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SSA DISABILITY REDESIGN

More Testing Needed to Assess Feasibility of New Claim Manager Position





United States
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**Health, Education, and
Human Services Division**

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The Honorable Jim Bunning
Chairman, Subcommittee on Social Security
Committee on Ways and Means
House of Representatives

Dear Mr. Chairman:

To better manage increasing workloads with fewer resources, in October 1993, the Social Security Administration (SSA) embarked on a 7-year effort to redesign its disability claims process. SSA is responsible for administering federal disability programs that provide cash and medical assistance to blind, aged, or disabled people. Between 1985 and 1995 SSA's blind and disabled enrollment increased about 50 percent. At the same time, SSA's staff decreased, from 77,741 to an estimated 64,000. In 1995 SSA paid over \$61.3 billion in cash benefits to program recipients.

SSA is redesigning its disability claims process to make it more customer focused and efficient. Currently, disability claimants frequently wait almost a year for a final disability decision. Further, disability claimants are dissatisfied with the lack of personal, specifically, face-to-face, contact with SSA staff who make the disability decisions. SSA's redesign plan encompasses the disability determination process: A potential claimant files for disability benefits; he or she is then assigned benefits or is found ineligible and files an administrative appeal of a denial of benefits.

A key initiative in SSA's redesign plan is the establishment of the disability claim manager (DCM) position. The person in this position would have total responsibility for adjudicating disability claims and authorizing the payment of benefits. This is a major change from current practice: An SSA claims representative makes the initial contact with the claimant and determines nonmedical eligibility for the program. Then, a state disability examiner and a medical consultant determine medical eligibility for the claim, usually without ever seeing the claimant in person. The goal of the redesign plan is to give the claimant access to the decisionmaker, the person who makes the determination, and allow for dialogue between them. SSA's initial efforts do not include full implementation of the DCM position before 2001.

In its 1994 redesign plan, SSA intended to move toward the DCM position in phases, first implementing several initiatives that would (1) improve service to the public and (2) provide SSA information on ways to facilitate interaction and teamwork between claims representatives and disability examiners. Among these initiatives is sequential interviewing, in which there is an immediate handoff of a portion of the initial claim from a claims representative to a disability examiner; the latter would obtain the necessary medical information directly from the claimant. Another initiative, the Early Decision List, would assess the effect of claims representatives, rather than disability examiners, making medical determinations on disabilities that are included in some categories of severe impairments. However, SSA's redesign plan has evolved; as of June 1996, SSA expects to concurrently test the DCM position, as well as related initiatives.

Given your interest in SSA's redesign plan, you asked us to evaluate (1) SSA's efforts to test and implement the DCM position, (2) the major concerns about the position, and (3) SSA's efforts to staff the position. We performed our work between June 1995 and June 1996 in accordance with generally accepted government auditing standards. Our scope and methodology are discussed in appendix I.

Results in Brief

Although SSA's efforts may offer the potential to make its disability claims process more customer focused and efficient, current plans to test the DCM position are limited in two significant ways. First, the DCM test will not evaluate all of the duties anticipated for the position. Second, SSA may not have the appropriate data to compare the results—such as claimant and employee satisfaction and reductions in processing time—of assessing the relative merits of the DCM position, sequential interviewing, and the Early Decision List testing. This assessment would provide the agency with useful information for deciding whether and how to proceed with implementing the DCM position.

Both SSA and state disability determination service (DDS) managers and staff have raised many concerns about the feasibility of the DCM position. Because the DCM is charged with denying disability claims in person, there is concern about safety. In addition, since state and federal DCMS would be paid under different compensation systems, many state DCMS would be doing the same work for less pay than their federal counterparts. Although the work group that developed SSA's test for the DCM position has developed proposals for addressing safety concerns, the salary differential

between state and federal DCMS, as well as other concerns, has not yet been addressed.

SSA may encounter problems in its efforts to staff about 11,000 DCM positions from its current state and federal workforce of about 22,000. These problems are related to concerns for personal safety and reluctance to carry out some of the tasks required by the new position. In addition, managers believe that many of their staff may not have the appropriate skills or background for the position.

Background

SSA provides assistance to people who qualify as disabled under two programs: (1) Disability Insurance (DI), which provides benefits to people who have worked and paid Social Security payroll taxes, and (2) Supplemental Security Income (SSI), which is an assistance program for people with limited income and resources who are blind, aged, or disabled.¹

Currently, the disability determination process starts when a person first applies for DI or SSI disability benefits. To apply for benefits, he or she calls the national toll-free telephone number and is referred to a local SSA field office or visits or calls one of 1,300 local field offices. Claims representatives in field offices assist with the completion of claims, obtain detailed medical and vocational history, and screen nonmedical eligibility factors.

Field office staff forward the claim to a DDS. At the DDS, medical evidence is developed by a disability examiner and a medical consultant; a final determination is made as to the existence of a medically determinable disability. The DDS then send allowed claims to SSA field offices or SSA processing centers for payment and storage. Files for denied cases are retained in field offices, pending possible appeal. According to SSA, in part because of the numerous handoffs among staff involved in processing a disability claim, a claimant can wait, on average, between 78 and 94 days from the time of filing with SSA until receiving an initial claim decision notice—when in fact only 13 hours is actually spent working on the claim.²

¹In this report, we are focusing only on the blind and disabled.

²According to the Office of Disability, through June 1996, the average time for processing an initial DI claim is 77.6 days and an initial SSI claim, 94.1 days.

In 1994, SSA released its redesign plan for receiving and deciding disability claims. The plan aims to improve the current process, which is labor intensive and slow, so as to increase claimant and staff satisfaction. To develop the plan, SSA created a Disability Process Reengineering Team, charged with producing a new process that is customer-focused, operationally feasible, and an improvement over the current process. A Disability Process Redesign Team (DPRT) was later formed to implement the Reengineering Team's plan.

In developing its redesign plan, Reengineering Team members solicited views from customer focus groups, frontline staff, managers and executives, and parties outside of SSA. The Reengineering Team found that claimants were frustrated with the fragmented nature of the current process and wanted more personalized service. In addition, some SSA staff were frustrated because they were not trained to answer claimants' questions about medical disability decisions or about the status of cases while in DDS offices. To address these concerns, SSA created the DCM position as the cornerstone of its redesign plan.

Under SSA's redesign plan, the DCM—a single decisionmaker located at either an SSA or a DDS office—would be solely responsible for processing the initial disability claim and making the decision, thereby assuming functions currently performed by at least three federal and state workers. The DCM would conduct personal interviews, which could be face-to-face, by telephone, or by video conference; develop evidentiary records; and determine medical and nonmedical eligibility. Specifically, the DCM would gather and store claim information; develop both medical and nonmedical evidence; share necessary facts in a claim with medical consultants and specialists in nonmedical or technical issues; analyze evidence; prepare well-reasoned decisions on both medical and nonmedical issues; and produce clear, understandable notices to convey information to claimants. In addition, the DCM would authorize payment of the claim. Although DCMs would still have access to medical and technical support personnel, they alone would make the final decision on both medical and nonmedical aspects of a disability claim. A medical consultant's signature would no longer be required on decisions.

The DCM would also serve as a single, personal point of contact for claimants. When filing claims, claimants could first speak in person with a DCM to obtain information about the process. In addition, a claimant would be entitled to contact the DCM throughout the process and meet personally with the DCM to provide additional evidence if the DCM expected to deny a

claim. See appendix II for a comparison of the tasks currently assigned to claims representatives and disability examiners with those expected of the DCM.

Recognizing the complexity of the DCM position responsibilities, the redesign plan calls for implementing several new support features that SSA considers critical to the DCM position: (1) SSA plans to develop a simplified decision methodology that would provide a less complex, more structured approach for DCMs to use when deciding claims. (2) New hardware and software would automate most aspects of the process and allow SSA to move from a process that depends on paper folders to one that depends on electronic records. These records would be easy to transmit between headquarters, field offices, and state DDSS. (3) In order to address the perception that different policy standards are applied at different levels of disability decision-making, SSA intends to develop a process that generates similar decisions for similar cases at all stages of the disability process through consistent application of laws, regulations, and rulings. SSA refers to this feature as process unification. Without these new features, SSA managers do not expect that DCMs would be able to handle the broad range of activities that the position requires. However, as of July 1996, none of these support features were available.

Test Results Should Be Used to Provide Basis for Decision on DCM Continuance

During the next few years, SSA expects to test the DCM position and several DCM-related initiatives. Some of the related initiatives, which SSA believes will immediately improve customer service, are being tested because SSA initially thought that the DCM position could not be immediately implemented. Other tests, which had been planned prior to redesign, are designed to provide information on various functions now incorporated into the DCM position. These tests are described below. Appendix III provides information on their status.

SSA Implementing Early Decision List, Sequential Interviewing, and Model Sites

SSA's initial 1994 redesign plan called for testing and implementing alternative ways of serving claimants, based on teams of claims representatives and disability examiners. Currently, a disability claim is handled primarily by two staff members (the claims representative and the disability examiner), each working independently of the other, with minimal coordination. As part of the redesign plan, SSA expects to team its claims representatives and DDS disability examiners so they can process claims in a coordinated manner. SSA also expects that this team environment would allow claims representatives and disability examiners

to share skills and enhance communication, thus better preparing them for the transition to the DCM position.

Following this initial teaming of claims representatives and disability examiners, SSA plans to build on teaming by implementing the Early Decision List and sequential interviewing initiatives. SSA envisions that the Early Decision List and sequential interviewing would provide claims representatives and disability examiners with opportunities to (1) expedite the processing of disability claims by streamlining the interview process and (2) expand the claims representatives' skills and experience in the medical area and that of the disability examiners in the nonmedical area.

The Early Decision List identifies severe disabilities that can be adjudicated by claims representatives with minimal training and documentation. The Early Decision List will allow a claims representative to approve certain types of claims. After approving a claim, the claims representative would forward the case to a medical consultant for final approval. Currently, only the disability examiner and the medical consultant approve these claims. SSA expects that initially, about 100,000 claims per year might be approved under the Early Decision List. Eventually, the number of Early Decision List cases will expand as claims representatives' skills and knowledge base increase. This expansion will result from (1) phasing in additional categories of disabilities and (2) the option for claims representatives to issue denials.

The sequential interviewing initiative is designed to provide disability examiners with preliminary interviewing experience for certain categories of disability claims. Additional categories will be phased in over time as the examiners' experience increases. Under sequential interviewing, after the claims representative completes the nonmedical portion of the claim, he or she will turn the claimant over to the disability examiner, who will complete the medical portion of the application. The disability examiner will either talk with the claimant by telephone before he or she leaves the field office or talk by telephone at a later date.

According to SSA's plan, the Early Decision List and sequential interviewing are modeled on existing teaming initiatives in field offices and state DDSS. For example, some offices have already experimented with sequential interviewing; in other offices, SSA claims representatives already assist DDSS by making medical determinations for some categories of severe disabilities. Preliminary results from these local initiatives indicate that they can improve customer service, work flow, and job satisfaction. For

example, one field office that used sequential interviewing processed initial claims in 46 days, well below the current average of between 78 and 94 days. Customer surveys indicate that claimants served in these efforts were pleased with the sequential interviewing. In addition, claims representatives and disability examiners participating in these initiatives were satisfied with the team tests, they said.

Currently, SSA expects to conduct formal testing and evaluation of the Early Decision List, but it will rely on states to test sequential interviewing. SSA also expects to make available its Office of Workforce Analysis and Office of Program and Integrity Reviews to provide test assistance to states. According to the DPRT director, SSA made this decision because (1) of resource constraints and (2) sequential interviewing is viewed as only a temporary measure, which will lead to the DCM position. However, the director acknowledged that formal testing of sequential interviewing would be necessary to allow for a comparison of this initiative with the proposed DCM position.

In addition to sequential interviewing and Early Decision List initiatives, SSA expects to test modifications to the disability determination process at model sites in federal offices and state DDSS. One model site test—the single medical decisionmaker—exemplifies the concept of the disability examiner making eligibility decisions alone, except in cases for which medical consultant involvement is required by statute. SSA considers this test useful because it analyzes the aspects of the redesign plan that have DCMs making eligibility decisions without necessarily soliciting medical consultants' input for all cases. In this test, a disability examiner will be authorized to make medical eligibility decisions without obtaining a medical consultant's signature, on the SSA form, certifying the determination.

In other model site tests, scheduled for completion in late 1998, SSA will expand the single medical decisionmaker test to evaluate other aspects of the disability process. In the expanded test, SSA will consider the effect of allowing claimants to have a personal predecision interview with the decisionmaker, in order to provide additional evidence if a denial is imminent. This is an opportunity not available under the existing system. As of June 1996, SSA was testing the single medical decisionmaker at DDSS in eight states and was developing the expanded test for implementation in seven states and two SSA offices.

SSA Plans to Test and Evaluate the DCM Position Incrementally

In its original redesign plan, SSA intended to test the DCM position only after testing was under way on the Early Decision List, sequential interviewing, and initiatives being explored at the model sites. SSA also intended that critical support features—including a structured approach for deciding claims, new hardware and software, and a process that ensures similar decisions for similar cases at all stages of the disability process—would be in place before the DCM could be implemented. However, in October 1995, SSA decided to initiate DCM testing in 1996, even though SSA had not yet (1) implemented these other initiatives or (2) developed any of the support features that had been included in the redesign plan as critical to the position.

According to the DPRT director, SSA management accelerated DCM testing to address several factors that might impede the overall redesign plan. For example, the DPRT director became concerned that delaying DCM testing until critical support features were in place would slow the momentum for the redesign plan, particularly because delays were already occurring in SSA's original schedule to implement these features. SSA also wanted to gain endorsement from its federal employee union, which originally was concerned about the DCM position.

The DPRT director further cited state DDS directors' concerns—about providing disability examiners with little opportunity to gain nonmedical case development experience—as a factor influencing his decision to begin testing the DCM position. According to the DPRT director, the tests will provide states with additional time to become accustomed to the DCM concept and with the opportunity to address concerns about the position. However, state DDS directors' representatives said, DPRT misunderstood their concerns. DDS directors oppose SSA's plan to accelerate implementation of the DCM position without the necessary critical support features and are concerned that SSA is beginning to give a workload to federal employees that is currently states' responsibility.

According to the president of the American Federation of Government Employees, Local 1923, the union would have opposed the DCM position if SSA attempted to implement it as a grade 11. Under a memorandum of understanding between the union and SSA, people who are assigned to DCM positions will receive temporary promotions to grade 12, one grade higher than the journeyman level for the claims representative position. According to the Deputy Commissioner for Human Resources, if SSA decides to make the DCM position permanent, an evaluation will be required to determine the appropriate salary level for the job.

Work Group Established to Define Parameters of DCM Test

To develop parameters for conducting and evaluating the DCM test, SSA assembled a work group consisting of representatives from SSA and DDS management, claims representatives and disability examiners, and federal and state union members. Throughout redesign, SSA has relied on such work groups to formulate plans for the individual redesign components. In July 1996, the work group released its final proposal for testing the DCM position. Agreement to the proposal, developed by this work group, must be obtained from the states, unions, and SSA management.

The work group's report recommends that SSA (1) conduct the DCM test in three phases, over a 3-year period, and (2) decide, at the end of each phase, how to proceed with the balance of the test. During the first phase, scheduled to last for 18 months, SSA would test 150 federal and 150 state DCM positions. At the end of this phase, SSA would evaluate the results to determine whether it should continue, modify, or terminate the DCM test. For the second phase, if SSA decides to continue the test, it would then introduce an additional 200 federal and 200 state DCMS. After this phase, SSA would again evaluate the results to determine whether the agency should continue, modify, or terminate the test. If SSA decides to proceed with the third phase, it would then establish an additional 400 federal and 400 state DCMS. At the end of this third and final phase, SSA would conduct a comprehensive review of the entire DCM test in order to decide whether it should implement the DCM position permanently.

However, the testing proposed by the DCM work group may leave untested an important feature of the position. During the initial test of the position, the claimant may not be given an opportunity to meet personally, face-to-face, with the DCM in a predecision interview. At this time, the claimant could provide additional evidence if the DCM expects to deny the claim. The predecision interview is a key factor of the DCM position, one that (1) could easily be tested without waiting for the critical support features and (2) many claims representatives and disability examiners would prefer not to do.

Further, even though DDS representatives were work group participants, they did not support SSA's proposal to test 1,500 DCM positions. At the conclusion of the DCM work group's activities, the National Council of Disability Determination Directors presented a position paper to the DPRT director, stating that they would only agree to a test involving 60 state and 60 federal DCMS.

Concerns About the DCM Position

Concerns have been raised about the DCM position since the DPRT first proposed it in 1994. These concerns include the complexity of the responsibilities, compromises to safety and internal controls, salary differential between federal and state employees, and structure of field operations.

DCM Responsibilities Considered Complex

SSA and state DDS managers and staff, as well as employee groups and union representatives, are concerned about one person's ability to master the complex responsibilities expected of a DCM. The DCM will combine major segments of two positions—claims representative and disability examiner—and will also include responsibilities now assigned to medical consultants.

As SSA's key staff providing public service, claims representatives carry out a wide range of complex tasks in the disability program. When processing an initial disability claim, a claims representative, through interviews, obtains and clarifies information from a disability claimant. The claims representative assists claimants with securing necessary additional evidence. Ultimately, the representative (1) determines whether claimants meet nonmedical requirements for benefits, using a series of administrative publications, including SSA's Program Operations Manual System that interprets federal laws and regulations, (2) calculates benefit amounts, and (3) authorizes payments for allowed claims. Because of voluminous, detailed, and complicated program guidelines, some claims representatives specialize in processing claims for a specific SSA program, such as SSI.

State DDS disability examiners also perform a wide range of complex tasks to determine whether a claimant's disability meets SSA's medical criteria for benefits eligibility. The disability examiner reviews claims forwarded by SSA field offices, obtaining additional medical records and vocational documentation on claimants as necessary. In making a medical determination, a disability examiner must establish the date of onset, duration, and level of severity of the disability; the prognosis for improvement; and the effect of the disability on a claimant's ability to engage in gainful employment. As with guidelines for claims representatives, the complicated disability program guidelines lead some disability examiners to specialize in processing either child or adult claims.

The complexity of disability examiners' and claims representatives' responsibilities is evidenced by the training required for the positions. Newly hired SSA claims representatives typically take 13 weeks of classroom training, followed by on-the-job training and mentoring. They reach journeyman level after a minimum of 2 years on the job. Similarly, the state DDS examiners go through a formal 2-year training program that includes classroom training and close individual supervision and guidance from unit supervisors; only then are examiners able to make medical eligibility determinations independently.

According to some SSA and DDS managers and employees, the DCM position may stretch staff to the point that they cannot competently manage all the required tasks. For example, in one state that we visited, a local demonstration project has claims representatives approving disability decisions for some categories of claims—those for which the disability is easily determined. According to quality assurance staff reviewing these decisions, claims representatives are beginning to make errors on nonmedical portions of claims, possibly because these representatives are branching out into areas beyond their knowledge and experience.

Although the DPRT director agreed that the responsibilities of the DCM position are complex, he stated that SSA designed it in response to claimants' concerns that the existing process did not meet their needs. The new position is intended to (1) simplify the application process for claimants by allowing them personal contact with decisionmakers and (2) provide for more rapid decisions on claims. In addition, he stated that the DCM test will permit SSA to assess the feasibility of the DCM position.

DCM Position Could Compromise Safety and Internal Controls

According to some federal and state staff and managers, the DCM position has the potential to compromise internal controls and safety of staff, issues that are currently not a problem because responsibilities are split between state and federal staff. These staff and managers are concerned about the safety of DCMS when they conduct face-to-face interviews with claimants. They are also concerned that the DCM position could compromise existing internal controls on the disability program.

SSA's redesign plan provides an opportunity for claimants to speak face-to-face with the DCMS who make decisions on their cases. Currently, claimants rarely meet face-to-face with disability examiners, who are primarily responsible for making the disability decision. As a matter of practice, claimants have personal interviews—by telephone or

face-to-face—with field office claims representatives, who are frequently not trained to answer claimants' questions about medical disability decisions.

According to claims representatives and disability examiners, because of past incidents of claimant violence and the fact that some claimants have a history of mental illness, they are worried that claimants could become violent with DCMS who notify them, face-to-face, that their claims will be denied unless they can provide additional information as support. In addition, state staff said, some disability examiners chose their profession partly because it did not involve face-to-face interviews with claimants. Consequently, claims representatives and disability examiners may be reluctant to become DCMS because of such safety and job preference concerns.

SSA's plan to provide claimants an opportunity to meet face-to-face with decisionmakers differs from the approach used by many private companies that provide disability and workers compensation insurance. In these organizations, face-to-face interviews are generally used only under specific conditions, such as to investigate potential fraud or to help facilitate rehabilitation. According to officials from various private companies, direct personal contact with claimants generally is not economically viable because such meetings take a considerable amount of time. Further, these officials said, face-to-face meetings provide little additional information besides that which can be obtained by phone and mail and that they often create stress for staff who deny claimants' benefits.

Further, under the existing system, different groups of federal and state staff—including claims representatives, disability examiners, and claims authorizers—are responsible for making eligibility decisions, medical determinations, and claim payment authorizations. This division of responsibilities helps meet standards for internal controls in the federal government. These standards require that key duties and responsibilities in authorizing, processing, recording, and reviewing transactions be separated among staff. Such standards help to reduce the risk of error, waste, or wrongful acts because each staff member carries out his or her tasks for specific transactions; he or she is independent from the other staff members involved in processing the same transaction.

Under the SSA redesign plan, however, the DCM—a single decisionmaker—would be responsible for making medical and nonmedical

eligibility decisions and for authorizing benefit payments for each disability claim. By assigning all these responsibilities to one decisionmaker, SSA is increasing the potential for staff fraud, as other staff will not be processing the different parts of the claim. According to SSA, the DPRT has not yet developed a way to address this concern. However, according to the deputy associate commissioner for Office Financial Policy and Operations, SSA will address these issues as the redesign plan is implemented.

Upgraded Position Will Widen State and Federal Salary Differential

State DDS representatives are concerned about SSA's agreement with labor union officials to compensate federal DCMS, during the test, at a higher salary level than claims representatives. Their concern is that the agreement will exacerbate the salary differential between state and federal staff. According to Wisconsin DDS calculations, federal claims representatives now earn about \$7,863 more on average in annual salary and benefits (\$49,607) than state disability examiners (\$41,744). However, disability examiners and claims representatives currently have different job responsibilities, which partially explains the salary differential.

If SSA promotes grade 11 claims representatives to grade 12 DCMS, the differential between federal and state DCMS will ultimately widen to over \$17,714. Federal DCMS will earn about \$59,458 in salary and benefits, but state DCMS are not expected to receive a similar position upgrade. This differential would be more problematic than the current one because federal and state DCMS would be doing identical jobs. According to DDS directors, the salary differential between federal and state DCMS could cause serious morale problems among staff.

According to the DPRT director, the salary differential between federal and state DCMS will continue to exist. However, the director said, states should use the DCM test as an opportunity to take position descriptions to their civil service boards to see if the positions can be upgraded. The director plans to work with state DDSS to facilitate this upgrade. However, according to the president of the National Council of Disability Determination Directors, many states will be unable to upgrade DDS employees because disability examiner positions are frequently classified with other unrelated positions and can not be upgraded without affecting states' overall pay structures.

DCM's Impact on Field Operations Uncertain

The DCM position may require SSA and the state DDSS to restructure their field operations. Currently, SSA has about 1,300 field offices at which

claimants can file their initial claims. The 54 DDSS have different types of field structures: 38 are centralized, with staff located in one office; the remaining 16 are decentralized, with staff in more than one office. However, in a given state, even decentralized DDSS have fewer field offices than SSA has.

Since both state and federal offices will be handling claimants' initial claims after redesign, SSA and DDSS may need to consider changing their current field operations to avoid overlapping areas of service within the same metropolitan area. States with DDS staff in one area, however, would need to relocate some of them or open new offices that are convenient to claimants throughout their states. Finally, because medical consultants are generally only located in DDSS, SSA will need to consider how to provide federal and state DCMS with access to medical consultants.

Although the DCM work group recognized these concerns, it did not propose ways to deal with them in the upcoming accelerated DCM tests. According to the DPRT director, SSA has not yet addressed and resolved these concerns.

Uncertainties Exist About Availability of DCM Staff

SSA expects to recruit the approximately 11,000 DCMS, which it estimates will be needed, from its current staff of federal claims representatives and state disability examiners. However, some of these staff may be unwilling or lack the necessary skills to assume DCM responsibilities. In addition, SSA has not yet developed plans for providing technical and clerical support staff for the DCM position.

Issues Affecting DCM Staff

SSA management estimates that it will need about 11,000 DCMS to process disability claims. SSA expects to recruit DCMS from its current staff of about 16,000 claims representatives and about 6,000 disability examiners. Although some claims representatives may process either retirement and survivor or disability claims, disability examiners only work on disability claims. According to DPRT team members, federal claims representatives who lack the interest or skills necessary to become DCMS will be able to continue processing retirement and survivor claims. In contrast, it is unclear what employment options will be available for state disability examiners who do not want to become DCMS since DCMS will make all disability decisions.

Although SSA plans to recruit DCMS from the current ranks of claims representatives and disability examiners, SSA management will face various challenges doing so. Many SSA and DDS field office managers and staff, whom we interviewed, were skeptical about whether enough claims representatives and disability examiners would have the necessary skills to assume the additional responsibilities expected of DCMS. Claims representatives and disability examiners will need extensive training to learn each others' job requirements.

Further, disability examiners in California, Florida, North Carolina, and Wisconsin would prefer not to have direct contact with claimants because of the pressure of face-to-face interviews, they said. Currently, disability examiners generally make disability decisions based on a review of documents without face-to-face contact with the claimant. Some disability examiners also indicated that they were unwilling to become DCMS because they were not interested in performing the nonmedical tasks involved in processing a claim.

According to the DPRT director, concerns about staff availability and the stress associated with the DCM position are valid. However, he stated, the potential for stress is not a reason for SSA to abandon the DCM position. In his opinion, SSA cannot focus solely on its staff and ignore its customers' demands for improved service; further, the DCM test would consider the effect of stress and ways to alleviate it. However, during the first phase of the upcoming test, as proposed by the DCM work group, SSA would not test the face-to-face predecision interview, one of the major points of potential stress for staff filling the new position.

Plans for Technical and Clerical Support Are Unclear

SSA recognizes that DCMS will need the assistance of technical and clerical support staff to allow DCMS to perform their duties. Although DCMS will be responsible for handling most aspects of disability claims, SSA's redesign plan calls for DCMS to "work in a team environment with internal medical and nonmedical experts...as well as technical and other clerical personnel..." For example, DCMS may need clerical help to assist in performing labor-intensive tasks associated with the processing of disability claims, such as processing mail and screening telephone calls. DCMS may also need access to medical and technical support personnel. Although no longer required on all cases, DCMS may need to obtain the opinion of medical consultants for certain cases. Similarly, DCMS may also need to call on technical support staff for assistance with claimant

contacts, status reports, development of nondisability issues, and payment authorization.

In November 1995, an initial report, from the DPRT work group on the DCM position, recommended that SSA create a new DCM assistant position to provide various types of support to DCMS. The work group recommended that SSA create one DCM assistant position for every two DCMS. Although SSA management did not agree to create this new position, management did agree to use existing personnel to staff DCM model test sites with appropriate technical and clerical support. However, this may be difficult for SSA because many of its field offices presently have few or no clerical staff.

Conclusions

Even though the critical support features required for the DCM are unavailable, SSA's decision to test the DCM position provides an opportunity to gather information about the position's feasibility, efficiency, and effectiveness. Thorough data gathering and analysis will provide SSA with some of the key information it needs to determine whether the DCM position is the best way to serve the claimant population and protect the public trust. The DCM work group's proposal—calling for evaluating the activity of the first group of DCMS 18 months into the test and using the evaluation results to make a decision on whether to proceed with additional testing, modify the DCM position, or cancel the position entirely—is sound.

However, there are some limitations on what SSA can actually test relative to the DCM position at this time. Because the critical support features are not ready for testing, the test will not provide a complete picture of the DCM position's feasibility, nor will it allow SSA to assess the relative costs and benefits of implementing the position. SSA will also not be able to assess the effects that improvements, such as technological enhancements and a simplified decision methodology, will bring to the overall disability claims process. The DCM work group's consideration of delaying the predecision interview may also limit the value of the test.

As SSA attempts to make a sound decision about further DCM testing or implementation of the DCM position, SSA would benefit from systematically assessing the results from all its DCM-related initiatives—the DCM tests, the model site tests, the Early Decision List, and sequential interviewing—and comparing their relative effects on SSA's workforce, work flow, operating costs, and service to claimants. SSA may find that the results of some of

these initiatives (1) increase decision-making efficiency and satisfy claimants more effectively than the DCM position or (2) may suggest better ways to satisfy claimant needs and reduce processing time. To facilitate the evaluation of all these initiatives, SSA needs to ensure that it has comparable test results for each of them.

Recommendations to the Commissioner of the Social Security Administration

We recommend that the Commissioner of the Social Security Administration assess current efforts to test the DCM position, so as to ensure that SSA is provided with the best possible information for making future decisions about the position. Specifically, the Commissioner should

- include, in the test of the DCM position, a personal predecision interview that provides an opportunity for claimants to meet with the DCM in person, by video conference, or by telephone, and
- continue testing of sequential interviewing, Early Decision List, and model site initiatives throughout the DCM test.

Testing and subsequent evaluations should document the extent to which the DCM position and the other initiatives increase service to the public and decrease processing time. At the end of the initial 18-month testing period and, if appropriate, at subsequent decision points, SSA should compare the evaluation results of the DCM and other initiatives with respect to their relative benefits and costs. SSA should consider these results before deciding to increase the number of DCM test positions and before approving the DCM position permanently.

Agency Comments and Our Evaluation

In its comments on this report, SSA generally agreed that we have identified the issues and concerns raised by the establishment of the new disability claims manager position. SSA also stated that it will make or has already made the changes we recommended to ensure the availability of the information necessary to assess the DCM position. Finally, SSA also stated that it plans to use results from other DCM-related initiatives to document the extent to which service to the public is improved and processing time is reduced.

We believe SSA's planned actions would be more effective if SSA included a predecision interview in its DCM test. We also believe that SSA should ensure that states' evaluation of sequential interviewing initiatives can be compared with the results of the DCM and other related initiatives.

SSA made a number of technical comments, which we incorporated as appropriate. The full text of SSA's comments and our responses are included in appendix IV.

We are providing copies of this report to the Director of the Office of Management and Budget and the SSA Commissioner. We will also make copies available to others upon request.

Major contributors to this report are listed in appendix V. If you have any questions concerning this report or need additional information, please call me on (202) 512-7215.

Sincerely yours,

A handwritten signature in black ink that reads "Jane L. Ross". The signature is written in a cursive style with a large, stylized "R".

Jane L. Ross
Director, Income Security Issues

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Abbreviations

DCM	disability claim manager
DDS	disability determination service
DI	Disability Insurance
DPRT	Disability Process Redesign Team
SSA	Social Security Administration
SSI	Supplemental Security Income

Scope and Methodology

To determine how SSA planned to test and implement the DCM position, we interviewed and reviewed documents from key members of the Redesign Team at SSA's headquarters in Baltimore, Maryland. We also conducted site visits in California, Florida, Georgia, North Carolina, and Wisconsin, where we (1) interviewed staff and managers of SSA field offices and state DDSS and (2) analyzed documents they provided. We judgmentally selected these locations because local SSA field offices and DDSS in these states have already experimented with a teaming initiative, so as to facilitate closer interaction between SSA claims representatives and DDS disability examiners. Although these initiatives were not part of SSA's redesign plan, we believe the results provide some insight on how SSA could implement the DCM position.

To identify the concerns associated with the DCM position, we spoke with the following during our site visits: DPRT members, SSA regional and field office managers and staff, employee union representatives, and DDS managers and staff. We also reviewed documents they provided us, which summarized their views on the DCM position.

To determine whether SSA had ensured that it had an adequate staff to implement the DCM position, we interviewed and analyzed information from DPRT members, SSA field office managers and staff, and state DDS officials and staff. To identify how organizations with employee classifications similar to the DCM process claims, we also interviewed representatives from four private insurers, two affiliated trade associations, and a public utility.

Comparison of Tasks Assigned to Claims Representatives, Disability Examiners, and Disability Claim Managers

Task	Claims representatives	Disability examiners	Disability claim managers
Intake			
Nonmedical development	X		X
Disability interview	X		X
Eligibility status	X		X
Explain program to claimants, representatives, and third parties	X	X	X
Evidence development			
Initial development	X	X	X
Purchase consultative examination		X	X
Vocational development		X	X
Decision interview			X
Methodology			
Disability decision		X	X
Consult with medical consultant		X	X
Prepare denial notices		X	X
Final decision			
Nonmedical development	X		X
Final authorization	X		X

Source: SSA's Disability Process Redesign Team.

Status of SSA's DCM-Related Initiatives as of June 28, 1996

Initiative	Original implementation plan	Status as of June 28, 1996
Teaming	To begin 11/95 ^a	Not yet started; negotiations with state DDSs continuing
Early Decision List	To be phased in starting 2/96 ^a	Not yet started; negotiations with state DDSs continuing
Sequential interviewing	To be phased in starting 2/96 ^a	Not yet started; negotiations with state DDSs continuing
Model site test: single decisionmaker	To begin 12/95 ^a	Testing began in 4/96
Model site test: expanded test	To begin 1/96 ^a	Not yet started; expected to begin 9/96
Disability claim manager (DCM) test	DCM positions to be tested during FY 97-98 ^b	Testing accelerated to be simultaneous with other initiatives; DCM positions not yet established; and negotiations with state DDSs and unions continuing

^aBased on DPRT implementation schedule of 10/20/95.

^bBased on November 1994 Disability Redesign Planning Timetable.

Comments From the Social Security Administration and Our Evaluation

Note: GAO comments supplementing those in the report text appear at the end of this appendix.



SOCIAL SECURITY

Office of the Commissioner

August 16, 1996

Ms. Jane L. Ross, Director
Income Security Issues
U.S. General Accounting Office
Washington, D.C. 20548

Dear Ms. Ross:

Thank you for the opportunity to comment on the draft report, "SSA Reengineering: Additional Testing Required to Assess Feasibility of New Claims Manager Position" (GAO/HEHS-96-170).

We appreciate the time and effort of the General Accounting Office (GAO) in conducting this review. We agree that there is much to be resolved in our disability redesign efforts and we are encouraged that GAO supports our efforts to proceed with testing the Disability Claims Manager position.

Enclosed are our specific comments on the report. If you have any questions, please call me or have your staff contact Charles A. Jones at (410)966-8323.

Sincerely,

A handwritten signature in cursive script that reads "Shirley S. Chater".

Shirley S. Chater
Commissioner
of Social Security

Enclosure

SOCIAL SECURITY ADMINISTRATION WASHINGTON DC 20254

**Appendix IV
Comments From the Social Security
Administration and Our Evaluation**

COMMENTS OF THE SOCIAL SECURITY ADMINISTRATION (SSA) ON THE
GENERAL ACCOUNTING OFFICE (GAO) DRAFT REPORT, "SSA REENGINEERING:
ADDITIONAL TESTING REQUIRED TO ASSESS FEASIBILITY OF NEW CLAIMS
MANAGER POSITION" (GAO/HEHS-96-170)

We basically concur that GAO has identified the issues and concerns raised by the establishment of the new disability claims manager (DCM) - the difficulty and complexity of the DCM position, security issues, the classification issue and the impact on field structure. These and other issues clearly come up when attempting major changes to the current complex and time-consuming disability claims process but should not preclude our reaching for a new and better way to do business. Naturally, we are testing the DCM position before national implementation to maximize benefits and minimize any negative impact.

As GAO is aware, SSA's Office of Workforce Analysis and Office of Program and Integrity Reviews are conducting an extensive evaluation of the DCM test. We also are looking at various solutions to address the concerns identified by GAO in this report.

We appreciate the fact that after GAO has analyzed fully our proposal, it supports our moving ahead with and starting DCM tests at this time. We are in agreement that this Agency needs to move ahead to obtain the best information for making future decisions about the DCM position. We basically will make or already have made the changes to our DCM tests as recommended by GAO to ensure that we obtain the information we need to evaluate the DCM position.

Our comments on the specific GAO recommendations follow.

GAO Recommendation

That the Commissioner of the Social Security Administration reevaluate current plans for DCM testing to ensure that SSA is provided with the best possible information for making future decisions about the DCM position. Specifically, the Commissioner should:

- Include (1) a personal, face-to-face predecision interview (PDI), and (2) the opportunity for claimants to readily and easily contact the DCM as part of the pilot test; and
- Continue testing of sequential interviewing, Early Decision List, and model site initiatives throughout the DCM pilot test. Testing scenarios and subsequent evaluations should document the extent to which the DCM position and the other initiatives increase service to the public and decrease processing time. At the end of the initial 18-month testing period and, if appropriate, at subsequent decision points,

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SSA should compare the evaluation results of the DCM and other initiatives with respect to their relative benefits and costs before deciding to increase the number of DCM test positions and before approving the DCM position permanently.

SSA Comments

Personal, Face-to-Face Predecision Interview

The recommendation regarding face-to-face contact during the PDI is misleading and may be misinterpreted. We recommend that this language be changed in the final report to reflect SSA's terminology, "personal interview." We understand GAO has used the terminology, "face-to-face interview," to reflect the personal contact process described in the Plan For A New Disability Claim Process. In that document, a personal interview is defined as an interview "...in person, by video conference, or by telephone, as the disability claim manager determines is appropriate under the circumstances."

We already plan testing of PDIs with the full process models that will begin in the fall of 1996. We believe that testing this feature with trained disability examiners is more appropriate than testing the DCM feature with newly trained field office employees with limited medical background.

We are also working with the stakeholders and evaluators to determine the best time to incorporate the PDI into the DCM test. One option under consideration is that we evaluate introduction of the PDI during the initial 18 month training period, but make a decision whether or not to include it prior to the beginning of the formal evaluation, scheduled to begin after the 18-month training period. The assessment could also be based on PDI data obtained during the testing of the full process model which will be underway in other test sites during the 18-month DCM training period. Any decision to include the PDI could then be made using at least these two criteria:

1. The PDI must be expected to add value to the DCM test; and
2. The PDI should not increase the chance for failure, by adding a significant job element too soon.

Although the report states "that claimants could become violent with DCMs who notify them that their claim was denied during face-to-face interviews," the PDI is used to inform the claimant of a planned action, not a final determination. The purpose of the interview is to explain to the claimant what information SSA has gathered and to ask the individual if there is other evidence that is available or other conditions the individual has failed to inform us about. Of course, the purpose is to let the individual know that based on the current information, he/she would not be found disabled, but that SSA has not made a final decision. Any additional evidence submitted by the claimant will

See comment 1.

See comment 2.

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need to be reviewed to see if it supports the claim for disability. The DCM may need to consult with a physician after the PDI. The claimant will then be notified of an allowance or denial decision in writing.

It must also be kept in mind that the DCM test is designed to be a preliminary study of the feasibility of the DCM concept. It is not an evaluation of the fully implemented DCM position. Finally, it is critical to understand that the PDI is designed to function in conjunction with the elimination of the reconsideration step and the implementation of the Adjudication Officer position. These are being tested separately and are not part of the DCM test.

Opportunity for Claimants to Readily and Easily Contact the DCM as Part of the Pilot Test

We concur. The DCM test will include an opportunity for claimants to "readily and easily contact the DCM."

This recommendation seems to be based on findings in the report (page 18) that state, "In addition, due to safety concerns, the proposal suggests that DCMs should not be required to give the public their first or last names despite DPRT's emphasis of providing personal service through the DCM." GAO's basis for this finding is the memorandum contained in the Work Group Report as Exhibit A, outlining the Work Group's initial recommendations to the National Health and Safety Partnership Committee. Due to a software error that occurred during editing, the date of this memorandum erroneously reflects July 8, 1996. The memorandum was actually written in March 1996. The DCM Work Group revisited this issue in June 1996 upon reconvening to review comments received on the Work Group Report. As a result, the report was revised to propose that an emphasis be placed on standard policies already in place for handling threatening and/or hostile situations. The DCM Work Group Final/Revised Report was released on July 8, 1996. In this report, the Work Group no longer recommends anonymity for the DCM, stating, "In the absence of the threat of violence, the claimant's knowledge of the identity of the DCM will not be impaired as is customary and required by POMS...."

Testing of Sequential Interviewing and the Early Decision List

We intend to proceed with sequential interviewing and the Early Decision List. We are working with Disability Determination Service representatives, SSA management and union officials to reach agreement on the size and locations of this initiative. We anticipate beginning these tests later in fiscal year (FY) 1996 or early FY 1997. Disability models tests are underway to test the single decision maker concept and full process model sites are expected to start soon. To better utilize our resources, we do not plan to evaluate sequential interviewing on its own.

See comment 3.

See comment 4.

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However, we are working with the participating States to have them evaluate the process. Results from tests of these initiatives will be examined to document the extent to which service to the public is improved and processing time is reduced and pertinent data will be used to make decisions about the conduct of the DCM tests throughout the testing period.

Other Comments

The role of the medical consultant is understated throughout the report. We believe that the report could provide a better presentation of the role of the medical consultant in the redesigned process and the single decision maker (SDM) concept. Neither the DCM nor the SDM is intended to replace the medical consultant. While the positions will utilize the trained expertise of lay disability examiners to their fullest, we recognize that there will still be cases that require medical consultant input. The medical consultant will still provide input on complex medical issues at all levels of adjudication. The SDM test is designed to see whether an experienced disability examiner can make accurate determinations on a body of cases when provided the latitude to decide which cases need medical consultant input. We fully expect that all SDMs will need access to medical consultants for a portion of their workload.

In describing the complexity of the claims representative (CR) position, the report indicates that many CRs specialize "in either the SSI or the DI program." This is not a totally accurate statement. Generally, in offices where CRs specialize, they specialize in either title II or title XVI. Much of the complexity of the title II position comes from the retirement and survivors parts of the program. The DCM would not be dealing with many parts of the title II program.

The following are GAO's comments on the Social Security Administration's letter dated August 16, 1996.

GAO Comments

1. We modified our recommendation to reflect the different ways that a DCM could conduct a predecision interview with a claimant: face-to-face, by video conferencing, or by telephone contact.
2. We continue to believe that SSA should incorporate the predecision interview into the DCM test, beginning with the initial 18-month phase, to make the test as comprehensive as possible. Incorporating the predecision interview into the DCM test would provide SSA with valuable information for making future decisions about the feasibility of the DCM position and whether testing should continue beyond the first phase. In particular, testing the predecision interview could provide information about the effect of face-to-face interviews on office security, a main area of concern raised about the DCM position. SSA should not wait for the predecision interview to be tested as part of the expanded model site test. Results from this test are not expected until late in 1998 and may not be available in time for SSA to consider when it makes its decision about further testing or implementation of the DCM position.
3. We support SSA's decision to provide an opportunity for the claimant to readily and easily contact DCMS participating in the test. Since SSA had already decided that claimants would have this access to the DCM, we modified one of the recommendations in the report.
4. We continue to be concerned that SSA may not have all the test results it needs to decide whether the DCM position should be fully adopted. SSA needs to ensure that states' evaluation of sequential interviewing initiatives can be compared with the results from the initiatives that SSA is conducting and analyzing itself. We believe SSA's test of the DCM position, combined with results of other related tests, should provide the basis for its decision on whether or not to implement the position.

GAO Contacts and Staff Acknowledgments

GAO Contacts

Michael T. Blair, Jr., Assistant Director, (404) 679-1944
Lois L. Shoemaker, Evaluator-in-Charge, (404) 679-1806

Staff Acknowledgments

In addition to those named above, David G. Artadi coauthored the report and contributed significantly to all data-gathering and analysis efforts.

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