

EW RISINGER

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Week 29

Disability Reform

"If you cannot work, we help you immediately. If you can work, we never punish you for it."

1. The Problem

61 million Americans — 1 in 4 adults — live with a disability, confirmed from CDC data (25.7% of U.S. adults). The current Social Security disability system presumes fraud, denies approximately 62-64% of initial applications (SSA FY2024 data), forces genuinely disabled people through years of appeals, and then claws back benefits the moment a recipient earns more than a minimal amount. The system is simultaneously too hard to get into and too punishing to leave. The SSDI fraud rate is approximately 1-2% of approved claims per SSA data. The system denies 62-64% of initial applicants — the vast majority of whom are genuinely disabled — to catch 1-2% fraud. That calculus is morally indefensible and fiscally irrational. A person who makes it through the gauntlet and is approved after years of appeals is obviously disabled. The system spent years and enormous administrative cost to eventually approve people it should have approved on day one.

2. The Governing Principle

If you cannot work, we help you immediately. If you can work, we never punish you for it. The disability system exists to help people who cannot support themselves due to disability. It does not exist to make that help as difficult and humiliating as possible. Presumptive approval for clear-cut conditions. Elimination of the cliff that punishes work. Elimination of the waiting period that forces disabled people into crisis before help arrives.

3. The Specific Policy

Presumptive Approval and Process Reform

- **Presumptive approval for terminal conditions and severe documented disabilities:** ALS, stage IV cancer, end-stage renal disease, and other conditions with clear, documented medical evidence receive presumptive approval within 30 days. The person is obviously disabled. The process should reflect that.
- **Reconsideration step eliminated:** the reconsideration step — a rubber stamp denial with a high denial rate that adds months of delay without improving accuracy — is eliminated. Appeals go

directly from initial denial to Administrative Law Judge hearing. This is the reform already piloted in 10 states and documented by SSA as improving outcomes without increasing fraud.

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- ALJ hearing timeline
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days maximum:

the average

wait time for an ALJ hearing currently

exceeds 1 year in many regions. 90-day maximum hearing timeline enforced through SSA

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performance standards

and additional

ALJ hiring

where

needed. 1,000 additional claims processors

and additional ALJs required at a cost of roughly \$2 billion per year — against \$35 billion in delayed benefits and administrative cost savings from faster resolution.

- **SSA staffing investment:** approximately 8,000 additional claims processors in Year 1 to address the current processing backlog and meet new processing timeline standards. SSA has been significantly understaffed relative to its caseload for years.

Work Incentives — Eliminate the Cliff

- **The cliff:** currently, a disability recipient who earns above Substantial Gainful Activity (\$1,550/month in 2024) loses their entire SSDI benefit immediately. This creates a poverty trap — working is financially punished. The cliff is eliminated. Benefits phase out gradually on a defined

sliding scale so that earning more always produces a net positive outcome.

- **Trial work period expanded:** the existing trial work period is expanded from 9 months to 24 months. Disabled workers attempting to return to employment have 24 months to test their capacity without losing benefits if the attempt fails.

- **No work penalty standard — platform-wide:** this is the same no-work-penalty standard applied in Weeks 19 and 21. Across the entire platform, earning more always produces a net positive outcome. Disability benefits are no exception.

Access and Technology

- **Assistive technology tax credit for small employers:** federal tax credit covering 50% of the cost of assistive technology purchases that enable disabled workers to perform jobs they otherwise could not. Small employers who cannot afford adaptive equipment gain access to a disabled workforce that wants to work.

- **Home modification grants for disabled homeowners:** federal grants of up to \$15,000 for accessibility modifications — ramps, grab bars, widened doorways — enabling disabled Americans to remain in their homes rather than requiring institutionalization.

- **IDEA full funding — disability reform starts with children:** the Individuals with Disabilities Education Act has been funded at below its authorized level every year since passage. Full IDEA funding enables schools to provide the services disabled children are legally entitled to without forcing local property tax payers to make up the federal shortfall.

4. Estimated Cost

SSA staffing investment: approximately \$2-3 billion per year for 8,000 additional claims processors
Phone: 816-674-1686 | Email: ernie@ewrisinger.com and additional ALJs. Presumptive approval processing: absorbed within existing SSA budget through process efficiency. Work incentive reforms (cliff elimination): actuarial cost is modest — the cliff is Phone: 816-674-1686 | Email: ernie@ewrisinger.com already a budget fiction because most cliff recipients stop working rather than lose benefits, so eliminating the cliff while maintaining the phase-out actually captures more labor income. Assistive technology tax credit: approximately \$500 million per year. Home modification grants: approximately \$1 billion per year. IDEA full funding: approximately \$20-25 billion per year above current appropriations — filling the gap between authorized and appropriated levels.

5. Year 1 Implementation and Measurable Result

Year 1 measurable result: presumptive approval list expanded within 90 days; reconsideration step eliminated by legislation within 30 days; ALJ 90-day hearing timeline target published;

8,000 additional claims processors hired by end of Year 1; SSDI cliff eliminated by legislation. Baseline: 61 million Americans with disability per CDC; SSDI initial denial rate approximately 62-64% per SSA FY2024 data; SSDI fraud rate approximately 1-2% per SSA — the system denies the many to catch the few.

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