

# **ENCYCLOPEDIA OF FINANCIAL GERONTOLOGY: Federal Disability Programs Section**

Michele Adler

U.S. Department of Health and Human Services  
Office of the Assistant Secretary for Planning and Evaluation  
Office of Disability, Aging and Long-Term Care Policy

1996

The opinions and views expressed in this report are those of the author. They do not necessarily reflect the views of the Department of Health and Human Services.

## **Office of the Assistant Secretary for Planning and Evaluation**

The Office of the Assistant Secretary for Planning and Evaluation (ASPE) is the principal advisor to the Secretary of the Department of Health and Human Services (HHS) on policy development issues, and is responsible for major activities in the areas of legislative and budget development, strategic planning, policy research and evaluation, and economic analysis.

ASPE develops or reviews issues from the viewpoint of the Secretary, providing a perspective that is broader in scope than the specific focus of the various operating agencies. ASPE also works closely with the HHS operating divisions. It assists these agencies in developing policies, and planning policy research, evaluation and data collection within broad HHS and administration initiatives. ASPE often serves a coordinating role for crosscutting policy and administrative activities.

ASPE plans and conducts evaluations and research--both in-house and through support of projects by external researchers--of current and proposed programs and topics of particular interest to the Secretary, the Administration and the Congress.

## **Office of Disability, Aging and Long-Term Care Policy**

The Office of Disability, Aging and Long-Term Care Policy (DALTCP), within ASPE, is responsible for the development, coordination, analysis, research and evaluation of HHS policies and programs which support the independence, health and long-term care of persons with disabilities--children, working aging adults, and older persons. DALTCP is also responsible for policy coordination and research to promote the economic and social well-being of the elderly.

In particular, DALTCP addresses policies concerning: nursing home and community-based services, informal caregiving, the integration of acute and long-term care, Medicare post-acute services and home care, managed care for people with disabilities, long-term rehabilitation services, children's disability, and linkages between employment and health policies. These activities are carried out through policy planning, policy and program analysis, regulatory reviews, formulation of legislative proposals, policy research, evaluation and data planning.

This section of the ***Encyclopedia of Financial Gerontology*** was prepared by DALTCP. For additional information about this subject, you can visit the DALTCP home page at [http://aspe.hhs.gov/\\_/office\\_specific/daltcp.cfm](http://aspe.hhs.gov/_/office_specific/daltcp.cfm) or contact the office at HHS/ASPE/DALTCP, Room 424E, H.H. Humphrey Building, 200 Independence Avenue, S.W., Washington, D.C. 20201. The e-mail address is: [webmaster.DALTCP@hhs.gov](mailto:webmaster.DALTCP@hhs.gov). The Project Officer was Michele Adler.

# TERM

Federal Disability Programs

## DEFINITION

Federal disability programs, which provide services such as cash support, health care coverage, and direct supportive services to eligible people with disabilities, are typically limited to people under the age of 65.

## DESCRIPTION

This entry contains information about the Americans with Disabilities Act and nine major Federal programs targeted on disability which serve sizable proportions of the non-elderly population aged 50 or over.

## ENTRY

### BACKGROUND

Federal disability programs serve people of all ages, but most disability programs tend to be targeted either on children or on adults in their working years, typically defined as from 18 through 64 years of age. Because the risk of having a disability increases with age, many programs serving the working-age population include large proportions of people in their later working years of 50 through 64.

Billions of dollars are spent on Federal programs targeted on persons with disabilities. In fiscal year 1989, \$85 billion or 8 percent of all Federal outlays was spent on disability programs targeted primarily on people under the age of 65. (Burwell, 1990)

Nine major Federal disability programs which include sizable proportions of people aged 50 to 64 are: (1) Social Security Disability Insurance (SSDI), (2) Supplemental Security Income (SSI), (3) Medicare, (4) Medicaid, (5) Workers' Compensation, (6) Black Lung, (7) the VA Disability Compensation Program, (8) the VA Pension Program, and (9) the VA Health Services Program.

People may receive benefits from more than one program if they meet eligibility requirements. Specific eligibility requirements typically vary, depending on the purpose of the program. Eligibility requirements may change over time, as the result of amendments to the law, new regulations, or court decisions which affect eligibility

criteria. Eligibility requirements consist of factors related to disability and to other factors, such as age, income, veterans' status, or work experience. It is suggested that the federal offices administering specific disability programs be contacted directly for the most up-to-date eligibility requirements.

## **UNDERLYING RESEARCH**

The concept of disability in recent years has generally shifted from diseases, conditions, and impairments to a focus on functional deficits caused by these factors. Disability measures used in clinical settings or research often underlie or are incorporated into how programs determine eligibility. Disability is generally defined in research as significant difficulty with or the inability to perform certain day-to-day functions, as a result of a health condition or impairment. For adults, these functions often involve working or keeping house for those aged 18 through 64 and carrying out daily tasks for those aged 65 or over. (Weiner) Some commonly used factors in assessing disability in research are:

- Sensory Impairments--Difficulty with or the inability to see, hear, or speak.
- Cognitive/Mental Impairments--The presence of or resulting disabilities from cognitive/mental impairments (e.g. Alzheimer's disease, mental illness, mental retardation).
- Functioning of Specific Body Systems--Capacity of specific body systems (e.g. climbing stairs, walking 3 blocks, lifting 10 lbs).
- ADLs/IADLs--Difficulty with or the inability to perform without the help of another person or a device the Activities of Daily Living (ADLs); which typically include bathing, dressing, eating, toileting, getting in or out of a bed or chair, and walking; and/or the Instrumental Activities of Daily Living (IADLs), which generally include using the telephone, shopping, preparing meals, keeping house, doing laundry, doing yard work, managing personal finances, and managing medications.
- Working--Inability to work, limitations in the amount or kind of work, and/or ability to work only occasionally, irregularly, or part-time.

## **THE AMERICANS WITH DISABILITIES ACT**

**PURPOSE:** The intent of the Americans with Disabilities Act (ADA) of 1990 is to protect the civil rights of persons with disabilities. Equal opportunity provisions pertain to employment, public accommodation, transportation, State and local government services, and telecommunications.

**DEFINITION OF DISABILITY:** Disability is present for purposes of the ADA if an individual meets one of the following three tests: (a) there is a physical or mental impairment that substantially limits one or more of the major life activities; (b) there is a

record of such an impairment; or (c) the individual is regarded as having an impairment. The ADA definition is identical to the one used in Section 504 of the Rehabilitation Act of 1973 and in the Fair Housing Amendments of 1988. (Adler)

## **MAJOR FEDERAL DISABILITY PROGRAMS**

### **1. SOCIAL SECURITY DISABILITY INSURANCE**

**PURPOSE:** Social Security Disability Insurance (SSDI) is the primary social insurance program which protects workers from loss of income due to disability. SSDI provides monthly cash benefits to disabled workers under age 65 and to certain of their dependents. SSDI is intended for workers who retire early, that is before age 65, because of a disability. (Committee on Ways and Means)

**HISTORY:** The 1935 Social Security Act established the federal social security system to provide old-age benefits for retired workers. The SSDI program was enacted in 1956 to provide benefits to workers aged 50 through 64 years who retired early because of a disability. Subsequent amendments widened SSDI coverage to include certain dependents and workers younger than age 50. (Social Security Administration, August 1993)

**ADMINISTRATION:** SSDI is federally administered by the Social Security Administration (SSA).

**SCOPE:** In November 1993, 4.5 million disabled Americans received SSDI benefits: 3.7 million disabled workers under age 65, 143 thousand disabled widows/widowers aged 50 to 59, and 655 thousand adults under age 65 who were disabled in childhood. Half of disabled workers were between the ages of 50 and 64. In November 1993, the average monthly benefit was \$625 for disabled workers, \$423 for disabled widows/widowers, and \$397 for adults disabled in childhood. SSDI benefits end at age 65 when workers who retired early due to their disability are administratively converted to regular retirement benefits. (Social Security Administration, August 1993; Social Security Administration Winter 1993)

**FUNDING:** Funding is provided through the Disability Insurance (SSDI) portion of the Social Security payroll tax on earnings. The payroll tax is 7.65 percent of earnings, of which 5.6 percent is for the Old-Age and Survivors Insurance (OASI) portion of Social Security, 0.6 percent for the SSDI portion, and 1.45 percent for the Hospital Insurance (HI) portion of Medicare. A matching 7.65 percent tax is borne by employers. Self-employed people have a payroll tax of 15.3 percent, because they pay both the employer and employee shares. As of 1994, the OASI and DI parts of the payroll tax are collected for the first \$60,000 of earnings, but there is no earnings limit for the HI payroll tax. (Committee on Ways and Means)

**ELIGIBILITY:** In order to become eligible for SSDI, an individual must first have enough Social Security covered work-quarters and secondly have a severe impairment which

makes him or her unable to do his or her previous work or any other kind of substantial gainful activity which exists in the national economy. There is no means-test.

Insured work quarters are credited annually for those years during which an individual works, is covered by Social Security, and earns a specified amount, which is adjusted upward each year. No more than four quarters can be credited each year. In 1994, one quarter of coverage was credited for \$620 of earnings.

Workers must be fully insured and (except for persons who are blind or who are younger than age 31) must have at least 20-quarters of coverage during the 40-quarter period up to time of disability in order to receive SSDI. Persons who are fully insured under Social Security have at least one quarter of coverage for every four quarters up to the time of disability. Those who have forty quarters are fully insured for life. Workers younger than age 31 and individuals who are blind need fewer quarters, but a minimum of six quarters is needed. (Committee on Ways and Means)

Disability for SSDI is defined as the inability to do any substantial gainful activity (earn more than \$500 per month for disabled and \$810 for blind persons) 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 12 months. (Adler)

After it is established that the applicant has enough quarters and is not earning more than the substantial gainful activity amount, a State Disability Determination unit examines medical evidence to determine if the applicant's mental or physical impairment is severe enough to have more than a minimal effect on the applicant's ability to work. If so, the applicant's medical condition is compared to the SSA Listing of over 100 Impairments (e.g. loss of two limbs; fracture of vertebra with cord involvement, substantiated by appropriate sensory and motor loss; vision of 20/200 or less after correction). (Mather)

Applicants whose medical conditions are at least as severe as those in the Listing are considered disabled. Applicants who are not found disabled at this point are evaluated at two additional steps. First, a determination is made as to whether or not the applicant could do his or her past work. This decision is based on assessments of factors such as physical abilities (e.g. strength, walking, standing) and/or mental abilities (e.g. the ability to carry out and remember instructions, to respond appropriately in work settings).

For applicants who cannot perform past work, an assessment is done to ascertain their ability to perform other work that exists in the national economy. This assessment is based on the individual's functional capacity, age, education, and work experience. In general, persons under age 50 are considered to be able to adapt to new work situations. Jobs are said to exist in the national economy if there are significant numbers with requirements that are within the functional abilities and vocational qualifications of applicants. Isolated jobs which exist only in very limited numbers in relatively few

locations outside of where the applicant lives are not regarded as "work that exists in the national economy". (Social Security Administration 1986)

Dependent coverage and survivor benefits are offered through SSDI to certain persons. Disabled individuals can receive SSDI in three ways: on their own as disabled workers (described above), as widows or widowers (who are aged 50-59) of insured individuals, and as adults aged 18 through 64 who became disabled in childhood whose parent(s) either receive SSDI, are Social Security retirees, or who are deceased (but had been insured under Social Security).

The determination of disability for disabled widows/widowers is identical to the one used for disabled workers and adults disabled in childhood, although a somewhat different standard existed prior to 1991. (Committee on Ways and Means)

Dependent coverage is also provided to certain non-disabled family members (spouses who are either aged 60 or over or who care for one or more entitled children under the age of 16). Survivor benefits are paid to widow/widowers aged 60 or over, to widow/widowers of any age if he or she are caring for a dependent child who is either under age 16 or disabled, to unmarried children under age 18 (or 19 if in elementary or secondary school), or to dependent parents aged 62 or more. (Committee on Ways and Means)

## **2. SUPPLEMENTAL SECURITY INCOME**

**PURPOSE:** The Supplemental Security Income (SSI) program provides monthly cash payments to low-income aged, blind, and disabled persons. (Committee on Ways and Means)

**HISTORY:** The SSI program was established by the 1972 amendments to the Social Security Act, which replaced earlier federal grants to the states for old-age assistance, aid to the blind, and aid to the permanently disabled. (Committee on Ways and Means)

**ADMINISTRATION:** The SSI program is administered by the Social Security Administration.

**SCOPE:** In November 1993, 4.5 million blind or disabled persons received SSI with monthly payments averaging about \$390. Approximately 39 percent of those receiving SSI because of blindness or disability are aged 50 or over. (Burwell, Social Security Administration, August 1993; Social Security Administration Winter 1993)

**FUNDING:** Funding comes from federal general revenues. Many states have chosen the option to supplement federal SSI payments with their own funds. (Burwell, 1990)

**ELIGIBILITY:** Unlike SSDI, people receiving SSI because of blindness or disability have no work requirements, but must meet a financial means-test. Persons under age 65

must meet both disability and financial criteria, whereas those aged 65 or over need only meet the financial means-test.

Persons may receive SSI payments either as individuals or as couples. Both members of a couple must be aged, blind, or disabled and must meet the financial means-test in order to collect payments. Besides these provisions for couples, there are no dependent or survivor benefits in SSI. (Adler)

The determination of disability for adults is identical to the one used in the SSDI program. For children under age 18, the determination of disability is based on a standard of comparable severity.

The SSI means-test depends on income and resources. There are complicated ways of counting various types of income and resources; but, in general, the maximum monthly income in 1994 for individuals applying for SSI was \$454 and \$672 for couples if they receive only Social Security and \$953 for individuals and \$1,389 for couples if their income is only from wages. Countable resources are limited to \$2,000 for individuals and \$3,000 for couples. (Committee on Ways and Means)

### **3.     *MEDICARE***

**PURPOSE:** Medicare, enacted in 1965, provides health insurance coverage to aged (aged 65 or over) and disabled persons insured under Social Security. Medicare coverage has two parts. Part A, or Hospital Insurance (HI), is subject to deductibles and limits, covers inpatient hospital care, provides skilled nursing and/or rehabilitative post-hospital care in a skilled-nursing facility, home health care, and hospice care. Part B or Supplementary Medical Insurance (SMI), which has monthly premiums and deductibles, covers physician services, outpatient services from certain other medical providers, approved medical equipment and supplies, and drugs which cannot be self-administered. Because HI is financed through the Social security payroll tax, HI is automatically extended to eligible individuals. SMI is a voluntary program available only by paying monthly premiums. (Burwell, 1990; Committee on Ways and Means)

**HISTORY:** Medicare and Medicaid were established by the Social Security Amendments of 1965. Medicare was enacted to provide health insurance to the population aged 65 or over. As part of the 1972 amendments to the Social Security Act, Medicare was extended, under certain circumstances, to persons receiving SSDI and to those with kidney disease. (Social Security Administration, August 1993)

**ADMINISTRATION:** The Medicare program is federally administered by the Health Care Financing Administration in the Department of Health and Human Services.

**SCOPE:** In 1991, 31.5 million aged, 3.4 million disabled persons under age 65, and 72 thousand persons with End-Stage Renal Disease (ESRD) were eligible for Medicare. There were \$110.9 billion in Medicare payments in 1991, of which \$12.5 billion were for those under 65 receiving SSDI. (Social Security Administration, Winter 1993) In July

1993, approximately 2.5 million disabled individuals between the ages of 45 and 64 were enrolled in Medicare. (Lazenby)

**FUNDING:** Funding for the HI portion of Medicare comes from the Hospital Insurance (HI) portion of the Social Security payroll tax and is automatically deposited in the Medicare Trust Fund. In 1994, the HI payroll tax is was 1.45 percent of earnings for employees and 1.45 percent for employers. Self-employed persons were taxed 2.9 percent of payroll for HI. The SMI part of Medicare is financed by a combination of monthly premiums, which cover about 25 percent of program expenditures, and federal general revenues, which cover the remaining 75 percent. In 1994, the monthly SMI premium was \$41.10. (Committee on Ways and Means)

**ELIGIBILITY:** Persons aged 65 or over who are entitled to Social Security are also enrolled in Medicare. There are two ways that persons under age 65 can be eligible for Medicare: (1) SSDI beneficiaries are enrolled in Medicare 24 months after receiving SSDI benefits and (2) persons in the End-Stage Renal Disease (ESRD) program are enrolled in Medicare after 3 months. Persons in the ESRD portion of Medicare must be medically determined to have end-stage renal disease (that stage of kidney impairment that appears irreversible and permanent and requires a regular course of dialysis or kidney transplantation to maintain life) and either be insured themselves through Social Security or be the spouse or dependent child of an insured worker/retiree. Persons on Medicare who are eligible because of SSDI range in age from 20 through 64, while those eligible because of ESRD patients can be any age from infancy through age 64. (Adler)

#### **4. MEDICAID**

**PURPOSE:** Medicaid is a joint federal and state program that pays for the health care of low-income, as well as medically indigent individuals.

**HISTORY:** Medicaid was established, along with Medicare, by the Social Security Amendments of 1965. Medicaid was enacted to pay for the medical care of certain needy persons. Medicaid combined and replaced earlier programs, which provided medical payments for needy individuals. (Committee on National Statistics; Social Security Administration, August 1993)

**ADMINISTRATION:** Medicaid is jointly administered by the individual states and territories along with the federal Health Care Financing Administration, located in the Department of Health and Human Services. (Burwell, 1990)

**SCOPE:** During fiscal year 1992, \$91.3 billion in Medicaid payments were made on behalf of 30.2 million persons. Nearly 4.4 million disabled or blind persons accounted for \$34 billion of total Medicaid payments. That is, the nearly 15 percent of Medicaid recipients who were blind or disabled accounted for 37 percent of payments. Approximately 3.3 million of the 4.4 million persons received SSI and 500 thousand did not. They accounted for \$20.2 billion and \$13.8 billion in Medicaid payments,

respectively. Payments for nursing facility services (nursing homes) totaled \$21.7 billion or 24 percent of all Medicaid payments, although only 1.4 million persons received these services. (Burwell, 1994)

**FUNDING:** Medicaid is jointly funded by the federal and state governments. Federal dollars come from federal general revenues. The federal match rate is derived annually for each state by comparing the states's average per capita income to national figures. The federal share of total Medicaid spending was 57.4 percent in 1992. By law, this share can range from 50 percent to 83 percent. During 1992, the federal match rate was 50 percent for twelve states and the District of Columbia. Mississippi had the highest federal match rate at 79.99 percent. (Congressional Research Service; Social Security Administration, Winter 1993)

**SERVICES:** Medicaid covers both required and optional services. Some required services include inpatient hospital services and physician services. Optional services include intermediate care facilities for the mentally retarded, prescription drugs and personal care. In addition, services provided under the Home and Community-based Care waivers may include personal care services, chore services, respite care services, and adult day care. States may also set limits on the amount, duration, and/or scope of mandated and optional services (e.g. a limit on the number of hospital days) within broad federal guidelines. (Burwell, 1990)

Three Medicaid services which are important for people with disabilities are: (1) nursing facilities (i.e. nursing homes); (2) home health services; and, (3) personal care services. Nursing facilities are mandatory for people aged 21 or over who receive cash payments from SSI or AFDC, but are optional services for everyone else. Home health services are, in effect, mandatory for the same Medicaid recipients for whom nursing facility services are provided. Personal care services are provided in a person's home by a qualified person under the guidance of a registered nurse. These services can include bathing, dressing, ambulation, feeding, grooming, and meal preparation, cleaning, laundry, and shopping. Personal care services may be provided under the Home and Community-based Care waivers or as an other optional medical services. (Health Care Financing Administration, Congressional Research Service)

**ELIGIBILITY:** Medicaid coverage is automatically extended to persons receiving cash assistance under the Aid to Families with Dependent Children (AFDC) and generally to those who receive SSI. Medicaid coverage is also mandatory for many pregnant women and children near the poverty level. Many of those eligible for Medicaid for reasons of disability (or blindness) also receive SSI cash assistance. However, there are a number of optional state programs through which ill or disabled persons who do not get SSI can receive Medicaid. (Burwell, 1990; Congressional Research Service)

Eligibility for Medicaid is complex and varies from state to state. People with comparable illnesses, disabilities, and incomes may be eligible for Medicaid in one state, but not in another.

Receipt of SSI guarantees eligibility for Medicaid in most states. (Burwell, 1990) As of December 1992, twelve states had exercised an authority to impose more restrictive eligibility criteria for Medicaid than SSI uses. These twelve states were Connecticut, Hawaii, Illinois, Indiana, Minnesota, Missouri, New Hampshire, North Carolina, North Dakota, Ohio, Oklahoma, and Virginia. (Congressional Research Service)

These twelve states had to permit individuals to deduct their medical expenses from their incomes in determining eligibility. Under this system, known as "spend down", if an otherwise eligible applicant's income exceeded the state's income standard for Medicaid eligibility, the applicant would become eligible after incurring sufficient medical expenses to reduce his or her income to below the standard. States must extend Medicaid eligibility to certain groups of disabled people who may not actually receive SSI, but who are deemed to meet SSI income and resource standards. (Congressional Research Service, Committee on Ways and Means)

States have a variety of other means by which they can extend Medicaid to persons with disabilities who do not receive SSI. First, states have the option to provide Medicaid coverage to poor disabled persons. As of January 1992, eight states (Florida, Hawaii, Maine, Massachusetts, Nebraska, New Jersey, Pennsylvania, South Carolina) and the District of Columbia took the option of providing Medicaid coverage to elderly or disabled poor individuals whose incomes are below the federal poverty standard and whose resources are below the SSI standard. (Congressional Research Service) For example, in 1992, individuals who lived alone were under the federal poverty standard if their annual incomes were under \$6,810, while the maximum SSI standard (for those receiving income only from Social Security) was \$5,448 per year.

Secondly, among other options, states can elect to establish a medically needy program, under which disabled individuals whose income exceeds SSI standards but who need assistance with medical expenses can obtain eligibility by "spending down". By April 1992, the medically needy option was exercised by Arkansas, California, Connecticut, the District of Columbia, Georgia, Hawaii, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Montana, Nebraska, New Hampshire, New Jersey, New York, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, and Wisconsin. (Congressional Research Service)

In addition, the home and community-based care waiver program has been elected in every state, except Arizona whose entire Medicaid program operates under a demonstration waiver. The intent of this program is to keep disabled persons in the community rather than in institutions when possible. Specifically, states can provide home and community-based services not otherwise included in their State Medicaid plans to disabled persons living in the community who would otherwise reside in institutions. (Congressional Research Service)

## 5. **WORKERS' COMPENSATION**

**PURPOSE:** Workers' Compensation provides cash payments and medical and rehabilitation services to workers (or their survivors) who have disabilities or who have died, because of accidents on the job or occupational diseases. (Hagen)

**HISTORY:** The first workers' compensation law was enacted in 1908. Most states had Workers' Compensation programs in 1920. By 1949, all states had Workers' Compensation programs. (Social Security Administration, August 1993)

**ADMINISTRATION:** There are 53 separate Workers' Compensation programs administered by the states, the District of Columbia, the Virgin Islands, and Puerto Rico. The Departments of Labor within each state typically administer Workers' Compensation. In addition, the Department of Labor in the federal government administers Workers' Compensation programs for Federal Civil Servants, Longshore and Harbor Workers, and the Black Lung program. (Social Security Administration, August 1993)

**SCOPE:** In 1991, \$42.2 billion in benefits were paid. Approximately 60 percent of benefits provided cash payments and 40 percent of benefits paid for medical and rehabilitation services. Weekly cash payments for workers vary by state, but are typically limited to no more than two-thirds of a state's average weekly wage. There are no national figures on the number of people receiving Workers' Compensation benefits. (Social Security Administration, Winter 1993)

**FUNDING:** Premiums from employers account for nearly all Workers' Compensation funds. These premiums average about 2 percent of payroll. Many employers have private insurance, some large employers are self-insured, and others operate in states which have state funds allotted for Workers' Compensation. In some instances, modest amounts are paid by employees for medical benefits. Workers' Compensation coverage for most jobs in private industry is compulsory. Nationwide, about 88 percent of the labor force is covered by Workers' Compensation. (Social Security Administration, August 1993)

**ELIGIBILITY:** Disabilities or death can be due to either workrelated injuries or occupational diseases, the latter of which are often difficult to establish. Employer negligence is not an issue. In general, Workers Compensation benefits are not paid if the cause of the injury was intoxication of the worker, willful misconduct, or gross negligence.

Unlike the SSDI and SSI programs, where eligibility is limited to those with permanent total disabilities, worker's compensation can provide for three types of disability: permanent total disability, temporary total disability, and permanent partial disability. Temporary total disabilities are those in which a worker is unable to work, but is expected to fully recover. Most cases involve temporary total disability.

Benefits in these instances are typically paid until the person is recovered, but there are limits in some States. In most cases, permanent partial disabilities are limited to injuries in which disabilities are due either due to the loss of a part of the body (e.g. limb, eye) or to a generalized part of the body (e.g. head, back, nervous system). (Hagen, Social Security Administration, August 1993)

## **6. BLACK LUNG**

**PURPOSE:** Black Lung benefits are paid to coal miners who are totally disabled as a result of pneumoconiosis (a disease of the lungs caused by the habitual inhalation of irritant mineral or metallic particles), to widows of miners who died from Black Lung disease, and to their dependents. (Burwell, 1990)

**HISTORY:** The Black Lung program was established by the Federal Coal Mine Health Safety Act of 1969. (Social Security Administration, August 1993)

**ADMINISTRATION:** The Black Lung program is administered by the Department of Labor.

**SCOPE:** About 182 thousand persons were paid Black Lung benefits in December 1992. Only 36 thousand were coal miners, the remainder were widows (109 thousand) or dependents (37 thousand). Over 99 percent of people receiving Black Lung benefits are aged 45 or over. (Burwell, 1990; Social Security Administration, Winter 1993)

**FUNDING:** The Black Lung program is funded by an excise tax on coal, which is the lesser of \$1 per ton of coal from underground mines (50 cents from surface mines) or 4 percent of the coal's selling price. (Social Security Administration, Winter 1993)

**ELIGIBILITY:** A miner must meet three general conditions: (1) must have (or, if deceased, have had) pneumoconiosis; (2) must be totally disabled by the disease (or have been totally disabled at the time of death); and (3) the pneumoconiosis must have arisen out of coal mine employment. (Burwell, 1990)

## **7. VA DISABILITY COMPENSATION PROGRAM**

**PURPOSE:** The VA Disability Compensation program provides cash assistance to veterans with service-connected disabilities, that is, they incurred illness or injury while in service. Employment is not a factor: veterans can be employed and still receive benefits. (Seavey)

**HISTORY:** Veterans' health, disability, and pension programs have grown out of a long history of benefits provided to veterans. Disability pensions were provided to veterans of the Revolutionary War by the Continental Congress. In 1789, Congress enacted a veterans' pension program. (Social Security Administration, August 1993)

**ADMINISTRATION:** The VA Disability Compensation program is administered by the Department of Veterans' Affairs (DVA).

**SCOPE:** In fiscal year 1992, 2.2 million veterans with service-connected disabilities and survivors of 314 thousand deceased veterans received \$12.6 billion through this program. (Committee on Ways and Means) The largest share of veterans receiving benefits for service-connected disabilities served in World War II (36.9 percent). Another 30.8 percent served during the Vietnam Era. Altogether, approximately 43 percent of veterans with a service-connected disability were aged 65 or over in fiscal year 1992. (Department of Veterans' Affairs, Social Security Administration, Winter 1993)

**FUNDING:** Funding is provided from federal general revenues. (Burwell, 1990)

**ELIGIBILITY:** An individual must have a partial or total impairment by injury or disease incurred or aggravated during military service. A Veterans' Affairs (VA) Rating Board employs criteria developed by the DVA to rate the extent of a disability. Specifically, the illness, injury, or disease manifestations must arise during service, but time can elapse. Dishonorably discharged veterans are not eligible. While the SSDI, SSI, and Black Lung programs have an "all or nothing disability determination process" wherein a person either is or is not determined to receive benefits, a range or band of eligibility exists in the VA Disability Compensation program. This range is the disability ratings system, which goes from 0 to 100 percent and is based on the presumed reduction in income caused by the disability.

Dependent allowances and survivor benefits are paid under certain circumstances. In general, dependent allowances are paid to veterans with at least a 30 percent service-connected disability. Survivor benefits are paid if the veteran was receiving or was entitled to receive benefits at the time of death and the service-connected disability was continuously rated totally disabling for at least 10 years or 5 years after discharge. Survivors are limited to spouses (who have been married to the veteran for at least one year or who have had a child with the veteran), children under age 18, disabled, or students, and parents in certain cases. (Seavey; Burwell, 1990)

## **8. VA DISABILITY PENSION PROGRAM**

**PURPOSE:** The VA Disability Pension programs pays cash benefits to elderly low-income war veterans who have become permanently and totally disabled from non-service-connected causes. This program is similar to SSDI in that there are employability standards. (Seavey)

**HISTORY:** Veterans' health, disability, and pension programs have grown out of a long history of benefits provided to veterans. Disability pensions were provided to veterans of the Revolutionary War by the Continental Congress. In 1789, Congress enacted a veterans' pension program. (Social Security Administration, August 1993)

**ADMINISTRATION:** The VA Disability Compensation program is administered by the Department of Veterans' Affairs.

**SCOPE:** In fiscal year 1989, this program served 1.1 million living and deceased veterans (with survivors) at a cost of \$3.9 billion. (Committee on Ways and Means) About 72 percent of veterans in this program were aged 65 or over in 1992. (Social Security Administration, Winter 1993)

**FUNDING:** Funding is provided from federal general revenues. (Burwell, 1990)

**ELIGIBILITY:** An individual must have an injury or disease sustained outside of military service rendering a veteran permanently and totally impaired. Impairment is determined based on the veteran's ability to function at work and at home. Persons with dishonorable discharges are not eligible. Low-income criteria are based on income and family size. During December 1991, income limits were \$7,397 for a veteran living alone and \$9,689 for a veteran living with one other person. (Committee on Ways and Means) Benefits are paid to surviving spouses and children if the veteran served in specified wartime periods. Survivors must meet the same conditions as for the DVA Disability Compensation program. (Seavey; Burwell, 1990)

## **9. VETERANS' HEALTH SERVICES**

**PURPOSE:** The Veterans' Health Services programs, administered by the DVA, consists of a nationwide health care network which provides medical care to eligible veterans. Services must be provided to veterans with a service-connected disability, former prisoners of war, and those with low-incomes. Other veterans are served on a space available basis. Services provided include hospital care, nursing home care, and outpatient care, including rehabilitation. Care is provided through DVA facilities. However, nursing home care can be provided for a limited time in a non-DVA facility under certain circumstances. (Social Security Administration, August 1993)

**HISTORY:** Veterans' health, disability, and pension programs have grown out of a long history of benefits provided to veterans. Disability pensions were provided to veterans of the Revolutionary War by the Continental Congress. In 1789, Congress enacted a veterans' pension program. (Social Security Administration, August 1993)

**ADMINISTRATION:** The Veterans' Health Services programs are administered federally by the Department of Veterans' Affairs. (Social Security Administration, August 1993)

**SCOPE:** During fiscal year 1993, net outlays for the entire Veterans' Health Services program was \$14.8 billion. Approximately 910 thousand patients were discharged from DVA hospitals, of whom 31 percent were under age 50, 27 percent were between 50 and 64 years of age, and the remaining 42 percent were aged 65 or older. (Department of Veterans' Affairs)

**FUNDING:** Funding is provided from Federal general revenues. (Social Security Administration, August 1993)

**ELIGIBILITY:** VA hospitals and nursing homes must serve certain groups and serve others if space is available. The mandatory groups served include persons: rated as "service-connected; retired from active duty for a disability incurred or aggravated while in military service; receiving a VA pension; eligible for Medicaid; who were former prisoners of war; who need care for a condition possibly related to exposure to dioxin or other toxic substances; who need care for a condition possibly related to exposure to radiation from nuclear tests or in the American occupation of Japan; or who are veterans of the Spanish-American War, the Mexican Border Period, or World War I. Care on a space-available basis is provided to low income veterans, whose disabilities are not service-connected. Outpatient care is also contingent on a number of factors. Outpatient care for any condition is available to veterans who have a service-connected disability rating of 50 percent or more, former prisoners of war, or veterans of World War I. Such care is also available for the treatment of service-connected disabilities or for care which would prevent a hospital stay. (Seavey, Social Security Administration, August 1993)

## REFERENCES

Adler, Michele; "*Programmatic Definitions of Disability: Policy Implications*"; 1991 Proceedings of the American Statistical Association; Government Statistics Section, American Statistical Association, Alexandria Virginia; 1991. [<http://aspe.hhs.gov/daltcp/reports/prodefes.htm>]

Burwell, Brian, Bonnie Preston, and Sarah Bailey; Task II: Federal Programs for Persons with Disabilities; Contract Report from Mathematica Policy Research, Inc. for the Office of the Assistant Secretary for Planning and Evaluation, DHHS, GPO, Washington, DC, January 1990. [<http://aspe.hhs.gov/daltcp/reports/task2es.htm>]

Burwell, Brian; Unpublished Medicaid tabulations, 1994.

Committee on National Statistics; Family Assistance and Poverty; National Research Council; National Academy Press; Washington DC; 1983.

Committee on Ways and Means; 1993 Green Book; Committee Print WMCP: 103-18; GPO, Washington, DC, July 7, 1993.

Congressional Research Service; Medicaid Source Book: Background Data and Analysis (A 1993 Update); Committee Print 103-A, GPO, Washington DC, January 1993.

Department of Veterans' Affairs; Unpublished tabulations, 1994.

- Doyle, Pat; Task I: Population Profile of Disability, Contract Report from Mathematica Policy Research, Inc. for Office of the Assistant Secretary for Planning and Evaluation, DHHS, GPO, Washington, DC, October 1989.  
[\[http://aspe.hhs.gov/daltcp/reports/task1es.htm\]](http://aspe.hhs.gov/daltcp/reports/task1es.htm)
- Hagen, Michael; Presentation on Workmen's Compensation given at the Public Health Service Task Force on Determination of Disability, June 25, 1991.
- Health Care Financing Administration, Medicaid Operations Branch; State Profile Data System, Medicaid sp Data System, Characteristics of State Medicaid Programs, Part 1; HCFA Publication Number 10130, Baltimore, MD, December 1993.
- Institute of Medicine; Disability in America, Toward a National Agenda for Prevention; A.M. Pope and A.R. Tarlov Eds., National Academy Press, Washington, DC, 1991.
- Lazenby, Helen; Unpublished Data from the Medicare Enrollment Files; 1993.
- Mather, John; Presentation on SSA Eligibility Process given at the Public Health Service Task Force on Determination of Disability, June 25, 1991.
- Seavey, Robert; Presentation on Veteran's given at the Public Health Service Task Force on Determination of Disability, June 25, 1991.
- Social Security Administration; "*Annual Statistical Supplement 1993*"; Social Security Bulletin; DHHS, SSA Pub. No. 13-11700, August 1993.
- Social Security Administration; "*Current Operating Statistics*"; Social Security Bulletin; Volume 56, Number 4; DHHS, SSA Pub. No. 13-117000, Winter 1993.
- Social Security Administration; Disability Evaluation Under Social Security; DHHS, SSA Pub. No. 64-039, February 1986.
- Social Security Administration; "*Social Security Programs in the United States, 1993*"; Social Security Bulletin; Volume 56, Number 4; DHHS, SSA Pub. No. 13-117000, Winter 1993.
- Social Security Administration, Office of Disability; Social Security Regulations: Rules for Determining Disability and Blindness; DHHS, SSA Pub. No. 64-014, April 1986.
- Weiner, Joshua M., Raymond J. Hanley, Robert Clark, and Joan F. Van Nostrand; "*Measuring the Activities of Daily Living: Comparisons Across National Surveys*"; Journal of Gerontology: Social Sciences; Volume 45, No. 6, pages S-229-237; November 1990. [\[http://aspe.hhs.gov/daltcp/reports/meacmpes.htm\]](http://aspe.hhs.gov/daltcp/reports/meacmpes.htm)