

MEMORANDUM

Date: January 20, 1995
To: Senator Dole
From: Alec Vachon *AV*
RE: TALKING POINTS FOR "FACE THE NATION" ON CHILDREN'S SSI

SENATOR, HOUSE REPUBLICANS MAY PROPOSE A SWEEPING OVERHAUL OF SSI FOR DISABLED CHILDREN. WHAT DO YOU SAY TO THAT? (SEE ATTACHED WASHINGTON POST ARTICLE FROM THURSDAY.)

- * I haven't seen the House proposals so I can't comment on the details. But you should know that 22 years ago when Congress authorized the SSI program the Senate Finance Committee only wanted SSI for children to be used for medical expenses. The House allowed broader use of the money, and it prevailed in the final legislation.
- * As it turns out, for some families with a severely disabled child SSI can be a lifesaver, allowing them to keep their child at home who would otherwise be institutionalized at much greater cost.
- * However, I have been very disturbed by press reports that payments have been made to children who are not truly disabled or are faking a disability, or money is spent in ways that do not benefit a disabled child. However, on the other hand, several investigations have not supported those claims. We are now waiting for a definitive report from GAO.
- * I think that the press reports may be a big cause of concern among House Republicans, and I understand that. SSI is not a free lunch. Congress has a responsibility to make sure the money is well spent, and has a right to hold parents accountable for how the money is spent.
- * I will have more to say when I see the final details of the House proposals. We are also working on proposals in my office. I would also like to hear from the nation's Governors on how they feel about changes in the SSI program. Remember, this is 100% Federal money, unlike AFDC, Medicaid, and many other programs which require a State match.

cc: Dan
Sheila
Nelson

**INSIDE:
HHS**



GOP to Tighten Cash For Disabled Children

By Spencer Rich
Washington Post Staff Writer

In 1989 the Supplemental Security Income (SSI) program for disabled children had only 290,000 beneficiaries and paid out \$1.3 billion a year. For fiscal 1995, the number of beneficiaries will be 890,000 and expected outlays \$5 billion, Secretary of Health and Human Services Donna E. Shalala said last week.

Now House Ways and Means Committee Republicans are moving to block the explosive growth of the program that provides cash payments of up to \$458 a month to low-income families with severely disabled children.

Rep. Jim McCrery (R-La.), detailed by human resources subcommittee Chairman E. Clay Shaw Jr. (R-Fla.) to draft possible changes that could curb the program's rapid growth, said he agreed yesterday with a Democratic ally, Rep. Gerald D. Kleczka (Wis.), on the outlines of a plan abolishing the monthly cash payments that have been made by the program for two decades.

Instead, the children would receive only specified services they need to help them live with their disabilities, McCrery said. This presumably would cost less than cash payments that can be used for anything by the child's family.

"Children would continue to receive Medicaid and in addition receive other services from the states," McCrery said, which might fund those services in whole or in part with funds from the federal government. "We're close to hammering out the details."

McCrery said lawmakers plan to redefine the term "severely disabled" to modify the effect of a 1990 Supreme Court decision

that expanded the definition and contributed to the number of children qualifying under the program. "We will continue to provide essentially the same level of services for truly severely disabled children as now," he said.

Ways and Means Republicans believe that the huge increase in the rolls is in part the result of new mental impairment rules and a 1990 Supreme Court decision that made it possible for children with only marginal disabilities to qualify for benefits. In some cases, children reportedly have been

The number of beneficiaries in the program has tripled since 1989.

told by parents to fake or exaggerate conditions such as attention deficit disorder to get extra cash.

The proposed changes are likely to face strong opposition from groups representing the disabled and from many Democrats as the legislative process unfolds.

Although the SSI Children's Disability Program is far smaller than HHS's other disability programs for adults or the general welfare program, Aid to Families with Dependent Children, it is considered a crucial safety net for some of the most vulnerable members of society.

"The changes would be devastating to almost 1 million families," said Rhoda Schulzinger, a senior staff attorney at the non-profit Bazelon Center for Mental Health Law.

She said wiping out cash pay-

ments would be particularly harmful, since families in most cases are very low income or working poor and need flexibility as to how to help the child. Moreover, "The most crucial need for the disabled child is a secure home where the mother (it's usually the mother) need not work full time to help support the family but can devote large amounts of time, and often stay home altogether, to care for the child's tremendously difficult needs."

Schulzinger said that instead of drafting proposals now for inclusion in the GOP's welfare package, Congress should await the report next fall of a study commission headed by former representative Jim Slattery (D-Kan.) that Shalala appointed Jan. 9.

Schulzinger said the rises in the rolls from malingering are "grossly exaggerated" and result mainly from rising poverty and outreach efforts as well as rules changes. The Clinton administration wants to wait for the Slattery report.

Kleczka, in a recent white paper on the issue, cited various reports of program abuse: A family refused to allow counseling of a child with disruptive disorders for fear the child would improve and lose benefits; parents of a child with attention disorder refused to allow medication for fear "it would screw up his SSI."

Kleczka emphasized that the \$458 payment level encourages families to try to get children on SSI, because the amount is far more than is available through AFDC. In his state, he said, a mother with two children can get \$6,204 a year from AFDC, but switching one child to SSI jumps the total to \$11,700.

There is no clear evidence on the extent of abuses. The General Accounting Office found that in recent years, 70 percent of all new benefits went to children so severely disabled that they would have qualified under almost any rules.

Moreover, it found that only 21 percent of all new mental impairment awards in 1993 were for the attention disorders or personality disorders frequently cited as the basis for false claims.