The Honorable Mark P. Begich  
United States Senate  
Washington, DC 20510

Dear Senator Begich:

Thank you for your April 30, 2014 follow-up letter regarding the allowance rates at the Anchorage, Alaska Hearing Office. I appreciate your interest in our hearing process and share your concern that qualified claimants who meet the disability requirements under the law receive benefits to which they are entitled.

In your letter, you requested an analysis of reasons for the allowance rate at our Anchorage Hearing Office. You also requested that we monitor administrative law judges (ALJ) whose decisional records deviate significantly from the mean to ascertain whether their decisions comply with agency policy. We are currently reviewing the data available so we can provide you with more detailed information. As part of this review, Chief Administrative Law Judge Debra Bice plans to visit the Anchorage Hearing Office in July 2014. We will share additional information with your staff following that visit.

As stated in our June 20, 2013 response to you, we note that Alaska’s disability determination services (DDS) has a higher than average allowance rate at the initial and reconsideration levels of review. This fiscal year (FY) to date, the Alaska DDS has allowed 44.4 percent of the disability claims it has received, which is approximately 12.3 percent higher than the national average of 32.1 percent. This data suggests that allowances are issued earlier in the disability process in Alaska. This higher allowance rate at the Anchorage DDS may partially account for the Anchorage Hearing Office’s lower than average allowance rate.

Each case before an ALJ is unique. We expect all ALJs to deliver legally supportable, policy compliant decisions. We do not establish numeric targets for allowance rates. While we acknowledge that both ALJs in the Anchorage Hearing Office have allowance rates that are lower than the national average, an ALJ’s lower allowance rate does not necessarily indicate that the ALJ is denying benefits to qualified claimants. An ALJ may have a high or low allowance rate while his or her decisions still comply with our policies.

You correctly noted that the Anchorage Hearing Office allowance rate for FY 2014 to date is 14 percent, which is a decrease from the 18 percent allowance rate in FY 2013. However, because ALJs have qualified decisional independence, allowance rates can fluctuate each year. Similarly, an office’s dismissal rates can vary year-to-year. Thus far in FY 2014 through May 2014, the office’s dismissal rate has remained at 29 percent. Despite the office’s low allowance rate, the Anchorage ALJ’s agree rate with the Appeals Council (AC) is 88 percent. As
mentioned in my previous response, the agree rate is the rate at which the AC does not find a basis for granting review of ALJ decisions.

I hope this information on our review of the Anchorage Hearing Office is helpful to you. If I may be of further assistance, or if you would like a briefing on the issues addressed in this letter, please do not hesitate to contact me, or your staff may contact Scott Frey, our Deputy Commissioner for Legislation and Congressional Affairs, at (202) 358-6030.

Sincerely,

Carolyn W. Colvin
Acting Commissioner