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Testimony

Before the Subcommittees on Income
Security and Family Support and Social
Security, Committee on Ways and Means,
House of Representatives

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**SOCIAL SECURITY
ADMINISTRATION**

**Further Actions Needed to
Address Disability Claims
and Service Delivery
Challenges**

Statement of Daniel Bertoni, Director
Education, Workforce, and Income Security



GAO

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Highlights of [GAO-09-511T](#), a testimony to the Subcommittees on Social Security and on Income Security and Family Support, Committee on Ways and Means, House of Representatives

Why GAO Did This Study

For years, the Social Security Administration (SSA) has experienced challenges managing a large disability workload and making timely decisions. In fiscal year 2006, SSA made about 3.7 million disability claims decisions, while over a million were awaiting a decision. Further, SSA has faced staffing challenges and difficulties managing its workloads at its network of approximately 1,300 field offices, where millions of people go to apply for disability and retirement benefits, to obtain Social Security cards, and for a host of other services.

The Subcommittees on Income Security and Family Support, and on Social Security, House Committee on Ways and Means, asked GAO to address (1) key service delivery challenges facing SSA, particularly with respect to the backlog of disability claims, and (2) steps SSA is taking to address these challenges. This testimony is based primarily on reports assessing trends in disability claims processing and backlogs, steps SSA is taking to reduce the backlog, and other challenges SSA faces in meeting future service delivery needs. Certain information was updated to reflect recent legislative changes.

To view the full product, click on [GAO-09-511T](#). For more information, contact Daniel Bertoni at (202) 512-7215 or bertonid@gao.gov.

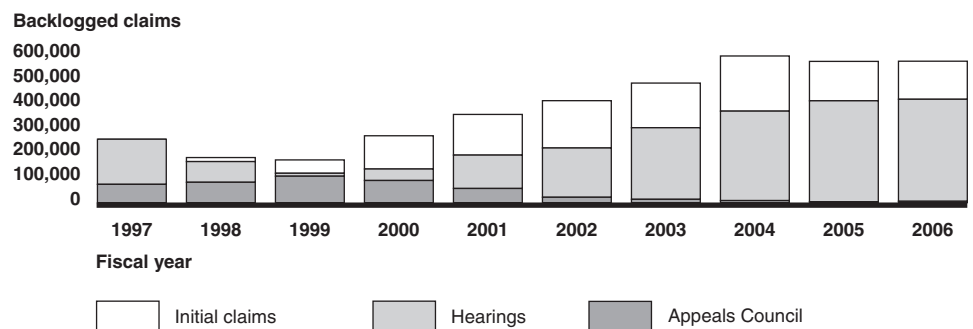
SOCIAL SECURITY ADMINISTRATION

Further Actions Needed to Address Disability Claims and Service Delivery Challenges

What GAO Found

In recent years, SSA has experienced a growing backlog of disability claims and deteriorating customer service at field offices. SSA's total backlog of disability claims doubled from 1997, reaching 576,000 in 2006, which has resulted in claimants waiting longer for final decisions. The backlog was particularly acute at the hearings level (see fig.). SSA also experienced declines in field office service delivery, with average customer wait times in field offices increasing by 40 percent from 2002 to 2006, and over 3 million customers waiting more than 1 hour to be served in 2008. Two key factors likely contributed to the backlog and service delivery challenges: (1) staffing reductions or turnover of field office staff and key personnel involved in the disability claims process, and (2) increased workloads. In particular, initial applications for disability benefits grew by more than 20 percent over the past 10 years. SSA projects further increases in workloads as the baby boom generation reaches its disability-prone years and retires.

Total Backlogged Claims, by Level of Adjudication, Fiscal Years 1997 to 2006



Source: GAO analysis of SSA data.

SSA has taken steps to improve its disability claims process, reduce the claims backlog, and manage its field office workloads, but some efforts were hampered by poor planning and execution while others are too recent to evaluate. In 2006, SSA introduced a comprehensive set of reforms to improve the efficiency, accuracy and timeliness of the disability claims process. However, this initiative produced mixed results and many aspects were suspended to focus on the hearings backlog and other priorities. While final decisions regarding many aspects of this reform are pending, SSA outlined a new plan in 2007 that concentrates on clearing out backlogged cases at the hearings level. GAO is currently reviewing this plan as part of its ongoing work. To address overall workloads and maintain customer service, SSA has shifted workloads to less busy offices and deferred workloads it deemed lower priority. However, deferring certain workloads, such as continuing eligibility reviews, can result in beneficiaries receiving payments who no longer qualify. In response to a recent GAO recommendation, SSA agreed to develop a single service delivery plan to help it better manage future service delivery challenges. However, it remains unclear how SSA will address current and future challenges given its current service delivery infrastructure and resource constraints.

Mr. Chairmen and Members of the Subcommittees:

I am pleased to have the opportunity to discuss challenges facing the Social Security Administration (SSA) with respect to its disability claims processing and field office service delivery. SSA provides a number of services that touch many lives. In particular, each year millions of Americans who believe that they can no longer work because of severe physical or mental impairments, apply for cash benefits through the Social Security Administration's (SSA) two disability programs—Disability Insurance (DI) and Supplemental Security Income (SSI). In addition, SSA annually processes millions of applications for retirement benefits through its Old-Age and Survivors Insurance (OASI) program, issues millions of Social Security cards, and provides many other services through its large and decentralized workforce. In fiscal year 2008, SSA had an administrative budget of over \$11 billion, and employed about 63,000 employees, 44 percent of whom are located in approximately 1,300 field offices across the country.

For more than 20 years, SSA has faced challenges managing a large disability claims workload and making timely decisions. During fiscal year 2006, SSA made about 3.7 million disability claims decisions, and some 1.5 million disability claims were awaiting a determination. SSA's data show that disability applicants can wait years for their claims to be resolved at the final administrative appeals level.¹ Disability claims—as well as retirement claims—are expected to increase further as the baby boom generation continues to enter its disability-prone years and begins to retire. The current economic downturn may prompt even more people to apply for SSA benefits as a source of income security. Constrained budgets and staffing reductions, coupled with increases in retirement and disability filings, have also challenged field offices' ability to meet the demand for services.

For today's hearing, you asked us to address (1) key service delivery challenges facing SSA, particularly with respect to the backlog of disability claims, and (2) steps SSA is taking to address these challenges. My statement draws on a number of prior GAO reports that were conducted in accordance with generally accepted government auditing standards. (See

¹In light of these and other disability program challenges at SSA and other agencies, we designated federal disability programs a high-risk area in 2003. GAO, *High-Risk Series: An Update*, GAO-09-271 (Washington, D.C.: January 2009).

related GAO products.) We updated information as appropriate to reflect recent legislative changes.

Summary

In summary, SSA has experienced a growing backlog in disability claims, as well as deteriorating customer service. From fiscal years 1997 to 2006, SSA's total backlog of disability claims—the number of claims exceeding the amount that should optimally be pending at year end—doubled, reaching about 576,000 in 2006. The backlog was particularly acute at the hearings level. Backlogs, in turn, resulted in claimants waiting longer for a final decision from SSA. In addition, at field offices, SSA customers experienced longer wait times and unanswered phones. For example, between 2002 and 2006, average customer wait times in field offices increased by 40 percent, and in fiscal year 2008, more than 3 million customers waited over 1 hour to be served. Two key factors likely contributed to these disability claims backlogs and service delivery challenges. First, SSA experienced reductions or turnover in field office staff and key personnel involved in the disability claims process, such as disability examiners and administrative law judges (ALJ). Second, SSA experienced an increase in workloads. In particular, from 1997 to 2006, initial applications for DI and SSI disability benefits increased more than 20 percent, spurred by, among other factors, the aging of the baby boom generation, downturns in the economy, increased referrals from other programs, and changes in disability eligibility requirements in prior years. SSA projects that its workloads will continue to increase over the coming years as the baby boom generation retires.

SSA has taken steps to improve its disability claims process and reduce the backlogs as well as to manage its overall workloads, but some efforts have been hampered by poor planning and execution while others are too recent to evaluate. One of SSA's more recent efforts to improve its disability claims process—a comprehensive set of reforms called the Disability Service Improvement (DSI) initiative that was piloted in the Boston region in 2006—produced mixed results. Many aspects of DSI were ultimately suspended to focus on the hearings backlog and SSA's electronic processing system. In May 2007, SSA outlined a new plan for eliminating the hearings level backlog. We are currently evaluating the extent to which the hearings backlog reduction plan includes components of sound planning and the potential effects it may have on the hearings backlog and other SSA operations. In addition, to address overall workloads and maintain customer service in field offices, SSA shifted workloads to less busy offices and deferred work that the agency deemed as lower priority. However, deferring key workloads, such as reviews of continuing eligibility for benefits, means that beneficiaries who no longer

qualify may still receive payments erroneously. More recently, in response to our recommendation that SSA develop a detailed service delivery plan, SSA is consolidating its various planning efforts into a single planning document. SSA stated this document will reflect its efforts to address service and staffing challenges related to the disability and retirement wave of the baby boom generation. However, it remains unclear how SSA will manage growing workloads with its current infrastructure of approximately 1,300 field offices and resource constraints, while minimizing the deferral of key workloads and declines in customer service.

Background

SSA administers three major benefit programs: Old-Age and Survivors Insurance (OASI), which provides benefits to retired workers and their families and to families of deceased workers; (2) Disability Insurance (DI), which provides benefits to eligible workers with disabilities and their family members; and (3) Supplemental Security Income (SSI), which provides income for aged, blind, or disabled individuals with limited income and resources. In addition to paying benefits through these three programs, SSA also issues Social Security cards, maintains earnings records, and performs various other functions through a network of field, state and headquarter offices.²

SSA's field offices are the agency's primary points for providing face-to-face service to the public. In addition to processing new disability and retirement claims, field offices manage other workloads related to program integrity, such as determining whether certain individuals with disabilities remain eligible to receive disability payments based on program criteria. Besides field offices, SSA operates Social Security Card Centers, which issue Social Security numbers; Teleservice Centers, which offer services nationally via a toll-free telephone number; and Program Service Centers, which maintain earnings records, in addition to other functions. In 2008, SSA's administrative budget for managing its operations was \$11.1 billion.

Disability Process

The process for deciding who is eligible for SSA disability benefits is complex, consuming a large portion of SSA's administrative budget. Several state and federal offices, and several adjudication levels are

²In addition to these services, SSA performs work related to verifying employment eligibility and Medicare program assistance.

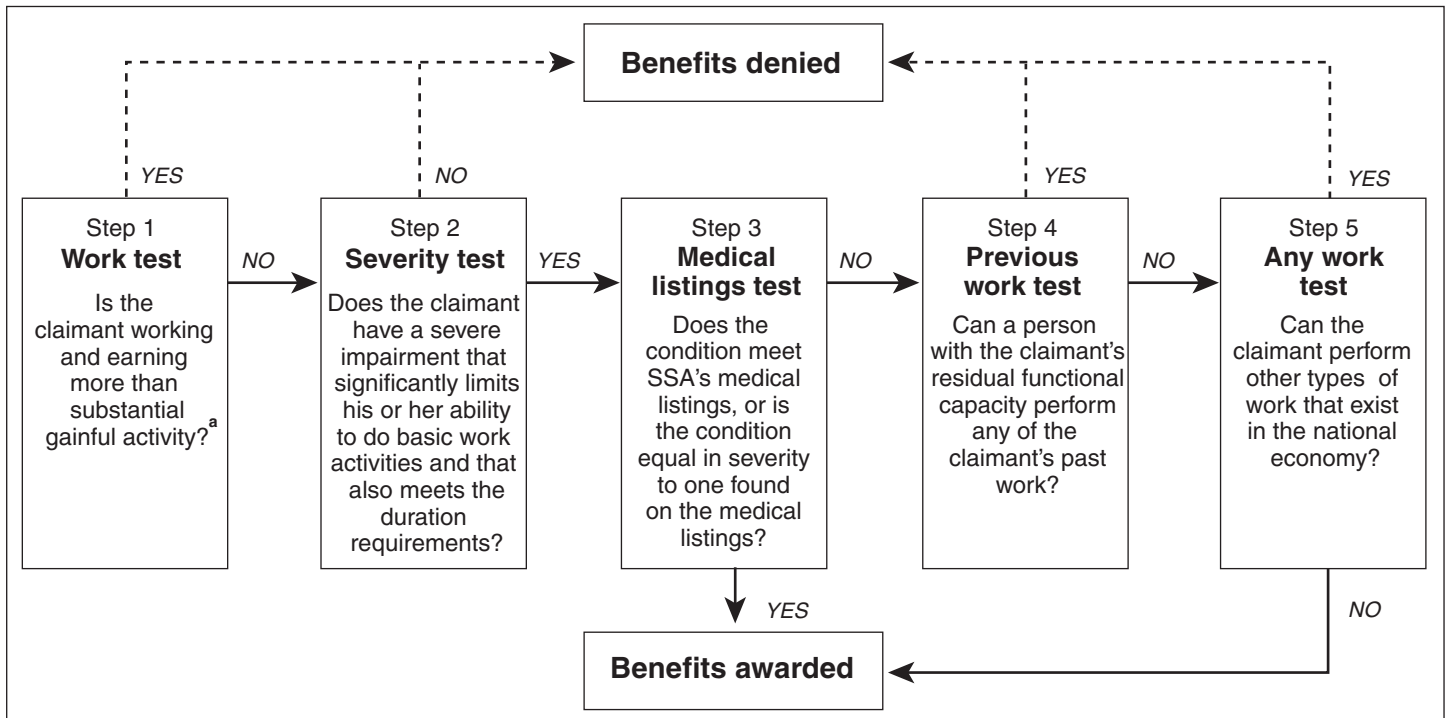
involved in determining whether a claimant is eligible for benefits. The process begins when an individual files an application for disability benefits at an SSA field office, online or over SSA's toll-free number. In each case, an SSA representative determines whether a claimant meets the non-medical eligibility criteria of each program, such as ensuring that an SSI applicant meets income requirements, or determining if a DI applicant has a sufficient number of work credits. If applicants meet the non-medical eligibility criteria, field office personnel will help claimants complete their applications and obtain claimants' detailed medical, education, and work histories. The completeness of the information gathered at this time can affect the accuracy and speed of the decision.

After the field office determines that an applicant has met SSA's non-medical eligibility requirements for disability benefits, up to four adjudicative levels may review the applicant's claim for eligibility generally based on medical criteria. The first adjudicative level is the state Disability Determination Services (DDS),³ where a disability examiner, working with medical staff, must make every reasonable effort to help the claimant get medical reports from physicians, hospitals, clinics, or other institutions where the claimant has received past medical treatments.⁴ After assembling all medical and vocational information for the claim, the DDS examiner in consultation with appropriate medical staff determines whether the claimant meets the requirements of the law for having a disability. In doing so, the DDS examiner uses a five-step, sequential evaluation process that includes a review of the claimant's current work activity, severity of impairment, and vocational factors. See figure 1.

³Although SSA is responsible for the program, the law calls for initial determinations of disability to be made by state DDS agencies. The work performed at DDS offices is federally financed and carried out under SSA disability program regulations, policies, and guidelines. See 42.U.S.C. §421(a)(1).

⁴The examiner may also ask the claimant to take a special examination called a "consultative examination," where physicians or other medical professionals hired by SSA gather more information on the claimant's condition.

Figure 1: SSA's Five-Step Sequential Evaluation Process for Determining Disability



Sources: GAO analysis of SSA data.

^aIn 2007 the substantial gainful activity (SGA) threshold was \$1,500 per month for blind recipients and \$900 per month for individuals with other disabilities.

Claimants who are dissatisfied with the initial DDS determination have up to three additional levels of adjudicative appeal. The claimant may request a “reconsideration” of the claim, which is conducted by DDS personnel who were not involved in the original decision. If the reconsideration team concurs with the initial denial of benefits, the claimant then has 60 days from the time of this decision to appeal and request a hearing before an administrative law judge (ALJ).⁵ ALJs, who are based in 140 hearing offices located throughout the nation, can consider new evidence and request additional information including medical evidence or medical and

⁵As part of one of SSA’s process improvement initiatives, SSA eliminated the reconsideration step in 10 states. In these states, claimants who are dissatisfied with their initial decision would have their appeal reviewed by an administrative law judge.

vocational expert testimony. A claimant who is dissatisfied with the hearings decision may request, within 60 days of the ALJ's decision, that the Appeals Council review the claim. The Appeals Council is SSA's fourth and final adjudicative appeals level and is comprised of administrative appeals judges. The Appeals Council may uphold, modify, or reverse the ALJ's action, or it may return the claim back to the ALJ for another hearing and issuance of a new decision. The decision of the Appeals Council is the Commissioner's final decision. To appeal this decision, the claimant must file an action in Federal Court.

Measuring Performance

SSA measures its performance in managing its workloads in various ways. For its disability claims process, at each level of the claims process SSA tracks the number of claims pending a decision each year and the time it takes to issue a decision. The agency also uses a relative measure to determine the backlog by considering how many cases should optimally be pending at year-end. This relative measure is referred to as "target pending" and is set for each level of the disability process with the exception of the reconsideration level. From 1999 to 2006, SSA's target pending was 400,000 for claims at the initial stage and 300,000 and 40,000 for the hearings and Appeals Council stages, respectively.⁶ The number of pending claims that exceed these numbers represents the backlog. With respect to service delivery, SSA uses various measures of performance, including work productivity (average work units performed per year, per employee), customer wait times at field offices, and overall customer satisfaction with service delivery.

SSA Has Faced Challenges with Disability Claims Backlogs and Field Office Service Delivery

SSA has experienced increased backlogs and processing times associated with disability claims in recent years, as well as declines in measures of field office service. These trends are likely due to rising workloads and staffing shortfalls.

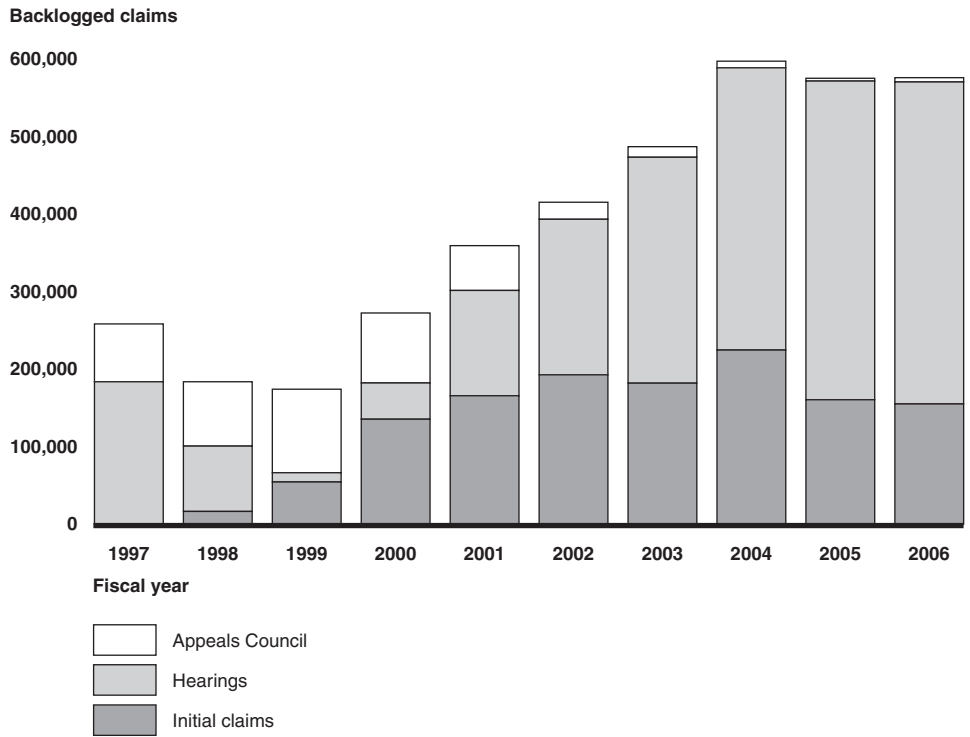
⁶SSA stated that it had never communicated the target pending amount of 400,000 to DDSs. Further, they stated that they had set a new target pending of 577,000 for 2006 and 2007. SSA indicated that they had funded the DDSs at a level consistent with 577,000 claims pending in recent years.

Disability Claims Process Challenges

The total number of backlogged disability claims in SSA more than doubled over the last decade, with the greatest accumulation of claims occurring at the hearing level. By the close of fiscal year 2006, the total number of backlogged disability claims, by SSA's measure, reached 576,000, which represented an overall growth rate of more than 120 percent from fiscal year 1997. As shown in figure 2, backlogs of varying degree have occurred at all stages of the claims process where backlogs are calculated. However, since fiscal year 2001, these claims were concentrated most heavily at the hearings level and, to a lesser extent, at the initial processing level within the DDS offices.⁷ The hearings level accounted for the largest share of backlogged claims for 7 of the 10 years we reviewed. In fiscal years 2000 and 2001, the DDS level accounted for the largest share of the backlog. The Appeals Council had the largest backlog in fiscal year 1999, but dramatically reduced these numbers by 2006.

⁷We do not report backlogs for the reconsideration stage because SSA could not provide data that would allow us to do so.

Figure 2: Total Backlogged Claims, by Level of Adjudication, Fiscal Years 1997 to 2006

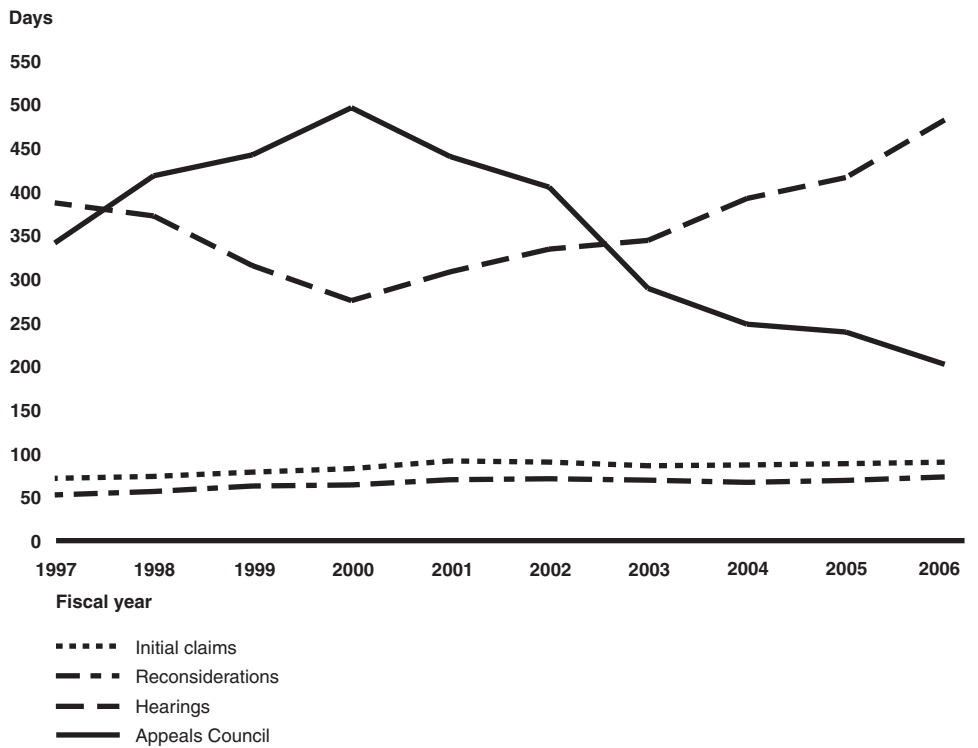


Source: GAO analysis of SSA data.

In concert with changes in the total claims backlog, average processing times for disability claims at most adjudicative levels increased. As shown in figure 3, although processing times decreased dramatically at the Appeals Council level, they increased markedly at the hearings level, and somewhat at the initial and reconsideration levels.⁸ For example, from 1997 to 2006, processing times increased about 20 days at the DDS level and 95 days at the hearings level. Further, in fiscal year 2006, 39 percent of all hearing decisions took between 365 to 599 days to process; 28 percent took 600 to 999 days to process; and 2 percent took over 1,000 days. For two regions (region 5 in Chicago and region 10 in Seattle), nearly half of all hearing decisions made in fiscal year 2006 took longer than 600 days to complete.

⁸Processing times reported in this report do not reflect time spent working on a claim prior to it reaching a DDS office (such as time spent at an SSA field office).

Figure 3: Average Claims Processing Time for DDS Initial Claims, DDS Reconsiderations, Hearings, and Appeals Council Decisions, in Days, Fiscal Years 1997 to 2006



Source: GAO analysis of SSA data.

One contributor to increased disability claims backlogs has been spikes in new applications. For example, the number of initial applications for DI and SSI benefits increased by 21 percent overall from fiscal years 1997 to 2006, contributing to the claims backlog and adding additional pressures to field office personnel who initially review these claims. These increases can be attributed to a number of influences: periodic downturns in the economy, the aging of the baby boom population, increased referrals from other programs, previous changes in program eligibility requirements and regulations, and increased program outreach. Officials in one region recounted one initiative that targeted outreach to the homeless, which increased applications and also added to processing times. They also attributed some processing delays to the time required to track homeless candidates and help them document their disabilities. With respect to the economy, SSA officials, DDS senior managers, and our prior work all

attest to the fact that economic downturns from a failing industry or natural disaster can precipitate new disability applications.

The growth in the disability claims backlogs has also coincided with losses in key personnel associated with the disability claims process. For example, although DDS staff increased about 4 percent from 1997 to 2006, DDSs have experienced high rates of staff turnover and attrition. Attrition rates for DDS disability examiners, who are state employees, were almost double that of SSA federal staff. Many DDS senior managers we spoke with said that turnover of experienced disability examiners has affected productivity. For example, from September 1998 to January 2006, over 20 percent of disability examiners hired during that period left or were terminated within their first year. DDS officials said the loss of experienced staff affects DDS' ability to process disability claims workloads because it generally takes newly hired examiners about 2 years to become proficient in their role.

Further, at the hearings level, SSA generally experienced shortfalls in ALJs and support staff—decision writers, staff that prepare case files for review, attorneys, and claims technicians. The number of ALJs available to conduct hearings ranged from a high of 1,087 in 1998 to a low of 919 in 2001, ending at 1,018 in 2006. Although SSA has had fewer than 1,100 ALJs over the last 10 years, in May 2006, SSA's Commissioner noted that the agency requires no less than 1,250 ALJs to properly manage its current pending workload. With respect to support staff, numbers ranged from a high of 5,500 in 1999 to a low of 4,700 in 2006. Although SSA managers and judges would like to see a ratio of 5.25 support staff per ALJ, the actual ratio has more often been lower, ranging from a ratio of 4.59 in 1997 to 4.12 in 2006. Only in 2001, when the number of ALJs was at its lowest point, was the target ratio achieved.

Finally, a number of initiatives undertaken by SSA to improve the disability process and potentially remedy backlogs have faltered for a variety of reasons, including poor planning and execution. In fact, some initiatives had the effect of slowing processing times by reducing staff capacity, increasing the number of appeals, or complicating the decision process. Several other initiatives improved the process, but were too costly and subsequently abandoned. This was the case for several facets of a major 1997 initiative, known as the "Disability Process Redesign," which sought to streamline and expedite disability decisions for both initial claims and appeals. In the past, we reported that various initiatives within this effort became problematic and were largely discontinued due to their ineffectiveness and high cost. Further, implementation of an electronic

system enhanced some aspects of the disability claims process, but also caused delays due to systemic instability and shutdowns at the DDS and hearings offices.⁹ Further, the “Hearings Process Improvement” initiative, implemented in 2000, involved reorganizing hearing office staff and responsibilities with the goal of reducing the number of appeals. However, many of the senior SSA officials we spoke with expressed the opinion that this initiative left key workloads unattended and was therefore responsible for dramatic increases in delays and processing times at the hearings level.

Field Office Service Delivery Challenges

In addition to disability claims backlogs and increased processing times, other aspects of SSA’s service delivery at field offices have declined in recent years. From fiscal year 2002 to 2006, the average time customers waited in a field office to speak with an SSA representative increased by 40 percent from 15 to 21 minutes. In fiscal year 2008, more than 3 million customers waited for over 1 hour to be served. Further, SSA’s 2007 Field Office Caller Survey found that 51 percent of customers calling selected field offices had at least one earlier call that had gone unanswered. Because SSA based its results only on customers who were ultimately able to get through, the actual percentage of customers that had unanswered calls was likely even higher. Overall these factors may have contributed to a 3 percent drop in SSA’s overall customer satisfaction, from 84 percent in fiscal year 2005 to 81 percent in fiscal year 2008.

Declines in field office service delivery measures coincided with a period of staff turnover and losses agency wide. From fiscal year 2005 to 2008, SSA experienced a 2.9 percent reduction in total employees and a 4.4 percent reduction in field office employees. At the same time, employees and managers reported high levels of stress. We asked 153 employees at 21 offices to rate the stress they experienced in attempting to complete their work in a timely manner and 65 percent reported feeling stress to a great or very great extent on a daily basis, while 74 percent of office managers described high levels of stress.

Declines in service delivery measures also coincided with increased workloads. For example, the number of annual field office visitors

⁹In 2000, SSA revived a prior plan to transform its paper-based processing system to a national, fully integrated electronic processing system. The initiative had several goals including (1) reducing delays caused by losing paper folders during transfers to other offices, (2) providing more complete disability information on claimants, and (3) reducing keying errors as well as storage and mailing costs.

increased by about 2.5 million customers, from 41.9 million in fiscal year 2006 to 44.4 million in fiscal year 2008. In addition, SSA's field offices experienced growth in other types of workloads. Between 2005 and 2008, SSA performed more work related to managing beneficiary rolls¹⁰ and assigning Social Security numbers. Finally, the work SSA performs on behalf of other federal agencies has grown. For example, new elements of the Medicare prescription drug program and new state laws requiring federal government verification of work authorization are resulting in additional work and field office visits.

Future Workload and Staffing Challenges

SSA projects an increase in disability claims and other workloads over the coming years while at the same time anticipates the retirement of many experienced workers. Specifically, SSA projects:

- An overall 13 percent increase in retirement and disability claims from fiscal years 2007 to 2017.
- A growth of 22 percent in the number of retirement and disability beneficiaries from 2007 to 2015.
- That nearly 40 percent of its current workforce will be eligible to retire in 5 years and 44 percent will retire by 2016.

SSA Continues to Take Steps to Address Disability Claims Backlogs and Service Delivery Challenges

SSA continues to take steps to address disability claims backlogs and service delivery challenges, including efforts to improve its disability claims process, redistribute workloads across field offices, and develop a plan for addressing future growth in disability and retirement claims. Some of these efforts have been hampered by poor planning while others are too recent to evaluate.

Improving the Disability Evaluation Process

SSA has pursued a number of initiatives to improve the overall efficiency and effectiveness of its disability claims process. For example, the DSI initiative, piloted in 2006, was designed to produce correct decisions on

¹⁰The number of people receiving monthly benefits from SSA rose from nearly 53 million in 2005 to 60 million in 2008. Such an increase affects SSA's postentitlement workload (the workload associated with actions occurring after customers become eligible for benefits) including changes of address, benefit recomputations, overpayments, and reviews of Disability and SSI beneficiaries' status to determine their continuing eligibility for benefits.

disability claims as early in the application process as possible, with the expectation that DSI would reduce both appeals of denied claims and future backlogs. The plan involved several envisioned changes to improve the disability determination process. However, results of the initiative by early 2007 were mixed. (See table 1 for examples of these initiatives and their results.) In general, we found that implementation of these and other DSI initiatives were hampered by rushed implementation, poor communication, and inadequate financial planning. Overall, the DSI initiatives cost more than the agency had originally estimated.

Table 1: Examples of DSI Initiatives and Their Results

Name of initiative	Description	Results
Quick Disability Determination Process	Used an automated screening function to identify cases that have a high probability of being approved for expedited processing	Generally produced timely and accurate decisions and is targeted for national roll-out
Federal Reviewing Official	Replaced the reconsideration level with attorneys that review appealed initial decisions	Achieved positive decision accuracy and documentation; experienced staffing challenges; contributed to increased pending claims and processing times; cost more than originally estimated
Medical and Vocational Expertise Initiative	Provided medical expertise to the Federal Reviewing Official	Experienced staffing challenges; experienced difficulty entering into contracts with medical professionals; contributed to increased pending claims; cost more than originally estimated.

Source: Based on information presented in [GAO-08-40](#).

The future of DSI currently remains uncertain. While the Quick Disability Determination will likely be implemented nationwide, SSA suspended national roll-out of most portions of the DSI initiative, and issued a proposed rule to suspend the Federal Reviewing Official and Medical and Vocational Expertise initiatives in the Boston region. SSA has said that it will continue to conduct an evaluation of DSI initiatives to determine whether they should be reinstated. Because SSA's assessment of DSI components to date has been limited, in 2007 we recommended that SSA conduct a thorough evaluation of DSI before deciding which elements should be implemented or discontinued. SSA noted that it would continue to collect data and monitor outcomes to evaluate DSI, but that, due to

constrained resources, it may not be able to collect sufficient data to ensure the reliability of the results.

SSA suspended DSI, in part, to refocus on reducing its hearings backlog, which had reached critical levels. In May 2007, SSA outlined a new hearings backlog reduction plan that focuses on reducing the existing backlog and preventing its recurrence through a series of steps that employ some prior innovations and also new initiatives. However, officials we spoke with at SSA emphasized that the hearings backlog reduction plan is not meant to replace the DSI initiative but to complement it until a final decision is made regarding the future of DSI. Steps in the plan include updating SSA's medical eligibility criteria, expediting cases for which eligibility is more clear-cut, improving hearings office capacity and performance, and other actions. Also in the plan, the Commissioner proposed dedicating \$25 million to improve SSA's electronic processing system. SSA's efforts to reduce the hearings backlog may be supported by additional funds through recent legislation. Specifically, the American Recovery and Reinvestment Act of 2009 (ARRA) allocated \$500 million to SSA to assist with processing workloads and related technology acquisitions.¹¹ SSA has not yet determined how it will use this money for its various workloads.

In December 2007, we recommended that SSA take the necessary steps to increase the likelihood that new initiatives will succeed, such as performing comprehensive planning to anticipate challenges of implementation, including the appropriate staff in the design and implementation stages, establishing feedback mechanisms to track progress and problems, and performing periodic evaluations.¹² SSA agreed with the intent of this recommendation, noting that it would take necessary steps to improve the likelihood of success of future initiatives. Accordingly, we are currently evaluating the extent to which the hearings backlog reduction plan includes components of sound planning and the potential effects of the plan on the hearings backlog and other SSA operations. As part of this review, we will (1) examine the plan's potential to eliminate the hearings-level backlog, (2) determine the extent to which

¹¹In addition, ARRA allocated \$500 million for the replacement of the National Computer Center. See the American Recovery and Reinvestment Act of 2009, H.R. 1, Division A, Title VIII, at 71 (enrolled bill).

¹²Social Security Disability: Better Planning, Management, and Evaluation Could Help Address Backlogs (GAO-08-40, December 7, 2007).

the plan includes components of sound planning, and (3) identify potential unintended effects of the plan on hearings level operations and other aspects of the disability process. We expect to complete our work later this year.

Shifting Workloads and Maintaining Staffing Levels

To address overall workloads and maintain customer service, SSA is shifting workloads to less busy offices. For example, if a field office has work demands that it cannot immediately cover, that office can request that some work be transferred to another office. Offices that have a particular expertise in that particular type of work will make themselves available, as they can process this work more quickly. These efforts likely contributed to increased productivity levels.¹³ Specifically, the average amount of work produced by field office employees increased by 2.9 percent between fiscal years 2005 and 2008.

Managers also are addressing workloads by using claims processing personnel to perform the duties typically conducted by lower-graded employees, and in some cases, office managers take on duties of their employees. Such duties include answering the telephone, providing initial services to arriving customers, processing requests for new or replacement Social Security cards, and conducting some administrative duties. Although visiting customers need attention, this practice may reduce time spent on other workloads, such as claims processing or managing the office. Moreover, as we noted earlier, the stress of expanding workloads and staffing constraints can negatively impact morale.

With fewer staff available, SSA has deferred some workloads, although this practice may have significant drawbacks. Specifically, SSA has focused on field office work it considers essential to its “core workloads,” such as processing new claims for Social Security benefits and issuing Social Security cards, while deferring other types of work including changes of address, changes to direct deposit information, and reviews to determine beneficiaries’ continuing eligibility for DI and SSI benefits. Reviews of continuing eligibility, however, are key activities in ensuring payment accuracy. Such reviews yield a lifetime savings for both DI and SSI of \$10 for every dollar invested, according to SSA. In recent years, SSA

¹³SSA cites additional reasons for productivity increases, including automation efforts and simplification of programs and policies.

has reduced the number of reviews conducted, citing budget limitations and an increase in core work. When reviews of benefits are delayed, some beneficiaries continue receiving benefits when they no longer qualify.

SSA has used a variety of strategies to maintain adequate staffing levels overall, although it faces challenges with hiring, training and retaining staff. For example, SSA: offers recruitment, relocation, and retention bonuses to individuals with needed skills; offers workplace flexibilities; uses dual compensation waivers from the Office of Personnel Management for certain hard-to-fill positions; and developed recruiting efforts to reach out to a broader pool of candidates, including retired military and veterans with disabilities. SSA may also use ARRA money to hire additional staff to help manage some of its workloads.¹⁴ However, in the past, SSA has encountered obstacles that delay hiring. For example, SSA's ability to hire sufficient ALJ's has been hindered by the length of the Office of Personnel Management's review process. In addition, field office managers and staff at many locations we visited stated that it typically takes 2 to 3 years for new employees to become proficient after being hired. For disability examiners, this process can take about 2 years, according to SSA staff, while at the same time turnover is high.

Developing a Consolidated Plan to Address Future Growth

More recently, in response to our recommendation that SSA develop a detailed service delivery plan,¹⁵ SSA stated that it intends to consolidate its various planning efforts into a single planning document. SSA commented that its consolidated document will, at minimum, include comprehensive plans for expanding electronic services for customers; increasing the centralization of receiving phone calls and working claims from customers while maintaining the network of local field offices; enhancing phone and video services in field offices (where applicable) and piloting self-service personal computers in the reception areas of those offices; and continuing to assess the efficiency of field offices. While a consolidated planning document will better reflect the variety of planning efforts SSA has to improve its operations, it remains unclear how SSA will manage growing

¹⁴As noted previously, ARRA allocated \$500 million to SSA to assist with processing workloads and related technology acquisitions; but SSA has not determined how it will use these funds. See the American Recovery and Reinvestment Act of 2009, H.R. 1, Division A, Title VIII, at 71 (enrolled bill).

¹⁵Social Security Administration: Service Delivery Plan Needed to Address Baby Boom Retirement Challenges (GAO-09-24, January 9, 2009).

workloads with its current infrastructure of approximately 1,300 field offices, while minimizing the deferral of its workloads and declines in customer service.

Concluding Observations

By all accounts, the operational challenges that SSA faces are projected to become more acute in the coming years as our society ages. SSA's aging workforce and our faltering economy may exacerbate these challenges. Over the years and across many fronts, SSA has taken numerous and varied steps to address its backlog of disability claims and its service delivery challenges, but often with mixed results or at the expense of some other key services. Funds that SSA receives through the ARRA may relieve staffing shortages and potentially improve electronic case processing, but more concerted efforts will likely be needed to get in front of the challenges ahead. We have recommended that, to increase the probability of success for any new initiatives aimed at reducing the backlog of claims, SSA focus on comprehensive planning that anticipates implementation challenges by involving key staff in design and implementation, establishing feedback loops, and performing periodic evaluations to ensure that reforms are executed effectively. We have also recommended that SSA develop a service delivery plan that addresses in detail how it will successfully deliver quality customer service in the future while managing growing work demands with constrained resources. SSA agreed that it should take necessary steps to improve the likelihood of success of future initiatives and to develop a comprehensive service delivery plan, and noted that they are taking steps toward these ends. We look forward to SSA's progress as it moves forward with these efforts.

Mr. Chairman and Members of the Subcommittee, this concludes my remarks. I would be happy to answer any questions that you or other Members of the Subcommittee may have.

GAO Contact and Acknowledgments

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Related GAO Products

High-Risk Series: An Update ([GAO-09-271](#), January, 2009).

Social Security Administration: Service Delivery Plan Needed to Address Baby Boom Retirement Challenges ([GAO-09-24](#), January 9, 2009).

Social Security Disability: Better Planning, Management, and Evaluation Could Help Address Backlogs ([GAO-08-40](#), December 7, 2007).

Social Security Disability: Management Controls Needed to Strengthen Demonstration Projects ([GAO-08-1053](#), September. 26, 2008).

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