SECTION 3. SUPPLEMENTAL SECURITY INCOME (SSI)

CONTENTS

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 evaluation of the individual's needs. The SSI Program, by contrast, represented a "flat grant" approach in which there would be a uniform Federal income support level.

In contrast to the former State programs with their provisions for liens against property and relative support requirements, the SSI Program was intended to have minimal barriers to eligibility other than a lack of income. Even here, the new SSI Program incorporated more generous provisions for disregarding income—particularly earned income—than was provided under the Old-Age Assistance Program. The report of the House Committee on Ways and Means stated that the SSI Program was designed to provide incentives and opportunities for those able to work or to be rehabilitated that would enable them to escape dependency (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 ways 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 SSA.

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 nearly 6.6 million in December 1999. 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 mideighties as rapid growth in disabled recipients outstripped the minimal change in the elderly and blind SSI populations. However, since 1996, there has been a slight decrease in the total number of SSI recipients.
2. Total annual benefits paid under the SSI Program rose from about $5.2 billion in 1974 to $31.3 billion in 1999.
3. The monthly Federal benefit rates for individuals and couples rose from $140 and $210 in 1974 to $512 and $769 in 2000 (2000 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).

TABLE 3–1.—SUPPLEMENTAL SECURITY INCOME SUMMARY, SELECTED YEARS 1974–99

Item	Year											
	1974	1978	1980	1984	1986	1988	1990	1992	1994	1996	1998	1999
Recipients:[1]												
Aged	2,285,909	1,967,900	1,807,776	1,530,289	1,473,428	1,433,420	1,454,041	1,471,022	1,465,905	1,412,632	1,331,782	1,308,062
Blind	74,616	77,135	78,401	80,524	83,115	82,864	83,686	85,400	84,911	82,137	80,243	79,291
Disabled	1,635,539	2,171,890	2,255,840	2,418,522	2,712,641	2,947,585	3,279,400	4,009,767	4,744,470	5,118,949	5,154,044	5,169,281
Total	3,996,064	4,216,925	4,142,017	4,029,333	4,269,184	4,463,869	4,817,127	5,566,189	6,295,786	6,613,718	6,566,069	6,566,634
Number with section 1619(a)	NA	NA	NA	406 (8/84)	992 (1/86)	19,920	[2] 13,994	17,603	24,315	31,085	37,271	25,528
Number with section 1619(b)	NA	NA	NA	6,804	8,106	15,625	23,517	31,649	40,683	51,905	59,542	69,265
Annual payments (in millions):												
Federal benefits	$3,833	$4,881	$5,866	$8,281	$9,498	$10,734	$12,894	$18,247	$22,175	$25,265	26,405	26,805
Federally administered State supplementation	1,264	1,491	1,848	1,792	2,243	2,671	3,239	3,435	3,116	2,988	3,003	3,301
State administered State supplementation	149	180	226	299	340	381	466	[3] 556	579	539	808	[4] 808
Total	$5,246	$6,552	$7,940	$10,372	$12,081	$13,786	$16,599	$22,238	$25,870	$28,252	30,216	30,914
Annual payments (in millions of 1999 dollars)	$18,630	$16,969	$16,427	$16,682	$18,293	$19,501	$23,821	$26,414	$29,074	$30,824	$30,793	$32,153
Monthly Federal benefits:												
Individuals	$140.00	$177.80	$208.20	$314.00	$336.00	$354.00	$386.00	$422.00	$446.00	$470.00	$494.00	$500.00
Couples	210.00	266.70	357.00	472.00	504.00	532.00	579.00	633.00	687.00	705.00	741.00	751.00
Average Federal SSI payments:[1]												
All recipients	$95.11	$111.98	$143.35	$196.16	$215.40	$227.49	$261.47	$329.74	$325.26	$339.24	359.45	368.53
Aged individuals	78.48	91.22	112.45	143.24	151.38	159.36	175.29	195.86	211.55	227.42	271.66	282.37
Aged couples	93.02	120.48	157.56	221.98	246.07	273.18	322.82	448.61	505.64	563.39	611.00	642.29
Average federally administered:[1]												
State supplementation	$70.92	$75.00	$99.15	$97.61	$115.41	$122.68	$139.79	$118.08	$101.46	$104.58	102.33	110.92

Percent of recipients with other income: [1]												
Social Security benefits ..	52.7	51.7	51.0	49.6	48.9	47.8	45.9	41.3	39.1	37.0	36.5	36.3
Other unearned income ..	10.5	11.5	11.0	11.2	12.1	12.4	13.0	14.5	13.1	12.4	11.7	11.7
Earnings	2.8	3.1	3.2	3.5	3.9	4.4	4.7	4.4	4.2	4.4	4.5	4.5
Average amount of: [1]												
Social Security benefits ..	$130.01	$156.50	$196.94	$250.61	$263.29	$286.49	$318.57	$335.72	$345.20	$382.56	374.60	383.82
Other unearned income ..	61.10	66.93	74.35	84.56	86.40	85.92	98.13	91.96	101.13	112.46	129.90	128.99
Earnings	80.00	99.32	106.95	126.47	142.17	173.09	195.64	207.55	225.01	258.42	282.52	286.62
Poverty thresholds (age 65 and over):												
Individual	$2,364	$3,127	$3,949	$4,979	$5,255	$5,674	$6,268	$6,729	$7,108	$7,525	$7,818	$7,990
Couple	2,982	3,944	4,983	6,282	6,630	7,158	7,905	8,489	8,967	9,491	9,862	10,070
Federal benefit as a percent of poverty:												
Individual	74.1	72.7	72.3	75.6	76.7	74.9	73.9	75.3	75.3	75.0	75.8	75.0
Couple	88.1	86.4	86.0	90.2	91.2	89.2	87.9	89.5	89.5	89.1	90.2	89.3

[1] December data. Includes Federal SSI and federally administered State supplements.
[2] The decrease in 1619(a) participants in 1990 was caused by the increase in the substantial gainful activity level to $500 monthly.
[3] Fiscal year 1992 data.
[4] Estimated.

NA—Not available.

Source: Social Security Administration (1999 and various years) and unpublished data.

4. The proportion of SSI recipients receiving Social Security benefits declined from nearly 53 percent in 1974 to 36 percent in 1999. The fraction of SSI recipients receiving some other type of unearned income rose slightly from about 11 percent in 1974 to nearly 12 percent in 1999, and the fraction with earnings increased slightly from less than 3 percent in 1974 to more than 4 percent in December 1999.
5. The Federal benefit rate as a percent of the appropriate poverty level for individuals has ranged from 72 to 77 percent and was 75 percent in 1999; for couples it has ranged from 86 to 91 percent and was 89 percent in 1999. 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 $700 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 (PRWORA) 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 pre-1996 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 discontinued the individualized functional assessment 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 the 1996 law, 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 Felons and Fugitives

The 1996 welfare reform law provides that, as of August 22, 1996, SSI benefits may not be paid to individuals who are fleeing to avoid prosecution for a felony crime, or fleeing to avoid custody or confinement after conviction for a felony crime, 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 $512 for an individual and $769 for a couple (calendar year 2000 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 may be 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. Since 1972, the major exclusions have included the first $20 of monthly income from virtually any source (such as Social Security benefits), 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, 2000

	Receiving only Social Security		Receiving only wage income	
	Monthly	Annually	Monthly	Annually
Individual	$532	$6,384	$1,109	$13,308
Couple	789	9,468	1,623	19,476

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 him, 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 payments may not be considered as a resource for a period of 6 months after the month in which the retroactive benefit is received. Resources set aside under a PASS 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 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, there were 508,000 matches. 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 year 1999 there were 76,000 matches.

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 (PNAs) 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 PNA 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 2000 in a State with no supplementation, here is how the deeming procedure would work in the case of an ineligible 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 ($535)	−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	769.00
Less countable income	−447.50
Benefit payable to eligible individual	321.50

Thus, the benefit for the eligible individual will be $321 (SSI law requires that benefits be rounded down to the next lower dollar). Without deeming and as an individual, the recipient would have received $332 [$512 − ($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 1999, there were about 130,500 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

Section 1631(a)(4)(B) of the Social Security Act provides that the Commissioner of Social Security may pay up to 6 months of Supplemental Security Income (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 (SSA) 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

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") in the month preceding the first full month of residency in a medical or psychiatric institution which agrees to permit the indi-

vidual 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 has been 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 generally covered about three-quarters 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.

Between March 1, 1997 and August 2, 1999, SSA paid $19.2 million for 53,900 incentive payments.

In 1999, Congress acted to further tighten restrictions on the payment of Federal benefits to prisoners. Public Law 106–169, signed into law on December 14, 1999, expands the SSI Program's benefit suspension rules and incentive payments regarding State and local prisoners to include individuals receiving Old-Age, Survivors, and Disability Insurance (OASDI) benefits. (Payments to prisons will be reduced by 50 percent for multiple reports on individuals who receive both SSI and OASDI benefits.)

Public Law 106–169 also requires State prisons to provide inmate information to Federal and federally assisted benefit programs, including SSA. To help reduce fraudulent benefit payments of food stamps, veterans benefits, unemployment benefits, and educational aid, Public Law 106–169 directs SSA to share its prisoner database with other Federal agencies and departments.

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

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 1999, 36.3 percent of all SSI recipients also received Social Security benefits (60 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, 2000, 32 States and the District of Columbia chose this option, and SSI recipients in these States account for approximately 79 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. Alaska, Idaho, Kansas, Nebraska, Nevada, Oregon, and Utah and the Commonwealth of the Northern Mariana Islands, affecting about 5 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 16 percent of the SSI recipient population nationwide lives in these 209(b) States. The 11 States that use this option are Connecticut, Hawaii, Illinois, Indiana, Minnesota, Missouri, New Hampshire, North Dakota, Ohio, Oklahoma, and Virginia.

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").

The same legislation required States to provide 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.

SELF-SUFFICIENCY 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.

In 1999, Congress expanded the Vocational Rehabilitation Program. Public Law 106–170, signed into law on December 17, 1999, creates a Ticket to Work and Self-Sufficiency Program. The purpose of the program is to help recipients leave the SSI rolls through greater accessibility to a broader pool of vocational rehabilitation providers than is currently available to them.

Under the new law, the Commissioner of Social Security will provide tickets to work to disabled SSI beneficiaries that they can use as vouchers to obtain employment services, case management, vocational rehabilitation, and support services from providers of their choice, including State vocational rehabilitation agencies. The program will be implemented on a graduated basis beginning within 1 year of enactment at sites selected by the Commissioner and within 4 years of enactment in every State. The program is permanently authorized.

The elements of the ticket system include program managers, employment networks, individual work plans, program evaluations, and a Ticket to Work and Work Incentives Advisory Panel composed of 12 members. The Commissioner is required to contract with program managers (one or more public or private organizations with expertise and experience in the field of vocational rehabilitation or employment services) through a competitive bidding process to help SSA administer the program. Program managers will have to recruit and recommend employment networks to the Commissioner, ensure that adequate choices of services are available to beneficiaries, ensure beneficiary access to services, and provide assurances to SSA that employment networks are complying with agreement terms.

The ticket to work law requires employment networks to consist of a single public or private provider or an association of providers combined into a single entity which assumes responsibility for the coordination and delivery of services. Employment networks are required to have experience providing relevant employment services and support for individuals with disabilities and will have to provide an array of such services under the program. Employment networks and beneficiaries will have to develop an individual employment plan so that the beneficiary can exercise informed choice in selecting an employment goal and specific services needed to achieve that goal. Employment networks will prepare and provide periodic performance reports to beneficiaries holding a ticket and will have to provide periodic quality assurance reviews of employment networks. The Commissioner is required to establish a method for resolving disputes between beneficiaries and employment networks. The ticket to work law also requires that State vocational rehabilitation agencies and employment networks enter into agreements regarding the conditions under which services will be provided when an individual is referred by an employment network to State vocational rehabilitation agencies. The Commissioner is required to establish a timeframe for these agreements and a dispute resolution method.

Payment to employment networks are based on outcomes and long-term results by providing one of two payment systems: an outcome payment system or an outcome-milestone payment system. Under the outcome payment system, employment networks are provided with up to 40 percent of the average monthly disability benefit for each month benefits are not payable to the beneficiary due to work (but not for more than 60 months). Under the outcome-milestone payment system, the employment networks receive early payments based on the achievement of one or more milestones toward permanent employment. The total amount payable under the outcome-milestone payment system must be less than the total amount that otherwise would have been payable for an individual under the outcome payment system. Regardless of which payment system is used, SSI beneficiaries forgo SSI payments to participate in the ticket to work system, and instead receive earnings from work. Providers use the ticket, or voucher, to claim payment from SSA for services they provide to beneficiaries. Providers are paid for each month in which an SSI beneficiary is not receiving benefits because the individual is working or has earnings. The Commissioner is required to design and conduct a series of evaluations of the payment system to assess the cost effectiveness and effects of the program, in consultation with the Advisory Panel, and report the findings to Congress.

SSI BENEFITS

FEDERAL SSI BENEFIT STANDARD

The Federal SSI benefit standard for 2000 is $512 a month for an individual and $769 for a couple. As is discussed later, most States supplement the Federal SSI benefit. The result is a combined Federal SSI/State supplemental benefit standard 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.

TABLE 3–3.—FEDERAL SSI BENEFIT LEVELS, 1974–2000

Year	Eligibility status						
	Medicaid institution	Own household			Household of another		
		Single	Couple	Essential person	Single	Couple	Essential person
Initial	$25.00	$130.00	$195.00	$65.00	$86.67	$130.00	$43.34
Jan. 1974	25.00	140.00	210.00	70.00	93.34	140.00	46.67
July 1974	25.00	146.00	219.00	73.00	97.34	146.00	48.67
July 1975	25.00	157.70	236.60	78.90	105.14	157.74	52.60
July 1976	25.00	167.80	251.80	84.00	111.87	167.87	56.00
July 1977	25.00	177.80	266.70	89.00	118.54	177.80	59.34
July 1978	25.00	189.40	284.10	94.80	126.27	189.40	63.20
July 1979	25.00	208.20	312.30	104.20	138.80	208.20	69.47
July 1980	25.00	238.00	357.00	119.20	158.67	238.00	79.47
July 1981	25.00	264.70	397.00	132.60	176.47	264.67	88.40
July 1982	25.00	284.30	426.40	142.50	189.54	284.27	95.00
July 1983	25.00	304.30	456.40	152.50	202.87	304.27	101.67
Jan. 1984 [1]	25.00	314.00	472.00	157.00	209.34	314.67	104.67
Jan. 1985	25.00	325.00	488.00	163.00	216.67	325.34	108.67
Jan. 1986	25.00	336.00	504.00	168.00	224.00	336.00	112.00
Jan. 1987	25.00	340.00	510.00	170.00	226.67	340.00	113.34
Jan. 1988	25.00	354.00	532.00	177.00	236.00	354.67	118.00
Jan. 1989	30.00	368.00	553.00	184.00	245.34	368.67	122.67
Jan. 1990	30.00	386.00	579.00	193.00	257.34	386.00	128.67
Jan. 1991	30.00	407.00	610.00	204.00	271.34	406.67	136.00
Jan. 1992	30.00	422.00	633.00	211.00	281.34	422.00	140.67
Jan. 1993	30.00	434.00	652.00	217.00	289.34	434.67	144.67
Jan. 1994	30.00	446.00	669.00	223.00	297.34	446.00	148.67
Jan. 1995	30.00	458.00	687.00	229.00	305.34	458.00	152.66
Jan. 1996	30.00	470.00	705.00	235.00	313.34	470.00	152.57
Jan. 1997	30.00	484.00	726.00	242.00	322.67	484.00	161.33
Jan. 1998	30.00	494.00	741.00	247.00	329.34	494.00	164.67
Jan. 1999	30.00	500.00	751.00	250.00	333.34	500.67	166.67
Jan. 2000	30.00	512.00	769.00	256.00	341.34	512.67	170.67

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

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

In calendar year 1999, about 757,580 applicants 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 2000 for those determined to be living in the household of another is $341 for an individual and $513 for a couple.

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

In December 1999 4.1 percent, or about 268,800 SSI recipients, had their benefits determined on the basis of this "one-third reduction" benefit standard. Sixty-five percent of those recipients were receiving benefits on the basis of disability (see table 3–4).

TABLE 3–4.—PERCENTAGE AND NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS, BY LIVING ARRANGEMENT AND CATEGORY, DECEMBER 1999

Living arrangement [1]	Total	Reason for eligibility		
		Aged	Blind	Disabled
Own household	93.7	91.0	92.3	94.4
Another's household	4.1	7.0	5.1	3.4
Institutional care covered by Medicaid	2.2	2.0	2.6	2.2
Total percent	100.0	100.0	100.0	100.0
Total number	6,556,634	1,308,062	[2] 79,291	[3] 5,169,281

[1] As defined for determination of Federal SSI payment standards.
[2] Includes approximately 19,200 persons aged 65 or older.
[3] Includes approximately 690,400 persons aged 65 or older.

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

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 PNA, 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 PNA. 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.

Approximately 142,813 or 2.2 percent of SSI recipients received benefits as of December 1999 on the basis of this personal needs allowance. The average benefit was $21.80. 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 SSI recipients (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. These regulations are applicable to 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).

Eighteen 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 1999, California, the District of Columbia, Massachusetts, Michigan, New Jersey, New York, Rhode Island, and Vermont had opted for Federal administration. Approximately 30 States allow some or all of those individuals affected by the Medicaid PNA regulations to retain more than $30 a month.

Benefits of Former Recipients of State Assistance

The essential person payment is a Federal benefit for 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 $250 monthly in 1999 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 (SSA) 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 Supplemental Security Income (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 1999, Social Security offices made 6,510 emergency advance payments using their third-party drafts in these new claims situations totaling $3,137,417 with an average payment amount of $474.

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 offices 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 1999, 61,563 Social Security and 71,778 SSI immediate payments were issued under this procedure. The total amount of these payments equalled $49,269,896 for an average of $369 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 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 1999, approximately 1,800 recipients or less than 0.02 percent of all recipients were receiving payments based in part or solely on 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 seven 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, 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 require 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. Congress responded by enacting the section 1618 pass-along/maintenance-of-effort provision for State supplementary payments.

Section 1618 allows States to comply with the pass along 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 $512 a month in 2000, and often more than the combined Federal and SSI State supplementation 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 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 of $512. Thus the maximum total Federal and State SSI payment in a month in Maryland is $1,178. 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) increased the fee charged by the SSA to administer a State's supplementary SSI payments. The current fee is $7.80 per check. It will be increased to $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.

Public Law 106–170 authorizes SSA to penalize States that are late in paying their administrative fees. Specifically, SSA may charge a State for whom it administers supplementary payments a penalty equal to 5 percent of the supplementary payment and administrative fees due if that State has not paid SSA the administrative fees it owes. States must pay SSA on the business day preceding the date that SSA pays monthly benefits, or for the last month in a State's fiscal year, the fifth business day following the date that SSA pays monthly benefits.

State SSI supplement levels over time

Throughout the period from July 1975 to January 2000, 23 States have continuously provided supplemental SSI payments to aged individuals living independently.

During the period from July 1975 to January 2000, no State increased supplements faster than inflation for aged individuals living independently or aged couples living independently (see tables 3–5 and 3–6).

As of December 1999, there were 2,441,482 beneficiaries (37 percent) receiving 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 $1.70 a month to $362 a month for an individual. At present, 25 States supplement the Federal standard for individuals living independently.

TABLE 3–5.—STATE SSI SUPPLEMENTS FOR AGED INDIVIDUALS WITHOUT COUNTABLE INCOME LIVING INDEPENDENTLY, SELECTED YEARS 1975–99

State	July 1975	July 1980	Jan. 1985	Jan. 1988	Jan. 1990	Jan. 1992	Jan. 1994	Jan. 1996	Jan. 1997	Jan. 1998	Jan. 1999	Percent change 1975–99 [1]
Alaska [2]	$142	$235	$261	$305	$331	$362	$362	$362	$362	$362	$362	−20
California	101	182	179	221	244	223	157	156	156	156	176	−45
Colorado	27	55	58	58	54	56	56	56	62	39	36	−58
Connecticut [3]	NA	102	141	403	366	325	301	[3] NA	243	253	247	NA
District of Columbia	0	15	15	15	15	15	15	5	0	0	0	NA
Hawaii	17	15	5	5	5	5	5	5	5	5	5	−91
Idaho	63	74	78	73	73	70	45	37	48	48	48	−76
Illinois [3]	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	0	NA
Maine	10	10	10	10	10	10	10	10	10	10	10	−69
Massachusetts	111	137	129	129	129	129	129	126	126	129	129	−64
Michigan	12	24	27	30	30	14	14	14	14	14	14	−64
Minnesota [4]	31	34	35	35	75	81	81	81	81	81	81	−18
Nebraska	67	75	69	43	38	30	21	12	8	8	27	−87
Nevada	55	47	36	36	36	36	36	36	36	36	36	−79
New Hampshire	12	46	27	27	27	27	27	27	27	27	27	−30
New Jersey	24	23	31	31	31	31	31	31	31	31	31	−59
New York	61	63	61	72	86	86	86	86	86	86	87	−55
Oklahoma	27	79	60	64	64	64	57	54	53	53	53	−39
Oregon	17	12	2	2	2	2	2	2	2	2	2	−97
Pennsylvania	20	32	32	32	32	32	32	27	27	27	27	−57
Rhode Island	31	42	54	58	64	67	64	64	64	64	64	−35
South Dakota	0	15	15	15	15	15	15	15	15	15	15	NA
Utah	0	10	10	9	6	5	1	0	0	0	0	NA
Vermont	29	41	53	59	63	65	55	47	55	55	55	−41
Washington [5]	36	43	38	28	28	28	28	25	28	7	27	−77

Wisconsin	70	100	100	103	103	93	85	84	84	84	84	−63
Wyoming	0	20	20	20	20	20	10	10	10	10	10	NA
Median	31	43	36	36	37	32	31	31	36	31.25	31.25	−68

[1] The percentage change in constant dollars was computed by inflating July 1975 to January 1999 by the Consumer Price Index for All Urban Consumers (CPI–U). The July 1975 index value is 51.8 and the January 1999 value is 165.5.

[2] Through 1982 the State supplement was less if shelter costs were below $35 monthly.

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

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

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

NA—Not available.

Source: Office of Supplemental Security Income, Social Security Administration and Congressional Research Service calculations.

TABLE 3–6.—STATE SSI SUPPLEMENTS FOR AGED COUPLES WITHOUT COUNTABLE INCOME LIVING INDEPENDENTLY, SELECTED YEARS 1975–99

State	July 1975	July 1980	Jan. 1985	Jan. 1988	Jan. 1990	Jan. 1992	Jan. 1994	Jan. 1996	Jan. 1997	Jan. 1998	Jan. 1999	Percent change 1975–99 [1]
Alabama	$9	0	0	0	0	0	0	0	0	0	0	−100
Alaska [2]	43	$338	$371	$444	$484	$528	$528	$528	$528	$528	$528	−10
California	251	389	448	534	588	557	440	396	396	415	450	−44
Colorado	133	229	278	292	309	323	323	323	346	345	321	−23
Connecticut [3]	NA	NA	86	602	525	461	425	[3] NA	368	353	343	NA
District of Columbia	0	30	30	30	30	30	30	15	0	0	0	−100
Hawaii	28	24	9	9	9	9	9	9	9	8.8	8.8	−94
Idaho	49	80	46	44	45	45	21	9	16	17	17	NA
Illinois [3]	NA	NA	NA	NA	NA	NA	NA	NA	NA	0	0	−100
Maine	15	15	15	15	15	15	15	15	15	15	15	−97
Massachusetts	173	214	202	202	202	202	202	197	197	202	202	251
Michigan	18	36	40	45	45	21	21	28	28	28	28	−77
Minnesota [4]	38	44	66	66	88	129	126	111	111	111	111	−48
Nebraska	67	114	100	66	65	48	40	14	3	98	13	−96
Nevada	106	90	74	74	74	74	74	74	74	74	74	NA
New Hampshire	0	42	21	21	21	21	21	22	21	21	21	−49
New Jersey	13	12	25	25	25	25	25	25	25	25	25	−90
New York	76	79	76	93	102	103	102	103	103	103	104	−40
Oklahoma	54	158	120	128	128	128	114	108	106	106	106	95
Oregon	17	10	0	0	0	0	0	0	0	0	0	−100
Pennsylvania	30	49	49	49	49	49	49	44	44	44	44	−77
Rhode Island	59	79	102	111	120	127	120	121	121	121	121	NA
South Dakota	0	15	15	15	15	15	15	15	15	15	15	NA
Utah	0	20	20	18	12	11	5	5	5	5	5	NA
Vermont	61	76	96	106	115	118	103	92	103	103	103	−47

Washington [5]	40	44	37	22	22	22	22	20	22	0	21	−84
Wisconsin	105	161	161	166	166	146	134	132	132	132	132	−61
Wyoming	0	40	40	40	40	40	19	25	25	25	25	NA
Median	57	63	66	66	65	49	39	28	44	43.7	28	−78

[1] The percentage change in constant dollars was computed by inflating July 1975 to January 1999 by the CPI–U price index. The July 1975 index value is 51.8 and the January 1999 value is 165.5.

[2] Through 1982 the State supplement was less if shelter costs were below $35 monthly.

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

[4] State has various geographic payment levels. Level shown is for Hennepin County, the area with the largest number of SSI recipients. State supplemental SSI payment for individual whose entitlement began January 1, 1994. State supplement for individuals whose entitlement began before January 1, 1994 is an additional $15 per month.

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

NA—Not available.

Source: Office of Supplemental Security Income, Social Security Administration and Congressional Research Service calculations.

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. Approximately 65 percent of SSI households in the Food Stamp Program claim a shelter deduction for shelter expenses exceeding roughly one-third of their monthly income. About 3 percent of SSI households claim a medical cost deduction for out-of-pocket expenses over $35 per month.

TABLE 3–7.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS FOR AGED INDIVIDUALS LIVING INDEPENDENTLY, JANUARY 2000 [1]

State	Maximum SSI benefit	Food stamp benefit [2]	Combined benefits	
			Monthly	Annual
Alabama	$512	$89	$600	$7,200
Alaska	874	120	993	11,916
Arizona [3]	512	89	600	7,200
Arkansas	512	89	600	7,200
California	692	[4] 0	726	8,712
Colorado	548	78	625	7,500
Connecticut	747	18	[5] 765	9,180
Delaware	512	89	600	7,200
District of Columbia	512	89	600	7,200
Florida	512	89	600	7,200
Georgia	512	89	600	7,200
Hawaii	517	159	676	8,112
Idaho	[6] 565	73	637	7,644
Illinois	[7] 512	89	600	7,200
Indiana	512	89	600	7,200
Iowa	534	82	616	7,392
Kansas	512	89	600	7,200
Kentucky	512	89	600	7,200
Louisiana	512	89	600	7,200
Maine	522	86	607	7,284
Maryland	512	89	600	7,200
Massachusetts	641	50	690	8,280
Michigan	526	84	610	7,320
Minnesota	[8] 593	64	657	7,884
Mississippi	512	89	600	7,200
Missouri	512	89	600	7,200
Montana	512	89	600	7,200
Nebraska	519	87	605	7,260
Nevada	548	78	626	7,512
New Hampshire	539	81	619	7,428
New Jersey	543	79	622	7,464
New Mexico	512	89	600	7,200
New York	599	63	661	7,932
North Carolina	512	89	600	7,200
North Dakota	512	89	600	7,200
Ohio	512	89	600	7,200

TABLE 3–7.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS FOR AGED INDIVIDUALS LIVING INDEPENDENTLY, JANUARY 2000 [1]—Continued

State	Maximum SSI benefit	Food stamp benefit [2]	Combined benefits	
			Monthly	Annual
Oklahoma	565	73	637	7,644
Oregon	514	88	601	7,212
Pennsylvania	539	80	619	7,428
Rhode Island	576	69	645	7,740
South Carolina	512	89	600	7,200
South Dakota [3]	527	84	611	7,332
Tennessee	512	89	600	7,200
Texas	512	89	600	7,200
Utah	512	89	600	7,200
Vermont	[9] 570	71	640	7,680
Virginia	512	89	600	7,200
Washington	[10] 539	81	619	7,428
West Virginia	512	89	600	7,200
Wisconsin	596	63	659	7,908
Wyoming	522	86	607	7,284

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

[2] For one-person households, maximum food stamp benefits from October 1999 through September 2000 are $127 in the 48 contiguous States and the District of Columbia, $158 in Alaska, and $199 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 deduction of $250 per month (the 1998 average deduction based on all claimed values for elderly individuals living alone). For Alaska and Hawaii, higher deduction levels were used, as provided by law ($663 and $546, respectively, for combined standard and excess shelter allowance).

[3] January 2000 State supplemental payments unavailable. Calculations based on January 1999 payment rates.

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

[5] Individual budget process.

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

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

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

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

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

Source: Table prepared by the Congressional Research Service 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, 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 1999, benefit levels were 76.8 percent of the poverty level.

TABLE 3–8.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS FOR AGED COUPLES LIVING INDEPENDENTLY, JANUARY 2000 [1]

State	Maximum SSI benefit	Food stamp benefit [2]	Combined benefits	
			Monthly	Annual
Alabama	$769	$126	$894	$10,728
Alaska	1,297	23	1,320	15,840
Arizona [3]	769	126	894	10,728
Arkansas	769	126	894	10,728
California	1,229	[4] 0	1,216	14,592
Colorado	1,096	28	1,123	13,476
Connecticut	[5] 1,094	28	1,122	13,464
Delaware	769	126	894	10,728
District of Columbia	769	126	894	10,728
Florida	769	126	894	10,728
Georgia	769	126	894	10,728
Hawaii	778	254	1,031	12,372
Idaho	[6] 788	120	908	10,896
Illinois	[7] 769	126	894	10,728
Indiana	769	126	894	10,728
Iowa	813	113	925	11,100
Kansas	769	126	894	10,728
Kentucky	769	126	894	10,728
Louisiana	769	126	894	10,728
Maine	784	121	905	10,860
Maryland	769	126	894	10,728
Massachusetts	971	65	1,035	12,420
Michigan	797	117	914	10,968
Minnesota [8]	[9] 880	92	972	11,664
Mississippi	769	126	894	10,728
Missouri	769	126	894	10,728
Montana	769	126	894	10,728
Nebraska	769	126	894	10,728
Nevada	843	103	946	11,352
New Hampshire	790	119	909	10,908
New Jersey	794	118	912	10,944
New Mexico	769	126	894	10,728
New York	873	95	967	11,604
North Carolina	769	126	894	10,728
North Dakota	769	126	894	10,728
Ohio	769	126	894	10,728
Oklahoma	875	94	968	11,616
Oregon	769	126	894	10,728
Pennsylvania	813	113	925	11,100
Rhode Island	890	90	979	11,748
South Carolina	769	126	894	10,728
South Dakota [3]	784	121	905	10,860
Tennessee	769	126	894	10,728
Texas	769	126	894	10,728

TABLE 3–8.—MAXIMUM POTENTIAL SSI AND FOOD STAMP BENEFITS FOR AGED COUPLES LIVING INDEPENDENTLY, JANUARY 2000 [1]—Continued

State	Maximum SSI benefit	Food stamp benefit [2]	Combined benefits	
			Monthly	Annual
Utah	774	124	897	10,764
Vermont	[10] 877	93	970	11,640
Virginia	769	126	894	10,728
Washington	[11] 790	120	909	10,908
Wisconsin	769	126	894	10,728
Wyoming	644	163	807	9,684
West Virginia	794	118	912	10,944

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

[2] For two-person households, maximum food stamp benefits from October 1999 through September 2000 are $234 in the 48 contiguous States and the District of Columbia, $290 in Alaska, and $365 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 deduction of $274 per month (the 1998 average deduction based on all claimed values for elderly individuals not living alone). For Alaska and Hawaii, higher deduction levels were used, as provided by law ($663 and $546, respectively, for combined standard and excess shelter allowance).

[3] January 2000 State supplemental payments unavailable. Calculations based on January 1999 payment rates.

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

[5] Individual budget process.

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

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

[8] State supplemental SSI payment for individual whose entitlement began January 1, 1994. State supplement for individuals whose entitlement began before January 1, 1994 is an additional $15 per month.

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

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

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

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

Table 3–10 presents the same information for a couple. The Supplemental Security Income (SSI) benefit for a couple is 91.6 percent of the poverty threshold in 1999.

TRENDS IN THE SSI CASELOAD

NUMBER OF RECIPIENTS

As shown in table 3–11, in December 1999, nearly 6.6 million persons received federally administered SSI payments. Of these, 1.3 million received federally administered payments on the basis of being aged, 5.2 million on the basis of being disabled, and 79,000 on the basis of blindness. However, 709,600 of those receiving benefits on the basis of disability or blindness were over the age of 65. Table 3–11 also indicates that approximately 4.1 million of those receiving federally administered SSI payments received only Federal SSI payments, 2.2 million received a combination of Federal and State payments, and 282,000 received State supplements only.

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 1975–99

Poverty threshold and benefits	Calendar year										
	1975	1980	1984	1986	1988	1990	1992	1994	1996	1998	1999
Poverty threshold	$2,572	$3,941	$4,980	$5,255	$5,672	$6,268	$6,729	$7,107	$7,309	$7,818	$7,990
Federal SSI benefits:											
Dollars per year	$1,822	$2,677	$3,768	$4,032	$4,248	$4,632	$5,064	$5,352	$5,640	$5,928	$6,000
Percent of poverty	70.8	72.3	75.6	76.7	74.9	73.9	75.3	75.3	77.2	75.8	75.0
Federal SSI and Social Security:											
Dollars per year	$2,062	$2,917	$4,008	$4,272	$4,488	$4,872	$5,304	$5,592	$5,880	$6,168	$6,240
Percent of poverty	80.2	74.0	80.5	81.3	79.1	77.7	78.8	78.7	80.4	78.8	78.0
Federal SSI, Social Security, and food stamps: [1]											
Dollars per year	$2,350	$3,345	$4,294	$4,488	$4,848	$5,318	$5,820	$6,072	$6,372	$6,672	$6,792
Percent of poverty	91.4	84.9	86.2	85.4	85.5	84.8	86.5	85.4	87.2	85.3	85.0

[1] In computing the food stamp benefit for 1975, average deductions among all elderly households are assumed. For later years (except 1996), the applicable standard deduction plus average among all elderly households is assumed. For 1999 the food stamp benefit calculation is based on the 1998 average elderly individual deduction, the most current available. For 1996 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 1975–99

Poverty threshold and benefits	Calendar year										
	1975	1980	1984	1986	1988	1990	1992	1994	1996	1998	1999
Poverty threshold	$3,232	$4,954	$6,280	$6,628	$7,156	$7,906	$8,489	$8,964	$9,221	$9,862	$10,070
Federal SSI benefits:											
Dollars per year	$2,734	$4,016	$5,664	$6,048	$6,384	$6,948	$7,596	$8,028	$8,460	$8,892	$9,000
Percent of poverty	84.6	81.1	90.2	91.2	89.2	87.9	89.5	89.6	91.7	90.1	89.3
Federal SSI and Social Security:											
Dollars per year	$2,974	$4,256	$5,904	$6,288	$6,624	$7,188	$7,836	$8,268	$8,700	$9,132	$9,240
Percent of poverty	92.0	86.0	94.0	94.9	92.6	90.9	92.3	92.2	94.3	92.5	91.7
Federal SSI, Social Security, and food stamps: [1]											
Dollars per year	$3,430	$4,906	$6,393	$6,696	$7,200	$7,935	$8,700	$9,084	$9,540	$10,056	$10,260
Percent of poverty	106.1	99.0	101.8	101.0	100.6	100.4	102.5	101.3	103.5	101.9	101.8

[1] In computing the food stamp benefit for 1975, average deductions among all elderly households are assumed. For later years (except 1996), the applicable standard deduction plus average shelter and medical deductions among all elderly households is assumed. For 1999, the food stamp benefit calculation is based on the 1998 average elderly couple deduction, the most current available. For 1996 the applicable standard deduction plus average shelter and medical deductions among all SSI households is assumed.

Source: Congressional Research Service.

TABLE 3–11.—NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS, TOTAL AMOUNT AND AVERAGE MONTHLY AMOUNT, BY SOURCE OF PAYMENT AND CATEGORY, DECEMBER 1999

Source of payment	Total	Aged	Blind [1]	Disabled [1]
	Number of persons			
Federally administered payments	6,556,634	1,308,062	79,291	5,169,281
Federal payment only	4,115,152	687,801	43,173	3,384,178
Both Federal and State supplementation	2,159,555	515,255	30,406	1,613,894
State supplementation only	281,927	105,006	5,712	171,209
Total Federal payment	6,274,707	1,203,056	73,579	4,998,072
Total State supplementation	2,441,482	620,261	36,118	1,785,103
	Amount of payments [in thousands] [2]			
Federal payments	$2,290,591	$304,775	$26,347	$1,959,469
State supplementation	283,428	79,579	6,246	197,603
Total	2,574,019	384,135	32,593	2,157,072
	Average monthly amount			
Federal payments	341.86	249.36	350.72	364.24
State supplementation	110.92	125.90	167.64	104.52
Total	368.53	289.19	401.99	388.29

[1] Blind includes approximately 19,200 and disabled 690,400 persons aged 65 and older.
[2] Includes retroactive payments.

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

Table 3–12 shows the trends in the numbers of persons receiving federally administered SSI payments from December 1975 through December 1999, 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 16 years the number of SSI recipients has increased from about 3.9 million to about 6.6 million, an increase of 69 percent.

CHARACTERISTICS OF ADULT DISABLED AND BLIND RECIPIENTS

Major disabling diagnosis.—As shown in table 3–13, of the SSI disabled ages 18–64, 24.5 percent were eligible on the basis of mental retardation and 33.9 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 musculoskeletal system and connective tissues—9.6 percent; diseases of the nervous system and sense

TABLE 3–12.—NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED SSI PAYMENTS BY CATEGORY AND AGE, SELECTED YEARS 1975–99

[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	Dec. 1998	Dec. 1999
Reason for eligibility:														
Aged	2,307	1,528	1,476	1,434	1,439	1,452	1,463	1,478	1,474	1,470	1,455	1,429	1,332	1,308
Blind	74	79	83	83	83	84	85	86	86	85	85	83	73	79
Under 18	3	6	7	7	7	7	7	8	8	8	8	8	7	7
18–21	4	5	5	4	4	4	4	4	4	4	4	4	4	3
22–64	46	45	48	49	49	50	51	52	52	52	52	51	50	46
65 or older	22	23	23	22	22	22	22	22	22	21	21	20	19	23
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	5,154	5,169
Under 18	104	191	231	247	256	287	366	511	683	812	898	950	880	890
18–21	90	122	138	136	139	143	150	167	186	202	219	232	235	164
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	3,359	3,312
65 or older	179	462	517	548	563	579	592	606	615	629	646	656	684	853
Age:														
Under 18	107	197	238	254	263	294	373	518	691	820	906	958	887	847
18–21	93	127	143	140	143	147	154	171	190	206	223	236	236	164
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	3,409	3,377
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	2,035	2,018
Total	4,314	3,898	4,232	4,434	4,570	4,764	5,050	5,486	5,908	6,247	6,495	6,636	6,566	6,556

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

TABLE 3–13.—DISABILITY DIAGNOSIS OF SSI AND SECTION 1619 DISABILITY RECIPIENTS, DECEMBER 1999[1]

[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	2.2	1.6	2.6
Neoplasms	1.3	1.0	1.3
Endocrine, nutritional, and metabolic disorders	5.6	2.4	2.8
Mental disorders:			
Schizophrenia	10.9	9.7	11.5
Other psychiatric	23.0	20.8	21.5
Mental retardation	24.5	43.7	37.2
Diseases of:			
Nervous system and sense organs[2]	8.3	12.0	12.3
Circulatory system	5.7	1.7	2.0
Respiratory system	2.5	1.1	1.0
Digestive system	0.9	0.4	0.5
Genito-urinary system	1.2	1.2	1.5
Musculoskeletal system and connective tissues	9.6	3.5	4.9
Congenital anomalies	0.4	0.8	0.8
Injury and poisoning	2.9	2.2	2.9
Other	0.9	1.2	1.1
Total percent[2]	100.0	100.0	100.0
Total individuals[3]	3,690,970	25,202	67,150

[1] Information on diagnosis of all SSI disabled recipients is based on universe counts for December 1999. Information on diagnosis for section 1619 participants is available from SSI source files.
[2] Includes only recipients whose diagnosis information is specifically identified on the source files.
[3] Most of the section 1619(b) participants who are classified as blind individuals are included in this category. A few section 1619(b) blind participants have a primary impairment other than diseases of the eye and are coded in other categories in this table. Also, there are a few participants classified as having diseases of the eye who are not blind, whose impairment does not meet the definition of blindness, and who are classified as disabled.

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

organs—8.3 percent; and diseases of the circulatory system—5.7 percent.

In December 1999, 1.3 million or 29.8 percent of the adult disabled or blind receiving SSI benefits had a representative payee. Representative payees are individuals, agencies, or institutions selected by the Social Security Administration (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, 19.7 percent of the SSI adult population receiving benefits on the basis of disability are age 65 or older (32.1 percent of the blind were age 65 or older).

Sex.—In December 1999, 55.5 percent of those receiving SSI benefits on the basis of disability were women.

Race.—In January 1997, the most recent available data showed that 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.

Other income.—In December 1999, 30.4 percent of the disabled and 34.8 percent of the blind received Social Security benefits. Table 3–15 shows the number of SSI recipients with other sources of income, both unearned and earned.

TABLE 3–14.—NUMBER AND PERCENTAGE DISTRIBUTION OF SSI RECIPIENTS RECEIVING FEDERALLY ADMINISTERED PAYMENTS BY CATEGORY AND AGE GROUP, DECEMBER 1999

Age group	Total	Aged	Blind	Disabled
Under 5	1.4	....	....	....
5–9	2.2	....	....	....
10–14	2.8	....	....	....
15–17	1.6	....	....	....
18–21	2.5	....	4.6	3.8
22–29	5.7	....	9.3	8.5
30–39	10.2	....	13.2	15.1
40–49	13.5	....	15.9	20.0
50–59	14.7	....	16.4	21.9
60–64	7.4	....	8.6	11.0
65–69	9.1	14.6	8.4	8.2
70–74	9.4	23.9	8.0	5.3
75–79	8.1	24.3	5.9	3.1
80 or older	11.2	37.2	9.8	3.1
Total percent	100.0	100.0	100.0	100.0
Total number	6,556,634	1,308,062	72,500	4,328,810

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

Characteristics of Recipients Receiving Benefits on the Basis of Age

Age.—In December 1999, of SSI recipients receiving benefits on the basis of age (65 or older), 37.2 percent were 80 years of age or older (table 3–14).

Sex.—In January 1997, 72.9 percent of those receiving benefits on the basis of age were women.

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.

Other income.—In December 1996, 59.9 percent of SSI recipients receiving benefits on the basis of age also received Social Security benefits. Only 1.6 percent had earned income.

The number of persons receiving federally administered SSI payment and unearned income, by type of income, is included in table 3–16.

TABLE 3–15.—PERSONS RECEIVING FEDERALLY ADMINISTERED PAYMENTS AND ALSO RECEIVING OTHER INCOME, AND AVERAGE MONTHLY AMOUNT OF INCOME, BY SOURCE OF INCOME AND DISABILITY CATEGORY, DECEMBER 1999

Source of income	Total	Aged	Blind [1]	Disabled [2]
	Number with income			
Social Security benefits	2,383,295	783,777	27,579	1,571,939
Other unearned income	766,330	243,766	8,901	513,663
Earned income	294,525	21,028	5,708	267,789
	Percent with income			
Social Security benefits	36.3	59.9	34.8	30.4
Other unearned income	11.7	18.6	11.2	9.9
Earned income	4.5	1.6	7.2	5.2
	Average monthly income			
Social Security benefits	$383.82	$386.79	$399.54	$382.07
Other unearned income	128.99	99.12	114.53	143.42
Earned income	286.62	251.83	544.48	283.86
Total number	6,556,634	1,308,062	79,291	5,169,281

[1] Includes approximately 19,200 persons aged 65 or older.
[2] Includes approximately 690,400 persons aged 65 or older.

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

TABLE 3–16.—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 1999

Type of income	Number	Average income
Veterans benefits	96,603	$161.60
Income based on need	12,560	168.29
Worker's compensation	4,616	317.30
Support from absent parents	89,410	175.25
Employment pensions	59,266	152.51
Support and maintenance in kind	230,630	116.21
Asset income	237,692	6.80
Other	66,293	355.14

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

Characteristics of Children Receiving Benefits

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

At the end of SSI's first year (December 1974), 71,000 disabled and blind children received SSI benefits, less than 2 percent of the total SSI caseload. By December 1980, payments were made to almost 229,000 blind and disabled children, 5.5 percent of the SSI caseload. 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 SSI recipients, and represented a fast growing segment of the SSI population.

Many analysts attribute the growth in the early and midnineties to outreach activities, the Supreme Court decision in the *Zebley* case (which mandated an individualized functional assessment process for children under age 18), expansion of the mental impairment category, and reduction in reviews of continuing disability.

The rapid growth in the number of children receiving SSI, as well as the debate over the procedures by which children's eligibility should be judged, led Congress to enact provisions as part of the 1996 welfare reform law that changed the SSI Program with respect to disabled children (Public Law 104–193). This law discontinued the individualized functional assessment disability determination procedure. Under this procedure, persons whose impairments were not equivalent to those in the Federal "Listing of Impairments" were reviewed under a less stringent process. The 1996 law established a new (separate) disability definition for children (under age 18) which requires a child to have "a medically determinable physical or mental impairment which results in marked or 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." Changes in the eligibility rules applied to new applications and pending requests for administrative and judicial review effective beginning August 22, 1996.

The 1996 law also required SSA to conduct one-time redeterminations of the eligibility of children already on the rolls who might not meet the new eligibility criteria. SSA is also required, on an ongoing basis, to conduct continuing disability reviews (CDRs) of low birth weight babies, all other children whose impairments are likely to improve, and 18 year olds.

The Congressional Budget Office (CBO) estimated that the 1996 SSI reforms affecting children would result in direct (mandatory) Federal SSI savings of $7.4 billion over 6 years (fiscal years 1997–2002). However, after writing the regulations implementing the 1996 children's reforms, SSA estimated that about 135,000 children (13 percent of SSI child recipients) would no longer qualify for SSI as a result of the new regulations. SSA expected the average number of SSI children to fall to 950,000 in fiscal year 1998, when the law became fully implemented, before rising again in subsequent years. SSA estimated that Federal program savings would amount to $4.8 billion over the 6-year period—not $7.4 billion as estimated by CBO.

SSA estimated that 288,000 children receiving SSI needed to be redetermined under the new law. As of April 1, 2000, 102,000 (35 percent) of children who received notices of redetermination were found to be ineligible for SSI benefits. About 21,000 of these cessations are pending appeal at the reconsideration or administrative law judge level.

The number of children receiving SSI payments, and the percentage of the caseload they represent, has declined from 955,174 (14.4 percent) in December 1996 to 879,828 (13.5 percent) in December 1997, 887,066 (13.5 percent) in December 1998, and 847,063 (12.9 percent) in December 1999.

In December 1999, 65.7 percent of SSI children were 12 years old or younger, and about 15 percent were under 5 years old. About 34.2 percent, an estimated 288,000 children, were between the ages of 13 and 17. Child recipients were more likely to be boys than girls, by about 3 to 2.

An estimated 82.1 percent of children lived in their parent's household. Less than 2 percent of the children were patients in a medical facility where more than half of the cost of their care was covered by the Medicaid Program. Another 16.6 percent lived in other hospitals, nursing homes, residential schools, foster care, or independently.

About 24.8 percent of the children had some type of unearned income. The three major types of unearned income were: support from absent parents (10 percent), Social Security benefits (7.3 percent), and in-kind support and maintenance (6.8 percent). In addition, about 15.4 percent of children had income "deemed" from their parents.

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.

—A recent decrease in the number of blind and disabled children under 18 receiving SSI; from a high of 14.4 percent of total SSI recipients in December 1996 to 12.9 percent in December 1999.

—A continuing increase in the number of persons ages 18–64 receiving benefits on the basis of disability or blindness. Between December 1989 and December 1999, this group of beneficiaries grew by more than 1,389,000 persons (from 50.1 percent to 56.3 percent of the recipient population).

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. Prior to January 1997, drug addiction and alcoholism (DAA) 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 1996, Congress passed legislation that went even further by terminating 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. The law mandated the Commissioner of Social Security to require that persons who qualified 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 authorized $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 benefits beginning March 29, 1996 if they were disabled solely on the basis of drug or alcohol addiction.

Following the passage of Public Law 104–121, SSA notified 209,372 individuals who were receiving SSI or DI benefits based on drug addiction and/or alcoholism. (According to SSA, approximately 90,000 recipients of DI—about 47,000 of whom were also SSI beneficiaries—were identified as drug addict and alcoholic beneficiaries in 1996. However, historical data on DI beneficiaries does not exist as the drug addict and alcoholic provisions of the Social Security Act were not applicable until 1995.) As of April 2, 1999, approximately 140,978 beneficiaries responded to the notices. About 10,000 of these responses did not require medical determination because of erroneous coding of disability diagnosis or cessation of benefits before January 1, 1997.

Of all beneficiaries identified as having a drug or alcohol addiction, SSA terminated benefits for 124,746 (59.6 percent) and continued benefits based on another disability for 83,746 (39.9 percent). Another 859 individuals qualified for benefits based on age. These figures will change as the agency processes more appeals and hearing decisions.

ELIGIBILITY OF NONCITIZENS FOR SSI

Although the 1996 welfare reform law (Public Law 104–193) barred most noncitizens from receiving SSI, this prohibition was modified 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. The Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998 (Public Law 105–306) provided continuing eligibility for SSI for nonqualified aliens who were receiving benefits 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 (Quigley, 1992).

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.

In response, SSA has initiated a wide range of outreach activities. 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.

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, all work-related expenses are disregarded in the case of blind persons and impairment-related work expenses are disregarded in the case of disabled persons. Finally, 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 (see below), 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 Program: after a trial work period, work at the level of substantial gainful activity ($700 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. Thus, disabled individuals had a disincentive to work because of their fear of losing SSI and Medicaid.

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 $1,109 per month in 2000 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 he 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.

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 both medical care and 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 once the individual has been off the rolls for 12 months or more.

The ticket to work law enacted in 1999 (Public Law 106–170) contains a number of provisions designed to eliminate work disincentives that existed in the SSI Program. Under this law an individual whose eligibility for SSI benefits (including eligibility under section 1619(b) has been terminated due to 12 consecutive months of suspension for excess income from work activity, may request reinstatement of SSI benefits without filing a new application. To be eligible for this expedited reinstatement of benefits, an individual must have become unable to continue working due to a medical condition and must file the application for reinstatement within 60 months of the termination of benefits.

The ticket to work law also requires SSA to establish a community-based Work Incentive Planning and Assistance Program to provide individuals with information on SSI work incentives. Specifically, SSA must establish a corps of work incentive specialists within the agency and a program of grants, cooperative agreements, and contracts to provide benefit planning and assistance to individuals with disabilities and outreach to individuals who may be eligible for the Work Incentive Program.

SSA is authorized by the ticket to work law to make grants directly to qualified protection and advocacy programs to provide services and advice about vocational rehabilitation, employment services, and obtaining employment to SSI beneficiaries.

States have the option of covering additional groups of working individuals under Medicaid. The ticket to work law allows States to provide Medicaid coverage to working individuals with disabilities who, except for their earnings, would be eligible for SSI and to working individuals with disabilities whose medical conditions have improved. Individuals covered under this new option could buy into Medicaid coverage by paying premiums or other cost-sharing charges on a sliding fee scale based on income established by the State. States are permitted to allow working individuals with incomes above 250 percent of the Federal poverty level to buy into the Medicaid Program.

Special Benefits for Certain World War II Veterans

Section 251 of Public Law 106–169, enacted on December 14, 1999, provides special benefits to certain World War II veterans who served in the U.S. military during the period beginning September 16, 1940 and through July 24, 1947, or who served in the organized military of the Philippines during the period beginning July 26, 1941 and through December 30, 1946. The special benefits are payable each month after April 2000 that these veterans reside outside the United States.

In order to be eligible for the special benefits, an individual must: (1) be age 65 or older on December 14, 1999 (the date Public Law 106–169 was enacted); (2) be a World War II veteran as described above; (3) file an application for the special veterans benefits and be eligible for SSI for that month; (4) be eligible for SSI in December 1999; and (5) not have other benefit income above 75 percent of the current SSI Federal benefit rate.

Qualified veterans receive a monthly benefit equal to 75 percent of the current SSI Federal benefit rate less the amount of their benefit income for the month. The maximum benefit under this formula for 2000 is $384. There is no provision for the payment of benefits to dependents or survivors. “Benefit income” means any recurring payments such as annuities, pensions, retirement or disability benefits that the veteran received during the 12-month period immediately before applying for special benefits, or payments received later that are similar to benefits received during the 12-month period.

MEASURES OF SSI PARTICIPATION AND GROWTH

SSI Participation Rates

Table 3–17 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 3–19. 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 5.9 percent in 1998. 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 percent-

TABLE 3–17.—PERCENTAGE OF GENERAL POPULATION ENROLLED IN SSI, 1975–96

Year	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	56.7	2.2
1993	6.7	56.3	56.4	2.3
1994	6.4	57.8	55.8	2.4
1995	6.3	63.7	58.9	2.5
1996	6.2	60.9	57.5	2.5
1995	5.9	59.9	56.6	2.4
1996	5.9	60.0	54.4	2.4

NA—Not available.

Source: Congressional Research Service.

age 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 60.0 percent in 1998. 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.

The denominator for column 3 is the number of individuals age 65 and older who live in aged-only households and who would be in poverty without SSI benefits. This rate has declined from 68.7 percent in 1979 to 54.4 percent in 1998.

The final column of table 3–17 shows the number of SSI participants as a percentage of the total population. The numerator for this calculation is the first column of table 3–19. 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 increased to 2.5 percent—its highest level ever—in 1995 and 1996. In 1998, 2.4 percent of the population received SSI benefits.

Table 3–18 shows the percentage of a given State's population receiving SSI benefits for selected years.

TABLE 3–18.—PERCENTAGE OF GENERAL POPULATION ENROLLED IN SSI BY STATE, SELECTED YEARS 1975–99

State	Year							
	1975	1985	1990	1992	1993	1996	1998	1999
Alabama	3.98	3.29	3.29	3.43	3.64	3.91	3.74	3.71
Alaska	0.81	0.65	0.84	0.90	0.96	1.20	1.27	1.33
Arizona	1.24	1.04	1.22	1.42	1.54	1.71	1.63	1.69
Arkansas	4.09	3.14	3.23	3.47	3.66	3.80	3.53	2.72
California	3.09	2.59	2.93	3.10	3.14	3.29	3.14	3.24
Colorado	1.37	0.93	1.14	1.29	1.38	1.52	1.39	1.41
Connecticut	0.76	0.83	0.98	1.10	1.19	1.41	1.43	1.46
Delaware	1.19	1.21	1.21	1.27	1.34	1.58	1.57	1.59
District of Columbia	2.23	2.51	2.67	3.00	3.21	3.76	3.80	3.83
Florida	1.86	1.62	1.71	1.90	2.06	2.44	2.39	2.45
Georgia	3.27	2.56	2.46	2.55	2.65	2.74	2.56	2.59
Hawaii	1.08	1.08	1.25	1.30	1.40	1.64	1.66	1.70
Idaho	1.06	0.84	1.03	1.21	1.28	1.46	1.40	1.44
Illinois	1.22	1.18	1.55	1.78	2.00	2.28	2.10	2.14
Indiana	0.83	0.87	1.09	1.26	1.39	1.56	1.51	1.51
Iowa	1.00	0.96	1.18	1.29	1.37	1.49	1.42	1.43
Kansas	1.05	0.87	0.99	1.14	1.26	1.51	1.38	1.39
Kentucky	2.83	2.65	3.11	3.42	3.71	4.37	4.34	4.37
Louisiana	3.90	2.87	3.15	3.49	3.84	4.21	3.99	3.92
Maine	2.31	1.89	1.93	2.03	2.17	2.23	2.31	2.35
Maryland	1.17	1.16	1.25	1.35	1.44	1.67	1.67	1.69
Massachusetts	2.30	1.91	1.98	2.23	2.40	2.73	2.70	2.72
Michigan	1.31	1.35	1.54	1.71	1.93	2.23	2.15	2.16
Minnesota	1.00	0.78	0.92	1.05	1.17	1.38	1.33	1.36
Mississippi	5.21	4.28	4.42	4.68	4.98	5.23	4.88	4.83
Missouri	2.10	1.58	1.66	1.83	1.96	2.18	2.05	2.06
Montana	1.12	0.92	1.25	1.38	1.44	1.63	1.57	2.14

TABLE 3–18.—PERCENTAGE OF GENERAL POPULATION ENROLLED IN SSI BY STATE, SELECTED YEARS 1975–99—Continued

State	Year							
	1975	1985	1990	1992	1993	1996	1998	1999
Nebraska	1.06	0.88	0.99	1.09	1.19	1.33	1.27	1.27
Nevada	1.00	0.85	0.95	1.04	1.14	1.36	1.29	1.37
New Hampshire	0.67	0.62	0.62	0.71	0.77	0.95	0.94	0.96
New Jersey	1.11	1.23	1.36	1.52	1.66	1.84	1.78	1.80
New Mexico	2.29	1.83	2.08	2.25	2.39	2.67	2.62	2.65
New York	2.24	2.00	2.31	2.60	2.85	3.33	3.34	3.35
North Carolina	2.71	2.21	2.24	2.36	2.47	2.67	2.54	2.56
North Dakota	1.25	0.96	1.17	1.30	1.34	1.41	1.34	1.33
Ohio	1.22	1.19	1.44	1.63	1.84	2.28	2.21	2.19
Oklahoma	3.03	1.81	1.92	2.02	2.13	2.28	2.18	2.19
Oregon	1.12	0.95	1.11	1.24	1.35	1.52	1.48	1.53
Pennsylvania	1.24	1.39	1.60	1.77	1.90	2.23	2.30	2.31
Rhode Island	1.72	1.62	1.74	1.91	2.05	2.53	2.64	2.71
South Carolina	2.84	2.60	2.59	2.67	2.80	3.04	2.83	2.84
South Dakota	1.32	1.19	1.45	1.62	1.72	1.92	1.80	1.77
Tennessee	3.24	2.71	2.87	3.06	3.22	3.40	3.10	3.09
Texas	2.23	1.57	1.73	1.87	2.00	2.16	2.04	2.07
Utah	0.76	0.53	0.73	0.84	0.94	1.05	0.95	0.97
Vermont	1.93	1.76	1.79	1.99	2.08	2.19	2.14	2.15
Virginia	1.53	1.49	1.54	1.67	1.76	2.00	1.93	1.95
Washington	1.46	1.09	1.27	1.39	1.50	1.72	1.69	1.73
West Virginia	2.37	2.24	2.63	2.91	3.17	3.78	3.91	3.92
Wisconsin	1.44	1.50	1.75	1.88	2.04	1.86	1.71	1.70
Wyoming	0.67	0.45	0.76	0.92	1.04	1.24	1.20	1.22
Total [1]	2.00	1.74	1.94	2.11	2.26	2.50	2.43	2.41

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

Source: Social Security Administration, Ways and Means Committee staff, and Congressional Research Service. Percentages are calculated as the average number of monthly SSI recipients over the total population of each State in July of the selected year. For 1995, percentages are calculated as the number of SSI recipients in July 1995 divided by the total population of each State in July 1995. For 1996–99, percentages are calculated as the number of SSI recipients in July 1996 divided by the total population of each State in July 1996.

TABLE 3–19.—NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED SSI PAYMENTS, 1974–2005; AND ADULT ASSISTANCE UNDER PRIOR PROGRAMS, 1970–73

[In thousands]

Year [1]	Total [2]	Aged [3]	Blind or disabled		Federal SSI [6]	State supplemental only
			Total [4]	65 or older [5]		
1970	3,098	2,082	1,016			
1971	3,172	2,024	1,148			
1972	3,182	1,934	1,248			
1973	3,173	1,820	1,353			

TABLE 3–19.—NUMBER OF PERSONS RECEIVING FEDERALLY ADMINISTERED SSI PAYMENTS, 1974–2005; AND ADULT ASSISTANCE UNDER PRIOR PROGRAMS, 1970–73—Continued

[In thousands]

Year [1]	Total [2]	Aged [3]	Blind or disabled		Federal SSI [6]	State supplemental only
			Total [4]	65 or older [5]		
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	6,495	1,332	5,132	691	6,212	287
1998	6,566	1,332	5,154	701	6,289	277
1999	6,557	1,308	5,249	711	6,275	282
2000 [9]	6,710	1,288	5,422	724	6,425	285
2001 [9]	6,790	1,266	5,523	736	6,502	288
2002 [9]	6,868	1,247	5,621	753	6,578	290
2003 [9]	6,942	1,229	5,713	770	6,650	292
2004 [9]	7,011	1,213	5,798	785	6,718	293
2005 [9]	7,074	1,199	5,875	800	6,781	293

[1] Data are as of December of each year.
[2] All persons with Federal SSI payments and/or federally administered State supplementation for 1974–2005. For 1970–73, the total is the number of recipients under the Old-Age Assistance and Aid to the Blind and Aid to the Permanently and Totally Disabled Programs.
[3] For 1970–73, this column is the number of recipients under the Old-Age Assistance Program.
[4] For 1970–73, this column is the number of recipients under the Aid to the Blind and Aid to the Permanently and Totally Disabled Programs.
[5] Number of age 65 or older individuals included in the blind or disabled category.
[6] All persons with Federal SSI payments, including those receiving Federal payments only or both Federal SSI and federally administered State supplementation.
[7] Data not available for December 1974. In January 1974, there were 87,000 blind and disabled recipients aged 65 or older.
[8] Data not available.
[9] For 2000–2005, data are projections based on the President's budget estimates of February 2000.

Source: Office of the Actuary, Social Security Administration.

Changes in Number of Recipients, 1970–99

Supplemental Security Income (SSI) is one of the largest cash assistance programs for the poor and, until recently, was one of the fastest growing entitlement programs (see table 3–12 above); program costs grew 20 percent annually from 1991 through 1994. According to GAO, three groups accounted for nearly 90 percent of the SSI Program's growth between 1986 and 1993: 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 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 the Social Security Administration (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 3–19 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 1999, there were nearly 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 1.3 million individuals in 1999 (2.0 million if disabled and blind persons over 65 are counted). Meanwhile, the number of blind or disabled receiving assistance increased sharply.

The number of persons receiving SSI payments, by State, in December 1999 is provided in table 3–20.

SSI Program Costs

Table 3–21 shows total expenditures for the SSI Program in each State in 1999, including not only the federally administered Federal and State supplementation payments but also the State-administered State supplementation payments. Table 3–22 shows the total (Federal- and State-administered) State supplementation payments by State for SSI for selected fiscal years, 1986–98.

Table 3–23 presents the total amount of Federal and State benefit payments from calendar years 1970–87 and fiscal years 1988–2005. 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 1999, Federal benefit payments totaled $28.1 billion and State payments totaled $3.2 billion, amounting to an overall total of $31.3 billion. In fiscal year 2000, total (Federal and State) SSI benefits are estimated to total $29.5

billion and are projected to increase to $32.7 billion in fiscal year 2002.

TABLE 3–20.—NUMBER OF PERSONS RECEIVING SSI PAYMENTS, BY STATE, DECEMBER 1999

State	Federally administered				State-administered total [1]
	Total	Aged	Blind	Disabled	
Alabama	160,208	28,584	1,217	130,407	1,683
Alaska	8,156	1,348	124	6,684	4,726
Arizona	79,306	13,179	941	65,186	610
Arkansas	87,686	15,453	976	71,257	....
California	1,066,486	330,386	21,983	714,117	....
Colorado	54,588	8,990	552	45,046	31,462
Connecticut	47,609	7,079	499	40,031	29,153
Delaware	11,840	1,414	116	10,310	....
District of Columbia	20,020	2,631	195	17,194	....
Florida	366,517	94,254	3,146	269,117	14,223
Georgia	196,784	35,843	2,340	158,601	....
Hawaii	20,404	7,300	160	12,944	....
Idaho	17,761	1,829	172	16,760	2,985
Illinois	251,112	32,841	2,361	215,910	44,137
Indiana	88,315	7,577	1,073	79,665	1,139
Iowa	40,450	4,716	843	34,891	....
Kansas	36,290	3,493	383	31,964	....
Kentucky	172,225	19,906	1,485	150,834	5,680
Louisiana	167,927	26,107	1,936	139,884	....
Maine	29,341	3,517	238	25,586	....
Maryland	86,684	15,644	761	70,279	1,680
Massachusetts	167,050	46,074	4,289	116,687	....
Michigan	210,022	19,950	1,939	188,133	....
Minnesota	63,626	10,122	713	52,791	[4] 21,339
Mississippi	131,247	24,166	1,290	105,791	....
Missouri	111,003	13,391	974	96,638	10,026
Montana	13,697	1,390	127	12,180	....
Nebraska	21,036	2,450	244	18,342	5,717
Nevada	24,303	6,840	641	16,822	....
New Hampshire	11,404	1,055	121	10,228	6,678
New Jersey	145,565	33,852	1,056	110,657	....
New Mexico	45,861	8,989	559	36,313	243
New York	609,459	138,987	3,425	487,047	....
North Carolina	191,743	36,237	2,170	153,336	20,209
North Dakota	8,278	1,400	80	6,798	[4] 355
Ohio	242,733	18,207	2,278	222,248	....
Oklahoma	72,562	11,541	879	60,142	72,741
Oregon	50,515	7,148	635	42,732	[4] 16,971
Pennsylvania	278,196	37,599	2,520	238,077	....
Rhode Island	26,897	4,692	239	21,966	....
South Carolina	108,093	18,364	1,640	88,089	4,351
South Dakota	12,735	2,105	103	10,527	3,576
Tennessee	166,327	24,755	1,703	139,869	....
Texas	407,872	116,874	5,657	285,341	....
Utah	19,968	2,072	282	17,614	....

TABLE 3–20.—NUMBER OF PERSONS RECEIVING SSI PAYMENTS, BY STATE, DECEMBER 1999—Continued

State	Federally administered				State-administered total[1]
	Total	Aged	Blind	Disabled	
Vermont	12,551	1,629	125	10,797	....
Virginia	131,910	24,921	1,516	105,473	6,776
Washington	98,314	13,874	937	83,503	82
West Virginia	70,993	5,869	590	64,534	....
Wisconsin	86,544	10,229	988	75,327	....
Wyoming	5,784	573	55	5,156	2,923
Other:					
Northern Mariana Islands	635	164	15	456	....
Total[2]	6,556,634	1,308,062	79,291	5,169,281	309,383

[1] In 1997, Iowa, Louisiana, Maine, and Michigan began reporting data to the Social Security Administration.
[2] Includes recipients not distributed by State.

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

TABLE 3–21.—SUPPLEMENTAL SECURITY INCOME: TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND FEDERAL- AND STATE-ADMINISTERED STATE SUPPLEMENTARY PAYMENTS, CALENDAR YEAR 1999

[In thousands of dollars]

State	Total	Federal SSI[1]	State supplementation	
			Federally administered[1]	State administered[2]
Alabama	$659,976	$659,321	....	$655
Alaska	51,354	34,663	....	16,691
Arizona	340,568	340,318	....	250
Arkansas	410,567	339,065	....	....
California	6,258,380	3,900,708	$2,266,934	....
Colorado	229,519	229,519	....	71,502
Connecticut	210,934	210,934	....	90,738
Delaware	49,523	48,583	940	....
District of Columbia	91,130	87,884	3,246	....
Florida	1,588,501	1,564,220	10	24,271
Georgia	772,792	772,782	10	....
Hawaii	97,546	84,722	12,824	....
Idaho	83,951	73,216	....	10,735
Illinois	1,205,453	1,177,260	....	28,193
Indiana	384,576	380,000	....	4,576
Iowa	173,432	153,845	2,745	16,842
Kansas	150,723	150,723	....	....
Kentucky	736,917	719,935	....	16,982
Louisiana	727,754	727,238	....	516
Maine	119,450	110,690	....	8,760

TABLE 3–21.—SUPPLEMENTAL SECURITY INCOME: TOTAL PAYMENTS, FEDERAL SSI PAYMENTS, AND FEDERAL- AND STATE-ADMINISTERED STATE SUPPLEMENTARY PAYMENTS, CALENDAR YEAR 1999—Continued

[In thousands of dollars]

State	Total	Federal SSI [1]	State supplementation	
			Federally administered [1]	State administered [2]
Maryland	395,695	389,015	12	6,668
Massachusetts	788,296	623,107	165,189	....
Michigan	997,231	953,887	28,761	14,583
Minnesota	336,541	266,246	....	70,295
Mississippi	517,090	517,081	9	....
Missouri	488,832	463,435	....	25,397
Montana	55,593	54,810	783	....
Nebraska	89,823	83,622	....	6,201
Nevada	100,977	96,147	4,830	....
New Hampshire	58,190	46,972	....	11,218
New Jersey	665,113	586,359	78,754	....
New Mexico	187,105	186,871	....	234
New York	3,118,358	2,573,094	....	
North Carolina	843,399	719,909	....	123,490
North Dakota	31,708	29,683	....	2,025
Northern Mariana Islands	2,937	2,937	....	....
Ohio	1,124,699	1,124,684	15	....
Oklahoma	334,708	297,354	....	37,354
Oregon	239,459	219,117	....	20,342
Pennsylvania	1,339,319	1,208,955	130,364	....
Rhode Island	123,595	101,043	22,552	....
South Carolina	436,684	423,301	....	13,383
South Dakota	50,961	48,653	7	2,301
Tennessee	666,082	666,080	2	....
Texas	1,556,804	1,556,804	....	....
Utah	86,511	86,456	55	....
Vermont	51,130	41,954	9,176	....
Virginia	551,881	529,962	....	21,919
Washington	469,541	440,462	28,731	348
West Virginia	315,748	315,748	....	....
Wisconsin	488,907	362,718	....	126,189
Wyoming	23,916	23,230	....	686
Total	30,959,475	26,805,157	3,300,975	853,343

[1] Includes data not distributed by State.
[2] Includes amounts for six States not distributed by category.

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

TABLE 3–22.—STATE SSI SUPPLEMENTATION PAYMENTS, SELECTED FISCAL YEARS 1986–96, CALENDAR YEARS 1997–99

[In thousands of dollars]

State	Year										
	1986	1988	1990	1992	1993	1994	1995	1996	1997	1998	1999
Alabama	$13,659	$10,436	$6,594	$3,845	$2,083	$1,673	$1,370	$1,027	$987	$764	$655
Alaska	12,970	12,970	12,972	12,972	12,972	12,972	12,972	12,972	12,972	12,977	16,691
Arizona	2,668	3,309	2,560	3,129	3,129	411	409	374	312	278	250
Arkansas	28	20	15	8	0	6	4	5	([1])	([1])	([1])
California	1,466,079	1,862,170	2,274,296	2,433,459	2,212,330	2,014,831	1,981,002	1,994,313	1,919,293	1,988,594	2,266,934
Colorado	38,320	24,132	42,649	53,309	55,057	53,376	56,703	59,114	66,600	70,151	71,502
Connecticut	36,578	54,584	67,670	94,725	96,836	99,424	100,330	98,235	92,809	93,353	90,738
Delaware	671	730	708	750	747	819	817	836	874	924	940
District of Columbia	4,202	4,538	4,365	4,694	4,899	5,095	4,342	2,879	2,743	2,968	3,246
Florida	9,718	11,309	14,656	18,899	18,608	18,608	18,380	18,384	18,392	18,392	24,281
Georgia	8	18	16	12	19	18	15	21	([2])	6	10
Hawaii	3,740	4,263	10,885	10,698	11,066	11,299	11,305	11,479	11,306	13,237	12,824
Idaho	4,136	4,205	4,212	4,212	4,212	4,212	9,459	4,753	10,416	10,726	10,735
Illinois	51,197	59,573	57,137	64,241	65,836	73,398	69,450	31,890	29,180	28,326	28,193
Indiana	1,744	3,619	3,285	3,563	3,817	3,884	3,786	3,540	3,576	3,576	4,576
Iowa	1,908	2,204	2,408	2,672	2,859	2,940	2,951	3,018	14,330	19,675	19,587
Kansas	27	25	21	12	0	2	1	1	([2])	([1])	([1])
Kentucky	9,795	10,467	11,611	15,492	15,313	16,612	16,843	16,327	15,576	16,609	16,982
Louisiana	42	33	25	12	4	([1])	([1])	([1])	532	530	516
Maine	5,413	7,540	7,494	7,325	7,233	7,415	7,542	3,916	646	8,370	8,760
Maryland	5,252	6,159	6,155	6,542	6,269	6,102	6,235	6,430	6,688	5,014	6,680
Massachusetts	109,452	120,010	117,113	137,516	147,866	153,034	160,080	159,629	160,524	154,085	165,189
Michigan	66,338	69,833	74,682	61,636	62,683	61,955	37,296	27,387	31,492	121,304	43,344
Minnesota	19,818	24,667	43,924	55,224	53,860	53,860	63,720	63,720	53,297	53,297	70,295
Mississippi	29	27	22	12	11	7	6	8	([1])	8	9
Missouri	5,132	4,009	2,808	26,158	25,866	24,286	29,549	25,154	25,193	24,400	25,397
Montana	834	839	864	909	902	960	940	905	832	807	783
Nebraska	5,348	5,454	5,793	6,175	6,705	5,990	5,970	6,293	6,199	6,199	6,201

Nevada	2,531	2,704	2,928	3,184	3,586	3,717	3,885	4,083	4,261	4,542	4,830
New Hampshire	7,326	5,865	6,843	7,948	8,512	9,573	11,039	10,489	11,088	11,209	11,218
New Jersey	48,124	50,446	53,697	64,765	71,965	74,242	76,655	77,380	76,823	77,377	78,754
New Mexico	216	248	263	333	329	321	293	287	268	255	234
New York	277,035	317,504	388,150	440,374	476,029	494,345	510,096	527,128	523,123	533,372	545,264
North Carolina	41,091	52,745	63,135	91,925	95,445	106,493	115,245	85,274	92,568	109,407	123,490
North Dakota	1,518	1,480	1,390	1,408	1,220	1,676	1,928	1,917	1,916	1,916	2,025
Ohio	35	31	34	31	28	18	13	1	2	13	15
Oklahoma	31,380	34,045	34,168	36,012	36,557	34,987	35,811	36,988	37,412	37,270	37,354
Oregon	9,767	11,843	17,946	20,169	20,169	20,169	28,045	28,045	20,174	20,174	20,342
Pennsylvania	69,186	74,670	79,571	94,971	109,947	128,339	136,153	129,618	125,666	128,514	130,364
Rhode Island	9,402	10,263	11,729	14,967	16,097	17,384	18,811	19,650	10,643	20,832	22,552
South Carolina	4,812	5,004	8,897	11,685	12,377	11,880	12,750	13,258	13,043	13,783	13,383
South Dakota	591	587	567	652	681	709	73	1,630	1,911	1,939	2,308
Tennessee	0	1	4	1	0	([2])	([2])	([2])	([2])	1	2
Texas	0	0	0	0	0	([3])	([3])	([3])	([3])	([3])	([2])
Utah	872	1,086	808	959	878	201	60	57	59	55	55
Vermont	7,236	7,841	8,685	10,299	9,927	9,715	10,396	9,402	9,569	9,412	9,176
Virginia	12,164	14,432	15,296	16,782	17,317	17,752	19,156	19,632	19,257	21,161	21,919
Washington	17,443	18,058	19,915	24,043	26,808	28,374	28,516	26,795	28,670	28,689	29,079
West Virginia	0	0	0	0	0	([3])	([3])	([3])	([3])	([3])	([2])
Wisconsin	80,288	90,642	100,276	118,063	132,761	125,789	123,693	32,510	124,002	125,664	126,189
Wyoming	216	226	279	440	527	597	660	690	697	678	686
Total	2,496,275	3,006,796	3,589,348	3,987,110	3,862,151	3,719,314	3,735,250	3,577,102	3,594,702	3,811,552	[3] 54,154,318

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

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

TABLE 3–23.—FEDERAL AND STATE BENEFIT PAYMENTS UNDER SSI AND PRIOR ADULT ASSISTANCE PROGRAMS, CALENDAR YEARS 1970–87 AND FISCAL YEARS 1988–2005[1]

[In millions of dollars]

Year [2]	Total	Total constant 1999 dollars	Federal payments	Total State payments	State payments: Federally administered	State payments: State administered	SSI administrative costs (fiscal year)
1970	$2,939	$8,321	$1,801	$1,138	....	....	....
1971	3,206	13,180	(3)	(3)	....	....	....
1972	3,392	13,392	1,993	1,398	....	....	....
1973	3,418	12,818	1,987	1,432	....	....	....
1974	5,246	17,717	3,833	1,413	$1,264	$149	$285
1975	5,878	18,191	4,314	1,565	1,403	162	399
1976	6,066	17,750	4,512	1,554	1,388	166	500
1977	6,306	17,326	4,703	1,603	1,431	172	NA
1978	6,552	16,732	4,881	1,671	1,491	180	539
1979	7,075	16,226	5,279	1,796	1,590	207	610
1980	7,941	16,046	5,866	2,074	1,848	226	668
1981	8,593	15,740	6,518	2,076	1,839	237	718
1982	8,981	15,496	6,907	2,074	1,798	276	779
1983	9,404	15,721	7,423	1,981	1,711	270	830
1984	10,372	16,621	8,281	2,091	1,792	299	864
1985	11,060	17,114	8,777	2,283	1,973	311	953
1986	12,081	18,353	9,498	2,583	2,243	340	1,022
1987	12,951	18,982	10,029	2,922	2,563	359	976
1988	14,375	21,427	11,368	3,007	2,645	362	975
1989	14,707	19,973	11,399	3,308	2,881	427	1,051
1990	16,095	20,822	12,507	3,589	3,159	431	1,075
1991	17,979	22,141	14,228	3,751	3,235	516	1,257
1992	21,258	25,409	17,270	3,987	3,431	556	1,538
1993	24,173	28,047	20,312	3,862	3,298	564	1,467
1994 [4]	28,288	31,975	24,461	3,827	3,219	608	1,781
1995 [4, 5]	28,124	30,929	24,443	3,681	3,060	621	1,978
1996 [4]	27,429	29,350	24,038	3,391	2,845	546	1,949
1997 [4]	30,120	31,383	26,580	3,540	2,918	622	2,055
1998 [4, 6]	31,154	31,941	27,390	3,764	2,987	777	2,304
1999 [4, 6]	32,153	32,153	28,117	4,036	3,219	817	2,493
2000 [4, 6]	NA	....	29,189	NA	3,310	NA	2,343
2001 [4, 6]	NA	....	30,482	NA	3,410	NA	2,569
2002 [4, 6]	NA	....	31,826	NA	3,515	NA	2,569
2003 [4, 6]	NA	....	33,191	NA	3,625	NA	2,596
2004 [4, 6]	NA	....	34,596	NA	3,735	NA	2,658

TABLE 3–23.—FEDERAL AND STATE BENEFIT PAYMENTS UNDER SSI AND PRIOR ADULT ASSISTANCE PROGRAMS, CALENDAR YEARS 1970–87 AND FISCAL YEARS 1988–2005[1]—Continued

[In millions of dollars]

Year[2]	Total	Total constant 1999 dollars	Federal payments	Total State payments	State payments		SSI administrative costs (fiscal year)
					Federally administered	State administered	
2005[4, 6]	NA	....	38,617	NA	3,880	NA	2,717

[1] Payments and adjustments during the respective year but not necessarily accrued for that year.
[2] 1970–73 refers to Old-Age Assistance, Aid to the Blind, and Aid to the Permanently and Totally Disabled; 1974–2005 refers to Supplemental Security Income.
[3] Data not available.
[4] Additional administrative costs are reflected for the SSI Program share of the President's disability investment in fiscal years 1994–95 and the automation investment in fiscal years 1994–2002.
[5] Fiscal year 1995 administrative expenses included funds to pay back the Old-Age and Survivors Insurance Trust Fund with interest for SSI administrative funding shortfalls in prior years.
[6] SSA does not collect the information necessary for making a forecast of State-administered benefit payments. For 2000–2005, data are projections based on the President's budget estimates of February 2000.

NA—Not available.

Source: Office of the Actuary, Social Security Administration and Office of Budget, Social Security Administration.

LEGISLATIVE HISTORY

104TH CONGRESS

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 the 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. The Social Security Administration (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 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 continuing disability reviews (CDRs) and Supplemental Security Income 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. The agency that provides assistance to a noncitizen must request reimbursement from the sponsor for assistance provided.

Reporting of illegal immigrants to the Immigration and Naturalization Service.—The Commissioner of Social Security must furnish to the Immigration and Naturalization Service the name, address, and other identifying information of any individual that SSA knows is unlawfully present 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 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.

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 child recipients turn 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 and their children who 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."

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 were receiving SSI on August 22, 1996, remain eligible for SSI. In addition, noncitizens lawfully residing in the United States on August 22, 1996, are eligible for SSI if they become disabled in the future. The law also provides that members of Native American Indian tribes who are noncitizens are not affected by the SSI restrictions in Public Law 104–193. In addition, individuals who received SSI prior to January 1, 1979, 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." These groups 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 eligible 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 DAA condition.

Technical corrections also are made that clarify when the reporting incentives involving prisoners apply and 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. 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.

Public Law 105–306, the Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998 provided continuing eligibility for SSI for nonqualified aliens who were receiving benefits on August 22, 1996.

106TH CONGRESS

Public Law 106–169, the Foster Care Independence Act of 1999, contains numerous provisions related to SSI fraud reduction and overpayment recovery. These provisions are summarized below.

Overpayments and debt collection.—The law amends the Social Security Act to make representative payees liable for the repayment of Social Security benefit checks distributed after the recipient's death. SSA will monitor these repayments using representative payees' Social Security numbers. Beginning on December 14, 2000, SSA is authorized to recover up to 50 percent of lump sum SSI benefit payments made to individuals (or eligible spouses) who are themselves liable for the repayment of SSI benefits. The law also authorizes SSA to intercept Federal and State payments owed to individuals, use debt collection agencies, and other techniques to collect overpayments.

Treatment of assets.—Public Law 106–169 changes the way assets held in trusts are treated when determining SSI Program eligibility and benefit amounts. (A trust is defined by SSA as a legal arrangement involving property and ownership interests.) Assets and income in irrevocable trusts may not be revoked or used by an individual for personal support and maintenance. These trusts, previously exempt from SSI resource limit calculations, will be counted toward the resource limit for program eligibility and used to determine benefit amounts. All trusts established after January 1, 2000—regardless of the purpose of the trust, degree of trustee discretion, or restrictions on distribution—will be affected by the law. However, the new law allows the Commissioner of Social Security to waive the consideration of a trust if doing so would create an undue hardship for an individual. The criteria for undue hardship will be determined by the Commissioner.

Disposal of resources.—The law also imposes new rules regarding resources disposed of at less than fair market value. Individuals or their spouses who dispose of resources at less than fair market value will be ineligible for SSI benefits from the "look-back" date (the date the individual applied for benefits or, if later, the date the individual disposed of resources for less than fair market value) for a length of time calculated by SSA. The ineligibility period is determined by dividing the total value of the disposed resources by the maximum monthly benefit and the maximum applicable State supplementary payment. This ineligibility period may not exceed 36 months. Similar restrictions on the treatment of assets and the disposal of resources were already in effect for the Medicaid Program before enactment of Public Law 106–169.

Certain resources are exempt from this provision: resources transferred to a trust, if the trust is considered a resource available to the individual; the transfer of a home to family members under certain conditions; the transfer of resources to a spouse for the spouse's sole benefit; or the transfer of resources to an individual's blind or disabled child (under age 65). Furthermore, a resource may be exempt if an individual proves to the Commissioner that he intended to dispose of the resource at fair market value; or that the resource was transferred for reasons other than to qualify for the SSI Program; or if the Commissioner determines that denial of eligibility would cause an undue hardship.

Penalties for false or misleading statements.—The law contains provisions authorizing SSA to establish a new administrative process to determine whether individuals have fraudulently claimed benefits in cases considered too small to prosecute in court. The law provides for increasing penalties of 6, 12, and 24 months of ineligibility depending on the nature of the case. However, the imposition of these penalties will not impact an individual's receipt of other assistance. The penalty procedure applies only to false and misleading statements made after the date of the law's enactment, December 14, 1999. The Commissioner is mandated to develop regulations detailing the administrative process for imposing the penalties within 6 months of enactment.

Health care providers and attorneys convicted of fraud or administratively fined for fraud involving SSI eligibility determinations are barred from participating in the SSI Program for at least 5 years. SSA will provide individuals with reasonable notice and opportunity for a hearing and judicial review. SSA will also notify the State agencies that employ such individuals and the State licensing agencies that license or certify them. Attorneys and health care providers are required to inform SSA of any past violations or convictions. The Commissioner or Inspector General of Social Security may waive the exclusion from involvement with the SSI Program for an individual who is the only provider of services to a community and may terminate exclusions on a case-by-case basis.

Information sharing requirements.—There are a number of provisions regarding information sharing between Federal and State agencies in the new law. SSA is authorized to obtain financial records for SSI recipients to ensure that they meet SSI's resource restrictions and remain eligible for benefits.

States are required to provide the Commissioner with information for determining individuals' eligibility for Social Security and SSI benefit programs. State prisons are also required to provide inmate information to Federal and federally assisted benefit programs. To help reduce fraudulent benefit payments to prisoners of food stamps, veterans benefits, unemployment benefits, and educational aid, SSA is required to share its prisoner database with other Federal agencies and departments.

The law directs SSA to conduct computer matches with Medicare and Medicaid data maintained by the Department of Health and Human Services on individuals who are residents of public institutions. Data obtained from these matches may be used as a substitute for a physician's certification that an individual's stay in an institution will be less than 3 months. The Commissioner and the Secretary of the Department of Health and Human Services will mutually determine the terms of the data matching.

Future study and reporting requirements.—The law requires the Commissioner, in consultation with the SSA Inspector General and the Attorney General, to study and report to Congress on legislative and administrative reforms that would reduce or prevent SSI and Social Security DI fraud and overpayments. Furthermore, the Commissioner must include an itemized account of the amount of funds required to support efforts to combat fraud by applicants and beneficiaries in the SSA annual budget. This requirement is effective for annual budgets prepared after fiscal year 1999.

Public Law 106–170, the Ticket to Work and Work Incentives Improvement Act of 1999, expands Medicaid coverage and provides work incentives for disabled beneficiaries of SSI. The law also creates a "ticket to work" system whose purpose is to expand the numbers and types of providers that SSI beneficiaries may choose to assist them in receiving employment and vocational rehabilitation services. In addition, the law has several other provisions:

Greater accessibility to vocational rehabilitation providers.—Individuals on the SSI rolls are given access to a broader pool of vocational rehabilitation providers. SSI recipients are provided with "tickets" that they can use as vouchers to obtain employment services, case management, vocational rehabilitation, and support services from the providers of their choice, including State vocational rehabilitation agencies. This program will be implemented on a gradual basis within 1 year of enactment at test sites and within 4 years in every State.

The law also authorizes the Commissioner to make grants of up to $7 million each year for fiscal years 2000–2004 to protection and advocacy organizations providing information and advice about obtaining vocational rehabilitation and employment services. The Secretary of Health and Human Services is authorized to award grants to States to design, establish, and operate infrastructures providing items and services to support working individuals with disabilities, and to conduct outreach campaigns to publicize the new benefits under the legislation ($20 million, $25 million, $30 million, $35 million, and $40 million for fiscal years 2001–5, respectively; for fiscal years 2006–11, the law authorizes the prior year's amount adjusted for inflation.)

Creation of employment networks.—Employment networks are required to consist of a single public or private provider or an association of providers combined into a single entity which assumes responsibility for the coordination and delivery of services. Employment networks, which must be experienced in providing relevant employment and support services to individuals with disabilities will work with beneficiaries to develop employment plans and employment goals. The employment networks are responsible for providing periodic performance reports to beneficiaries holding tickets and periodic quality assurance reviews. The Commissioner will establish mechanisms for resolving disputes between employment networks and beneficiaries. State vocational rehabilitation agencies and employment networks must enter into agreements with individuals referred by an employment network to a State vocational rehabilitation agency for services.

Payment to employment networks is based on one of two payment systems. Under the outcome payment system, employment networks are provided with up to 40 percent of the average monthly disability benefit for each month (up to 60 months) benefits are not payable to the beneficiary due to work. Under the outcome-milestone payment system, employment networks receive early payments based on the achievement of one or more milestones toward permanent employment. The total amount payable under this system may not exceed the total amount payable under the outcome payment system. Regardless of the system used, beneficiaries forgo their SSI benefit and instead receive earnings from work. The cost effectiveness of the payment systems will be evaluated by the Commissioner.

Limitations on continuing disability reviews (CDRs) for ticket to work participants.—The law prohibits the Commissioner from initiating a CDR for a beneficiary participating in the Ticket to Work and Self-Sufficiency Program. Further, if beneficiaries do not succeed at their work effort, the law provides for the reinstatement of SSI benefits without requiring re-application.

Medicaid expansion.—Under Public Law 106–170, States can opt to cover persons with disabilities at higher income and resource levels than otherwise permitted (i.e., over 250 percent of the Federal poverty level and over $2,000, respectively), and whose medical condition would not otherwise permit them to be covered. States can require these individuals to "buy into" Medicaid coverage by paying premiums or other cost-sharing charges on a sliding fee scale based on income, as established by the State.

Demonstration projects and studies.—The law extends Social Security demonstration projects relating to disabled beneficiaries and establishes a new demonstration project to test phasing out disability benefits for earnings above a certain level of income. Further, the General Accounting Office is required to study the effects of the substantial gainful activity level on recipients who return to work, and report on whether disregarding certain income for calculating benefits is appropriate.

Other.—The law permits the Commissioner to withhold an assessment charge of 6.3 percent of the attorney's fees for the purpose of recovering costs to SSA of withholding and payment of attorneys fees. SSA is authorized to penalize States that are late in paying administrative fees to SSA.

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