

MEMORANDUM TO SENATOR DOLE

DA: August 3, 1995

FR: Alec Vachon

RE: UPDATE/CHILDREN'S SSI

RECAP. As you may recall, the Senate Finance Committee's welfare reform bill tightens eligibility for children's SSI. During mark up on May 26th, Senators Conrad and Chafee offered an amendment to undo the eligibility change, and essentially restore the status quo. That amendment was defeated 10-10.

LATEST DEVELOPMENTS--MAJOR VICTORIES. For the past two months, I have been talking with Senators Conrad and Daschle's staff to work out a compromise. As a result, some minor, cosmetic changes were made to the Committee bill (now the Republican Leader substitute) (list attached), but all key provisions--including tightened eligibility--have been retained. Indeed, some changes actually improve accountability for how money is spent.

Moreover, I am told that the Democratic Leadership bill that will be offered today will contain Republican language tightening eligibility. (That bill will also have some Medicaid provisions for disabled children not in the Republican bill).

Although disabled children are always a very sensitive issue--and Democrats could have presumably beat Republicans up in public on this issue, this matter was resolved with only two or three negative editorials--and equally few negative press stories.

NOT OUT OF THE WOODS YET. I am not sure where Senator Chafee stands. As you may recall, despite many deals we thought we had during Committee mark up we unable to satisfy him. His staff has been not helpful in the interim, and may yet have some surprises for us yet.

KEY CHANGES MADE BY AMENDMENT TO COMMITTEE BILL

1. Sec. 211(a)--Removes term "pervasive" from definitive of childhood disability.

REASON FOR CHANGE: "Pervasive" could be misunderstood to include all body systems. Makes no substantive change.

2. Sec. 211(c)(2)--Adds requirement that regs be issued in 60 days implementing new definition and changes to mental disorders regs. (Note: Under amendment, even if regs are not issued, new definition and mental disorder regs become effective.)

3. Sec. 212(a)(2) and sec. 212(c)--During CDRs of their disabled children, parents must demonstrate child is receiving appropriate treatment.

REASON FOR CHANGE: Increases accountability; replaces treatment plans requirements of sec. 213 (see below).

4. Sec. 213--Deletes treatment plan requirements and add other provisions: (1) tighten rep payee requirements; and (2) allows some funds received in a lump sum to be put in a dedicated savings account for the disabled child.

REASON FOR CHANGE: Treatment plan provision unworkable; treatment requirements included as above. Adds other accountability provisions.

5. Sec. 221--Adds a requirement for an annual report by SSA on the SSI program; exempts report from prior Administration approval.

6. Sec. 222--Requires SSA to issue a request for comments on the Listing.

REASON FOR CHANGE: To allow critics of Listing to present their concerns to SSA.

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