



SOCIAL SECURITY
Office of the Chief Actuary

December 7, 2018

The Honorable Seth Moulton
United States House of Representatives
Washington, D.C. 20515

Dear Representative Moulton:

I am writing in response to your request for estimates of the financial effects on Social Security of H.R. 1171, the *ALS Disability Insurance Access Act of 2017*, which you introduced on February 16, 2017. The estimates provided here reflect the intermediate assumptions of the 2018 Trustees Report. This Bill (hereafter referred to as the proposal) includes provisions with direct effects on the Social Security Trust Funds. We have enjoyed working with Christine Raymond of your staff in evaluating this proposal. The estimates and analysis provided here reflect the combined effort of many in the Office of the Chief Actuary, but most particularly William Jimenez, Micah Akerlind, Michael Stephens, Christopher Chaplain, and Karen Glenn.

Enactment of this proposal would eliminate the 5-month waiting period for receipt of Social Security disabled worker benefits based on entitlement with a diagnosis of amyotrophic lateral sclerosis (ALS). In addition to accelerating the availability of monthly Social Security benefits for qualifying workers, eligibility for Medicare coverage would be accelerated by 5 months as well. Under current law, the general additional 24-month waiting period for Medicare eligibility after entitlement for the Social Security disabled worker benefits is already waived for individuals who are medically determined to have ALS. For this estimate, we assume that the 5-month waiting period elimination would be applicable for initial applications for Social Security disabled worker benefits filed in January 1, 2019 or later.

Over the 10-year period 2018 through 2027, we estimate that Social Security Disability Insurance benefits would be increased by a total of \$200.3 million. The net effect on the Disability Insurance Trust Fund operations would be slightly less over the period due to revenue that would be transferred to the trust fund based on income taxation of the additional benefits. The table below shows our estimated increase in DI benefit payments for each calendar year 2018 through 2027.

| Estimated Change in DI Benefit Cost in millions, Calendar Years 2018 through 2027 | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|---------|
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2027 | 2018-22 | 2018-27 |
| \$0.0 | \$12.3 | \$19.2 | \$20.4 | \$21.6 | \$22.8 | \$24.1 | \$25.4 | \$26.7 | \$27.9 | \$73.5 | \$200.3 |

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Over the long-range 75-year projection period, we estimate that the effect of enacting the Bill would be negligible (i.e., less than 0.005 percent of taxable payroll over the period.)

We hope these estimates are helpful. Please let me know if we may provide further assistance.

Sincerely,

A handwritten signature in black ink that reads "Stephen C. Goss". The signature is written in a cursive style with a large initial 'S' and a distinct 'G'.

Stephen C. Goss, ASA, MAAA
Chief Actuary