

# Lilac City Law

**FACTS      MYTHS**



## The 4 Biggest Myths About Social Security



## Social Security Myth #1

“You have to apply three times  
and then you win”



**Did you know that you have to apply three times before you win a Social Security Disability claim? Well, that's the rumor..**

This particular rumor is a common theme, or curse, in many discussions about claim denials. Though the idea is mostly false, it has enough truth to it to make it believable to those recently denied disability.

We've already talked about the [odds of achieving success](#) at each level of your Social Security Disability claim in some of our other articles. Keeping it simple, if you were to look at all the claims put in for Social Security Disability, you would see [about 30%](#) are awarded at the initial application level. From this perspective, it seems to follow that you have a one in three chance each time you apply.. By the third time, you'll have a great chance of achieving a successful outcome. And a myth is born..

# The Truth..

There are a lot of great reasons why this is not an accurate perspective. But let's assume it is in fact true, and the myth is therefore true. Furthermore, let's assume, this is the direction you want to go. On your third application, you achieve success and are awarded your disability claim. Is this the best possible method you could have used? Applying multiple times. Is this the method with the highest likelihood of success? Is it the best outcome financially and support wise?

The short answer, is no & no & no & no. This "3rd Time's a Charm" method would not have provided you with the best overall chance of success. And it certainly wouldn't have provided you with the greatest level of benefits, financial or otherwise. At best you're getting the award a couple months faster, IF you get the award at all. Why gamble when there is really very little benefit to doing so?

	3rd Times a Charm Method (3TaC)	Attorney Appeal Method (AAP)	Notes
Chance of Success	30%	76%	• Cumulative %. See More: <a href="#">Here are Your Real Chances in Getting Your Social Security Claim Approved</a>
Timeline for Success	12-18 Months	21-23 Months	• For 3TaC: 4-6 months per application • For Appeal Method: Avg. 17 Months + 4-6 months for initial application (July 2016)
Award	4-6 Months of Benefits: ~\$6,000-7,200	21-23 Months of Benefits: \$25,200-27,600	• Based on \$1200/month average award. See more: <a href="#">How Much Will I Make on Disability</a> • Subtracting Attorney's fees from these the awards would be: <b>\$19,200-21,600</b>

## Breaking It Down

You may be awarded on the third time you apply for benefits. You might be awarded Disability Benefits on the second, first, or even fourth time as well. But it is not the best approach. This approach doesn't provide the greatest likelihood of success. And it does not provide you with the greatest level of support or benefits to keep re-filing a claim. Look below to see your chances at the initial claim when compared to pursuing an appeal.

Claim Step	Approval Rate	Notes/Citation
Initial Application	30%	<a href="#">citation</a>
Reconsideration	10%	<a href="#">citation</a>
Appeal	54%	<b>ALJ Dispensation Data 9/2015-5/2016</b> * In Spokane - 63%

Your best bet is to speak with an advocate that understands this, and can make it easy for you to understand.

Contact us for more information on our Ultimate Disability Guide!

**Contact Us**  
**509-624-1610**

## Social Security Myth #2

“There’s a simple reason hardworking people are denied benefits..”

Liars are running rampant and using up all available funds. Social security has a limited amount of funding for benefits and this is why their first step is to deny, initially, all claims

### The Truth is in the Details

There are about [9 million people](#) unable to work that collect disability because of illnesses or injuries, a extreme few of them liars. Another 2 million spouses and/or children of disabled workers also collect disability (SSDI) benefits. In total about 11 million people collect these benefits each year. That is about 3.5% of the population in 2016. And the cost of the SSDI program in 2016 was about [\\$146 billion](#). These are all very big numbers.

Because of the financial size of the SSDI program alone, there is a lot of attention paid to any story pointing out fraud, waste and abuse. These numbers are so big, they have become tropes in [red herring attacks from politicians](#) or sound bites to bring traffic to [web-sites](#). There is serious money and political capital to be made in false outrage and sensational stories about false disability claims. These stories always stop short before sharing how to fix the “broken” SSDI system. And they often veer into attacking those who cannot work in skilled attempts to make an easy argument in lieu of one that is supported by facts.

So, what is the weight of the havoc that liars or fraud wrecks on the Social Security disability system? Is this, in fact, the reason claims are denied so frequently? Is the system full of liars, fakers, and malingerers? No, on all accounts.

# The Cash Impact of Liars

\$11 Billion. In ten years of tracking (2005-2014), this is the total of over-payments paid out for Social Security Disability. That is about \$1 Billion per year, out of \$140 Billion in benefits. 0.7% of those receiving disability benefits are getting them (knowingly or unknowingly) when they should not.

Of course, \$11 Billion is a heck of a lot more than \$0. But in context to programs like medicare, and even the private retail industry, fraud is surprisingly rare in the Social Security system.



These basic facts should give you reason to question the idea that there is any sort of incentive for Social Security to deny claims based on any fiscal need. Or that there are millions of non-disabled workers illegally on the rolls of disability. Meaning to dry up the benefits for those that need them. And in this vein, we haven't even addressed the false idea that the Social Security Trust Fund has dried up. Hint: It hasn't.

## They (SSA) Get it Wrong a Lot – But we Already Knew That!

We don't agree with Social Security most of the time. That's why Lilac City Law fights Social Security for you. But an agency or their policies can be wrong and also not criminally minded.

During your claim remember that the Social Security Administration works as best they can within the rules provided to them. There is a great burden on claimants to present evidence of a disabilities that preclude full time work.

Tough rules and policies added to a heavy burden to present relevant evidence is the reason most claims are denied at first. This is also why it is so important to have an attorney on your side that knows the Social Security system extremely well.

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## Social Security Myth #3

**“The vast majority of present recipients are on drugs but otherwise fine.”**

**Is there a link between Social Security Benefits and Drug addiction? Some think so. To determine the truth about drugs and Social Security, it's important that we don't confuse a correlation with a causation.**

### **Establishing Definitions**

It might be true that those seeking Social Security or Disability benefits from the Social Security Administration (SSA) are circumstantially more likely to have abuse drugs. If there is a true cause and effect link between these benefits and drug use, then spotting it is pretty simple.

Take two sample groups and measure the amount of drug use. In one sample put a number of SSA benefits recipients, and in the other put their peers. If there is some sort of free reign of drug users in these programs, the sample will reflect this. There will be a higher use of drugs or alcohol among Social Security recipients. If not, the assumption is false.

### **Has anyone ever done this?**

We'll get back to that in a minute. First this post needs to cover how this myth might have started. And how the simple method just explained above was once used to great effect about 20 years ago.



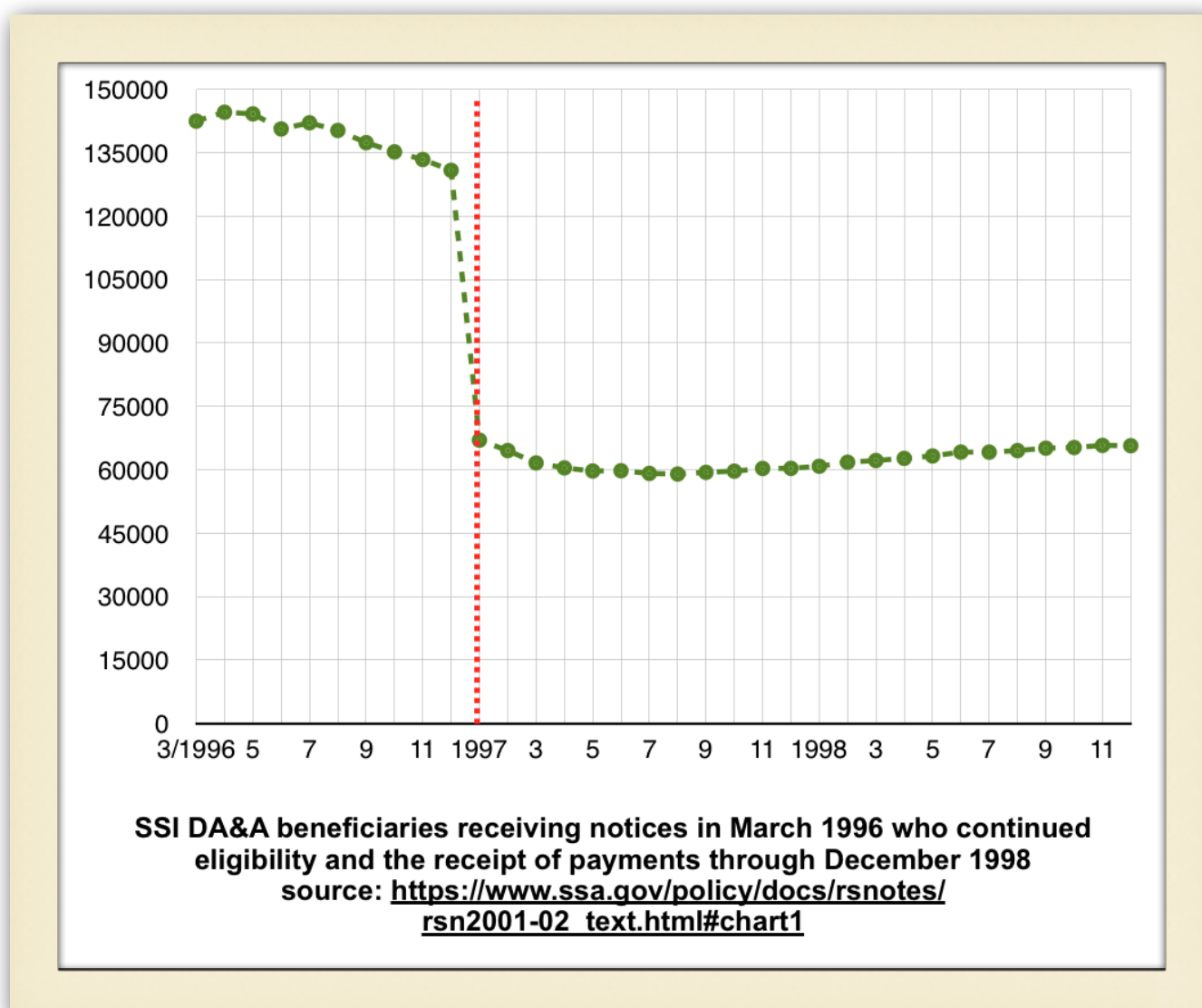
# Social Security's Historical Problem with Drugs

In the early 1990's the SSA really did have a drug problem. At least according to law makers. In 1994, the Government Accountability Office (GAO) estimated that *"the number of addicts receiving disability benefits has substantially increased at an annual cost of about \$1.4 billion per year."* That would be about \$2.8 billion per year in 2016 dollars.

This didn't go un-noticed. Less than two years later after the GAO report, Congress passed the Contract with America Advancement Act. This *stopped benefits* for those whose primary diagnosis was drug addiction or alcoholism.

The results of this act were markedly clear. Of the 140,000 or so recipients that were receiving Social Security benefits due in part or whole to substance abuse, about 60,000 still did so after Jan 1, 1997. The rest, were found to have other disabilities of a strong enough nature that they would still be deemed disabled without the substance abuse.

**This remains the basis of determination to this date in dual diagnosis cases.**



# Modern Rules on Drugs and Social Security

The rules now state that a person may be approved for these benefits only if it can be determined that they would still be disabled without using drugs or alcohol. *Drugs and alcohol cannot be a contributing factor in an applicant’s disability.*

So, how well do the rules work? Everyone has an opinion on this, but let’s go back to the assumption and conclusions that worked in the past.

**If Social Security has a drug problem, one would reason that drug use amongst recipients is higher than a control group of their peers.**

## The Hard Facts

The United States Library of Medicine asked this question in 2006. The study was titled: *Effect of Social Security Payments on Substance Abuse in a Homeless Mentally Ill Cohort.*

They conclusion of this study, “(recipients) did not have any different drug use changes than those without benefits.”

In fact, digging into the study yields surprising insights. Long term recipients of Social Security benefits have less average years of drug use in almost every category when compared to their peer

Source: <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC1681526/>

	Non-SS Recipient	Long Term SS Recipient
Years of Alcohol Intoxication	6.1	5.4
Years of Cannabis Use	6.3	5.8
Years of Crack Use	2	1.6
Abuse of Prescription Drugs	36%	30%

## The Truth

Neither the vast majority, nor a majority at all, of Social Security and/or Disability recipients are 'drug addicts.' Since 1997, it has become much harder for those abusing drugs or alcohol to get Social Security benefits in the first place. And for those who are receiving them, by and large they are not retaining them while actively abusing.

The rule of thumb used in 1996 still works today. The proof: the rate of use among the population receiving benefits is less than among their peers. Their peers who don't receive benefits abuse drugs MORE often.

**Myth Busted.**

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## Social Security Myth #4

# “Disability Claims are Soaring!”

If you were to turn on the nightly news you might come away with the impression that disability claims have soared in recent years. Perhaps everyone is onto the secret? Social Security Disability is a way to get compensation from the Federal Government for being unable to work because of an injury or illness.. Or is it?

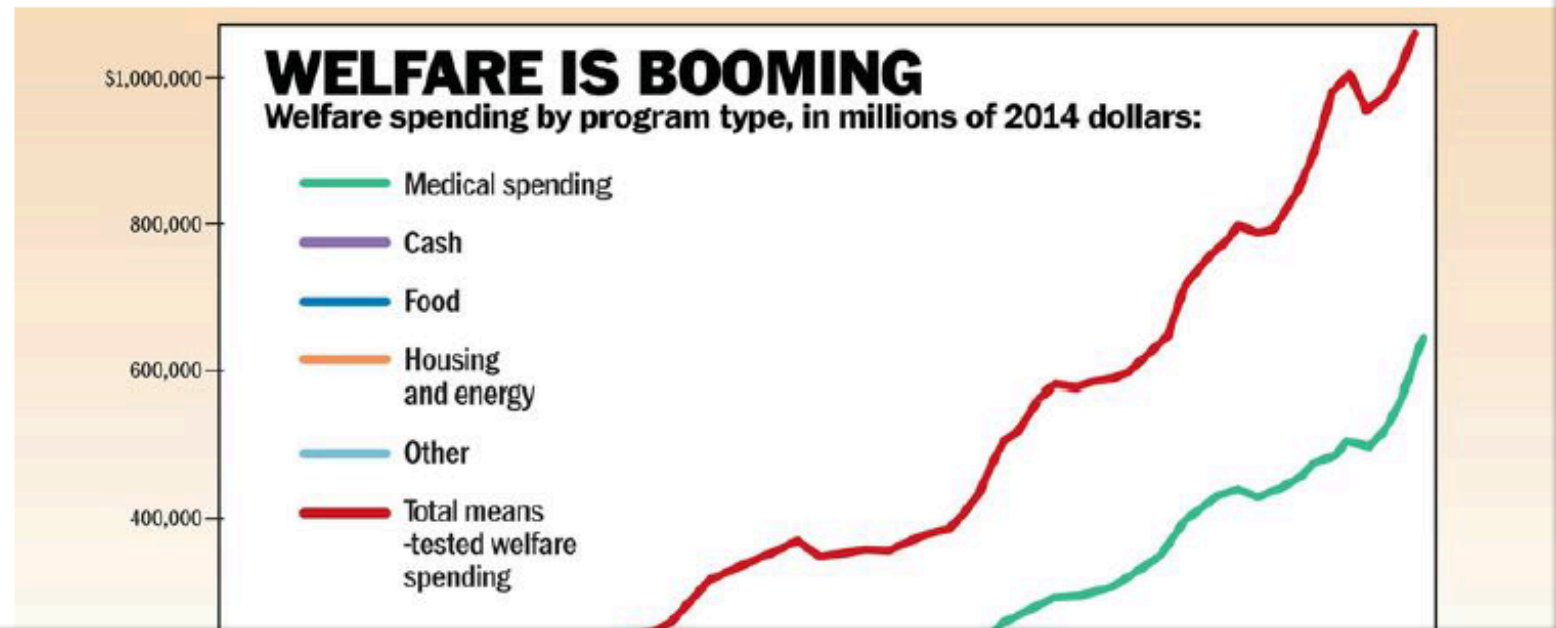
## The Role of Social Security Disability

Social Security Disability is a benefit paid into by most workers. If something happens that stops these workers from being able to work, they can apply to receive compensation. An excellent way to look at this benefit is to consider it similar to an insurance policy on someone's ability to work. But, as some news outlets have noted, is it something else as well? Are disability claims a path to easy street?

We've already covered the history of fraud, waste, abuse, and drugs in Social Security Disability, and how we got to 'today.' In fact, a common theme in our series on busting Social Security Disability myths has been demonstrating how the facts don't seem to match up with the prevailing opinions on this topic.

# Welfare is the new work

The welfare state of mind has spiraled out of control in America



## The Typical Spin

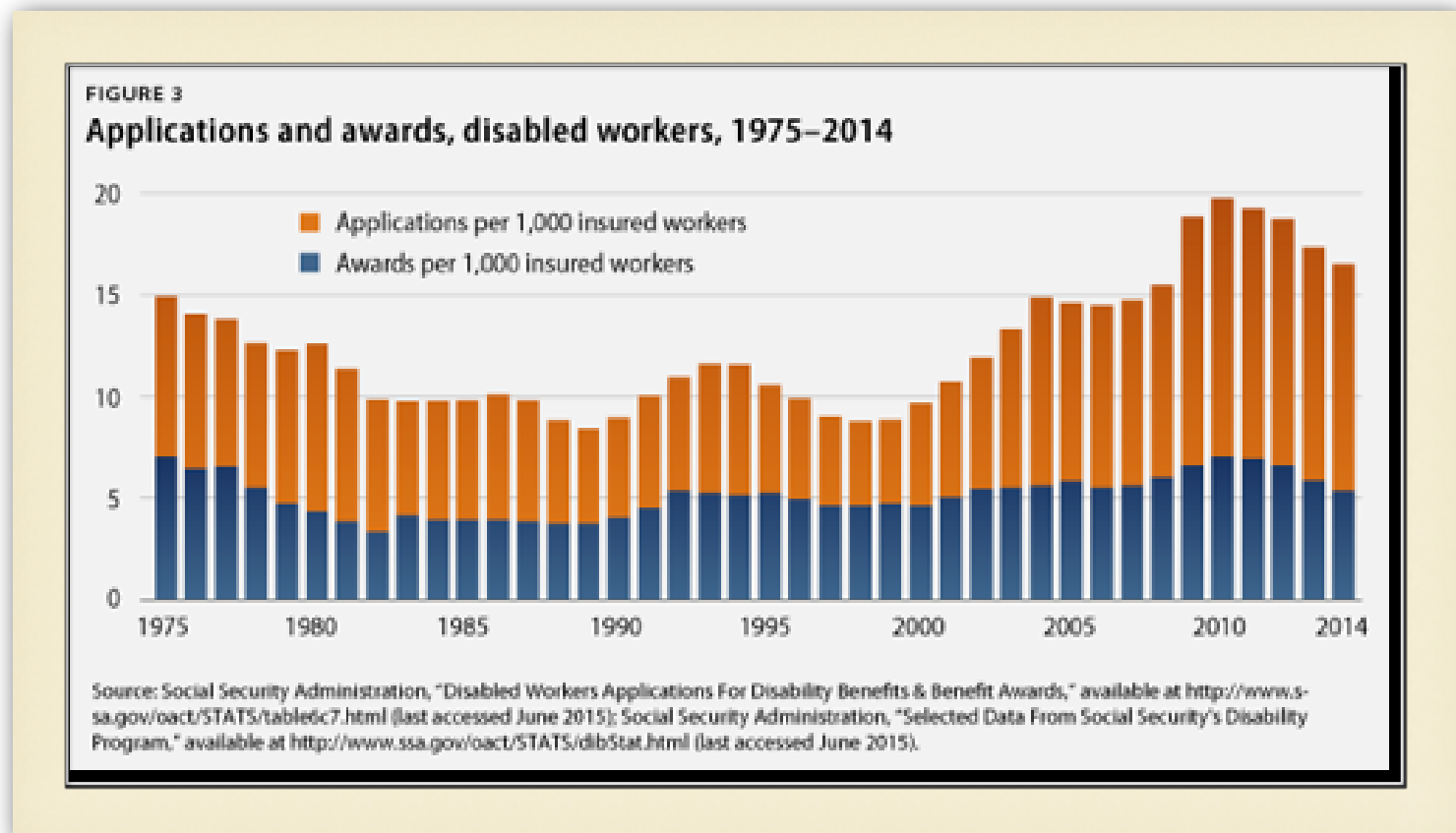
In the source article of the graphic above, the Washington Times opines, “[\*Welfare is the New Work\*](#),” and expands on this assertion by stating, “*disability rolls are growing even as worker safety has hit an all-time high.*” The Richmond Federal Reserve Bank [\*decries\*](#) federal disability benefits becoming the new “*general safety net.*” What is the truth behind these seemingly authoritative opinions? And what are some reasons to question the conclusions of these authors?

One of the best responses to these opinions has come from the opinion pages of the [\*New York Times\*](#). Three entire paragraphs at the end of the previously linked article break down in detail why “*Disability claims are not skyrocketing.*” We will summarize below.

If you look at the disability claims and awards over a historical timeline you can see why someone might claim a skyrocketing increase in claims. It’s certainly something that requires a nuanced and objective look though.

## A Closer Look at the Data

Since 2000, claims have doubled, however, something interesting has happened..award rates have stayed essentially the same among the entirety of workers, about 5%. If claims are skyrocketing and award rates are staying the same, is there a problem of fraud, waste, or abuse? Logic would say in this case, that if there were it wouldn't be on the part of the claimants. It is Social Security that has deviated sharply down from their historical awards rate in recent years.



Another point that is important to understand in this discussion is that while the number of claims and claims awarded may have gone up in the last 10-15 years, so too has the pool of workers from which claims can be drawn.



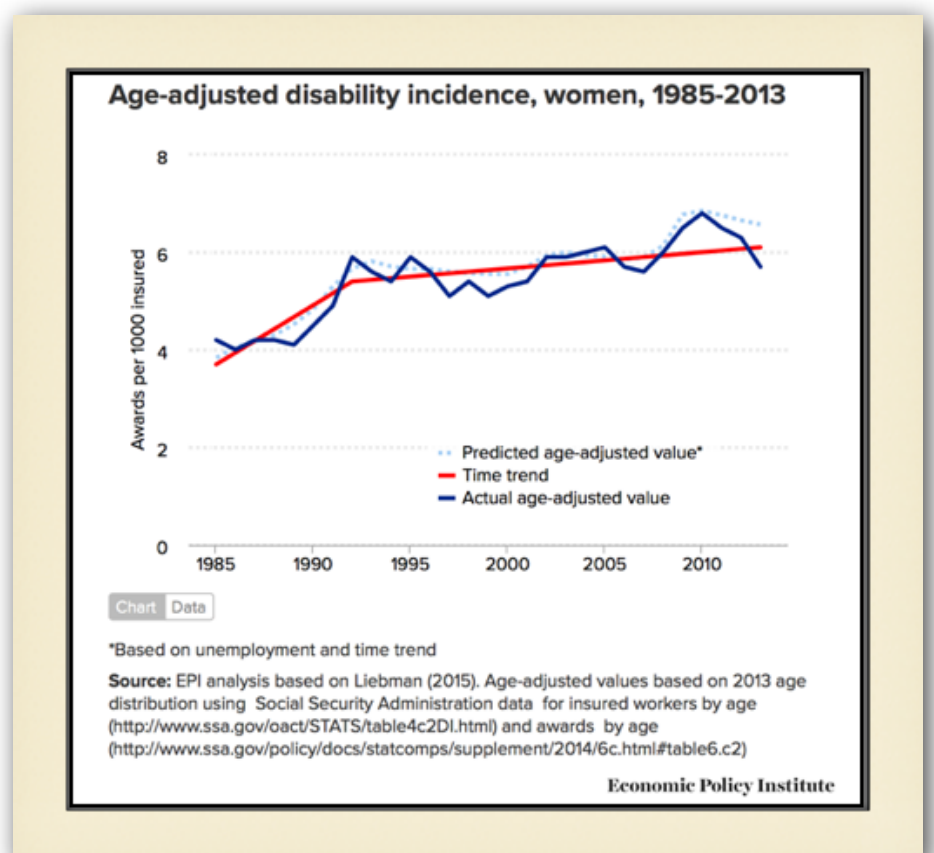
# Bringing the Spin & the Data Together

So why has the rate of total claims increased in recent years? Several factors likely play into this. The first being a poor economy from 2009-2015 or so. During the Great Recession, the total labor force far out numbered available jobs. Everyone had a hard time finding employment, especially those on the [cusp of possibly rating a disability benefit](#). The reality of being terminally un-employed likely brought a number of claimants to the disability application process that would potentially have continued being the [working disabled](#) in a more traditional economy.

Other, demographic, factors also influenced the spike in applications. The average age of the workforce was/is moving higher as baby-boomers hit retirement age. The number of workers 55-65 years remained unusually high during the great recession as many near retirement workers chose to continue working. Workers in this age range are at a higher risk of needing to file for disability at some point because of a confluence of age and a lifetime of work.

Another demographic shift, can be found in the rising rate of women seeking disabilities.

Women have taken more work as a whole, and also more physically demanding work over the last four decades. In reference to this trend, since 1985 the age adjusted disability rate for women has increased at a much faster clip than age adjusted disability rate for men.



## Looking at the Assumptions Again

So, is it fair to say, “*Disability Claims are Soaring!*”

Well, the disability claims rate is up, sure. But when adjusted for age and demographics, they are only slightly up, and certainly not “soaring.” Moreover, as we’ve shown many times on [our blog](#), the actual award rates, despite the number of claims, has remained flat, and in respect to the number of claims – it has dropped drastically.

This last point is probably the more surprising story that places like the Washington Post missed. The headline *should* read:

***“The Award Rate for Disability is Plummeting..”***

**...But that story doesn't sell..**

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**Bonus**

## Ultimate Disability Guide

**Lilac City Law is a different kind of law firm. We are focused on great service and support for you if you are disabled.**

More recently we started focusing on making sure your family is taken care of. Whether your needs are disability advice, family wealth planning, or something else, you need information.

This last point is why we are thrilled to be able to write this guide. It is our way of highlighting important information about all our services. We get to share with you what we know, and what we feel you should too. One of the tools we created to help you in navigating disability services is The Ultimate Disability Guide. What's that? The Ultimate Disability Guide is 10 insider tips, shared with you for free, to help you maximize your Social Security Disability or SSI Application.

Our Ultimate Disability Guide covers 10 very important topics that you might surprise you. And yet it is designed to be quick to understand. In five minutes, you can begin putting into place your plan for applying for SSI or SSDI. And if you need help, you can know when is the best time to start looking for disability lawyer representation.

Whether you want to know about the biggest pitfalls to avoid, or the best ways to keep your disability claim moving, The Ultimate Disability Guide is a great first step.

**Contact us for more information on our Ultimate Disability Guide!**

**509-624-1610**



## **Simple Mistakes Can Ruin Your Disability Claim**

Simple mistakes that can ruin your claim.

Our Disability Guide was Created to help you Maximize your Chances of Getting Your Disability Approved the First Time!

Press Here  
to  
Contact Us

**Before You Go!**

## Lilac City Law



I'm Randi Johnson. I advocate on behalf of the disabled in their claims for Service-Connected Veterans benefits, Social Security Disability Insurance and SSI benefits. I have significant experience, ranging from Initial Applications through Federal District Court appeals. Since 2007, I have covered 39 states and Puerto Rico, handling over 1500 Social Security hearings.

Over the course of my practice, I've observed that many disabled clients were simultaneously applying for multiple benefits programs. Rather than force a client to seek additional attorneys to handle all their cases, I decided to augment the focus areas of my disability practice. Adding these three types of disability law practices provides clients the opportunity to

have one attorney handle these sensitive issues and reduces the need to repeat their stories over and over again to different attorneys. This is especially critical with individuals who have experienced significant emotional and/or physical traumas.

Having practiced in both the large and small firm environments, my experience guides my advocacy and service for clients. I believe in getting to know clients. It is important to me that my clients understand the claims process, and that each individual client is provided with the information necessary to make informed decisions about their case/s. I make it a priority to see that a client feels they were provided the opportunity to exercise their rights, win or lose – regardless of the outcome.

**509-624-1610**

# Thank You

If you found this booklet to be informative or helpful, please reach out to us  
and let us know.

**<http://www.LilacCityLaw.com>**