



SENATOR BOB DOLE

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The National Organization on Disability
present

THE FIRST ANNUAL NATIONAL ASSOCIATION LUNCHEON

*Senate Dirksen Building
May 22, 1984*

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| INTRODUCTION | Honorable Raymond Shafer <i>Former Governor of Pennsylvania N.O.D. Board Member</i> |
| WELCOME | Mr. Richard Schweiker <i>President, American Council of Life Insurance</i> |
| INVOCATION | Father Gilbert Hartke <i>Special Assistant to the President - Catholic University</i> |
| L U N C H E O N | |
| CHAIRMAN'S ADDRESS | Senator Bob Dole <i>Chairman, National Association Awards Program</i> |
| OVERVIEW | Mr. Alan Reich <i>President, National Organization on Disability</i> |
| REMARKS | Mr. Jim Flemming <i>Director, National Partnership Program</i> |
| CASE STUDY | Mr. Peter McCloskey <i>President, Electronic Industries Association</i> |
| REMARKS | Mr. Frank Jirka, Jr. M.D. <i>President, American Medical Association</i> |
| BENEDICTION | The Reverend Harold Wilke <i>Executive Director, The Healing Community</i> |

MEMORANDUM

May 22, 1984

TO: Senator Dole
FR: Judy

RE: National Association on Disability Awards Luncheon

A couple of additional pieces of information regarding the Awards Luncheon:

- o In addition to Senator Schweiker, who will introduce you, you will be sharing the head table with Raymond Schaefer, former Governor of Pennsylvania and an NOD board member; Dr. Frank Jirka, President of the AMA; Mark Keane, former Executive Director, City Management Association, and both Alan Reich and Jim Flemming from NOD.
- o There will be approximately 70 association executives present.
- o NOD is expecting good press coverage, including two photographers.
- o Next spring you, as Chairman of the NOD Association Awards Program, will be giving our awards totaling \$10,000 to those associations who do the most to further the goals of the Decade of the Disabled.

TALKING POINTS

SENATOR BOB DOLE

NATIONAL ASSOCIATION ON DISABILITY NATIONAL ASSOCIATION AWARDS PROGRAM

- o As you know, last year I introduced legislation calling for the National Decade of the Disabled, the goal of which would be to increase the economic independence of every disabled American. I am happy to be with you today to launch the National Organization on Disability National Association Awards Program which will recognize the national associations who do the most to support the Decade's goals.
- o Government cannot assume all of the responsibility for this worthy goal. Government no longer has all the answers or the resources available to cope with the diversity of problems and needs within our society. Only with partnership between the public and private sector, only by harnessing the energies and talents of all sectors of America can we restore both human dignity and self-reliance to lives of America's 35 million disabled.
- o A handicapped person is only disabled to the extent that he or she is prevented from achievement. During my lifetime, I have personally known and worked with many disabled individuals who were not handicapped at all; they did not let a physical or mental disability keep them from emphasizing their positive talents.

- o The commitment of the Federal government to full participation of the disabled has a long history. But outmoded attitudes and practices frequently foster dependence, not independence. The mosaic of Federal programs frequently serves as both a hindrance as well as a help to the disabled person.

- o In my position as Chairman of the Finance Committee, I am constantly reminded of the Catch 22 of the Federal system. We are continually making progress in eliminating the disincentives to gainful employment. Prior to the enactment of a provision in 1980, a disabled SSI recipient generally ceased to be eligible for SSI when his or her earnings exceeded the level which demonstrates Substantial Gainful Employment--\$300 monthly. Under Section 1619 of the Social Security Act, enacted in the Disability Amendments of 1980, disabled SSI recipients who work and earn more than SGA may receive a special SSI payment and maintain medicaid coverage and social services. Legislation that ~~will soon be~~ ^{was} reported out of the Committee, will ~~reauthorize~~ ^{last week} this important provision.

- o In my work as Chairman of the Finance Committee, I have also attempted to provide incentives to employers who wish to hire disabled employees. In the deficit reduction package that will soon go to Conference, there is a provision to continue, and raise from \$25,000 to \$35,000, the deduction for eliminating architectural barriers. Additionally, the bill contains a provision to continue the Targeted Jobs Tax Credit.

- o Disabled persons want the same things that you and I want-- to participate in all aspects of human life, to face the fullest challenge of their abilities. Disabled persons would rather be tax payers than recipients of tax supported assistance. But they need the support of all of us here in this room. Not through paternalism and handouts, but through the involvement of their fellow Americans. Working together we can achieve the goal of the Decade of Disabled Persons -- independence for disabled Americans.

Committee Action on Disability Bill

- o Last week, by a vote of 20-0, the Finance Committee approved S.476, with an amendment. This bill makes major changes in the social security disability review process and includes a series of provisions designed to improve the accuracy of disability determinations.
- o This is not only an important bill, but a good one that was many months--even years--in the making.

Medical Improvement

- o The most significant provision in the bill deals with the standard to be used for reviewing the continuing eligibility of disability insurance beneficiaries. Under present law, people on the rolls have their eligibility reviewed as if they were a new applicant, and the only relevant issue is whether or not they can perform "substantial gainful activity."
- o For many reasons, this standard has not proved adequate. Over the past 3 years, over a million people have been reviewed, over half of whom have been found ineligible for benefits. 60% of those who appealed their termination decisions have had benefits reinstated by an administrative law judge.
- o The provision approved by the Committee would not in any way alter the requirement that people be periodically reviewed, as mandated by the 1980 Disability Amendments, it would however provide major protections to people who have not medically recovered since the time they were allowed on the rolls.
- o If the evidence shows that an individual's medical condition is the same as or worse than at the time benefits were initially granted, then benefits could not be terminated in a review unless the Secretary established that there had been some other change in circumstances and that the individual can perform substantial gainful activity. (A change in circumstance would include vocational improvement, an erroneous initial decision, fraud, new or improved diagnostic techniques which indicate the impairment is not as severe as originally believed, and the like.) If the individual has medically improved while on the rolls, the Secretary would then have to demonstrate ability to perform substantial gainful activity in order to terminate benefits.

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- o We are hopeful that this new standard will help bring order to the chaos we see in the States. Some 10 States have refused to process eligibility reviews and another 18 are either operating under a court-ordered medical improvement standard or pending court action.

Other Provisions

- o Other changes which should improve the accuracy of disability determinations would require the Secretary to: (1) consider the combined effect of multiple impairments even if none are individually severe; (2) consult a treating physician whenever possible prior to obtaining a consultative examination; (3) develop a complete record of the individual's condition over at least the preceding 12-month period; and (4) make every reasonable effort to use a psychiatrist or psychologist in making a termination decision for the mentally impaired.
- o This bill would reauthorize, until June 1986, payments pending appeal to the administrative law judge hearing, which expired in December. It would also reauthorize, until July 1987, the vitally important work incentive program in SSI--special Section 1619 payments to severely impaired individuals who have earnings.

COLA Fail-Safe

- o I know there have been concerns expressed about the fail-safe in the Committee bill. It would simply require the Secretary to announce to Congress by July 1 whenever DI reserves are expected to be critically low (below 20%). If the Congress then failed to take remedial action, the COLA paid to DI beneficiaries would be scaled back as necessary.
- o The social security actuaries do not forecast that DI reserves will fall below 20% at any point in this decade under this bill. Even if they did, the Congress would have time to take measures prior to the January COLA to shore up the trust fund in other ways.
- o The 5-year cost of the bill is \$3 billion to \$3.5 billion.