

**SOCIAL SECURITY DISABILITY CLAIMS PENDING DETERMINATION:
PAST AND PROJECTED**

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This note provides information on the recent historical numbers of individuals who have applied for disability benefits administered by the Social Security Administration (SSA) and have been waiting for a determination (i.e., pending a determination). This note also provides projections of what levels of pending disability claims might be in the near future, reflecting a range of possible future levels of staffing at the State Disability Determination Services (DDS)¹ and at SSA in the Office of Hearings Operations (OHO). Our analysis includes both applicants for disability benefits paid from the Old-Age, Survivors, and Disability Insurance (OASDI) program and applicants for payments based on disability from the Supplemental Security Income (SSI) program.² All projections reflect the assumptions used for developing baseline projections in the President's Fiscal Year (FY) 2025 Budget (other than staffing levels), and the state of current law and policy at the time that the baseline projections for the Budget were developed. We thank Nancy Berryhill, John Owen, Joseph Lytle, and Florence Felix-Lawson for sharing much of the data supporting this analysis.

History: Past Experience

Figure A below presents the total number of initial disability claims received at the DDSs in each fiscal year for 2001 through 2023. From 2001 to 2004, initial disability claims rose to over 2.5 million per year due to changes in the population and the brief economic slowdown in 2001. In 2005 through 2007, the number of initial disability claims received at the DDSs remained at around 2.5 million per year. With the recession that started early in FY 2008, the number of such claims increased dramatically, reaching a peak of about 3.3 million in 2011. As the economy recovered from that recession, the number of initial disability claims received began to decline, and continued falling through 2022, to levels significantly below those in the 2005 through 2007 period. The number of receipts increased slightly in 2023 compared to 2022.

¹ All references to DDS in this note include a relatively small number of disability claims at SSA's Disability Processing Unit, Federal Disability Unit, and Extended Service Team sites.

² Includes a small number of Medicare-only claims based on end-stage renal disease or earnings covered by only the Medicare program.

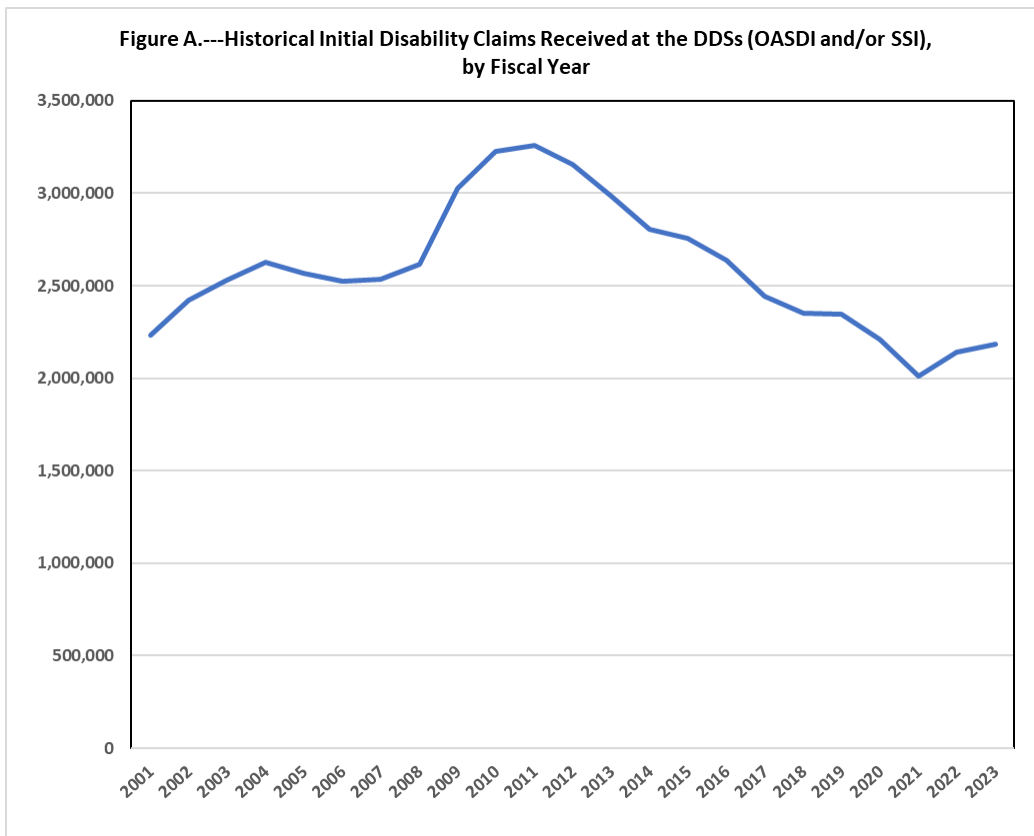
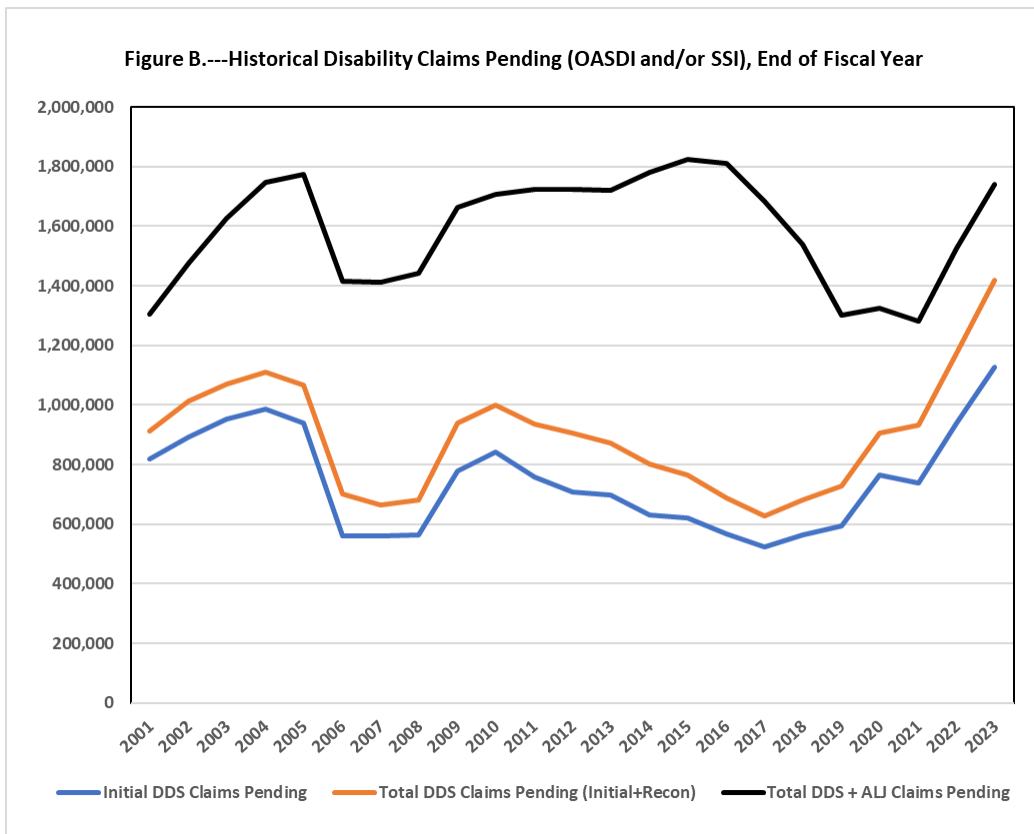
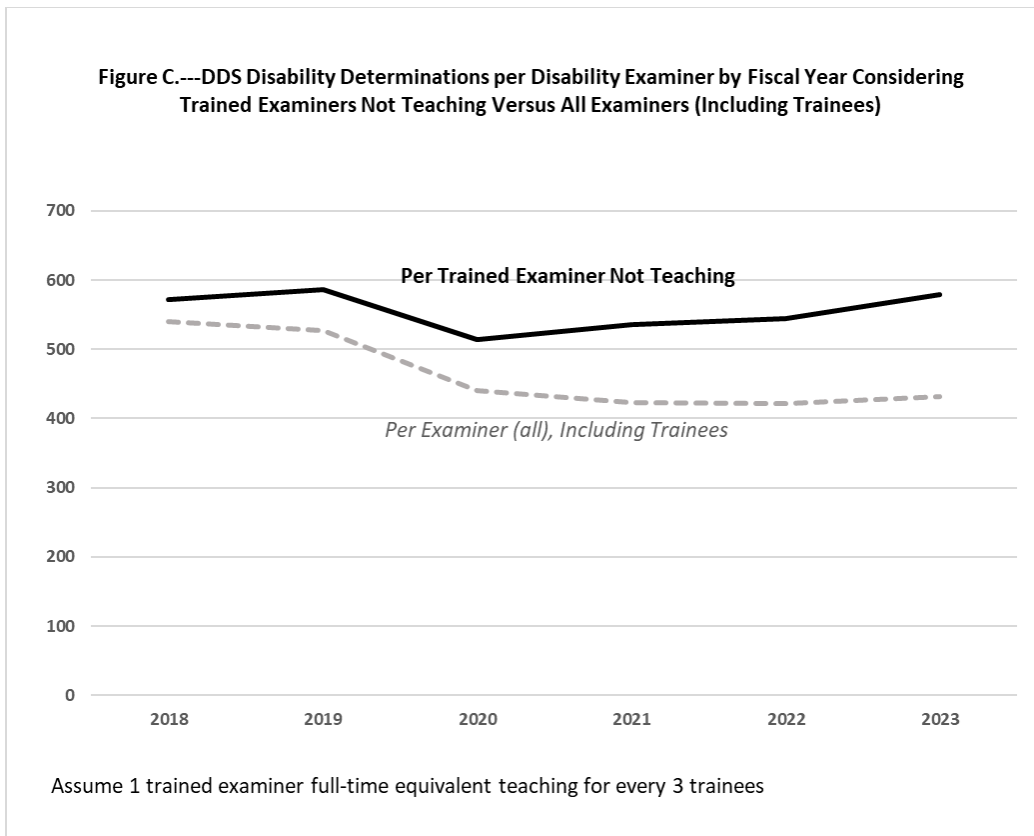


Figure B presents the number of disability claimants pending a determination at the end of each fiscal year 2001 through 2023, in various categories. The bottom (blue) line presents the number of claimants with a pending initial determination at the State DDS. The middle (orange) line includes all claimants reflected in the blue line, and also adds claimants with a pending reconsideration determination at the State DDS. Finally, the top (black) line includes all claimants reflected in the orange line, and also adds claimants with a pending determination after appealing to an administrative law judge (ALJ). In other words, the levels of the lines shown are cumulative, so the black line indicates the number of claimants at the end of each fiscal year with a pending case at any of these levels. We note that additional smaller numbers of claimants had a case pending at the subsequent Appeals Council and Federal Court levels of appeal and are not included in this analysis.



The number of claimants with an initial DDS determination pending has been in the range of 500 thousand to 1 million at the end of fiscal years 2001 through 2022, with pending claims reaching higher levels in periods of rapidly increasing disability applications resulting from economic recessions, as from 2001 to 2004 and from 2007 to 2010.

However, the recent rise in cases pending an initial DDS determination after 2019, reaching over 1 million for the first time in 2023, is not due to increased initial applications or to an economic downturn. Initial disability applications received in 2023 were about 7 percent lower than received in 2019. The rise in the number of cases pending an initial DDS determination was also not the result of reduced productivity by DDS disability examiners (DE) in this period. In fact, the number of annual determinations made by fully trained DDS examiners who were not engaged in training newly hired examiners was slightly higher in 2023 than in 2018, as shown in Figure C below. For the purpose of this analysis, we define newly hired examiners as those with less than one full year since being hired.



While the total number of DDS examiners was essentially the same in 2018 and 2023, the percent of those total examiners who were trained (for a full year) and not required to train newly hired examiners dropped from 94.4 percent in 2018 to 74.6 percent in 2023, as shown in the table below. The 20-percent reduction in total DDS determinations from 2018 to 2023, including reconsideration determinations and medical continuing disability reviews, resulted from the 21-percent drop in trained examiners not teaching (i.e., training newly hired examiners).

DDS Determinations, Examiners, and Determinations per Examiner

Fiscal Year	DDS Case Determinations	DDS Disability Examiners, Average in Year						Determinations per Examiner Year		
		Trainees	Trained Examiners			Total Examiners	Total	Trained Not Teaching		
			Total Trained	Not Teaching	Not Teaching %			Trained	Not Teaching	
2018	3,789,764	296	6,725	6,627	94.4%	7,021	540	564	572	
2019	3,609,797	515	6,327	6,155	90.0%	6,842	528	571	586	
2020	3,069,049	755	6,225	5,973	85.6%	6,979	440	493	514	
2021	3,057,595	1,136	6,082	5,704	79.0%	7,218	424	503	536	
2022	2,992,667	1,195	5,893	5,494	77.5%	7,088	422	508	545	
2023	3,040,154	1,340	5,699	5,252	74.6%	7,039	432	533	579	

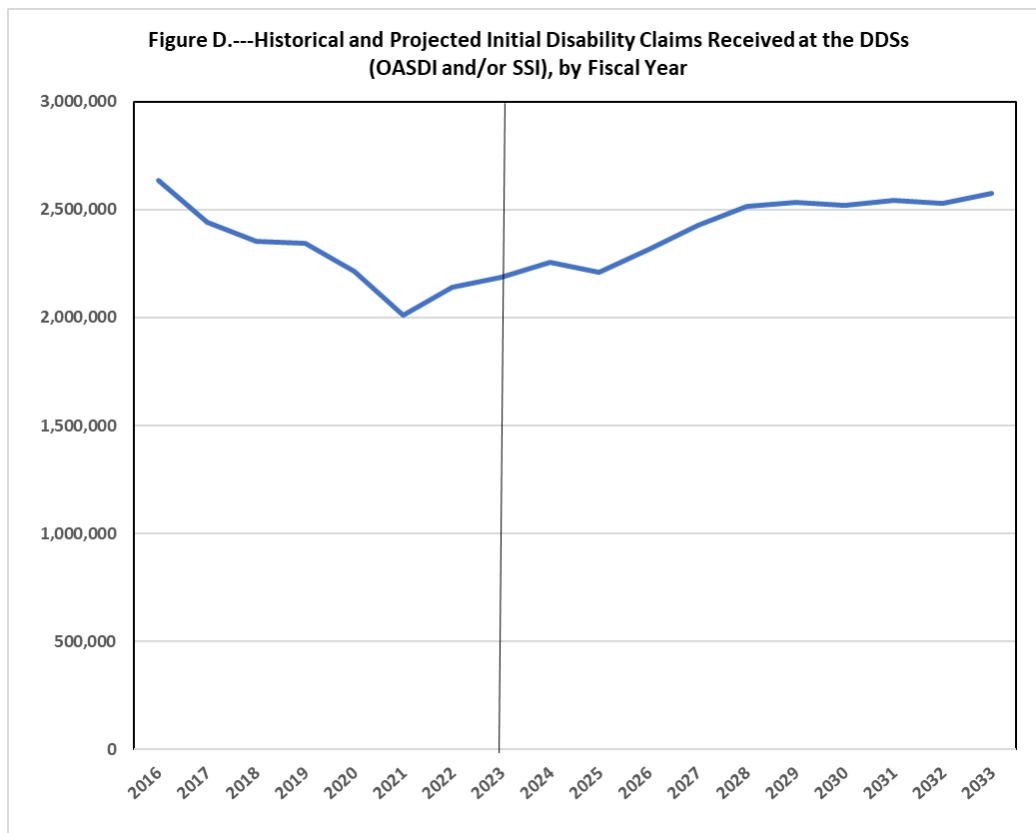
Note: Assumes 1 trained examiner is teaching for every 3 trainees.

The increase in claimants pending an initial DDS determination therefore appears to be due to the relatively low retention rate of State DDS disability examiners since 2018. This matter is being explored and addressed by SSA. Recent levels of disability claims pending at the reconsideration level have also been increasing for similar reasons. Disability claims pending at

the ALJ appeals level remain relatively low, due to the low levels of determinations at the reconsideration level limiting the number of appeals to an ALJ.

Projections: Three Scenarios

The future trend in cases pending at these three levels of disability adjudication (initial, reconsideration, and ALJ) will depend on the level of initial applications, the numbers and productivity of trained DDS examiners and ALJs, and the criteria involved in disability determinations. For the purpose of projections in the President’s Budget, the annual Social Security Trustees Report³, and the SSI Annual Report⁴, we have generally assumed that SSA and the States will be able to hire, train, and retain sufficient staff to make disability determinations without excessive delays that would lead to large numbers of pending cases. However, given the recent experience, it is useful to explore hypothetical scenarios in which this objective might not be met. For this purpose, we have developed estimates of future case pending levels under three different scenarios for future staffing levels of DDS examiners and ALJs and their productivity. All three scenarios use the projected levels of future initial disability claims through 2033 that were used in the FY 2025 President’s Budget. The figure below illustrates the assumed increase from 2023 through 2033.



³ See <https://www.ssa.gov/OACT/TR/2024/index.html> for the 2024 Trustees Report.

⁴ See <https://www.ssa.gov/OACT/ssir/SSI23/index.html> for the 2023 SSI Annual Report.

Scenario 1: Improved Productivity, Maintain 2023 Staffing Level

In Scenario 1, we assume that the total number of DDS DEs will be maintained at the 2023 level, but that retention will improve gradually so that the percent of examiners who are trained and not teaching increases to 81 percent for 2027 and to 87 percent for 2031 and thereafter. In addition, we assume that annual hearings completed per ALJ will increase by a cumulative 30 percent by 2033 from the low level in 2023 (which was due to the diminished numbers of appeals as pending cases at the DDS rose).

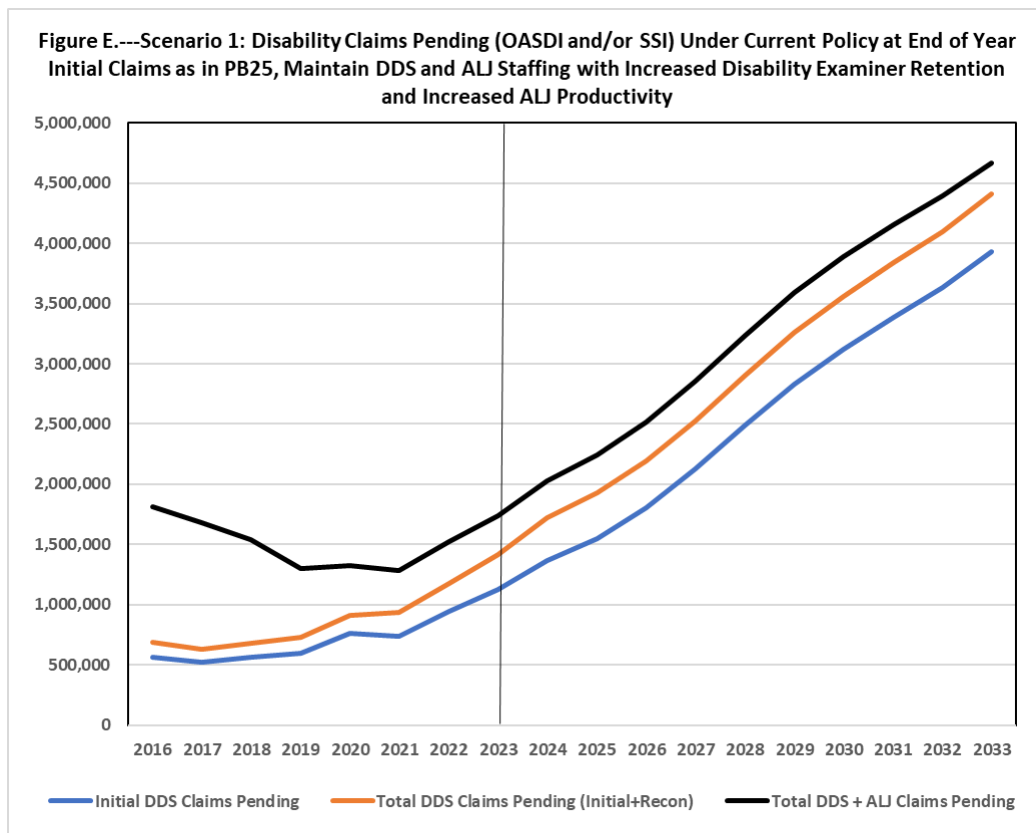
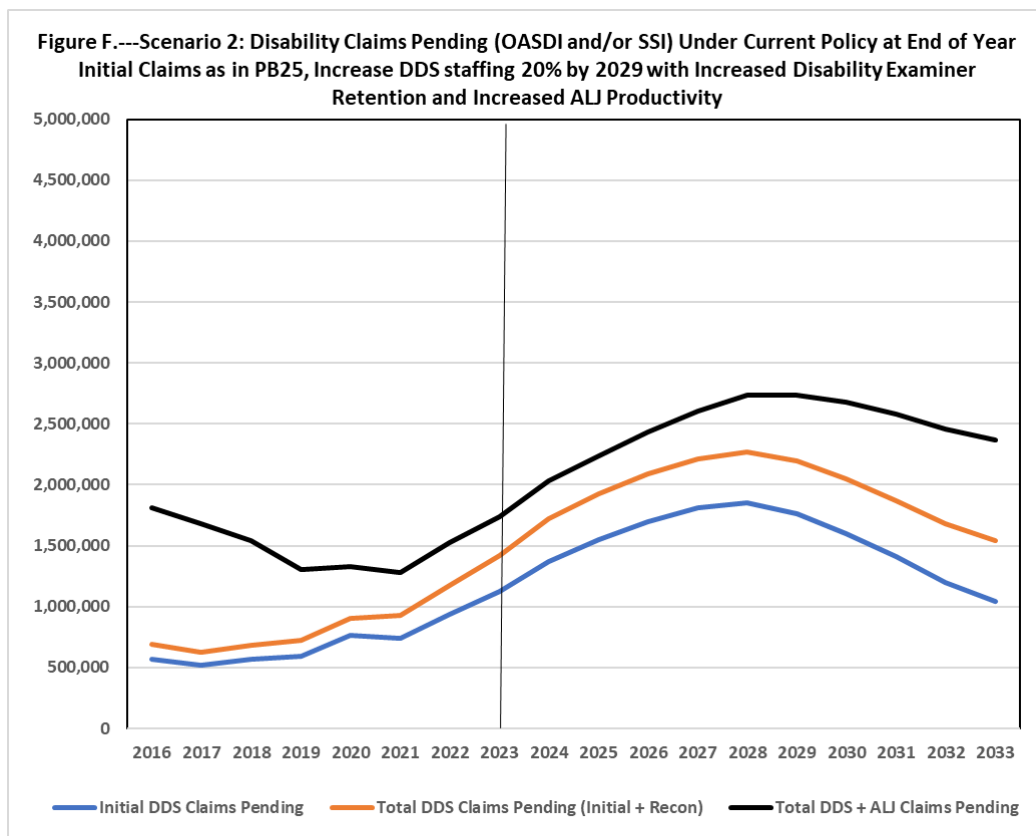


Figure E above can be compared to the earlier figure B. The blue, orange, and black lines shown for the historical experience for fiscal years 2016 through 2023 are the same for both figures. Figure E then extends the historical experience, showing projections through 2033 under the Scenario 1 assumptions laid out above. Under these assumptions for Scenario 1, the annual level of initial disability determinations would increase by 15 percent from 2023 to 2033, but the level of pending initial claims would rise by 249 percent. The level of reconsideration determinations would rise by 28 percent, but cases pending at reconsideration would increase by 65 percent from 2023 to 2033. In addition, the annual level of ALJ hearings completed would rise by 30 percent from 2023 to 2033, but the average number of cases with an ALJ hearing pending would increase by 79 percent. Thus, even with these increases assumed for the productivity of DDS examiners and ALJs at current staffing levels, the level of pending claims at the DDS and ALJ levels of adjudication combined would increase by 168 percent from 2023 to 2033, using the President’s Budget assumption of a 17.8 percent increase in the level of annual receipts of initial applications from 2023 to 2033.

Scenario 2: Improved Productivity, Increase DDS Staffing, but Maintain ALJ Staffing at 2023 Level

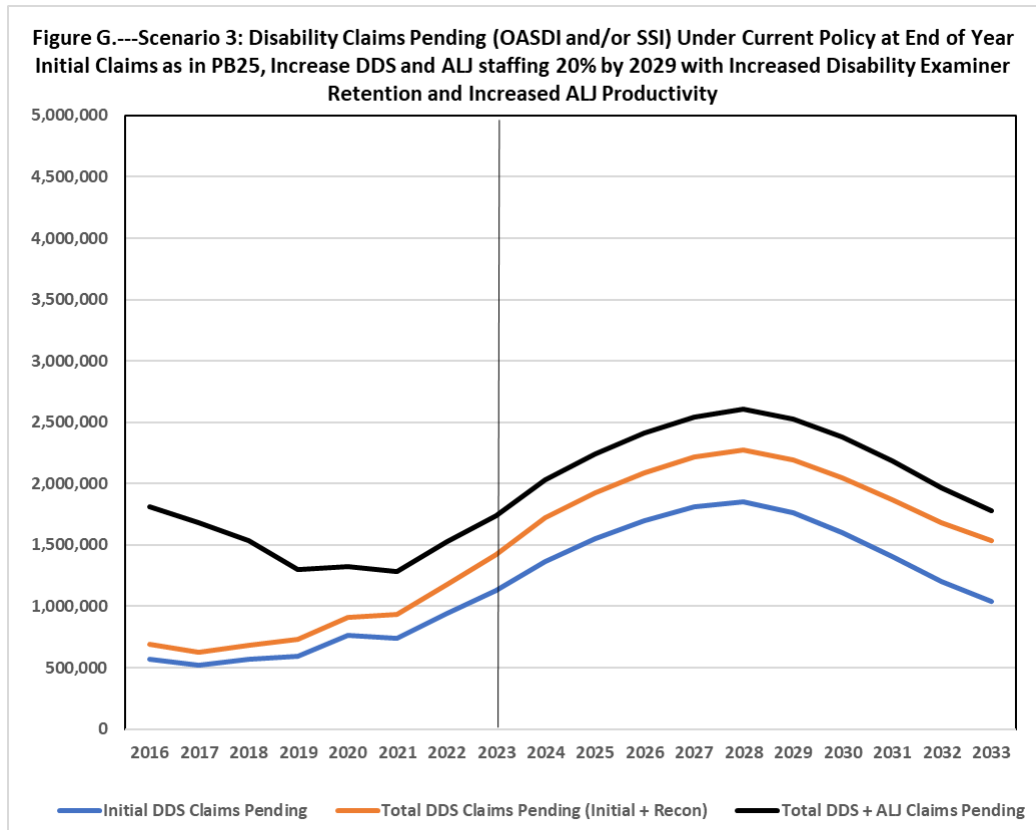
In Scenario 2, we explore an alternative that retains the assumed improvement in DDS examiner retention and ALJ productivity from Scenario 1, but increases the assumed level of DDS examiner staffing by a cumulative 20 percent gradually from 2025 to 2029, and retains that higher assumed staffing through 2033. Under these assumptions for Scenario 2, DDS initial pending cases rise more slowly than in Scenario 1 through 2027, and by 2028, the number of DDS initial pending cases begins to decline. This results in somewhat elevated levels of pending cases at the reconsideration and ALJ appeal levels, but lower overall cases pending a determination. Figure F below presents our estimates under the assumptions for Scenario 2.



Under Scenario 2, the annual level of initial disability determinations would increase by 39 percent from 2023 to 2033, and the level of pending initial claims would decline by 7 percent over the same period. The level of reconsideration determinations would rise by 53 percent, but cases pending at reconsideration would increase by 71 percent from 2023 to 2033. In addition, the annual level of ALJ hearings completed would rise by 30 percent from 2023 to 2033, but the number of cases with an ALJ hearing pending would increase by 158 percent. Thus, with the increases assumed for the productivity of DDS examiners and ALJs, along with a 20-percent increase in DDS staffing, the level of pending claims at the DDS and ALJ levels of adjudication combined would increase by 36 percent from 2023 to 2033, using the President’s Budget assumption of a 17.8 percent increase in the level of annual receipts of initial applications from 2023 to 2033.

Scenario 3: Improved Productivity, Increase DDS and ALJ Staffing

In Scenario 3, we explore an alternative that retains the assumed improvement in DDS examiner retention and ALJ productivity from Scenarios 1 and 2, but increases the assumed levels of both DDS examiner staffing and ALJ staffing by a cumulative 20 percent gradually from 2025 to 2029, and retains that higher assumed staffing through 2033. Under these assumptions for Scenario 3, the rise in DDS initial pending cases reverses by 2028, resulting in somewhat elevated levels of appeals at the reconsideration and ALJ appeal levels. Figure G below presents our estimates under the assumptions for Scenario 3.



Under Scenario 3, the annual level of initial disability determinations would increase by 39 percent from 2023 to 2033, and the level of pending initial claims would decline by 7 percent. The level of reconsideration determinations would rise by 53 percent, but cases pending at reconsideration would increase by 71 percent from 2023 to 2033. In addition, the annual level of ALJ hearings completed would rise by 57 percent from 2023 to 2033, but the number of cases with an ALJ hearing pending would increase by 75 percent. Thus, with these increases assumed for the productivity of DDS examiners and ALJs, along with a 20 percent increase in both DDS and ALJ staffing, the level of pending claims at the DDS and ALJ levels of adjudication combined would increase by just 2 percent from 2023 to 2033, using the President’s Budget assumption of a 17.8 percent increase in the level of annual receipts of initial applications from 2023 to 2033.

Conclusion

Under the initial disability claim assumptions used for the President's FY 2025 Budget and the state of current law and policy at the time that the baseline projections for the Budget were developed, the analysis presented in this note indicates that the increases in disability claims pending a determination that have been observed for 2019 through 2023 would be expected to continue thereafter through 2033, in the absence of changes in staffing levels of DDS examiners and ALJs. This conclusion holds even with assumed improvements in disability examiner retention and the expected increase in ALJ productivity, which has been reduced recently by the diminished numbers of appeals.

However, with a 20 percent increase in DDS and ALJ staffing phased in over 2025 through 2029 and retaining those levels thereafter, along with the assumed improvements in retention and productivity, the total level of disability claims pending a determination at the DDS and ALJ levels of adjudication could be brought to about the same level as in 2023 by 2033, with the level of total cases pending still declining at that time. In addition, this effect could be accelerated by earlier and/or greater increases in staffing, changes in disability process, or changes in disability criteria that could simplify determinations, requiring less staff time. Many changes in the process and adjudication criteria have been discussed and considered recently. These changes in process and adjudication criteria, plus potential staffing enhancements, offer a path to reducing pending levels in the future.