



*Washington State*  
Department of Social  
& Health Services

## **Report to the Governor and Legislature**

### **Early SSI Transition Project**

*As required by RCW 74.04.652*

**January 2012**

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# Early SSI Transition Project

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**EARLY SSI TRANSITION PROJECT**  
**REPORT TO THE GOVERNOR AND LEGISLATURE**

**EXECUTIVE SUMMARY**

With the 2010 passage of Engrossed Second Substitute House Bill 2782 into law, Section 7 (codified as [RCW 74.04.652](#)) required the Department of Social and Health Services (DSHS or Department) to move Disability Lifeline recipients as quickly as possible to Medicaid and then to Social Security Supplemental Security Income (SSI) through the “Early SSI Transition Project.” The Department was required to operate this project by contracting with “a managed health care system,” which the Department determined meant the Community Health Plan of Washington (CHPW). The project provided Disability Lifeline (DL) clients in King, Pierce, and Spokane Counties with evaluations necessary for program eligibility and help filing SSI applications. Referrals for filing SSI applications began in September 2010, and referrals for evaluations began in November 2010.

The project goal was to transfer 75% of DL clients appearing likely to qualify for SSI to Medicaid within four months of their request for assistance. This goal was achieved for 22% of the applicants referred to CHPW; 5% when DL benefits were opened and 17% of cases opened as Unemployable. The factors that limited the ability of the project to meet the goal were: (1) The high eligibility threshold set by the federal definition of disability, (2) The requirement, shared by Medicaid and SSI, that only an examination and diagnosis by a physician or psychologist is considered medical evidence from an “acceptable source,” and (3) Many of the clients served in the project communities are homeless or in temporary or transient living arrangements, making it a challenge for the contracted system to connect with clients after referral from CSO. These same issues affected CHPW’s ability to obtain approvals for cases referred for assistance filing SSI applications.

Therefore, the Department and CHPW recommend ending the project by request legislation to repeal the state statute.

## PROJECT OVERVIEW

Section 7 of E2SHB 2782 (codified as [RCW 74.04.652](#)) requires the Department of Social and Health Services to move Disability Lifeline recipients as quickly as possible to Medicaid and then to Social Security Supplemental Security Income (SSI) through the “Early SSI Transition Project.” The project operates through a performance-based contract with “a managed health care system providing medical care services.” The Department determined that the Community Health Plan of Washington (CHPW) is the only entity qualified for a contract as it is the sole managed care provider of medical care services to Disability Lifeline (DL) recipients and subcontracted with an agency that helped clients file for SSI in other states.

The project serves DL clients residing in King, Pierce, and Spokane Counties and included two main components:

(1) Scheduling and providing evaluations for Disability Lifeline applicants

Referrals for evaluations began in November 2010. The Department pays for evaluation expenses out of an administrative services fund.

During the Disability Lifeline application process, each person is interviewed by a Community Services Office (CSO) social services worker. Each week, the Department electronically transfers a list of cases needing an evaluation to CHPW corporate headquarters. CHPW routes each client on the list to the local clinic within the CHPW network. The following week, the clinics report back to CHPW corporate headquarters which clients are scheduled and which could not be contacted. This information is distributed to the CSOs so they know whether to expect medical evidence or update information enabling CHPW to contact the client and schedule an appointment.

(2) Helping DL recipients the Department assessed as likely to be disabled to file Social Security Supplemental Security Income (SSI) applications

Referrals for filing SSI applications began in September 2010. The 2011 State Fiscal Year budget allocated \$528,000, which the Department used to reimburse CHPW for SSI approvals. When the approval was from an SSI application filed within 60 days of the referral from DSHS, the Department pays \$1,400. These filings allow the optimal recovery of state funds from SSI retroactive payments (known as interim assistance reimbursement). When CHPW took more than 60 days to file the SSI application, reimbursement was reduced to \$1,061 because the state loses interim assistance reimbursement for at least one month's benefits (\$339). Referrals stopped at the end of January 2011, when CHPW estimated that there were sufficient referrals to exhaust the allocated funds.

## REFERRAL OUTCOMES

### A. TRANSFERRING CASES TO MEDICAID

The State Legislature set a goal to transfer 75% of people appearing likely to qualify for SSI to Medicaid within four months of requesting assistance. Between November 1, 2010 and May 31, 2011, the Department referred 5,497 applicants. Of this number, 3,636 clients were opened for Disability Lifeline (DL) benefits; 3,456 (95%) as Unemployable (U), and 180 (5%) with expedited Medicaid (X) as disabled or elderly.

From November 2010 through May 2011, 620 (17%) applicants in the project counties transferred from U to X as follows:

County of Residence at Opening	U to X Transfers	Average Months to Transfer	Median Months to Transfer
King	262	5.5	3.0
Pierce	175	5.7	3.0
Spokane	158	5.9	5.0
Other Counties	25	2.8 to 9.0	3.0 to 9.0
Total	620	5.5	4.0

Three main factors were identified as accounting for the low number of clients successfully transitioning to Medicaid within four months:

#### 1. Federal Definition of Disability

The first factor is the federal definition of disability, which applies to both Medicaid and SSI eligibility:

“An individual shall be considered to be disabled if he is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months.” (Social Security Act, Title XVI, Section 1614)

The final stage of every determination that a person’s medical impairment meets DL eligibility requirements is a disability assessment. As the transfer data above shows, only 5% of applicants pass the assessment at the time they apply for assistance. Most people in need have not received consistent medical care or have records available that document they meet the federal definition. Instead, they build that record as they receive medical care while receiving Disability Lifeline (and previously General Assistance) program benefits.

People who meet the federal definition of disability because they have a condition expected to result in death might actually be delayed from getting SSI benefits if they apply for the Disability Lifeline program first. This is because Social Security has a list of malignant conditions (100 at the time of this report) that qualify for SSI as a “Compassionate Allowance.” This is a rapid disability determination process requiring minimal medical documentation and taking an average of two weeks to complete.

## 2. Differences between Federal Regulations and State Rules on Medical Evidence Sources

The second factor limiting the transition to Medicaid is whether the provider who examines the person and diagnoses the medical condition as a disability is an “acceptable source.” The Disability Lifeline program rules (Washington Administrative Code 388-448-0030) includes Advanced Registered Nurse Practitioners (ARNPs) and Physician Assistants in its definition of acceptable sources. These types of professionals are a majority of the staff working in CHPW’s clinics. Social Security and Medicaid regulations limit their definition of acceptable source to physicians or psychologists. When CHPW reports and records are the only medical evidence available, the Department must attempt to obtain additional evidence from a federally-defined “acceptable source,” which delays the determination of eligibility.

## 3. Challenges to Contacting Disability Lifeline Clients

Many of the clients served in the project communities are homeless or in temporary or transient living arrangements. This causes a challenge for the contracted system to connect with clients after referral from CSO staff, resulting in confused clients and missed appointments.

## **B. SSI APPLICATION REFERRALS**

The Department was required to refer Disability Lifeline (DL) recipients to the Community Health Plan of Washington (CHPW) to file applications for Supplemental Security Income (SSI) benefits. The referral was sent after the Community Services Office (CSO) worker obtained a signed agreement from the DL recipient to repay SSI benefits for the same months that DL cash benefits were paid.

The State Legislature allocated \$528,000 to the Department, which was used to fund these services. The contract had two payment points for SSI approvals: (1) \$1,400 for an approval when the SSI application was filed within 60 days, and (2) \$1,061 if the application was filed after 60 days (to offset recovering fewer state funds; deducted \$339, the maximum monthly grant amount at the time).

A CHPW subcontractor, Disability Outreach (DO) provided the services to help DL recipients file SSI applications. The Department began sending referrals on September 1, 2010 and stopped on February 28, 2011. During that period:

- 969 recipients were referred
- Of these referrals:
  - 59 (6%) have SSI applications and are still waiting for a decision.
  - 696 (72%) were returned or closed by CHPW/DO as unable to pursue SSI applications for reasons including inability to make contact or recipient failed to respond, or recipient already had a representative helping them apply.
- 205 (21%) were approved for SSI or Social Security Disability Insurance (SSDI):
  - 175 (85%) met the first pay point (SSI application filed within 60 days).
  - 30 (15%) met the second pay point (SSI application filed after 60 days).

## NEXT STEPS

### **Ending the Project**

The Department and CHPW conclude that while the project was valuable in identifying challenges of coordinating medical impairment evaluations and delivery of medical care, continued operation of the project as described in statute is not feasible. Therefore, the Department and the Community Health Plan of Washington recommend request legislation to repeal the statute.

### **SSI Application Referrals**

If the Department refers out SSI applications in the future, CHPW offers the following recommendations:

- Place advocates at DSHS Community Services Offices (CSOs). Disability Outreach (DO), the CHPW subcontractor, closed 33% of referrals due to a lack of response by recipients that could have been reduced with direct contact.
- Direct communication with CSO employees. The Department and CHPW exchanged information electronically which created delays and communication gaps between the referring CSO worker and the DO SSI advocate.
- Make compliance with medical visits and treatment mandatory to receive DL benefits. This would improve the development of the medical evidence and history needed to show recipients meet the SSI definition of disability.
- Notify recipients of and enforce sanctions (loss of benefits) when recipients won't respond or participate in the SSI application process.
- After the first denial of disability in the SSI application process, do not immediately file a request for reconsideration. Even though it seems counterintuitive to delay the process when the project intent is for an "early" SSI transition, the 60 days allowed to file the request can be used to provide additional evidence by preparing a brief that responds to the reasons that disability was denied, especially what type of work the applicant was determined able to perform, and by having the recipient see their health provider.