certain recipients eligible on the basis of very old applications.*—Public Law 105–33 exempts certain individuals who have been on SSI rolls since before January 1, 1979, from the noncitizen restrictions in the 1996 act.

*Derivative eligibility for noncitizens for Medicaid and food stamp benefits.*—Public Law 105–33 provides that noncitizens who are otherwise ineligible for Medicaid under the 1996 act may be eligi-

ble for Medicaid if they receive SSI benefits and if the State's Medicaid plan provides Medicaid eligibility for SSI recipients. The legislation also clarifies that noncitizens who are otherwise ineligible under the 1996 act for food stamps would not be made eligible for food stamps because they receive SSI benefits.

*Fees for Federal administration of State supplementary payments.*—Public Law 105–33 increases fees for SSA's administering State supplementary payments, with added collections available for SSA administrative purposes.

*Timing of delivery of October 1, 2000, SSI benefit payments.*—In order to meet budget targets, Public Law 105–33 provides that the October 2000 SSI check be paid on October 2, which is a Monday, rather than on the last Friday in September.

In addition, Public Law 105–33 gives the States the option of permitting individuals who had been receiving SSI disability benefits, but are working, to buy into Medicaid if their family income is less than 250 percent of poverty. In addition, States are required to continue Medicaid coverage for children who were receiving SSI disability benefits as of August 22, 1996, but whose eligibility would end because they do not meet the new, more strict SSI childhood disability eligibility criteria.

*Technical amendments to the 1996 welfare reform law.*—The legislation makes a number of technical clarifications with regard to the disabled children's redetermination and continuing disability review requirements. Technical changes also clarify the meaning of the term "final adjudication" with regard to SSI disability cases based on drug addiction or alcoholism and expands the applicability of provisions in Public Law 104–121 that require treatment referrals and authorization of fees for organizations serving as representative payees for SSI beneficiaries who have a drug addiction or alcoholism condition.

Technical corrections also are made that allow SSA to charge a fee as a condition of processing requests for information by law enforcement authorities regarding SSI recipients who are fugitive felons and probation or parole violators and clarify when the reporting incentives involving prisoners apply. Clarifications are made concerning SSI dedicated savings account funds and terminology relating to medical treatment facilities and the applicability of the \$30 SSI payment limit are updated. Noncitizens technical correction provisions include adding battered parents to the definition of "qualified alien" and the exemptions from sponsor-to-immigrant deeming, clarifying that veterans' widow(er)s may be eligible for benefits, and authorizing SSA to disclose noncitizens' quarters of coverage information to other governmental agencies for the purpose of carrying out the noncitizen restriction provisions.

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