

Old-Age, Survivors, and Disability Insurance: Interagency Relationships in Disability Insurance and Vocational Rehabilitation

by ROBERT C. VAN HYNING*

IN 1961, half a million persons applying for disability cash benefits under old-age, survivors, and disability insurance (title II of the Social Security Act) had their names referred to their State vocational rehabilitation agencies. Through this procedure they could be considered for services that might help them overcome the handicapping effects of their disability and enable them to return to useful and gainful employment.

Cash disability benefits under old-age, survivors, and disability insurance have now been paid for 5 years. The fifth anniversary year seems an appropriate time to review the cooperation that has been developed by the Bureau of Old-Age and Survivors Insurance, the Office of Vocational Rehabilitation, and the State agencies.¹

BACKGROUND

Provision of cash benefits was the second step in the development of a program for the Nation's disabled workers. The first step was taken in 1954, when Congress enacted a disability freeze provision, designed to preserve the insurance status of those forced to be absent from work because of long-term disability.

The legislative history of the Social Security Act indicates that protection against the loss of earnings resulting from disability had, for some time before enactment of the disability provisions, been recognized as a proper extension of the Federal social insurance system. It was also realized that cash benefits alone could not ensure the well-being of a disabled person who had been cut off from his normal pursuits. Against this background, there was incorporated into the 1954 legislation a congress-

sional statement of policy. It was the intent of Congress, according to this statement, that anyone applying for a determination of disability should be promptly referred to his State vocational rehabilitation agency for necessary vocational rehabilitation services, so that the maximum number of disabled individuals might be restored to productive activity. In the 1956 amendments to the Social Security Act, which added disability cash benefits to the law's provisions, it was stipulated that benefits should be withheld from those who refused, without good cause, to accept rehabilitation services offered to them.

A key provision of the original legislation providing for the disability program established the basis for State participation in its administration. Under this provision the Secretary of Health, Education, and Welfare enters into agreements with State agencies to make determinations of disability for social security purposes.

Congress expressed its preference for State vocational rehabilitation agencies to carry out the disability determination function. The House Committee on Ways and Means, in its report² on the 1954 amendments, stated:

By and large, determinations of disability will be made by State agencies, administering plans approved under the Vocational Rehabilitation Act. This would serve the dual purpose of encouraging rehabilitation contacts by disabled persons and would offer the advantages of the medical and vocational case development undertaken routinely by the rehabilitation agencies.

FEDERAL-STATE COOPERATION

All the States, the District of Columbia, and Puerto Rico make disability determinations for the purposes of the old-age, survivors, and disability insurance program. The determinations are made in 47 jurisdictions by the vocational rehabilitation

* Office of State Program Operations, Office of Vocational Rehabilitation.

¹ For a review of the program, see Arthur E. Hess, "Five Years of Disability Insurance Benefits: A Progress Report," *Social Security Bulletin*, July 1962.

² House Report No. 1698, 83d Congress, 2d session, 1954.

agencies, in four by the State welfare department, and in one by a special department. In addition, in four of the States where the vocational rehabilitation agency makes the determinations, the welfare department or the agency administering the program for the blind makes determinations of disability for persons applying because of blindness.

At the inception of the disability insurance program, the Council of State Directors of Vocational Rehabilitation, which serves the Federal Office of Vocational Rehabilitation in an advisory capacity, appointed a subcommittee (the States' Council Committee on OASI Relationships) that would be available for consultation on administrative matters coming within its purview. This subcommittee, which is composed of several State directors and technical consultants (State disability determination supervisors), meets with staff of the Bureau of Old-Age and Survivors Insurance and the Office of Vocational Rehabilitation about twice each year. It has contributed in a great measure to the development of the disability determination process and of procedures for screening and processing referrals from the Bureau of Old-Age and Survivors Insurance for possible vocational rehabilitation services. It plays an important role in the continuing effort to improve operations and relations in the fields of both disability determination and vocational rehabilitation.

In the early stages of the disability insurance program the State vocational rehabilitation agencies were confronted with the task of making disability determinations for a large number of applicants. Many of their key vocational counselors were temporarily assigned to this work on a full-time basis, and others were involved part time. The initial impact of the heavy workload was heightened by the necessity to consider the rehabilitation potential of all applicants for disability benefits. Moreover, referrals of disabled persons to the agencies for rehabilitation consideration are made normally by community agencies and by individuals on a somewhat selective basis, case by case. The referrals made by the Bureau of Old-Age and Survivors Insurance, however, were being received in large blocks, and most of the individuals referred had not been called to the State agencies' attention before.

The State vocational rehabilitation agencies that are engaged in making disability determinations work directly with two Federal agencies—the Office of Vocational Rehabilitation and the Bureau of

Old-Age and Survivors Insurance. For uniformity in administration and equal treatment of disability applicants, the State agencies use guides and standards developed by the Bureau of Old-Age and Survivors Insurance for making disability determinations. In their vocational rehabilitation activities, they are, of course, guided by the State plan provisions of the Vocational Rehabilitation Act, administered by the Office of Vocational Rehabilitation. In addition, the Federal and State agencies, through policy and program coordination, work together to promote the achievement of common objectives.

These common goals are expressed in a joint policy statement, to the effect that every disabled person applying for insurance benefits should have (1) a prompt determination of disability based on a full and complete evaluation of medical and non-medical facts in his case, (2) an assessment of his rehabilitation potential, and (3) rehabilitation services under the nationwide State-Federal vocational rehabilitation program to enable him to return to suitable paid employment if it is determined that he has a favorable work potential.

The responsibilities of the State agencies and of the district offices of the Bureau of Old-Age and Survivors Insurance have been clearly delineated and their activities have been coordinated. The State agencies, their basic functions established, have concentrated primarily on the technical aspects of disability determination. They have centralized their activity to a large extent, maintaining a compact operating unit at the headquarters office of the State agency.

Although initially the State agencies had to assign a number of their key rehabilitation staff to make disability determinations, they have since recruited additional personnel who receive specialized and intensive training from both the State agency and the Bureau of Old-Age and Survivors Insurance. The State agencies generally include training aimed at making the new staff members conversant with the objectives of the vocational rehabilitation program of the agency.

At the same time that these fundamental steps in the disability program operations were being taken, the State agencies undertook to bring under control, through new rehabilitation screening procedures, the large volume of referrals from the Bureau of Old-Age and Survivors Insurance for vocational rehabilitation. Under these procedures,

applicants whose disability is terminal in nature or so extremely severe or rapidly progressive that successful rehabilitation is precluded or very doubtful are screened out initially. This part of the screening, as a general rule, is performed by personnel in the State agency's disability determination unit.

For those persons not ruled out initially, the potential for rehabilitation is then further evaluated. The factors considered include duration of disability, recency and stability of the individual's employment, educational background, prospects for reducing disability through appropriate therapeutic and restorative measures, the facilities available for providing such services, and employment opportunities in the area in which the applicant lives. Rehabilitation personnel of the State agency do this second screening.

Although the State agencies have largely overcome the early slowdowns in their regular vocational rehabilitation activities, the referrals from the Bureau of Old-Age and Survivors Insurance have brought them a number of other problems. These problems are related, in part, to the capacity and resources required to provide services to a greatly increased number of individuals and, in part, to the extent to which the disability applicants referred by the Bureau of Old-Age and Survivors Insurance are likely to benefit from rehabilitation services.

CHARACTERISTICS OF THE DISABLED

The original disability insurance provisions limited cash benefits to persons aged 50-64. A high proportion of both the applicants for a disability freeze and of those claiming disability cash benefits are in the group aged 50-64. Data on the disability determinations made during 1959, for example, show that 74 percent of those whose applications were allowed and 70 percent of those whose applications were denied were aged 50-64. Only 3 percent of the applicants for whom determinations were made were under age 35. Among those receiving a favorable determination, 13 percent were in institutions and 9 percent were housebound because of their disability. Similar data for 1960 show that, of about 180,000 disabled workers whose applications were allowed, 80 percent were aged 50-64. Of the 113,000 whose applications were denied, 75 percent were in that age bracket.

The provisions of the 1960 amendments to the Social Security Act making benefits payable to disabled workers under age 50 significantly affected the age distribution of worker-applicants. Data for 1961 show that, although the majority were still in the group aged 50 and over, the ratio of this group to those under age 50 is somewhat lower than in earlier years.

The fact that most of the applicants for disability determinations are in the upper age range in itself places some limitation on efforts to restore their ability to work. In addition, those applicants who qualify for disability benefits must have impairments that prevent them from engaging in substantial gainful activity. How many from these groups can be rehabilitated thus becomes the question.

Those who are denied benefits generally present greater rehabilitation potentialities because they have less severe disabilities. Even among this group, however, there are those whose age, limited education, prolonged absence from the work force, and lack of motivation make them less likely to profit from rehabilitation services.

The applicants' various physical and mental impairments can, of course, be described and documented by medical diagnostic procedures. Just as individuals vary in personality traits and characteristics, however, so do they vary in the effects of similar impairments. The inherent and acquired resources of an individual—his motivations, adaptability to life, education, work skills, experience—have much to do not only with the evaluation of his present vocational capacities but also with his ability to overcome the handicap and return to gainful employment.

An important and encouraging factor in the outlook for the rehabilitation of many of these workers is the recency of their work experience. As medical and therapeutic procedures continue to improve, the agencies can provide services to many disabled persons whom they could not previously accept for rehabilitation. However, the present capacity and resources of the State agencies—personnel, finances, and rehabilitation facilities—limit the number of disability applicants who can be accepted for the provision of rehabilitation services.

REHABILITATED WORKERS AND THE FUTURE

Currently about 11 percent of the applicants for disability determination (about 40,000 annually)

are being selected for possible rehabilitation services. The remaining 89 percent are excluded from possible services for a variety of reasons—many because of the severity of their disability and advanced age; some because of low incentive or undeveloped motivation, for a variety of personal reasons; and others because of the limited resources of the agencies.

Approximately 4.5 percent (11,000) of the total number of disabled persons rehabilitated by the State agencies in 1959, 1960, and 1961 had been referred by the Bureau of Old-Age and Survivors Insurance. The applications of one-third of these persons had been allowed and those of two-thirds had been denied. Though the number being accepted for rehabilitation services and the number being rehabilitated are as yet relatively small, they are gradually increasing.

Successful rehabilitation generally results in restoring a disabled person to gainful employment. The State agencies, by means of a special reporting system, keep the Bureau of Old-Age and Survivors Insurance informed of the progress of any applicant who has been referred by the Bureau and who undertakes the rehabilitation services offered. The outcome, of course, may affect his continued eligibility for benefits. The Bureau is also informed when a person is not accepted for rehabilitation services.

As agency resources are expanded and as new and improved techniques for rehabilitating the older and more disabled worker are developed, it will be possible to provide an increasing number of the disabled applicants with rehabilitation services. The corollary is that, as more of these disabled persons are served, the intensified efforts of the State agencies to find suitable jobs for them must be met with an enlightened attitude on the part of employers toward hiring older disabled workers. Many employers still restrict their hiring to persons under age 45. This kind of bias is difficult to overcome even for persons not disabled.

In the continuing effort to provide better vocational rehabilitation services to more of the disabled now and in the future, research and demonstration projects are being conducted in many rehabilitation-related program areas. Three long-range research projects related specifically to services for disability applicants were designed and developed jointly by the Office of Vocational Rehabilitation and the Bureau of Old-Age and Survivors Insurance in collaboration with three major

medical rehabilitation centers and the vocational rehabilitation agencies where the centers are located.

The research findings, based on the comprehensive medical, social, psychological and vocational examinations that are part of these projects, will be compared with information obtained under present methods. The results will be used to determine whether there is a need for improvement in (1) the kind and extent of data used to decide the issues of disability and rehabilitation potential and (2) the methods and practices followed in securing and evaluating this information.

In addition, a series of 11 projects has been initiated to study the effect that the provision of a complete and intensive range of rehabilitation services will have on certain identifiable groups of severely disabled persons (including those qualifying for disability insurance benefits). Individuals selected for services under the projects will be those whom the State vocational rehabilitation agencies are not now generally accepting for services because of the severity of their disability, the long-term nature of the services required, and the doubtful or unpredictable prospects for rehabilitation.

The project studies will help to throw light on the extent to which the older, severely disabled individuals, who constitute most of the disability applicant group, can be rehabilitated. Further, they will help to determine the kinds of services and techniques required to help these men and women regain their ability to lead useful and gainful lives.

CONCLUSIONS

Social insurance benefits, it is recognized, cannot take the place of earnings from productive employment. This recognition was implicit in the provision in the Social Security Act that rehabilitation services, designed to enable disabled workers to earn their own living, be made available to applicants for disability determinations who can profit from such services.

The Bureau of Old-Age and Survivors Insurance, the Office of Vocational Rehabilitation, and the State agencies are working together toward full utilization of all rehabilitation resources, so that every applicant may receive the services needed to enable him to regain his ability to earn his own living.