

State of Alaska
FY2007 Governor's Operating Budget

Department of Labor and Workforce Development
Disability Determination
Component Budget Summary

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. 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 7,000 disability claims per year, including medical reviews of those people already receiving disability payments.

FY2007 Resources Allocated to Achieve Results

FY2007 Component Budget: \$4,685,400	Personnel:	
	Full time	28
	Part time	0
	Total	28

Key Component Challenges

The Social Security Administration Commissioner announced a new plan for the disability decision process in all 50 states. The Commissioner's plan was predicated on transitioning to an automated case management system using an electronic folder to track client services. The Alaska DDS began electronic case processing in June 2005. The DDS is challenged to adjust to a fully electronic environment for case processing. In FY 07 the Social Security Administration is expected to rollout the Disability Process Initiative to Region X which includes Alaska.

Significant Changes in Results to be Delivered in FY2007

Services may be delayed while the Disability Determination Services (DDS) office transitions to the new disability process as envisioned in the SSA Commissioner's Disability Process Initiative (DPI). The deletion of the reconsideration step continues in the DPI but will be replaced by a review by a Reviewing Official who will be an attorney within the Office of Hearings and Appeals. The Reviewing Official will have the ability to return a case to the DDS if documentation is considered inadequate. This ability to remand cases to the DDS for additional documentation could have a significant impact on program costs, both medical expenses and personnel.

Major Component Accomplishments in 2005

The Disability Determination Services (DDS) completed 4,982 initial claims and 1,019 continuing disability reviews meeting the federal standard for productivity. In addition to the federal claims the DDS made decisions on 575 claims for the Division of Public Assistance.

The approval rate to process disability claims for the past fiscal year was 54.1%, which is an increase from the prior year when approvals accounted for 42% of decisions.

Through careful case management the FFY05 average medical cost per case was held to only a modest increase.

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

	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,640.0	1,831.2	2,010.4
72000 Travel	13.4	32.3	17.3
73000 Services	527.2	781.9	725.2
74000 Commodities	31.6	32.5	32.5
75000 Capital Outlay	13.2	0.0	0.0
77000 Grants, Benefits	1,569.9	1,900.0	1,900.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,795.3	4,577.9	4,685.4
Funding Sources:			
1002 Federal Receipts	3,615.8	4,364.1	4,466.6
1004 General Fund Receipts	0.0	1.9	1.9
1007 Inter-Agency Receipts	179.5	211.9	216.9
Funding Totals	3,795.3	4,577.9	4,685.4

Estimated Revenue Collections

Description	Master Revenue Account	FY2005 Actuals	FY2006 Management Plan	FY2007 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Federal Receipts	51010	3,615.8	4,364.1	4,466.6
Interagency Receipts	51015	179.5	211.9	216.9
Restricted Total		3,795.3	4,576.0	4,683.5
Total Estimated Revenues		3,795.3	4,576.0	4,683.5

**Summary of Component Budget Changes
From FY2006 Management Plan to FY2007 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2006 Management Plan	1.9	4,364.1	211.9	4,577.9
Adjustments which will continue current level of service:				
-FY 07 Wage Increases for Bargaining Units and Non-Covered Employees	0.0	31.9	1.6	33.5
-FY 07 Health Insurance Cost Increases for Bargaining Units and Non-Covered Employees	0.0	4.6	0.2	4.8
-FY 07 Retirement Systems Cost Increase	0.0	60.1	2.9	63.0
Proposed budget increases:				
-Risk Management Self-Insurance Funding Increase	0.0	5.9	0.3	6.2
FY2007 Governor	1.9	4,466.6	216.9	4,685.4

**Disability Determination
Personal Services Information**

Authorized Positions		Personal Services Costs		
<u>FY2006</u>				
<u>Management</u>		<u>FY2007</u>		
<u>Plan</u>		<u>Governor</u>		
			Annual Salaries	1,301,102
Full-time	28	28	COLA	35,800
Part-time	0	0	Premium Pay	17,798
Nonpermanent	0	0	Annual Benefits	761,213
			<i>Less 4.99% Vacancy Factor</i>	(105,513)
			Lump Sum Premium Pay	0
Totals	28	28	Total Personal Services	2,010,400

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Clerk II	2	0	0	0	2
Administrative Clerk III	3	0	0	0	3
Administrative Manager I	1	0	0	0	1
Chf Vocational Rehab	1	0	0	0	1
Disability Adjud Assoc I	2	0	0	0	2
Disability Adjud Assoc II	6	0	0	0	6
Disability Adjudicator I	10	0	0	0	10
Disability Adjudicator II	2	0	0	0	2
Disability Hearing Officer	1	0	0	0	1
Totals	28	0	0	0	28