

103^D CONGRESS
1ST SESSION

H. R. 3487

To amend the Social Security Act to improve review procedures (particularly those involved in the disability determination process) under the OASDI, SSI, and medicare programs by making such procedures more cost-effective and by providing greater equity and efficiency for claimants and beneficiaries.

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 10, 1993

Mr. ARCHER introduced the following bill; which was referred jointly to the Committees on Ways and Means, Post Office and Civil Service, and Energy and Commerce

A BILL

To amend the Social Security Act to improve review procedures (particularly those involved in the disability determination process) under the OASDI, SSI, and medicare programs by making such procedures more cost-effective and by providing greater equity and efficiency for claimants and beneficiaries.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 This Act may be cited as the “Social Security Proce-
5 dural Improvements Act of 1993”.

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1 TITLE I—IMPROVEMENTS IN ADMINISTRATIVE
2 DETERMINATIONS OF DISABILITY ENTI-
3 TLEMENTS

4 **SEC. 101. AUTHORITY FOR THE SECRETARY OF HEALTH**
5 **AND HUMAN SERVICES TO ASSUME FROM**
6 **STATES THE DISABILITY DETERMINATION**
7 **FUNCTION.**

8 (a) AMENDMENTS TO PROVISION DELEGATING TO
9 STATES THE DISABILITY DETERMINATION FUNCTION.—
10 Section 221(a)(1) of the Social Security Act (42 U.S.C.
11 421(a)(1)) is amended—

12 (1) by striking clause (A) of the first sentence
13 and inserting the following: “(A) the Secretary has
14 not assumed the disability determination function
15 from the State under subsection (b)(1), and”; and

1 (2) by striking “makes the finding described in
2 clause (A)” in the second sentence and inserting
3 “assumes the disability determination function from
4 the State as described in clause (A)”.

5 (b) AUTHORITY OF THE SECRETARY TO ASSUME
6 FUNCTION.—Section 221(b)(1) of such Act (42 U.S.C.
7 421(b)(1)) is amended to read as follows:

8 “(b)(1) The Secretary, in his or her discretion, may
9 at any time assume the disability determination function
10 from any State in order to assure the effective, equitable,
11 and uniform administration of the program. Determina-
12 tions by the Secretary pursuant to the assumption of such
13 function under this paragraph shall not be made earlier
14 than 180 days after the date on which the Secretary noti-
15 fies the State of his or her intention to assume the func-
16 tion unless the Secretary and the State agree upon an ear-
17 lier date.”.

18 (c) TREATMENT OF STATE EMPLOYEES AFFECTED
19 BY ASSUMPTION OF FUNCTION BY THE SECRETARY.—
20 Section 221(b)(3) of such Act (42 U.S.C. 421(b)(3)) is
21 amended—

22 (1) by striking subparagraph (B); and

23 (2) by striking “(3)(A) The Secretary” and all
24 that follows down through “from a State agency”
25 and inserting the following:

1 “(3)(A) In any case where the Secretary notifies a
2 State of his or her intention to assume the disability deter-
3 mination function from such State under paragraph (1)
4 or where a State notifies the Secretary under paragraph
5 (2) that it no longer wishes to exercise such function, sec-
6 tion 102 of the Social Security Procedural Improvements
7 Act of 1993 shall apply with respect to the positions of
8 persons employed by the State in the disability determina-
9 tion process under this section, and with respect to the
10 persons holding those positions, in the manner and to the
11 extent provided in such section 102; except that in a case
12 where the notification involved is given by the State under
13 paragraph (2) the Secretary may elect to apply subpara-
14 graph (B) of this paragraph instead of such section 102.

15 “(B) If the notification involved is by a State under
16 paragraph (2) and the Secretary elects to apply this sub-
17 paragraph instead of section 102 of the Social Security
18 Procedural Improvements Act of 1993, the Secretary shall
19 develop and initiate all appropriate procedures to imple-
20 ment a plan with respect to the assumption by the Sec-
21 retary of the disability determination function from the
22 State”.

23 (d) CONFORMING AMENDMENT.—Section 221(g) of
24 such Act (42 U.S.C. 421(g)) is amended by striking “or
25 which has been found by the Secretary” and all that fol-

1 lows down through “guidelines,” and inserting “or in
2 which the Secretary has assumed the disability determina-
3 tion function under subsection (b)(1) or (b)(2),”.

4 **SEC. 102. CONVERSION TO FEDERAL EMPLOYMENT OF**
5 **STATE EMPLOYEES WHOSE DISABILITY DE-**
6 **TERMINATION FUNCTION IS ASSUMED BY**
7 **SECRETARY.**

8 (a) IN GENERAL.—Except as provided in this section
9 and in the amendments made by section 101, and notwith-
10 standing any law, rule, regulation, or decision to the con-
11 trary, the positions of persons permanently employed by
12 a State in the disability determination process under sec-
13 tion 221 of the Social Security Act (42 U.S.C. 421) which
14 exist on the day the Secretary notifies the State of his
15 or her intention to assume the disability determination
16 function from such State under subsection (b)(1) of such
17 section or the State notifies the Secretary of Health and
18 Human Services under subsection (b)(2) of such section
19 that it no longer wishes to exercise such function, which
20 are continued by the State from the day of such notifica-
21 tion until the day before the assumption of such function
22 by the Secretary, and which the Secretary determines are
23 affected by such assumption, and the persons holding
24 those positions on that day, shall, on and after the effec-
25 tive date of such assumption, be considered (unless sub-

1 section (b)(3) of such section applies) to be positions in
2 and employees of the Department of Health and Human
3 Services and employees of the United States to the same
4 extent as other positions in and employees of such Depart-
5 ment.

6 (b) CREDITING OF STATE SERVICE.—

7 (1) IN GENERAL.—All service of an employee
8 whose position is converted under subsection (a),
9 performed for the State by which he or she was em-
10 ployed on the day before the effective date of such
11 conversion and otherwise creditable under an em-
12 ployee retirement system of (or plan sponsored by)
13 such State, shall be included and credited in the de-
14 termination of his or her length of service as a Fed-
15 eral employee for purposes of leave, Federal employ-
16 ees' pay, group life and health insurance, severance
17 pay, tenure, and status.

18 (2) CREDITING OF LEAVE.—Annual leave (not
19 in excess of 240 hours), and sick leave, to which an
20 employee whose position is converted under sub-
21 section (a) was entitled on the day before the effec-
22 tive date of such conversion, shall be credited to
23 such employee in his or her new position.

24 (c) RETIREMENT.—

1 (1) IN GENERAL.—Except as provided in sub-
2 section (d)(1), every person whose position is con-
3 verted under subsection (a) shall be automatically
4 covered by chapter 84 of title 5, United States Code,
5 beginning on the effective date of such conversion.

6 (2) CREDITING OF STATE SERVICE.—

7 (A) IN GENERAL.—Subject to subpara-
8 graph (B), service of any person whose position
9 is converted under subsection (a), performed for
10 the State by which such employee was employed
11 on the day before the effective date of the con-
12 version and otherwise creditable under an em-
13 ployee retirement system of (or plan sponsored
14 by) such State, shall be considered “creditable
15 service” for purposes of the Federal Employees’
16 Retirement System, in accordance with section
17 8411(b)(5) of title 5, United States Code.

18 (B) ANY STATE RETIREMENT REFUND
19 MUST BE PAID INTO THE CIVIL SERVICE RE-
20 TIREMENT AND DISABILITY FUND.—In the case
21 of any person who has made contributions to an
22 employee retirement system of (or plan spon-
23 sored by) the State and who under applicable
24 State law would be entitled upon the conversion
25 to request and receive a refund of such con-

1 tributions, subparagraph (A) shall not apply
2 unless (under arrangements satisfactory to the
3 Director of the Office of Personnel Manage-
4 ment) such person requests and receives such
5 refund and pays it into the Civil Service Retire-
6 ment and Disability Fund or the State trans-
7 fers the full amount thereof directly to such
8 Fund. The Director may enter into such ar-
9 rangements as may be necessary to carry out
10 this subparagraph with respect to any person
11 who, with the consent of the State concerned,
12 is allowed to remain covered by a State retire-
13 ment system (or plan) after the conversion of
14 such person's position under subsection (a).

15 (3) ELECTION TO CONTRIBUTE TO THE THRIFT
16 SAVINGS FUND.—

17 (A) IN GENERAL.—Any person who be-
18 comes subject to chapter 84 of title 5, United
19 States Code, under paragraph (1) shall, under
20 regulations prescribed by the Executive Direc-
21 tor of the Federal Retirement Thrift Invest-
22 ment Board, be eligible to contribute to the
23 Thrift Savings Fund beginning not later than 6
24 months after so becoming subject to such chap-
25 ter.

1 (B) TERMS AND CONDITIONS OF PARTICI-
2 PATION.—The terms and conditions governing a
3 person’s participation in the Thrift Savings
4 Plan pursuant to this paragraph shall be the
5 same as those applicable to any other employee
6 of the Department of Health and Human Serv-
7 ices under chapter 84 of title 5, United States
8 Code. Nothing in the preceding sentence shall
9 be considered to authorize any Government con-
10 tributions under section 8432(c) of such title
11 for any period before the period in which the
12 person first becomes eligible to begin contribut-
13 ing to the Thrift Savings Fund.

14 (d) CONTINUED COVERAGE UNDER STATE RETIRE-
15 MENT ARRANGEMENTS IN LIEU OF FEDERAL COV-
16 ERAGE.—

17 (1) ELECTION.—Notwithstanding subsection
18 (a), a person whose position is converted under such
19 subsection, and who on the day before the effective
20 date of such conversion has attained age 50 and has
21 performed at least 5 years of service creditable
22 under an employee retirement system of (or plan
23 sponsored by) the State concerned, may elect, not
24 later than the effective date of such conversion, to
25 be excluded from the application of subsection (c)

1 and, with the consent of the State, to remain cov-
2 ered by the employee retirement system of (or plan
3 sponsored by) the State.

4 (2) AUTHORITY FOR FEDERAL PAYMENT OF
5 EMPLOYER CONTRIBUTIONS FOR PERSONS ELECTING
6 TO REMAIN COVERED BY A STATE SYSTEM OR
7 PLAN.—In the case of any person who files a valid
8 election under paragraph (1) to remain covered by
9 an employee retirement system of (or plan sponsored
10 by) a State, the United States may pay the amount
11 of the employer's contributions to that system (or
12 plan) that become due for periods beginning on or
13 after the effective date of the conversion under this
14 title. However, such payment by the United States
15 may not exceed the amount which the employing
16 agency would otherwise contribute on behalf of the
17 person to the Civil Service Retirement and Disability
18 Fund under section 8334(a) of title 5, United States
19 Code. Notwithstanding any other provision of law,
20 service covered by a valid election filed by any per-
21 son under paragraph (1) shall not be credited or
22 taken into account in determining such person's eli-
23 gibility for (or the amount of) any rights, payments,
24 benefits, or privileges to which retired civilian em-
25 ployees of the United States may be entitled by rea-

1 son of Federal civilian service (other than under the
2 Social Security Act, if applicable).

3 (e) ASSIGNMENT OF FEDERAL PAY RATES.—The
4 Secretary of Health and Human Services shall fix the rate
5 of basic pay of positions converted under subsection (a)
6 in accordance with the General Schedule set forth in sec-
7 tion 5332, or under the appropriate prevailing rate sched-
8 ule in accordance with section 5341, of title 5, United
9 States Code, as applicable (or, for any position classified
10 above GS–15 pursuant to section 5108 of such title, in
11 accordance with section 5376 of such title). In fixing such
12 rate—

13 (1) if the person is receiving a rate of basic pay
14 which is less than the minimum rate of the appro-
15 priate grade of the General Schedule, or which is
16 less than the minimum rate of the appropriate grade
17 or compensation level of the appropriate prevailing
18 rate schedule, as applicable, in which his or her posi-
19 tion is placed (or, in the case of a person whose po-
20 sition is classified above GS–15, less than the mini-
21 mum rate required under section 5376(b)(1)(A) of
22 such title), such person’s basic pay shall be in-
23 creased to that minimum rate;

24 (2) if the person is receiving a rate of basic pay
25 which is equal to a rate of the appropriate grade or

1 pay level under the appropriate prevailing rate
2 schedule, as applicable, in which his or her position
3 is placed, such person shall receive basic pay at that
4 rate of the General Schedule, or at that rate under
5 the prevailing rate schedule, as applicable;

6 (3) if the person is receiving a rate of basic pay
7 which is between two rates of the appropriate grade
8 of the General Schedule, or which is between two
9 rates of the appropriate grade or pay level under the
10 appropriate prevailing rate schedule, as applicable,
11 in which his or her position is placed, such person
12 shall receive basic pay at the higher of those two
13 rates under the General Schedule or appropriate
14 prevailing rate schedule, as applicable; and

15 (4) if the person is receiving a rate of basic pay
16 which is in excess of the maximum rate of the ap-
17 propriate grade of the General Schedule, or which is
18 in excess of the maximum rate of the appropriate
19 grade or pay level of the appropriate prevailing rate
20 schedule, as applicable, in which his or her position
21 is placed (or, in the case of a person whose position
22 is classified above GS-15, in excess of the maximum
23 rate allowable under section 5376(b)(1)(B) of such
24 title), such person shall continue to receive basic pay
25 without change in rate until—

1 (A) he or she leaves that position, or

2 (B) he or she is entitled to receive basic
3 pay at a higher rate,

4 but, when any such position becomes vacant, the
5 rate of basic pay of any subsequent appointee there-
6 to shall be fixed in the manner provided by applica-
7 ble law and regulation.

8 (f) CONVERSION NOT TREATED AS TRANSFER OR
9 PROMOTION.—The conversion of positions and employees
10 to the appropriate grades of the General Schedule set
11 forth in section 5332 of title 5, United States Code, and
12 the initial adjustment of rates of basic pay of those posi-
13 tions and persons provided for by this section, shall not
14 be considered to be transfers or promotions within the
15 meaning of section 5334(b) of such title 5 and the regula-
16 tions issued thereunder.

17 (g) CREDITING OF EARNED PROSPECTIVE PAY IN-
18 CREASE.—Each person performing service for a State on
19 the effective date of this title whose position is converted
20 under this section to the General Schedule set forth in
21 section 5332 of title 5, United States Code, or to the ap-
22 propriate prevailing rate schedule, as applicable, and who
23 prior to the initial adjustment of his or her rate of basic
24 pay under subsection (e) has earned, but has not been
25 credited with, an increase in that rate, shall be granted

1 credit for such increase before his or her rate of basic pay
2 is initially adjusted under that subsection.

3 (h) CREDITING OF SATISFACTORY SERVICE.—Each
4 person performing service for a State on the effective date
5 of this title whose position is converted under this section
6 to the General Schedule set forth in section 5332 of title
7 5, United States Code, or to the appropriate prevailing
8 rate schedule, as applicable, shall be granted credit, for
9 purposes of his or her first step increase under the General
10 Schedule or prevailing rate schedule, for all satisfactory
11 service performed since his or her last increase in pay
12 prior to the initial adjustment of his or her rate of basic
13 pay under subsection (e).

14 (i) TREATMENT OF CONVERSION PAY INCREASE IN
15 RELATION TO GENERAL SCHEDULE STEP INCREASES.—
16 An increase in rate of basic pay by reason of the enact-
17 ment of subsection (e) shall not be considered to be an
18 equivalent increase with respect to step increases for per-
19 sons whose positions are converted to the General Sched-
20 ule set forth in section 5332 of title 5, United States Code,
21 or the appropriate prevailing rate schedule, under author-
22 ity of this section.

23 (j) TRANSFERS TO THE CIVIL SERVICE RETIREMENT
24 AND DISABILITY FUND.—

1 (1) TRANSFERS.—There shall be transferred
2 periodically to the Civil Service Retirement and Dis-
3 ability Fund in accordance with paragraph (2), from
4 the Federal Old-Age and Survivors Insurance Trust
5 Fund, the Federal Disability Insurance Trust Fund,
6 and the general fund in the Treasury, such sums as
7 the Director of the Office of Personnel Management
8 deems necessary for any fiscal year and so certifies
9 to the Managing Trustee of the Trust Funds, on ac-
10 count of—

11 (A) any annuities or survivor annuities
12 which are paid or are to be paid during such
13 fiscal year from such Retirement and Disability
14 Fund under subchapter II, IV, or V of chapter
15 84 of title 5 of the United States Code and
16 which are payable, or the amount of which is
17 increased, by reason of the inclusion and credit-
18 ing (for Federal retirement or disability pur-
19 poses) of State service under subsection (c)
20 (and the amendments made by subsection (k)),

21 (B) the additional administrative expenses
22 resulting or expected to result therefrom, and

23 (C) any loss of interest to such Retirement
24 and Disability Fund resulting from the pay-
25 ment of such annuities,

1 in order to place such Retirement and Disability
2 Fund in the same position at the end of such fiscal
3 year as the position in which it would have been if
4 such subsection (c) (and the amendments made by
5 subsection (k)) had not been enacted. In carrying
6 out the preceding provisions of this paragraph, any
7 amounts paid into such Retirement and Disability
8 Fund under subsection (c)(2)(B) shall be taken into
9 account.

10 (2) SOURCE DISTRIBUTION OF TRANSFERRED
11 FUNDS.—The sums required to be transferred to the
12 Civil Service Retirement and Disability Fund under
13 paragraph (1) for any fiscal year shall be taken—

14 (A) from the Federal Old-Age and Survi-
15 vors Insurance Trust Fund to the extent that
16 (as determined by the Secretary of Health and
17 Human Services and so certified to the Manag-
18 ing Trustee of the Trust Fund) the claims con-
19 sidered in the exercise of the disability deter-
20 mination function during that fiscal year by the
21 Secretary (pursuant to his or her assumption of
22 such function from the various States under
23 section 221(b)(1) of the Social Security Act) in-
24 volve benefits which are or would be payable
25 from that Fund;

1 (B) from the Federal Disability Insurance
2 Trust Fund to the extent that (as so deter-
3 mined and so certified to the Managing Trustee
4 of the Trust Fund) the claims considered in the
5 exercise of the disability determination function
6 during that fiscal year by the Secretary (pursu-
7 ant to his or her assumption of such function
8 from the various States under such section
9 221(b)(1)) involve benefits which are or would
10 be payable from that Fund; and

11 (C) from funds appropriated from the gen-
12 eral fund in the Treasury (and the appropria-
13 tion of such funds is hereby authorized) to the
14 extent that (as so determined and so certified
15 to the Secretary of the Treasury) the claims
16 considered in the exercise of the disability de-
17 termination function during that fiscal year by
18 the Secretary of Health and Human Services
19 (pursuant to his or her assumption of such
20 function from the various States under such
21 section 221(b)(1)) involve benefits which are or
22 would be payable under title XVI of such Act.

23 (k) AMENDMENTS TO FEDERAL EMPLOYEES' RE-
24 TIREMENT PROVISIONS IN CHAPTER 84 OF TITLE 5,
25 UNITED STATES CODE.—

1 (1) DEFINITION OF CREDITABLE SERVICE.—
2 Section 8411(b) of title 5, United States Code, is
3 amended—

4 (A) by striking “and” at the end of para-
5 graph (3);

6 (B) by striking the period at the end of
7 paragraph (4) and inserting “; and”; and

8 (C) by inserting after paragraph (4) the
9 following new paragraph:

10 “(5) for an individual who becomes an employee
11 pursuant to section 102(c)(1) of the Social Security
12 Procedural Improvements Act of 1993, service per-
13 formed for the State by which the individual was
14 employed on the day before the effective date of the
15 conversion of the individual’s position under section
16 102(a) of such Act (to the extent that such service
17 was performed before the effective date of the con-
18 version), subject to section 102(c)(2)(B) of such Act,
19 and only if that service is or would (but for the So-
20 cial Security Procedural Improvements Act of 1993,
21 and disregarding any refund described in section
22 102(c)(2)(B) of such Act) be creditable under an
23 employee retirement system of (or plan sponsored
24 by) such State.”.

1 (2) SERVICE FOR WHICH DEPOSITS NOT RE-
2 QUIRED.—Section 8422 of title 5, United States
3 Code, is amended by adding at the end the follow-
4 ing:

5 “(f) Except as provided in section 102(c)(2)(B) of the
6 Social Security Procedural Improvements Act of 1993, de-
7 posit may not be required for any service described in sec-
8 tion 8411(b)(5) of this title.”.

9 (3) ADJUSTMENT OF ANNUITY TO ACCOUNT
10 FOR STATE RETIREMENT BENEFITS.—

11 (A) IN GENERAL.—Title 5, United States
12 Code, is amended by inserting after section
13 8470 the following new section:

14 **“§8470a. Offset relating to certain State retirement**
15 **benefits**

16 “(a)(1) Subject to paragraph (2), in computing an
17 annuity under subchapter II or V of this chapter based
18 in whole or in part on an individual’s service described
19 in section 8411(b)(5) of this title, the amount of the annu-
20 ity (as otherwise so computed) shall be reduced by an
21 amount equal to the amount of any retirement benefits
22 payable by a State to or with respect to such individual
23 on the basis of that service.

24 “(2) In no event shall the application of paragraph
25 (1) result in the reduction of an annuity by an amount

1 greater than that portion of the annuity which is attrib-
2 utable to service described in section 8411(b)(5).

3 “(b) Any survivor annuity under subchapter IV of
4 this chapter which is computed based on the annuity of
5 an individual which is subject to reduction under sub-
6 section (a) of this section shall be computed based on the
7 annuity of such individual after such reduction.

8 “(c) The Office of Personnel Management shall pre-
9 scribe such regulations as may be necessary to carry out
10 this section.”.

11 (B) CHAPTER ANALYSIS.—The analysis for
12 chapter 84 of title 5, United States Code, is
13 amended by inserting after the item relating to
14 section 8470 the following new item:

“8470a. Offset relating to certain State retirement benefits.”.

15 (I) AMENDMENTS TO THE SOCIAL SECURITY ACT
16 AND THE INTERNAL REVENUE CODE OF 1986.—

17 (1) SERVICE TREATED AS EMPLOYMENT UNDER
18 TITLE II OF THE SOCIAL SECURITY ACT.—Section
19 210(a)(5) of the Social Security Act (42 U.S.C.
20 410(a)(5)) is amended by adding at the end the fol-
21 lowing:

22 “and except that, in the case of an individual serving
23 in a position as of the day before the effective date
24 of a conversion of such position under section 102(a)
25 of the Social Security Procedural Improvements Act

1 of 1993, if the service performed by such individual
2 in such position did not as of such day constitute
3 employment within the meaning of this subsection,
4 service performed by such individual on or after
5 such effective date in the employ of the United
6 States or any instrumentality of the United States
7 shall be treated as service described in this para-
8 graph until a break in continuous performance of
9 such service (within the meaning of ‘continuous’ pro-
10 vided by clause (i) of subparagraph (B));”.

11 (2) SERVICE TREATED AS EMPLOYMENT UNDER
12 FICA.—Paragraph (5) of section 3121(b) of the In-
13 ternal Revenue Code of 1986 (relating to definition
14 of employment) is amended by adding at the end the
15 following:

16 “and except that, in the case of an individual serving
17 in a position as of the day before the effective date
18 of a conversion of such position under section 102(a)
19 of the Social Security Procedural Improvements Act
20 of 1993, if the service performed by such individual
21 in such position did not as of such day constitute
22 employment within the meaning of this subsection,
23 service performed by such individual on or after
24 such effective date in the employ of the United
25 States or any instrumentality of the United States

1 shall be treated as service described in this para-
2 graph until a break in continuous performance of
3 such service (within the meaning of ‘continuous’ pro-
4 vided by clause (i) of subparagraph (B));”.

5 **SEC. 103. REQUIREMENT OF FULLY-INSURED STATUS OF**
6 **WORKER FOR ENTITLEMENT TO CHILD’S OR**
7 **PARENT’S INSURANCE BENEFITS.**

8 (a) CHILD’S INSURANCE BENEFITS.—Section 202(d)
9 of the Social Security Act (42 U.S.C. 402(d)) is amend-
10 ed—

11 (1) in paragraph (1), by striking “fully or cur-
12 rently insured” and inserting “fully insured”; and

13 (2) in paragraph (3), by striking “fully or cur-
14 rently insured” in the matter following subpara-
15 graph (B) and inserting “fully insured”.

16 (b) MOTHER’S AND FATHER’S INSURANCE BENE-
17 FITS.—Section 202(g)(1) of such Act (42 U.S.C.
18 402(g)(1)) is amended by striking “fully or currently in-
19 sured” and inserting “fully insured”.

20 (c) LUMP-SUM DEATH PAYMENTS.—Section 202(i)
21 of such Act (42 U.S.C. 402(i)) is amended by striking
22 “fully or currently insured” and inserting “fully insured”.

23 (d) CONFORMING AMENDMENTS.—Section 216(h) of
24 such Act (42 U.S.C. 416(h)) is amended by striking “fully

1 or currently insured” each place it appears and inserting
2 “fully insured”.

3 **SEC. 104. REPORT REGARDING DEMONSTRATION**
4 **PROJECTS PILOTING CASE MANAGEMENT**
5 **TECHNIQUES.**

6 Not later than December 31, 1995, the Secretary of
7 Health and Human Services shall submit a report to the
8 Committee on Ways and Means of the House of Rep-
9 resentatives and the Committee on Finance of the Senate
10 regarding the 4 demonstration projects conducted under
11 the authority of section 505(a) of the Social Security Dis-
12 ability Amendments of 1980 which currently pilot case
13 management techniques in the disability insurance pro-
14 gram under title II of the Social Security Act. Such report
15 shall contain a comprehensive assessment of the results
16 obtained under such projects, together with recommenda-
17 tions of the Secretary for facilitating case management
18 services for not more than 33 $\frac{1}{3}$ percent of all beneficiaries
19 under such program by not later than December 31, 1997,
20 and for not more than 50 percent of such beneficiaries
21 by not later than December 31, 1999, and such proposals
22 for legislative changes as may be necessary and appro-
23 priate to carry out such recommendations.

1 **SEC. 105. EFFECTIVE DATES.**

2 The amendments made by sections 101 and 102 shall
3 take effect on the date of the enactment of this Act. The
4 amendments made by section 103 shall apply with respect
5 to deaths occurring after December 31, 1993.

6 TITLE II—ESTABLISHMENT OF SOCIAL SECUR-
7 RITY COURT AND ABOLITION OF APPEALS
8 COUNCIL

9 **SEC. 201. ENTITLEMENT TO JUDICIAL REVIEW.**

10 Section 205(g) of the Social Security Act (42 U.S.C.
11 405(g)) is amended to read as follows:

12 “(g)(1) Any individual, after any final decision of the
13 Secretary made after a hearing to which he was a party
14 (under subsection (b) or under any other provision of this
15 Act which authorizes a hearing in the same manner or
16 to the same extent as is provided in such subsection), irre-
17 spective of the amount in controversy, may obtain a review
18 of such decision by a civil action brought in the Social
19 Security Court and commenced within 60 days after the
20 mailing to him of notice of such decision or within such
21 further time as the Secretary may allow.

22 “(2) As part of his answer in an action brought by
23 an individual for the review of the decision in the Social
24 Security Court, the Secretary shall file a certified copy of
25 the transcript of the record including the evidence upon
26 which the findings and decision complained of are based.

1 The Social Security Court shall have power to enter, upon
2 the pleadings and transcript of the record, a judgment af-
3 firming, modifying, or reversing the decision. The findings
4 as to any fact, if supported by substantial evidence, shall
5 be conclusive; and where the claim was denied by the Sec-
6 retary or the decision rendered under subsection (b) of
7 this section or subsection (d) of section 221 was adverse
8 to any individual who was a party to the proceedings held
9 under that subsection, because of the failure of the claim-
10 ant or such individual to submit proof in conformity with
11 any regulation made or adopted under subsection (a), the
12 Court shall review only the question of conformity with
13 such regulations and the validity of such regulations.

14 “(3) The Social Security Court may, on motion of
15 the Secretary for good cause shown before he files his an-
16 swer, remand the case for further action by an administra-
17 tive law judge. The Court may also, at any time, order
18 additional evidence to be taken before an administrative
19 law judge on a showing that there is new material evidence
20 and that there is good cause for the failure to incorporate
21 it into the record of the prior proceeding.

22 “(4) The claimant and the Secretary shall be parties
23 to the proceeding before an administrative law judge in
24 any case remanded from the Social Security Court. The
25 administrative law judge shall file with the Court his deci-

1 sion and any additional or modified findings of fact result-
2 ing from the proceeding, which shall be reviewable only
3 to the same extent as the original decision and findings.
4 The filing shall include a transcript of the additional
5 record on which the modification or affirmance of the
6 original decision and findings was based.

7 “(5) The judgment of the Social Security Court shall
8 be final except that it shall be subject to review as pro-
9 vided in section 712(g).

10 “(6) Any action instituted in accordance with this
11 subsection shall survive notwithstanding any change in the
12 person occupying the office of Secretary or any vacancy
13 in such office.”.

14 **SEC. 202. SOCIAL SECURITY COURT.**

15 (a) IN GENERAL.—Title VII of the Social Security
16 Act is amended by inserting after section 711 (42 U.S.C.
17 912) the following new section:

18 “SOCIAL SECURITY COURT

19 “Establishment

20 “SEC. 712. (a) There is hereby established a court
21 of record to be known as the Social Security Court.

22 “Jurisdiction

23 “(b) The Social Security Court (and its divisions es-
24 tablished under subsection (d)(1)) shall have exclusive ju-
25 risdiction, in actions brought as described in section

1 205(g), to review decisions rendered under sections 205(b)
2 and 221(d), final determinations made under section
3 1631(c)(3), and final decisions rendered under sections
4 1128(f), 1155, 1156(b)(4), 1866(h)(1), 1869(b)(1),
5 1876(c)(5)(B), 1881(g)(3), and 1910(b)(2) and shall have
6 exclusive jurisdiction in all other cases and proceedings
7 arising under titles II, XVI, and XVIII and in all cases
8 and proceedings involving the validity or administration
9 of such titles, regardless of the form or manner in which
10 such cases and proceedings are brought.

11 “Judges

12 “(c)(1) The Social Security Court shall be composed
13 of 20 judges, appointed by the President, by and with the
14 advice and consent of the Senate, solely on the grounds
15 of fitness to perform the duties of the office. The Presi-
16 dent shall appoint one of the judges of the Court as its
17 chief judge.

18 “(2) The chief judge of the Social Security Court
19 shall receive a salary at the same rate and in the same
20 installments as judges of the district courts of the United
21 States; and the other judges of the Court shall receive a
22 salary at the rate provided for positions in level V of the
23 Executive Schedule (5 U.S.C. 5316).

24 “(3) Judges of the Social Security Court shall receive
25 necessary traveling expenses, and expenses actually in-

1 curred for subsistence while traveling on duty and away
2 from their designated stations, subject to the same limita-
3 tions on amount as are now or may hereafter be applicable
4 to the United States Customs Court.

5 “(4) The term of office of any judge of the Social
6 Security Court shall expire 10 years after he takes office.

7 “(5)(A) A judge of the Social Security Court may be
8 removed by the President, but only during the term for
9 which such judge is appointed and only for incompetency,
10 misconduct, neglect of duty, engaging in the practice of
11 law, or physical or mental disability.

12 “(B) Before any order of removal may be entered,
13 a full specification of the charges shall be furnished to the
14 judge involved, and the judge shall be accorded an oppor-
15 tunity to be heard on the charges.

16 “(C) Any cause for removal of any judge of the Social
17 Security Court coming to the knowledge of the Director
18 of the Administrative Office of the United States Courts
19 shall be reported by him to the President, and a copy of
20 the report shall at the same time be transmitted to the
21 judge.

22 “(D) A judge removed from office under this section
23 shall not be permitted at any time to practice before the
24 Social Security Court.

1 “Organizational Matters

2 “(d)(1) In order that cases may be heard throughout
3 the United States in a manner which will promote the ob-
4 jective specified in paragraph (3), the chief judge may
5 from time to time divide the Social Security Court into
6 divisions of one or more judges, assign the judges of the
7 Court thereto, and, in the case of a division of more than
8 one judge, designate a chief thereof. If a division, as a
9 result of a vacancy or the absence or inability of a judge
10 assigned thereto, is composed of less than the number of
11 judges designated for the division, the chief judge may as-
12 sign other judges to the division or direct the division to
13 proceed with the transaction of business without awaiting
14 any additional assignment of judges thereto.

15 “(2) The Social Security Court or any of its divisions
16 may sit at any place within the United States.

17 “(3) The times and places of the sessions of the So-
18 cial Security Court and of its divisions shall be prescribed
19 by the chief judge with the objective of securing reasonable
20 opportunity to claimants to appear before the Court or
21 any of its divisions with as little inconvenience and
22 expense as is practicable.

23 “Procedural Matters

24 “(e)(1) A majority of the judges of the Social Secu-
25 rity Court or of any division thereof shall constitute a

1 quorum for the transaction of the business of the Court
2 or of such division, respectively. A vacancy in the Social
3 Security Court or in any division thereof shall not impair
4 the powers or affect the duties of the Court or such divi-
5 sion or of the remaining judges of the Court or such divi-
6 sion, respectively.

7 “(2) The proceedings of the Social Security Court
8 and its divisions shall be conducted in accordance with
9 such rules of practice and procedure as the Court may
10 prescribe. The rules of practice and procedure prescribed
11 by the Court under the preceding sentence may provide
12 for the imposition of fees for the filing of petitions, but
13 any such fee may be waived by the Court in any case upon
14 a determination that the imposition of such fee would
15 cause hardship to the claimant. The rules of practice and
16 procedure so prescribed may also specify qualifications for
17 persons representing claimants, but no qualified person
18 may be denied admission to practice before the Court be-
19 cause of his failure to be a member of any profession or
20 calling.

21 “(3) The mailing by certified mail or registered mail
22 of any pleading, decision, order, notice, or process in re-
23 spect of proceedings before the Social Security Court shall
24 be held sufficient service of such pleading, decision, order,
25 notice, or process.

1 “(4) The chief judge may from time to time appoint
2 commissioners, in sufficient numbers to meet the needs
3 of the Social Security Court, who shall proceed under such
4 rules and regulations as may be promulgated by the Court.
5 Each commissioner shall receive the same compensation
6 and travel and subsistence allowances provided by law for
7 commissioners of the United States Court of Claims.

8 “(5) The Social Security Court and each division
9 thereof shall have power to punish by fine or imprison-
10 ment, at its discretion, any contempt of its authority in
11 the form of—

12 “(A) misbehavior of any person in its presence
13 or so near thereto as to obstruct the
14 administration of justice;

15 “(B) misbehavior of any of its officers in their
16 official transactions; or

17 “(C) disobedience or resistance to its lawful
18 writ, process, order, rule, decree, or command.

19 It shall have such assistance in the carrying out of its law-
20 ful writ, process, order, rule, decree, or command as is
21 available to a court of the United States.

22 “(6) Notice and opportunity to be heard upon any
23 proceeding in the Social Security Court or any division
24 thereof shall be given to the claimant and the Secretary.
25 If an opportunity to be heard upon the proceeding is given

1 before a division of the Court, neither the claimant nor
2 the Secretary shall be entitled to notice and opportunity
3 to be heard before the Court upon review, except upon
4 a specific order of the chief judge. Hearings before the
5 Social Security Court and its divisions shall be open to
6 the public, and the proceedings shall be stenographically
7 reported. The Court is authorized to contract (by renewal
8 of contract or otherwise) for the reporting of such proceed-
9 ings, and in any such contract to fix the terms and condi-
10 tions under which transcripts will be supplied by the con-
11 tractor to the Court and to other persons and agencies.

12 “(7) A decision in any proceeding in the Social Secu-
13 rity Court or a division thereof shall be rendered as quick-
14 ly as practicable. The decision made (and any order grant-
15 ed pursuant thereto) shall, when entered, be the decision
16 (and order) of the Social Security Court, except as other-
17 wise provided in paragraph (8). It shall be the duty of
18 the Court and of each division to render its decision in
19 writing.

20 “(8) A division shall hear, and make a written deci-
21 sion upon, any proceeding instituted before the Social Se-
22 curity Court (including any motion in connection there-
23 with) which is assigned to such division by the chief judge,
24 and such decision shall constitute its final disposition of
25 the proceeding. The decision of the division shall become

1 the decision of the Court within 60 days after such deci-
2 sion by the division, unless (A) within such period a party
3 to the proceedings has petitioned the chief judge for direct
4 review of the decision and (before or after the expiration
5 of such period) the chief judge has granted such petition,
6 or (B) within such period the chief judge on his own mo-
7 tion has directed that such decision shall be reviewed by
8 the Court. The chief judge may provide that any such re-
9 view be conducted by the Court itself en banc or may as-
10 sign the decision to be reviewed to a panel consisting of
11 at least three judges of the Court (not including any judge
12 who was a member of the division which made the deci-
13 sion); and any order or decision made by such a panel
14 upon such a review shall be the decision of the Social Secu-
15 rity Court.

16 “(9)(A) All proceedings, decisions, and orders of the
17 Social Security Court and its divisions, including a tran-
18 script of the stenographic report of the proceedings, shall
19 be public records open to the inspection of the public.

20 “(B) The Social Security Court shall provide for the
21 publication at the Government Printing Office of any of
22 its decisions which the chief judge determines will or may
23 serve as precedents in subsequent cases, in such form and
24 manner as may be best adapted for public information and
25 use, and such authorized publication shall be competent

1 evidence of the decisions of the Social Security Court
2 therein contained in all courts of the United States and
3 of the several States without any further proof of authen-
4 tication thereof. Such decision shall be subject to sale in
5 the same manner and upon the same terms as other public
6 documents.

7 “(10) The Social Security Court shall have a seal
8 which shall be judicially noticed.

9 “Administrative Matters

10 “(f)(1) The Social Security Court is authorized to ap-
11 point, in accordance with the provisions of title 5, United
12 States Code, governing appointments in the competitive
13 service, and to fix the basic pay of, in accordance with
14 chapter 51 and subchapter III of chapter 53 of such title,
15 such employees as may be necessary efficiently and effec-
16 tively to execute the functions vested in the Court.

17 “(2) The employees of the Social Security Court shall
18 receive their necessary traveling expenses, and expenses
19 for subsistence while traveling on duty and away from
20 their designated stations, as provided in chapter 57 of title
21 5, United States Code.

22 “(3) The Social Security Court is authorized to make
23 such expenditures (including expenditures for personal
24 services and rent at the seat of government and elsewhere,
25 and for lawbooks, books of reference, and periodicals) as

1 decision unless such decision was made or reviewed by the
2 Social Security Court en banc or reviewed by a panel de-
3 scribed in subsection (e)(8), or was the subject of a peti-
4 tion under subsection (e)(8) for review by the Social Secu-
5 rity Court en banc and such petition was denied. Any such
6 appeal to the court of appeals shall be subject to the same
7 provisions, conditions, and requirements (including fur-
8 ther review by the United States Supreme Court in ac-
9 cordance with section 1254 of title 28, United States
10 Code) as an appeal from a final decision of a district court
11 of the United States under chapter 83 of such title 28.

12 “Retirement of Judges

13 “(h) Judges of the Social Security Court shall retire
14 and be entitled to retired pay, and widows and dependent
15 children of such judges shall be entitled to annuities, in
16 the same manner and subject to the same provisions, con-
17 ditions, and requirements as judges of the United States
18 Tax Court (and their widows and dependent children)
19 under sections 7447 and 7448 of the Internal Revenue
20 Code of 1986. The chief judge of the Social Security Court
21 first appointed, in consultation with the Office of Person-
22 nel Management, shall within 120 days after such appoint-
23 ment submit to the President and the Congress his rec-
24 ommendations for appropriate legislative and administra-

1 tive action to implement the retirement system established
2 by the preceding sentence.

3 “Availability of Trust Funds and Authorization of
4 Appropriations

5 “(i)(1) The expenses of the Social Security Court
6 shall be paid—

7 “(A) from the Federal Old-Age and Survivors
8 Insurance Trust Fund to the extent that such ex-
9 penses are attributable to cases involving claims
10 which are or would be payable from that Fund;

11 “(B) from the Federal Disability Insurance
12 Trust Fund to the extent that such expenses are at-
13 tributable to cases involving claims which are or
14 would be payable from that Fund;

15 “(C) from the Federal Hospital Insurance
16 Trust Fund to the extent that such expenses are at-
17 tributable to cases involving claims which are or
18 would be payable from that Fund; and

19 “(D) from funds appropriated for purposes of
20 this section (and the appropriation of such funds is
21 hereby authorized) to the extent that such expenses
22 are attributable to (i) cases involving claims which
23 are or would be payable under title XVI or (ii) other
24 cases or proceedings not involving the payment of
25 specific claims from any of such Trust Funds.

1 “(2) Payments to the Social Security Court from the
2 Trust Funds specified in subparagraphs (A), (B), and (C)
3 of paragraph (1) shall be made on the first day of each
4 calendar quarter, on the basis of estimates (by the Manag-
5 ing Trustee of such Funds) of the amount of the expenses
6 to be incurred by the Court during that quarter which are
7 attributable to cases within each of the categories de-
8 scribed in such subparagraphs; and proper adjustments
9 shall be made in subsequent payments to the Court under
10 this subsection to the extent that prior estimates (with re-
11 spect to cases within any such category) were in excess
12 of or were less than they should have been.”.

13 (b) CONFORMING AMENDMENTS.—

14 (1)(A) Section 205(c)(8) of such Act (42
15 U.S.C. 405(c)(8)) is amended by striking “the Unit-
16 ed States district court” and inserting “the Social
17 Security Court,”.

18 (B) Section 221(d) of such Act (42 U.S.C.
19 421(d)) is amended by striking “judicial review of
20 the Secretary’s final decision” and inserting “review
21 of the Secretary’s final decision in the Social Secu-
22 rity Court”.

23 (C) Sections 1128(f), 1155, and 1156(b)(4) of
24 such Act (42 U.S.C. 1320a-7(f), 1320c-4, and
25 1320c-5(b)(4)) are each amended by striking “judi-

1 cial review of the Secretary’s final decision” and in-
2 sserting “review of the Secretary’s final decision in
3 the Social Security Court”.

4 (D) Section 1631(c)(3) of such Act (42 U.S.C.
5 1383(c)(3)) is amended by striking “judicial review”
6 and inserting “review in the Social Security Court”.

7 (E) Sections 1866(h)(1), 1869(b)(1),
8 1876(c)(5)(B), 1881(g)(3), and 1910(b)(2) of such
9 Act (42 U.S.C. 1395cc(h)(1), 1395ff(b)(1),
10 1395mm(c)(5)(B), 1395rr(g)(3), and 1396i(b)(2))
11 are each amended by striking “judicial review of the
12 Secretary’s final decision” and inserting “review of
13 the Secretary’s final decision in the Social Security
14 Court”.

15 (2)(A) Section 201(h) of such Act (42 U.S.C.
16 401(h)) is amended—

17 (i) by inserting “along with expenditures
18 for any related expenses of the Social Security
19 Court with respect to cases involving claims for
20 such payments as described in section
21 712(i)(1)(B),” immediately before “shall be
22 made” in the first sentence; and

23 (ii) by inserting “, along with expenditures
24 for any related expenses of the Social Security
25 Court with respect to cases involving claims for

1 such payments as described in section
2 712(i)(1)(A),” immediately before “shall be
3 made” in the second sentence.

4 (B) Section 1817(h) of such Act (42 U.S.C.
5 1395i(h)) is amended by inserting before the period
6 at the end the following: “, and such amounts as are
7 necessary to pay the expenses of the Social Security
8 Court with respect to cases involving claims for pay-
9 ments under this part as described in section
10 712(i)(1)(C)’’.

11 **SEC. 203. ABOLITION OF APPEALS COUNCIL.**

12 (a) ABOLITION OF THE APPEALS COUNCIL.—The
13 Appeals Council in the Department of Health and Human
14 Services is abolished.

15 (b) CONTINUED AUTHORITY OF SECRETARY.—Noth-
16 ing in subsection (a) shall be construed to limit to any
17 extent the authority of the Secretary of Health and
18 Human Services under the Social Security Act to hold
19 such hearings and to conduct such investigations and
20 other proceedings as he or she may deem necessary or
21 proper for the administration of such Act.

22 **SEC. 204. EFFECTIVE DATE AND TRANSITIONAL RULES.**

23 (a) EFFECTIVE DATE.—The provisions of this title
24 relating to the establishment and constitution of the Social
25 Security Court shall be effective on the date of the enact-

1 ment of this Act; but the amendments made by this title
2 relating to decisions rendered and determinations made on
3 claims under titles II, XVI, and XVIII of the Social Secu-
4 rity Act (including the abolition of the Appeals Council
5 under section 203) shall apply only in the case of decisions
6 rendered and determinations made one year or more after
7 such date.

8 (b) EXPEDITED PROCEDURES DURING ONE-YEAR
9 TRANSITIONAL PERIOD.—During the one-year period be-
10 ginning on the date of the enactment of this Act, the pro-
11 ceedings held in the district courts of the United States
12 in cases involving final decisions of the Secretary rendered
13 and final determinations of the Secretary made on claims
14 under titles II, XVI, and XVIII of the Social Security Act
15 shall be preferred cases and shall be expedited in every
16 way.

17 (c) TRANSFER OF CASES FROM APPEALS COUNCIL
18 TO SOCIAL SECURITY COURT.—Cases pending before the
19 Appeals Council in the Department of Health and Human
20 Services at the expiration of the one-year period beginning
21 on the date of the enactment of this Act shall be trans-
22 ferred to the Social Security Court and shall be deemed
23 to have been timely filed in such Court; but the claimant
24 in any such case shall have the right to withdraw the case
25 from such Court at any time.



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