

MEMORANDUM TO SENATOR DOLE

Da: March 7, 1995  
Fr: Alec Vachon  
RE: MARCH 8TH FINANCE COMMITTEE WELFARE HEARING--  
GOVERNOR'S VIEWS ON SSI REFORM

- \* The House welfare reform bill ("Personal Responsibility Act") would sharply restrict SSI to 3 categories of individuals: persons who are disabled because of substance abuse, children, and legal immigrants. Specifically:
  - Drugs addicts and alcoholics who do not have another disabling condition would lose SSI cash benefits and Medicaid. \$100 million of savings would go to drug treatment and drug abuse research.
  - Only children who would otherwise be institutionalized will receive cash benefits. Other disabled children may be eligible for services from a new state block grant.
  - Among elderly, only refugees, persons over 75), veterans, and current residents would be eligible for benefits.
- \* On February 23rd, the National Governor's Association wrote to Chairman Bill Archer objecting to these proposals. The letter was signed by Democrats Dean, Carper, and Carnahan, and Republicans Thompson, Engler, and Carlson.
- \* Specifically, the Governor's asked:
  - LEGAL NONCITIZENS--No changes, because it could lead to increased state costs.
  - DRUG ADDICTS/ALCOHOLICS--No changes until results from last year's Social Security amendments are known. Those amendments restrict cash benefits to 3 years, starting from the day a person qualifies for SSI.
  - CHILDREN'S SSI--No changes until Children's SSI Commission has reported its findings.

BASIC FACTS ABOUT SSI

- \* Although established in the 1972 as a cash program for poor aged and disabled, today principally a disability program. In 1994, about 6.1 million persons received SSI benefits--total cost, \$25 billion. Of these individuals, about 74% (4.5 million) were disabled, receiving 84% of cash benefits (\$21 billion).

cc: Sheila -  
Welson -  
Dora -

MARCH 8, 1995  
FINANCE COMMITTEE HEARING  
STATES' PERSPECTIVE ON WELFARE REFORM

SENATOR BOB DOLE--QUESTIONS TO BE SUBMITTED FOR THE RECORD

CHILDREN'S SSI

Q: IN YOUR FEBRUARY 23RD LETTER TO CHAIRMAN ARCHER, YOU ASKED THAT REFORMS TO CHILDREN'S SSI BE DELAYED UNTIL THE CHILDREN'S SSI COMMISSION COMPLETES ITS REPORT LATER THIS YEAR. ARE THERE ANY SPECIFIC PROPOSALS OR ISSUES YOU FEEL THE COMMISSION SHOULD CONSIDER AS IT DOES IT WORK?

SUBSTANCE ABUSE

Q: I HAVE FOUR QUESTIONS ABOUT SSI FOR DRUG ADDICTS AND ALCOHOLICS.

FIRST, ONE OF THE CHIEF CRITICISMS WE HEAR ABOUT ANY CASH BENEFIT FOR SUBSTANCE ABUSERS, EVEN THAT PROVIDED THROUGH REPRESENTATIVE PAYEES, IS THAT IT ACTUALLY ENABLES OR HELPS PEOPLE TO CONTINUE THEIR ADDICTIONS, RATHER THAN BREAK FREE. WHAT DO YOU THINK ABOUT THIS?

SECOND, WE HAVE HEARD FROM SOME PEOPLE THAT IF SSI IS STOPPED FOR DRUG ADDICTS AND ALCOHOLICS, CRIME WILL INCREASE AS THEY SEEK WAYS TO PAY FOR THEIR HABITS. DO YOU BELIEVE THIS WILL HAPPEN, AND HOW SHOULD WE RESPOND?

THIRD, ANOTHER VIEW WE HEAR IS THAT THE PEOPLE WHO WOULD BE HIT MOST HARD BY ELIMINATING BENEFITS ARE PERSONS WHO HAVE MENTAL ILLNESSES AND USE DRUGS OR ALCOHOL TO DEAL WITH THEIR DISORDERS. DO YOU HAVE ANY EVIDENCE THAT THIS IS THE CASE?

FOURTH, IF WE ELIMINATED CASH BENEFITS AND MEDICAID, WHAT KIND OF FUNDING DO YOU BELIEVE WOULD BE NECESSARY TO PROVIDE TIMELY, EFFECTIVE TREATMENT FOR DRUG ADDICTS OR ALCOHOLICS SEEKING TREATMENT?

Alec Vachon → Senator Dole

# House Panel Votes to Curtail Program for Disabled Children

By Spencer Rich  
Washington Post Staff Writer

House Ways and Means Committee Republicans have approved a dramatic cut in the federal welfare program that supports severely disabled, low-income children.

Alarmed by a rapid increase in beneficiaries—which has pushed the caseload to 890,000—and convinced that a 1990 Supreme Court decision makes it too easy to qualify, committee Republicans led by Rep. Jim McCrery (La.) voted for major changes in the \$5 billion-a-year Supplemental Security Income (SSI) disabled children's program.

The changes would cut the program over the next five years by \$10.9 billion—reducing spending 33 percent below what would be spent under current law between 1996 and 2000. Proportionately that is far greater than the 11 percent being cut, for example, from food stamps. Under the proposal:

- Eligibility changes based on the 1990 court ruling would be nullified both retroactively and for future applicants. More than 225,000 children now receiving benefits as a result of the decision would be removed from the rolls.

- Only 30 percent of children who fall into the rolls in the future would receive cash benefits—those so disabled they need "special personal assistance" much of the time to avoid being institutionalized.

- Only 10 percent of those who are currently on the rolls would not receive cash benefits instead could

## Association for Elderly Attacks Proposed Medicare Cuts

By Spencer Rich  
Washington Post Staff Writer

The nation's largest organization for the elderly yesterday attacked proposals to cut Medicare, saying the spending curbs could increase average out-of-pocket costs by \$575 and push them up as high as \$2,000 a year for some people by the end of the century.

"Older Americans believe they elected people in 1994 who would not cut Medicare, and they are shocked when they see these proposals," said Tricia Smith, senior legislative representative for the 33 million-member American Association of Retired Persons.

Meanwhile, a survey released yesterday by the nonprofit Employee Benefit Research Institute showed that 64 percent of Americans 18 or older favored tax increases to shore up the Social Security system. Twenty-eight percent of the respondents who were surveyed in January said no tax

increases should go into effect until after 2010, the year the baby boomers start retiring.

Concerned that Social Security might not be available when they retire, a third of respondents said the highest-income elderly should not receive benefits even though they had paid

*"Older Americans ... are shocked."*

— Tricia Smith, AARP

into the system. Only 9 percent believed Social Security benefits should be eliminated or reduced. Eighty-five percent of respondents said benefits should stay the same or be reduced for higher-income people.

In discussing Medicare, Smith told reporters that the AARP had conducted "numerous focus

groups across the country in the last few months" and found that the elderly had little idea that the new Republican-controlled Congress wants to cut projected Medicare spending over the next seven years by as much as \$300 billion.

Smith said the AARP assumed that about half the Medicare savings Congress would seek to help balance the budget by 2002 would come from higher costs to beneficiaries, the rest from cutting fees to service providers.

Under current law, the average elderly person would pay \$3,890 in premiums, copayments, deductibles and other out-of-pocket health outlays in 2000, not counting long-term care, AARP experts calculated. But the cost could go up by \$575 if the most commonly discussed changes are adopted: imposing new copayments for home health care, charging the well-to-do elderly more, increasing Medicare premiums by one-fifth, or increasing the amount patients pay before benefits kick in and then raising that amount annually.

less than if this group of children had continued to receive cash benefits, which go up to \$458 a month.

Groups representing the disabled are fighting the changes.

"It's an unprecedented assault on low-income families raising children with severe disabilities," said Rhoda Schulzinger of the Bazelon Center on Mental Health Law.

"Many hundreds of thousands of children who most people in this country would consider the most deserving of government support

Stein cited examples of children who, he said, are severely disabled who would not qualify under the rules sought by McCrery:

- Six-year-old Jennifer Cox suffers from congenital bowel malformation requiring a colostomy. She also suffers from eye problems and lacks peripheral vision, causing her to run into walls. At 6, she was not yet toilet-trained.

- Kendra Whalon, 2, suffers from a rare growth condition in which one arm is twice as long as the other.

quires a shunt to drain cerebrospinal fluid from her brain to her abdominal cavity. She suffers partial paralysis of the legs, bowel and bladder, a condition that requires frequent catheterization.

McCrery said the 1990 Supreme Court decision loosened eligibility, making it possible for children with relatively mild disabilities to get benefits.

He cited numerous reports of children whose parents instructed them

is severely disabled, he should be able to qualify," he said.

Until 1990, the program served children under 18 whose mental and physical disabilities were so severe that they met criteria spelled out by the Social Security Administration. However, in 1990, in a case brought by Stein, the Supreme Court ruled that if a child did not meet those criteria, he or she could still qualify if found unable to function at the appropriate age level. The program has grown from

tional capacity test is too subjective. He proposes to abolish it and to remove from the rolls all those who had qualified through it. Some children might well requalify because the program can grant benefits to children who, while not meeting a specific criterion, have disabilities equal in severity.

Stein said, "The functional test is essential. There are hundreds of rare diseases not listed in the specific medical criteria. Moreover, you can't test a 2-year-old for IQ."


McCrery also wants to make sure that the government's money goes to help the child and is not spent for other purposes by the family. That is why his proposal allows cash benefits for new applicants only if they need "special personal assistance" to live.

But Schulzinger argues, "Cash is by far the most flexible way to meet the day-to-day needs of your child—and particularly to allow a caretaker parent to stay at home to attend to the child—that's often what the child needs most."

Despite objections in committee from Reps. Sander M. Levin (D-Mich.) and Fortney "Pete" Stark (D-Calif.), McCrery's plan appears headed for the floor.

The Senate could be different. "It's cruel," said Sen. Daniel Patrick Moynihan (D-N.Y.), ranking minority member on the Senate Finance Committee, which will handle the proposal in the Senate. Chairman Bob Packwood (R-Ore.) said

MEMORANDUM TO SENATOR DOLE

DA: March 21, 1995  
FR: Alec Vachon   
RE: SIGN ON TO LETTERS ON BEHALF OF ATLANTA PARALYMPICS

- \* Attached are two letters for your approval and signature:
- \* a joint letter with Mr. Gingrich to the Postmaster General asking him to issue a stamp honoring the 1996 Paralympic Games, and encouraging him to meet with the President of the Paralympics;
- \* a joint letter with Senator Nunn to Secretary of Commerce Brown asking him to give Paralympic requests "careful and sympathetic consideration."  
(As described in the attached proposal, requested assistance includes voice recognition technology for blind visitors, and help with an assistive technology trade show logistics for visitors from abroad.)