initial disability determination process which will result in more timely determinations and the elimination of the reconsideration step in the administrative review process for disability claims. We expect that one consequence of these initiatives will be an increase in the number of requests for hearings filed over the next several years. In light of these growing workload expectations, and to process more efficiently the hearing requests now pending at our hearing offices, we are issuing this notice of proposed rule making (NPRM) which proposes to establish the authority to test having an adjudication officer conduct prehearing development and, if appropriate, issue a decision wholly favorable to the claimant.

We expect that use of an adjudication officer process, as described in our Plan for a New Disability Claim Process, will enable us to ensure development of a complete record and to issue decisions in a more efficient manner when a request for a hearing has been filed. Under this NPRM, we propose initially to test the adjudication officer position before implementing it as contemplated in the disability redesign plan. We anticipate that our tests of the adjudication officer position will provide us with information regarding the effect the position has on the hearing process currently, and how to best implement it under the redesigned disability process. We will do this by testing the adjudication officer position alone and in combination with one or more of the tests we are conducting pursuant to the final rule "Testing" Modifications to the Disability Determination Procedures," which was published in the Federal Register on April 24, 1995 (60 FR 20023).

We consider testing and implementation of the adjudication officer position to be a high priority. It is a complementary approach to shortterm disability processing initiatives we currently are undertaking which are designed to reduce pending requests for hearings from more than 480,000 at the end of FY 1994 to 375,000 at the end of FY 1996. One short-term initiative is set out in the NPRM we published in the Federal Register on April 14, 1995 (60 FR 19008) to authorize attorney advisors in our Office of Hearings and Appeals to conduct certain prehearing proceedings and, where appropriate, issue decisions which are wholly favorable to the claimant. The principal aim of the attorney advisor procedures is to expedite decisions on pending requests for hearings. The adjudication officer process is focused on making more efficient use of existing resources

so that ongoing cases are processed more timely and in a more efficient manner. This proposed rule authorizing testing of an adjudication officer process, if published as a final rule, will allow us to test the effect of a process that we expect will allow us to better manage the hearing process in the years to come.

In view of the salutary effect we expect this rule to have on our ability to improve our service to claimants, and the importance we place on ensuring that we adjudicate claims timely and accurately, we are providing a 30-day comment period for this rule rather than the 60-day period we usually provide. We also believe that a 30-day comment period is appropriate in this instance because we previously provided the public with the opportunity to comment on all aspects of the disability redesign plan, including the establishment of the adjudication officer position. We believe that for these reasons, a 30-day comment period is sufficiently long to allow the public a meaningful opportunity to comment on the proposed rule in accordance with Executive Order 12866.

The proposed rules are explained below in more detail.

## Prehearing Procedures Under the Disability Redesign Plan

On April 15, 1994, SSA published a notice in the Federal Register (59 FR 18188), setting out a proposal to reengineer the initial and administrative review process we use to determine an individual's entitlement to Social Security and SSI benefits based on disability. Comments on this comprehensive and far-reaching proposal were requested, and during the comment period that began on April 1, 1994, and ended on June 14, 1994, SSA received, from a broad spectrum of respondents, over 6,000 written responses and extensive verbal comments. The commenters expressed their belief that improvements were needed to provide better service and to manage the claims process more effectively. While some concerns were expressed, the commenters praised SSA for taking on the task of redesigning the disability claim process.

On September 7, 1994, the Commissioner of Social Security accepted the revised disability redesign plan that was submitted for her approval on June 30, 1994, with the full understanding that some aspects of the proposal would require research and testing. The plan as approved by the Commissioner was published in the **Federal Register** on September 19, 1994 (59 FR 47887).

The plan anticipates a redesigned, two-level process for deciding social security and SSI claims based on disability. The claimant's right of administrative review following an initial determination will be to request an ALJ hearing. When a hearing is requested, as planned in the redesigned process, the focal point for prehearing activities will be an adjudication officer who will work with, among others, claimants and their representatives. Adjudication officers will have authority to make decisions wholly favorable to the claimant where such decisions are warranted by the evidence.

The adjudication officer, together with the claimant and his or her representative, will have responsibility for ensuring that claims coming before ALJs are fully developed.

The procedures outlined in the disability redesign plan make the best use of representatives' services by defining the clear responsibility on the part of claimants and their representatives to submit evidence. One of the features of the adjudication officer process is an informal conference with a claimant's representative to identify the issues in dispute and to prepare written agreements regarding those issues which are not in dispute and those issues proposed for hearing. We would not ask a claimant who does not have a representative to limit issues prior to the hearing. However, if the claimant obtains representation subsequent to the AO's conclusion that the case is ready for a hearing, the case will be returned to the AO who will conduct an informal conference with the claimant and his representative.

In this NPRM we propose to amend our rules by adding new §§ 404.943 and 416.1443 to establish the authority to test having an adjudication officer be the focal point for prehearing activities, as described in the disability redesign plan.

For many years, our hearing offices nationwide have productively utilized various forms of prehearing development. We have successfully conducted tests of a standard prehearing development process. Our recent experience with many of the elements of the adjudication officer's responsibilities and duties has given us some information about the effect the establishment of an adjudication officer position would have on the administrative review process. However, as we believe that further information will be helpful, we will begin testing the adjudication officer position as soon as possible after publication of a final rule in order to