

## Disability Explosion Puts Social Security In Danger

By: Howard Rich – June 10, 2013

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After years of ignoring increasingly dire warnings, America is now facing a debilitating disability crisis — one draining tax dollars (and workers) from our economy.

Yet rather than reforming our broken entitlement programs, policymakers continue turning a blind eye to the root problems associated with these unsustainable behemoths: liberally defined benefits, lax bureaucrats, rubberstamping judges and rampant overpayments.

According to Cornell University's latest "Disability Status Report," 37.3 million Americans (or 12.1% of our population) claimed a disability in 2011. Many of these were legitimate ailments afflicting older retirees — but America's disability epidemic cannot be chalked up exclusively to an aging population.

According to the U.S. Social Security Administration, 10.9 million working age Americans (and family members) received disability insurance payments in February — while another 8.2 million received supplemental security income payments.

Over the course of the year the total tab for these benefits could exceed \$180 billion, an ongoing explosion of disability-related dependency that has pushed this program to the brink of insolvency.

That's not hyperbole, either. A year ago the Social Security Board of Trustees announced the disability trust fund would be exhausted in 2016 — two years earlier than the previous estimate. Open Definition

How did we arrive at this point? Well, after remaining relatively flat during the late 1970s and 1980s, the number of disability dependents spiked by 84% from 1990-2003 while the costs associated with the program climbed from \$38 billion to \$77 billion annually.

The last five years have seen even more unsustainable growth as the number of workers receiving disability payments jumped from 7.1 million in December 2007 to 8.8 million in February 2013 — a 22.5% increase. Meanwhile, annual applications for disability benefits nearly doubled over the last decade — from 1.5 million in 2001 to 2.8 million a year ago.

The primary driver of this unchecked expansion is government's ever-expanding definition of "disability" — with mitigating factor presumptions, combinations of non-severe impairments (such as "persistent anxiety" and "chronic fatigue") and liberal interpretation standards making it much easier for individuals to claim a "total disability."

Government even takes into account external factors such as the job market in reaching its determination.

"If there are not a 'significant number' of jobs available, then a claimant ... is deemed to be 'disabled' even though he or she is still capable of competitive work, albeit at a reduced level of performance," an article in the Cato Institute's Regulation Magazine noted.

The impact of downwardly defining "disability" can be seen in a recent analysis of government data conducted by reporter Chana Joffe-Walt of NPR. According to Joffe-Walt's report, there has been a fundamental shift in the nature of disability claims — away from serious and easily provable conditions and toward more dubious ailments.

In 1961 heart disease, stroke and related ailments made up the largest category of disability recipients (25.7%) — while a much smaller group (8.3%) cited harder-to-prove "back pain and other musculoskeletal problems."

#### Flawed System

As of 2011, however, the heart disease and stroke category shrank to 10.6% of the dependent population while the back pain group exploded to 33.8%. Meanwhile, mental illness — another harder-to-prove category — saw its share of the disability population climb from 9.6% to 19.2%. Last September, Sen. Tom Coburn, R-Okla., — a medical doctor — exposed several other major problems with the system when he conducted an investigation into disability benefit award decisions. According to his report, more than a quarter of disability cases analyzed by his committee "failed to properly address insufficient, contradictory or incomplete evidence." Coburn's probe also found disability examiners and Social Security administrative law judges authorizing benefits "without citing adequate, objective medical evidence to support the finding; without explaining the medical basis for the decision; without showing how the claimant met basic listing elements; or at times without taking into account or explaining contradictory evidence."

Poor hearing practices, late and insufficient evidence, misuse of medical listings and woefully outdated job listings for claimants with limited disabilities were also among the problems uncovered by Coburn's investigation.

Taxpayers should not be forced to continue subsidizing such an inherently flawed, financially unsustainable system.

Unless action is taken now, bailout demands will likely overwhelm politicians of both parties who ignored the oncoming default all these years.

Unfortunately, with the exception of a handful of leaders such as Coburn, there remains virtually no appetite in Washington, D.C., to substantively address either the disability problem or our government's broader entitlement addiction.