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Prospectus: First Draft

Statement of the Research Purpose

The goal of a public administrative agency is to provide a public service to certain members of society. Disabled Texans are served by a specific agency. The Department of Assistive and Rehabilitative Services (DARS) Division for Disability Determination Services (DDS) is funded entirely through the Social Security Administration (SSA). DARS DDS makes disability determinations for Texans with severe disabilities that apply for Social Security Disability Insurance and or Supplemental Security Income. Texans with disabilities apply for benefits at their local Social Security Office and their applications are forwarded to DDS for a disability determination. The Social Security Administration administers two disability programs, which help people who are unable to work because of severe physical or mental impairments. They are designed to replace part of the income an individual or their family loses when they become disabled.

The first program is Social Security Disability Insurance (SSDI). It is related to work. A person earns coverage for themselves and family members by paying Social Security tax. The program covers workers who are disabled, disabled widows/widowers and disabled adult children of workers. The second disability program is Supplemental Security Income (SSI). It is related to an individual’s assets and is meant to assist impoverished members of society. Individuals with limited assets and with little income may be able to qualify for this program. Income and resources possessed are considered. This program covers adults and children who are eligible. Federal law and the Social Security Administration provide the instructions used to determine whether a person is disabled. Therefore, a person filing for disability in one state is evaluated using the same guidelines as a person filing in Texas.

Disability applications are distributed as cases electronically to individuals employed by DARS DDS, The job responsibility of a Social Security Disability examiner (DE) is to adjudicate individual ‘s disability claims based on legal and medial policies provided by the Social Security Administration. Each state has an agency assigned with the task of making these decisions. Texas has the Department of Assistive and Rehabilitative Services (DARS) with Disability Determination Services (DDS) being responsible for making SSI and DI disability decisions. Both agencies are under the Health and Human Services umbrella. The DE is considered a street-level bureaucrat implementing the policies of the agency on a day-to-day basis. Street-level bureaucrat is a term referring to public agency employees who actually performs the procedures to implement the laws. Michael Lipsky coined the term “street-level bureaucrat”. He maintains that policy implementation is ultimately comes down to the individuals who implement it. (Lipsky 1980) “Street-level bureaucrats bring their own ideas, expectations, values, agendas, and abilities into an agency. In dealing with the concerns and pressures at the point of service delivery, street-level bureaucrats often frustrate the rational achievement of formal program goals.” (Maupin 1994, 337)

This topic is compelling because it speaks to current issues surrounding high unemployment rates; the economic crisis and agency fiscal responsibility; and healthcare concerns of Americans without insurance. There has been an obvious increase in application rates over the years, however it will be interesting to determine if there is a significant spike in applications during times of high unemployment in Texas. Also since Texas is a conservative state it will be interesting to see how denial rates vary during times of high unemployment. West contends that the most significant problem presented by bureaucratic discretion is it conflicting with our fundamental beliefs about institutional limitations and responsibilities. The essence of representative democracy is that institutions directly responsible to the people should exercise such authority. (West 1984, 340) The third hypothesis is fraudulent applications and awards for benefits. Measuring the amount of increase in fraud referrals during times of high unemployment will give an indication of bureaucratic response as well as undeserving applications. This chapter will present the conceptual framework outlining the three hypotheses and variables that will be measured. Next the methodology will explain the data to be collected and how it will be measured summarized in a table of operationalization.

**PURPOSE**

This explanatory research project evaluates the impact of periods of high unemployment on Social Security Disability application rates in Texas from 1990 to 2008. Also the purpose of this study is to evaluate changes in allowance rates from the Department of Assistive and Rehabilitative Services’ Department of Disability Determination (DARS DDS), as well as fraud referral from DARS DDS in Texas from 1990-2008.

II. Conceptual Framework

According to Professor Shields, empirical research surrounding explanatory conceptual frameworks can be problematic due to their implicit nature and have the potential to be buried by complicated statistical analysis. (Shields 1998, 208) This research project aims to study relationships that may appear inherent, however these connections have important social implications and impacts. The reasons why these relationships occur are what make this research important. The hypotheses focus on three major areas of concern involving unemployment, benefit denial rates, and fraudulent activities impacting an agency. The broad issue present in all three hypotheses is the behavior of individuals in society. These hypotheses question how individuals react in times of high unemployment, how street-level bureaucrats alter their decisions, and how some individuals attempt to take advantage of generous social programs. Following is a brief narrative about the concepts of the hypotheses. Next will be the conceptual framework table presenting the three hypotheses along with the supporting literature. In the literature review chapter each source is covered in more detail.

The first hypothesis will explain the relationship between periods of high unemployment and increasing disability application numbers in Texas. It is expected that there will be a significant increase in the number of disability application in Texas during periods of high unemployment. In times of high unemployment it is expected that individuals out of work will seek means to supplement their income. The concern is that increasingly people are seeking social services programs rather than employment options. A concept contributing to high unemployment rates is a decline in labor force participation. Labor force participation is defined as the share of the adult population that participates in the labor force by either working or looking for work. Juhn and Potter review the social and demographic trends that contributed to labor force participation rates in the second half of the twentieth century (2006, 27). Juhn and Potter attempt to answer the question whether workers increasingly respond to adverse labor demands by exiting the labor force all together and seek income support from programs such as Social Security Disability insurance, rather than entering unemployment. Also they question if these individuals who leave the labor force are ever induced to return to work. (2006, 28)

Along with labor force participation declining increasing application rates during times of high unemployment can be attributed to reforms in the disability program extending criteria to younger people and including more illnesses. Erkulwater writes during the 1960s “Congress raised the value of disability payments, dropped the age restriction, covered impairments that were not permanent but lasted longer than one year, reduced the length of time a worker had to be employed before he qualified”…also in 1972 “lawmakers expanded cash assistance to disabled adults and children living in poverty” (2006, 2).

**H1:** There is a positive relationship between high unemployment rates and an increase in the number of Social Security Disability applications.

The second hypothesis addresses the relationship between increasing disability applications rates in Texas during periods of high unemployment and allowance rates. It is expected that there will be a significant decrease in allowance numbers as applications increase during periods of high unemployment in Texas. The contention is that more applicants will be applying based on financial needs rather than disabling conditions. I will focus on two concepts influencing a DARS DDS Disability Examiners (DE) role as a street-level-bureaucrat. The first is administrative discretion. Street-level bureaucrats using their administrative discretion will continue to apply the policy with little regard for applicants’ employment situations during times of high unemployment. Keiser contends that street-level bureaucrats are open to influence from political officials, however they are less responsive to fiscal stress on state governments and high levels of social commitments (1999, 87). Street-level bureaucrats are public servants and their job requirements include a social commitments to assists the public. As policies and procedures are handed down from politicians and rule makers a DE must conform. However policies and procedures at DARS DDS do not become more lenient during times of high unemployment and a DE making the determination on a disability claim is almost unable to be flexible in their decision.

The second concept impacting a DE in disability claim decisions in the unbureaucratic personality. Author DeHart-Davis defines the unbureaucratic personality as a willingness to bend rules, influenced by individual and workplace attributes, defines the unbureaucratic personality. DeHart-Davis examines individual attributes such as nonconformity, risk propensity, and public service commitment. The workplace attributes suppressing unbureaucratic personalities are thought to be formalization and centralization. (2007, 892) DeHart-Davis asserts that from her research bureaucratic public servants bend rules to please their customers who are citizens requesting assistance. Also the bureaucrats apply a tremendous amount of discretion to achieve governmental results, which may include rule bending.

**H2:** There is a negative relationship between higher application numbers during periods of high unemployment and decreasing Social Security Disability

The third hypothesis is presented in the conceptual framework table is the relationship between increasing application rates in the state of Texas and the increasing number of fraud referrals from DARS DDS to the Office of the Inspector General (OIG). The goal of the Health and Human Services Commission's Office of Inspector General is to prevent and reduce waste, abuse and fraud within the Texas health and human services system. This hypothesis will explore if there is a significant increase in the number of fraud referrals from DARS DDS as application numbers increase during periods of high unemployment in Texas. “What mattered for the reform debate was not whether allegations of fraud, abuse, and perverse incentives were true. The fact that they existed at all undermined the perceived ‘deservingness’ of certain disabled beneficiaries, directing attention away from their needs and towards an inherent slipperiness of disability’s categorical boundaries.” (Erkulwater 2006, 200)

Autor asserts that at the operational level the Social Security Administration has become increasingly less effective at denying applications that fail to meet allowance criteria. (2006, 87) Also Autor cites the 1984 reforms as changing the program from a disability program to a “nonemployability” insurance program. Meaning a portion of the allowed applicants are not necessarily “disabled” with disabling medical impairments but they are not likely to find employment due to a combination of medical and vocational factors. Autor highlights a structural problem in the bureaucratic process in deflecting aggressive claimants from receiving benefits. Even with revisions to the disability allowance policy, many denied claimants or ceased beneficiaries later reapply and re-qualified for benefits under different impairments.

**H3:** There is a positive relationship between increasing application numbers and the number of fraud referrals to the Office of the inspector General (OIG).

Table 1 presents the formal hypotheses and links them to the supporting literature.

Table I Conceptual Framework Linking the Literature

|  |  |
| --- | --- |
| **Hypotheses** | **Supporting Literature** |
| **H1:** There is a positive relationship between high unemployment rates and an increase in the number of Social Security Disability applications. | **(Autor, 2006); (Bilder and Mechanic, 2003); (Bound, 1989); (Burkhauser, et al., 1999);(Juhn and Potter, 2006); (Kreider, 1999), (Lewin Group, 1988); (Marvel, 1982); (Rupp and Stapleton, 1995); (Stapleton et al., 2006), Department of Health and Human Services** |
| **H2:** There is a negative relationship between higher application numbers during periods of high unemployment and decreasing Social Security Disability allowance numbers. | **(Autor, 2006); (Bovens and Zouridis, 2002); (Burkhauser, 1999); (Bohte and Meier, 2000); (DeHart,-Davis, 2007); (Hibbeln and Shumavon, 1983);(Howards and Brehm, 1978); (Hu et al., 2001); (Keiser, 1999); (Marvel, 1982); (Rupp and Stapleton, 1995);(Sowa and Selden, 2003); (Schneider and Jacoby, 2006); (West, 1984); recessions.org, Bureau of Labor Statistics** |
| **H3:** There is a positive relationship between increasing application numbers and the number of fraud referrals to the Office of the inspector General (OIG). | **(Autor, 2006), (Bilder and Mechanic, 2003); (Bound, 1989); (Carey et al.,, 1987); (DeParle, 2004); (Erkulwater, 2006); (Howards and Brehm, 1978); (Hu et al., 2001); (Keiser, Oct. 1999), (Reisine, Fifield, 1992), (Meier May-Jun. 1997), (Rupp, Stapleton, 1995), (Stapleton et al., 2006); (Taibi, 1990), (Yelin, 1989)** |

III. Methodology

Because I am interested in finding trends in disability application rates as unemployment rates increase in Texas I will be using unemployment data as well as information from DARS DDS. Data to test the research hypotheses will be collected from existing records. Information and numbers will be examined from yearly reports to test the three hypotheses. The method of data collection will be archival record analysis from the agencies. This is the most appropriate method to address the research question because the data obtained from these reposts will provide the most accurate numerical information about unemployment rates, application numbers, and fraud referrals in the state of Texas. Each agency is responsible for compiling accurate reports based on agency outcomes and findings available to the public. This data will cover a twenty year time period in order to show trends over the years making it a longitudinal study. As defined by Babbie a longitudinal study is designed to permit observations of the same phenomena over an extended period. (2001, 102) Archival record analysis directly connects to the purpose and the framework because the trends over time will hopefully show a relationship between the components unemployment rate, application numbers, allowance numbers, and fraud referral numbers.

Table 2 Operationalization of the Hypotheses

|  |  |  |  |
| --- | --- | --- | --- |
| **Variables** | **Relationship** | **Definition** | **Data Source** |
| H1  Independent variable  1.Unemployment rate  Dependent variable  1. Social Security application numbers | **+** | 1. Unemployment rates: rate of individuals seeking employment, in the labor force, who are unemployed in Texas. 2. Social Security Disability applications: all level applications received in Texas. | United States Department of Labor: U.S. Bureau of Labor Statistics  National Longitudinal Surveys (NLS) data, from Bureau of Labor Statistics |
| H2  Independent variable  1. Unemployment rate  Dependent variable  1. Social Security Disability application allowances | **-** | 1. Unemployment rates: rate of individuals seeking employment, who are unemployed in Texas. 2. Social Security Disability allowances: applications allowed at the initial, reconsideration, and Administrative Law Judge level in Texas. | Annual Statistical Report on the Social Security Disability Insurance Program: Outcomes of Applications of Disability Beneficiaries, all adjudicative levels  United States Department of Labor: U.S. Bureau of Labor Statistics |
| H3  Independent Variable  1. Application numbers  Dependent Variables   1. Referrals received by quarter | **+** | 1. Social Security Disability applications: all initial level applications received in Texas. 2. Referrals: All referrals to the OIG for fraud investigation in Texas from DARS DDS.   Fraud referrals: Receiving more benefits than are entitled, or using those benefits in a manner not authorized by law.  **Intentional Program Violation Overpayment**  **Concealment**: Recipient knowingly misstates or conceals information in order to fraudulently receive more benefits than entitled.  **Falsification of records**: Recipient falsifies records to obtain more benefits than entitled. | Social Security Administration, Disability Research file  Office of inspector Generals Annual Reports  Joint Semi-Annual Interagency Coordination Report: Medicaid Fraud and Abuse Referrals Statistics |

Babbie defines operationalization as choosing a measurement technique and determining how the variables will be measured. Specifically “operationalization is the process of developing operational definitions, or specifying the exact operations involved in measuring a variable”. (2001, 110, G7) The variables to be operazationalized are presented in the table. H1 will measure unemployment rates and disability application rates in Texas. H2 will measure unemployment rates and the disability allowances rate of Disability Examiners in Texas. H3 will measure disability application numbers in Texas and fraud referrals from DDS. These hypotheses will attempt to establish a relationship between the two phenomenon presented in each hypotheses.

Data for H1 will be gathered from the U.S. Social Security Administration, *Annual Statistical Report on the Social Security Disability Program*, and U.S. Social Security Administration, *SSI Annual Statistical Report* from the years of 1990 to 2008. Information is collected about all Texans who are applying for disability benefits from age 18 to 64. This study will use adult applicants, considering age 18 as an adult. It will include both male and female applicants at the initial, reconsideration, and administrative level of adjudication. For the unemployment rate data will be collected from the Bureau of Labor Statistics. The Local Area Unemployment Statistic programs’ annual report will provide data about Texas unemployment rates. (<http://data.bls.gov>)

Data for H2 will be gathered from the Bureau of Labor Statistics as well. The Local Area Unemployment Statistic programs’ annual report will provide data about Texas unemployment rates. DARS DDS allowance rate information will be obtained from Department of Assistive and Rehabilitative Services Annual Reports. DARS DDS programs statistics are presented from *State Agency Operations Reports* published by SSA. (<http://www.dars.state.tx.us/reports/>) This rate will consider the percent of all cases allowed at the initial level in Texas.

Data for H3 will also come from U.S. Social Security Administration, *Annual Statistical Report on the Social Security Disability Program*, and U.S. Social Security Administration, *SSI Annual Statistical Report* from the years of 1990 to 2008. Information is collected about all Texans who are applying for disability benefits from age 18 to 64. Fraud referral information will be gathered from the *Social Security Administration Office of the Inspector Generals’* Semiannual Report to Congress. The information presented in these reports is from the Dallas and Houston investigation units, which serve all of Texas. The reports are disability investigation program results and contain allegations as well as confirmed fraud cases.

The statistical method to be implemented will be the linear regression analysis. According to Babbie the linear regression model gives way to important descriptive uses. The regression line gives a picture of the association between X and Y, the two variables to be measured. Also the regression equation is an efficient way to summarize the association. (Babbie 200, 442) Some weaknesses to this study will be gathering information as early as 1990. Annual and semiannual report availability and completion has become increasingly more sophisticated as technology has improved, however the data from the early 90s may be somewhat crude. This will be overcome by collecting information from archived records and reports at libraries as well as books and online searches. Overall this study hopes to accomplish an association useful to the DARS DDS agency by making policy writers aware of the broader issues impacting the agency.

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