



Office of the General Counsel

B-276222

February 26, 1997

The Honorable William V. Roth, Jr.
Chairman
The Honorable Daniel Patrick Moynihan
Ranking Minority Member
Committee on Finance
United States Senate

The Honorable Bill Archer
Chairman
The Honorable Charles B. Rangel
Ranking Minority Member
Committee on Ways and Means
House of Representatives

Subject: Social Security Administration: Supplemental Security Income;
Determining Disability for a Child Under Age 18; Interim Final Rules
with Request for Comments

Pursuant to section 801(a)(2)(A) of title 5, United States Code, this is our report on a major rule promulgated by the Social Security Administration (SSA), entitled "Supplemental Security Income; Determining Disability for a Child Under Age 18; Interim Final Rules with Request for Comments" (RIN: 0960-AE57). We received the rule on February 12, 1997. It was published in the Federal Register as an interim final rule on February 11, 1997. 62 Fed. Reg. 6407.

This interim final rule implements the childhood disability provisions of sections 211 and 212 of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Those sections provide a new definition of disability for children, mandate changes to the evaluation process for children's disability claims and continuing disability reviews, and require that disability redeterminations be performed for 18-year-olds eligible as children in the month before they attain age 18.

Enclosed is our assessment of the SSA's compliance with the procedural steps required by section 801(a)(1)(B)(i) through (iv) of title 5 with respect to the rule. Our review indicates that the SSA complied with the applicable requirements.

In March 1995, our Office issued a report on the subject of this rule entitled "Social Security: New Functional Assessments for Children Raise Eligibility Questions" (HEHS-95-66).

If you have any questions about this report, please contact James Vickers, Assistant General Counsel, at (202) 512-8210. The official responsible for GAO evaluation work relating to the Social Security Administration is Jane Ross, Director, Income Security Issues. Ms. Ross can be reached at (202) 512-7215.

Robert P. Murphy
General Counsel

Enclosure

cc: Mr. Brian Coyne
Chief of Staff
Office of the Commissioner
Social Security Administration

ANALYSIS UNDER 5 U.S.C. § 801(a)(1)(B)(i)-(iv) OF A MAJOR RULE
ISSUED BY
THE SOCIAL SECURITY ADMINISTRATION
ENTITLED
"SUPPLEMENTAL SECURITY INCOME; DETERMINING DISABILITY FOR A CHILD
UNDER AGE 18; INTERIM FINAL RULES WITH REQUEST FOR COMMENTS"
(RIN: 0960-AE57)

(i) Cost-benefit analysis

The Social Security Administration performed a cost-benefit assessment of the impact of the interim final rule. The assessment, which is summarized in the preamble to the rule in the Federal Register, was submitted to our Office in its entirety.

SSA estimates that reduced program outlays resulting from the rule will be \$4.7 billion dollars over the next 6 years with \$34.7 billion spent during that 6-year period on childhood disability benefits. In addition, it is estimated that there will be a reduction in Medicaid program outlays of \$590 million during that period.

The cost of conducting the medical redeterminations is expected to be \$185 million in fiscal year 1997 and \$130 million in fiscal year 1998. After that time, SSA estimates that administrative costs will be \$10 million less each year from 1999 through 2002.

The redeterminations are expected to result in 135,000 children having benefits terminated as a result of these changes in the law.

The assessment also discusses the costs involved in two alternatives that were considered but were found not to adequately reflect the intent of the legislation, as reflected by the legislative history of Public Law 104-193.

(ii) Agency actions relevant to the Regulatory Flexibility Act, 5 U.S.C. §§ 603-605, 607 and 609

The Commissioner has certified that the interim final rule will not have a significant economic impact on a substantial number of small entities since the rule only affects individuals.

(iii) Agency actions relevant to sections 202-205 of the Unfunded Mandates Reform Act of 1995, 2 U.S.C. §§ 1532-1535

The interim final rule does not impose any unfunded mandates upon state, local or tribal governments or the private sector under the Unfunded Mandates Reform Act of 1995.

(iv) Other relevant information or requirements under acts and executive orders

Administrative Procedure Act, 5 U.S.C. §§ 551 et seq.

The Commissioner determined under 5 U.S.C. § 553(b)(B) that good cause existed for dispensing with the Notice of Proposed Rulemaking procedures of the Administrative Procedure Act and has issued the rule as an interim final rule with a request for comments by April 14, 1997. Since sections 211 and 212 of Public Law 104-193 were effective upon enactment and section 215 required the Commissioner to issue regulations to carry out the amendments within 3 months after enactment, the Commissioner found that it would be impracticable and contrary to congressional intent to follow the NPRM procedures.

SSA will consider the comments received by April 14, 1997, and will issue revised regulations if necessary.

Paperwork Reduction Act, 44 U.S.C. §§ 3501-3520

The rule contains a new information collection requirement which was submitted to the Office of Management and Budget (OMB) under emergency procedures and OMB has approved the collection requirements and issued OMB No. 0960-0568.

The new collection of information is the completion of the Childhood Disability Evaluation Form by the State Disability Determination Services. The submission to OMB lists the yearly usage rate of the form at approximately 800,000 and there is a one-time disability redetermination workload of 266,000 to be processed in 1997. The submission estimates the burden per response to be 20 minutes for an annual hour burden of 355,333. The cost to the federal government is estimated to be \$8.7 million.

Statutory authorization for the rule

The interim final rule is issued pursuant to section 215 of Public Law 104-193 to implement sections 211 and 212 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. (110 Stat. 2105).

Executive Order No. 12866

The interim final rule was determined to be a "significant regulatory action" by OMB under Executive Order No. 12866 and was approved by the Office of Information and Regulatory Affairs, OMB as complying with the requirements of the order based on information supplied by SSA, including a planned regulatory action document describing the reason for the rule and an assessment of the costs and budgetary impact of the rule.