

## MEMORANDUM TO SENATOR DOLE

DA: February 16, 1995

FR: Alec Vachon

RE: VARIOUS SOCIAL SECURITY MATTERS/GS FOR YOUR SIGNATURE

### **PACKWOOD RIPS INTO CHATER AT THIS MORNING'S CONFIRMATION HEARING**

- \* Finance held a hearing this morning on confirmation of Shirley Chater as head of Social Security. After Chater made her opening statement, Packwood remarked: "That is a disappointing statement." He asked her tough questions-- particularly about the disability programs and the long-term solvency of the Trust Funds. She had no answers. Moynihan piled it on. N.B. Moynihan was never asked by the Administration about his views of Chater when she was first appointed SSA head. If the key qualification for a new head of Social Security is leadership and someone who knows and cares about Social Security--Chater is not that person. She may be a competent "administrator," but that is not enough.

### **IS THE PROBLEM REALLY A FAILURE OF CONGRESSIONAL OVERSIGHT?**

- \* Packwood's complaint that Chater had no good ideas for the managing the disability programs was not entirely fair-- because Finance itself has not conducted regular oversight. The last time Finance held a substantive hearing on the SSDI program (other than Trust Fund shortfalls) was in 1984-- regarding the problems with continuing disability reviews. There have been no oversight hearings on SSI in over 15 years (I am now compiling a definitive record).

### **WASHINGTON POST EDITORIAL ON CHILDREN'S SSI (ATTACHED)**

- \* This morning The Post makes a similar point re Children's SSI--noting that "For years the program poked along, and not much attention was paid to it." Moreover, various program changes occurred judicially or administratively, so that "In some respects that has left the program vulnerable for lack of clear congressional sponsorship." Ironically, the editorial claims "abuses have been exaggerated"--although the Post has run stories claiming "abuses" for over a year.
- \* Is it any wonder then there is a sense of confusion about growth and purposes of the Children SSI program?

### **OTHER EXAMPLES OF FINANCE NEGLECT OF DISABILITY PROGRAMS**

- \* About a year ago SSA began a "reengineering project" to improve the speed and quality of disability determinations-- Finance has held no hearings. (Chater said in her statement that the processing time for initial disability claims will drop from about 3 months in FY 94 to 2 months in FY 96.)
- \* N.B. About 1/3 of requests for help to your Kansas offices involved denial of SSI/SSDI benefits.

cc: Dan  
Sheila



- \* Finance has also paid little attention to employment assistance and other strategies to move people off the disability check--since hearings in 1986 on your bill to make section 1619(b) permanent.

#### HEARINGS NOW PLANNED BY FINANCE AND AGING

- \* Finance expects to hold hearings on SSI sometime in April. Aging will hold broad hearings on SSI/SSDI beginning February 23d--looking at children's SSI, substance abuse, etc. Cohen wants ownership of these issues.

#### REPLY TO JERRY MARSHAW/HEAD DISABILITY PANEL OF NASI

- \* Attached for approval/signature is a reply to the Marshaw letter you sent me (attached). Marshaw chairs a study of SSI/SSDI--which he claims was requested by House Ways & Means but that request was in fact solicited to get Foundation money. Although not overtly partisan, neither House nor Senate Republicans have been actively involved.
- \* However, in June, at my request, Marshaw briefed me--at that time they were still factfinding and had no recommendations. I was not impressed--the focus then was on bigger checks rather than employment. The panel has since looked into Children's SSI--proposing largely technical changes to the regs. Detailed memo on Children's SSI to follow.





UNITED STATES SENATE  
OFFICE OF THE MAJORITY LEADER  
WASHINGTON, D. C.

BOB DOLE  
KANSAS

February 16, 1995

Dear Mr. Marshaw,

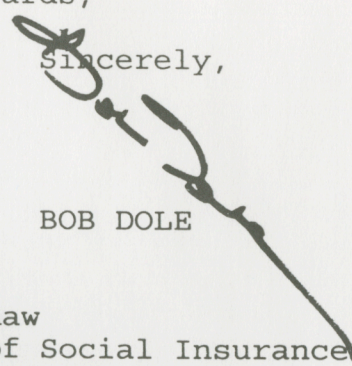
Thank you very much for your letter with an update on the work on the National Academy of Social Insurance's Panel on Social Security Disability Programs. We certainly need good advice to improve these programs-- to meet our obligations to both people with disabilities and the taxpayer.

I understand that in June you briefed my staff on the work of the Panel, and last Friday we received draft recommendations to improve the Children's SSI program. You can be sure that I will give them close attention.

I look forward to further reports from the Panel.

With best regards,

Sincerely,



BOB DOLE

Mr. Jerry L. Marshaw  
National Academy of Social Insurance  
1776 Massachusetts Avenue, N.W.  
Washington, D.C. 20036-1904



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OF • SOCIAL  
INSURANCE**

February 8, 1995

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The Honorable Bob Dole  
Majority Leader  
U.S. Senate  
S230 Capitol Building  
Washington, DC 20510

Dear Mr. Majority Leader:

I chair a Panel on Disability Policy that is engaged in a comprehensive review of the Social Security and Supplemental Security Income (SSI) disability programs for adults and children. We are in the third and final year of our work, and will report our findings and recommendations in the fall. Because the legislative process is on an urgent timetable, I thought I should alert you now to our Panel's work, particularly with regard to the SSI children's disability program.

Our project began with a request from the prior Chairmen of the Committee on Ways and Means and its Social Security Subcommittee that the National Academy of Social Insurance undertake a fundamental rethinking of the Social Security disability programs with particular emphasis on improving work outcomes for applicants, beneficiaries and denied applicants for disability benefits. The Academy is a nonprofit, nonpartisan research organization. Its membership includes the nation's leading scholars, policy analysts and administrators in the social insurance field. In response to the Committees' request, the Academy assembled a panel of leading experts on disability policy. The Panel's operations are supported by private funds from The Pew Charitable Trusts, The Robert Wood Johnson Foundation, and corporate members of the Health Insurance Association of America that offer long-term disability insurance.

While the Panel's main focus has been on the Social Security and SSI programs for adults with disabilities, we have also engaged in an in-depth review of the SSI program for children. Among other issues, we have considered: What is, or should be, the rationale for a program of support for families of children with significant disabilities? What are the appropriate policy responses to the growing public concern about the recent rapid growth of this program and about children who qualify for SSI benefits based on behavioral disorders? What needs to be done to ensure proper stewardship of these programs? How can we facilitate channeling youths with disabilities into a "work track" as they approach adulthood? How can we improve coordination between cash support and the community-based services and treatment that these children need?

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# The Washington Post

AN INDEPENDENT NEWSPAPER

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## *Phony Peace*

**T**HE UNITED STATES and its partners in dealing with the old Yugoslavia have got it upside down. What they should be doing is putting more pressure on Serbia and the Serb rebels it supports in Bosnia and Croatia. What they actually are doing is putting on less pressure by prematurely opening up the possibility of ending the already partly suspended, porous sanctions on Serbia that are in place.

This new sweetener concocted by the five-nation Contact Group takes as its stated purpose to draw the Serbian regime of Slobodan Milosevic into formal acceptance of international peace plans for Bosnia and Croatia. But it was always implicit anyway that if Mr. Milosevic decided to rein in his wild ambitions for a Greater Serbia, the sanctions on him would fade away. Now to make it explicit—while he still cheats on his pledges, before he has shown a commitment to restraint—is to invite him to bargain the Contact Group down: to extract a large concession for a minimal policy change.

It is easy enough to grasp why the Contact Group finds itself in the weird position of proposing to suspend not the military embargo on the chief

victim, Bosnia, but the economic sanctions on the chief offender, Serbia. It's because none of the group's five members (United States, Russia, France, Britain, Germany) has a taste for employing the force it would take to stiffen their lowest-common-denominator collective diplomacy. To prevent their diplomacy from becoming altogether laughable, they should at the least be stiffening it with tougher sanctions on Serbia. But this they decline to do.

A tragic irony is building. The danger now perceived by the Contact Group is that the war will spread. But the burden of constraining it is being put largely on the Muslims and, to a lesser extent, the Croats. They can fairly wonder whether they are not being asked to swallow huge Serb incursions on their territory, viability and sovereignty for the geopolitical convenience of states far from the battlefield and substantially unaffected by its flows. Feeling abandoned even as their fundamental interests are threatened, Muslims and Croats may yet be confirmed in a judgment that they can satisfy their legitimate political goals only by military means. Seeking a phony peace, the United States and its partners may be stoking a greater war.

## *More Overkill on Welfare Reform*