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

Dear Senator Begich:

Thank you for your May 20, 2013 letter concerning the allowance rates at our Anchorage, Alaska Hearing Office. In your letter, you asked us to explain why the Anchorage Hearing Office’s allowance rate is lower than the national average. I share your commitment to ensuring that our hearing system is fair and effective, and I welcome the opportunity to respond.

Despite the fact that the Anchorage Hearing Office’s allowance rates were closer to the national averages in the previous two fiscal years, you are correct that the office’s allowance rate is lower than the national average through the first half of fiscal year 2013. Many factors could contribute to a variance in allowance rates, especially when reviewing a small number of cases (only 245) over a relatively short period (only six months). Factors such as the local job market, access to health care, the age and educational attainment of the applicants during a particular time, and the access to disability accommodations in the local area may contribute to such variations.

A possible contributing factor is the higher-than-average percentage of allowances at the Alaska disability determination services (DDS), which decides disability initial and first-level appeal cases. This fiscal year, the Alaska DDS has allowed 48.5 percent of the disability claims it has received. This allowance rate is approximately 16 percent higher than the national average, indicating that in Alaska, for this period, we made more allowance decisions at earlier points in the disability claims process.

It is also true that so far in this fiscal year, the Anchorage Hearing Office dismissed roughly 28 percent of the hearing requests it received and that the national average is 18 percent. However, in 82 percent of the Anchorage dismissals, the claimant either abandoned the claim or withdrew the hearing request—events not within a hearing office’s control.

As you know, we do not require judges to meet any particular approval/disapproval percentage; the regulations do not permit our agency to do so. The administrative law judges (ALJ) must decide each case on its own merits and on the available evidence. In reviewing our information, we have no indication of bias with regard to the ALJs at the Anchorage Hearing Office. The Appeals Council (AC) agree rate, the rate at which the AC does not find a basis for granting review of ALJ decisions, supports this conclusion. For the Anchorage Hearing Office, the agree rate is 82.9 percent over the last 13 months, almost exactly the national average of 83.0 percent.
I also want to share some information on another subject. As a follow up to our discussion at the May 22, 2013 Senate Appropriations Committee roundtable on the backlog of disability claims at the Department of Veterans Affairs (VA), I want to explain some of the differences between the VA disability compensation program and our disability programs. In general, the VA compensates former service members for loss related to their service, regardless of ability to work. On the other hand, we pay Social Security Disability Insurance benefits to insured individuals who are unable to engage in any substantial gainful activity (i.e., perform significant activities in work) due to a medically determinable physical or mental impairment that has lasted or is expected to last at least one year or result in death. Given the differences between the programs, it is possible that a veteran with a 100 percent service-connected disability may not meet the requirements of our program.

I hope the information I have provided is helpful. If I may be of further assistance, 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