

State of Alaska
FY2005 Governor's Operating Budget

Department of Labor and Workforce Development
Disability Determination
Component Budget Summary

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Component: Disability Determination

Contribution to Department's Mission

This component will contribute to the department's mission by providing efficient adjudication of claims for disability benefits under Title II and Title XVI of the Social Security Act.

Core Services

Disability Determination Services (DDS) is 100% federally funded by the Social Security Administration. Historically, the DDS operated under contract agreement between the state (Division of Vocational Rehabilitation) and the Federal Government (SSA). In 1980, federal legislation changed that relationship. The DDS operates as a federally regulated agency. Adjudication services are also provided for the Department of Health & Social Services, Division of Public Assistance through a Reimbursable Services Agreement (RSA).

These federal funds are used solely to provide medical determinations for persons alleging disability under Title II (Social Security) and Title XVI (Supplemental Security Income) provisions of the Social Security Act, as amended.

The DDS adjudicates approximately 6,100 disability claims a year, including medical reviews of those people already receiving disability payments.

FY2005 Resources Allocated to Achieve Results

FY2005 Component Budget: \$4,442,800	Personnel:	
	Full time	28
	Part time	0
	Total	28

Key Component Challenges

Alaska was one of ten states in the country to start adjudicating disability claims in a new manner. This new process, called the Disability Prototype, started in FY 2000. It involves more claimant contact, more focus on the treating physician opinion, increased consideration of symptoms, and elimination of the reconsideration step. The Social Security Administration originally intended the non-Prototype states would start the new process in FY 2001; however in FY2002 the Social Security Administration decided to stop parts of the Prototype process and concentrate on other methods of streamlining the disability application process. Recently the Social Security Administration Commissioner announced her plan for a new disability decision process and her choice to end all parts of the Prototype process and to implement a revised process in all 50 states. The Commissioner's plan is predicated on transitioning to an automating case management system using an electronic folder to track client services. All DDSs are expected to transition to a fully electronic folder with Alaska scheduled to make the transition in July of 2005. As the necessary systems are put into place the DDS is challenged to adjust to a fully electronic environment for case processing.

Significant Changes in Results to be Delivered in FY2005

Services may be delayed while the Disability Determination Services office transitions to a fully electronic case management folder.

Major Component Accomplishments in 2003

The DDS completed 4,872 initial claims and 1,236 continuing disability reviews meeting the federal standard for productivity.

The approval rate to process disability claims for the past fiscal year was 51.7%, which is an increase from pre-Prototype when approvals accounted for 42% of decisions.

For FFY03 the Alaska DDS decreased the average medical cost per case from \$239 to \$172.

Statutory and Regulatory Authority

Federal Authority:
PL 74-271

Social Security Act Disability Benefits

Contact Information
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Disability Determination Component Financial Summary

All dollars shown in thousands

	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,549.5	1,737.0	1,698.2
72000 Travel	13.5	32.3	32.3
73000 Contractual	488.5	974.2	779.8
74000 Supplies	21.3	30.0	32.5
75000 Equipment	0.0	0.0	0.0
76000 Land/Buildings	0.0	0.0	0.0
77000 Grants, Claims	1,547.8	2,400.0	1,900.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,620.6	5,173.5	4,442.8
Funding Sources:			
1002 Federal Receipts	3,467.0	4,970.5	4,236.5
1007 Inter-Agency Receipts	153.6	203.0	206.3
Funding Totals	3,620.6	5,173.5	4,442.8

Estimated Revenue Collections

Description	Master Revenue Account	FY2003 Actuals	FY2004 Authorized	FY2005 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	3,467.0	4,970.5	4,236.5
Interagency Receipts	51015	153.6	203.0	206.3
Restricted Total		3,620.6	5,173.5	4,442.8
Total Estimated Revenues		3,620.6	5,173.5	4,442.8

**Summary of Component Budget Changes
From FY2004 Authorized to FY2005 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2004 Authorized	0.0	4,970.5	203.0	5,173.5
Adjustments which will continue current level of service:				
-Changes to Retirement and Other Personal Services Rates	0.0	69.3	3.3	72.6
-Transfer 1 PFT to Client Services to Provide Services to Individuals with Disabilities	0.0	-19.5	0.0	-19.5
Proposed budget decreases:				
-Delete 2 Non-Permanent Positions Due to Project Completion	0.0	-25.0	0.0	-25.0
-Reduce Federal Authorization to Align with Anticipated Expenditures	0.0	-758.8	0.0	-758.8
FY2005 Governor	0.0	4,236.5	206.3	4,442.8

**Disability Determination
Personal Services Information**

Authorized Positions		Personal Services Costs		
	<u>FY2004</u> <u>Authorized</u>	<u>FY2005</u> <u>Governor</u>		
Full-time	29	28	Annual Salaries	1,197,707
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	536,962
			<i>Less 2.10% Vacancy Factor</i>	(36,469)
			Lump Sum Premium Pay	0
Totals	29	28	Total Personal Services	1,698,200

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	2	0	0	0	2
Administrative Clerk III	4	0	0	0	4
Administrative Manager I	1	0	0	0	1
Chf Vocational Rehab	1	0	0	0	1
Disability Adjud Assoc I	5	0	0	0	5
Disability Adjud Assoc II	5	0	0	0	5
Disability Adjudicator I	7	0	0	0	7
Disability Adjudicator II	2	0	0	0	2
Disability Hearing Officer	1	0	0	0	1
Totals	28	0	0	0	28