

**SUMMARY OF OPTIONS PREFERRED BY A MAJORITY OF EXPERTS WITH COST ESTIMATES**  
 SSI Program Costs, SSA Administrative Costs, Medicaid Costs, and Food Stamp Costs

OPTIONS		1993	COST (MILLIONS OF DOLLARS)			1997
			1994	1995	1996	
<b>BENEFIT PAYMENT ISSUES</b>						
<b><u>Benefit Adequacy</u></b>						
Increase the Federal benefit standard for an individual, in 5 equal annual increments, to 120 percent of poverty guideline. Keep the couple's benefit standard at 150 percent of that for individuals.	Program Admin. Medicaid	2,567 250 435	7,092 710 1,825	12,706 460 2,950	19,527 470 4,310	27,707 510 5,995
<b><u>Couples</u></b>						
Eliminate the concept of "holding out" in defining a spouse.	Program Admin. Medicaid	2 (a) (a)	3 (a) (a)	3 (a) (a)	4 (a) (a)	4 (a) (a)
Give each member of a couple a full set of earned income exclusions.	Program Admin. Medicaid	1 (a) 5	2 10 20	3 (a) 25	3 0 25	3 (a) 35

(a): Negligible  
 (b): Unable to estimate

OPTIONS

COST (MILLIONS OF DOLLARS)  
 1993                      1994                      1995                      1996                      1997

State Supplementation

Permit States to reduce or terminate supplements once the Federal SSI benefit standard reaches 100 percent of poverty. "Grandfather" extant supplementary levels for current beneficiaries. Require States, for at least 3 years, to spend "freed up" supplementation funds for other services to needy aged, blind, or disabled.	Program Admin. Medicaid	0 (b) 435	0 (b) 1,825	0 (b) 1,995	0 (b) 2,195	0 (b) 2,410
Require States by July 1, 1995, to: have no more than 3 supplementary payment level variations based on living arrangements, 6 based on categorical distinctions, and 3 by geographic area; or pay SSA for the costs of administration; or take over administration of supplementation.	Program Admin. Medicaid	0 (b) 0	0 (b) 0	0 (b) 0	0 (b) 0	0 (b) 0

174

(a): Negligible  
 (b): Unable to estimate

OPTIONS

COST (MILLIONS OF DOLLARS)

	1993	1994	1995	1996	1997
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Payment Limits for People in Institutions

Increase the payment limit to \$35, indexed annually, and rounded to the next higher dollar.	Program	8	16	20	23	27
	Admin.	0	(a)	0	0	0
	Medicaid	(a)	(a)	(a)	(a)	(a)

Accounting Periods

Change to prospective monthly accounting.	Program	(b)	(b)	(b)	(b)	(b)
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(b)	(b)	(b)	(b)	(b)

Continue Medicaid coverage when SSI eligibility is lost solely due to a calendar-related income fluctuation.	Program	0	0	0	0	0
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(a)	(a)	(a)	(a)	(a)

When it is not cost-effective, do not require income verification.	Program	(b)	(b)	(b)	(b)	(b)
	Admin.	(b)	(b)	(b)	(b)	(b)
	Medicaid	(b)	(b)	(b)	(b)	(b)

(a): Negligible  
 (b): Unable to estimate

OPTIONS

		COST (MILLIONS OF DOLLARS)				
		1993	1994	1995	1996	1997
Define SSI eligibility in terms of income below the combined Federal/State payment level in States with federally-administered supplements.	Program	4	5	5	5	5
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(a)	(a)	(a)	(a)	(a)
Test method(s) of annual accounting, beginning with prospective annual accounting, by running computer simulation(s).	Program	0	0	0	0	0
	Admin.	(b)	(b)	(b)	(b)	(b)
	Medicaid	0	0	0	0	0

176

NEEDS-BASED ELIGIBILITY ISSUES

Unearned Income

Increase the general income exclusion to \$30 and apply it only to unearned income.	Program	203	303	321	338	355
	Admin.	150	370	40	30	30
	Medicaid	260	935	1,105	1,280	1,475
Exclude from income up to \$200 annually of interest and dividends.	Program	3	4	5	5	5
	Admin.	0	(a)	0	0	0
	Medicaid	5	5	5	5	5

(a): Negligible

(b): Unable to estimate

OPTIONS

		COST (MILLIONS OF DOLLARS)				
		1993	1994	1995	1996	1997
Adopt the current "earned and unearned" income formula for use in all parent-to-child deeming situations.	Program	11	15	15	15	16
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(a)	(a)	(a)	(a)	(a)
Deduct itemized special expenses of a disabled child before deeming parental income.	Program	10	15	17	18	20
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(a)	(a)	(a)	(a)	(a)
In parent-to-child deeming, treat as earned income benefits intended to replace a parent's earnings (e.g., unemployment, worker's compensation, and disability and survivorship social insurance benefits).	Program	18	27	29	32	35
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(a)	(a)	(a)	(a)	(a)
Exclude up to \$2,000 per year of income from individually-held Indian trust land.	Program	(a)	(a)	(a)	(a)	(a)
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(a)	(a)	(a)	(a)	(a)

177

(a): Negligible

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COST (MILLIONS OF DOLLARS)

	1993	1994	1995	1996	1997
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**In-Kind Support and Maintenance**

Eliminate consideration of in-kind support and maintenance as income.	Program	600	1,003	1,066	1,122	1,178
	Admin.	60	170	0	(4)	(4)
	Medicaid	140	510	600	695	805

**Resources**

Increase resource limits to \$7,000 and \$10,500 with fewer resource exclusions.	Program	55	191	215	236	257
	Admin.	40	100	10	10	10
	Medicaid	75	265	315	365	420

Change all periods for time-limited resource exclusions to 12 months.	Program	(a)	(a)	(a)	(a)	(a)
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(a)	(a)	(a)	(a)	(a)

Change the calculation of overpayments resulting from excess resources.	Program	3	3	3	2	2
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(a)	(a)	(a)	(a)	(a)

In deeming parental resources, exclude \$2,000 for each ineligible child.	Program	7	11	12	13	14
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(b)	(b)	(b)	(b)	(b)

(a): Negligible  
 (b): Unable to estimate

OPTIONS

COST (MILLIONS OF DOLLARS)

	1993	1994	1995	1996	1997
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**DISABILITY & WORK INCENTIVE ISSUES**

**Disability: Definitions**

Redefine "substantial gainful activity" in the SSI program to recognize that persons who need substantial support services in order to work are not performing substantial gainful activity.	Program Admin. Medicaid	(b) (b) (b)	(b) (b) (b)	(b) (b) (b)	(b) (b) (b)
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Study the feasibility of: (a) eliminating use of substantial gainful activity in both the SSI and the disability insurance programs; and (b) formulating disability criteria in terms of being disadvantaged in participating in major life activities.	Program Admin. Medicaid	0 (b) 0	0 (b) 0	0 (b) 0	0 (b) 0
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179

(a): Negligible  
 (b): Unable to estimate

OPTIONS

COST (MILLIONS OF DOLLARS)

	1993	1994	1995	1996	1997
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**Disability: Claims Process**

Use specially trained field office disability experts to conduct initial disability interviews.	Program	(b)	(b)	(b)	(b)	(b)
	Admin.	(20)	(20)	(20)	(30)	(30)
	Medicaid	(a)	(a)	(a)	(a)	(a)

**Disability: Very Young Children**

Develop appropriate criteria for assuming the existence of disability in very young children. Permit continued payment, based on an assumption, up to age 4, without creating an overpayment.	Program	8	31	35	38	42
	Admin.	0	10	0	0	0
	Medicaid	5	20	20	25	25

180

(a): Negligible  
 (b): Unable to estimate



OPTIONS

COST (MILLIONS OF DOLLARS)

	1993	1994	1995	1996	1997
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**Disability: Appeal of Decisions**

<p>In both the SSI and the insurance programs:</p> <p>(a) eliminate the reconsideration level of appeal; and (b) provide opportunity for a face-to-face interview with the decisionmaker prior to issuing a disability denial.</p>	<p>Program Admin. Medicaid</p>	<p>(b) (b) (b)</p>	<p>(b) (b) (b)</p>	<p>(b) (b) (b)</p>	<p>(b) (b) (b)</p>
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**Disability: Time Limits on Claims and Appeals**

<p>Establish 90-day time limits which, if exceeded, would result in benefit payments not to be considered overpayments. Apply such limits to: initial SSI disability determinations; completing cases at the administrative law judge level; and completing cases at the Appeals Council level. Study the effects after 4 years of experience.</p>	<p>Program Admin. Medicaid</p>	<p>(b) (b) (b)</p>	<p>(b) (b) (b)</p>	<p>(b) (b) (b)</p>	<p>(b) (b) (b)</p>
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(a): Negligible  
 (b): Unable to estimate

OPTIONS

COST (MILLIONS OF DOLLARS)

	1993	1994	1995	1996	1997
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**Work Incentives**

Seek legislation authorizing all of the following work incentives:

(a) Raise the earned income exclusion to \$200 plus two-thirds of any remaining earned income.	Program Admin. Medicaid	149 80 140	328 200 510	351 20 605	370 20 695	388 20 805
(b) Eliminate continuing disability reviews triggered by work; defer scheduled medical reviews for 3 years after work begins.	Program Admin. Medicaid	(b) (a) (b)	(b) (a) (b)	(b) (a) (b)	(b) (a) (b)	(b) (a) (b)
(c) Treat as earned income: unemployment compensation, workers' compensation, sick pay, and similar benefits related to recent work activity.	Program Admin. Medicaid	10 (a) (a)	14 (a) (a)	15 (a) (a)	16 (a) (a)	16 (a) (a)
(d) Eliminate the time limit for completing a plan for achieving self-support.	Program Admin. Medicaid	(b) (a) (b)	(b) (a) (b)	(b) (a) (b)	(b) (a) (b)	(b) (a) (b)

(a): Negligible

(b): Unable to estimate

## OPTIONS

		COST (MILLIONS OF DOLLARS)				
		1993	1994	1995	1996	1997
(e) Allow aged individuals to be eligible for all work incentives.	Program	(b)	(b)	(b)	(b)	(b)
	Admin.	(b)	(b)	(b)	(b)	(b)
	Medicaid	(b)	(b)	(b)	(b)	(b)
Simultaneous with the preceding option, conduct a national demonstration of its work incentives.	Program	0	0	0	0	0
	Admin.	(b)	(b)	(b)	(b)	(b)
	Medicaid	(a)	(a)	(a)	(a)	(a)
Grandfather demonstration policies for demonstration participants after expiration of the project.	Program	(b)	(b)	(b)	(b)	(b)
	Admin.	(b)	(b)	(b)	(b)	(b)
	Medicaid	(b)	(b)	(b)	(b)	(b)
Disregard deemed income of an ineligible spouse when determining continued Medicaid eligibility under section 1619(b).	Program	0	0	0	0	0
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(a)	(a)	(a)	(a)	(a)

(a): Negligible

(b): Unable to estimate

OPTIONS

COST (MILLIONS OF DOLLARS)  
 1993                      1994                      1995                      1996                      1997

Require SSA to make a decision on a plan for achieving self-support within 30 days. If there is no decision within that time, assume the plan is acceptable.	Program	0	0	0	0	0
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(a)	(a)	(a)	(a)	(a)
Require States which supplement regular SSI payments to supplement payments under 1619(a).	Program	0	0	0	0	0
	Admin.	(a)	(a)	(a)	(a)	(a)
	States	(a)	(a)	(a)	(a)	(a)
Provide Medicaid under section 1619 to all working individuals.	Medicaid	(a)	(a)	(a)	(a)	(a)
	Program	0	0	0	0	0
	Admin.	(a)	(a)	(a)	(a)	(a)
Provide SSI benefits for individuals who lose their social insurance cash benefits due to substantial gainful activity.	Medicaid	10	15	15	15	15
	Program	(b)	(b)	(b)	(b)	(b)
	Admin.	(b)	(b)	(b)	(b)	(b)
	Medicaid	(b)	(b)	(b)	(b)	(b)

184

(a): Negligible  
 (b): Unable to estimate

OPTIONS		COST (MILLIONS OF DOLLARS)				
		1993	1994	1995	1996	1997
Do not permit States to count resources set aside under a plan for achieving self-support when determining Medicaid eligibility using their own rules.	Program	0	0	0	0	0
	Admin.	(b)	(b)	(b)	(b)	(b)
	Medicaid	(a)	(a)	(a)	(a)	(a)

#### DEFINITION OF "AGED" ISSUE

##### Lowering the "Aged" Limit

Lower the age requirement to 62, phased in over 3 years.	Program	40	178	351	481	528
	Admin.	(a)	10	10	10	(a)
	Medicaid	20	115	255	390	460

#### AGENCY SERVICE ISSUES

##### Services

Increase staffing (6,000 positions).	Program	0	0	0	0	0
	Admin.	280	297	315	335	356
	Medicaid	0	0	0	0	0

(a): Negligible

(b): Unable to estimate

OPTIONS

COST (MILLIONS OF DOLLARS)

		1993	1994	1995	1996	1997
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Place renewed emphasis on personal contact and individualized service.	Program	0	0	0	0	0
	Admin.	(b)	(b)	(b)	(b)	(b)
	Medicaid	0	0	0	0	0

**Outreach**

Establish specific funding for outreach by increasing the SSI administrative budget by at least 5 percent.	Program	(b)	(b)	(b)	(b)	(b)
	Admin.	(b)	(b)	(b)	(b)	(b)
	Medicaid	(b)	(b)	(b)	(b)	(b)

**Information and Referral**

Adopt the expanded community liaison model.	Program	0	0	0	0	0
	Admin.	100	110	120	130	130
	Medicaid	(b)	(b)	(b)	(b)	(b)

**Helping the Homeless**

Provide emergency payments to homeless persons with severe mental illness.	Program	13	45	50	55	60
	Admin.	10	10	0	0	0
	Medicaid	10	35	40	50	55

(a): Negligible

(b): Unable to estimate

OPTIONS		COST (MILLIONS OF DOLLARS)				
		1993	1994	1995	1996	1997
Provide continued payment protection for all hospitalized individuals.	Program	31	43	46	48	50
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(a)	(a)	(a)	(a)	(a)
Pay SSI benefits to individuals in public emergency shelters for the homeless without any time limit.	Program	(a)	(a)	(a)	(a)	(a)
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	(a)	(a)	(a)	(a)	(a)
Expand nationwide outreach services now being tested.	Program	(b)	(b)	(b)	(b)	(b)
	Admin.	(b)	(b)	(b)	(b)	(b)
	Medicaid	(b)	(b)	(b)	(b)	(b)
Create backup mailing addresses for the homeless or mentally ill.	Program	0	0	0	0	0
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	0	0	0	0	0

(a): Negligible

(b): Unable to estimate

OPTIONS

COST (MILLIONS OF DOLLARS)

	1993	1994	1995	1996	1997
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**Representative Payment**

Develop legislation mandating specific recruitment, training and monitoring of representative payees; provide reasonable compensation to nonrelative noncustodial payees out of administrative funds.	Program Admin. Medicaid	0 (b) 0	0 (b) 0	0 (b) 0	0 (b) 0	0 (b) 0
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**PROGRAM LINKAGE ISSUES**

**Medicaid**

Require all States to use SSI eligibility criteria and mandate Federal determinations of Medicaid eligibility.	Program Admin. Medicaid	0 (a) 1,590	0 (a) 1,750	0 (a) 1,915	0 (a) 2,110	0 (a) 2,315
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**Food Stamps**

Social security offices to complete a short-form food stamp application for all interested SSI claimants.	Program Admin. FdStamps Medicaid	0 (b) 1 0	0 (b) 1 0	0 (b) 1 0	0 (b) 1 0	0 (b) 1 0
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(a): Negligible  
 (b): Unable to estimate



OPTIONS

		COST (MILLIONS OF DOLLARS)				
		1993	1994	1995	1996	1997
Eliminate categorical eligibility for food stamps when the SSI benefit standard equals or exceeds the poverty line.	Program	0	0	0	0	0
	Admin.	(a)	(a)	(a)	(a)	(a)
	FdStamps	(870)	(1300)	(710)	(740)	(780)
	Medicaid	0	0	0	0	0

PROGRAM REVIEW ISSUES

An Advisory Council Level of Review

Establish a separate Advisory Council on SSI.	Program	0	0	0	0	0
	Admin.	(a)	(a)	(a)	(a)	(a)
	Medicaid	0	0	0	0	0

189

FOUR TOP PRIORITY ISSUES

<u>Increase Staffing; Increase Federal Benefit Standard; Eliminate In-Kind Support and Maintenance; Increase Resource Limits With Fewer Exclusions</u>	Program	3,539	9,391	15,711	23,346	32,507
	Admin.	610	1,237	855	885	946
	Medicaid	610	2,490	3,870	5,545	7,615

(a): Negligible  
 (b): Unable to estimate

OPTIONS

	COST (MILLIONS OF DOLLARS)				1997
	1993	1994	1995	1996	

**ALL ISSUES COMBINED**

Estimate of combined SSI costs, program and administrative, for all preceding options to which specific dollar amounts have been attributed.

5,281	13,258	19,635	28,539	38,844
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NUMBER OF NEW BENEFICIARIES (IN THOUSANDS)

Estimate of total number of people added to the Federal SSI rolls by all preceding options to which specific dollar amounts have been attributed. Annual numbers are cumulative.

489	1,527	2,240	2,965	3,607
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