



**Social Security Administration**

# **Business Plan**

**Fiscal Years 1997-2001**



# SOCIAL SECURITY

Office of the Commissioner

## FROM THE COMMISSIONER OF SOCIAL SECURITY

The Social Security Administration's Business Plan for the 1997 fiscal year has expanded discussion of SSA's goals: Providing World-Class Service; Rebuilding Public Confidence; and Providing a Supportive Environment for Employees. It recognizes that a changed internal environment will be a key to the success of our business approach and adds quantified projections of our future performance.

As you know, last year's Plan articulated for the first time in one document the Agency's service goals, assessments of its performance in core business processes, its strategy for narrowing the gap between current and desired performance, and descriptions of key initiatives designed to provide or progress toward World-Class Service. That first Plan also acknowledged customer expectations and the challenge of resources and workloads as primary factors in determining the Agency's activities.

The Business Plan contains a comprehensive presentation for near- and mid-term initiatives and commitments that will channel internal activities. As such, it will serve as a reference for organizations and authorities outside SSA and as a blueprint for action within the Agency.

SSA's clear commitment to planning has contributed greatly to the Agency's past success. Given the challenges we continue to face, I consider the planning process, as embodied in this Business Plan, indispensable to a successful future.

Shirley S. Chater  
Commissioner  
of Social Security

# **SSA's Business Plan**

**(April 1996)**

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# PART I

## EXECUTIVE SUMMARY

### Introduction

This second edition of the Social Security Administration's (SSA) Business Plan (BP) complements and integrates SSA's long-range Agency Strategic Plan (ASP), shorter-term tactical plans and other planning and implementation documents. Written as a comprehensive presentation of current and projected Agency business planning, the BP describes:

- The drivers of SSA strategy: a commitment to meet both the expectations of our customers and the challenge of diminishing resources and growing workloads;
- Our critical enablers: the absolute necessity for investment in the SSA/State Disability Determination Services (DDSs) workforce, in technology, and in the managerial environment -- each of which is indispensable to the success of the business approach;
- A candid assessment of our core business processes and service delivery interfaces; and,
- An explanation of the key initiatives that support the entire strategy.

While we are confident in the soundness of the business approach reflected here and our ability to adjust our planning to a typical range of variables, as this edition of the Business Plan goes to press we acknowledge two factors that will have a particular influence on the eventual outcome of the Plan:

*Uncertain Funding* - The protracted debate around the Federal budget and the fact that we have been operating under a continuing resolution have made it difficult for us to assume the level of resources we will have to invest this year in the initiatives that are fundamental to carrying out the Plan.

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SSA is particularly concerned about the Automation Investment Fund (AIF), which will provide the Agency with \$1.105 billion for fiscal years (FYs) 1994-98 to support the national implementation of the Intelligent Workstation/Local Area Network (IWS/LAN) initiative. The AIF will establish an integrated network of intelligent workstations for SSA's 64,000 employees and the State DDSs 14,000 employees, as well as related technology investments to move toward cooperative and paperless processing.

Receiving requested funding for the AIF is critical for SSA to implement the IWS/LAN on time and to avoid a sharp deterioration in service as the current terminals wear out and customer service demands increase. The IWS/LAN initiative is also critical for SSA to obtain workyear savings required to process growing workloads, improve service and meet streamlining/downsizing goals. Further, IWS/LAN is essential for establishing the technology infrastructure necessary to support improved work processes for the National 800 Number service and the disability program. Without IWS/LAN, SSA service delivery cannot exploit the opportunities for economy and service improvement made possible by rapidly advancing information technology, and the consequence will be degraded and more costly service to the public.

*Pending Legislation* - The exact terms and timing of passage of legislation affecting the programs have the potential to divert Agency focus from business plan initiatives and to further strain resources. Although differing House and Senate versions of similar legislation are not resolved as this Business Plan is released, SSA estimates it will take thousands of workyears if just the more conservative provisions of all pending legislation are signed into law. Nevertheless, for planning purposes, we are assuming that any major welfare reform legislation which is enacted will include statutory language proposed by the President to adjust discretionary spending caps to permit the allocation of related additional resources to SSA.

## SSA's Planning Framework

SSA has identified three major goals under which our activities are organized:

*Goal: To Rebuild Confidence in Social Security* - Public support of the Social Security programs is critical to their success, and the programs enjoy a large measure of support. Unfortunately, opinion surveys show that the public's confidence in Social Security is at an all-time low. SSA is working to understand the sources of the public's low confidence and pursuing activities to raise it. At present, we are moving along four important avenues:

- Increasing public knowledge about the Social Security programs.
- Continuing implementation of the initiative to issue SSA-Initiated Personal Earnings and Benefit Estimate Statements (SIPEBES).

- Reducing incidence of fraud and abuse.
- Addressing the financing issues.

*Goal: To Provide World-Class Service-* SSA's five core business processes--enumeration, earnings, claims, postentitlement and informing the public--all relate directly to the services SSA provides to the American people. We provide those services using six service delivery interfaces: face-to-face service provided directly by SSA, telephone service in the field office (FO), telephone service over the 800 Number, service through the mail, service provided by third parties and automated self-service. As many as 87 percent of SSA's employees provide direct service to the public, in addition to all of the State DDS employees; and virtually all other SSA employees provide support to the front line.

SSA is dedicated to providing world-class service to all of the people it serves. In basic terms, world-class service is defined as service equal or superior to that provided anywhere in the comparable public or private sectors. Most of the activities and initiatives described in this Business Plan are directed toward the goal of world-class service.

*Goal: To Create a Supportive Environment for SSA Employees -*Serving our customers well requires that SSA's employees, our key resource, have a professional working environment that makes available the tools and resources they need to do their jobs effectively and efficiently. Beyond the concern with employees' impact on service, however, lies SSA's conviction that employees deserve opportunities for an enriching career. Employees will be treated as whole persons whose job is but one, albeit important, thread in the fabric of their lives.

## **The Unified Planning System**

SSA has a strong, mature Agency-level planning system. Known as the Unified Planning System (UPS), two of its major components are the Agency Strategic Plan (ASP) and the Planning and Budgeting System (PBS). The ASP has been the cornerstone of all major planning efforts at SSA, and the PBS details the process by which Agency-level tactical plans and related budgets are developed. The Business Plan reflects the important planning activities that take place in the PBS.

As useful as the current planning construct has been, it is continuing to evolve to meet SSA's needs for a comprehensive system of strategic management. To create such an environment, SSA is pursuing an ambitious strategic management agenda.



## Performance Measures

The ASP, which was published in 1991, includes quantified service-delivery goals and objectives to guide SSA's business planning. We continue to evolve in this area--incorporating customer input in the formulation of measures and moving toward better measures of the outcomes of Agency action rather than simply inputs and outputs. SSA recently completed participation as a pilot agency under the provisions of the Government Performance and Results Act (GPRA) that deal with performance measurement. Transitional measures and associated goals were established for FY 1997; they are shown in this plan. SSA is now focusing its energies on developing a comprehensive set of Agency-level measures that will guide planning and budgeting in FY 1998 and beyond.

## Critical Elements of SSA's Strategy

### Strategy Drivers

The strategy drivers are powerful external factors that shape the focus, timing, and direction of Agency planning and operations. Each factor profoundly influences all SSA activity. In the planning year just passed, developments which validate yet also suggest modification in the SSA business approach have emerged in each of these drivers.

### Our Customers' Expectations

In the September 1994 status report of the National Performance Review (NPR), SSA was highlighted as an agency "putting the highest premium possible on customer service." Determined to strengthen that commitment, SSA is continuing a reorientation toward excellence in service as defined by the customer, rather than as defined by the Agency.

A number of general themes, which customers repeatedly identify as important, have emerged from SSA's extensive customer survey activities as critical to SSA's goal of *Providing World-Class Service*:

- Annual surveys by SSA's Office of the Inspector General (OIG) report that most customers are satisfied with the service provided by SSA, although customer satisfaction with the disability program is significantly lower than for other SSA programs. Keying from these findings, for the coming planning period SSA continues to focus resources and improvement initiatives on the Disability Insurance (DI) and Supplemental Security Income (SSI) disability programs, with particular investment in the progress of the Disability Process Redesign.
- OIG's FY 1995 Client Satisfaction Survey noted a strong correlation between customers' ratings of staff courtesy and their overall satisfaction with SSA's service. Since being treated with courtesy is an important characteristic of service for most of SSA's customers, the Agency works toward maintaining or improving performance in this area.
- Customers feel that having a choice in how they deal with SSA is important. Although some groups prefer face-to-face service for filing claims, an ever increasing number prefer to use the telephone for non-claims business and would like SSA to provide additional services through the 800 Number and through nontraditional mechanisms such as kiosk and Internet. Providing the choice customers are seeking is a primary impetus in a range of SSA key initiatives, particularly those associated with Electronic Service Delivery (ESD), where a variety of alternative access technologies are being developed and tested.
- Ready access to SSA's services is important to customers. People want minimal waits in field offices and fewer busy signals when calling the 800 Number. SSA is addressing these customer expectations in part through activities which will redeploy resources from management and staff support positions into front-line service jobs, and process improvement activities which will free up resources for the same purpose. Also, under a new series of telephone service improvement initiatives, in FY 1997 SSA expects 95 percent of callers to get through to the 800 Number within 5 minutes of their first try.



- Customers are most satisfied when transactions are completed with one call or visit, whether they are visiting a field office or calling the 800 Number. Many of the initiatives described in this Plan are geared toward providing the information and systems that field and 800 Number staff need to meet this customer expectation (e.g., online access to State vital statistics records). In addition, over the next several years SSA will be exploring technology that will enable complex 800 Number requests to be transferred from teleservice representatives to staff who have the specialized skills needed to serve the customer completely.
- When business cannot be completed at the initial contact, customers would prefer to deal with the same SSA employee throughout whatever process is involved. SSA is first responding to this preference for a single point of contact in the Disability Process Redesign, where a single Disability Claim Manager (DCM) is a key feature of the reengineered process, and in the next year SSA will be testing transition scenarios toward full implementation of the DCM. For nondisability areas, a 1996 workgroup will be analyzing how best to satisfy this customer expectation.
- SSA should be able to provide "one-stop shopping" for benefits from other agencies' programs and a wider range of off-site services, according to focus group participants. The NPR also noted a similar need. SSA is working toward this in initiatives with other Federal, State and local agencies.

Although customer survey activities to date have largely focused on the goal of *Providing World-Class Service*, customer input is also a primary driver of SSA planning to achieve the goal of *Rebuilding Public Confidence in Social Security*. Public confidence surveys conducted by organizations outside SSA have shown a decline in public confidence in the programs over the past few years. To validate and yield further insight into that apparent trend, SSA has been conducting various activities to elicit customer concerns and preferences. Specifically:

- In 1995, focus group participants told SSA that public confidence in the Social Security program is low and there is generally poor knowledge of the program. In particular, younger participants voiced the concern that trust funds will not remain solvent long enough for them to receive benefits or that Social Security is not a good investment.
- A 1995 survey conducted by SSA's Office of Program and Integrity Reviews (OPIR) provided more structured data which confirmed the public confidence problems and identified areas where the public lacks information about SSA programs.

- SSA expects to conduct focus groups in 1996 to learn whether the messages SSA conveys through public information materials are responsive to customer concerns and information needs.

Customer survey activity focused on the goal to *Provide a Supportive Environment for Employees* is just getting started. In 1995, employee focus groups were conducted around internal communications issues and concerns. In 1996, additional focus groups will be held and will address the full range of employee concerns, including working conditions, job satisfaction, training and tools. Results will be used in the formulation of more detailed plans to achieve this Agency goal.

### The Resource and Workload Challenges

The second critical driver of SSA's direction is the tension between growing workloads and the need in the current fiscal environment to reduce the size of the workforce overall.

- Disability claims will continue to grow, although at a slower pace than projected in the year just past. By 2001, the number of disability claims and hearings filed annually will be 10 percent and 4 percent higher, respectively, than they were in FY 1995.
- Calls received by the SSA 800 Number are expected to increase from 62 million in FY 1995 to 78 million in FY 1997.
- Postentitlement workloads will increase by about 11 percent over the FY 1994-2001 period, approximating the growth in SSA's beneficiary population. In addition to these workloads there are two major disability workloads:
  - SSI and DI Continuing Disability Reviews (CDRs) performed will increase from 285,000 in FY 1995 to 575,000 in FY 1996, and to 864,000 in FY 1997. This increased level of effort depends in part on passage of legislation to adjust discretionary spending caps, thus permitting allocation of additional funds to SSA.
  - Provisions of potential welfare reform legislation that affect the SSI program could create substantial additional work for SSA.
- SSA will provide SIPEBES to increasingly larger segments of the population. The increased issuance of SIPEBES is expected to generate follow-up work in the form of public inquiries and requests for earnings corrections.



While disability workload growth has slowed compared to the rate projected in the last planning cycle, the implications of that somewhat slower growth combined with the dramatic growth which has already occurred over the past 5 years are still severe when reduced resources are considered. SSA's customers would without question face unacceptable deterioration in most service areas if the Agency were to continue to process work as it has in the past.

## The Business Approach

Through the planning cycle just past, the SSA business approach has become more fully developed. Streamlining initiatives are now integrated into ongoing management practices and are not considered a separate element in the business approach. Two powerful alternatives will allow SSA to keep up with workload growth, overcome resource constraints, and improve service levels in targeted areas. With an enterprise-wide focus, SSA will determine where to focus on continuously improving Agency operations. In areas where the techniques of continuous improvement cannot reasonably be expected to yield the productivity or service advances needed, processes will be reengineered to produce more dramatic changes in customer service and to function more efficiently. Under either alternative, SSA increasingly emphasizes the evaluation of projects on a cost-benefit basis to provide more solid decisionmaking and to enhance the quality of our planning.

## Continuous Improvement

SSA has a successful track record in improving and automating work processes to gain greater efficiency and create service improvements. In particular, automation projects and procedural changes have been key to SSA's ability to downsize by substantial numbers in the past, and have freed up resources to invest in workload growth and service.

Continuing what has worked well in the past, one strategy of SSA's business approach is an ongoing program to identify processes in need of adjustment or susceptible to improvements which can yield better service or resource savings or both. As part of that ongoing review, SSA also reviews processes to identify activities which can appropriately and more effectively be conducted by other agencies or private sector parties, and those which should be discontinued entirely to save Agency resources and move toward government that works better and costs less.

Consistent with past improvement activities, this business plan outlines a range of initiatives expected to yield resource savings of over 5,000 full time equivalents (FTEs) in FY 1999, when compared to the resources we would need if we made no change in our process or productivity. Most of these savings will be reinvested within direct workload operations.

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## Reengineering

Business process reengineering is the second strategy in SSA's two-part business approach. The Agency uses reengineering in circumstances where business processes are dysfunctional or performing so poorly that continuous improvement techniques cannot be expected to yield enough improvement, and where dramatic improvement in cycle time, process cost, and customer satisfaction are needed. SSA plans and related budgets commit SSA to obtain disability and other process reengineering savings of about 5,000 FTEs (in addition to the 5,000 FTE savings from continuous improvement initiatives) in FY 1999 when compared to the resources we would need if we did not change our process or improve our productivity.

SSA was among the first public-sector organizations to successfully initiate business process reengineering, and we are making progress in implementation of our first major-scale reengineering initiative, a redesigned disability determination process that will prove on implementation that complex government operations can deliver dramatically better customer service at lower cost. The redesign of our policy process was completed in 1995, and implementation is now underway. SSA will also be taking on new process innovation challenges through an initiative known as "enterprise reengineering." Rather than considering new reengineering work on an ad-hoc basis as the Agency has done previously, new projects will be initiated in a continual manner until such time as core programmatic processes have been optimized.

## Key Enablers

Three key enablers, the SSA/DDS Workforce, Technology, and a Changed Managerial Environment, are factors of such fundamental importance that the SSA business approach cannot succeed without them. Each of the enablers is dependent to some extent on the other two, and the investments required by the enablers will return significant improvements in service and efficiency.

## The SSA/DDS Workforce

Over the past several years, the Commissioner of Social Security has repeatedly affirmed the fact that the SSA and State DDS workforce is the most valuable and enabling resource of the Agency, and one of the three overarching goals the Commissioner has established for the Agency is to *Create a Supportive Environment for Employees*. Technically-skilled and customer-focused today, employees nevertheless face a period of profound change as customer expectations coupled with static or diminished resources drive the Agency toward fundamentally altered ways of doing business.



To facilitate the change process, SSA is investing in new enabling tools such as IWS/LANs and document imaging devices, videoconferencing, electronic mail, expert systems and other advanced software. Without modern office automation and the efficiencies that these technology-based tools provide, the ability of SSA employees to keep up with their work will be seriously diminished.

As business processes are reengineered, it is likely that jobs will be less specialized (e.g., a disability claim manager as envisioned in the Disability Process Redesign). This means a more flexible workforce; for example, there will be more employees available to handle 800 Number calls on peak days. It will also help fulfill a strong desire of SSA customers (as expressed in customer focus groups) to be able to deal with one employee throughout the course of even complex business transactions.

Ongoing investments in employee training and career development will be crucial to continued workforce effectiveness at SSA. Streamlining plans will result in a number of employees redeploying to direct service positions from management and staff support jobs. The success of streamlining, which will reduce the number of supervisors, rests on the premise that employees will be well trained and retrained as they need to be redeployed to different work.

Significant training will also flow from process reengineering and continuous improvement/automation efforts. For example, a multi-year, phased training approach is an integral part of the Disability Process Redesign Project, and similar large training efforts are also planned in support of technology-based initiatives such as IWS/LAN. These initiatives will not succeed unless the workforce is adequately prepared for change by a strong and continuous training program.

Legislative and program-related changes (such as termination of benefits for people disabled because of drug addiction and alcoholism and the changing role of the claims representative under the redesigned disability process) have already created a heightened concern for the security of employees in public contact jobs. While SSA has a solid base of security, we will be investing in new approaches to ensure the safety of employees, clients and visitors.

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## Technology

While the SSA workforce is SSA's most valuable asset, technology runs parallel in importance because it is essential to the effectiveness of that workforce, and indispensable to the success of the SSA business approach. In order to meet growth in both customer expectations and workloads, and improve or maintain service while satisfying staffing and streamlining goals, SSA must use enabling technology to support improved or dramatically altered processes which simplify, speed, and eliminate tasks, and free employee time for the more complex activities which are not susceptible to simplification or automation. Beyond providing employees with state-of-the-art tools which will allow them to deliver world-class service in the near term, technology opens up exciting new future possibilities for doing business with our customers in nontraditional ways such as via Internet.

The following are the *major technology development themes* on which SSA's Information Technology (IT) resources will focus over the next 5 years.

*The IWS/LAN --* The single most important initiative on SSA's technology agenda is acquisition of the IWS/LAN infrastructure. IWS/LAN is the basic foundation for critical initiatives and redesign activities throughout Agency business processes and service delivery interfaces, and as a consequence IWS/LAN is the linchpin for both SSA's customer service program and the entire business approach. Without IWS/LAN, many of the productivity improvements SSA is counting on will not materialize. Without IWS/LAN, full reengineering of the disability process cannot take place and most of the processing time reductions and other improvements projected in the redesign will be lost. And without IWS/LAN, there is no platform to support the enterprise reengineering and continuous improvement efforts necessary to meet the expectations of our customers. Equally important, IWS/LAN is required to replace SSA's aging terminal network which, if not replaced, will jeopardize the performance of a wide range of current business processes, including claims taking and providing service to 800 Number callers.

*Applications Development for the Local Platform --* Although SSA continues to achieve significant service and efficiency improvements through expansion of mainframe applications, the emphasis is shifting as SSA begins to deploy the cooperative architecture. Over the next 5 years, SSA's applications development strategy will focus on designing and implementing the initial applications to run on the local platform. The first and most important of these is the Reengineered Disability System (RDS), which will bring long-overdue automation to SSA's disability process.



*Electronic Service Delivery* -- With the rapid emergence of new technologies, coupled with the evolution of a world-wide communications infrastructure which can be readily accessed by customers everywhere, there are many new opportunities to deliver service in ways which are more convenient for the public and more economical for SSA. Over the next few years, SSA will be conducting a number of pilots providing remote access to SSA services and data by SSA employees in the field, by customers seeking access via kiosk, Internet, videoconferencing and other emerging technologies, and by third parties doing business on SSA's behalf. The Electronic Service Delivery (ESD) project is the umbrella project which provides programmatic and management focus to SSA's exploration of these emerging technologies. To ensure that electronic service is controlled and secure, SSA is working with the Office of Management and Budget (OMB), the Department of Justice and other Federal agencies to capitalize on opportunities for common policy and shared responsibility for addressing government-wide issues such as electronic signature for remote access, application forms and important documents; and definition of "trusted" third parties empowered to do business on behalf of the Government (e.g., claims taking, customer identification, and other services).

*Migration to Electronic Folders* -- Despite dramatic automation improvements over the past 10 years, SSA operations must continue to rely heavily on paper client folders. Because of this, delivery of customer service is delayed and SSA spends an estimated \$300 million annually storing and handling these paper files. To address this impediment to world-class service and improved efficiency, the Disability Process Redesign relies on technology that enables electronic storage and sharing of medical information, and a second project (Paperless Processing Centers) is looking at how SSA can improve processing center workflow by using fully electronic title II folders. Part VII of the plan, Key Initiatives, describes these projects more fully.

*Better Sharing of Information within the Federal, State and Local Government Community* -- While SSA has a long history of sharing information with other Agencies, an important trend of the next few years will be toward online access to the information of other agencies rather than after-the-fact matching of files. This strategy will not only improve public service but also prevent program overpayments and eliminate significant resource expenditure for recovery activity. SSA is also putting in place the policies and processes needed to provide orderly, secure online access to SSA data by other agencies. In addition, through the newly formed Data Integrity Board, SSA is strengthening internal management of matching activities.

*Partnering with Other Federal and State Agencies* -- In a Federal/State partnering prototype in the State of Iowa, SSA will be piloting use of a State-owned fiber-optics network and State-owned videoconferencing facilities to do business on a reimbursable basis.

Customers will no longer have to travel the greater distances required to reach an SSA office, SSA will not have to build a costly videoconferencing infrastructure and Iowa will receive funding needed to underwrite the cost of the currently underutilized State network. The pilot is intended to serve as a prototype for other types of Federal/State sharing of technology infrastructure to reduce the cost to all levels of government. Such sharing might potentially include not only videoconferencing infrastructure but also shared use of telecommunications facilities for other purposes.

*Year 2000 Changes* -- In addition to the strategic themes just discussed, by the end of the century SSA must modify all programmatic and administrative software to recognize a 4-digit year code. Failure to make the modifications could interrupt or delay benefits to the public. Although SSA began addressing this problem in 1989, significant work--estimated at a minimum of 300 workyears--may be needed to modify the 30 million lines of code comprising SSA's national programs.

## **A Changed Managerial Environment**

To realize the full potential of the SSA workforce and the planned technology investments that will support them in redesigned work processes, fundamental change must also take place in SSA organizations and internal business processes to free employees from hierarchical and paper-bound procedures and reduce the resources expended in overhead. These changes include reducing layers of management, eliminating handoffs, changing work processes, eliminating reports and supervisory reviews, and the following major initiatives:

*Policy Analysis and Development* -- As an independent agency, SSA has expanded responsibility for policy analysis activities that affect the programs we administer and the people we serve. Consistent with this new status, SSA needs to become more active in policy analysis and development in order to advise decisionmakers on the important program issues. Accordingly, in FY 1996 SSA will be developing study and activity priorities to increase the quality of its research and policy analysis functions.

*Policy Process Redesign* -- The range of activities related to the development and dissemination of Agency program policies and procedures is an internal process that is undergoing redesign. The central themes of the policy redesign are empowerment of knowledgeable employees, delegation of decisionmaking authority, and organization of work and structure around self-managed teams. SSA began further implementing the Policy Process Redesign in June 1995, with the designation of an Implementation Manager.



*Office of Hearings and Appeals (OHA) Restructuring* -- The Disability Redesign provided a seamless, high-level blueprint for a new customer-oriented disability determination process, but was purposely silent on key organizational issues. Implementation planning on the new administrative appeals process has progressed enough to indicate that significant organizational realignment may have to take place in OHA in order to maximize new process performance. An executive team to develop options for reorganization of the administrative hearing process has been commissioned.

*Working in Teams* -- Throughout SSA, progress is evident in replacing a hierarchical supervisory structure with work teams, and authority is being delegated to lower levels. For headquarters components, the use of self-managed work teams is increasing, with empowered teams already playing a key role in the redesigned policy process. Some headquarters components have trained all employees on the concepts and techniques of working in teams. In the SSA operations units a joint AFGE/management team is developing plans to test a number of team concepts over the FY 96-97 time period in at least 30 different field sites. SSA will need to test various ways of working in teams to determine which arrangements combine appropriate public service, employee satisfaction and team workflows.

*Reducing Managerial Work* -- Although work is underway in all SSA components to simplify or eliminate internal work processes, the Deputy Commissioner for Operations has identified actions that will free up field office managers so they can perform acceptably in an environment with fewer supervisory layers. While these actions do not by themselves reduce numbers of managers, they do lay supportive groundwork by reducing managerial work.

*Delegations* -- Numerous redelegations of authority, in areas such as personnel management and financial management, have been approved.

*Moving Work to Employees* -- While SSA has traditionally moved work between like organizations, innovation is underway in moving work to retrained employees in non-traditional settings, such as actions to make full use of claims personnel in the Program Service Centers (PSCs) for handling 800 Number calls.

*Streamlined Procurement Process* -- SSA operating staff now have greatly enhanced ability to acquire the products and services they need quickly. Procurement authority has been delegated and purchase cards have been issued to nonprocurement personnel, allowing them to spend up to \$2,500 (up to \$25,000 in specialized situations) without approval by procurement staff. In addition, SSA has eliminated all approval steps in the acquisition reform process except those legislatively mandated. Other improvements being pursued include the use of bulletin boards, electronic commerce, an Internet home page and other techniques to streamline and expedite communications with vendors.

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## Current Agency Assessments

The Business Plan focuses on five core business processes and six service delivery methods used by SSA to interface with the public.

### Core Business Processes

- Enumeration
- Earnings
- Claims
- Postentitlement
- Informing the Public

### Service Delivery Interfaces

- Face-to-Face Service
- Field Office Telephone Service
- 800 Number Telephone Service
- Mail
- Service Provided by Third Parties
- Automated Self-Service

Each process and interface has been candidly evaluated in terms of workload, performance and the projected impact of the business approach. The focus in these assessments is on areas where SSA must create improvement in service or performance, and little discussion is given to matters in which SSA excels. The assessments dictate our continuing emphasis in several areas that warranted serious concern in last year's Business Plan: the disability claims process, CDRs, and telephone service interfaces.

## Key Initiatives

SSA has defined 22 specific initiatives to be the Agency's highest priorities. During this period, most discretionary SSA resources will be applied to these initiatives because they will have the greatest payback--in terms of achievement of SSA goals--for the resources invested. The two charts which follow list these initiatives and relate them to the Agency goals and service interfaces affected.



## Core Business Processes

	Enum	Earning	Claim	PE	Inform Public
<b>GOAL 1:</b>					
<b>Rebuild Public Confidence in Social Security</b>					
Educate the Public					X
Prevent/Detect Fraud & Abuse	X	X	X	X	X
Employ. Strategies for People w/ Disabilities				X	
<b>GOAL 2:</b>					
<b>Provide World-Class Service</b>					
Disability Process Redesign			X		X
Short-Term Disability Project			X		
Reengineered Disability System			X		
Improve Telephone Service					
IWS/LAN	X	X	X	X	X
Redesign Policy Process	X	X	X	X	X
Title II Redesign			X	X	
SSI Modernization			X	X	
Paperless Processing Centers			X	X	
Payment Cycling				X	
Notice Improvements			X	X	
Electronic Payment Services				X	
Electronic Service Delivery	X	X	X	X	X
Expand Electronic Wage Reporting		X			
Third-Party Assistance in Claims			X		
Transfer Enumeration To INS	X				
Eliminate Annual Earnings Report				X	
<b>GOAL 3:</b>					
<b>Create a Supportive Environment for SSA Employees</b>					
<b>Improve Security of Work Environment</b>					
Interactive Distance Learning	X	X	X	X	X

## Service Delivery Interfaces

	Face-to-Face	FO Tel	800 #	Mail	3rd Party	Automated Self-Service
Educate the Public	X	X	X	X		
Prevent/Detect Fraud & Abuse	X	X				
Employ. Strategies for People with Disabilities	X	X			X	
Disability Process Redesign	X	X	X	X	X	
Short-Term Disability Project	X	X				
Reengineered Disability System	X	X				
Improve Telephone Service	X	X	X			X
IWS/LAN	X	X	X	X	X	X
Redesign Policy Process	X	X	X	X	X	X
Title II Redesign	X	X	X	X		
SSI Modernization	X	X				
Paperless Processing Centers						
Payment Cycling	X	X	X			
Notice Improvements	X	X	X	X		
Electronic Payment Services	X	X	X	X	X	
Electronic Service Delivery	X	X	X	X	X	X
Expand Electronic Wage Reporting						X
Third-Party Assistance in Claims	X	X			X	
Transfer Enumeration to INS	X	X			X	
Eliminate Annual Earnings Report	X	X		X		
Improve Security of Work Environment	X	X	X			
Interactive Distance Learning	X	X	X			



## Conclusion

### Staffing

Though the rate of workload growth has decreased somewhat over the past year, workloads still present a major challenge to SSA when they are considered in the context of streamlining, additional statutory responsibilities (increased CDRs and Personal Earnings and Benefits Estimate Statements (PEBES)), potential SSI program reforms, and our commitment to improve service. Just to keep up with projected increases in workloads, *without changing the way we do business, our level of productivity, or the level of service we provide*, actual FY 1994 staffing levels would fall short of the number needed in FY 1999 by 6,300 FTEs. And to fulfill our plans to meet our statutory responsibilities and provide improved service would require another 4,500 FTEs on top of that.

Clearly, SSA must change the ways in which it does business, and we have created a business strategy that will help us accomplish the change. Its implementation will enable SSA to deliver services more effectively and better meet customer expectations--and, by current estimates, it can do so with 3,600 fewer FTEs in FY 1999 than SSA used in FY 1994.

**Estimates of SSA's FTE Needs**

	Additional FTEs	Total FTEs
SSA FTEs in FY 1994 (adjusted for functions transferred from DHHS - March 31, 1995)		65,600
Additional FTEs which would be needed in FY 1999 to keep up with workload growth (at FY 1994 production rates) with no change in the way SSA does business	+6,300	
Additional FTEs which would be needed in FY 1999 to fulfill additional statutory responsibilities and improve service (at FY 1994 production rates) with no change in the way SSA does business <sup>1</sup>	+4,500	
<b>Total FTEs which would be needed in FY 1999 (at FY 1994 production rates) with no change in the way SSA does business <sup>1</sup></b>		<b>76,400</b>
<b>Total FTEs needed to do the same work with major service improvement, after applying the critical elements of SSA's strategy <sup>1</sup> (This translates to a productivity improvement of approximately 20 percent) <sup>2</sup></b>		<b>62,000</b>

<sup>1</sup> Includes placeholder of 500 FTEs which would be funded by the Administrations's CDR proposal and, given passage of legislation to adjust discretionary budget caps for increased funding of CDRs (P.L. 104-121), would permit allocation to SSA of additional funds for CDR processing.

<sup>2</sup> Average productivity growth in the private sector was 1% in 1995. Compounding this over 5 years achieves a 5.1% growth in productivity.

**Impact of the Business Plan on Service**

SSA's ultimate goal for each of the core business processes and service-delivery interfaces is "world-class" service. The assessments described in detail in Part V of the plan describe how far the initiatives and actions SSA has planned or underway will take us toward the goal. In the charts below, the assessments are summarized so that the reader can see, at a glance, the impact SSA expects its current initiatives to have on service from FY 1997, the year for which the current budget has been developed, to FY 2001, the end of the tactical planning period.



The ratings<sup>3</sup> of service levels in the charts have been arrived at subjectively based on consideration of five overall factors of service: accuracy, timeliness, convenience for the customer, courtesy, and economy. These factors are more or less relevant depending on the process or interface being assessed. In producing the ratings, we were able to use to some degree expected attainment of performance goals, so there is a measure of objectivity in the assessment. A particular challenge for the future will be for SSA's planning, measurement, and evaluation processes to allow our assessments to reflect the optimal balance of objective and subjective factors.

### Service Levels for Core Business Processes

	FY 1995	FY 1997	FY 2001
Enumeration (overall)	World-Class Aspects	World-Class Aspects	World-Class
Earnings (overall)	Overall +	Overall+	World-Class
Claims (OASI & SSI Aged)	Overall +	Overall +	World-Class Aspects
Claims (DI/SSIBD)	Overall -	Mixed	World-Class Aspects
Postentitlement (overall)	Overall +	Overall +	World-Class Aspects
Postentitlement (CDRs)	Overall -	Overall +	World-Class
Inform the Public	Mixed	Overall +	World-Class Aspects

<sup>3</sup> Rating categories include the following: World-Class, World-Class Aspects, Overall Positive (+), Mixed, and Overall Negative (-).

## Service Levels for Service Delivery Interfaces

	FY 1995	FY 1997	FY 2001
Face-to-Face (field office)	Mixed	Mixed	World-Class Aspects
Telephone (800 Number)	Mixed	World-Class Aspects	World-Class
Telephone (field office)	Overall -	Mixed	Overall +
Mail	Mixed	Overall +	World-Class Aspects
Third Parties	Mixed	Mixed	Overall +
Automated Self-Service	Minimal*	Minimal	Mixed

\* SSA currently has only minimal services available for this mode of service delivery. These services will be expanded significantly in the years ahead.

This year, our assessments reflect our confidence that, by 2001, we will have achieved world-class service in:

- two of our core business processes, enumeration and earnings;
- a critical workload within a third business process, postentitlement CDRs; and
- one of our service-delivery interfaces, 800 Number service.

In two areas, services provided by third parties and automated self-service, our expectation of service levels in the future is lower this year than shown in the business plan last year. That reduction has resulted from SSA's continuing assessment of the expected technology environment as well as a renewed concern over both the security/privacy/legal aspects of direct automated and third-party service and the projected timing of general public ability to take advantage of such service. As environmental conditions change and SSA's plans take shape, a broader facility to provide automated self-service and expanded use of third parties may be possible earlier.



That we will not be "world-class" in all of our areas of assessment is in large measure a result of resource constraints that do not permit us to focus priority attention on every area of service. However, SSA projects that it will be able to maintain or improve service in all areas.

The FY 1997 Business Plan presents SSA's business goals and the Agency's assessment of where we stand today and how we will pursue those goals to achieve success in the future. The plan is intended to relay to every reader a sense of both the issues we face and the commitment we have made to rebuilding confidence in Social Security, delivering world-class service, and creating a supportive environment for our most important resource, the SSA/DDS employee. The strategy of using continuous improvement and reengineering to secure our future will require up-front investments in the key enablers: the workforce, technology, and the changing managerial environment. The long-term result, however, and the goal ultimately expressed by this business plan, will be the best possible Social Security programs, administered effectively, with service delivery that reflects the optimal balance of high quality, low costs, and responsiveness to the expectations of our customers.

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## **PART II**

# **BACKGROUND**

### **SSA's Programs**

SSA is responsible for administering two major programs:

- **Old-Age, Survivors and Disability Insurance (OASDI)**
- **Supplemental Security Income for the Aged, Blind, and Disabled (SSI)**

Under the Social Security Insurance program, there are three types of benefits payable: old age, survivors and disability. In the SSI program, there are three types of benefits: Disability, Aged (paid to those age 65 and older) and benefits for the blind.

SSA issues social security numbers to eligible individuals and maintains lifelong earnings records for all individuals working under employment covered by Social Security (more than 90 percent of all jobs). SSA takes claims for benefits, adjudicates appeals on disputed decisions and processes the millions of actions needed each year to keep the beneficiary records current and accurate.

SSA has responsibility for administering aspects of the Medicare, Medicaid, and Black Lung programs as well as the Coal Industry Retiree Health Benefit Act of 1992. For example, certain Medicare-related hearing requests are processed by SSA's Office of Hearings and Appeals, and Medicare enrollments are processed in SSA's field offices. In addition, SSA serves a key role in ensuring the integrity of all Federally funded needs-based benefit programs by verifying beneficiaries' social security numbers; sharing earnings and benefit information with administering agencies to help them discover unreported employment and income; and assisting the States in detecting multiple enrollments in benefit programs across State boundaries.

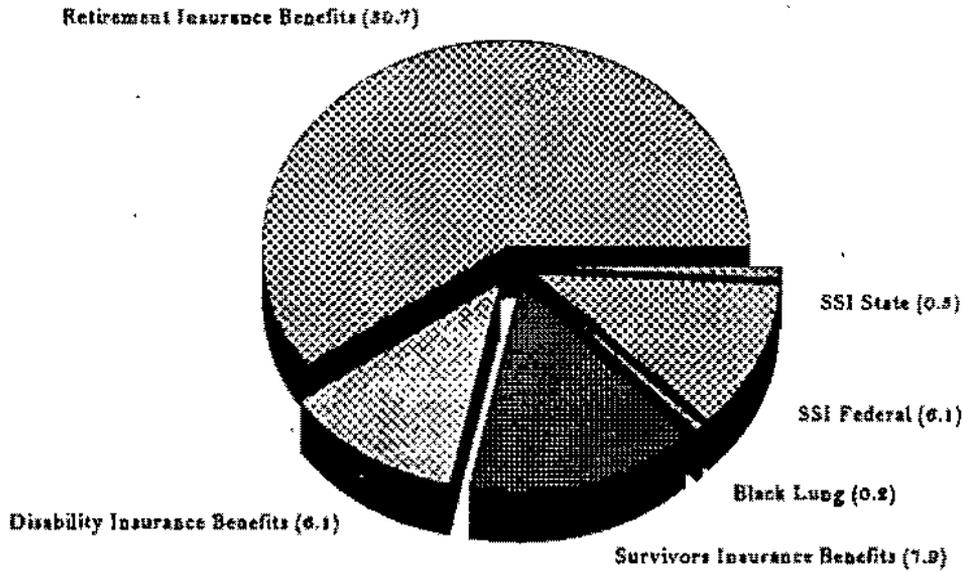
### **SSA's Customers**

More than 141 million individuals work in jobs covered by Social Security. About 17 million social security cards are issued each year. More than 50 million beneficiaries are entitled to receive benefits under the programs administered by SSA.

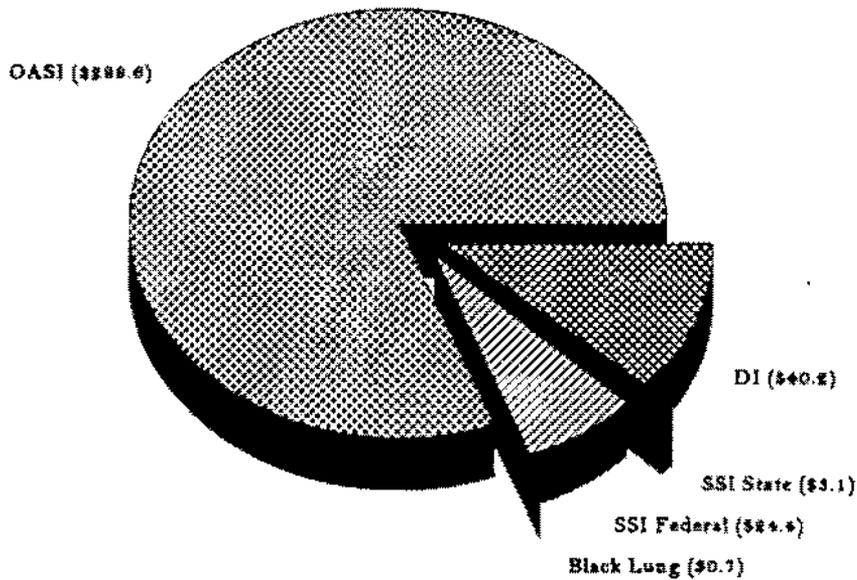


Type of Benefits

FY 1995 Beneficiaries in Force  
(In Millions)



FY 1995 Benefit Outlays By Program Type  
(In Billions)



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## SSA's Organization

SSA is headed by a Commissioner who is responsible for day-to-day operations and a workforce that numbered about 64,000 full- and part-time employees at the end of 1995. SSA became an independent agency on March 31, 1995.

The central office is located in Baltimore, Maryland. The administrative offices and the computer operations are also housed at this location. There are regional offices in 10 cities. Approximately 1,300 Social Security offices throughout the U.S., the Virgin Islands, Puerto Rico, Guam, and American Samoa deal directly with the public. Each region also has a number of Teleservice Centers. These offices handle telephone inquiries and refer callers appropriately. Program Service Centers are located in six cities. These offices, along with the Office of Disability and International Operations in Baltimore, Maryland, primarily house and service the records of individuals who are receiving Social Security benefits, as well as backing up the 800 Number telephone service. The Office of Central Records Operations maintains records of individuals' earnings and prepares benefit computations. The major operation is in Baltimore, Maryland, currently supported by a facility located in Wilkes-Barre, Pennsylvania. The Office of Hearings and Appeals administers the nationwide hearings and appeals program for the Social Security Administration in 132 sites. The Appeals Council, located in Falls Church, Virginia, may review hearing decisions.

The States operate 54 State Disability Determination Services (DDS) offices nationwide that make disability determinations on Disability Insurance and SSI disability cases. About 14,000 people were on duty in the DDSs at the end of 1995.



# PART III

## SSA's PLANNING FRAMEWORK

### SSA's Mission & Goals

Throughout its 60-year history, SSA has held fast to its basic mission to pay the right amount to the right person at the right time. SSA's current strategic plan, which was published in 1991, presents this mission statement:

*To administer national Social Security programs as prescribed by legislation, in an equitable, effective, efficient and caring manner.*

To achieve the mission, SSA has organized its major initiatives around three major goals:

- To Rebuild Public Confidence in Social Security
- To Provide World-Class Public Service
- To Create a Supportive Environment for SSA Employees

#### **Goal: To Rebuild Public Confidence in Social Security**

Public support of the Social Security programs is critical to their success, and the programs enjoy a large measure of support. A recent poll by the American Association of Retired Persons showed that 62 percent of respondents believe Social Security is one of the most important government programs. Fully 87 percent believe that the program should be continued, and 73 percent said that, if Social Security were made an optional program, they would choose to participate.

Unfortunately, opinion surveys show that the public's confidence in the future of Social Security is at an all-time low. SSA is working to understand the sources of the public's low confidence and pursuing activities to raise it. We intend to identify the issues that are of concern to our customers and address each of those issues in the best way possible.

Because confidence derives from a variety of factors, addressing the confidence issue will require a multi-faceted approach. At present, the approach is moving along four very different but important avenues:

*Increasing public knowledge about the Social Security programs* -- Information gathered both directly and indirectly from our customers suggests that the public's lack of confidence in Social Security is strongly related to a lack of understanding about the Social Security programs: what they do, how they work, the part they play in people's lives. To address this lack of understanding, SSA has initiated a major campaign to educate the public. Several key areas of importance have been identified, and SSA's messages to the public will focus on these themes. They include the following:

- Social Security programs--explaining survivors and disability benefits, the availability and importance of PEBES, and that Social Security is for people of all ages.
- The concept of social insurance--what Social Security means to society, how it has helped millions of people, that it provides a base to build on.
- Funding issues--how SSA uses only about 1 percent of Federal Insurance Contributions Act (FICA) taxes collected for administrative expenses, how the trust funds work.
- The need for a Social Security program -- its history and its rationale.

The approach will be varied in order to reach the many audiences whose opinions are important; focus group discussions have already been held among different age cohorts to determine what the public knows, what they believe they need to know, and how they would like to get Social Security information. Examples of the components of this multifaceted initiative include a multi-media (TV, radio, and print) public-service campaign designed to encourage people to request additional information about Social Security; a Commissioner's Roundtable to generate discussion with business leaders; and expanded teacher's kits to spark questioning among the nation's high school students. (See Part VII, Key Initiatives.)

The issues around public confidence include concerns among members of the public about the method and adequacy of long-term financing. One way to address these concerns is to facilitate discussion around how best to maintain a national system of social insurance. For such a debate to take place, a well-informed public is vital, and SSA's public information campaign is intended to help ensure the necessary base of information and understanding.

*Continuing implementation of the initiative to issue SSA-Initiated Personal Earnings and Benefit Estimate Statements (known as PEBES) to eligible individuals, which was mandated by the Omnibus Budget Reconciliation Act of 1989, as amended in 1990* -- The legislation requires SSA to issue first-time statements in FY 1995 to individuals age 60 and older and in FYs 1996-1999 to persons who turn age 60 during those fiscal years. Beginning October 1, 1999, the process must expand to include workers age 25 and older and must be repeated annually.



PEBES are expected to help rebuild public confidence by increasing individual awareness of the benefits that Social Security will provide and by including potential beneficiaries in a process to ensure that their records are maintained correctly. SSA will accelerate the legislated implementation schedule as resources allow. This will permit us to reap the benefits of improved public knowledge earlier and to spread the operational impact that is expected to result from PEBES. Because the initial statement is likely to be the first time an individual will view his/her own Social Security record, most inquiry and correction workloads are expected to occur as initial statements are received. Releasing as many initial statements as possible before the annual issuance process begins in the year 2000 will mitigate the impact of these workloads at that time.

*Pursuing new initiatives intended to reduce the incidence of fraud and abuse* -- SSA has always treated program and financial integrity as a high priority. New challenges call for renewed attention to fraud deterrence, detection, investigation and prosecution. In addition, better efforts must be made to collect the money owed to SSA for whatever reason, including fraudulent activities. The establishment of an Office of the Inspector General specifically for SSA, a result of independent-agency status, will provide greater attention to investigating and prosecuting cases of fraud and abuse. A coordinated Agency program is also being established to identify and implement particular process improvements to address the issue. (See Part VII, Key Initiatives.)

*Addressing the financing issues* -- The FY 1995 Social Security Trustees' report estimates that the combined OASI and DI trust funds will be exhausted in 2030. While we do not have an imminent crisis, we do owe it to today's younger families and to future generations to start determining how we will extend Social Security's life span farther into the twenty-first century and beyond. History has shown us that successful efforts to reform the Social Security system are the fruit of careful evaluation, bipartisan concern, and discussion of the issues among the Congress, the Administration, and the public.

### **Goal: To Provide World-Class Service**

SSA's five core business processes--enumeration, earnings, claims, postentitlement and informing the public--all relate directly to the services SSA provides to the American people. We provide those services using, in varying degrees and for various purposes, six service delivery interfaces: face-to-face service provided directly by SSA, telephone service in the field office, telephone service over the 800 Number, service through the mail, service provided by third parties and automated self-service. As many as 87 percent of SSA's employees perform direct service to the public, in addition to all of the State DDS employees; and virtually all other SSA employees provide support to the front line.

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SSA is dedicated to providing world-class service to all of the people it serves. In basic terms, world-class service is defined as service equal or superior to that provided anywhere in the comparable public or private sectors. SSA has always been committed to providing its customers with service that is of the highest quality possible, and we have done an exceptional job consistently over the years. In fact, SSA's enumeration process exhibits world-class aspects of service. Customer satisfaction, as measured in numerous surveys, remains very high, and SSA's accuracy in providing basic services--particularly enumeration and the paying of benefits--are exemplary. SSA continues to provide caring, courteous service to all its customers.

In order to provide world-class service, SSA is paying greater attention to what our customers actually say they want. Customers have indicated (through a variety of feedback mechanisms described in Part IV) that they expect SSA to do more than issue benefit checks accurately and on time.

In addition to what the customer says, SSA holds important beliefs about what "world-class" means. For instance, SSA has committed to ensuring equity of service across geographic lines, program lines, and demographic lines. One important thrust is improving service to our many non-English speaking customers. And we know we must treat all of our customers with equal care and consideration.

In each of the programs SSA administers and through each available service delivery interface, providing this level of service involves different challenges. But in every program and across every interface, the goal is the same: to provide *world-class* service to every customer, every time.

### **Goal: To Create a Supportive Environment for SSA Employees**

Serving our customers well requires that SSA's key resource, its employees, have a professional working environment that makes available the tools and resources its employees need to do their jobs effectively and efficiently. Beyond the concern with employees' impact on service, however, lies SSA's conviction that employees deserve opportunities for an enriching career. Employees will be treated as whole persons whose job is but one, albeit important, thread in the fabric of their lives.

Technology advances can also present challenges to work-force management, and SSA is beginning to plan for the technological evolution of jobs to ensure that SSA can accommodate employees whose jobs are impacted by automation. An example of how we are addressing the issue is the initiative underway to combine a large number of clerical positions into one generic job type. Another example is the implementation of a cross-functional team approach to handling projects and workloads.



SSA values the contributions of employees to Agency decisionmaking and recognizes the importance of making Agency decisions at the lowest level possible in the organization. We are continuing our search for the best ways to ensure that employees have the latitude they need to perform their work effectively and efficiently and to remove the barriers that impede their ability to do so. An important step in this direction was the establishment of an active National Partnership Council with the American Federation of Government Employees that addresses major issues at the Agency level and component level partnership councils that complement that effort further down in the organization. In addition, major Agency efforts, such as the redesigns of the disability and the policy processes, engage both management and Union representatives in recommending how SSA will perform critical work.

## The Unified Planning System

SSA has a strong, mature Agency-level planning system. Known as the Unified Planning System (UPS), two of its major components are the Agency Strategic Plan (ASP) and the Planning and Budgeting System (PBS).

The ASP has been the cornerstone of all major planning efforts at SSA. Through its long-range operational vision, commitments, service delivery goals and strategic priorities, the ASP has established the fundamental course of action embodied in SSA's major initiatives. The PBS details the process by which Agency-level tactical plans and related budgets are developed. The Business Plan reflects the important planning activities that take place in the PBS.

As useful as the current planning construct has been, it is continuing to evolve to meet SSA's needs for a comprehensive system of strategic management. The need to respond to new knowledge, changing circumstances, and unforeseen intervening variables requires greater emphasis on the balance between long-term thinking and short-term action. SSA will continue to plan for the long term within an environment that permits flexibility and promotes strategic thinking. To create such an environment, SSA is pursuing an ambitious strategic management agenda that includes the following activities:

*Renewed Environmental Scanning* -- SSA has begun an environmental assessment to identify the probable impact of projected demographic, social, economic and technological change on the Agency. The analysis will also include a projection of changes in the service expectations of SSA's customers as service levels change at SSA and elsewhere. An important expected improvement in the strategic management process will be the enhancement of SSA's ongoing capacity for early identification of environmental variables to which the Agency should respond.

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*Redesign of the Planning System* -- SSA is assessing the performance of its current Agency planning system and the value it provides to its customers. Part of SSA's strategy will be to examine planning systems in use in other public and private sector organizations to draw on their experiences and identify the best system features for adaptation to SSA. The system will be redesigned to ensure that it supports timely creation and integration of plans driven by performance targets and facilitates the development of a budget based on them. This will ensure that business planning becomes a central, permanent part of the planning system and that the Business Plan and other documents emerge as appropriate from our strategic management activity.

An important new feature of the planning system will be a process to strengthen SSA's policy analysis and development function. The need for this strengthening was a major finding of the redesign of the policy process (described in Part VII).

*Process Documentation and Analysis* -- SSA has documented four of its five core business processes as they are practiced on the front lines of the Agency today. This baseline will be tested for computer simulation modeling to facilitate future analytical and process redesign efforts. Each business process will be analyzed on the basis of operating efficiency and service performance. Opportunities for improvement under both criteria will be identified. For example, while a process may currently be delivering good service, it still may be possible to find more efficient methods of operating. Ways to improve efficiency, while still keeping service levels high, may be possible. In some cases, opportunity analysis is expected to indicate that incremental improvement is unlikely to reap required benefits, so the effort may become the basis for future reengineering projects.

*Executive Information System* -- SSA is building a new system for collecting and reporting information about the progress of major Agency initiatives and the attainment of Agency performance objectives. The system will be used to inform the Executive Staff about the utility of the initiatives being pursued and to support their ability to make decisions for corrective action. It will also be used as a tool to foster accountability within the strategic management process.

These activities are critical to the further development of SSA's comprehensive strategic management system. When the results are added to the service standards and performance measures being developed as described below and blended with the fiscal outlook, executive vision, and employee participation, they will provide a significant base of strategic thinking that will be documented in SSA's refreshed ASP and translated into optimal business planning in future years. The refreshed ASP will be in full compliance with the Government Performance and Results Act (GPRA). The GPRA requires, among other things, that Federal agencies have published a strategic plan by September 30, 1997, and it specifies the information that the plan should comprise.



## Performance Measures

The current ASP includes quantified service delivery goals and objectives to guide SSA's business planning. We continue to evolve in this area--incorporating customer input in the formulation of measures and moving toward better measures of the *outcomes* of Agency action rather than simply inputs and outputs. SSA recently completed participation as a pilot agency under the provisions of the GPRA that deal with performance measurement. Performance measures were prepared and submitted in the form of annual performance plans for FYs 1994, 1995, and 1996. These efforts helped us develop a set of transitional measures and associated goals for FY 1997, which are shown in the table on the next page. Related output measures for several priority workloads are also included and annotated by an (\*).

Goal/Performance Measure	FY 1997 Goal
<b>Goal: Rebuild Public Confidence</b>	
Percent of public "very well informed" or "fairly well informed" about Social Security	62%
* Number of PEBES issued upon request and automatically by SSA	14,000,000
<b>Goal: World-Class Service</b>	
<i>Overall</i>	
Percent of people who rate SSA service as courteous or very courteous	90%
Percent of people who rate SSA service as good or very good	82%
<i>Enumeration</i>	
Percent of SSNs issued within 5 calendar days after receipt of needed information	97%
<i>Earnings</i>	
Percent of earnings items posted correctly	98.8%
<i>OASI/SSI Aged Claims</i>	
Percent of OASI claims paid when due or within 15 days from effective filing date	83%
OASI initial payment accuracy rate	95.2%
SSI initial payment accuracy rate	94%
<i>OASI/SSI DI Claims</i>	
Percent of DI claims decided within 6 months after onset or within 60 days after effective filing date, whichever is later	55%
Percent of SSI disability claims decided within 60 days of filing.	30%
* Number of DI and SSI initial disability claims processed	2,415,000
Percent of DDS decisional accuracy	97%
Percent of hearings decisions made and notices sent within 120 days of filing for	15%
* Number of hearings processed	650,000



Goal/Performance Measure	FY 1997 Goal
<b><i>Postentitlement</i></b>	
Percent of budgeted CDRs processed to completion	100%
* Number of CDRs processed (including work-related) <sup>1</sup>	864,000
<b><i>Face-to-Face Service</i></b>	
Percent of public with an appointment waiting time of 10 minutes or less in a field office	84%
Percent of public without an appointment waiting time of 30 minutes or less in a field office	72.7%
<b><i>800 Number Telephone Service</i></b>	
Percent of callers who reach 800 Number within 5 minutes	95%
Percent of calls handled accurately	97.2%
<b><i>Mail</i></b>	
Percent of people who find SSA mail easy or very easy to understand	75%
<b>Goal: Supportive Environment for Employees</b>	
Percent of direct service employees with intelligent workstations, connected to a local area network	% <sup>2</sup>
Number of under-represented equal opportunity groups that came closer to parity with civilian labor force	6 of 6

SSA is now focusing its energies on developing a comprehensive set of Agency-level measures that will guide planning and budgeting in FY 1998 and beyond. Once in place, this wide range of measures will reflect the basic mission of SSA. The matrix of performance measures will be used for the first time as we develop plans in the FY 1998 budget cycle.

<sup>1</sup> Depends on passage of legislation proposed by the President which would adjust discretionary budget caps and thus permit the allocation to SSA of an additional \$320 million for the purpose of achieving this goal.

<sup>2</sup> This goal will be set once the contract award date for the purchase of IWS/LAN is known.

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# PART IV

## CRITICAL ELEMENTS OF SSA'S STRATEGY

### Strategy Drivers

The strategy drivers are powerful external factors that shape the focus, timing, and direction of Agency planning and operations. Each factor profoundly influences all SSA activity. In the planning year just past, developments which validate yet also suggest modification in the SSA business approach have emerged in each of these drivers.

### Our Customers' Expectations

In the September 1994 status report of the National Performance Review, SSA was highlighted as an agency "putting the highest premium possible on customer service." Determined to strengthen that commitment, SSA is continuing a reorientation toward excellence in service as defined by the customer, rather than as defined by the Agency. SSA views this customer focus as absolutely critical to achieving the goal of *Providing World-Class Service*.

A number of general themes, which customers repeatedly identify as important, have emerged from SSA's extensive customer survey activities:

- Annual surveys by SSA's Office of the Inspector General (OIG) report that most customers are satisfied with the service provided by SSA, although customer satisfaction with the disability program is significantly lower than for other SSA programs. Keying from these findings, for the coming planning period SSA continues to focus resources and improvement initiatives on the Disability Insurance and SSI disability programs, with particular investment in the progress of the Disability Process Redesign.
- OIG's FY 95 Client Satisfaction Survey noted a strong correlation between customers' ratings of staff courtesy and their overall satisfaction with SSA's service. Since being treated with courtesy is an important characteristic of service for most of SSA's customers, the Agency works toward maintaining or improving performance in this area.



- Customers feel that having a choice in how they deal with SSA is important. Although some groups prefer face-to-face service for filing claims, an ever-increasing number prefer to use the telephone for non-claims business and would like SSA to provide additional services through its 800 Number. Focus groups conducted in 1995 also indicate that customers--particularly those in younger age groups--would like to do business via kiosk and Internet. Providing the choice customers are seeking is a primary impetus in a range of SSA key initiatives, particularly those associated with Electronic Service Delivery, where a variety of alternative access technologies are being developed and tested.
- Ready access to SSA's services is important to customers. People want minimal waits in field offices and fewer busy signals when calling the 800 Number. SSA is addressing these customer expectations in part through activities which will redeploy resources from management and staff support positions into front-line service jobs, and process improvement activities which will free up resources for the same purpose. Also, under a new series of telephone service improvement initiatives, by FY 1997 SSA expects 95 percent of callers to get through to the 800 Number within 5 minutes of their first try.
- Customers are most satisfied when transactions are completed with one call or visit, whether they are visiting a field office or calling the 800 Number. Many of the major initiatives described in this Plan are geared toward providing the information and systems that field and 800 Number staff need to meet this customer expectation (e.g., online access to State vital statistics records). In addition, over the next 2 years SSA will be exploring and acquiring technology that will enable complex 800 Number requests to be transferred from teleservice representatives to staff who have the specialized skills needed to serve the customer completely.
- When business cannot be completed at the initial contact, customers would prefer to deal with the same SSA employee throughout whatever process is involved. SSA is first responding to this preference for a single point of contact in the Disability Process Redesign, where the Disability Claim Manager (DCM) is a key feature of the reengineered process, and in the next year SSA will be testing transition scenarios toward full implementation of the DCM. For nondisability areas, a 1996 SSA workgroup will begin analyzing how best to satisfy this customer expectation.

- SSA should be able to provide "one-stop shopping" for benefits from other agencies' programs and a wider range of off-site services, according to focus group participants. The National Performance Review also noted a similar need. SSA is working toward this in initiatives with other Federal, State and local agencies.

These basic customer expectations were reaffirmed in customer evaluation activity conducted over the past year. SSA's Office of Program and Integrity Reviews' (OPIR) Customer Survey of Initial Awardees found the same high satisfaction with SSA service overall, and considerably lower satisfaction levels when disability claimants were considered separately. Also, the survey found:

- All types of customers cited job knowledge, assistance, and courtesy as the most important aspects of SSA's service.
- Disability awardees included processing time as a top priority, and the study found that many respondents would be satisfied if SSA could meet the Disability Process Redesign ultimate goal of 60 days for initial disability decisions.
- Satisfaction with current appeals processing times was substantially lower among all customers.
- All customers have a strong preference to be served by appointment.

To support SSA's ongoing commitment to *Providing World-Class Service*, OIG will continue to conduct annual surveys by mail of SSA customers having a recent, significant transaction to determine their overall satisfaction with SSA's service and their assessment of various features of the service they received from SSA over the past year. Also, OPIR conducts comprehensive surveys of selected customer groups to obtain detailed feedback on specific SSA processes that impact the public, such as filing a claim for disability benefits, applying for a social security card and calling the 800 Number.

Focus groups provide feedback on proposed changes in service delivery and on new public information products. Staff responsible for the Agency's notice policy use focus groups to test significant changes designed to improve the quality of the notices SSA sends to customers. Other focus group testing will solicit public input on such important topics as implementation of SSA's new disability claim process.



SSA has developed a comment card and other survey instruments for use by local office managers to assess their customers' needs, to enhance the service that they deliver, and to provide appropriate feedback and training for their staff. In addition, an agency level workgroup is exploring ways SSA could institutionalize a process to systematically identify causes of customer dissatisfaction and to propose solutions. All of these activities will provide SSA with a constant flow of up-to-date information on the Agency's progress toward its goal to provide world-class service.

Based on the earliest survey activity undertaken to find out what customers wanted, SSA established a set of customer service standards. These standards, shown on the next page as published in September 1994, are specific commitments that SSA has made to respond to the expectations of customers and stakeholders. The standards by no means represent all that SSA is doing, or needs to do, to deliver world-class service.

### SSA's Customer Service Pledge

We will administer our programs effectively and efficiently to protect and maintain the Social Security trust funds and to ensure public confidence in the value of Social Security. We are committed to fair and equitable service to our customers. We promise to respect your privacy and safeguard the information in your Social Security record.

We are equally committed to providing you with world-class public service. When you conduct business with us:

- We will provide service through knowledgeable employees who will treat you with courtesy, dignity and respect every time you do business with us.
- We will provide you with our best estimate of the time needed to complete your request and fully explain any delays.
- We will clearly explain our decisions so you can understand why and how we made them and what to do if you disagree.
- We will make sure our offices are safe, pleasant, and our services are accessible.
- When you make an appointment, we will serve you within 10 minutes of the scheduled time.
- If you request a new or replacement social security card from one of our offices, we will mail it to you within 5 working days of receiving all the information we need. If you have an urgent need for the social security number, we will tell you the number within 1 working day.

We know that you expect world-class service in all of your dealings with us. Today, we are unable to meet your expectations in some areas, but we are working to change that. We are revising all our critical work processes to make them simpler, quicker, and more customer-friendly. When we redesign our processes, you can expect:

- When you call our 800 Number, you will get through to it within 5 minutes of your first try.

*Today we often are not able to meet this pledge. During our busiest days you will get a busy signal much of the time.*

- When you first apply for disability benefits, you will get a decision within 60 days.

*Today we often are not able to meet this pledge, but we are getting better. In 1994, we made disability decisions 2 weeks faster than we did in 1992. We do pledge to give you our best estimate of how long it will take to get your disability decision at the time you apply.*



Although customer survey activities to date have largely focused on the goal of *Providing World-Class Service*, customer input is also a primary driver of SSA planning to achieve the goal of *Rebuilding Public Confidence in Social Security*. Public confidence surveys conducted by organizations outside SSA have shown a decline in public confidence in the programs over the past few years. To validate and yield further insight into that apparent trend, SSA has been conducting various activities to elicit customer concerns and preferences. Specifically:

- In 1995, focus group participants told SSA that public confidence in the Social Security program is low and there is generally poor knowledge of the program. In particular, younger participants voiced the concern that trust funds will not remain solvent long enough for them to receive benefits or that Social Security is not a good investment. In response to these findings SSA has developed a comprehensive plan to address confidence issues, including a major new public information campaign.
- A 1995 OPIR survey provided more structured data which confirmed the public confidence problems and identified areas where the public lacks information about SSA programs. This information is being used to fine-tune the SSA plan for Rebuilding Public Confidence.
- SSA expects to conduct focus groups in 1996 to learn whether the messages SSA conveys through public information materials are responsive to customer concerns and information needs. Again, findings will feed into the plan for Rebuilding Public Confidence.

To support the SSA goal to *Provide a Supportive Environment for Employees*, employee focus groups were conducted in 1995 around internal communications issues and concerns. We learned that employees want complete and timely information about personnel and organizational issues that affect them. In addition, field employees who deal with the public and the media need more information about breaking news items such as financing concerns, controversial Court cases and prisoner-related fraud. They liked the use of national electronic mail to deliver information immediately to the employee desktop and asked that the IWS/LAN infrastructure be accelerated so that every employee can be connected to this network. On the basis of this feedback, SSA has greatly expanded the use of E-mail Commissioner's Broadcasts to provide the information requested. As the new infrastructure is acquired and installed, we will be able to reach every desktop with the on-time news that is needed. In 1996, additional focus groups will address the full range of employee concerns, including working conditions, job satisfaction, training and tools.

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## The Resource and Workload Challenges

The second critical driver of SSA's direction is the tension between growing workloads and the need in the current fiscal environment to reduce the size of the workforce overall.

- Disability claims will continue to grow, although at a slower pace than projected in the year just past. By 2001, the number of disability claims and hearings filed annually will be 10 percent and 4 percent higher, respectively, than they were in FY 1995.
- Calls received by the SSA 800 Number are expected to increase from 62 million in FY 1995 to 78 million in FY 1997.
- Postentitlement workloads will increase by about 11 percent over the FY 1994-2001 period, approximating the growth in SSA's beneficiary population. Included in these workloads are two major disability workloads:
  - SSI and DI CDRs performed will increase from 285,000 in FY 1995 to 575,000 in FY 1996, and to 864,000 in FY 1997. This increased level of effort depends in part on passage of legislation which would adjust the discretionary budget caps and thus permit allocation to SSA of additional funds.
  - Provisions of potential welfare reform legislation that affect the SSI program could create substantial additional work for SSA.
- SSA will provide SIPEBES to increasingly larger segments of the population. The increased issuance of SIPEBES is expected to generate follow-up work in the form of public inquiries and requests for earnings corrections.

While facing these growing workload demands, over the past planning year SSA has made good progress toward the 1999 goal to redirect over 1,900 staff support and staff supervisor positions, and to reduce 3,100 operational supervisor positions (a 50 percent reduction in these latter jobs) for a total staff/supervisory position reduction of over 5,000 positions.

SSA has already met the 10 percent target for reduction of GS-14 and above jobs, supervisory positions have already been reduced by as much as 60 percent in some areas, and components report that most other quantitative goals (such as reducing headquarters staff, reducing control staff, and increasing the supervisory ratio throughout the Agency to 1:15) will be reached gradually by 1999.



Although disability workload growth has slowed compared to the rate projected in the last planning cycle, the implications of that somewhat slower growth combined with the dramatic growth which has already occurred over the past 5 years are still severe when reduced resources are considered. SSA's customers would without question face unacceptable deterioration in most service areas if the Agency were to continue to process work as it has in the past.

## **The Business Approach**

Through the planning cycle just past, the SSA business approach has become more fully developed. Streamlining initiatives are now integrated into ongoing management practices and are not considered a separate element in the business approach. Two powerful alternatives will allow SSA to keep up with workload growth, overcome resource constraints, and improve service levels in targeted areas. With an enterprise-wide focus, SSA will determine where to focus on continuously improving agency operations. In areas where the techniques of continuous improvement cannot reasonably be expected to yield the productivity or service advances needed, processes will be reengineered to produce more dramatic changes in customer service and to function more efficiently. Under either alternative, SSA increasingly emphasizes the evaluation of projects on a cost-benefit basis to provide more solid decisionmaking and to enhance the quality of our planning.

## **Continuous Improvement**

SSA has a successful track record in improving and automating work processes to gain greater efficiency and create service improvements. In particular, automation projects and procedural changes have been key to SSA's ability to downsize by substantial numbers in the past, and have freed up resources to invest in workload growth and service. For example, modernization of the title II claims system in the late 1980s helped SSA to downsize by 20,000 employees while improving service to claimants.

Continuing what has worked well in the past, one strategy of SSA's business approach is an ongoing program to identify processes in need of adjustment or susceptible to improvements which can yield better service or resource savings or both. As part of that ongoing review, SSA also reviews processes to identify activities which can appropriately and more effectively be conducted by other agencies or private sector parties, and those which should be discontinued entirely to save agency resources and move toward government that works better and costs less.

Consistent with past improvement activities, this Business Plan outlines a range of initiatives expected to yield resource savings of over 5,000 FTEs in FY 1999, when compared to the resources we would need if we made no change in our process or productivity. Most of the savings yielded by continuous improvement will be reinvested within direct workload operations.

## Reengineering

Business process reengineering is the second strategy in SSA's two-part business approach. The Agency uses reengineering in circumstances where business processes are dysfunctional or performing so poorly that continuous improvement techniques cannot be expected to yield enough improvement, and where dramatic improvement in cycle time, process cost, and customer satisfaction are needed. SSA also expects process reengineering to produce savings of about 5,000 FTEs (in addition to FTE savings from continuous improvement initiatives) in FY 1999.

*Disability Process Redesign* -- SSA was among the first public-sector organizations to successfully initiate business process reengineering, and we are making progress in implementation of our first major-scale reengineering initiative, a redesigned disability determination process (described and updated later) that will prove on implementation that complex government operations can deliver dramatically better customer service at lower cost. Complete implementation and the eventual success of the disability redesign are dependent on the timely installation of the IWS/LAN technology described later in this plan.

*Policy Process Redesign* -- A second process redesign was completed in 1995, and implementation is now underway. This initiative is also explained in more detail in Part VII, Key Initiatives.

*Enterprise Reengineering* -- Even as reengineering implementation work is proceeding on the massive disability determination process, and on the policy development and dissemination process, SSA will be taking on new process innovation challenges through an initiative known as "enterprise reengineering."

Enterprise reengineering will use customary Business Process Reengineering (BPR) concepts such as process orientation, customer focus, zero-base thinking, and questing for dramatic improvements in service and efficiency. However, rather than considering new reengineering work on an ad-hoc basis, new projects will be initiated in a continual manner until such time as core programmatic processes have been optimized.



A baseline, documentation of SSA core programmatic processes has been completed. Utilizing information from that effort and from other analyses, SSA is currently assessing enterprise-wide reengineering opportunities, and Agency leaders are now determining the priority for individual projects.

Priority selections will be made after considering a number of variables including the current performance level of a particular process, and the amount of resources a particular process currently consumes.

Once priority areas for process innovation have been identified, cross-functional teams will be recruited, trained in the SSA reengineering methodology, and then empowered to re-think traditional operating practices. All reengineering teams will be governed by a single set of design parameters to help ensure that process innovations are congruent, and that changes can be implemented in a reasonable amount of time.

## Key Enablers

Three key enablers, the SSA/DDS Workforce, Technology, and a Changed Managerial Environment, are factors of such fundamental importance that the SSA business approach cannot succeed without them. Each of the enablers is dependent to some extent on the other two, and the investments required by the enablers will return significant improvements in service and efficiency.

## The SSA/DDS Workforce

Over the past several years, the Commissioner of Social Security has repeatedly affirmed the fact that the SSA and State DDS workforce is the most valuable and enabling resource of the Agency, and one of the three overarching goals the Commissioner has established for the Agency is to *Create a Supportive Environment for Employees*. Technically skilled and customer-focused today, employees nevertheless face a period of profound change as customer expectations coupled with static or diminished resources drive the Agency toward fundamentally altered ways of doing the public business.

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SSA has taken some important steps over the last several years to create a supportive environment. One of them, the provision of enabling technology, has been taken in part with the introduction of the IWS/LAN computing platform and such applications as on-line programmatic instructions and the approach to information retrieval that relies on integrated files of client data. These technology advances help employees make decisions and respond immediately to client issues and questions, thereby giving them greater mastery over the job at hand. A survey of all employees was conducted to obtain their views on SSA's service delivery construct, and the resulting database is used regularly in Agency improvement efforts. SSA also has put in place, where possible, a wide variety of employee benefits, such as flextime, alternate work schedules, child care and fitness facilities, a national elder care referral program and the services of a Career-Life Resources Center.

As business processes are reengineered, it is likely that jobs will be less specialized (e.g., a disability claim manager as envisioned in the Disability Process Redesign). That means a more flexible workforce; for example, there will be more employees available to handle 800 Number calls on peak days. It also moves to fulfill a strong desire (expressed by SSA customers in focus groups) to be able to deal with one employee throughout the course of even complex business transactions. In order for employees to assume more generalist positions, they must be supported by modern workplace tools such as IWS/LAN, and expert systems software. Otherwise, the breadth of knowledge required by complex program rules, and the time demands from handing off work between a chain of specialists, will be overwhelming.

A growing number of employees possessing a broader range of skills, coupled with technology, will create expanded flexibility in the placement of work, and in the SSA environment movable workloads being done in unaccustomed places will become more rule than exception. While SSA has a long tradition of shifting work to equalize processing times, in the past this has primarily involved movement between like organizations such as the processing centers. Today, traditional field operations work of answering 800 Number telephone calls is done in processing centers and direct service units at SSA headquarters, and hearings decision-writing, once limited to the Office of Hearings and Appeals, is underway in special units established throughout the SSA regions and headquarters to assist with the short-term peak workload.

Ongoing investments in employee training and career development will be crucial to continued workforce effectiveness at SSA. Streamlining plans will result in a number of employees redeploying to direct service positions from management and staff support jobs. All of these people will require new skills training. The success of streamlining, which reduces the number of supervisors, rests on the premise that employees will be well trained and retrained as they need to be redeployed to different work.



Significant training will also flow from process reengineering and continuous improvement/automation efforts. For example, a multi-year, phased training approach is an integral part of the Disability Process Redesign Project, and similar large training efforts are also planned in support of technology-based initiatives such as IWS/LAN. These initiatives will only succeed if the workforce is adequately prepared for change by a strong and continuous training program.

Employees are increasingly concerned with wellness issues, and in balancing their personal needs and career demands. SSA will continue to provide services and facilities to as many employees as possible to meet fitness, day care, elder care and other personal, yet job impacting needs. Within the constraints of mission demands to serve the public, SSA will also continue to seek ways to provide employees latitude to arrange their work schedule to accommodate their personal lives.

Over the years, many practices, programs and initiatives have been implemented to upgrade and enhance security in SSA offices nationwide. However, legislative and program-related changes (such as termination of benefits for people disabled because of drug addiction and alcoholism and the changing role of the claims representative under the redesigned disability process) may impact the Agency-client relationship. These changes have already created a heightened concern for the security of employees in public contact jobs. While SSA has a solid base of security, it will be necessary to invest in new approaches to assist the Agency in carrying out its mission, delivering world-class service and ensuring the integrity of SSA's programs while also ensuring the safety of employees, clients and visitors.

Demographic forecasts suggest that, as we move into the new century, the size of the American workforce will begin to shrink. Additionally, the composition of the workforce will be changing, including more minorities, more non-English-speaking people and more working women. Positioning to meet these challenges makes sound business sense and will be a major emphasis over the next 5 years. Specifically, SSA plans to:

- Provide satisfying work, a professional environment and growth opportunities to attract and retain the best and the brightest in the American workforce.
- Provide support service and flextime/flexiplace options so SSA is able to draw upon the pool of single parents, people with disabilities and other groups which may need special accommodations to enter the workforce.

## Technology

While the SSA workforce is SSA's most valuable asset, technology runs parallel in importance because it is essential to the effectiveness of that workforce, and indispensable to the success of the SSA business approach. In order to meet growth in both customer expectations and workloads, and improve or maintain service while satisfying staffing and streamlining goals, SSA must use enabling technology to support improved or dramatically altered processes which simplify, speed, and eliminate tasks, and free employee time for the more complex activities which are not susceptible to simplification or automation. Beyond providing employees with state-of-the-art tools which will allow them to deliver world-class business service in the near term, technology opens up exciting new future possibilities for doing business with our customers in nontraditional ways such as via Internet. SSA's strategy for application of technology over the next 5 to 7 years can be found in detail in the SSA Information Systems Plan (ISP), a companion document to the Business Plan. The following are the major technology development themes on which SSA's IT resources will focus during the planning period:

*The IWS/LAN* -- The single most important initiative on SSA's technology agenda is acquisition of the IWS/LAN infrastructure. IWS/LAN is the basic foundation for critical initiatives and redesign activities throughout Agency business processes and service delivery interfaces, and as a consequence IWS/LAN is the linchpin for both SSA's customer service program and the entire business approach. Without IWS/LAN, many of the productivity improvements SSA is counting on will not materialize. Without IWS/LAN, full reengineering of the disability process cannot take place and most of the processing time reductions and other improvements projected in the redesign will be lost. And without IWS/LAN, there is no platform to support the enterprise reengineering and continuous improvement efforts necessary to meet the expectations of our customers. Equally important, IWS/LAN is required to replace SSA's aging network which, if not replaced, will jeopardize the performance of a wide range of current business processes, including claims taking and providing service to 800 Number callers. Over 80 percent of the equipment now in place has already exceeded its planned life, and all of this equipment will be well outdated by the time IWS/LAN can be installed.

Among the critical capabilities that IWS/LAN supports are the "paperless" processing of claims and postentitlement information and the automated transmission of this information to wherever the appropriate employee happens to be located. Having the capability to move the work, without manual handoffs, to where the employees are is essential both to reducing overall processing times and to meeting other customer needs in a streamlined SSA. IWS/LAN will permit SSA to use other complex tools such as expert systems, and will improve the availability and timeliness of information to employees and appropriate users.



Even without the more sophisticated capabilities, IWS/LAN can provide immediate benefits to field offices struggling to improve productivity with insufficient numbers and quality of personal computers. Most SSA field offices have few personal computers, and these are primarily older-technology machines, with slower speeds and substantially less storage and memory than is required to support modernized software. The effect of this antiquated technology in limiting service and productivity improvements is profound. Today, employees lose time on tasks ranging from producing professional quality notices to complex computations to quick access to reference manuals and procedures. The use of electronic mail has been restricted in training, public information and administrative processes, and its value in sharing information and easing communications between employees to improve customer service and create an atmosphere of employee empowerment has to date been minimal.

Given the pervasive relationship of the IWS/LAN initiative to the entire range of SSA business processes and service interfaces, it is impossible to overestimate the potential contribution of this initiative to SSA's major goals. By providing options for advanced process redesign, IWS/LAN creates options for dramatic improvements in service delivery to move the Agency to world-class service. IWS/LAN couples a superior technology with simple tools for communicating, delivering major improvements in SSA's messages to and between employees and the public and providing a foundation for rebuilding public confidence.

And finally, IWS/LAN creates a technical environment for development of the single point of contact our customers seek, and so offers a framework for employee empowerment and development.

Detailed information about the IWS/LAN initiative, including dollar benefits, schedules, and deployment strategies, can be found in Part VII, Key Initiatives.

*Applications Development for the Local Platform* -- Although SSA continues to achieve significant service and efficiency improvements through expansion of mainframe applications, the emphasis is shifting as SSA begins to deploy the cooperative architecture. Over the next 5 years, SSA's applications development strategy will focus on designing and implementing the initial applications to run on the local platform. The first and most important programmatic application is the Reengineered Disability System (RDS), which will bring long overdue automation to SSA's disability process. Several administrative applications, such as the Automated Time and Attendance System, are also being developed for the local platform. (See Key Initiatives, Part VII, for more detailed information about RDS.)

Other important elements of the applications development strategy will be:

- Building new methods, skills and knowledge for system developers and users.
- Evaluating all applications and determining the architectural tier to which each should be assigned.

- Developing a strategy and implementation plan for distribution of software and data.

*Electronic Service Delivery* -- With the rapid emergence of new technologies, coupled with the evolution of a world-wide communications infrastructure which can be readily accessed by customers everywhere, there are many new opportunities to deliver service in ways which are more convenient for the public and more economical for SSA. Over the next few years, SSA will be conducting a number of pilots applying emerging technologies such as kiosk, Internet and videoconferencing to improve customer service. The Electronic Service Delivery (ESD) project is the umbrella project which provides programmatic and management focus to SSA's exploration of these emerging technologies. The ESD project ensures that:

- Deployment of new technology is mission-driven and responsive to known customer requirements;
- Selection of the specific technology to address a given need is based on service impacts, risks and cost/benefit considerations;
- Policies are in place to define the acceptability of information captured, stored or disseminated electronically; and
- Integrity and confidentiality of client data are safeguarded.

Specifics about the ESD initiative--including the technologies and applications being explored--are provided in Part VII, Key Initiatives. A major theme, however, is providing controlled, secure remote access as follows:

- *By SSA Staff* -- In anticipation of the IWS/LAN infrastructure, SSA will be piloting remote LAN access. Using dialup facility, field employees can access SSA master files and directly input claims and other transactions when servicing the public away from the field office (for example, taking a claim at a Department of Veterans Affairs (VA) hospital). Accordingly, the customer's business is processed to completion at the initial contact, he/she receives accurate information about the status of the action, and a second handling in the field office is avoided.



- *By Customers* -- SSA is greatly expanding the information and services which customers may access remotely via Internet, kiosk, and electronic bulletin boards. To gauge public interest and readiness, SSA is already piloting use of these technologies to provide remote public access to informational materials such as program instructions, pamphlets, statistical data and standard forms. More significantly, SSA has begun to implement mechanisms for transmitting live, confidential client information between SSA and its remote customers so that core business services may be improved.
  - *For employers:* Since 1994, certified employers have had the capability to transmit employee earnings reports to SSA electronically, and employer election of this electronic option is increasing rapidly.
  - *For the general public:* Starting in late 1996, SSA will be piloting interactive applications such as immediate issuance of PEBES to remote customers via Internet.
- *By Third Parties* --- A number of recent pilots have demonstrated that third parties (such as social service and volunteer organizations) can successfully take claims for SSA benefits and that third-party service is more convenient for the customer and more economical for SSA. While there are many very significant policy and other concerns to address as we move toward third-party services, information access is an important dimension to the problem. The quality and efficiency of third-party service will be constrained to the extent that third parties do not have access to SSA master files and automated systems.

Assuring that remote access is controlled and secure is a major challenge and one that will require close working relationships with other Federal agencies facing the same issues. Although SSA is already exploring several technologies for customer and third party authentication, there is great potential for government-wide common policy and sharing of responsibilities. This will be especially critical as we begin to use third parties to certify customer identity and provide other security services.

Electronic or digitized signature is another ESD issue that calls for cooperative interaction government-wide. In addition to identifying clients doing business remotely, SSA needs a way to capture and store electronically a "signature" on claims applications and other important documents which might be evidence in the event of a later Court action. Among the technologies being evaluated are signature pads and voice (or other biometric) prints. SSA has already established close ties to legal experts in the Office of Management and Budget, the Department of Justice, the American Bar Association and others in order to participate in the evolution of government-wide policy in this area.

*Migration to Electronic Folders* -- Despite dramatic automation improvements over the past 10 years, SSA operations continue to rely heavily on paper client folders. Because of this:

- Delivery of customer service is delayed when the business process entails handling and mailing paper records between the components involved in effectuating the action.
- Customer inquiries and requests cannot be processed at the initial point of contact when they require access to information only available in the paper file located elsewhere.
- SSA spends an estimated \$300 million annually storing and handling these paper files.

Two major Agency initiatives, both dependent on the IWS/LAN infrastructure, are addressing this impediment to world-class service and improved efficiency:

- **Disability Process Redesign:** In addition to the policy and operational changes envisioned for the reengineered process, the major technology objective of the disability redesign is to achieve a fully electronic process.
- **Paperless Processing Centers:** In the Great Lakes Program Service Center (GLPSC), SSA is experimenting with a fully electronic process for nondisability title II service delivery.

Under Key Initiatives, Part VII, more information may be found about these two projects and about RDS, which is the enabling software for the disability redesign.

*Better Sharing of Information within the Federal, State and Local Government Community* -- While SSA has a long history of sharing information with other agencies through data matching operations, an important trend of the next few years will be toward online access rather than after-the-fact computer matching so that:

- Resources are not expended gathering and proving facts already established by other agencies.
- Accuracy of information is verified before it is used to process a business transaction and make payments which may later prove to be erroneous when data are matched.



Examples of online access in place or under development include SSA access to vital statistics records in the States of Tennessee and Kentucky, and online sharing of SSA data with the VA and the Railroad Retirement Board to assist those Agencies in establishing and enforcing benefit entitlements. SSA is also working with VA to explore the feasibility of online sharing of VA medical information to support SSA disability operations. In addition, because interest in this kind of sharing is likely to grow quickly, SSA is defining standard criteria and an Agency evaluation/approval process for requests received from other organizations.

A second thread in information sharing is improved management of matching activities. Among the steps being taken to strengthen internal management of matching activities are:

- In 1995, SSA established a Data Integrity Board providing executive level oversight of matching policies and operations.
- SSA is a charter member of OMB's Benefit System Review Team (BSRT) which is managing the government-wide initiative to improve Federal information sharing.
- Many important new matches (for example, with Department of Housing and Urban Development (HUD), Census, National Information Agency (NIA)) are being negotiated to improve program management.

*Partnering with Other Federal and State Agencies --* In a Federal/State partnering prototype in the State of Iowa, SSA will be piloting use of a State-owned fiber-optics network and State-owned videoconferencing facilities to do business on a reimbursable basis. Since there is a State-owned facility within 10-15 miles of every Iowan, customers will no longer have to travel the greater distances required to reach an SSA office, SSA will not have to build a costly videoconferencing infrastructure and Iowa will receive funding needed to underwrite the cost of the currently underutilized State network. If this partnering is found successful when it is evaluated in 1996, it will serve as a model for other partnering efforts in areas where videoconferencing has the greatest potential to save travel time. For example, there are geographically compelling arguments for Federal and State partnering to deliver services to the far-flung areas of Alaska, Hawaii and the Pacific. More generally, the pilot is intended to serve as a prototype for other types of Federal/State sharing of technology infrastructure as a strategy for reducing costs to all levels of government. Such sharing might potentially include not only videoconferencing infrastructure but also shared use of telecommunications facilities for other purposes.

*Year 2000 Changes* -- In addition to these strategic concerns, by the end of the century SSA must modify all programmatic and administrative software to recognize a 4-digit year code. Failure to make the modifications could interrupt or delay benefits to the public. Although SSA began addressing the problem in 1989, significant work remains to be done. According to current estimates, a total of 300 workyears may be needed to modify the 30 million lines of code comprising SSA national programmatic and administrative programs. Additional workyears will be needed to fix locally developed programs. Further resources will be expended to upgrade or replace commercial off-the-shelf and leased software, to prepare sites and to modify or replace personal computers and security systems.

## **A Changed Managerial Environment**

To realize the full potential of the SSA/DDS workforce and the planned technology investments that will support them in redesigned work processes, fundamental change must also take place in organizations and internal business processes to free employees from hierarchical and paper-bound procedures and reduce the resources expended in overhead. SSA plans that contribute to this changed environment include a broad spectrum of initiatives and activities which can be defined as the "structural" dimension of streamlining. As contrasted to the strictly numeric/quantitative goals of Federal Government streamlining, these "structural" initiatives include a wide range of activities designed to support good public service with simplified work processes in the downsized government. In SSA these activities include reducing layers of management, eliminating handoffs, changing work processes, eliminating reports and supervisory reviews and the following major initiatives:

*Policy Analysis and Development* - As an independent agency, SSA has expanded responsibility for policy analysis activities that affect the programs we administer and the people we serve. Consistent with this new status, SSA needs to become more active in policy analysis and development in order to advise decisionmakers on important program issues. Accordingly, in FY 1996 SSA will be developing study and activity priorities to increase the quality of research and policy analysis functions. This increased emphasis on policy analysis and development will:

- Ensure adequate research so that SSA has solid information on which to base evaluation and analysis for public use.
- Provide a solid foundation for SSA legislative planning.
- Provide a vision and framework for prioritization and allocation of policy resources within SSA.
- Complement strategic, business and tactical planning at SSA.



*Policy Process Redesign* -- The range of activities related to the development and dissemination of Agency program policies and procedures is an internal process that is undergoing redesign. The redesigned policy process will be in place by the end of 1996.

Policy making plays a key role in many of the major initiatives underway in SSA; for example, the Disability Redesign requires an ability to rapidly develop and disseminate policy changes that support the new features of the redesigned process. In general, virtually all major SSA initiatives involve critical policy changes and require a policy making process that is responsive to rapidly changing needs.

While SSA responds well to crises in the area of program policy development, the Agency has found it increasingly difficult to keep pace with the more routine changes needed in policies, and SSA's process for developing and disseminating policy change takes too long, is not inclusive enough of customers and employees, and does not permit quick response to changing customer needs or the needs of SSA employees who serve those customers.

Late in 1994, the SSA Executive Staff decided to reengineer the SSA policy process, based on key recommendations of an earlier quality improvement team chartered under the SSA/AFGE National Partnership Council (NPC) to look at ways to accelerate program policy development and dissemination without compromising the product. The Policy Process Reengineering Team (PPRT) was assembled in February 1995, and delivered their redesign proposal in June 1995. The PPRT prescription for a revitalized policy process is one that:

- Ensures a shared SSA policy vision to guide policy analysis and development;
- Employs empowered teams and improved management communication to bring expertise and information early into policy production;
- Dramatically reduces overall development times for policy vehicles through simultaneous development of related vehicles and a single-review maxim in the approval and sign-off process;
- Maintains high quality standards for policy products;
- Fosters and maintains employee morale;
- Focuses on and meets the needs of customers; and
- Produces policy vehicles in a controlled environment that includes: (a) the tracking of workloads and the introduction of workable time and resource measurements, (b) evaluation of individual and team performance, and overall policy evaluation.

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SSA began further development and planning for the Policy Process Redesign in June 1995, with the designation of an Implementation Manager and the charter of a new team charged with quickly implementing those PPRT report recommendations about which there is broad consensus. Implementation will mirror the PPRT vision of how work will be done in SSA's new policy-making environment (e.g., it will be inclusive, collaborative, team-based, and empowered). Affected employees and managers will be encouraged to get involved in all stages of the implementation through:

- Direct participation in various planning teams, and
- Continuous feedback into planning team activities by those not otherwise directly involved.

The implementation team in turn will strive for continuous, open communication and feedback throughout the implementation process for the evolving redesign. As decisions are made about the final form of various aspects of the plan and how they will be implemented, employees will be kept fully informed on the status of the project, have the opportunity to ask questions, provide input and obtain meaningful feedback.

*OHA Restructuring* -- The Disability Redesign provided a seamless, high-level blueprint for a new customer-oriented disability determination process, but was purposely silent on key organizational issues on the assumption that decisions on ideal process should drive organizational structure, and as implementation planning progressed around the new disability process, key organizational decisions would logically flow. Implementation planning on the new administrative appeals process has progressed enough to indicate that significant organizational realignment may have to take place in the OHA in order to maximize new process performance. An executive team to develop options for reorganization of the administrative hearing process has been commissioned.



*Working in Teams* -- Throughout SSA, progress is evident in replacing a hierarchical supervisory structure with work teams, and authority is being delegated to lower levels. For headquarters components, the use of self-managed work teams is increasing, with empowered teams already playing a key role in the redesigned policy process. Elsewhere at headquarters the concept of supervisors acting as team leaders/coaches is gaining acceptance, although it is not yet widely practiced. Some headquarters components have trained all employees on the concepts and techniques of working in teams. In the SSA operations units, a joint AFGE/ management team is developing plans to test a number of team concepts over the 1996-1997 time period in at least 30 different field sites. Field teams will be chartered to look at certain operational processes under the control of their specific offices. SSA will be testing various ways of working in teams to determine which arrangements combine appropriate public service, employee satisfaction and team workflows. If successful, teams should improve the employee/manager ratio, provide better working methods and provide employees with more opportunities to take ownership of their work.

*Reducing Managerial Work* -- Although work is underway in all SSA components to simplify or eliminate internal work processes, the Deputy Commissioner for Operations has taken action to identify actions that will free up field office managers so they can perform acceptably in an environment with fewer supervisory layers. A work group under the leadership of the Regional Commissioner, Chicago, identified roughly 100 barriers to supervising more employees with fewer managers, and made recommendations for action on each barrier, ranging from the need for reducing the number of manual reports to insightful questions about the value of some security activities. Over 80 of the recommendations were accepted for action by the SSA executives who are functionally responsible for them, and implementation is nearing or complete for almost all of that number. While these recommendations do not by themselves reduce numbers of managers, they do lay supportive groundwork by reducing managerial work.

*Delegations* -- Numerous redelegations of authority, in areas such as personnel management and financial management have been approved. Many areas previously reserved for central office have been delegated to regional offices, and in some situations, redelegated to field offices or other office heads.

*Moving Work to Employees* -- While SSA has traditionally moved work between like organizations to equalize workloads, this concept is evolving toward moving the work to retrained employees in non-traditional settings such as the recent innovation of making full use of claims personnel in the PSCs for handling 800 Number calls. (See discussion under "The SSA/DDS Workforce", earlier in Part IV.)

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*Streamlined Procurement Process* -- SSA's operating staff now have greatly enhanced ability to acquire the products and services they need quickly. Procurement authority has been delegated and purchase cards have been issued to nonprocurement personnel, allowing them to spend up to \$2,500 (up to \$25,000 in specialized situations) without approval by procurement staff. In addition, SSA has eliminated all approval steps in the acquisition reform process except those legislatively mandated. Other improvements being pursued include the use of bulletin boards, electronic commerce, an Internet home page and other techniques to streamline and expedite communications with vendors. SSA acquisition staff are actively participating in the development of government-wide acquisition policy through membership in the Federal Procurement Council, the Civilian Agency Acquisition Council, the President's Management Council, and other groups. All of these changes are greatly improving service to both internal and external customers while reducing manual effort on the part of procurement staff.



# PART V

## CURRENT AGENCY ASSESSMENTS

### Core Business Process Assessments

The Business Plan focuses on five core business processes and six service delivery methods used by SSA to interface with the public.

#### Core Business Processes

- Enumeration
- Earnings
- Claims
- Postentitlement
- Informing the Public

#### Service Delivery Interfaces

- Face-to-Face Service
- Field Office Telephone Service
- 800 Number Telephone Service
- Mail
- Service Provided by Third Parties
- Automated Self-Service

Each process and interface has been candidly evaluated in terms of workload, performance and the projected impact of the business approach. The focus in these assessments is on areas where SSA must create improvement in service or performance, and little discussion is given to matters in which SSA excels. The assessments dictate our continuing emphasis in several areas that warranted serious concern in last year's Business Plan: the disability claims process, continuing disability reviews (CDRs), and telephone service interfaces.

In addition, as with any large organization, SSA has other administrative processes that provide essential crosscutting support to the core business processes of the Agency. Examples include policy development and delivery, the administration of human resource services for employees, design and development of computer software, budgeting, procurement and financial accounting. Although SSA is also examining these processes, explicit assessments are not included in this Plan.

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## ENUMERATION

### Description

Enumeration is the process by which SSA assigns social security numbers (SSNs) to identify workers and beneficiaries, issues replacement cards to people with existing numbers and verifies SSNs for employers and other government agencies.

The SSN is used to record earnings covered by Social Security and/or Medicare and to process and pay claims for Social Security and Supplemental Security Income benefits. Even if a person does not have wages or self-employment income that is covered by Social Security, an SSN may be needed to report other income to the Internal Revenue Service. Prior to tax year 1995, any person age one or older who was claimed as a dependent on a Federal tax return was required to have an SSN. Effective with tax year 1995, this requirement was extended to all persons claimed as dependents, regardless of age. Countless other organizations, both public and private, also use the SSN for identification and administrative purposes.

An SSN is obtained by submitting an application and documentary evidence of age, identity and U.S. citizenship or legal alien status. While customers may request an SSN application by telephone, they must submit the application and appropriate documentation to local SSA offices by mail or in person. Local offices are the primary points for processing applications because of the need to examine documents to verify identity. Parents may apply for SSNs for their newborns at the time they are registering the birth at the hospital. Hospitals forward the data needed to assign SSNs to State vital statistics offices, which key and transmit the data to SSA.

SSA verifies the validity of SSNs (that a given name, date of birth and number match our records) for employers for payroll purposes and for government agencies for purposes of ensuring accuracy of the SSN information used in other Federal and State benefit programs. SSA also offers SSN verification service to State Motor Vehicle Administrations (MVA) for purposes of verifying information used to issue driver licenses or identification cards. In small numbers, SSNs may be verified by calling the 800 Number or local office. There is also a paper process for handling verification requests of 250 or less. Large volume requests must be mailed to SSA on magnetic tape for batch processing or transmitted electronically to SSA through automated data exchange systems.

### Workloads

SSA processed 16.8 million requests for new or replacement social security cards in FY 1995. About 37 percent of all SSN requests are for new numbers and 63 percent for replacement cards for people with existing numbers.



Requests for new SSNs are projected to decrease slightly through FY 2001 and replacement card requests are expected to remain level. Depending on the outcome of bills introduced by Congress on immigration reform, SSA may be required to assume additional work in the enumeration area related to verifying employment eligibility using the SSN database.

Of the new SSNs issued in FY 1995, about 25 percent were issued to non-citizens. The other 75 percent were issued to U.S. citizens, including about 51 percent assigned through the Enumeration at Birth (EAB) process. The percentage of new SSNs issued at birth has steadily increased since the EAB process was initiated in FY 1988. Upon full participation of all 50 States, SSA projects that about 60 percent of all new SSNs will be issued through the EAB process.

### Service Delivery Performance

The Agency's customer service plan sets two service standards for the enumeration process. One is to issue new or replacement cards within 5 working days of receiving all necessary documentation. The other is to tell customers their SSN within 1 working day of receiving all needed information, when they have an urgent need for a number.

Another Agency service objective is to issue social security cards accurately. SSNs can be issued inaccurately in two ways: an applicant is issued an SSN that belongs to someone else, or an applicant already has an SSN but is assigned another original SSN and the SSNs are not cross-referred.

Measure	Current Performance
% SSNs issued within 5 days of receiving all information	97.0% (FY 1995)
% Applicants who can be notified of SSN within 24 hrs	91.2% (FY 1995)
% SSNs issued accurately	99.9% (Jan - Dec 1994)

SSA's goal for FY 1997 is to sustain current performance in issuing SSNs within 5 days of receiving all information.

## Operational Efficiency

Over 3.3 percent of SSA's administrative resources are expended on enumeration activities. Cost and productivity indicators for the enumeration process are shown below for FY 1995.

SSNs Issued (including replacements)	16,831,417
Workyears Expended	2,560
SSNs Processed per Workyear	6,575
Unit Cost	\$10.73

## Assessment

Input obtained from our customers confirms that, overall, SSA's current performance measures correctly define what customers consider to be good service regarding issuance of SSNs. Modernization of the enumeration system, which is essentially complete, has dramatically improved processing times and enabled the Agency to meet our customer service standards most of the time. In SSA's FY 1994 Customer Satisfaction Survey of the Enumeration Process, 92 percent of respondents rated their overall satisfaction with SSA's enumeration service as "very good" or "good."

However, SSA frequently is unable to completely handle requests for social security cards at the first point of contact as our customers prefer. Those customers who request a new or replacement social security card by telephone must make a second contact with SSA, either through the mail or an office visit, to submit documents required to prove age, citizenship and identity. The majority of customers choose to visit the local office rather than use the mail to submit essential personal documents. The adverse impact this can have on office waiting times becomes very apparent when considering that, according to a report by SSA's Inspector General, about one-third of the people who visit local offices (approximately 8 million per year) are there to request new or replacement social security cards.

Also, there are particular groups of customers for which service could be improved, including those served by the EAB process, non-citizens and employers who have an immediate need to verify SSNs for payroll purposes.



For parents who request SSNs through the EAB process, it can take up to 120 days for some States to transmit the data needed by SSA to process these requests. This lengthy delay generates duplicate SSN requests and follow-up inquiries, an inconvenience to the public and added operational cost to SSA. The requirement that parents have an SSN for children under age one in order to claim them as dependents on their 1995 Federal tax returns could further exacerbate these problems.

To reduce the time it takes to assign SSNs at birth, SSA began in FY 1993 to cooperatively fund implementation of an electronic birth certificate (EBC) process in return for a State's agreement to meet a 30-day processing time. As more States have implemented EBC processes, EAB processing time has been reduced from an average of 98 days in October 1992 to an average of 53 days in April 1995. The rate of duplicate SSN requests for newborns has dropped from 11 percent to 7.7 percent. SSA now has cooperative EBC agreements in place with 48 States and further processing time improvement is expected as those States most recently signing agreements phase in implementation of EBC processes during FY 1996.

Non-citizens residing in the U.S. who apply for an SSN are required to furnish almost the same information to SSA as they must provide to the Immigration and Naturalization Service (INS). Furthermore, they have no other option than to visit a local Social Security office in person to apply for an SSN because, as proof of lawful alien status, they must submit INS documents that must be kept with them at all times. In addition to the increased number of people coming into a local office, and the resultant long waiting times that this causes in some metropolitan offices, processing applications from non-citizens tends to be time-consuming because the authenticity of INS documents is difficult for SSA employees to verify.

Employers who have an immediate need to verify SSNs for payroll purposes may do so by calling the 800 Number or local offices. However, it is not practical for employers, or for SSA, to handle large numbers of SSN verification requests in this way. High-volume SSN verification requests may be sent to SSA on magnetic tape for processing through SSA's Enumeration Verification System (EVS). There is also a paper process for handling verification requests of 250 or less and a diskette process is being developed.

SSA recently expanded the capacity of EVS to handle greater numbers of inquiries from employers and government agencies. Capability has been established in many States to use SSA's File Transfer Management System (FTMS) to exchange information electronically rather than by tape or cartridge. To enable faster processing, all State MVAs electing SSN verification service will submit verification requests electronically through the FTMS or the American Association of Motor Vehicle Administrators (AAMVA) network. SSA also is working with AAMVA to establish online SSN verification service for State MVAs.

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## Business Approach

SSA's business approach for improving the enumeration process focuses on increasing our ability to handle requests for SSNs in one contact, reducing the need for people to apply for SSNs in person at local offices and improving service for the particular customer groups discussed in the assessment section.

In the long-term, technological means of identification that will become available in the future offer the greatest possibility for enabling SSN requests to be handled in one contact without the need for an in-person office visit. In the meantime, SSA has initiated a number of other activities to move toward achieving these objectives. The Agency is conducting a pilot in FY 1996 to assess the integrity risks of enabling certain individuals to apply by telephone for a replacement social security card, without having to complete and sign an application and take or mail their identity documents to a local office. We are engaged in a pilot to provide SSA employees direct access via terminals or IWS/LAN to State vital statistics databases. This capability will expedite the validation of information needed to issue a new social security card. And, we are testing the use of kiosks in the field offices that will allow customers to complete SSN applications electronically and thus free some employee time to interact with customers on other SSA business.

Under a joint State Department/INS/SSA initiative, the enumeration of aliens function will be performed by INS in order to provide one-stop service to foreign-born customers who need social security cards. INS or the State Department will collect the enumeration data that SSA now collects and electronically transmit it to SSA for processing. The initiative will be implemented in several phases as INS is able to make the necessary systems changes and improvements.

In response to recommendations on worksite enforcement made by the Commission on Immigration Reform and as directed by the President, SSA and INS are planning to pilot test an automated system for employers to verify work eligibility for newly hired employees. The pilot will use SSA and INS databases to verify SSNs and work eligibility. Our objectives are to design a target process that will make maximum use of technology and private sector expertise and minimize impact on SSA and INS staff, in order to avoid a further resource strain, in the event that SSA is required by legislation to assume a greater role in employment eligibility verification.



## Key Initiatives

*The following Key Initiatives discussed in Part VII are relevant to improving the enumeration process:*

IWS/LAN  
Redesign the Policy Process  
Electronic Service Delivery  
Transfer Enumeration of Aliens to INS

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## EARNINGS

### Description

Social Security benefits are based on an individual's earnings as reported to SSA. Reports of earnings must be filed annually by every employer who is liable for Social Security and Medicare taxes. It is through the earnings process that SSA establishes and maintains a record of an individual's earnings for use in determining insured status for entitlement to retirement, survivors, disability and health insurance benefits and in calculating benefit payment amounts.

Employers may submit wage reports to SSA on paper or on electronic or magnetic media. The process for recording wages is an annual operation performed primarily by employees in SSA's Office of Central Records Operations (OCRO). To ensure completeness of earnings data, wage items are matched yearly against employer tax data reported to Internal Revenue Service (IRS). Record corrections may be initiated by an employer, IRS, SSA or an employee.

Individuals may request statements of their earnings records and corrections to those records by contacting SSA in person, by phone or through mail or the Internet. Historically, correction requests were sent to central records operations for handling. As a result of recent systems enhancements, much of this work now can be completed wherever it is initially received. Local offices and processing centers are typically involved in the more complicated correction cases and those identified in connection with claims for benefits.

### Workloads

In FY 1995, SSA processed over 235 million earnings items. This workload is projected to increase to over 236 million items by FY 2001. Legislation requiring SSA to issue Personal Earnings and Benefits Estimate Statements (PEBES) annually to individuals age 60 and over beginning in FY 1995 and age 25 and over beginning in FY 2000, will generate additional work for the Agency, mostly in the form of public inquiries and requests for earnings corrections. SSA is preparing to spread the workload out more evenly by issuing first-time PEBES to some younger workers during the FY 1996-1999 period. Our goal is to release as many initial statements as possible before the annual issuance process begins in FY 2000.

Most of the earnings corrections workloads resulting from the PEBES initiative are expected to come from the initial statement each worker receives since this is the first time most of them will have seen their earnings records. A key factor in successfully implementing the ongoing PEBES process will be SSA's ability to correct reported earnings problems before the worker's next annual statement is produced. Therefore, public reaction and workload volumes produced by the initial statements are being monitored closely.



## Service Delivery Performance

The Agency currently measures its accuracy and timeliness in posting wages and is developing the capability to measure how timely earnings corrections are made.

Measure	Current Performance
% reported earnings posted accurately	98.7% (FY 1995)
% wage reports posted by September 30 following close of tax yr.	95.2% (FY 1995)

For FY 1997, SSA's goal is to maintain current performance in posting earnings correctly.

## Operational Efficiency

The earnings process currently consumes 3.2 percent of SSA's administrative resources. Most of these resources are devoted to the annual wage posting operation, a relatively low-cost, batch-processed workload. As earnings corrections and other fallout workloads are generated from the annual issuance of PEBES, the earnings process will demand a greater proportion of SSA's resources. By FY 2000, SSA estimates an additional 525 workyears (WYs) will be required to handle these workloads. However, this increased resource demand should be offset considerably by a more efficient process for handling earnings corrections that has been enabled by SSA's new online correction capability.

FY 1995 cost and productivity data for the annual wage report and individual earnings corrections workloads are shown below.

	Annual Wage Items	Individual Corrections
Earnings Items Processed	235,314,733	94,229
Workyears (WY) Expended	1,595	543
Items Processed per WY	147,515	174
Unit Cost	\$0.49	\$408.59

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## Assessment

SSA has completed major improvements to the earnings process that have freed resources for other uses and better positioned the Agency to handle the increased work that will result from the annual issuance of PEBES. Since 1984, when the modernization effort began, staffing in central records operations has declined by 47 percent. As earnings processes have become more automated, SSA has retrained and redeployed employees in central records operations to other jobs in teleservice, disability operations and local offices. This practice will continue as automation allows more earnings correction work to be completed in local offices.

Prior to earnings modernization, the process for correcting earnings was labor-intensive and paper-based, involving multiple technicians and processing steps. The lengthy resolution process took 1-2 years to complete in many cases, generating duplicate requests and follow-up inquiries from our customers. Under the new earnings corrections process, enabled by software enhancements implemented during FY 1994, earnings corrections can be made online, most paper forms are eliminated and the most complex corrections require just one technician and three steps to complete. It is now possible for many corrections to be made within 2 days.

In FY 1995, online correction capability was extended to local offices, teleservice centers and processing centers, increasing the Agency's capacity for handling earnings inquiries and corrections requests. With this latest enhancement, hand-offs to central records operations have been reduced and many corrections requests can be completed at the point of initial contact.

SSA has implemented a more automated earnings posting process supported by new imaging equipment. The new process has eliminated much of the overhead associated with handling paper earnings reports (W-2s) and enabled the consolidation of annual wage reporting operations into one Data Operations Center (DOC). We have also developed an Online Wage Reporting Bulletin Board Service (OWRBBS) that allows employers equipped with a personal computer (PC) and modem to electronically transmit their annual wage reports to SSA.

A high earnings posting accuracy rate of 99 percent still translates to over 2 million unposted earnings items and potential earnings corrections requests. Consequently, SSA has instituted continuing efforts to further improve the quality of employer reporting. When earnings reports cannot be posted to an individual earnings record, they are placed in the Earnings Suspense File (ESF). Ongoing analysis of the ESF is conducted to identify problem employers in need of training. SSA has expanded public relations and education activities with employer, employee and professional groups to improve the quality of their W-2 reports and direct them to the proper Agency contacts for assistance in resolving problems. The telephone staff in central records operations have been provided additional courtesy and technical training to ensure high quality service to employers using the new toll-free number.



## Business Approach

SSA's business approach for the earnings postings process will proceed in several directions. We will be working to increase electronic filing and improve upon current methods for processing electronic wage reports and handling electronic media to make them more cost-effective. Alternative electronic filing methods, such as Electronic Data Interchange (EDI), will be developed to reduce costly physical handling of media (i.e., paper, tapes, diskettes). And, the Agency will be promoting to employers practices that help to yield quality wage reporting the first time, in order to avoid the cost of requesting and processing resubmittals. Further improvement also is planned to make the earnings corrections process easier to use and more efficient.

In the earnings corrections area, SSA is piloting the use of optical disk storage to eliminate dependency on microfilm and make more earnings documentation available online. This automated approach will be combined with unique software, reliant on the IWS/LAN platform, designed to locate records that traditionally elude computer searches. Such capability will allow more earnings inquiries and corrections requests to be handled in one contact and free employees now manually searching microfilmed employer records to do other priority work.

Currently, the law requires employers with 250 or more wage reports to file on magnetic media. SSA is pursuing an initiative to increase the number of employers who submit wage reports on magnetic media or electronically. Immediate and total conversion to electronic or magnetic wage reporting is not viable due to the cost burden this would impose on small employers. In addition, SSA's current process for handling electronic media is not as cost-effective when applied to small employers as compared to large employers, because a greater amount of media must be handled relative to the number of wage items submitted. For these reasons, various options are under consideration for gradually increasing electronic and magnetic wage reporting. These include providing incentives to employers to file electronically and building more efficiencies into the Agency's process for handling wage reports received electronically.

The use of EDI holds promise as a more efficient method of electronic filing because it does not require the costly physical handling of electronic media. In addition, it affords the opportunity to employ features such as immediate employer feedback and front-end editing that would enable erroneous reports to be corrected before SSA processes them. SSA plans to conduct a multi-phase pilot in the State of South Carolina to test the various features that could be used to report wages via EDI.

Employer use of SSA's EVS for payroll verification purposes has been proven as an effective practice for increasing the accuracy of wage postings. SSA plans to actively expand the number of employers who use EVS to verify employee SSNs prior to submitting wage reports.

Our initial efforts to do so will be focussed on payroll service bureaus that currently send SSA the largest volume of W-2s. At the same time, SSA is working to resolve policy disclosure issues and refine the process for registering employers and handling electronic media.

SSA also is working in cooperative partnerships with the IRS, the Small Business Administration and other national organizations to educate business owners, especially newly starting businesses, about annual wage reporting, and to encourage the use of magnetic and electronic methods of filing. This effort is designed to reduce reporting errors by providing information and training to the business community and to make SSA more accessible to small businesses. In addition, the Agency is working with companies that produce payroll software for businesses to encourage the development of software, especially software used by small businesses, that is more user friendly, that is more error free and that produces a higher quality of employer earnings reports.

A new government effort to identify and pursue ways to improve the nation's tax and wage reporting system will have major implications for SSA's earnings process. SSA is working with the Departments of Treasury and Labor to pursue over the next 3 years the common goal of reducing the tax and wage reporting burden on employers while improving the effectiveness of each agency's operations. Significant activities of the project, known as the Simplified Tax and Wage Reporting System, will be to simplify laws and procedures, provide enhanced assistance and services to employers for easier filing and enable employers to electronically file a single return that can be used by SSA, IRS and State tax and unemployment insurance agencies.

### **Key Initiatives**

*The following Key Initiatives discussed in Part VII are relevant to improving the earnings process:*

IWS/LAN

Redesign the Policy Process

Electronic Service Delivery

Expand Electronic and Magnetic Wage Reporting



## CLAIMS

### Description

To become entitled to benefits under any of the programs that SSA administers, an individual must file an application and submit proof of eligibility. Those who are dissatisfied with SSA's decisions may request further review. The claims process comprises the actions that SSA takes to determine an individual's eligibility for benefits, beginning with the individual's initial contact with SSA through payment effectuation or the three levels of administrative appeal that a claimant may request.

The process for determining eligibility for benefits involves certain basic functions that are consistent across each of the programs that SSA administers: outreach and information, intake, evidence collection, determination of eligibility, notification of award or denial and initial payment. However, eligibility requirements, service and cost performance vary considerably by program and type of benefit. For this reason, the analysis that follows provides distinct information about the claims processes for the four major types of benefits that SSA administers: the OASI, DI, SSI Aged, and SSI Blind/Disabled programs.

### Workloads

In recent years, the Agency has experienced unprecedented increases in both DI and SSI disability workloads. About 3.7 million disability claims were filed in FY 1995, a 25 percent increase over FY 1991 levels. Appeals workloads, which are largely generated from disability claims, have similarly grown. In FY 1995, about 590,000 hearings requests were filed, a 79 percent increase over FY 1991 levels. Disability claims and appeals workloads are projected to continue to grow, though at a slower pace than recently experienced. By 2001, the number of disability claims and hearings filed annually will be 10 percent and 4 percent higher, respectively, than they were in FY 1995.

Since FY 1991, OASI claims have decreased by 3 percent, while SSI Aged claims have declined 23 percent. Over the FY 1995 to FY 2001 period, OASI and SSI aged claims are projected to remain about level.

## Service Delivery Performance

The Agency measures performance in processing claims and appeals in terms of both accuracy and timeliness. The "initial payment accuracy rate" is the measure of accuracy of the first payment made to newly awarded OASI and SSI claimants (without regard to the determination of disability). The "index of dollar accuracy rate" measures the dollar accuracy of initial adjudicative decisions over the retrospective, current and prospective lifetime of the payment. For DI and SSI initial blind/disability claims, the "decisional accuracy rate" is the net average of the percent of accurate decisions made by the DDSs regarding medical eligibility, as determined by SSA's Office of Program and Integrity Reviews.

	Initial Payment Accuracy Rate (FY '94)	Index of Dollar Accuracy Rate (FY '94)	Decisional Accuracy (FY '95)
OASI	95.2%	99.8%	N/A
SSI	93.7%	95.9%	N/A
DI and SSI B&D	N/A	N/A	96.6%

*N/A = Not Applicable*

For FY 1997, SSA's goal is to maintain initial payment and decisional accuracy at current performance levels.

Timely service in determining benefit eligibility is measured relative to the service level objectives that are set in the ASP. In its customer service plan, SSA has made a pledge to improve service in the disability area by redesigning the disability claim process so that, ultimately, customers can expect to receive a decision within 60 days of filing for disability benefits. This objective is based on customer input received during the design phase of the redesign plan.

As indicated by the FY 1995 performance data shown below, the greatest gaps between current performance and service level objectives are in the disability and appeals areas. Processing times, on average, are much further from Agency service objectives for disability claims and appeals than for OASI and SSI Aged claims.



Measure	Current Performance	Average Processing Time (Days)
Complete initial OASI applications before first regular payment due or within 15 days from effective date of filing, if later	83.0%	14
Pay or deny initial SSI Aged claims within 14 days of filing date	65.4%	16
Pay or deny initial DI claims within 6 months after onset or within 60 days of effective filing date, whichever is later	50.8%	84
Pay or deny initial SSI disability claims within 60 days of filing date	26.6%	106
Make and send notice of reconsideration decision within 60 days after filing date		
SSI	N/A	N/A
DI	53.8%	64
Make and send notice of hearings decision within 120 days after filing	11.6%	349
Make and send notice of Appeals Council review decisions within 90 days after filing date	24.5%	149

SSA has set FY 1997 goals to maintain initial DI and SSI disability claims processed in 60 days at the FY 1996 targeted levels of 55 percent and 30 percent respectively and hearings processed in 120 days to 15 percent. The FY 1997 performance target for OASI is to maintain the current level of service.

### Operational Efficiency

Approximately 65 percent of SSA's total administrative resources are used to process initial claims and appeals—including about 13 percent for OASI and SSI Aged benefits and about 52 percent for DI and SSI Blind and Disabled benefits. About 95 percent of all appeal requests result from claims for disability benefits. The following two tables provide FY 1995 costs and productivity data for initial claims by type of benefit and for each administrative level of appeal. Figures include both Federal and State resources (workyears and dollars) expended in processing disability work.

Initial Claims (FY 1995)	OASI	SSI Aged	DI	SSI Blind & Disabled
Initial Claims Processed	3,162,881	181,329	1,881,802	2,016,790
Workyears (WY) Expended	8,187	498	11,495	10,076
Initial Claims Processed per WY	386	364	164	200
Unit Cost Per Initial Claim	\$188.35	\$232.15	\$491.99	\$420.47

Appeals (FY 1995)	Reconsiderations (OASDI/SSI)	Hearings <sup>a</sup>	Appeals Council Review <sup>a</sup>
Appeals Processed	1,176,754	526,743	70,125
Workyears Expended	4,750	9,653	482
Appeals Processed Per WY	248	55	146
Unit Cost	\$307.94	\$1,118.21	\$565.92

<sup>a</sup>Includes Medicare Cases



## Assessment

The costs for processing disability determinations are enormous, consuming more than half of SSA's total \$5.6 billion administrative budget in FY 1995. The current disability process, essentially designed in the 1950s, is fragmented, paper-bound, burdened by overly complex policies, has too many steps, makes little use of technology, and is clearly not customer-oriented. This process, in combination with unprecedented disability workload increases, has severely strained Agency resources. Large numbers of pending cases and long processing times have been the result.

The dual challenge of continuing workload growth and limited resources has led the Agency to undertake two important initiatives to improve service in the disability area -- a short-term disability project, designed to reduce pending claims and appeals, and a redesign of the disability process, expected to be fully implemented by FY 2001.

In the areas of OASI and SSI aged claims, SSA has been able to maintain and even improve service levels, while processing more claims without a corresponding increase in staff. These improvements are attributable largely to enhancements made to the title II claims system and to an automated SSI application and claims development process.

Today, nearly all title II claims information is collected online. Processing is fully automated for more than half of all claims, meaning that payment amounts are computed online and payment and notices are automatically initiated upon authorizing input by the local office. Additional productivity and service improvements stand to be achieved by eliminating the need for manual intervention to complete processing for the remaining claims. In some cases manual intervention involves a simple input action to the computer record. But, for nearly 20 percent of claims, more complex manual actions are required, for example, to compute benefits or prepare notices that necessitate hand-off to the processing centers.

The modernized SSI system is capable of collecting application information online and automatically computing whether and how income and resources affect eligibility and payment amount for the majority of SSI claims. Under the modernized process, the actual application data remains completely available to local offices for subsequent reference. Besides the productivity improvements made possible by these enhanced features, study has shown that the automated process has significantly improved the quality of SSI claims processing. Since the modernized system was implemented, dollar accuracy rates for SSI initial claims awards have increased from 88.1 percent in FY 1992 to 94.1 percent in FY 1994.

Despite a fully automated SSI claims process, various customer characteristics of the SSI Aged claims population make it difficult for SSA to achieve our performance objectives in this area. A large percentage of SSI Aged claimants are non-English-speaking citizens or legal immigrants. In addition to translation services, they frequently need assistance from SSA in documenting their eligibility and their cases often involve more complex documentation than most. Other SSI Aged claimants, suffering from problems accompanying poverty and old age, are unable to help in providing the evidence needed to support their claims. Many are too ill to visit the office, necessitating home visits and appointment of representative payees. All of these factors contribute to making many SSI Aged claims time-consuming to process and present obstacles to further significant improvements in processing time.

### **Business Approach**

*The Disability Claims Process* -- As indicated in the assessment section, SSA's strategy for addressing the challenges we face in the disability claims area encompasses both a short-term plan to reduce pending workloads and longer-term plan to redesign the disability process.

The plan for redesigning the disability process, released in September 1994, provides a basic blueprint for radically changing all aspects of the disability claims and appeals process, from an individual's initial contact with SSA through payment effectuation or final administrative denial. Major components of the redesign include: a consumer-oriented intake process, a more efficient medical evidence collection process, a simplified decision methodology, a streamlined appeals process and a comprehensive quality assurance program. The new design will make better use of technology, eliminate fragmentation and duplication and promote more flexible use of resources. It envisions new positions, the disability claim manager, who will serve as a single point of contact for the claimant throughout the claims intake and adjudication process and an adjudication officer, who will be the focal point for claimants who request a hearing. Taken together, these changes will result in dramatic improvements in processing time and public service.

The new design will replace an existing process that is slow, labor-intensive and paper reliant with a seamless claims process, one in which processing at the State and Federal levels is fully compatible. The IWS/LAN and an automated claims processing system - the Reengineered Disability System (RDS), are the foundations which support the seamless claims process and the key linchpins to fully realizing the benefits of the redesign. Features of the redesign that are dependent on the IWS/LAN and RDS include automated collection of information about a claimant's disability and sources of medical evidence, electronic collection and storage of medical evidence, and expert systems support for decisionmakers.



SSA now is moving quickly to implement those aspects of the new process that can be implemented in the near-term. These include: enhancing public information and applicant participation, providing uniform training to all disability adjudicators, testing an adjudication officer position and establishing claims representative/disability examiner teams.

When the redesign is fully implemented, it is expected that average processing time to pay or deny initial claims will improve to 60 days and processing time through the hearing stage will improve to 225 days. However, because of the complexities and investments involved in making all of the changes needed to attain these levels, it will take approximately 5 years to achieve these processing time goals.

To achieve some near-term results in reducing disability case pendings and processing cases in less time, SSA developed a Short-Term Disability Project Plan that is designed to expedite claims processing in a way that will support the redesigned disability process. The plan is a temporary initiative with targets for significantly reducing pending cases in the State DDSs and hearings in SSA's Office of Hearings and Appeals. Significant activities that have been accomplished under this plan include the redirection of central office staff to assist in processing disability workloads, implementation of a standardized folder assembly format, establishment of screening units to identify cases that can be allowed without holding a hearing and provision of additional computers to OHA. SSA has already seen positive results from our short-term plan. Pending workloads in the State DDSs have dropped by over 120,000 since the short-term plan was initiated in October 1994.

In an effort to improve nationally the performance of the DDSs, SSA is working in partnership with States to jointly establish minimum productivity expectations for each DDS. The lower performing States will be required to develop and implement specific plans for achieving improvements in productivity. These plans will outline specific actions to be taken, including outside consultation, evaluation and advice as needed, based on a self-assessment of areas affecting productivity. Progress will be monitored regularly as the DDSs work toward established targets.

*Other Claims Processes* -- The OASI and SSI Aged claims processes generally are not as complex as the process for determining disability. Because eligibility factors, such as insured status, income and resources, are more clear-cut, appeals are infrequent and there are significantly fewer processing steps overall. For OASI claims, hand-offs between locations are generally limited to those cases that cannot be fully processed electronically. The SSI claims system was designed at its inception to allow claims to be processed completely in the local offices.

While these processes are considered essentially sound and SSA's service is good, there is room for further improvement in the OASI and SSI aged claims areas. SSA's approach for improvement focuses on completing more claims at the initial point of contact and increasing efficiency through paperless processing.

Key efforts include completing the modernization of the programmatic systems and databases that support the claims processes and establishing an entirely electronic claims file. The benefits of doing so are many. For example:

- Employees will be freed to focus on serving customers rather than processing paper;
- Customers will only need to provide information once when filing for benefits under more than one program;
- Most applications can be fully processed at the point of contact;
- Employees will have immediate access to customer information whenever a customer requires subsequent service;
- Authorized employees will be able to access files, no matter where they work, on a need-to-know basis;
- Work can be redirected to where it can most appropriately and efficiently be completed;
- The tremendous costs (several hundred million dollars each year) of moving and storing paper files will be reduced; and
- Third parties can provide information electronically that is entered directly to the claims record, e.g., State vital statistics information.

Several key initiatives are planned that will promote paperless processing. One is to redesign the title II system to enable automation of the remaining claims and postentitlement actions that are now processed manually. The redesigned title II system and another initiative to complete modernization of the SSI system will also provide more data online so that employees can more frequently handle customer requests in one contact. As a part of programmatic software modernization efforts, SSA will establish a "whole client" record by integrating various programmatic data bases so that client information can be shared among systems. The capability to electronically archive and retrieve notices also will be established. Another initiative involves a pilot to test the use of imaging and document management technologies in combination with the IWS/LAN in support of paperless processing.



SSA has completed several activities and a number of others are underway that set the stage for eliminating paper entirely. Evidence-retention criteria have been refined, new practices for discarding unnecessary paper have been established and electronic record formats have been created. The practice of certifying the most critical data from a paper record and recording that data onto an electronic data base has been expanded to all public records needed to document a claim. This certification policy will be extended to non-public records. Alternative ways, such as imaging, are being explored to eliminate the need to retain paper documents that are not appropriate for electronic certification. Finally, and key to a totally paperless environment, the Agency must develop a strategy for handling signature documents critical to fraud deterrence and prosecution.

In addition to these efforts, SSA is exploring new ways for individuals to file claims and provide claims information through, for example, electronic access to our claims systems software and claims taking by third parties. Electronic access may be extended not only to individuals, through personal computer connections or kiosk machines, but also to third parties such as social agencies.

### **Key Initiatives**

*The following Key Initiatives discussed in Part VII are relevant to improving the claim process:*

- Disability Process Redesign
- Short-Term Disability Project
- IWS/LAN
- Redesign the Policy Process
- Title II System Redesign
- SSI Modernization
- Paperless Processing Centers
- Notice Improvements
- Electronic Service Delivery
- Establish a Program for Third-Party Assistance in the Claims Process
- Improve the Disability Adjudication Process

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## POSTENTITLEMENT

### Description

Once individuals become entitled to Social Security or SSI benefits, any changes in their circumstances that affect the amount or continuation of payment must be reflected in SSA's records. The postentitlement (PE) process encompasses the actions that SSA takes, after an OASDI or SSI claim is processed to an initial award, to ensure continuing eligibility and timely and correct payment of benefits. Examples of these actions include change of address, non-receipt of checks, change of payee and review of payee accounting information, benefit recomputations, overpayments and reviews of continuing eligibility.

A PE activity may be customer-initiated or it may be generated from internal Agency processes based on existing or updated automated data. A client is usually contacted through the mail when SSA initiates the action. Clients may contact SSA by telephone, mail or in person to report an event. Employees throughout the Agency, in SSA's local offices, hearing offices, teleservice centers, processing centers and central record operations, and in the State DDSs, are involved in varying aspects of processing PE actions.

### Workloads

Over 95 million PE transactions were processed in FY 1995, including over 10 million various actions that SSA conducts to ensure program integrity. PE workloads, which generally grow commensurate with the growth of the Social Security beneficiary population, are projected to increase by about 11 percent from FY 1994 to FY 2001.

Recent legislation has generated significant additional workloads in the postentitlement area. The *Social Security Independence and Program Improvements Act of 1994* includes provisions placing new restrictions on disabled individuals for whom drug addiction or alcoholism (DA&A) is a contributing factor material to the determination of disability, and requires that SSA perform CDRs for a minimum number of SSI recipients each year for 3 years. Provisions of potential welfare reform legislation that affect the SSI program could create substantial additional work for SSA.

### Service Delivery Performance

Although the average processing time of certain PE actions is measured at the component level, currently, no measure of the timeliness of PE service is available for the Agency overall.



SSA also does not presently measure the accuracy of all PE actions. Specific measures of accuracy, however, do exist for SSI redeterminations and CDRs.

Measure	Performance
Index of \$ accuracy rate for SSI redeterminations (FY 1994)	96.2%
Performance accuracy rate for CDRs (FY 1995)	95.6%

### Operational Efficiency

About 24.5 percent of SSA's administrative resources are expended to process PE transactions. About 43 percent of these resources are used to conduct various payment safeguard activities, including SSA-initiated reviews to ensure continuing eligibility. These activities and reviews include annual reports of earnings, verifications of school attendance, SSI redeterminations of eligibility, representative payee accountings and CDRs. The remaining amount is devoted to making record changes, both in response to customer-reported events (e.g., address changes and non-receipt of checks) and SSA-initiated events such as benefit recomputations, and to resolve and collect overpayments. The following cost and productivity figures for FY 1995 include both Federal and State resources (workyears and dollars) expended in processing record changes, payment safeguard activities/continuing eligibility reviews and overpayments.

PE Actions (FY 1995)	Record Changes	Payment Safeguard Activities	Over-Payments
PE Actions processed	81,367,184	10,417,529	3,765,716
Workyears (WY) expended	7,709	8,162	3,366
PE Actions processed per WY	10,555	1,276	1,119
Unit Cost	\$6.43	\$56.02	\$64.31

## Assessment

SSA is delivering the "basics" of good service to its customers in the PE area -- continuing monthly payments are made on schedule 99.9 percent of the time. It is not so clear how well the Agency is doing in other facets of PE service. Although the accuracy of CDRs, SSI redeterminations and 800 Number calls is measured, no Agency-level measurement of the overall accuracy of PE payments presently exists. PE accuracy is essentially a function of how quickly the Agency makes record changes when beneficiaries timely fulfill their reporting responsibilities, and how effectively the Agency monitors and detects situations when they do not. While average processing time for PE actions taken in the processing centers is measured, there is no overall Agency measurement of the timeliness of PE record changes, that is from the time of the initiating event (e.g., customer reports, cyclical updates and data matches initiated by SSA) to final resolution.

*Record Changes* -- Despite our good record in delivering payments on schedule, a small percentage of our customers experience payment delivery problems that generate a substantial amount of work for SSA. Check non-receipt is one of the most frequent reasons that customers call the 800 Number and SSA expends considerable administrative resources, about 2,200 workyears in FY 1995, to resolve non-receipt issues and handle other payment-related work such as returned checks. Many of the situations that cause check non-receipt and other payment-related work could be avoided through the use of electronic funds transfer. Beneficiaries who use direct deposit to receive their payments are 10 to 15 times less likely to experience a problem with their payment being lost, stolen or delayed than are check recipients. In addition, SSA is able to more efficiently recover payments that are not due (e.g., payments issued after death) when they are issued electronically.

As our customers prefer, SSA completely handles many PE transactions at the customer's first point of contact. Most title II address changes are a prime example. However, significant numbers of PE transactions require that subsequent actions be taken, many in a location other than the one that received the original report. Reports that cannot be handled to completion over the 800 Number, such as those requiring submission of verification documents or forms signed by the customer, are referred to the local offices. Processing centers resolve title II automated processing exceptions that result when actions input by the local offices or teleservice centers cannot be processed through the automated system. The hand-offs inherent in the current process, often necessitated by documentation requirements and present automation limitations, affect how quickly the Agency is able to process PE actions.

Many PE events have no immediate customer origin, but are initiated by SSA to ensure correct payment of benefits. SSA performs various cyclical operations to update payment amounts, such as cost-of-living adjustments, benefit recomputations based on additional earnings, and annual earnings enforcement actions. Most of this work related to the OASDI program is handled in the processing centers when it cannot be processed through the automated system.



*Payment Safeguard Activities and Continuing Eligibility Reviews* -- For OASDI, and more extensively for SSI, SSA maintains regular computer interfaces with other Federal and State agencies (e.g., Internal Revenue Service, Department of Veterans Affairs, Railroad Retirement Board, State unemployment and workers compensation offices) to detect unreported changes in circumstances that could affect payment amounts or continuing eligibility to benefits. SSA also has computer interfaces with the Medicaid program (nursing home admissions) and Federal and State prisons to determine changes of living arrangements that affect SSI payment amounts. As the number of beneficiaries continues to increase, the PE workload increases as well. The investment in electronic interfaces helps to protect the integrity of the programs but also creates more work because of the number of cases to be investigated.

The SSI program PE environment requires constant monitoring, since eligibility for each month must be established or presumed at regular intervals. In addition to using computer interfaces to detect income and resources, SSA regularly conducts continuing eligibility reviews to ensure the integrity of the rolls. Our redetermination process is based on profiles of beneficiaries established by research on the experience of initial claims and past redeterminations. Beneficiaries are categorized as "high error" potential (reviewed annually by personal contact), "mid-level error" potential (reviewed annually by personal contact or through completion of a mailed form) and "low error" potential (reviewed every 6 years by personal contact or through completion of a mailed form).

Of the various continuing eligibility reviews conducted by the Agency, CDRs are the most resource intensive. SSA is required to complete periodic reviews of disability beneficiaries to determine their continuing eligibility for benefits. As initial disability claims workloads escalated, difficult decisions were made about the prudent use of limited administrative resources. Thus, in previous years, highest priority was given to processing initial claims and less emphasis was placed on CDRs. Our most recent estimate projects a loss of \$2.3 billion to the trust funds by FY 1999 from not performing CDRs timely in FY 1990 through FY 1995.

To improve this situation, SSA implemented a CDR mailer process to eliminate non-productive reviews and allow the Agency to conduct a greater number of CDRs. GAO has indicated in an FY 1994 report that the mailer process is a significant step toward making the CDR process more efficient and cost-effective, and that beneficiary self-reported data, when used with other information SSA has, appear reliable for making decisions about when to do full medical CDRs. In an FY 1995 study on the CDR backlog, OIG concluded that the mailer process should produce cost savings, better serve our beneficiaries and better target those beneficiaries whose medical improvement is likely. SSA processed 285,000 CDRs in FY 1995, the most processed annually since FY 1989. Even with the new, more cost-effective CDR process, SSA has been unable to complete many CDRs that come due. Currently there is a backlog of over 1 million CDRs.

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In addition to the currently required periodic CDRs, the *Social Security Independence and Program Improvements Act of 1994* requires that SSA process 100,000 SSI CDRs, along with CDRs on one-third of SSI children attaining age 18 (approximately 16,000) in each of FYs 1996 through 1998. Proposed legislation would increase this to all children attaining age 18.

Other provisions of the legislation place further administrative burden on SSA. These include a 36-month payment limitation for individuals whose drug addiction or alcoholism is a contributing factor material to the determination of disability, suspension for noncompliance with treatment requirements, retroactive payments paid in installments, and extension of existing SSI DA&A representative payee requirements to DI beneficiaries.

In February 1995, SSA sent over 173,000 notices to current beneficiaries who were identified as being disabled based on DA&A, informing them of the new legislative requirements. All new DA&A cases are now being processed under the revised rules. While definite numbers are not yet available, early information indicates that the number of DA&A beneficiaries suspended for noncompliance with treatment and the number of DA&A beneficiaries in treatment have increased.

Since 1988, many changes in SSA's representative payment business policies and processes have enabled us to improve service performance in such areas as beneficiary due process, payee investigation/selection, and payee oversight. Central to these improvements has been the development of a new automated database to track payee performance. Further automation of representative payee workloads is needed to enhance service performance. The payee database, the Master Representative Payee File, does not yet contain information on more than 1 million beneficiaries with payees. This information is needed to track the performance of these payees and is a prerequisite to eliminating the less efficient systems now used to control the current accounting process. In addition, implementation of other process improvements is dependent on a fully loaded database.

Unlike many of SSA's other processes, the trend in representative payment has been toward more face-to-face public contact and folder documentation in response to the need to promote protection of a vulnerable clientele. With the increase in the disabled population (among whom payee turnover also is especially great) has come a rapid increase in the representative payment rolls. This growth is expected to continue outpacing growth in the rolls as a whole, and, along with a concomitant increase in administrative costs, signals a need for streamlining efforts.

*Overpayments* -- The Agency's performance in managing debt is strong. Overpayments as a percentage of benefit payments are approximately 0.6 percent. Annual debt detections average about \$2 billion, with debt collections and debt write-offs being about \$1.3 billion and \$.4 billion respectively. SSA collects \$8 for every dollar invested in its debt management program; about 3,200 workyears are expended annually on overpayment work.



*Rehabilitation/Employment Assistance for People with Disabilities* -- SSA operates a rehabilitation reimbursement program in which State vocational rehabilitation (VR) agencies are reimbursed for the costs of the services they provide to SSA's beneficiaries if the services result in a return to work at the substantial gainful activity level for 9 continuous months. In FY 1994, SSA referred approximately 173,000 disability applicants and beneficiaries to VR agencies. Only about 6,000 beneficiaries were successfully rehabilitated in FY 1994, for which SSA reimbursed VR agencies \$63.5 million.

Historically very few individuals who receive disability benefits ever leave the rolls to return to work. As SSA's disability rolls have steadily grown, young people in particular have been coming on the rolls in large numbers and tend to stay on the rolls for decades. While SSA currently is neither responsible, nor has the expertise, for rehabilitating people, we have been criticized for our limited VR referrals and small number of beneficiaries who return to work through VR.

### **Business Approach**

The Agency's approach for improving the PE process focuses on: providing better customer service primarily by enabling more business to be handled in a single contact, freeing resources for other priority or increasing workloads by automating more PE work and more effectively handling program integrity work to help rebuild public confidence.

*Service and Efficiency Improvements* -- One key effort to improve efficiency and service involves exploiting the many service features and payment processing efficiencies that can be made possible through electronic funds transfer, and increase the number of customers using this more reliable and convenient means of receiving their payments. Doing so allows us to not only provide better service to our customers, but also reduce payment-related workloads and the costs associated with disbursing checks.

The electronic payment services initiative encompasses a range of activities designed to move SSA toward an all electronic payment environment, consistent with the goals of the NPR. SSA will more aggressively market the advantages of direct deposit to the public and financial community. In accordance with recently established government-wide policy, SSA will presume the use of direct deposit by all beneficiaries who have bank accounts. We will establish the capability to provide payments electronically to beneficiaries who do not have bank accounts. Use of the national Automated Clearinghouse (ACH) system to communicate with financial institutions will be expanded. New uses include automated enrollment for direct deposit and electronic verification of bank account resources for SSI recipients in lieu of the current paper process.

Another potential service improvement will reduce the reporting burden on customers who must annually report their earnings both to SSA and IRS. We currently are evaluating a proposal that essentially would eliminate the need for customers to file an annual earnings report with SSA.

The focus of other Agency efforts to improve the efficiency of the postentitlement process is on automation enhancements that will reduce the hand-offs and manual work effort now required to effect many status and payment changes. These enhancements will also provide more data online to enable work to be handled at the first client contact. The key initiatives for doing this are essentially those that also contribute to claims process improvements and the achievement of the electronic claims file, most importantly:

- IWS/LAN;
- Paperless Processing Centers;
- Title II System Redesign;
- SSI Modernization; and
- Redesign the Policy Process.

In addition, an initiative to provide clearer notices should help to reduce PE work that occurs when customers do not understand our correspondence, and as a result, do not properly report changes or make additional contacts with SSA for explanations.

The combination of increasing automation and the public's growing preference for reporting changes by telephone rather than by mail, has significantly reduced the volume of traditional work performed by the processing centers. In response to these changes, the processing centers have downsized considerably and taken on new workloads. Staffing has decreased by 45 percent since 1984 and with the additional responsibility of answering 800 Number calls on peak calling days, the role of the processing centers has been significantly altered. The redesigned title II system, when fully in place, will have the effect of further reducing the workloads that are currently performed in the processing centers. However, there will continue to be residual systems fallout work and other high volume work that can be best accomplished in a centralized operation.

*Payment Safeguard/Program Integrity Improvements* -- SSA recognizes the need to process more CDRs to ensure program integrity, to carry out congressional mandates, and to contribute to increasing public confidence in our programs. Consistent with these objectives, SSA has developed a multi-year plan to increase the number of CDRs processed--from 285,000 in FY 1995 to 575,000 in FY 1996 and 864,000 in FY 1997. The plan is dependent upon the passage of legislation which would adjust the discretionary budget caps and thus permit the allocation to SSA of additional funding.



In addition, SSA is taking actions to improve CDR processing. We are developing an improved method for processing mailers that will be operational in FY 1996. Instead of requiring manual screening and processing, completed mailer questionnaires will be optically scanned, and forwarded for action based on computer-based decision logic. This improved, automated process will increase our efficiency and greatly enhance our ability to accurately process a higher volume of CDRs. We are also conducting an analysis to determine characteristics of beneficiaries in the pending CDR caseloads; what Social Security and DDS resources would be necessary to eliminate the current CDR backlog over the next few years; and what effect this might have on our initial and appeals workloads.

While SSA has in place a strong integrity protection program, we are renewing emphasis in this area with an Agency initiative to prevent and detect fraud and abuse. In addition to providing better ways to detect fraud and abuse, the initiative will focus on increasing investigation and prosecution of fraud, more aggressively collecting all monies due SSA and renewing emphasis on oversight controls. As a part of this effort, we are assessing the cost-effectiveness of all of our payment safeguard activities. The results of this analysis will be used to help the Agency make decisions about which activities yield the highest payoff for the investment and whether certain activities should be eliminated or improved.

Until recently, SSA's representative payment program was virtually unknown - viewed simply as an alternative to direct payment of benefits. Today it is recognized as a social service program which entrusts \$22 billion yearly to about 5 million payees on behalf of some 6.1 million beneficiaries, including many of our nation's most vulnerable citizens.

The Commissioner has established the Representative Payment Advisory Committee to provide SSA independent advice on representative payment and recommend changes to our existing policies and processes. The committee's deliberations will focus on five broad areas: beneficiary incapability, payee selection, payee recruitment and retention, standards for payee performance and oversight.

The Agency also is working with the OIG on a review of the payee accounting process that focuses on risk assessment. The current process required by Congress and the courts, while providing some deterrence effect, does little to detect misuse, is burdensome to the public and our employees alike and is costly (over \$60 million in FY 1994) to administer. Results of the risk assessment study will be used to develop a more efficient and effective payee monitoring process that will satisfy the Congress and the courts.

*Rehabilitation/Employment Assistance for People with Disabilities* -- SSA is expanding the reimbursement program for VR by implementing regulations that were published in March 1994 that permit SSA to refer a beneficiary to an alternate provider when the State VR agency is unable to provide services. This new process will improve the services available to SSA's beneficiaries by increasing the number of providers participating in the reimbursement program.

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SSA will continue to work with our State partners, other public agencies, and private organizations that serve people with disabilities to examine approaches for increasing the employment of disabled beneficiaries and applicants for disability benefits. These should include ways of bringing together the interests of employers, private insurers, and rehabilitation services, both to achieve more efficient handling of claims and to return to the workplace as many people as are able to work.

### **Key Initiatives**

*The following Key Initiatives discussed in Part VII are relevant to improving the postentitlement process:*

- Prevent and Detect Fraud and Abuse
- Employment Strategies for People with Disabilities
- IWS/LAN
- Redesign the Policy Process
- Title II System Redesign
- SSI Modernization
- Paperless Processing Centers
- Payment Cycling
- Notice Improvements
- Electronic Payment Services
- Electronic Service Delivery
- Eliminate the Annual Earnings Report



## INFORMING THE PUBLIC

### Description

In addition to its core processes involving issuing SSNs, maintaining earnings records, and processing claims and postentitlement actions, SSA also undertakes significant work that involves the dissemination of information about the programs it administers and the processes and procedures we use in administering these programs. This fifth business process is summarized under the heading *Informing The Public*.

Informing the public about Social Security programs, and educating them about the value and operation of these programs, is a basic Agency responsibility. Input we have obtained from customer focus groups and surveys has led us to conclude that public support of Social Security relates, at least in some measure, to public knowledge about our programs. The public needs an accurate understanding of the basic principles of social insurance programs, of the value of these programs to themselves and society as a whole, and an appreciation of the role Social Security programs play in the nation's income security system. The public also needs accurate and understandable information about key public policy issues, such as the role of the Trust Funds in financing Social Security benefits, the value of Social Security to younger workers, and the scope and nature of potential changes to the programs. And the public needs to know that SSA is a careful custodian of the taxpayers' dollars and the beneficiaries' benefits. In short, the public needs accurate and understandable information about any aspect of Social Security that is of concern, and it is the function of the business process SSA describes as Informing the Public to fulfill that need.

This business process involves SSA's extensive public information activities as well as the statistical and other program data SSA provides to support research and policymaking throughout the Government and in the private sector. The customer end-product resulting from this business process is essentially "information," broadly construed.

### Workloads

*Personal Earnings & Benefit Estimate Statements* -- Since 1988 SSA has offered a PEBES to members of the public, upon request. These statements provide a report of the life-long earnings record maintained by SSA on each worker covered by Social Security, and an estimate of the worker's potential future Social Security benefits. Annually SSA receives and processes about 4 million such requests.

In addition to the PEBES that the public requests each year, SSA began issuing in FY 1995 first-time statements to eligible individuals age 60 and older, as mandated by law. About 7.1 million SSA-initiated PEBES were issued in FY 1995. Beginning in FY 2000, SSA must send an estimated 123 million statements annually to all eligible individuals age 25 and older. We plan to accelerate PEBES issuance to individuals age 25 and older during FY 1996 to FY 1999 in order to more evenly spread the fallout workload for processing related inquiries and earnings corrections, expected to be generated from first-time statements (see the discussion of workloads earlier in Part V under "Earnings").

*Public Information Materials* -- SSA publishes pamphlets, newsletters, booklets and other informational materials about its programs, policies and procedures so that the public can be fully informed about Social Security programs. SSA also produces informational materials in audio, video and computer media. SSA publishes about 50 consumer pamphlets, booklets and fact sheets to inform the public about Social Security programs and policies. SSA also produces about 20 administrative publications, many of which are sent as "stuffers" with notices sent to Social Security beneficiaries. These "stuffers" contain information that beneficiaries need to know so that the official notices can be kept shorter and easier to understand. In total, SSA produces an annual volume of more than 95 million of these 70 or so publications.

SSA also produces a monthly camera-ready newsletter that is sent to about 15,000 nonprofit and governmental organizations; a quarterly newsletter (the *SSA/IRS Reporter*) distributed to more than 6 million employers to inform them about the procedures and policies involved in the Annual Wage Reporting process; a monthly package of public information materials (newspaper articles, scripts for radio programs, etc.) which is distributed to all 1,300 Social Security field offices; a series of radio spots; and about 90 videotape programs each year. SSA operates a live satellite broadcast network for internal communications and training purposes. SSA has also produced a *Teachers' Kit* for use by secondary schools and produces a variety of posters and special use products to help inform the public about Social Security.

*Statistical and other Research Data* -- As part of our role in fostering knowledge about Social Security, SSA distributes statistical and research data in several forms. A quarterly journal, the Social Security Bulletin, presents the results of SSA's research program and provides quarterly program statistics. The Annual Statistical Supplement summarizes statistical information on the program. Detailed information on OASDI and SSI beneficiaries by State and county and by zip code are also published annually. SSA also makes available statistical data in electronic form for use by other government agencies and researchers.

Statistics on the income of the aged, including the role of Social Security in total income, are provided biennially, as is a chart book with income highlights. For use by field offices and in educational programs, descriptions of Social Security programs in the U.S. and throughout the world are also provided.



## Service Delivery Performance

For most of its public information activities SSA does not have specific performance measures. SSA assesses its performance more in terms of the accessibility of products to various audiences and in terms of the volumes of materials distributed. SSA also conducts occasional feedback surveys and focus groups to obtain customer input on its public information materials.

As a general standard of how well we are informing the public about our programs, SSA now uses the following measure from an annual survey performed by the American Council of Life Insurance.

Measure	Current Performance
% of public "very well informed" or "fairly well informed" about Social Security (FY 1995)	54%

For FY 1997, we have set a target of 62 percent for this measure.

## Operational Efficiency

Generally speaking, SSA does not capture budget resources and efficiency data separately for this business process. Resources and efficiency data are captured as part of the data reported on the other business processes described above, since the bulk of SSA's efforts to inform the public take place through the day-to-day work associated with the first four business processes. However, information is separately maintained on the resources expended on issuing PEBES. In FY 1995, the postage and printing costs to issue 7,094,937 legislatively-mandated PEBES and 3,640,920 PEBES requested by the public were \$2.8 million and \$1.5 million respectively.

## Assessment

In contrast to SSA's other business processes in which we have a multitude of performance measures, it is more difficult to assess the effectiveness of public information activities. The usual approach is to measure the number of publications produced, the number of placements of a public service announcement (PSA), the number of organizations to which a newsletter is mailed, etc., rather than measuring how successful the publication, newsletter or PSA is in communicating the desired messages. In other words, SSA typically has measured *efforts* rather than *results*.

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Work to develop and implement a set of measures for this business function is still underway. However, from current surveys across generational lines in which 3 in 10 respondents admit that they are "not too well informed" about Social Security, we know generally that our performance could be improved.

To be effective in educating the public, SSA recognized that we must first identify the issues that are of concern to the public. The Agency's initial efforts to ask our customers and other stakeholders for input, have confirmed our estimations of some particular areas of public misperception and lack of knowledge.

The public has a poor understanding of the basic principle of social insurance and the many ways it benefits both the individual and society. For example, many people view Social Security as a personal savings account or a pension rather than a form of insurance against having lost income from retirement, disability or death, or fail to appreciate that Social Security bears burdens that would otherwise fall to families or welfare programs.

The PEBES is expected to serve as a regular reminder to the public of the presence and value of Social Security as a part of their financial planning package. SSA just began in 1995 to periodically issue self-initiated PEBES and its overall impact on the public's knowledge of our programs is yet unknown. Preliminary information indicates the PEBES is being favorably received. In a survey among recipients of the 1994 test mailings to ascertain our customers' views on the usefulness of the PEBES, three out of four individuals who responded indicated they were glad to receive the information. Nine out of 10 found the information useful. Overall, only 27 percent of the responders thought the PEBES should be sent to those as young as age 25, although 60 percent of the age 26-30 cohort thought age 25 was appropriate.

Public focus group input was used to design the PEBES format and make the content more understandable and useful to the recipients. An extensive public information campaign continues to prepare individuals for receipt of their PEBES and to answer many of the general questions the statements generate. We are monitoring public reaction closely to determine if changes may be needed for subsequent issuances of the statements. Additional focus group discussions with younger workers will identify any need for further explanatory information or shifts in emphasis in the messages presented. Systems enhancements will be considered where necessary.

SSA's field office employees have traditionally been our "front line" in communicating with the public about the value of Social Security and in correcting the various types of misinformation about Social Security. Over the past decade, because of workload demands, this role has diminished.



SSA also uses the nation's "information highway" to communicate with the public. Many of the Agency's most widely used public information materials and public use forms, as well as research and statistical information and publications, now are available in electronic form on the Agency's Internet server, Social Security Online. These same materials are available to commercial, non-profit and governmental online services that request them. Also, since 1993, SSA has operated an electronic bulletin board service for employers and other interested parties, to provide information about annual wage reporting.

### **Business Approach**

SSA's business approach for our public information function consists of a major campaign that seeks to educate the public more fully about basic Social Security concepts and a companion effort to revitalize the role of our employees as SSA's ambassadors. In addition, we will improve the accessibility to our employees of public information material and expand the direct availability to the public of information in electronic form.

Preceding the public education campaign design, SSA conducted focus group studies to determine the level of current Social Security knowledge and identify main areas of concern. The goal of our education campaign is to ensure that the public has a clear understanding of what the Social Security program is and is not. The multimedia campaign messages will include: the theme of Social Security programs as more than retirement, basic funding principles (FICA taxes and trust funds) and the history and rationale of the nation's Social Security program. Specific target audiences have been identified - seniors, baby boomers, and young people ages 25 to 31. Messages will be specially tailored for each of these groups and consistent across all forms of media. One of the first products that will be released under the campaign is a booklet on "tough questions and answers" on the Social Security program that was developed from the issues identified by customer focus groups. Other aspects of the campaign will include periodic stakeholder group discussions on topical issues and Commissioner Roundtable discussions with key business leaders.

As SSA conducts specific campaign efforts, the success of those efforts will be measured not by how much information is disseminated, but by how much we have increased public knowledge about Social Security. To do so, feedback mechanisms will be necessary to determine if information and messages are reaching the intended audiences, and the reactions and responses that various segments of the public express based on the information and messages they receive.

In conjunction with our public education efforts, SSA will also reinvigorate the role of our employees in conveying information to the public. SSA currently is holding focus group discussions to identify gaps in employee knowledge about the value of our programs. An educational program will be developed based on the results. An important part of that program will be training in such public affairs skills as dealing with the media and speaking in public.

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SSA is also undertaking an employee survey to determine the effectiveness of our existing internal communications and the need for new employee communication products or services. Material being developed as a part of the public campaign effort will also be used to familiarize employees with program information and topical issues. And, more presentation tools will be developed centrally for use by local offices to help ensure that we consistently communicate our messages across the country.

Since information is the "product" produced by this business process, those technologies that facilitate access, retrieval and dissemination of information are key enablers for informing the public. Technology is a critical tool that enables SSA to do a better job of disseminating vital information quickly and efficiently.

One recent highly effective innovation at SSA is the capability for the Commissioner to communicate directly with field and headquarters facilities through electronic mail. When important, time-critical information needs widespread distribution, the Commissioner can send an "all hands" message via electronic mail. However, the E-mail system is a personal computer-based system, only available to those employees with ready access to networked personal computers. Presently, in those offices without IWS/LAN technology, the message is transmitted to a single employee who must print the message, make photocopies and hand-deliver the photocopies to each employee. In the IWS/LAN sites, every employee receives an instantaneous and direct communication from the Commissioner.

Other technological tools being considered for disseminating information to our employees are the expansion of SSA's satellite network and the use of interactive desktop video.

The service SSA provides on Internet has been widely praised for its clarity, ease of operations and usefulness to the public. In its quest to provide the public with world-class service, SSA will continue to expand into other avenues of electronic access and offer additional information material and services to the public.

Finally, the redesigned disability process places a major emphasis on better-informed applicants and on better-informed medical record providers to facilitate the development of medical evidence for disability claims. This will be a major area for emphasis for SSA's public information efforts as the redesign is implemented.



## Key Initiatives

*The following Key Initiatives discussed in Part VII are relevant to improving the Informing the Public business process:*

- Educate the Public about Social Security
- Disability Process Redesign
- IWS/LAN
- Redesign the Policy Process
- Electronic Service Delivery
- Interactive Distance Learning

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## Service Delivery Interfaces

Many transactions in SSA's business processes require an interaction between the public and SSA. Typically, an interaction occurs at the beginning of a process when customers contact SSA to request a service, although SSA can initiate the contact. Other interactions occur while the process is being carried out and at the end of a process when the service is delivered. How many and what kind of interactions take place are governed by the kind of business being conducted and the choice of the individual.

Customers expect to have a choice in how they conduct business with SSA. SSA has responded by offering customers the choice of six complementary interface methods:

- Visiting one of SSA's direct service offices
- Calling one of SSA's direct service offices
- Calling SSA's national 800 Number
- Working with a third-party intermediary who provides services on SSA's behalf
- Conducting business with SSA through the mail
- Using automated self-service options

SSA has found that, overwhelmingly, customers prefer to talk to a person, either face-to-face or over the telephone. Customers are, therefore, less likely to request services through the mail. Since most automated self-service options are still in the exploratory or pilot stages, their popularity has yet to be assessed.

Despite a customer's being able to choose how to initiate contact, SSA's business processes cannot all be completed using any one interface method for various reasons. For example, because initial claims require personnel expertise that has to date only been available in a field office, claims can at present be taken by phone only in the field office, not over the 800 Number. As another example, because SSA has found the issuance of social security numbers to certain types of individuals to be especially susceptible to fraud attempts, certain SSN applications (e.g., those for individuals over the age of 18 who are applying for a new social security number) must be made in person.

SSA faces significant challenges in designing its customer interfaces to deliver world-class service every time:

- The number of SSA customers is growing, and SSA does not have unlimited resources to devote to improving service.



- The experience of both SSA itself and private companies with whom it has consulted is that expanding capacity to serve customers and improving the way service is provided often result in expanded demands for service, thereby taxing the ability to maintain quality.
- According to customer surveys, an increasing number of customers prefer telephone service and would like SSA to provide additional services over the 800 Number. At the same time, experience has shown that customer preferences are not always borne out by customer action.
- Customer opinion vehicles have also made SSA aware of two other important customer expectations: to complete business transactions during a single call or visit to SSA; and, where more than one contact is necessary, to have a single point of contact with whom to deal.
- The preferences of customers today are not necessarily the same as the preferences that customers will have in the future. SSA must meet the expectations of today's customers while building the capability to respond to those of tomorrow.

While "service" has numerous dimensions, many of them are related to how well SSA interacts with the customer as we are conducting business. SSA currently evaluates overall service quality by measuring the percent of people who rate SSA service as "good" or "very good" on the OIG Client Satisfaction Survey. For FY 1997, the goal is 82 percent; in FY 1995, SSA's actual performance was 79 percent.

Delivering quality service through interfaces with the public requires the Agency to have the largest possible number of employees directly serving the public. SSA employees who work in staff positions have been offered the opportunity to be redeployed into direct service positions. By the end of FY 1995, over 300 people had taken advantage of the opportunity. We are continuing to offer staff employees opportunities to move into front-line positions through such initiatives as establishing a Direct Service Unit at headquarters.

Surveys have shown that client satisfaction rises proportionately as customers view SSA's employees as courteous and knowledgeable about their jobs. This fact supports the identification of the workforce as a key enabler of SSA's mission performance.

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## FACE-TO-FACE SERVICE

### Description

*Service in the Field Office* -- SSA has a long tradition of providing face-to-face service for customers in its field offices: the first field office was opened in Austin, TX, in October 1936. Today, SSA has nearly 1,300 field offices nationwide. They provide a wide array of services for customers, from answering general questions about programs to making complex eligibility determinations. Field offices are open to the public generally from 9:00 a.m. to 4:30 p.m. every business day. Field office representatives also make regular visits to outlying areas to serve SSA customers who live at a distance from a local office or who cannot visit due to illness. SSA maintains over 1,600 contact stations, where periodic service is available outside the local office. In addition to serving customers, field office employees disseminate public information in their communities for the purpose of heightening knowledge about and increasing confidence in Social Security programs.

SSA cooperates formally and informally with other agencies to provide a single place where mutual customers can conduct related business. Some of these "one-stop" service agreements involve SSA employees' helping to administer other programs, including establishing entitlement to Medicare benefits for the Health Care Financing Administration (HCFA); some tier I benefits for the Railroad Retirement Board; and Black Lung, Part C, benefits for the Department of Labor. In certain situations, SSA takes food stamp applications for the States. Also, in many States, an application for SSI benefits is also an application for State supplemental benefits and/or Medicare. Under other agreements, SSA field office employees are out-stationed in the offices of other agencies.

SSA encourages customers to make appointments to visit the field office for more complex business, like claims and such postentitlement activities as overpayment reviews, some continuing disability reviews, and some redetermination interviews. Still, many people do not make appointments. As many as 58 percent of claims-related transactions are conducted without an appointment. Thirty-four percent of the visitors seen in field offices are there to apply for new or replacement social security cards, work rarely done by appointment. Added to SSN applicants are the individuals who "drop by" to ask questions, provide postentitlement information, or conduct other business. In consequence, fully 93 percent of visitors to SSA's field offices walk in without an appointment.

Much of the work done by field offices can be done over the phone, either by the office itself or by 800 Number teleservice staff. However, individual circumstance or personal preference lead many people to conduct their business face-to-face. For example, even when claims are initiated over the phone, some claimants prefer to complete the application in person.



The number of SSA customers who do not speak English is growing, and language and cultural differences mean 87 percent of those customers prefer to visit when doing business with SSA. In addition, the majority (about 65 percent) of those filing claims for SSI benefits are more likely to visit the office, providing SSA the opportunity to give them the more individualized service their situation often requires.

*Service in the Hearing Office* -- Clients who wish to appeal a decision for title II, title XVI, or HCFA's Medicare program have a statutory right to request a hearing. At present, most decisions made on cases for which hearings are requested are made by an SSA Administrative Law Judge (ALJ). SSA is able to make a favorable decision on the record for 20 to 25 percent of the cases for which hearings are requested, thereby eliminating the need for a hearing. This provides a more timely decision and more convenient service for the claimant, and it benefits the Agency as well. Attorney advisors in OHA are permitted to conduct pre-hearing proceedings and issue decisions that are wholly favorable in certain cases. In the future, once the disability redesign is implemented, an adjudication officer will fully develop every case, narrow the issues, and certify the case for hearing. The adjudication officer (AO) will be able to make favorable on-the-record decisions, thereby freeing the ALJ to hear the more complex cases.

Of those cases for which a hearing is ultimately held, 60 percent of hearings are held in one of SSA's 132 hearing offices located throughout the country. To conduct the other 40 percent, ALJs travel to approximately 325 remote sites.

## Workloads

*Workloads in the Field Office* -- During FY 1995, an estimated 24 million people visited SSA field offices--on average, over 94,000 people every day. The major categories of FO-visitor workloads may be broken out this way (percentages are approximate):

Applying for social security cards	34%
Filing claims	15%
Seeking/providing information about a claim	10%
Requesting help with SSA correspondence	9%
Seeking benefit estimates or verification of	5%
Payment issues, including non-receipt	3%

The rest of the visitors are seeking or providing other information or services. Almost 2 percent of visitors do not conduct any business at all, except to be given future appointments or be referred to the 800 Number to set up an appointment.

Workloads in field offices vary dramatically across geographical locations. Offices serving low-income areas, often located in inner city areas, see more people who need individualized services, such as the non-English-speaking and SSI customers. In contrast, offices in economically advantaged areas have fewer non-English-speaking clients, higher insurance-program workloads, and clients who are more likely to use the appointment system, be able to complete forms without assistance, and use the telephone in conducting their business.

Workloads also vary dramatically over time. Because of SSA's payment schedule, payments to our nearly 50 million OASDI and SSI beneficiaries are generally made during the first 3 days of the month. This payment delivery pattern results in workload surges during the first 10 days of every month, primarily due to beneficiary questions concerning the amount of a payment or failure to receive an expected payment.

Other workload peaks occur during the first 3 months of the year, on Mondays, and on days following Federal holidays. Peaks early in the year result in large part from inquiries related to cost-of-living adjustments and tax-related business such as 1099s and SSN issuances. In addition, many people retire at the beginning of the new calendar year. Time-related workload peaks affect nearly all work sites in SSA, including the 800 Number workloads and work in our processing centers.

*Workloads in the Hearing Office* -- Over 526,000 requests for hearing were processed in hearing offices during FY 1995. ALJs met face-to-face with claimants in about 78 percent of these requests. Like initial claims, hearings are labor-intensive, and the volume continues to climb.

## **Service Delivery Performance**

*Performance in the Field Office* -- Access to service is a critical measure of how well a service delivery interface is performing. For face-to-face service, access takes on two dimensions: actual access to a field office and access to service within the office.

Access to a field office is related to the number and location of field offices and their hours of operation. SSA performs a regular service delivery assessment (SDA) to determine if action should be taken to open or close new field facilities, change their size, or co-locate them with other facilities. Changes that result from the SDA respond to such factors as demographics, workloads and resource considerations, along with Congressional input and community consultation. During FY 1995, five field offices were consolidated with nearby offices; it is likely that several will be consolidated during FY 1996.



Access to service within the office itself also has several dimensions. One concerns waiting times, for which SSA has set performance objectives. Information reported by SSA in its own study of field office waiting times, which includes in-office waiting times for all types of customers, shows the following results for FY 1995:

Standard	Actual
With an appointment, serve 100% within 10 minutes	83.8%
Without an appointment, serve 100% within 30 minutes	72.7%

SSA recently completed a study of the satisfaction of the segment of customers who come in to obtain a new or duplicate social security card. It shows that, while enumeration customers are generally very satisfied with our service (90 to 94 percent said the service was "good" or "very good"), the aspect with which they are least satisfied is office waiting time. In contrast to the data for "all customers" shown above, about 31 percent of SSN applicants reported waiting 30 minutes or longer to be served, with over 10 percent reporting waiting longer than an hour.

Though individuals with appointments generally spend less time waiting in the office than their counterparts without appointments do, up to 4 weeks may elapse between the time an appointment is requested and the time the scheduled appointment takes place. We note that, because OASI applicants can file up to three months prior to the time that payment is due, immediate appointments are not usually necessary for timely payment. In addition, some applicants do not wish immediate appointments. Whenever payment is due immediately, SSA makes every effort to take the claim immediately; when this is not possible, procedures exist to ensure that the filing date is protected so that benefits are not lost.

We also note that, as time permits, representatives take advantage of the period before the scheduled appointment to begin the claims work over the phone; at times, the claim may actually be completed that way, making the scheduled appointment unnecessary.

Another dimension of face-to-face service relates to the ability of individuals who do not speak English to conduct their business. SSA has directed intense efforts over the last several years to enhance our ability to interact with this population, improving service to them while at the same time increasing accuracy of claims payment and office efficiency. The results of an OIG study of client satisfaction, in which non-English-speaking respondents reported a higher satisfaction rate in FY 1995 than in FY 1994 (as an aggregate across all service-delivery interfaces tested), indicate that the efforts are working.

Anecdotal information suggests that the level of service to individuals who do not speak English varies greatly among offices depending upon their location and resources available within the office and the community. And in-office waiting times for these customers are longer than those for customers in general, perhaps because non-English-speaking customers are more likely to visit an office without making an appointment first.

The 1995 Client Satisfaction Survey performed by the OIG indicates that both perceived job performance by staff and courtesy are important determinants of a customer's satisfaction level. In FY 1995, results were as follows:

Percent of visitors rating the performance of SSA staff as "good" or "very good"	74%
Percent of visitors finding employees to be "courteous" or "very courteous"	87%

SSA has established an overall goal for FY 1997 that 90 percent of people will rate SSA service as "courteous" or "very courteous."

*Performance in the Hearing Office* -- Performance information for the hearing offices analogous to that of the field offices is not collected.

### Operational Efficiency

*Efficiency in the Field Office* -- At the end of FY 1995, just over 33,000 full-time equivalents (FTEs) were dedicated to the field offices and the area offices supporting them. How many of these FTEs are dedicated to face-to-face service (in contrast to field office phone service) has not been determined.

Different workloads require different amounts of time spent with the client. For example, claims interviews conducted face-to-face vary in duration from an average 62 minutes to complete a simple retirement or survivors claim to 97 minutes for a disability claim.

*Efficiency in the Hearing Office* -- The Office of Hearings and Appeals used about 7,000 FTEs in FY 1995. The number of FTEs increased by about 9 percent from the FY 1994 level in response to the growing number of hearings and appeals.



## Assessment

*Assessment of Field Office Service* – Field office face-to-face service is still seen by many, both inside and outside the Agency, as the "bread-and-butter" service delivery interface, the one by which SSA quality and service are defined. The offices are valued by the American people, many of whom visit during some of the most vulnerable times of their lives.

Still, SSA's capacity to provide comprehensive and caring face-to-face service has been taxed recently by the twin challenges of resource downsizing and growth in the more complex workloads. The downsizing that occurred during the 1980s resulted in extreme staffing imbalances because it was accomplished through non-directed attrition. Our largest losses occurred in urban offices, the very offices where numbers of customers are the largest and growing most rapidly. These are also the offices with higher proportions of customers who do not speak English or are applying for or receiving SSI benefits, the customers who are most in need of individualized services.

Over the last several years, SSA carried out a very successful initiative called the Metropolitan Office Enhancement Project (MOEP). Under that initiative, more resources, both human and physical, have been directed to offices most in need, and resources in FY 1995 are distributed more equitably than they have been in recent years. Physical security and habitability were also enhanced, providing for our urban customers a more professional atmosphere in which to conduct business. A recently completed SSA study shows that service provided to initial awardees in MOEP offices is now much more aligned with service in non-MOEP offices, with striking improvements in waiting times, courtesy, processing time and office appearance noted by SSI awardees.

Information received from a comment card survey conducted last year supports our emphasis on addressing the needs of non-English-speaking customers. The survey indicated that almost 30 percent of aged SSI customers, up to 10 percent of SSI Blind/Disabled customers, and 15 percent of SSN customers want to conduct business in a language other than English (usually Spanish). To respond to this preference and raise processing accuracy and efficiency, SSA has made a concerted effort to hire bilingual employees; during FY 1995, one third of all new employees were bilingual. In addition, some employees have been trained in foreign languages used locally, cultural awareness training has been conducted, and SSA's ability to locate additional sources of impartial translators has been enhanced.

The number of permanent offices, combined with SSA's creative use of resident/contact stations, field visits, and outreach, have historically resulted in SSA's services being within reasonable distance of nearly everyone who wishes to visit. SSA will continue to regularly review all field facilities to determine if offices should be opened or consolidated with other offices, though few changes have been made over the last several years. However, staffing constraints have affected community presence.

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The overall number of contact station visits and personal visits to homes has declined from traditional levels since the early 1980s. Public relations activities have lessened as well, and the decreased level of community involvement may be contributing to the decline in confidence in the Social Security programs. To improve service and help rebuild public confidence, renewed emphasis is now being placed on public relations.

*Assessment of Service in the Hearing Office* -- Accessibility is much more of an issue for claimants who request hearings. Claimants and ALJs in sparsely populated areas often travel long distances to reach hearing sites. In fact, claimants may be required to travel up to 75 miles at their own expense to attend a hearing. (If travel over 75 miles is necessary, SSA will pay for the travel expenses for the claimants and their representatives and witnesses.)

### **Business Approach**

*Business Approach in the Field Office* -- The number of individuals who will need direct service is expected to increase in the future, and the number of direct-service employees will not just stay the same but is likely to decrease. This means that SSA will be unable to deal with people in the future using the processes of the past. The keys to improving face-to-face service lie in reducing the number of unneeded field-office contacts and increasing the efficiency and effectiveness with which the contacts that do take place are made. Like nearly everything described in this Business Plan, the prime strategies for accomplishing this will be reengineering and continuous improvement in addition to some divestiture of work; and the key enablers will be technology, the SSA workforce and an improved management environment.

SSA remains committed to serving every customer face-to-face who desires that service. However, where other interfaces may prove more desirable were they more convenient, we are working to make them so. SSA's initiatives to improve 800 Number service and to increase access through third parties and automated self-service are expected to reduce the relative number of face-to-face contacts made, particularly in the areas of reports of postentitlement changes, simple claims filing, and general inquiries.

The most frequent reason for a field office visit is enumeration. This is because SSN applicants usually have little prior experience with SSA; are members of groups who need more individualized service; do not wish to entrust their documents to the mail; or need their number or card right away and want to avoid the delays of mail transactions.



To make inroads into this workload, SSA is taking some important steps. Described in greater detail in the assessment of the enumeration process, they include two promising initiatives:

- Testing the feasibility of providing replacement social security cards to requesters by telephone without requiring documentary proof of identity or a signed application; and
- Having the Immigration and Naturalization Service (INS) take applications for SSNs from immigrants.

Both of these enhancements, if proven feasible, should provide a good measure of convenience for the customers and reduce, perhaps dramatically, our in-office workloads.

A continuing effort to improve customer service and thereby also reduce in-office traffic focuses on another major field office workload, explaining or answering questions about the notices SSA itself has sent to customers. Making improvements to SSA's notices has been a priority which has so far succeeded: the FY 1995 Client Satisfaction Survey shows a significant improvement over the last 2 years in the readability of the mail that SSA initiates. Future notice enhancements include providing more automated capability in notice production, thereby reducing staff hours spent both in field offices and other facilities. And new archival and retrieval techniques will allow staff to view on screen the notices that have been sent to clients, thereby making it easier to deal with questions about them over the phone and eliminating the need for a field office visit.

Reports of late or missing payments are often made in person. Because the incidence of late or missing payments decreases dramatically when payments are made electronically, SSA's initiative to increase the number of people who elect direct deposit should show a major reduction in these workloads both in the field and over the 800 Number.

One major change on the horizon will not eliminate work but will tend to level it across time and reduce the workload peaks currently associated with single payment dates for benefit payments. SSA's initiative to cycle the timing of benefit payments is expected to make a difference in the distribution of public-contact work (through all interface mechanisms), thereby reducing waiting times in the office and other inconveniences associated with cyclical workloads. Because the cycling of payments will occur prospectively, however, the impact will be gradual.

In these days of lean staff and growing customer base, the efficiency and effectiveness of workload processing in the field office will be directly proportional to the amount of automated applications, equipment, and information available. The continuing roll-out of SSA's IWS/LAN equipment and further development of applications that use that platform will have a tremendous impact. These systems changes will reduce access time to critical procedural and information reference materials, thereby improving the ability of field office staff to answer questions and take action at the time of initial contact.

They will make available electronic tools such as multitasking, electronic mail, facsimile, expert systems, and Compact-Disk Read-Only Memory (CD-ROM), all of which will enable employees to work more efficiently and knowledgeably. And, they will continue to reduce the errors inherent in receiving and documenting information, the time required to input information, and the number of times SSA has to handle work. By doing so, automated changes will reduce the cost of processing as well as delays experienced by the customer. Ultimately, enhanced data-exchange capabilities will reduce the need for individuals to provide information that can be obtained electronically from other sources.

When a business process is streamlined or enhanced, the interface through which that service is delivered is often changed. For example, as part of the disability process redesign, a new face-to-face relationship will be established. The enterprise redesign effort is expected to identify and address efficiency issues in our other core processes. Even changes in administrative processes, such as the automation of various forms and elimination of levels of review, reduce the time spent on non-client-related work, thereby increasing the resources available to assist the client.

Under the MOEP, critical security issues in some of our offices were addressed. Now, in furtherance of establishing a professional environment for both our customers and employees in the field, SSA is planning a new initiative to improve the security of the work environment. This is particularly important in light of employee concerns raised around changes in the disability process that will result in an applicant's being able to meet with the employee who rendered the Agency's decision.

The strategy to increase public knowledge about the Social Security programs in support of SSA's goal to rebuild public confidence argues for increased resources in the field for public information activities. The issue is currently being considered by Agency management in light of SSA's more direct service-related resource needs.

Because of the importance that customers place on courtesy, SSA has produced a national courtesy strategy and handbook that are being used to raise the awareness of direct service employees and to guide the creation of regional and local courtesy enhancement initiatives.

*Business Approach in the Hearing Office* -- Because there are only 132 hearing offices nationwide, public access is, in general, more difficult. To respond to this problem, SSA is testing technology that will permit clients to participate in "face-to-face" hearings without the associated travel by either the client or the ALJ. SSA is beginning to test the feasibility of videoconferencing as a way to conduct hearings. In Iowa, SSA is participating in a GSA-sponsored test of the statewide communications network, which is designed so that no resident of the State is more than 12 miles from a video connection. If this and other planned pilots are successful and associated benefits can be shown to defray costs, SSA will adopt the use of videoconferencing and over time reduce the number of remote hearing sites.



Short-term efforts to reduce pending hearings include permitting attorney advisors in OHA to conduct pre-hearing proceedings and issue decisions that are wholly favorable in certain cases. Other changes in the business approach may arise from the Disability Process Redesign. In particular, when the redesign has been implemented, an adjudication officer will conduct an interview with claimants who request an ALJ hearing and will have full authority to issue a revised favorable decision if the evidence warrants it.

### **Key Initiatives**

*The following Key Initiatives discussed in Part VII are especially relevant to improving face-to-face service:*

- Educate the Public about Social Security
- Prevent and Detect Fraud and Abuse
- Employment Strategies for People with Disabilities
- Disability Process Redesign
- Short-Term Disability Project
- Reengineered Disability System
- Improve Telephone Service
- IWS/LAN
- Redesign the Policy Process
- Title II System Redesign
- SSI Modernization
- Payment Cycling
- Notice Improvements
- Electronic Payment Services
- Electronic Service Delivery
- Establish a Program for Third-Party Assistance in the Claims Process
- Transfer Enumeration of Aliens to INS
- Eliminate Annual Earnings Reports
- Improve the Security of SSA's Work Environment
- Interactive Distance Learning

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## **FIELD OFFICE TELEPHONE SERVICE**

### **Description**

Field office phone service is distinguished from face-to-face service primarily by the technology utilized. Nearly all SSA business (except for certain business requiring that proofs be examined in person) can be conducted using a combination of a telephone call to the field office and the mail. Many claims interviews are held completely over the phone, making field-office visits unnecessary. For the most part, however, the telephone in the field office serves primarily as a tool used in the completion of face-to-face business: in documenting case information, to contact people with previously scheduled appointments to be sure the customer is prepared for the interview, to clarify conflicting information, or to do part of the claims work before the interview is held.

Generally speaking, the workload, staffing, equipment and service-delivery issues involved in face-to-face service apply to field office telephone service.

### **Workloads**

Data about field office telephone workloads are not currently available from all offices because of the differences among local phone systems. Therefore, SSA does not now know how many customers try to reach field offices or how many calls are handled.

We know from the SSA Service Delivery Evaluation that between 31 and 42 percent of our recent awardees completed their application interview over a field office phone. For FY 1995, this means that about 3 million claims were taken over the phone.

### **Service Delivery Performance**

There is little objective, direct measurement of field office teleservice accuracy and courtesy in most field offices due to technical limitations. Some information is available however, from the OIG FY 1995 Client Satisfaction Survey. Ninety percent of respondents to that survey said they received courteous service over the phone. SSA representatives who provide service over the phone are also perceived as knowledgeable, with 75 percent of respondents agreeing that the staff did a good or very good job.

Access is a serious issue. Historically as well as currently, access to the field office by phone has been characterized as difficult, though there are no objective data on which to base this assertion.



## **Operational Efficiency**

Telecommunications usage and maintenance costs for field office phones were approximately \$30 million in FY 1994. The same employees providing face-to-face service in the field office provide the telephone service. Offices rotate phone coverage, or individuals take and return calls based on their individual caseloads.

## **Assessment**

Teleservice centers were established in the early 1970s for the express purpose of siphoning telephone-response workloads away from the field so that staff could concentrate on their most important work--helping the walk-in client. Many of these centers answered calls for groups of local offices, and individuals calling Social Security did not always realize that they were doing business with the teleservice center.

Over time, as more and more people became used to conducting important business by phone, SSA responded to the growing demand for phone service by establishing a national 800 Number. This action was intended to provide convenience to the public at the same time it allowed the Agency to operate with greater efficiency. Public preference for using the 800 Number is growing, and part of SSA's business strategy focuses on making the 800 Number the contact method of choice for most events.

Still, convenient phone service in the field office is important, and significant attention has not been paid in the past to ensuring that field-office phone systems are responsive to customer, employee, and management needs.

## **Business Approach**

SSA is now turning its attention to making those improvements. Demonstration projects have been conducted to test whether automated telephone services would improve telephone access to local offices. One service enables callers to key in the extension of an employee and leave a message if the employee is not available. A second service gives callers self-service options for requesting general program information and forms. GAO's report on the projects suggests that overall, the technology tested has the potential to increase the public's access to telephones in local offices. However, to fully assess the costs and contributions of this technology, SSA is completing internal evaluations that will factor in public reaction and the effect on office productivity.

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Courteous and knowledgeable employees are important to customers. SSA is installing upgraded telephone systems in field offices, and new functionality incorporated in these systems will allow measurement of call courtesy and accuracy. Systems have been replaced in approximately 500 offices; the systems in all offices will be replaced within the next few years as resources permit.

Because the same people answer the phones in field offices as conduct face-to-face service, initiatives targeted to improve field office productivity will have positive impacts on telephone as well as face-to-face services. Examples of such projects are those which level workloads (like payment cycling), reduce the need overall for contact by the public (like increasing direct deposit), and otherwise affect how SSA deploys resources.

### Key Initiatives

*The following Key Initiatives discussed in Part VII are relevant to improving field office telephone service:*

- Educate the Public about Social Security
- Prevent and Detect Fraud and Abuse
- Employment Strategies for People with Disabilities
- Disability Process Redesign
- Short-Term Disability Project
- Reengineered Disability System
- Improve Telephone Service
- IWS/LAN
- Redesign the Policy Process
- Title II System Redesign
- SSI Modernization
- Payment Cycling
- Notice Improvements
- Electronic Payment Services
- Electronic Service Delivery
- Establish a Program for Third-Party Assistance in the Claims Process
- Transfer Enumeration of Aliens to INS
- Eliminate Annual Earnings Reports
- Improve the Security of SSA's Work Environment
- Interactive Distance Learning



## 800 NUMBER TELEPHONE SERVICE

### Description

Since 1989, a single, toll-free 800 Number has provided customers an alternative to field office contact for conducting simple business. Service is available in most locations from 7:00 a.m. to 7:00 p.m., local time, every business day. Bilingual teleservice representatives (TSRs) are available to assist many non-English-speaking callers, particularly those who speak Spanish. Equivalent teleservice is available for the hearing-impaired through a separate 800 Number utilizing a text telephone network system.

Every year, more and more people use the 800 Number as their entry point for requesting services from SSA. Employees who staff the 800 Number can furnish directions to local offices, make appointments for claims interviews by local-office personnel, send general program information and application forms, release letters verifying benefit amounts, make simple corrections to benefit records, and help clients with other matters that can be handled quickly. At present, claims cannot be taken over the 800 Number, and clients wishing to conduct other complex, lengthy business are frequently directed to the field offices. Callers who wish to apply for new SSNs or duplicate cards can be sent application forms, but employees who staff the 800 Number cannot input application data to the system.

All callers to the 800 Number (except non-English-speaking callers and those who are using rotary telephones) now effectively have the option to select automated service in lieu of waiting to speak to an employee.

### Workloads

In FY 1995, the volume of calls received by the 800 Number system topped 62.3 million calls, with over 121 million calls offered to the system. ("Calls offered" includes the repeat calls made by people who cannot get through when they first call.) During 1995, about 2 million of the calls handled were from non-English-speaking individuals, and 40,000 calls were handled using the text telephone network for the hearing-impaired.

During FY 1995, call volumes rose on certain "peak days" to about 1.7 million calls offered on a single day, compared with an average of about 475,000 calls offered. Although individual daily volumes vary considerably, there are distinct cyclical calling patterns. The heaviest workloads occur on the first day after a weekend or holiday, during the first week of the month and during the first three months of the year.

These patterns are typical for 800 Number usage industry-wide. However, factors unique to SSA intensify the patterns. SSA payments are released at the beginning of each month, and tax-related Social Security Benefit Statements are issued in January. Further, reports of earnings by certain retired workers are due. These events elicit numerous questions both in the field office and to the 800 Number about non-receipt of checks, the amount of payments, and other matters. Approximately 9 percent of calls during "check week" concern non-receipt, compared to 3 percent during the rest of the month.

Other frequent reasons for calls are requests for SSN applications and PEBES forms, general inquiries (including requests for program information, location of nearest local office, and verification of client data), reports of change (such as address) and requests to file a claim.

### Service Delivery Performance

SSA's ultimate goal is to enable every caller to get through within 5 minutes of the initial try. We have set an objective of 95 percent for FY 1997; during FY 1995, 73.5 percent of all callers were able to get through within 5 minutes. The access rate can vary dramatically on a day-to-day basis due to the effect of peak workloads. (See discussion of peak workloads under Part V, "Face-to-Face Service".)

In the 1991 ASP, SSA set an overall objective for courtesy to customers: 100 percent of the public will receive courteous service 100 percent of the time when dealing with SSA. According to the OIG FY 1995 Client Satisfaction Survey (including both 800 Number and field office phone service), 90 percent of respondents to the survey said they received courteous service over the phone. This level of service meets the interim goal for courtesy (90 percent) that SSA has established for FY 1997.

Another important determinant of caller satisfaction is "perceived job knowledge", and teleservice representatives are perceived as knowledgeable, with 75 percent of respondents agreeing that the staff did a good or very good job. Though SSA has not set goals for "perceived job knowledge," a goal has been set for accuracy of responses related to correct payment, a strongly related performance measure. The goal for FY 1997 is 97.2 percent; in FY 1994, SSA met this goal. Still, some improvement in accuracy is needed. While representatives nearly always provide correct program information (only 3 percent of callers risk some payment inaccuracy due to the information provided), some 17 percent of callers may be inconvenienced because of what they are told (e.g., being referred unnecessarily to a field office for further information).



## Operational Efficiency

At the end of FY 1995, 4,000 TSRs were on duty in the TSCs. Over 1,200 employees in the Program Service Centers (known as "SPIKE" employees) were available to answer calls during peak periods, over 100 more SPIKES were available in FY 1994. In total, over 5,200 workyears were expended on 800 Number operations in FY 1995. This contrasts with 4,700 workyears actually expended in FY 1994 on 800 Number operations. In FY 1995, on average, agents answered 9.3 calls per hour.

In FY 1995, the long-distance line charges for SSA's 800 Number were approximately \$46.5 million, and telephone maintenance added another \$4.6 million in costs.

## Assessment

In terms of providing customers with the type of service they expect, the 800 Number has been a phenomenal success. A review of call volumes provides ample evidence of customers' increasing preference to conduct business over the telephone. With over 62 million calls having been received by the 800 Number in FY 1995, it is clear that the 800 Number satisfies an important service need.

In addition, customers are satisfied with how their calls are handled. Recently, SSA was rated as the best in telephone customer service of nine "world-class service" providers in a new study by Dalbar, Inc., a financial services company. In the first study of its kind, customer service was evaluated from the consumer's perspective in the areas of accommodation, knowledge, ring time, attitude, and time on hold. SSA was ranked number one in the first three of the five categories and number two in the fourth. (In the fifth category, SSA was ranked last.) Other companies tested included Nordstrom, L.L.Bean, Disney, and Federal Express--some of the country's most respected companies in the area of customer service. More telling than this survey, perhaps, is ongoing caller recontact data that show that over 70 percent of those who have conducted business using the 800 Number will call the number again when they want to contact SSA.

As the Dalbar study suggests, providing customers access to the network has been SSA's biggest challenge since the 800 Number was installed, because the demand for phone service outstripped all expectations from the beginning and has continued to grow as more capacity has been added. Though SSA has been able to double the number of calls received by the network since 1989, the number of calls *offered* to the network has more than tripled, meaning we are answering a smaller and smaller proportion of calls. Unfortunately, as fewer calls are answered and busy rates go up, more repeat calls are made by customers trying to get through, thereby raising busy rates even further. "Getting through" is clearly the issue most in need of being addressed.

Other issues with the 800 Number have been raised. For example, customer input indicates that individuals would like to complete business transactions during a single call or visit, and they would like a single point of contact when conducting complex business like claims. To respond to these customer expectations would require major operational changes. For example, SSA would need to enable customers to file a claim when they first call the 800 Number rather than simply provide them with an appointment for a future telephone or face-to-face interview with local office personnel. As another example, SSA would have to enable 800 Number staff to input requests for social security cards and PEBES, which they cannot now do. In this case, the fact that staff can only mail request forms to callers not only causes customer delays but also leads to expensive multiple handling at SSA. But unfortunately, even with our current policy of using the 800 Number service for simple business actions, SSA cannot keep pace with customer demand. Making changes such as these may improve service on one hand but would only exacerbate the capacity problems we continually face.

Human resource factors remain an important consideration in managing the 800 Number workloads. SSA loses one TSR every workday to attrition, often due to the stress caused by a continuing string of calls to be answered. SSA must ensure that employees find their work reasonable and rewarding and must undertake special efforts to ensure that the level of expertise remains high in the face of employee loss.

### **Business Approach**

SSA's approach to meeting the challenges of 800 Number workloads depends upon effective management of two of the key enablers, workforce and technology. Some of the major strategies that have been implemented over time and that have allowed us to attain our current service levels include the following:

- Since 1989, SSA has used benefit authorizers in its Program Service Centers to answer calls on an as-needed basis during peak calling periods. These employees, known as "SPIKEs," normally process postentitlement and certain manual claims actions. Over time, as teleservice workloads have increased, the importance of SPIKE employees to performance has increased. In 1995, PSCs contributed over 1,100 workyears to answering the 800 Number.
- Readiness plans were being implemented during the peak January-March calling season. These plans maximized the number of employees available to answer 800 Number calls with such temporary actions as increasing the number of "peak days" identified; using non-TSRs to do transcription work normally done by TSRs; and having supervisors and technical assistants answer the phones.



- A number of work processes have been simplified, and telephone representatives have been empowered to complete additional actions.
- Emphasis has been placed on hiring bilingual employees to handle calls from callers who do not speak English.
- The TSR position was upgraded, and TSRs were assigned to do other priority work off the telephone to reduce burnout and turnover.
- Sophisticated call-routing plans have been put in place, and staff continually monitor call traffic and refine the plans to maximize call-taking capacity.
- Ongoing service assessments and collection of management information have helped pinpoint problems and lead to system refinements.
- Automated service options for conducting simple business have been made available to 90 percent of incoming calls, reducing the need for TSR handling.
- In late FY 1995, SSA instituted line management, a process that matches the number of lines activated each day to the expected number of available agents. This process has dramatically reduced waiting times for agent service as well as costs.
- An expert system to help improve the accuracy of responses by employees who answer the phone has been successfully piloted. It is intended to be used by less experienced employees or those, like SPIKES, who perform teleservice intermittently. National implementation cannot proceed until IWS/LAN technology is available in the TSCs and PSCs. In the meantime, an improved expert system, the Customer Help and Information Program (CHIP), that uses a graphical rather than text-based user interface, will be piloted in FY 1996. This more user-friendly system should be ready for national implementation as IWS/LANs are rolled out to the TSCs and PSCs.

In order to raise 800 Number service to world-class status, SSA has created a new and comprehensive approach to teleservice management. The current emphasis of this multifaceted approach is on achieving our goal of answering every caller within 5 minutes of the caller's first attempt to get through. The new program incorporates several major strategies that had already begun and includes new ones that will have important implications for the way teleservice responds to customer needs.

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SSA's participation in an interagency consortium that conducted a benchmarking effort to study telephone service operations among world-class providers gave SSA an important foundation for the renewed effort. Some of the study recommendations are reflected in current plans for service improvement; others are being further considered for implementation.

Key strategies that define our new business approach to 800 Number service are identified below. Again, they reflect the critical contributions of SSA's key enablers, with particular focus on technology and the way technology enables new ways of working.

- The mission of two of SSA's three Data Operations Centers (DOCs) has been changed, a strategic change made possible by initiatives that reduced substantially the work previously performed in the DOCs. In FY 1996, each will become a fully functioning teleservice center. This will add more than 600 employees to the TSR cohort, contributing over 400 workyears to answering the phone.
- As key change efforts in the Agency diminish greatly the volume of work historically carried out by personnel in the PSCs, we will take advantage by devoting more and more PSC hours to priority work over the 800 Number. During the FY 1996 peak calling period, the PSCs will provide substantially more SPIKE support to the 800 Number.
- "Network prompt" capability was provided to most callers during the FY 1996 peak period through AT&T's FTS 2000 network. The technology will give callers automated options so that they may choose to complete their business without talking to a representative. Within the automated options, callers who wish to request forms and literature may leave information with an interactive telephone response unit. The technology also will direct calls to the appropriate component or agent most qualified to handle the caller's business. Other options provide callers with field office and Medicare locator information or direct the call to a Medicare specialist if appropriate for handling the inquiry. After business hours, all features remain available except for the option to speak with an employee.

A Spanish network prompt will be piloted soon in one telephone area code. Service to users of rotary phones should be available through voice recognition features in October 1996.

Though many customers still prefer to speak with a person rather than a machine, at least 12 percent of calls were successfully completed using the automated features during FY 1995. We expect the percentage of people who are willing to use this technology to increase in the future.



- Approximately 620 new part-time TSRs were hired in late FY 1995. These TSRs are working full-time tours in the January-through-March peak calling period and will convert to part-time tours (working on the 3 busiest days each week) during the remainder of the year.
- New call-gating policies and procedures will be in place to ensure effective and efficient service. "Call gating" is a tool that permits calls to be routed to different locations depending on subject matter, ensuring that calls are answered by employees with the most appropriate level of expertise. This is a major step toward responding to customers' demands for completing their business with a single contact, since using technology that allows seamless transferring of calls out of the TSC and into another servicing office will be part of the strategy.
- A volunteer SPIKE unit will be established in central office, and a new direct service unit is being established.
- A separate processing site will be created to handle PEBES-related requests for service.
- Simplified, technology-supported processes and procedures will be in place; for example, improved appointment scheduling capabilities will be implemented, and many procedures will be streamlined. These actions should reduce call-handling times.
- An improved national call-routing system will be implemented.
- Long-range plans to improve the TSR position and the organization of the teleservice center will be developed and implemented.
- Software is being procured that will enable SSA to better forecast call demand and schedule resources to respond to it.

Increased ability to respond to customer inquiries and take necessary action remains a top priority. TSRs will need the IWS/LAN technology and associated applications that permit them to access and process client information on line.

As SSA improves its ability to meet demand, we will continue to seek ways of managing demand for service that will have an impact on the 800 Number workloads. Payment cycling will reduce peaks in the workloads, thereby leveling phone traffic and making management of resources easier. Increasing the use of electronic payment services should reduce the number of calls related to non-receipt of paper checks. Improving notices will reduce the number of calls from clients who do not understand or have questions about information we have sent them. The provision of automated self-services for transacting business electronically with SSA may one day have an impact on call traffic, particularly if high-volume transaction types, such as SSN verifications by employers and social service agencies, can be automated.

Because of the importance that customers place on courtesy, SSA has produced a national courtesy strategy and handbook that are being used to raise the awareness of direct service employees and to guide the creation of regional and local courtesy enhancement initiatives.

Despite the improvements we are planning, the challenge remains for SSA to address all of our customers' expectations while at the same time providing quality, cost-efficient service. The challenge is particularly strong with regards to customers' preference to complete business transactions with a single call or visit, since being able to provide enough employees who could each handle the myriad of complex business SSA conducts would be a difficult and expensive undertaking. SSA will continue to pursue a balanced approach by finding creative methods by which the contributions of all resources can be optimized to provide world-class service.

### Key Initiatives

*The following Key Initiatives discussed in Part VII are relevant to improving 800 Number telephone service:*

- Educate the Public about Social Security
- Disability Process Redesign
- Improve Telephone Services
- IWS/LAN
- Redesign the Policy Process
- Title II System Redesign
- Payment Cycling
- Notice Improvements
- Electronic Payment Services
- Electronic Service Delivery
- Improve the Security of SSA's Work Environment



## MAIL

### Description

The public can initiate requests for all information and services by writing to SSA. Though members of the public do not often make their first contact with SSA through the mail, SSA's needs to make contact on a large scale mean that SSA frequently interacts with clients by mail. Payment checks are delivered by mail to beneficiaries who do not use direct deposit. General program information is mailed to requestors. Notices are sent to explain eligibility and payment decisions and to inform clients of their rights and responsibilities. Forms 1099 are mailed early in the year for tax purposes. In addition, SSA's correspondence frequently requires a response; forms are mailed periodically for beneficiaries to report changes affecting eligibility or payments, for example, and mailers that screen for the need to conduct a continuing disability review usually generate a written response. SSA sometimes interacts with customers by mail because of legal requirements to provide the customer with documentation for various actions.

### Workloads

Paper checks are still issued by the Department of Treasury to beneficiaries who do not use direct deposit. Each month, SSA authorizes about 18 million paper checks to be sent to OASDI beneficiaries and about 5 million to SSI recipients. This represents 43 percent and 76 percent, respectively, of the two populations.

In total, SSA sent an estimated 241 million "notices" to customers in FY 1994. This figure includes 165 million notices containing program-related information (usually claims- or benefit-related), which were either individual-specific (such as awards) or mass-audience directed (such as Cost-of-Living Adjustment (COLA) notices). It also includes 68 million forms (such as the application form for a social security number) and several million PEBES (see below). Many notices are generated automatically; but an estimated 10 million are completed and distributed by the PSCs, 9 million by OCRO, and over 40 million by the field offices.

A major mail workload was created when SSA began to send forms 1099 to beneficiaries to use in filing their income tax returns. Recently, a new workload has arisen with the implementation of SSA-initiated PEBES. In FY 1995, SSA began sending PEBES automatically to certain workers. The workload was 7.1 million statements in the first year, and it will climb to an estimated 123 million statements per year by FY 2000.

One workload often forgotten in discussions of the mail is that of remittances from individuals who have been overpaid. Millions of dollars are received in the PSCs every year from people who owe money to SSA.

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Visiting and calling are clearly preferred over correspondence when it comes to conducting major business with SSA. Nonetheless, SSA's Office of Public Inquiries generally controls almost 100,000 written inquiries annually directed to the Commissioner and the White House from clients, members of Congress and organizations seeking information about Social Security programs or resolution of client problems. The regional and field offices also receive written inquiries, but workload data are generally not collected.

### **Service Delivery Performance**

SSA strives to respond to written inquiries from the public within 15 days. According to the FY 1995 OIG Client Satisfaction Survey, 44 percent of clients who have sent correspondence to SSA report that they received a reply within 15 days, an increase of 5 percentage points over the FY 1994 level. Sixty-two percent of the respondent's received report replies within 30 days.

SSA also strives to ensure that information mailed to the public is understandable. SSA has proposed a performance objective for FY 1997 that 75 percent of people who receive mail from SSA will find it easy or very easy to understand. In FY 1995, we achieved a level of 72.5 percent. In addition, we are encouraged that, at the other end of the scale, only 13.4 percent of customers found their mail from SSA difficult to understand, reflecting a significant improvement (4 percentage points) over the last 2 years. A higher number of disabled clients (17 percent) found their mail hard to understand, though that level is better by five percentage points than last year.

The FY 1994 survey validates our assumption that customers who do not speak English are considerably more likely (34 percent) to have difficulty comprehending the mail we send them. Spanish-language versions are available for most high-volume public forms and some systems-generated notices. SSA codes the beneficiaries' records to show that they prefer to receive their notices in Spanish. Similarly, for blind clients, records can be coded to indicate that clients should receive special notice services. SSA can also produce Braille versions of individual notices upon request. General program information is available in several foreign languages.

### **Operational Efficiency**

In FY 1995, charges for mailing OASDI and SSI checks were \$73.4 million. Postage for all other mailings in FY 1995 was \$116 million. Due to a postage rate increase and implementation of SSA-initiated PEBES, total mailing costs increased in FY 1995 by roughly \$14 million, or 8 percent. SSA uses 9-digit zip codes, bar coding and other mail management techniques to contain these costs to the extent possible.

Total Agency resources required to create and process mail have never been estimated.



## Assessment

The most important issue around mail involves the readability of the notices SSA sends to its customers. Customers need to understand what SSA tells them so that they may maintain a level of confidence and comfort and be able to take timely and correct action when necessary to maximize their participation in the program. On a more practical note, telephone calls and visits to field offices for explanations can be avoided if customers understand the notices and forms they receive. SSA estimates that \$100,000 can be saved for every 1 percent reduction in notice-related inquiries. With the help of experts and focus groups, SSA has developed notice standards and regularly tests notices to see how well they can be understood.

## Business Approach

SSA continues to engage in major efforts to improve the clarity of the notices it produces. One prime method has involved the incremental removal of technical barriers that prevent clear notices from being generated by SSA's automated systems. One of these barriers is the fragmentation of SSA's automated notice programs. Notices are now developed from twenty different software applications that contain thousands of paragraphs. Selections from these paragraphs are combined into a single letter, often in a haphazard order. SSA is redesigning the way notices are generated and improving the paragraph language. The new notice software will also permit electronic versions of the notices to be retrieved online, increasing employees' ability to answer questions about customer-specific issues. These changes are expected to take place from now through FY 2000.

Numerous other projects under the notice improvement initiative are expected to help reduce the costs of mailing notices. For example, a complete analysis and redesign of the print/mail operation has just begun; implementation is expected to be completed in FY 1998.

The largest category of unimproved notices, and one of the most criticized, consists of the title II overpayment notices, of which we send out more than 3.5 million every year. With the recent removal of a court restriction on language changes, the notices have been revised, and the new notices will be used for correspondence beginning in FY 1997. Systems work to produce the new notices will begin soon. A complete discussion of the notice improvement initiative is found in Key Initiatives, Part VII.

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Because of increasing postage costs, elapsed time, and security issues, SSA continues to look for viable alternatives to mail. One is the greater use of direct deposit and other payment alternatives to reduce the numbers of paper checks issued. The disability process redesign calls for greater use of electronic mail and fax for requesting medical services and receiving medical evidence. SSA is exploring the use of kiosks, electronic mail, fax and other electronic service delivery methods to disseminate information to customers more quickly and easily than can be done through the mail. SSA is also exploring electronic alternatives to paper distribution of internal procedures to increase efficiency and reduce mailing costs.

### **Key Initiatives**

*The following Key Initiatives discussed in Part VII are relevant to improving mail service delivery:*

- Educate the Public about Social Security
- Disability Process Redesign
- IWS/LAN
- Redesign the Policy Process
- Title II Systems Redesign
- Notice Improvements
- Electronic Payment Services
- Electronic Service Delivery
- Eliminate Annual Earnings Reports



## SERVICE PROVIDED BY THIRD PARTIES

### Description

"Third parties" are individuals and private and government organizations who provide service to SSA customers, on SSA's behalf. SSA has both formal and informal agreements with third parties, and they supplement SSA's service delivery in important ways.

First, third parties assist target populations to complete application forms and develop the evidence needed to establish eligibility. Many field offices have informal arrangements with large employers, hospitals and advocacy groups to provide these services to varying degrees. Formal agreements exist with long-term care institutions to provide early notice of planned discharges so that SSI claims may be taken. In addition, Congress has continued to fund a research program under which SSA has formal grants with private and government organizations to perform outreach to selected hard-to-reach populations, such as the urban and rural elderly; people with AIDS; the homeless; the severely mentally ill; and members of minority communities. These grantees identify individuals potentially eligible for SSI and provide assistance to them during the claims process, including transportation or translation services, completion of forms, development of evidence and identification of suitable representative payees. The experience gained in this research program was the basis for the proposed role of third parties in SSA's redesigned disability process.

Second, SSA cooperates with private organizations and other government agencies to deliver related program services to mutual clients at one convenient location. This so-called "one-stop" service reduces the burden on customers by eliminating the need for them to furnish the same information multiple times in multiple locations. For example:

- Agreements between SSA and ten States allow a welfare worker to obtain, screen, and certify an application to enumerate an applicant for welfare. In FY 1994, about 35,000 (or fewer than 1 percent) of the original cards issued by SSA were issued through this process.
- As a result of EAB agreements, parents in 48 States and the District of Columbia and Puerto Rico have the option--usually while still at the hospital--of filing SSN applications for newborns as part of the birth registration process.
- Many financial institutions collect from SSA beneficiaries the information needed to enroll them in direct deposit, sending it to SSA for action.

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## Workloads

About 3.2 million requests for new SSNs, or 51 percent of the total workload, were processed by the States under EAB agreements in FY 1995. With the exception of this SSN work, how much work is performed for SSA by third parties is unknown. However, some preliminary information indicates that it represents at present only a small portion of the total workload.

As SSA focuses more effort on ensuring that work is done where and by whom it can best be accomplished, we expect that third parties will play a larger role in SSA's service delivery construct.

## Service Delivery Performance

Customers desire that government services be seamless and provided in a single place. SSA's cooperative efforts with other organizations are helping us respond to this desire, particularly as we work with other Federal, State, and local agencies to find better ways to coordinate services. For example, in the Georgia Common Access Application Project, a number of different agencies (including SSA, the Health Care Financing Administration, the Administration for Children and Families, the U.S. Department of Agriculture, the Department of Housing and Urban Development and the Georgia Department of Human Resources) jointly developed an intake application that would enable customers to begin in one visit to a single location the application process for related, needs-based programs. The feasibility of the approach has been confirmed through tests, and the project team is now studying ways to increase the efficiency of the process through automation. Other projects conducted as part of the outreach research have identified areas where collaboration is particularly effective; e.g., working with the Indian Health Service and the Department of Veteran Affairs.

The same ultimate objectives for good service apply regardless of who provides the service. However, little information is currently collected to assess the quality of service provided by third parties or customer satisfaction with the service. The cooperative efforts clearly offer clients choice and convenience, and they may save SSA resources. But whether they result in, for example, faster or slower processing times depends upon the trade-offs made in such factors as ready access to information and additional hand-offs required.

## Operational Efficiency

Since FY 1990, Congress has made research funds available for SSI outreach demonstration projects. Other third-party assistance has been arranged informally. The costs of SSA personnel to establish and maintain these arrangements are not captured, nor are the costs to the third parties.



Except for the outreach grant projects, little information has in the past been systematically collected about the savings and costs of most cooperative projects. As a result, the effect on SSA's resources is unknown, although SSA has estimated that from 1 to 3 workyears can be saved for every 10,000 claims taken by other agents, depending on the complexity of the claim.

### Assessment

Although the number of claims developed by third parties is small, their efforts are important, because the populations served by third parties can be difficult to reach and without them might not receive adequate service. Indeed, third parties often serve individuals who would otherwise not be served at all. With hard-to-reach populations, third parties have proven effective in assisting clients through the application process because of the individualized attention they can give.

Insofar as third parties provide for their clients much of the individualized assistance that SSA would have otherwise provided, SSA workyears that would have been spent processing additional SSN and claims actions can be freed up to serve other customers, thereby reducing waiting times and improving service for everyone. However, the quality and timeliness of work performed by other agents must be good, or part of the savings will be offset by SSA personnel having to answer client inquiries and reprocess actions. Experience with third-party assistance, such as SSI outreach, reveals that there is great benefit, but that third parties usually do not do the full job of collecting or completing needed information. SSA employees must still complete development, and access to SSA master files is often a prerequisite for successfully completing an application. Third-party efforts can increase administrative costs as well if training is needed or if case processing of any type is performed for people who would otherwise never have entered the system. And, a consequence of successful outreach efforts is increased program expenditures.

A good example of benefit tradeoffs can be seen in the EAB process, which "saved" SSA \$22 million in costs to process SSNs in FY 1994. Unfortunately, earlier in the program, transmission of birth data from some States to SSA was slow, and the delays in issuing social security cards to anxious new parents resulted in follow-up contacts or, worse, duplicate applications. Savings in processing costs then had to be offset by the costs to process work that was not expected to be processed. In this case, savings and service impacts were enough to support an SSA initiative to fund improvements in the processes States use to issue birth certificates. As a result, average national processing time has so far been reduced from 98 days in October 1992 to 53 days (as of April 1995). In addition, the rate of issuance of duplicate cards has been reduced from 11 percent to 7.7 percent. Greater improvements are expected as we continue to fund the States that desire to participate.

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## Business Approach

Because the use of third parties promises convenience to the public and savings to the Government, SSA is currently looking at the feasibility of expanding our use of third parties. Specific projects are underway in three areas:

- Using third parties to support the efficient development of disability claims by providing assistance in identifying potential applicants, screening for medical and non-medical criteria, interviewing and assisting the client in completing all applications and related forms, obtaining completed treating source statements, and obtaining additional medical evaluations.
- Establishing a controlled process for the taking of retirement and survivors claims by third parties.
- Transferring to the INS the responsibility for completing and certifying applications for SSNs from individuals who are not U.S. citizens.

Critical activities to be undertaken in expanding this interface include creating a strategy for informing potential clients of their service options; determining how to assess the quality and value of third-party assistance; and developing necessary policies around security and privacy issues and fraud detection and prevention.

Technology is expected to play a major role in SSA's ability to take efficient advantage of the services of third parties. To speed up the transfer of claimant information and eliminate data-entry workloads, SSA is considering giving to selected third parties limited electronic access to its claims system. This would be done with appropriate restrictions on information of a private nature and firewalls against improper manipulation of SSA software and data. SSA also is planning to procure new software that will provide an interactive capability for completing forms now available on CD-ROM. The feasibility of these options is dependent on installation of SSA's IWS/LAN technology, which will give SSA employees the capability to receive electronic claims via fax and electronic mail.

The use of third parties in larger measure is a promising strategy, but we must thoroughly explore such issues as how we can get complete information, what access to information in SSA records is required and advisable, whether direct input to SSA's data bases should be accommodated, and what the burden will be of checking the work being done for us.



There is a final note of caution. SSA has in the past only loosely supervised most third parties because of the high degree of interaction they have with SSA and the altruistic nature of the assistance they provide. The one exception has been SSI outreach grantees, whose agreements subject them to oversight and reporting requirements. In the future, however, as third-party involvement changes and increases, deterring and detecting fraud are likely to become major activities in order to prevent abuse.

### **Key Initiatives**

*The following Key Initiatives discussed in Part VII are relevant to improving face-to-face service provided by third parties:*

- Employment Strategies for People with Disabilities
- Disability Process Redesign
- IWS/LAN
- Redesign the Policy Process
- Electronic Payment Services
- Electronic Service Delivery
- Establish a Program for Third-Party Assistance in the Claims Process
- Transfer Enumeration of Aliens to INS

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## AUTOMATED SELF-SERVICE

### Description

SSA has made a commitment to structure its service delivery options so that we can meet our established objectives for service while permitting people to choose the interface method that best meets their needs. The increasing availability and utility of electronic information capabilities are creating both the opportunity and the demand for new service options.

The public's familiarity with technology is growing. The use of telephones, fax machines, personal computers and electronic mail is common in business today. Many individuals do some banking at automated teller machines (ATMs) located throughout communities. Most people have telephones in their homes, and there is a steady increase in the percentage of households owning personal computers with modems which can access local public networks, the Internet or commercial on-line services. This means that a useful information infrastructure is already in place, and the Information Superhighway will enhance and greatly expand that infrastructure.

Technology also provides an opportunity to set new standards of service. For example, self-service options accessible via telephone, personal computer or publicly located kiosks, using well-designed electronic menus and easy-to-follow instructions, can make services available to clients virtually anywhere, 24 hours every day.

To exploit these conditions, SSA has begun to investigate the feasibility of automated self-service options as convenient, effective alternatives to traditional assisted service. In addition to automated service options available over the 800 Number, those in operation at SSA include the following:

- *Social Security Online* was created to provide public access to SSA forms and information via a personal computer through the Internet and commercial on-line services. It was honored in May 1995 by *PC/Computing* magazine as one of the "101 Best Internet Sites". In 1996 SSA will be one of the first Federal agencies to test the use of secure technology through its homepage to allow individuals to request and eventually receive a PEBES over the Internet's World Wide Web.
- SSA has established an electronic bulletin board to assist employers in reporting employees' wages. They may use the capability to access updated software and filing instructions and to transmit their annual wage reports.



## **Workloads**

The Electronic Service Delivery (ESD) capabilities at SSA are highly diverse, and relatively new. For that reason, except for automated self-service over the 800 Number, significant workloads are not processed electronically at this time.

Our customers are expressing a growing preference for automated self-service. Accordingly, as the number of service options grows and customer exposure to them increases, SSA expects usage to steadily increase.

## **Service Delivery**

Because automated self-service is not yet a standard offering, SSA has not developed any service objectives specific to this method of interface. Aspects of service quality will be used along with other factors in SSA's evaluation of the feasibility of new service options and as a basis for implementation decisions.

## **Operational Efficiency**

Because automated self-service is not yet a standard offering, cost and efficiency data for automated options are not available at this time.

## **Assessment**

Over the long term, automated self-service has the potential to absorb significant workloads, enabling employees to serve more customers who need or prefer individualized service. However, as with any interface alternative, there can be drawbacks. SSA is developing a long-term business approach in this area. In doing so, we are, like other service providers, attempting to predict how quickly and in what areas service expectations will change. A careful attempt is being made to balance the costs of providing for the needs of today's traditional customers against the costs of establishing new options for our customers of the future. Difficult choices may need to be made between providing new methods of service (while perhaps creating a new market for services) and operating economically. Careful evaluations of service are being made to ensure that new interfaces provide service as good as or better than traditional methods.

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## Business Approach

A new, comprehensive program of electronic service delivery is being undertaken at SSA. The mission of the program is to move SSA forward in the area of electronic service delivery in a purposeful and integrated fashion, remaining mindful of SSA's goals and the need to ensure that customer focus and business need drive the implementation of new technology for service interface. The program is governed by four main principles. They commit SSA to:

- Continue to provide choice to customers in how they do business with SSA.
- Ensure that an equal quality of service is provided by all service delivery options.
- Provide improved service to the business community and enhanced opportunities for coordination of activities with Federal, State, local, and private entities.
- Provide one-contact service whenever possible.

In addition to these principles, major considerations as the program proceeds will include privacy and security, ease of use, fraud detection and prevention, and cost-effectiveness.

Within these principles and program considerations, SSA's approach to ESD is to provide electronic choices to as many customers as possible, not just to those who own personal computer equipment or are what is popularly termed "computer literate." The strategy is to utilize traditional outreach providers, cooperative agreements with such entities as public libraries and community associations, and corporate facilities and relationships to put electronic access within the grasp of virtually every customer.

Major activities include exploring/implementing the following:

- Enhancing access to SSA information (and ultimately direct service) through Internet, including the capability to request and obtain a PEBES
- Installing kiosks in easily accessible public locations, focusing initially on providing program information and completing a request for a PEBES or a replacement social security card
- Serving as a charter member of the Government Information Locator Service (GILS) and other government-wide initiatives to provide directory information to the public over the Internet



- Utilizing videoconferencing to increase access and reduce costs to the Agency and the public, initially targeted at the initial disability determination process and the hearings process
- Empowering third parties to obtain information electronically that will be useful in their role of helping customers on SSA's behalf
- Providing access to some SSA records via the keypad of a touch-tone phone
- Making program information available to cable-TV subscribers through interactive cable television

Other technologies under consideration include fax on demand, to allow callers to request and receive SSA forms by fax; and voice recognition, combined with other automated service, to respond to a customer's spoken words and generate requested information for mailing.

One of the obstacles the ESD program faces is finding a reliable method of authenticating the identity of system users. SSA is considering ways to check client identity as a first step in issuing PEBES over the Internet. Once the problem is solved, SSA will be able to pursue with customers the wider range of self-service options that may include replacing social security cards and requesting PEBES by telephone, interactive kiosks or personal computers. See "Technology" under Part IV for a fuller discussion of security concerns and strategies.

Also, as described in Part IV, SSA will partner with Federal and State agencies to minimize and distribute the costs of technology development by utilizing existing networks, equipment and expertise to the extent possible. Several cooperative projects are in the planning or piloting stages, including a project in Iowa that uses State network and videoconferencing infrastructure to deliver Federal service. SSA is also exploring the possibility of one-stop government "shopping centers" that co-locate Federal, State, and other agencies to process claims for monetary benefits.

### **Key Initiatives**

*The following Key Initiatives discussed in Part VII are relevant to improving automated self-service:*

- Improve Telephone Service
- IWS/LAN
- Redesign the Policy Process
- Electronic Service Delivery
- Expand Electronic and Magnetic Wage Reporting

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## PART VI

# CONCLUSION

### Staffing

Though the rate of workload growth has decreased somewhat over the past year, workloads still present a major challenge to SSA when they are considered in the context of streamlining, additional statutory responsibilities (increased CDRs and PEBES), potential SSI program reforms, and our commitment to improve service. Just to keep up with projected increases in workloads, *without changing the way we do business, our level of productivity, or the level of service we provide*, actual FY 1994 staffing levels would fall short of the number needed in FY 1999 by 6,300 FTEs. And to fulfill our plans to meet our statutory responsibilities and provide improved service would require another 4,500 FTEs on top of that.

Clearly, SSA must change the ways in which it does business, and we have created a business strategy that will help us accomplish the change. Its implementation will enable SSA to deliver services more effectively and better meet customer expectations—and, by current estimates, it can do so with 3,600 fewer FTEs in FY 1999 than SSA used in FY 1994.



### Estimates of SSA's FTE Needs

	Additional FTEs	Total FTEs
SSA FTEs in FY 1994 (adjusted for functions transferred from DHHS - March 31, 1995)		65,600
Additional FTEs which would be needed in FY 1999 to keep up with workload growth (at FY 1994 production rates) with no change in the way SSA does business	+6,300	
Additional FTEs which would be needed in FY 1999 to fulfill additional statutory responsibilities and improve service (at FY 1994 production rates) with no change in the way SSA does business <sup>1</sup>	+4,500	
<b>Total FTEs which would be needed in FY 1999 (at FY 1994 production rates) with no change in the way SSA does business <sup>1</sup></b>		<b>76,400</b>
<b>Total FTEs needed to do the same work with major service improvement, after applying the critical elements of SSA's strategy <sup>1</sup> (This translates to a productivity improvement of approximately 20 percent) <sup>2</sup></b>		<b>62,000</b>

<sup>1</sup> Includes placeholder of 500 FTEs which would be funded by the Administrations's CDR proposal and, given passage of legislation to adjust discretionary budget caps for increased funding of CDRs (P.L. 104-121), would permit allocation to SSA of additional funds for CDR processing.

<sup>2</sup> Average productivity growth in the private sector was 1% in 1995. Compounding this over 5 years achieves a 5.1% growth in productivity.

## Impact of the Business Plan on Service

SSA's ultimate goal for each of the core business processes and service-delivery interfaces is "world-class" service. The assessments described in detail in Part V of this plan describe how far the initiatives and actions SSA has planned or underway will take us toward the goal. In the charts below, the assessments are summarized so that the reader can see, at a glance, the impact SSA expects its current initiatives to have on service from FY 1997, the year for which the current budget has been developed, to FY 2001, the end of the tactical planning period.

The ratings<sup>3</sup> of service levels in the charts have been arrived at subjectively based on consideration of five overall factors of service: accuracy, timeliness, convenience for the customer, courtesy, and economy. These factors are more or less relevant depending on the process or interface being assessed. In producing the ratings, we were able to use to some degree expected attainment of performance goals, so there is a measure of objectivity in the assessment. A particular challenge for the future will be for SSA's planning, measurement, and evaluation processes to allow our assessments to reflect the optimal balance of objective and subjective factors.

### Service Levels for Core Business Processes

	FY 1995	FY 1997	FY 2001
Enumeration (overall)	World-Class Aspects	World-Class Aspects	World-Class
Earnings (overall)	Overall +	Overall+	World-Class
Claims (OASI & SSI Aged)	Overall +	Overall +	World-Class Aspects
Claims (DI/SSIBD)	Overall -	Mixed	World-Class Aspects
Postentitlement (overall)	Overall +	Overall +	World-Class Aspects
Postentitlement (CDRs)	Overall -	Overall +	World-Class
Inform the Public	Mixed	Overall +	World-Class Aspects

<sup>3</sup>Rating categories include the following: World-Class, World-Class Aspects, Overall Positive (+), and Overall Negative (-).



### Service Levels for Service Delivery Interfaces

	FY 1995	FY 1997	FY 2001
Face-to-Face (field office)	Mixed	Mixed	World-Class Aspects
Telephone (800 Number)	Mixed	World-Class Aspects	World-Class
Telephone (field office)	Overall -	Mixed	Overall +
Mail	Mixed	Overall +	World-Class Aspects
Third Parties	Mixed	Mixed	Overall +
Automated Self-Service	Minimal*	Minimal	Mixed

\* SSA currently has only minimal services available for this mode of service delivery. These services will be expanded significantly in the years ahead.

This year, our assessments reflect our confidence that, by 2001, we will have achieved world-class service in:

- two of our core business processes, enumeration and earnings;
- a critical workload within a third business process, postentitlement CDRs; and
- one of our service-delivery interfaces, 800 Number service.

In two areas, services provided by third parties and automated self-service, our expectation of service levels in the future is lower this year than shown in the business plan last year. That reduction has resulted from SSA's continuing assessment of the expected technology environment as well as a renewed concern over both the security/privacy/legal aspects of direct automated and third party service and the projected timing of general public ability to take advantage of such service. As environmental conditions change and SSA's plans take shape, a broader facility to provide automated self-service and expanded use of third parties may be possible earlier.

That we will not be "world-class" in all of our areas of assessment is in large measure a result of resource constraints that do not permit us to focus priority attention on every area of service. However, SSA projects that it will be able to maintain or improve service in all areas.

The FY 1997 Business Plan presents SSA's business goals and the Agency's assessment of where we stand today and how we will pursue those goals to achieve success in the future. The plan is intended to relay to every reader a sense of both the issues we face and the commitment we have made to rebuilding confidence in Social Security, delivering world-class service, and creating a supportive environment for our most important resource, the SSA/DDS employee. The strategy of using continuous improvement and reengineering to secure our future will require up-front investments in the key enablers: the workforce, technology, and the changing managerial environment. The long-term result, however, and the goal ultimately expressed by this business plan, will be the best possible Social Security programs, administered effectively, with service delivery that reflects the optimal balance of high quality, low costs, and responsiveness to the expectations of our customers.



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## **PART VII**

# **KEY INITIATIVES**

The Agency's Key initiatives are described in this section. The relationships between the key initiatives and the five core business processes and six service delivery interfaces previously described are summarized in the matrices on the following two pages. These matrices indicate which of the initiatives supports each of these areas.

## Core Business Processes

	Enum	Earning	Claim	PE	Inform	Public
<b>GOAL 1:</b>						
<b>Rebuild Public Confidence in Social Security</b>						
Educate the Public						X
Prevent/Detect Fraud & Abuse	X	X	X	X		X
Employ. Strategies for People w/ Disabilities				X		
<b>GOAL 2:</b>						
<b>Provide World-Class Service</b>						
Disability Process Redesign			X			X
Short-Term Disability Project			X			
Reengineered Disability System			X			
Improve Telephone Service						
IWS/LAN	X	X	X	X		X
Redesign Policy Process	X	X	X	X		X
Title II Redesign			X	X		
SSI Modernization			X	X		
Paperless Processing Centers			X	X		
Payment Cycling				X		
Notice Improvements			X	X		
Electronic Payment Services				X		
Electronic Service Delivery	X	X	X	X		X
Expand Electronic Wage Reporting		X				
Third-Party Assistance in Claims			X			
Transfer Enumeration To INS	X					
Eliminate Annual Earnings Report				X		
<b>GOAL 3:</b>						
<b>Create a Supportive Environment for SSA Employees</b>						
Improve Security of Work Environment						
Interactive Distance Learning	X	X	X	X		X



## Service Delivery Interfaces

	Face-to-Face	FO Tel	800 #	Mail	3rd Party	Automated Self-Service
Educate the Public	X	X	X	X		
Prevent/Detect Fraud & Abuse	X	X				
Employment Strategies for People with Disabilities	X	X			X	
Disability Process Redesign	X	X	X	X	X	
Short-Term Disability Project	X	X				
Reengineered Disability System	X	X				
Improve Telephone Service	X	X	X			X
IWS/LAN	X	X	X	X	X	X
Redesign Policy Process	X	X	X	X	X	X
Title II Redesign	X	X	X	X		
SSI Modernization	X	X				
Paperless Processing Centers						
Payment Cycling	X	X	X			
Notice Improvements	X	X	X	X		
Electronic Payment Services	X	X	X	X	X	
Electronic Service Delivery	X	X	X	X	X	X
Expand Electronic Wage Reporting						X
Third-Party Assistance in Claims	X	X			X	
Transfer Enumeration to INS	X	X			X	
Eliminate Annual Earnings Report	X	X		X		
Improve Security of Work Environment	X	X	X			
Interactive Distance Learning	X	X	X			

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## ***Goal 1: Rebuild Public Confidence in Social Security***

### **Educate the Public about Social Security**

*Lead SSA Official:* Deputy Commissioner for Programs, Policy, Evaluation and Communications

One of SSA's highest priorities is the rebuilding of public confidence in Social Security. Surveys have shown that public support for the program remains high. Still, those same surveys show that confidence is at an all-time low. To determine why this dichotomy exists, SSA evaluated a large volume of public opinion research about Social Security and conducted some focus groups of its own. It appears from this information that much of the public's lack of confidence in the program may be related simply to a lack of understanding about Social Security.

SSA is undertaking a major initiative to educate the public on the basic facts about the program, with the goal of broadening the range of people with accurate knowledge about the Social Security programs. This initiative serves as the essential first step in our long-range approach to rebuild public confidence. The informed and productive public debate about SSA programs will proceed haltingly at best if an educated public does not lie at the heart of the debate.

#### **Benefits**

The measure of success for this initiative is the percent of people who are very well informed or fairly well informed about Social Security as determined by the public survey administered by the American Council of Life Insurance. SSA's goal on this measure for FY 1997 is 62 percent, up eight percentage points from the 54 percent level attained in FY 1995. Because the strategy for educating the public requires a well-informed work force, this initiative also helps to create a supportive environment for employees.

#### **Major Activities**

*Multifaceted Public Information Campaign* -- This campaign is intended to reach numerous and varied customer groups. For the near term, its highlights include the following:

- Add educational messages to the 800 Number
- Develop stakeholder advisory groups



- Establish Commissioner's Roundtable with business leaders
- Release booklet on the "Basic Facts about Social Security"
- Produce multimedia public service campaign utilizing television, radio, and print announcements
- Produce updated teacher's kit to reach high-school students
- Produce employer's kit, focusing on employers (such as those in the fast food and hotel industries) that hire large numbers of young people
- Create new relationships with natural existing groups such as universities and employee unions

The emphasis of the public information campaign will shift toward assuring that the public is informed and able to participate fully in the public debate about SSA programs.

*Improve Internal Communications* -- SSA has determined from employee focus groups that a lack of program and historical education among its own employees is contributing to lowered confidence levels among the staff. As SSA's ambassadors to the public, employees whose confidence is unsure cannot inspire confidence among those with whom they conduct business. As part of a larger effort to improve communications within the Agency, SSA will pursue the following activities to support its employees' ability to get the message out:

- Undertake a series of training sessions with key public information specialists in SSA's regional offices and other large metropolitan areas
- Develop and implement a strategy for educating new and current employees on the history of Social Security and the concept of social insurance
- Keep employees informed about issues of concern to customers and the Agency's position on them
- Provide employees with toolkits to use in communicating with public groups
- Train a cadre of employees in crisis communications

**Schedule**

**FY 1996** Complete and/or continue the near-term activities listed above

Conduct customer focus groups to gain further insight into public concerns about financing issues and to get feedback on SSA's public service messages



## **Prevent and Detect Fraud and Abuse**

*Lead SSA Official:* Deputy Commissioner for Finance, Assessment and Management

In support of SSA's goal to rebuild public confidence, the purpose of this initiative is to intensify our efforts to detect and prevent fraud, waste and abuse. Program integrity has been an ongoing priority within SSA for many years. SSA's program to identify fraud, waste and abuse, relies on both the assessment of SSA performance from several groups, including the GAO, OIG, the Office of Program and Integrity Reviews and the Office of Financial Policy and Operations, and on the numerous safeguards and controls that are built into our systems and procedures.

While SSA has a strong program to combat fraud, waste and abuse, we have identified several areas where more work is needed. To improve service and efficiency, SSA has increasingly provided direct systems access to front-line employees and enabled an individual to complete an action without involving another employee or another location. Recognizing the challenge posed by expanding automated capability, the identified areas for improvement include a focus on employee, as well as customer, fraud, waste and abuse. Activities of this initiative address the following major areas:

- Better ways to detect fraud, waste and abuse;
- More investigation and prosecution of fraud;
- Prevention and detection of third-party fraud;
- Renewed emphasis on oversight reviews through two-tiered personal identification number (PIN) automated controls;
- Aggressive collection of all monies due SSA; and
- Enhanced communication.

### **Better Detection**

Initial efforts to increase detection of fraud will be directed at currently identified fraud-prone areas. One such area involves the processing of improper claims or postentitlement actions and SSN applications by illegal aliens. To enable field offices to better detect situations in which aliens are receiving SSI benefits based on false residency status, we are conducting a pilot to increase residency verification using outside contractors. To detect fraudulent SSN applications from non-citizens, we are making INS information on alien status available online through the SSA network.

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Longer-term activities include: establishing a non-residency suspense code to alert field employees of the need to conduct a careful residency verification before reinstating an individual in pay status, and issuing non-work SSNs to alien deemers in SSI cases to eliminate the error-prone manual processing currently required in these situations.

Enumeration is another area that is susceptible to fraud. Additional systems controls and alerts will be established to better detect fraudulent applications for social security cards, particularly for adult applicants, and to prevent issuance of replacement cards to deceased individuals. To reduce errors and fraud in the title II and title XVI systems, online access to State vital records information will be phased in nationally. In addition, a Comprehensive Integrity Review System will be developed, that will streamline the integrity review workload of field office managers.

### **Increase Investigation and Prosecution**

A number of activities are planned in support of this area. As SSA has far more cases to be worked than the OIG and United States attorneys are able to handle, we plan to increase our investigative resources both in OIG and through the use of State and local resources to investigate fraud. Based on new authority set out in the Social Security Independence and Program Improvements Act, we will implement a Civil and Monetary Penalty and assessment program for fraud and abuse cases that have been documented but lack priority for prosecutors and the courts for a criminal conviction. We will strengthen SSA's fraud infrastructure by creating a management and coordination group to ensure that each case gets into the proper "niche" (e.g., OIG, State and local jurisdictions, Federal Bureau of Investigation, Secret Service) for prosecution. The OIG will take the lead in developing a single OIG/SSA fraud database, using the two existing systems as a starting point. Finally, SSA is developing a mechanism to track cases referred to the Department of Justice for collection of overpayments.

### **Prevent Third-Party Fraud**

Efforts in this area include expanded sharing of third-party fraudulent activity information with other Federal agencies, establishing access to pooled fraud prevention services and databases and establishing a database to monitor the services provided by third parties. These tools will be used to facilitate fraud investigations and will be especially useful to the Office of Inspector General and SSA's Regional Security Staffs.



### **Emphasize Two-Tiered PIN Automated Controls**

Activity in this area consists of installing in our systems two-tiered PIN automated control (for the initiator of the action plus a reviewer) in certain cases sensitive to fraud. This will reduce our exposure to fraud without increasing field office managers' workload.

### **Aggressively Collect All Monies Due**

To support this effort, SSA will expand the tax refund offset to all delinquent debt, implement the new collection tools made available by Congress, specifically, administrative offset and use of private collection agencies and credit bureaus, complete the controls over earnings test penalty assessments and collections, and complete the modernization of both titles II and XVI debt management systems.

### **Communications Plan**

Increased emphasis on timely and effective communications will provide information to managers and employees about SSA's efforts to combat fraud, waste and abuse.

### **Schedule**

- FY 1996**
- Expand online availability of INS information to all field offices
  - Establish a nonresidence suspense code
  - Increase residence verification
  - Implement Civil and Monetary Penalty Authorities
  - Increase investigative resources

*Remaining implementation schedule is under development.*

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## **Employment Strategy for People with Disabilities**

*Lead SSA Official:* Deputy Commissioner for Programs, Policy, Evaluation and Communications

The purpose of this initiative is to develop a cost-effective and comprehensive strategy to increase the number of beneficiaries with disabilities who return to work despite their impairment and thereby lessen their dependence on the benefit rolls. Some key objectives of the employment strategy are:

- Enhancing the security and smoothing the transition of those who choose to work despite their impairments;
- Providing greater incentives for public and private sector providers to serve SSA's beneficiaries;
- Maximizing the employment potential of young people with disabilities, and
- Simplifying program policies for people who want to work.

As SSA develops this initiative, we are consulting with a number of key partners and stakeholders outside of the Agency to develop this initiative. They include the Department of the Treasury, the Department of Education, the Department of Labor, the Health Care Financing Administration, Congress, the National Academy of Social Insurance, employers, beneficiaries and their families and caregivers, private and public providers of return-to-work services, the private insurance and medical communities, and advocates for people with disabilities.



## ***Goal 2: Provide World-Class Service***

### **Disability Process Redesign**

*Lead SSA Official:* Director, Disability Process Redesign Team

A more complete description of this initiative is contained in SSA's Plan for a New Disability Claim Process, released in September 1994. This description highlights the key features of each of the following major components of the new disability process:

- Process entry and intake;
- Disability decision methodology;
- Medical evidence development;
- Administrative appeals, and
- Quality assurance.

#### **Process Entry and Intake**

*Making Program Information Available* -- SSA will make available comprehensive public information packets about its disability programs. Included will be information about the purpose of the disability program, the definition of disability and the basic requirements for eligibility, the adjudication process, evidence needed to establish entitlement and the claimant's role in pursuing a claim.

*Claimants Will Choose Mode of Entry* -- Claimants and their representatives will be allowed maximum flexibility in deciding how they will participate in the claim process. Contacts via telephone, mail, face-to-face interviews or electronic mediums will be available. Claimants will also have the option of relying on third parties for assistance in dealing with SSA or may choose to appoint a representative to act on their behalf. Electronic entry into the claim process, either directly by claimants or via third parties, depends on access to SSA's IWS/LAN network and other systems.

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*Disability Claim Manager (DCM)* -- This will be a new position whose incumbents will be responsible for the complete processing of an initial disability claim and, therefore, will be the focal point for claimant contacts throughout the claim intake and adjudication process. We view the ideal approach to the DCM as vesting all functions for this position in one person. (Even with a single person serving as the DCM, there will still be a "team" approach to disability adjudication in that the DCM will still work with medical consultants and other personnel in processing cases.) However, we expect to have these duties carried out by more than one person in a team environment until the following key enablers are in place :

- Automated claim processing system (the RDS) that permits full electronic claim processing (such a system will be dependent on SSA's IWS/LAN technology being in place);
- Simplified disability decision methodology that is standard through all adjudicative levels of the process;
- Ready access to internal medical and nonmedical experts in a team environment; and
- Intensive training to ensure the DCMs are highly trained and fully equipped to handle the position.

*Claimant Partnership* -- Building on the information packets and DCM concept, SSA will encourage claimants to be full partners throughout the claim process. When necessary, SSA will assist claimants and/or engage third-party resources.

*Third Parties* -- SSA will permit qualified third-party organizations to complete all application and related forms for disability claims. SSA will monitor third-party performance to ensure quality service to claimants and to prevent fraud.

*Personal Interview with Claimant* -- When the evidence does not support an allowance of the claim, the DCM will issue a predecision notice advising the claimant of what evidence has been considered and providing an opportunity to submit further evidence and/or have a personal interview within 10 calendar days. If a personal interview is requested, it will be conducted in person, by videoconference or by telephone, as appropriate.

*"Statement of the Claim"* -- In support of the initial claim determination, the "statement of the claim" will set forth the issues in the claim, the relevant facts, the evidence considered and the rationale in support of the determination. To support this feature of the redesign, the IWS/LAN technology as well as the automated claim processing system (the RDS) and the decision support system are requisites.



## **Disability Decision Methodology**

*Four-Step Evaluation Process* -- The methodology for evidence collection and disability decisionmaking will consist of four steps that flow from the statutory definition of disability. This will enable a standardized approach to disability decisions and will result in more consistent decisions. The IWS/LAN technology and the RDS that will be supported by this technology are critical enablers to effective implementation of this feature of the redesign plan. Decision support systems are also required to fully enable this implementation. (Note: A similar process will be used for childhood disability claims.)

## **Medical Evidence Development**

Medical evidence will be guided by the four-step decision methodology. By focusing on these elements, extraneous medical evidence material will be reduced and the decision process streamlined.

Primary emphasis will be placed on obtaining medical information from treating sources. SSA will develop and use a standard form that tailors a request for evidence to the specific diagnostic and functional assessment information necessary to make a disability decision. A national fee reimbursement schedule for medical evidence will be established, using a sliding-scale mechanism to reward providers for submitting quality evidence and submitting it promptly.

In concert with the decision methodology approach of the redesign, consulting sources will be able to perform function assessments that will be considered probative evidence.

## **Administrative Appeals Process**

The first level of administrative appeal after the initial determination will be the hearing. The reconsideration will be eliminated.

An adjudication officer will conduct an interview with claimants who request an ALJ hearing and will have full authority to issue a favorable decision if the evidence so warrants.

For hearings, the evidence will be more fully developed and presented to the ALJ. The primary burden of compiling additional evidence for the hearing will be shifted to the claimant's representative (if one is appointed) or the claimant (if he/she is able to do so) with assistance from SSA as necessary.

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If a claimant is dissatisfied with the ALJ's decision, the next level of appeal will be to Federal District Court. As with the current process, the Appeals Council will evaluate all claims in which a civil action has been filed and decide within a fixed time limit whether SSA wishes to defend the ALJ's decision. The Appeals Council will also conduct its own motion reviews of ALJ decisions as part of an in-line quality assurance process.

### **Quality Assurance**

*Investment in Employees* -- SSA will develop comprehensive national training for employees. As part of the quality assurance effort, SSA will rely on targeted in-line quality reviews and monitoring of adjudicative practices for all employees.

*End-of-Line Reviews* -- To ensure the integrity of the administrative process and to promote national uniformity at all levels of disability claims adjudication, SSA will institute comprehensive, end-of-line quality reviews of the whole adjudicatory process.

*Customer Satisfaction Surveys* -- Customer surveys, periodic focus groups, surveys of claimant representatives and third parties, and employee feedback will all be used to measure customer satisfaction.

### **Implementation Strategy**

*Teamwork* -- SSA will work in conjunction with the National Partnership Council and various internal advisory groups and task teams in a coordinated approach to implementation.

*Redesign Testing* -- SSA will establish, as appropriate, test sites to incrementally implement and evaluate redesign features and process changes. All redesign initiatives will continually be evaluated or measured against the five overall objectives of the disability redesign:

- The process is user-friendly for disability applicants and those who assist them;
- Claims that should be allowed will be allowed at the earliest possible level;
- Decisions are made and effectuated quickly;
- The process is efficient; and
- Employees will find the work satisfying.



*Enabling Technology* -- Successful implementation of the redesign plan is dependent, among other things, on the IWS/LAN infrastructure and an automated claim system that provides full electronic claim processing. The RDS will greatly enhance the redesign implementation efforts. In fact, timing of implementation of some features must be deferred awaiting IWS/LAN and RDS availability, but realization of the redesign total vision assumes automated support, both hardware and software with database and imaging capabilities beyond that expected for the initial implementation of RDS. Expert systems support for decision makers, electronic collection and storage of medical evidence, and videoconferencing for certain interviews, are some of the automated expectations inherent in the redesign. Full benefits of the disability process redesign cannot be achieved unless the technological support presumed in the vision is available.

*Coordination with Other Agency Initiatives* -- Although disability redesign is an Agency priority, it will not be accomplished in isolation from other Agency initiatives or workloads. SSA will ensure that redesign implementation activities are accomplished in the context of overall SSA goals and strategies, including the Agency Strategic Plan, the Human Resources Plan, the Information Systems Plan, the Customer Service Plan, streamlining initiatives, partnership, short-term initiatives to reduce pending disability workloads and other reengineering efforts.

*Legislation* -- SSA is examining statutory areas where changes might be necessary in order to fully implement the new disability process vision. These include statutory requirements regarding who makes disability determinations, the 12-months of evidentiary documentation required for making determinations, and the requirements for Federal review of State determinations. As SSA proceeds with refining its implementation plan, expectations regarding necessary legislation could change. An exact timetable for submitting specific legislative changes to implement the new process is currently being developed.

## **Implementation Update**

In June 1995, SSA announced the first series of disability process improvements that will move the Agency closer to its five year goal to fully implement the redesigned disability process described in SSA's Plan for a New Disability Claim Process (September 1994). The following process improvements will begin occurring in SSA and DDS offices in early 1996:

*Claims Representative (CR) and Disability Examiner (DE) Teaming* -- All field offices and DDSs will establish ongoing teaming arrangements between CRs and DEs working on disability claims. Teaming will have a positive effect on customer service, strengthen relationships and overall process understanding between field offices and DDSs, and help our transition to establishing a new DCM position. Guidelines for teaming were issued during the fall of 1995 to all regional offices and DDSs.

*Early Decision Authority to Claims Representatives for Certain Title II and Title XVI Initial Claims* -- In early 1996, SSA will begin providing special disability adjudication training to many CRs. After completion of the training, CRs will be able to make medical determinations, with agreement of the DDS, on certain types of title II and title XVI claims before forwarding the case to a medical consultant for final sign-off. Approximately 100 severe impairments are included in a newly developed "early decision list" (EDL). While these cases--estimated to be 100,000 annually--will still require some DDS handling, use of the EDL should save resources, and improve the service provided to applicants who are among those most in need of our help.

*Sequential Interviewing* -- Along with implementation of EDL, the DDSs will phase in sequential interviewing, which will provide DEs with preliminary interviewing experience on selected cases with additional categories phased in over time. Under sequential interviewing, the DE will complete the medical evidence portion of an application interview using various, flexible options. For example, an outstationed DE could complete the medical forms through a face-to-face interview with the claimant in a field office. Or, if the DE is not outstationed, the interview could be completed by immediate telephone contact before the claimant leaves the field office or during a subsequent pre-arranged telephone contact. These interviews are currently done by CRs in SSA's field offices.

*Field Testing the Adjudicative Officer (AO) Position* -- SSA received regulatory authority to begin testing the new AO position in 26 operational sites. Specific test sites have been selected and include field offices, Office of Disability and International Operations, DDSs, hearing offices and a PSC. An AO will become involved in all cases where an applicant requests a hearing. The AO will be the focal point for all pre-hearing activity, and will be granted authority to issue fully favorable decisions whenever the evidence so warrants. In some of the test sites, AOs will also arrange the time and date of the ALJ hearing. Testing began in the DDS sites in November 1995; testing in Federal sites will begin in early 1996.

*Increased Third-party Monitoring and Involvement In Claims Taking* -- SSA is moving forward on efforts to establish national guidelines and mechanisms for monitoring third-party participation in the disability claims process. In addition, the Agency will be initiating a new campaign to target third-party expansion in the disability process to organizations who have the ability to provide medical evidence for disability applicants who seek their services.



*Uniform Training to all Disability Adjudicators* -- Today, different vehicles (e.g., the Social Security Act, SSA Rulings, including acquiescence rulings and administrative guides such as the POMS and Hearings, Appeals and Litigation Law Manual (HALLEX)) exist to convey policy and procedural guidance to disability adjudicators like DEs, medical consultants, and ALJs. SSA's effort to develop a single presentation of disability policy that can be used by employees in all Federal and State components is an ongoing, longer-term project. However, as a near-term effort, special, uniform disability training will be provided to all adjudicators beginning in June 1996. This training will be tailored to address areas that have been determined as the most complex in deciding the severity of an individual's disability. A new technology--Interactive Distance Learning--is expected to be used as one means of delivering training.

*Public Information and Applicant Participation* -- It is clear that the public wants to know more about the disability process, and that many applicants will readily accept more responsibility for obtaining medical evidence and doing other tasks to facilitate their claim. To that end, SSA has initiated a priority effort to produce better, more consumer-oriented informational materials about the disability process, and will issue national instructions for encouraging more applicant participation in the process. A new one-page fact sheet about applying for disability benefits was developed and distributed to field offices in 1995.

These process changes represent significant improvements in the overall disability process (i.e., improvements before the claim is filed, improvements at the initial level, and improvements at the appellate level). They are also the major building blocks that will lay the foundation for the remaining elements of the disability redesign. SSA will announce additional process improvements as implementation activities continue. The following schedule provides additional details on implementation activities over the near term, mid term and long term.

## Schedule

A more complete description of these initiatives can be found in SSA's plan, Disability Process Redesign: Next Steps in Implementation (November 1994).

- 1996      Develop consumer-oriented publications and educational materials on the disability process (fact sheet distributed 9/95; comprehensive packets mid-FY 1996)
- Increase applicant participation in evidence collection (mid-FY 1996)
- Establish guidelines to monitor third parties and expand their usage, especially for those that can provide medical evidence (mid-FY 1996)

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- 1996
- Implement process changes that support skill sharing between CRs and DEs and build towards the DCM single point of contact (mid-FY 1996)
  - Test ways to facilitate CR and DE interaction and teamwork in taking and adjudicating claims (mid-FY 1996)
  - Test adjudicator officer position to streamline the administrative appeals process (9 sites began 11/95; 17 Federal sites to begin mid-FY 1996)
  - Test the elimination of the medical consultant sign-off for certain categories of cases (mid-FY 1996)
  - Identify opportunities where medical evidence requirements can be streamlined (late FY 1996)
  - Develop a standardized medical evidence collection form (late FY 1996)
  - Develop and test options for a revised role for the Appeals Council (late FY 1996/early FY 1997)
  - Test a comprehensive end-of-line and a revised in-line quality review system at all levels (late FY 1996)
  - Test the predecision notice and opportunity for personal contact prior to issuing an initial denial determination (late FY 1996)
  - Test the elimination of the reconsideration step (late FY 1996)
  - Begin simplified disability decision methodology research (FY 1996)
  - Provide special uniform disability training to all adjudicators in selected areas of policy (late FY 1996)
  - Test Federal and State DCM functions (late FY 1996)
  - Publish regulations regarding representative's qualifications and standards of conduct (late FY 1996)



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- 1997-1998** Implement options (including electronic interaction) for third parties to assist in the completion and development of disability claims
- Implement streamlining of medical evidence requirements
- Implement standardized medical evidence collection form
- Continue implementing process changes/testing options to build towards a DCM single point of contact
- Implement predecision notice an opportunity for personal contact prior to issuing an initial denial notice
- Implement a single presentation of policy -- "One Book"
- Continue simplified disability decision methodology research and refine changes using case studies
- Implement AO nationwide
- Implement elimination of the reconsideration step nationwide
- Implement single decisionmaker (no mandatory physician sign-off)
- 1999-2000** Implement RDS with enhanced decisional support
- Implement claimant option to file an application electronically
- Establish the DCM as the single point of contact for disability claims intake, adjudication and payment effectuation nationwide
- Publish regulations to implement simplified disability decision methodology
- Implement fully integrated disability claims processing system with paperless claims processing

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## Short-Term Disability Project

*Lead SSA Official:* Director, Disability Process Redesign Team

The Short-Term Disability Project plan was designed to significantly reduce pending disability cases and hearings by the end of calendar year 1996 through implementation of 19 specific actions. (See table below for list of initiatives and see SSA's "Short-Term Disability Project Plan" for detailed descriptions of the initiatives.) The plan called for a net reduction in pending case levels in the DDSs of 100,000 cases by or before December 1996 and a net reduction in the pending hearings in OHA of 111,000 hearings by that same date.

Since the project began in October 1994, the number of initial disability claims pending in the DDSs have been reduced by over 120,000 as of October 1995, thus exceeding the original goal for initial claims. However, because some of the hearings process improvement initiatives have taken longer to implement than expected, the number of hearings pending has increased by about 62,000 during the same period. The remaining focus of the plan will be on reducing pending hearings levels. DDS initial claims pendencies will be allowed to grow somewhat through FY 1997 so that concentrated attention, including DDS assistance, can be provided to increase the number of hearings processed. SSA's budget plan is to reduce the number of hearings pending as of October 1995 by over 150,000 by the end of FY 1997.

The strategy for reducing pending hearings focuses on stemming the flow of claims into the hearings process by assuring that allowable claims are paid earlier in the process and increasing capacity to handle those claims that must be passed on for a hearing. Actions are being taken to:

- Continue operation of screening units as an effective means of identifying cases for which a fully favorable modified determination can be made on-the-record. In addition, DDSs in 23 States have agreed to accept informal remands of cases from OHA and review them to determine if a revised reconsideration determination may be issued.
- Grant temporary authority to attorney advisors in OHA to conduct certain pre-hearing proceedings and, where the developed documentary record warrants, issue wholly favorable decisions. Final rules were published in June 1995 to allow attorney advisors in OHA to conduct pre-hearing proceedings and issue decisions that are wholly favorable in certain cases.
- Redirect temporarily resources from other Agency components to assist OHA in preparing cases for hearing and drafting hearing decisions. Decisionwriting units have been established in SSA headquarters and a number of other regional and non-OHA sites, and to date, 230 full-time detailees and part-time volunteers have provided assistance to OHA in preparing cases.



To supplement this effort, staged delivery of modular disability folders began in November 1995. All SSA regional facilities and headquarters operational units are expected to have a supply of the folders on hand by April 1996.

- Provide laptop computers to ALJs for use during travel to hold hearings and additional desktop computers to OHA for use in decisionwriting.

The initiatives undertaken by the Short-Term Disability Project are integrated with the long-term disability redesign strategy and all the initiatives in the short-term project are supportive of the longer-range goals of the redesign.

#### **Initiatives In SSA's Short-Term Disability Project:**

- Publication of Workload Reduction Targets
- Informal Denials for Nonimpairment Cases
- Reduction of Pre-effectuation Review Reconsideration Sample
- Increase DDS Review of Reconsideration Claims
- Rescind DDS Adoption of Initial Level Residual Functional Capacity or Psychiatric Review Technique Form for Reconsideration Decision
- Increase Effectiveness of Screening Units
- Expand the Pre-hearing Conference Initiative
- Assure Effective Utilization of Necessary Automation in OHA
- Increase OHA Case Preparation Capacity
- Increase OHA Decision Drafting Capacity
- Implement Standardized Folder Assembly Format
- Increase DDS Systems Purchases Flexibility
- Enlist Field Office Cooperation in Medical Evidence Collection When Hearing is Filed
- Implement Field Office Medical Evidence of Record Process
- Make Office of Disability and International Operations Examiners Available to Assist OHA
- Identify FY 1995 DDS Costs that can be Forward Funded
- Front-load FY 1995 DDS Budget
- Redirect Central Office Staff to Process Disability Workload
- Continue Office of Disability Evaluation of Process Improvements Suggestions

#### **Schedule**

9/97	Net Reduction in OHA Hearings (from the October 1995 pending level)	150,000 hearings
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## Reengineered Disability System

*Lead SSA Official:* Deputy Commissioner for Systems

The Reengineered Disability System (RDS) is a critical enabler of the Disability Process Redesign. Its objective is to automate and improve the title II and title XVI disability claims process from the initial claims taking in the field office (FO), to the gathering and evaluation of medical evidence in the Disability Determination Services (DDSs), to payment effectuation in the FO or processing center, to the handling of appeals to the point of completion in the hearings office. The initiative includes all activities necessary to:

- Provide a minimum ("baseline") set of automation functions to all 54 DDSs;
- Transition DDS automated support to the standardized IWS/LAN infrastructure;
- Develop, pilot and implement modernized software for online case processing and extensive user support; and
- Acquire hardware as well as develop a series of RDS software releases that will deliver a fully electronic disability process for both initial claims and hearings.

In addition, RDS will provide the framework for SSA mastery of distributed processing and data. Among the disciplines to be refined are software configuration management, backup and recovery systems and analysis of wide-area network capacity implications.

### Major Activities and Schedule

*Baseline DDS Automation* -- As of the early 1990s, the 54 DDSs were using a wide range of hardware platforms and various commercial and homegrown software packages to support the disability decision process. There were great differences in the levels of automation that had been achieved by the various States. Since then, SSA has been working with the States and providing necessary funding to ensure that all have, at a minimum, six critical automation functions and hardware to run them. This effort was largely completed in FY 1995. Remaining activities have been folded into the IWS/LAN and RDS software development efforts which will standardize hardware and software across all DDSs.



*RDS Software Development* -- Development of Release 1 began in 1993 and will provide DDSs and FOs with:

- Online capture of all disability claim information;
- Decision support and online, contextual "help" features;
- Automation and control of medical evidence development;
- Online access to medical and vendor source information; and
- Improved management information and control of pending work.

Release 1 software is now in validation. SSA has just begun to define requirements and develop schedules for subsequent releases which will support hearings and incrementally move SSA toward the fully electronic process envisioned for the redesign.

*RDS Rollout* -- Since RDS software is the first major programmatic application developed to run on the IWS/LAN platform, national implementation of RDS is closely coordinated with the rollout strategy for the new infrastructure and with the associated schedules for site preparation and ergonomic furniture installation in about 1,700 sites. Key steps include:

- Pilot testing of the initial version of RDS software in the Federal Disability Determination Service (FDDS) and three FOs in northern Virginia is scheduled to start by early 1997.
- Expansion of this pilot will include the Virginia DDS as well as the three pilot FOs. During this phase of piloting, SSA will evaluate actual costs and benefits as well as system performance. Depending upon this early experience, SSA plans to expand this pilot to all of Virginia in order to identify any problems and perform any system tuning necessary to ensure satisfactory performance while processing higher volumes of cases.
- SSA plans to expand RDS functionality to more fully implement the concepts of the disability reengineering redesign and pilot test the expanded system in a second State. Subsequent RDS software releases will be developed, piloted and implemented, culmination in achievement of the disability redesign vision.
- National RDS implementation is scheduled to begin in 1999 following the IWS/LAN rollout.

## Benefits

When fully implemented, RDS will enable SSA to meet world-class service goals for timely and accurate disability processing. In addition, SSA has already achieved several million in savings through baseline DDS automation. Release 1 of RDS is projected to save additionally through the automation of development, billing and other support functions as well as efficiencies associated with standardization of the DDS automation environment. RDS savings estimates will be refined after piloting, and additional savings will be projected as plans for subsequent RDS releases evolve.



## Improve Telephone Services

*Lead SSA Official:* Deputy Commissioner for Operations

As evidenced by this Business Plan, telephone service over the 800 Number and telephone service in the field office have been considered by SSA as separate means of interfacing with the public. Though planning for the two is at entirely different points, improvement initiatives for them have been combined in this single plan as a way to ensure that all customers who want to conduct their business by phone experience a level of service appropriate to their need.

The national 800 Number achieved the purpose for which it was established -- to provide all members of the public an inexpensive, convenient point of entry for conducting their business with Social Security. In fact, most Americans initiate their business with SSA by calling the 800 Number.

As originally conceived, 800 Number service was designed for customers who wanted general information about the programs or had simple, one-contact business to conduct. However, customers' expectations and their use of the 800 Number have changed over the years. SSA has recently surveyed and monitored the calls of thousands of people who have used the 800 Number service. Analysis of this customer input indicates that SSA's customers prefer to use the 800 Number for more and more of their business, and it implies that they would use it for more complex transactions, such as claims, if they were able to do so. Customers also tell us that they would like to complete their business in a single contact. And, when they can't, they would like to be able to deal with the same person until their business is complete.

Because of these changes in customer expectations, the demand for 800 Number telephone service is much greater than was anticipated by the designers of the system. Many customers are unable to get through easily, and some are unable to do so at all. In FY 1995, of the 121.4 million calls made to the 800 Number (many of them repeat calls due to busy signals), only 62.3 million calls got through to SSA's system.

Based on knowledge of customer expectations, SSA has defined a key dimension of world-class telephone service as making certain that callers can get through to SSA's 800 Number within 5 minutes. In FY 1995, only 73.5 percent actually got through that quickly. The primary purpose of this initiative is to improve SSA's 800 Number telephone service so that we are able to fulfill our pledge of world-class service.

Demand for telephone service in the field office has always been great, although how great is not actually known. The number of local phone systems with which SSA does business and their varying levels of technology available have made it difficult for the Agency to collect workload data economically.

Still, anecdotal information leads to the conclusion that telephone access to field offices continues to be poor. SSA must have information on the scope of the problem and then take action to fix it.

A secondary purpose of this initiative is to begin improvements to field office phone service, thereby moving toward making all direct customer phone service easily accessible.

### **Approach**

In December 1994, SSA executives reviewed the issues surrounding 800 Number service and decided that additional Agency resources should be focused on improving our ability to deliver telephone service. The major plan resulting from that decision, the activities of which are described below, incorporates a number of the observations that were made during an Administration-sponsored, SSA-led consortium effort to benchmark telephone service.

Both near-term and longer-term activities have been identified. In terms of 800 Number system improvements, they can be categorized into broad groups as follows; they are in various stages of implementation.

#### **Add telephone answering capacity**

- Implement recruitment/training strategy
- Hire new part-time employees
- Implement national call-routing system
- Complete transformation of DOCs to TSCs
- Establish central office SPIKE unit
- Establish direct service unit
- Improve the scheduling of non-telephone workloads; i.e., GS-8 upgrade functions such as SSI overpayment workloads
- Create alternative transcription services
- Increase SPIKE supply
- Improve leave management practices

#### **Reduce demand on the system**

- Off-load Medicare workloads
- Improve notices/stuffers



### **Expand the scope of phone service**

- Begin seamless processing/call gating
- Expand automated mail-out

### **Improve throughput management**

- Implement network prompt
- Implement separate PEBES answer site
- Improve scheduling system
- Advertise automated services
- Streamline integrity review
- Simplify policies and procedures
- Improve forecasting capability
- Expand automated-service options
- Establish evaluation processes

Activities that were already underway, like changing the mission of the western DOCs, were analyzed. If they fit well with the goals of the plan, they were retained, and some remain key features of SSA's strategy.

Perhaps the most exciting part of the strategy is a new one that will provide a seamless transfer of calls to resources best equipped to handle them, including other SSA employees and organizations and other agencies as well. The seamless strategy is being used by providing the ability to access numbers of Medicare carriers through the automated script, by additional call gating within SSA to get calls to technicians who can handle them, by routing PEBES calls to the special unit in OCRO, and by changing the procedures used by telephone representatives so that they can handle more work to completion. Another seamless application under consideration would allow callers to the 800 Number who must file a claim immediately to protect their benefits to be automatically connected by phone to one of several sites, where their claim will be taken.

However the seamless process is implemented, both in the short and the long term, impacts on workloads in other parts of SSA will have to be carefully investigated to ensure that unintended consequences, such as degradation of service, do not ensue.

The focus on field office telephone service found in this plan will depend on the results of demonstration projects that have been conducted to test whether automated telephone services would improve telephone access to local offices. One service enables callers to key in the extension of an employee and leave a message if the employee is not available.

A second service gives callers self-service options for requesting general program information and forms. GAO's report on the projects suggests that overall the technology tested has the potential to increase the public's access to telephones in local offices. However, increased access alone, without public acceptance and improved productivity, may not be sufficient to support use of this technology across-the-board. SSA is just now completing additional evaluations to consider public reaction and the effect on office productivity to help determine the best means for improving phone service in the field.

The plan is strongly dependent upon the availability of technology that allows better call management and transfer. It also emphasizes the focal position of the employees who answer the phone. The majority of near-term initiatives can be implemented without IWS/LAN technology. However, full implementation of the plan presumes that the architecture will be in place.

Because of the complex relationship of a service delivery interface with the business processes and other interfaces, a number of major Agency efforts, like the cycling of benefit payments, may have a positive impact on our ability to meet the telephone service goal. They are not being managed as part of this telephone plan.

### **Benefits**

The primary benefit of this plan is to improve customer satisfaction by improving the speed with which callers can obtain service over the 800 Number. It will also move SSA toward satisfying another customer expectation: to be able to complete business in a single contact. Secondary benefits are expected in improved accuracy of information provided, greater timeliness of service, and improved public confidence in SSA. Internal benefits are also expected to accrue, such as improved morale among teleservice employees and reduced ITS costs.

### **Schedule**

The following near-term schedule includes the end date of only the most important of the activities. Some of these activities have already begun:

<b>FY 1996</b>	Expand Network Prompt Nationwide
	Develop Long-Range Training/Recruitment Strategy
	Complete DOC Conversion
	Establish PEBES Processing Site



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<b>FY 1996</b>	Implement National Gating Strategy
	Develop Plan for Transcription Workloads
	Implement National Call Routing
<b>FY 1997</b>	Simplify Procedures
	Implement New Appointment System

## **IWS/LAN**

*Lead SSA Official:* Deputy Commissioner for Systems

The Intelligent Workstation/Local Area Network (IWS/LAN) initiative will provide greater capacity and increased processing capabilities essential for the major service delivery and process redesign initiatives described in this Plan. SSA's current systems infrastructure is a highly centralized, mainframe-based architecture that relies on very aged, "dumb" computer terminals used by frontline employees to get information to and from SSA's mainframe computers. SSA is moving quickly toward the establishment of a truly cooperative architecture that will use a distributed processing platform comprised of intelligent workstations on employee desktops, connected by local and wide area networks to each other and SSA mainframe computers.

A cooperative architecture is an automated systems configuration that uses both centralized and local processing platforms connected through a communications network. It will allow SSA to determine the optimal mode of processing for each of our workloads and to take advantage of emerging technology in the delivery of services to the public. For example, such an architecture will permit SSA, in a cost-effective manner, to use complex tools such as document imaging, expert systems and multi-media conferencing. IWS/LAN will also improve the availability and timeliness of information to our employees and appropriate users and help SSA build a more diverse capability for backup and recovery in the event of a crisis.

Even without the more sophisticated capabilities, IWS/LAN can provide benefits today to field offices struggling to improve productivity. Most SSA field offices have insufficient numbers and quality of personal computers (PCS)--usually one, or at most two, unconnected PCS, primarily with older technology; i.e., slower speeds and substantially less storage and memory than is required to support today's software.

The effect of this antiquated technology in limiting service and productivity improvements is profound. Today, for example, each time an employee wishes to produce a professional-quality notice, reference procedures on CD-ROM, complete an electronic travel voucher, use the automated continuing disability review program, or work a case involving a PC-based computation, he or she must move to the PC located somewhere else in the office, sometimes wait until it is available, and always lose time and productivity in completing the task.



Although several quality notices and forms can be produced today on those single PCS, that capability pales by contrast to what is possible in the more advanced IWS/LAN environment. For example:

- SSA is using new electronic forms software which will eventually allow employees to request most forms electronically rather than having to stock, inventory, order, ship, receive, unpack and store these items.
- IWS/LAN will also eliminate the processes needed today to manage the ordering, receipt, distribution and filing of transmittals to the Program Operations Manual System (POMS), and save in administrative costs and in printing and mailing by making POMS available to each employee on CD-ROM.

As these examples illustrate, the IWS/LAN environment is more flexible and efficient than the current one, thereby increasing productivity for each field office employee. It also frees up management resources devoted today to administrative processes to focus on doing a better job serving customers. Similar advances in capability and productivity are possible for other applications.

With IWS/LAN, SSA can readily share specialized applications programs which have been developed by staff in the field. Field offices are already using locally developed software within the limited PC environment described above, and SSA has in place a disciplined process to distribute locally developed software throughout the nation as soon as the new hardware and communications infrastructure becomes available. Examples of valuable locally developed programs to be shared are:

- The SSA notices program which prepares a variety of SSA-approved notices.
- The PC-CDR decision support program that will result in improved accuracy.
- Programs that automate certain SSI calculations; reduce data entry by propagating fields with appropriate data already in the system; automatically request client data (queries) based on appointment lists; and otherwise save employee time and improve service quality.
- Software to support control and processing of cases covered by court rulings where special rules and notice language are needed but a national application is not necessary.

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In addition, the IWS/LAN will expand the field's ability to use e-mail. Although e-mail is available in field offices today, its use must be sharply curtailed because the one or two office PCS are so heavily used for other, more urgent business. SSA has already restricted the number and length of e-mail messages that can be sent to field offices to reduce traffic and make as much PC time available as possible for customer support.

As a consequence, the use of e-mail has been limited in training, public information and administrative processes, and its value in sharing information and easing communication between employees to improve customer service and create an atmosphere of employee empowerment, to date, has been entirely lost.

Given the pervasive relationship of the IWS/LAN initiative to the entire range of SSA business processes and service interfaces, it is impossible to overestimate the potential contribution of this initiative to SSA's major goals. By providing options for advanced process redesign, IWS/LAN creates opportunity for dramatic improvements in service delivery to move the Agency to world-class service. By coupling a superior technology with simple tools for communicating, the IWS/LAN promises major improvements in SSA's messages to and between employees and the public, to provide the foundation for rebuilding public confidence. By creating a technical environment for development of the single point of contact our customers seek and other concepts, IWS/LAN offers a framework for employee empowerment and development.

### **Project Sequence**

*Pilots* -- An IWS/LAN pilot was conducted in 15 sites to gain experience in live operational settings and to develop detailed cost/benefit estimates. On the basis of simple productivity measurements taken before and six months after implementation of IWS/LAN, a study by SSA's Office of Workforce Analysis found a five percent employee productivity increase in the pilot offices. The study predicted additional productivity increases as employees moved beyond the learning curve and gained the computer literacy needed to take full advantage of the benefits of the technology. The study also noted that benefits from the enhanced communications capabilities of the technology are dependent on the capabilities being available throughout SSA and the State DDS sites.

During this pilot period, the IWS/LAN concept and operating results were repeatedly evaluated by external monitors and various consulting experts. These authorities uniformly agreed with both the need for a new technology infrastructure and the basic soundness of the IWS/LAN strategy.

*Interim Buy* -- During FY1994-1995, SSA completed installation of 9,900 workstations and 165 LANs to bring the number of IWS/LAN-equipped offices to 100. SSA estimates savings of 238 workyears through these interim installations.



*Phase 1 Implementation* -- In this national IWS/LAN acquisition, equipment requirements of the field offices, hearing offices, teleservice centers, processing centers and State DDS sites will be met with the installation of up to 56,500 workstations; 1,742 LANs and 2,567 notebooks. These devices replace aging terminals and provide a standardized infrastructure enabling service and productivity improvements.

*Costs/Benefits Through Phase 1* -- Projecting from the productivity increases demonstrated in the pilot studies, cumulative workyear savings over the 7-year systems life are valued at \$1,140 million for Phase 1 of the National IWS/LAN Buy. SSA estimates that the total Phase 1 systems life cost of the national IWS/LAN will be \$1,046 million. This cost includes equipment, operating system software, communications support services, site preparation and ergonomic furniture. The cost is offset by \$573 million that otherwise must be spent to replace aging terminal equipment currently in use with equivalent updated technology and operate it over its systems life and to acquire ergonomic furniture. The net cost of \$473 million, compared to \$1,140 million in savings, makes the IWS/LAN platform a cost-effective investment.

**Benefits From the National IWS/LAN Implementation (\$ millions)\***

IWS/LAN Implementation Costs	\$1,046
Cost of Replacing Aging Terminals and Furniture	\$573
IWS/LAN Net Costs	\$473
IWS/LAN Projected Savings	\$1,140
IWS/LAN Net Costs	\$473
IWS/LAN Net Savings	\$667

\*Costs/savings for Phase 1 of national IWS/LAN acquisitions.

The total costs of \$1,046 million displayed in the preceding chart consist of \$881 million in acquisition, telecommunications and maintenance costs through FY 1999 and \$165 million in ongoing telecommunications and maintenance expenses for the remaining system life beyond FY 1998. The \$881 million in costs through FY 1998 will be funded from the \$1,105 million Automation Investment Fund, leaving a balance in that fund of \$224 million which will be used toward infrastructure enhancements required for the implementation of the Reengineered Disability System software and other client-server applications. (See Phase 2 Implementation below.)

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*Phase 2 Implementation* -- A separate series of acquisitions under the IWS/LAN initiative will "piggyback" on the previously installed infrastructure. It will provide SSA with document management and database equipment needed for a wide range of client-server applications. The Reengineered Disability System (RDS) is SSA's first major programmatic software application specifically designed for the cooperative processing architecture.

Under these acquisitions, SSA will obtain database engines; scanners and bar code readers; facsimile and imaging servers; and associated networking equipment, maintenance, training and integration and support services to begin national implementation of the RDS and a number of administrative applications dependent on the expanded architecture.

Pilot testing is planned in Virginia and in a second State (yet to be determined) to assess the actual performance, costs and benefits of RDS software and supporting IWS/LAN Phase 2 equipment. There will be a preliminary evaluation of the Virginia pilot before a decision is made to initiate a Phase 2 national buy. Later pilot results will be considered before SSA makes the final procurement award decision.

*Deployment* -- Working with DDS administrators and external authorities, such as the Office of Technology Assessment and GAO who have provided advice and counsel to the Agency, and with widespread comment and input from SSA employees, SSA has established the following principles to govern the national IWS/LAN deployment process:

- The deployment strategy must be structured to provide the greatest possible productivity gains;
- To support implementation of the disability process redesign, the deployment strategy must concentrate installations;
- The deployment strategy must not lengthen the time States will need to run dual software systems; and
- The deployment strategy must capitalize on existing investment and minimize the administrative expense associated with testing and installation.



Based on these general principles, SSA has developed a deployment strategy and schedule which calls for:

- Installation in all field offices, hearings offices, Regional Program and Integrity Review Offices and DDSs in a given State, staged over a period of months to allow neighboring field offices to support one another during the disruptive times of installation and training. Supporting TSC and PSC modules will also be included at appropriate points in the schedule. This element of the strategy equips all interacting facilities and the supporting PSC over a limited period of time, enabling implementation of the RDS software.
- Initial installation in States where baseline IWS/LAN automation has already been installed or funded in the State DDS. This approach capitalizes on investments already made, and also serves the aim of greater productivity. The first 15 States represent at least 44 percent of the national disability workload.
- Selection of Virginia (among the baseline automation States) as an RDS software pilot site. Proximity to the Baltimore headquarters facilitates the access of programmers and software engineers and technicians to the pilot sites and minimizes administrative expenses and time lost in travel.
- The balance of the rollout is based on State disability workloads, with priority in sequence assigned to States with heaviest disability claim volumes and the greatest potential productivity gain. The next four States in the current schedule represent an additional 15 percent of the national disability workload. This will bring to 59 percent the total percentage of the national disability workload represented by the first 19 States in the installation sequence.

Based on a third quarter award of the Phase 1 IWS/LAN national buy, installations are slated to begin in late 1996 with installations in the final States by early 1999. Document management and database equipment for the RDS pilot sites will be acquired in advance of the Phase 2 national buy. The coordinated scheduling provides IWS/LAN in advance of RDS deployment, allowing time for training and experience with the new technology. Offices will also be positioned to support the 800 Number Expert System.

Nationwide IWS/LAN implementation is a very complex logistical task for the Agency, requiring coordination of site preparation (electrical wiring/cabling) in over 2,000 remote sites; contractor-supplied and installed furniture and intelligent workstation components; and training of over 70,000 employees in SSA and DDS locations.

## Redesign the Policy Process

*Lead SSA Official:* Deputy Commissioner for Programs, Policy, Evaluation and Communications

In February 1995, a reengineering team sponsored by the SSA Executive Staff and AFGE Local 1923 began an effort to redesign SSA's entire policy-making process. It was intended to make the process many times more efficient while retaining and improving quality and, in doing so, to improve significantly SSA's service to the public. In June, a report was issued by the redesign team that outlined a vision of the Agency's future policy-making environment. Shortly thereafter, under the auspices of the OPPEC Partnership Council, staff of the Office of Programs, Policy, Evaluation and Communications began to implement those report recommendations about which there was broad consensus and to explore alternative approaches to deal with other situations identified in the report.

Building on the work of even earlier improvement efforts, the redesign report spans all stages of the policy-development and dissemination process, including: the identification of a need for policy change; research; development of policy products (legislative proposals, regulations, litigation strategies, instructions, systems design, notices and other public information); and evaluation of policy outcomes. It also makes suggestions for putting together a more supportive organizational structure for SSA's policy-making functions.

Major areas identified for improvement include the following:

- Development of a strategic-policy-planning mechanism:

A collaborative effort is being undertaken to provide the Agency with a policy vision and an effective plan that will use Agency resources wisely to create clear, consistent, and comprehensive policy. Such planning will place SSA in a much better position to be more proactive and to be better able to advise policymakers on alternative for changes, adaptations, or new approaches. The first proposal generated through this mechanism was presented to the Executive Staff in early 1996.

- Organizational and cultural changes that support early and effective communications and empowerment of employees involved in the process:

As a direct result of the redesign recommendations, an Organizational Planning Team (OPT) was chartered to recommend organizational and cultural changes to achieve a more effective policy process. The team recommended some restructuring, with the goal of achieving more affinity of like functions within the policy components.



The revamped policy organization will be conducive to the use of teams, to directing resources to the highest-priority work, to the delivery of appropriate and timely training and team facilitation, to expansion of the use of technology, to improved communication and information dissemination, to having employee empowerment defined and regularly practiced, and to enhancing employee morale and development.

- Simplification of the policy-development, review, and approval processes, including more extensive use of teams:

The redesign effort reconfirmed earlier findings that the policy dissemination process has become a slow, cumbersome process—one that encourages numerous hand-offs and permits both "gatekeepers" and even other peripheral players to stall or stop the policy process at will. This not only delays progress but also results, in some instances, in inconsistent and/or unclear policy products. Use of empowered teams will assure that policy decisions are made at the lowest level possible. These teams will produce all needed policy products simultaneously to ensure consistency and timeliness. Early input from all stakeholders will be requested, and early sharing of ideas and information will become the norm. Team members, by speaking for their components, will greatly reduce the need for later approvals and hand-offs of policy products. The policy leadership, too, will act as a team, sharing information, ideas, and resources as necessary to enhance policy formulation and eliminate repeated rounds of reviews, comments, concurrences, and sign-offs.

- More and better use of information technology, including innovative applications for authoring and disseminating policy materials:

A number of activities are underway to achieve this goal. Self-directed teams are currently exploring and making recommendations with respect to the use of groupware to enhance the policy-making process and to enhance, through existing technology (and ultimately through improved technology), methods of communicating policy positions, clarifications, etc., to both regional and field office employees. Somewhat longer-range goals call for producing and maintaining a single electronic database wherein users will be able to have all of their policy needs satisfied in an easily accessible manner.

- Rigorous evaluation and feedback regarding specific policies, the policy-development process, and the products of that process:

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The OPT has specifically recommended that evaluation and monitoring of program outcomes, along with evaluation of policy implementation, become specific ongoing activities of the appropriate components within the policy organization. Directly related to these activities will be the development of performance measures as they apply to the results of SSA's programs and the supporting policy for SSA's administration of programs.

■ Effective human-resource development, including more extensive use of teams:

A broadening of the knowledge and skill base of SSA's policy analysts, along with their being given more control over their jobs, will improve both employee morale and policy products. More opportunities for movement within the Agency will result as analysts broaden their skills. Employees will receive initial and refresher training in writing standards, analytical/technical skills, technology-related skills, and team skills.

Implementation of the report recommendations will mirror its vision of how work will be done in SSA's new policy-making environment; i.e., it is and will continue to be inclusive, collaborative, team-based, and empowered. As mentioned above, much work has already begun. Various teams have been, and will continue to be, chartered to accomplish the necessary improvement in both the policies themselves and the underlying policy process. Affected employees have been encouraged to get involved in all stages of the implementation by direct participation in the various teams and/or providing continuous feedback into planning team activities.

This initiative will result in a process which enables the type of rapid decisionmaking, quality policy products, and satisfying work environment for employees that SSA's policy components will need to meet the Agency's ongoing challenges of downsizing, streamlining, and rapid technological change.

### **Schedule**

The redesigned policy process will be in place before the end of 1996.



## Title II System Redesign

*Lead SSA Official:* Deputy Commissioner for Systems

Today, 82 percent of title II initial claims are fully automated. The remaining claims and numerous postentitlement transactions cannot be processed through the system without some manual intervention. The Title II System Redesign Project focuses on automating the title II initial and postentitlement cases that are not automated today.

Because the client update process for the title II system redesign will be an expansion of the Integrated Client Data System, that project, reported separately in the last Business Plan, has been incorporated into this initiative.

### Title II System Redesign

The current system for processing postentitlement actions is a series of 28 applications programs that, either independently or in harmony with each other, perform various functions to adjust payments and update client information. (These 28 systems are said to have a "stovepipe" architecture because they are stand-alone systems that are not integrated with each other.) Because these programs were originally written in COBOL programming language during an era preceding today's structured design and documentation standards, any changes to them require extensive analysis and cross validation. As SSA expanded its efforts to completely automate claims and eliminate postentitlement systems exceptions and limitations, it became clear that the need to make a multitude of changes to 28 different software programs would impede progress significantly. Further, the batch postentitlement programs precluded a full transition to online processing.

The goal of the Title II System Redesign initiative is to provide a single system for processing virtually all initial claims and client-initiated postentitlement actions in an online interactive mode. The backbone of the redesigned system will be the use of common code to perform processing of common business functions. When a business function is common to two or more processes, a single business module will be developed and shared by all of the processes that require it. On completion of redesign, the 28 "stovepipe" postentitlement programs and the original initial Claims Automated Processing System (CAPS) will be eliminated.

The Title II System Redesign will yield significant productivity and service improvements by:

- Providing online access to more comprehensive customer information, enabling employees to respond more readily and accurately to customer inquiries and complete more transactions in a single contact;

- Processing actions online, so that employees are able to immediately resolve systems edits and exceptions and tell customers how and when a transaction will affect their payment, reducing the need for follow-up contacts;
- Automating manual tasks that can be performed more efficiently by computers, thus speeding processing time, eliminating hand-offs and freeing employees to spend more of their time interacting with customers;
- Simplifying data input routines by standardizing various input formats required for the existing multiple systems; and
- Providing more flexible modernized software that is easier to maintain.

### **Integrated Client Data (ICD)**

Historically, SSA has collected and maintained data about the clients we serve in each of the various systems that support the programs administered by the Agency. As with most legacy systems, there is a lot of redundancy in our storage of data. The goal of the ICD project is to use current technology to establish a client-specific database.

Integrating client data allows data to be shared among programmatic systems, reduces data redundancy and improves data consistency among systems. Work began on this initiative in early 1993. An analysis was performed of the largest modernized systems, the Modernized Claims System (MCS) for title II initial claims, the Modernized SSI Claims System (MSSICS) for title XVI initial claims, the Representative Payee System (RPS) and the 800 Number System, to determine where common and similar data existed. The result was a list of elements that either always or usually were common across different programs and systems. In 1994, changes were made to propagate data captured in the 800 Number leads system to other systems (MSSICS and RPS). This prototype proved that significant payoff could be achieved by eliminating the need in some instances for users to collect the same data twice. The development of the Integrated Client Database (ICDB) is a natural extension of the data propagation prototype. The ICDB began propagating claims data on a national level in FY 1995. Future releases will expand the data propagation to other programmatic systems.

The benefits of the ICDB are:

- Establishment of a central data store to house data specific to individual clients;
- Increased efficiency by eliminating the need to key data more than once and alerting employees when critical client data has changed in another system;



- Improvement in the consistency of data shared across systems through standard element length, definition and edit criteria; and,
- Improved service by eliminating the need for employees to ask customers for the same information more than once in multiple claims situations.

## Schedule

**FY 1997-FY 1999**

Provide automation for multiple entitlement claims

Develop Title II Redesign structure

Expand ICDB to the Modernized Enumeration System

Provide integrated query capability for RDS

**FY 2000**

Complete Title II Redesign structure

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## SSI Modernization

*Lead SSA Official:* Deputy Commissioner for Systems

Prior to the MSSICS, SSI initial claims were completed by taking a lengthy paper application and subsequently keying the data into the system. Today, non-disability application information is collected online for nearly all SSI initial claims, eliminating the need to prepare paper input documents. Unlike its previous summarized form, the actual data collected from the SSI applicant is posted to the database and remains completely available to employees for subsequent reference. MSSICS also provides automated support for performing certain developmental actions required to process claims, such as the computation of income and resources.

The next major enhancement to MSSICS will be to extend the data collection function to postentitlement situations. By doing so, local offices will continue to have online, real-time access to detailed information about factors affecting SSI eligibility payment.

Examples of significant improvements in customer service enabled by MSSICS are:

- An automated claims intake system prompts for questionable answers helping to ensure the application is accurate and complete. Direct input and automated processing features eliminate errors inherent in manual data transcriptions and computations.
- More comprehensive information available online enables employees to complete postentitlement transactions without the need to reference paper files or recontact customers to verify information.

### Schedule

**FY 1997**      Expand MSSICS to postentitlement situations



## Paperless Processing Centers

*Lead SSA Official:* Deputy Commissioner for Systems

Over the past few years, SSA has undertaken a number of actions to lay the groundwork for a paperless processing environment. These include refining our evidence retention criteria, creating electronic record formats and establishing new practices for discarding unnecessary paper. The purpose of the Paperless Processing Project is to test and evaluate document imaging and paperless technologies as potential means of enabling SSA to redesign business processes that will allow employees to work more efficiently in a paperless environment.

The IWS/LAN provides the supporting infrastructure for the pilot effort which will apply document workflow management and imaging technologies to SSA's paper-intensive programmatic process. The system will keep files in electronic format that normally would be printed out on paper for technicians to process. It will also scan the letters, folders and other paper that are mailed to SSA, and convert them to digitized images for electronic processing. These two sources along with access to other electronic files will give technicians total information access to do their job.

The potential benefits of a paperless processing system are that it:

- Provides employees with immediate access to all the information needed to accurately and efficiently complete an action for a customer, including complete text of the letters we send to our customers;
- Delivers work to the technician's workstation electronically and allows all processing to be completed without reliance on any paper;
- Eliminates lost or misfiled folders; and
- Provides managers with accurate and timely information necessary to manage workloads.

A Test Processing Module prototype began in January 1994 and will continue to operate as a test-bed environment to support the pilot. The purpose of the prototype is to incorporate electronic information and document imaging technology, and to test redesigned workflow scenarios.

Using knowledge gained during the prototype phase, we have enhanced current workflows and developed new, automated functionality that will be used during the pilot. The pilot began in the GLPSC in January 1995 and will run for 1 full year.

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The pilot initially ran in parallel to the current paper process and shortly afterwards, processed the total workload of one processing module in a full production, paperless environment. Before and during the pilot operation, SSA will evaluate the various aspects of working in a paperless environment to determine the impact of the new technology on employees, quality, costs and service delivery. If the pilot is successful SSA will consider expansion of the pilot to include multiple processing center sites with differing workload characteristics. Another option is to pilot "paperless" capabilities in field offices with a view toward eliminating paper at the front-end of the SSA business process.

### Schedule

<b>FY 1996</b>	Assess results of GLPSC pilot
<b>FY 1998-FY 1999</b>	Phase in national implementation



## Payment Cycling

*Lead SSA Official:* Deputy Commissioner for Finance, Assessment and Management

Since the inception of recurring Social Security benefit payments in 1940, all program payments have been scheduled for delivery at the beginning of the month--usually the third of the month. Given the size of the current program (almost 44 million payments each month), this pattern has contributed to a workload spike that affects SSA's 800 Number and field offices. Creating additional payment dates at intervals throughout the month, a technique called payment cycling, is expected to help the Agency level those workloads and improve public service.

During 1994, SSA conducted focus groups with current and prospective beneficiaries. SSA also met with key stakeholder groups, including Congressional staff and representatives of member organizations and private industry. These sessions revealed strong support for implementing payment cycling for new beneficiaries. Private industry representatives indicated that the current process creates workload peaks for their operations as well, having the similar impacts on their operations of reducing service and increasing costs. As a result, SSA is proceeding with payment cycling. Implementation is expected to begin with the payments for December 1996 (which will be made in January 1997).

### Approach

SSA will promulgate regulations in support of payment cycling. The Agency published a Notice of Proposed Rulemaking in the *Federal Register* in early 1996 and expects final regulations to be in place by November 1996.

An implementation team has been formed within SSA to define policies and operating guidelines related to payment cycling. The following decisions have been made with regard to SSA's implementation strategy:

- Cycling shall be implemented prospectively, affecting only newly entitled beneficiaries.
- Cycling shall be restricted to recipients of OASDI benefits. Recipients of SSI; people entitled to both OASDI and SSI benefits, including those OASDI beneficiaries whose income is deemed to an SSI recipient; and OASDI cases involving foreign residences shall be excluded from the effects of payment cycling.
- Three additional payment dates will be established at weekly intervals, on the second, third, and fourth Wednesday of each month.

- The wage earner's date of birth shall be used to determine the assigned payment date. In addition, the wage earner's date of birth establishes the payment date for all auxiliaries/survivors entitled on the same account.
- Auxiliaries/survivors who subsequently become entitled on their own record will be assigned a payment date based on their own date of birth, unless they were receiving payment as an auxiliary/survivor prior to the inception of cycling.

SSA has met with representatives from the Department of Treasury, Federal Reserve, and the Post Office to discuss the Agency's payment cycling initiative and to work out a joint implementation schedule. Agreements reached between SSA and the FMS will result in more accurate files being transmitted to FMS each month. For cycled beneficiaries, SSA shall transmit the whole-file certification files four business days prior to the scheduled payment date. Until that time, SSA shall continue to act effectively upon select postentitlement actions.

To even out more quickly the payments made on each payment date, SSA will accommodate selected OASDI beneficiaries, currently paid on the third of the month, who volunteer to change their payment to the assigned date based on SSA's formula.

### Schedule

FY 1996	Promulgate regulations
	Prepare field office procedures
FY 1997	Train field employees
	Implement



## Notice Improvements

*Lead SSA Official:* Deputy Commissioner For Programs, Policy, Evaluation and Communications

SSA sends its customers 240 million notices annually. In the past, SSA has been criticized for the poor quality of its notices, their being both hard to read and hard to understand. Thirty-two percent of the Agency's notices require some manual action by employees, which creates opportunity for error and inconsistency in language and format. In addition to customer dissatisfaction, poor notice quality results in unnecessary inquiries in field offices and to the 800 Number. The Notices Improvement initiative is intended to increase notice readability and clarity and to reduce unnecessary operational workloads.

This plan has evolved since last year in two important ways. First, the development plan for establishing SSA's target notice architecture has begun to crystallize and is thus more complete. Second, because the efficiency of SSA's print and mail operation has such a major impact on the success of notice improvement efforts, an initiative to redesign the print/mail operation has been added to this plan.

### Major Activities

*Complete the Backlog of Miscellaneous Improvements* -- By 1992, SSA had backlogged a large number of notice projects due to resource shortages. All of these projects have now been completed but one. That project is related to automating representative-fee notices, a labor-intensive and time-consuming function. It was implemented in September 1995.

*Establish a Target Notice Architecture (TNA)* -- The plan to establish a TNA is intended to streamline and modernize SSA's notice production environment and to move all notice language to one central database called the "national text file." In building the architecture, SSA will consolidate the many existing notice language databases (about 80 in all in title II) into one central database and streamline the notice-production environment. This will greatly reduce the time and effort needed to code automated notice changes and will eliminate duplication of notice language across software applications.

The TNA will provide a language-search facility to allow users to locate and research notice language electronically and a related language-development facility to support notice development, approval, and implementation. The process will utilize the IWS/LAN platform. The facility will reduce the time needed to make notice language changes, increase the quality of notices, and reduce administrative burden.

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The TNA will provide another important capability -- electronic storage and retrieval of notices. Today, employees cannot retrieve a copy of a notice on their computer terminals when a customer calls or visits with a question. If the employee cannot refer to the customer's copy, the question may have to be deferred until the record can be retrieved and the customer recontacted. The earnings notice system, implemented in August 1995, was the first notice application to be brought under the system.

In FY 1995, SSA replaced outdated, standalone wordprocessing equipment in the processing centers with centralized M/Text notice production software, eliminating 60 separate notice language databases. The system permits technicians to produce their own notices, thereby reducing the need for typists and eliminating one handoff. It will help reduce clerical error with online edits; speed notice preparation; ensure the uniformity of notice language; and direct output to automated mailing facilities to lower handling and mail costs. M/Text also provides the first management information on notices produced in the processing centers. In addition, a management-information architecture will be developed and produced as an integral part of TNA.

The focus of the TNA today is on solving problems in the title II notices system because they are so pervasive. As part of the TNA initiative, OASDI notice language will be improved and production will be folded into the TNA. SSA is also increasing the number of notices available in Spanish, and standards for Spanish notices have been incorporated into our English-language notice standards.

*Improve SSI Notices* -- Field office employees must manually prepare nearly 20 percent of SSI notices. This workload is complex and labor-intensive, particularly in the overpayment area. To alleviate this burden, SSI notice automation will be increased to the extent possible. Language and format for many automated SSI notices will be improved at the same time.

Title XVI automated notices are already produced by one central system, and the system already produces notices in Spanish. Title XVI will, therefore, not be moved into the TNA until work has been completed on the title II system.

*Conduct Notice Evaluation* -- Notice improvement will be a continuous process. As part of this ongoing activity, public opinions will be solicited through the use of focus group tests and surveys. SSA also plans to gather information on the literacy skills and special needs of its non-English-speaking clients.

*Reengineer the Print/Mail Process* -- SSA will establish a system-managed print/mail operation that will use current technology to deliver a cost-effective operation. Besides reducing the overall cost of notice printing and mailing, the new operation will maximize presorting and postal discounts. It will allow the management of workloads from multiple locations and provide inter-location backup capability with managed capacity to accommodate spike workloads.



A major feature will be the system's ability to guarantee accountability, at the item level, for all generated correspondence.

### Benefits

- Improved customer understanding of SSA decisions and customer rights and responsibilities.
- Fewer inquiries, freeing field office and 800 Number employees to help other customers.
- Fewer recontacts with electronic notice retrieval, also freeing field office and 800 Number employees to help other customers.
- Fewer manual notices, freeing field office and PSC employees to process other customer business. The first group of improved SSI notices will free up 250 workyears.
- Lower overhead costs. M/Text will eliminate the need to spend \$1.1 million to maintain the outdated word processing systems. The reengineered print/mail system will maximize discounts and reduce print/mail management costs. It is expected to save over \$10 million over the life of the project (1996-2002).
- Improved issuance of social security cards. The reengineered print/mail process will increase the percentage of cards provided within 5 days from 94.6 percent to at least 97 percent.

### Schedule

<b>FY 1996</b>	Release of software to permit earnings notices to be retrieved in field offices
<b>FY 1996-97</b>	Title XVI Notices
<b>FY 1996-98</b>	Reengineer Print/Mail Operation
<b>FY 1996-00</b>	TNA/Title II Notices
<b>Ongoing</b>	Notice Evaluation

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## Electronic Payment Services

*Lead SSA Official:* Deputy Commissioner for Finance, Assessment and Management

Today's emphasis on more efficient service delivery has prompted the Government to establish a policy that calls for Federal agencies to convert to an all-electronic payment environment by 1999.

SSA is ahead of most Federal agencies in the use of electronic funds transfer (EFT). More than 51 percent of the 590 million benefit payments issued in FY 1994 were disbursed electronically. Still, we are a long way from the objective of 100 percent participation. The payment service initiative outlines SSA's strategy for addressing this objective. It includes the following:

- A series of actions designed to increase the number of beneficiaries who are paid by direct deposit
- The development of electronic payment alternatives for beneficiaries who do not have bank accounts
- Expansion of SSA's use of the national ACH system to effect the transfer of both payments and payment-related information
- Actions to prepare the Agency to implement legislation that would eventually require all benefits to be issued by some form of EFT

### Benefits

Electronic payment provides convenience and reliability for beneficiaries. At the same time, it provides important benefits to SSA:

- It reduces the cost of making benefit payments. Department of Treasury charges will be reduced from approximately \$0.39 per check issuance to \$0.01 per direct deposit issuance. That means an annual savings of more than \$100 million if individuals who receive checks today convert to direct deposit.
- It reduces SSA workloads. Direct deposits, unlike paper checks, are virtually loss- and theft-proof. This means that the thousands of calls and visits SSA offices receive due to delayed, unreceived or returned checks will be dramatically reduced in number, and employees will be freed to do other pressing work.



## Major Activities

### Increased Use of Direct Deposit

Of the 23 million beneficiaries who receive payment by paper check, more than 16 million have a relationship with a financial institution. Further, more than 90 percent of all new insurance program applicants and 45 percent of new SSI applicants have bank accounts at the time they file for benefits. These individuals could be paid by EFT from the outset.

SSA plans to increase the use of direct deposit by taking the following actions:

- More vigorously marketing the advantages of direct deposit to the public, financial community and other groups. During a recent campaign to educate the public using statement stuffers and other vehicles, enrollments in direct deposit were effected at twice the normal rate.
- Fully implementing a new government-wide policy that presumes direct deposit will be used by all beneficiaries who have bank accounts.
- Continuing to simplify the enrollment process, including establishing a unique toll-free 800 Number that customer service representatives in financial institutions may use to assist customers who want direct deposit.
- Pending more comprehensive legislation, seeking authority from the Secretary of the Treasury to require the use of direct deposit for certain categories of payments, including international payments, benefits to institutional representative payees and interim-assistance reimbursements to States.

## Schedule

- |      |  |
|------|--|
| 1996 | Send information about direct deposit to new beneficiaries being paid by check and individuals who request replacement checks due to non-receipt |
|      | Conduct pilot and implement a unique toll-free number with prompts for banks to use in SSA's Dial Direct Deposit program                         |
| 1996 | Implement authority to require use of direct deposit for select categories of payments   |

### **Electronic Benefits Transfer**

Both Federal and State agencies recognize that achieving an all-electronic payment environment is not possible unless electronic alternatives are found for beneficiaries who do not have a bank account. At present, about 4.5 million Social Security beneficiaries do not have bank accounts (9 percent of OASDI beneficiaries and 55 percent of SSI recipients). The solution is electronic benefits transfer (EBT) through special, debit-only accounts established at designated financial institutions. Monthly payments will be deposited to these accounts using normal direct deposit transfers. Beneficiaries will access their accounts by means of a plastic debit card at either ATMs or point-of-service terminals.

### **Schedule**

1996	Develop EBT infrastructure and select commercial banks to provide EBT service
1997	Roll out EBT infrastructure nationally

### **Expanding Use of the National Automated Clearinghouse (ACH)**

As the number of beneficiaries being paid electronically increases, SSA and the financial community become more dependent upon each other for the exchange of both payments and payment-related information. The natural pathway for this exchange is the ACH system, which is maintained mostly by the Federal Reserve.

SSA has taken the lead within the Federal community in using the ACH to improve communications with the nation's financial institutions and, thereby, achieve improved service and efficiency. For example, SSA has reduced the number of administrative actions necessary to recover direct deposit payments issued after death by more than 90 percent over 1993 levels by creating a new electronic standard that notifies banks immediately via the ACH when a recipient with direct deposit dies.

Over the next 5 years, SSA is planning several significant new ACH enhancements. Most notable among these will be the capability to allow banks to send SSA electronically the enrollment information for more than 4 million new direct-deposit enrollments, thereby avoiding the administrative burden on the Agency's field offices and 800 Number. Another enhancement will allow SSA to notify a bank electronically that a new beneficiary has requested direct deposit so that the bank can verify account information prior to the first payment.



## Schedule

1996	Implement automated direct deposit enrollment process
1996	Implement the ACH pre-notification process
1997	Establish electronic verification of bank account resources for SSI recipients
1999	Establish electronic verification of address information for direct depositors who change their residence without notifying SSA

### **Preparing for Legislation That Would Require Use of EFT**

Legislation is being sought that would eventually require all government payments to be issued by EFT. The Department of Treasury has drafted a proposal, and several bills are now pending within Congress that would require beneficiaries who have a relationship with a financial institution to receive their payments by direct deposit. The proposed legislation would give these individuals a specified period of time in which to comply (e.g., within 3 years of enactment). The legislation would also require the Secretary of the Treasury to promulgate regulations outlining how a range of EFT options will be made available to recipients who do not have bank accounts. If successful, this legislation would require SSA to receive bank account information for approximately 23 million individuals who are currently paid by check. In other words, SSA must be prepared to handle more than twice its annual direct deposit enrollment workload over the next 3 to 4 years.

SSA's proposed plans include:

- Developing an extensive public information campaign, including printed materials and television/radio public service announcements, explaining the legislation and the significant advantages of EFT over check payments
- Enlisting the cooperation of the financial community in advertising the legislative requirements and expanding the scope of the private sector's marketing of direct deposit
- Accelerating the national implementation of SSA's proposed ACH automated enrollment service and unique toll-free number for direct deposit enrollments

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## Electronic Service Delivery

*Lead SSA Official:* Deputy Commissioner For Programs, Policy, Evaluation and Communications

### Description

After carefully monitoring the ongoing shift in our customers' preferences about the ways in which they prefer to do business with us, SSA has assumed a leadership role for the Federal Government in its offerings of electronic service options to its customers. The Electronic Service Delivery (ESD) project is a cross-component and cross-program effort by SSA to establish convenient, cost-effective, secure, and user-friendly service options for our customers, including individuals, businesses, and other governmental units. Our ESD initiatives are focused entirely within this customer-driven framework.

Our efforts are aimed at our entire customer base, not just at those who own an expensive personal computer and are computer literate. Rather, through outreach efforts and cooperative agreements with public libraries and community associations, as well as corporate pilot initiatives, SSA is endeavoring to provide world-class service to everyone who wishes to do business with us electronically.

The ESD project includes a number of initiatives that are described briefly below. In the future it will also include as-yet-unidentified ESD activities. As these and other initiatives are brought to full implementation, SSA will continue its deliberate approach which ensures that all of our ESD initiatives give our customers the same assurances of privacy and security that our current service delivery methods provide.

SSA's 1995 General Business Plan set forth four principles upon which all ESD initiatives are based. Those four principles, with only slight modification, are repeated here because they are still the cornerstone of all of our ESD efforts. SSA will:

- continue to provide choice to our customers in their determination of how they wish to be served (face-to-face, telephone, Internet, etc.).
- ensure that an equal quality of service is provided by all service delivery options.
- provide improved service to the business community and enhanced opportunities for coordination of activities with Federal, State, local, and private entities.
- provide one-contact service whenever possible.



## Major Activities

As was noted above, ESD is an umbrella project which includes several SSA initiatives to provide world-class service to our customers. Following is a brief description of these initiatives and our plans for future ESD efforts.

*Internet Access* -- SSA has established a World Wide Web Home Page on the Internet which has been the recipient of numerous awards for its clarity, rich content, and usefulness to the public. Our customers can access hundreds of SSA documents and perform searches for specific information. They may also download forms which can be completed and returned to get a replacement social security card or a PEBES. In the Spring of 1996 our customers will be able to use the Internet to request the PEBES online in a test of secure technology. In the Fall of 1996, SSA plans to test returning the PEBES information to the requestor online as well.

SSA is also working with the corporate community to explore potential uses of the Internet. A pilot project is underway with the CommerceNet consortium and several Fortune 500 corporations, which allows the participating corporations, using secure technology, to request exemption certificates from foreign social security taxes for their employees who are working in the 17 countries with which SSA has reciprocal agreements. SSA is also exploring the use of the Internet by employers for the filing of annual employee wage reports with the Agency.

SSA is a charter member of a Federal government-wide effort making accessibility to government records easier for members of the public. The Government Information Locator Service (GILS) serves as a compendium of information sources within the Federal Government. Primarily Internet based, GILS provides the user with an easy means of determining which Federal agencies have what types of information, whether that information is available to the public, and how to obtain the listed information. Private or sensitive information cannot be reached through GILS.

*Kiosks* -- SSA is piloting the useability and customer acceptance of touch screen kiosks as a means of providing information and services. Information which is currently available includes: general SSA information; a description of how to obtain a social security card; and detailed program information about disability benefits, retirement benefits, survivors benefits, Medicare and Medicaid, and SSI. Service delivery pilots on a kiosk include requesting a PEBES, and completing a request for a replacement social security card at select locations.

The pilot kiosks are located in a variety of locations including SSA offices, other governmental offices, and shopping malls in the Albuquerque, New Mexico area.

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*Dial-up Bulletin Boards* -- Through the use of computers and telephone technology, SSA is piloting the submission by employers of their annual wage reports in a new way. By using the dial-up facility on their personal computer, an employer can reach SSA over an 800 telephone number and submit the annual wage reports for their employees. Because the processing of paper and diskette W-2 information is an enormous workload for SSA, we are continually searching for better and more efficient ways to do this work.

*Videoconferencing* -- Videoconferencing increases access and reduces travel costs for geographically distant participants when used to conduct such SSA programmatic activities as claims interviews and hearings before ALJs. One pilot is underway with the State of Iowa and the General Services Administration to test the use of video technology in ALJ hearings and other SSA business processes. Other pilots are testing the use of video equipment in disability interviews in the States of Wisconsin, New Mexico, West Virginia, Kentucky, and Delaware.

*Third-Party Access* -- SSA is exploring the use of various technologies which will allow third parties, including State and local government employees and advocacy group members, to assist SSA customers in their dealings with SSA. Although only in the early stages of conceptualization, SSA wants to empower selected individuals and groups who have frequent contact with some of our customers so that they (the third parties) may play a more active role in obtaining the information which SSA needs to complete a service request from one of our customers.

*Electronic Commerce* -- This is a broad category which includes the use of standardized computer formats for the movement of information to or from SSA. We are piloting the use of this technology for the submission of W-2 data from larger employers for whom the Internet or bulletin board technology is not practical and for the sharing of medical information with partners such as the VA.

*Touchtone Telephone Access* -- SSA is exploring the feasibility of providing access to some of our less sensitive customer records through the use of touchtone telephones. For example, a caller could use a telephone keypad to respond to a series of prompts and obtain the status of a pending claim. We are also piloting the use of touchtone phone access with a small number of banks to test the feasibility of using the technology for updating direct deposit information. Another pilot is being conducted with employers who use the technology to verify the social security numbers of new employees.

*Interactive Cable Television* -- This project will explore the possibility of providing general SSA program information to cable TV subscribers within a designated geographic area. The information provided will describe how SSA's programs are administered and offer advice on how to transact business with SSA. Many of the issues related to Internet services are relevant here, and will be addressed as the Agency proceeds.



## Crosscutting Technology Issues

In common with other government entities and the private sector, over the next few years SSA faces a number of serious challenges which, unless they are solved, will impose limits of varying degree on the use of technology and the vision of what is possible. SSA will be working cooperatively with the Department of Justice and other Federal agencies to develop common policy and sharing of responsibilities in such areas as:

*Customer Identification/Authentication* -- In order to provide remote access to SSA data and services and to meet customer expectations of complete service at the first point of contact, SSA needs reliable methods and tools for identifying customers who choose to do business by phone, kiosk, Internet or other remote access channel. Although SSA is exploring several technologies for customer authentication (e.g., public-key/private key encryption technology), this is a government-wide issue which will require close working relationships with other Federal agencies to evolve a common solution. This cooperation will include not only authentication of customers but also authentication of trusted third parties certified to conduct business on SSA's behalf and/or to authenticate customers on SSA's behalf.

*Electronic Signature* -- In addition to identifying clients doing business remotely, SSA needs a way to capture and store electronically a "signature" on claims applications and other important documents which might be evidence in the event of a later Court action. Among the technologies under consideration are signature pads and voice (or other biometric) prints. Again, close cooperation with other Federal agencies will be critical as government-wide signature strategies evolve.

## Conclusion

SSA's plans for future uses of ESD technologies are shaped by the Agency's reasoned and cautious approach to sharing and obtaining information. Ever mindful of its responsibility to maintain the privacy and security of the information for which it is responsible, SSA has established a policy on the use of electronic methods of service delivery. Additionally, SSA reviews and tests all initiatives for security, privacy, ease of use by its customers, fraud prevention and detection, and cost effectiveness.

## Schedule

- |      |  |
|------|--|
| 1996 | Limited testing of touchtone telephone to change direct deposit information and to determine employment status |
|      | Expanded testing of videoconferencing to conduct claims taking and ALJ hearings                                |

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- 1996      Limited testing of employer use of Internet to apply for Certificates of Coverage
- Testing of employer use of dial-up bulletin boards and, on a very limited basis, early testing of electronic data interchange for wage reporting
- Testing of use of Internet and kiosk to request PEBES information
- 1997      Initial testing of customer receipt of confidential personal information via Internet
- Planned proof of concept demonstration project for 100 small employers (15 employees or less) to report employee wage information over the Internet



## **Expand Electronic and Magnetic Wage Reporting**

*Lead SSA Official:* Deputy Commissioner for Finance, Assessment and Management

The objectives of this initiative are to: (1) expand on a voluntary basis the number of employers who submit their annual wage reports (forms W-3/W-2) to SSA electronically, (2) provide more and improved services to SSA's customers and (3) improve the cost-effectiveness of SSA's systems that process both electronic and magnetic media submittals.

IRS has advised SSA that they would not support any changes to existing reporting requirements which would mandate employers to file electronically. Therefore, SSA is pursuing this initiative from the premise that increased electronic filing will occur through the use of incentives and changes in the way the business community prefers to do business.

We are examining ways to address inefficiencies in the current systems that process annual wage reports. Pilots have been initiated or are being considered to test receiving electronic transmissions of annual wage reports utilizing: (1) an improved on-line wage reporting bulletin board system, (2) electronic data interchange (EDI) protocols, (3) high speed telecommunications equipment for submitters of large files, and (4) Internet. We are also planning to expand the services provided to our customers that would encourage electronic filing such as: (1) use of toll free 800 number, (2) electronic acknowledgment of receipt, and (3) submission status information including processing results. In addition, we are continuing to work with the software development community to ensure that they provide adequate software options that will enable more employers to file electronically. And, we are working with associations and employer groups to make them aware of the advantages and the upcoming availability of these options.

Finally, because these projects are viewed as aspects of the broader REGO II initiative, commonly known as the Simplified Tax and Wage Reporting System (STAWRS), we are developing a plan that will relate all of the various activities to modernize the wage reporting process to ensure that the prospective changes to the process are being considered in total. A major part of this plan will represent the development of new prototype Electronic Filing System (EFS) that is to be implemented in phases over several years beginning in 1998 for tax year 1997.

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**Schedule**

- |                  |  |
|------------------|--|
| <b>1996</b>      | Finalize overall Strategic and Tactical Plans                      |
|                  | Draft revised Electronic Record/File Format (TIB4)                 |
|                  | EDI and Internet pilots/evaluations                                |
|                  | Develop Functional Requirements for prototype EFS                  |
|                  | Develop Estimates of Future W-3/W-2 Filing Demand by Filing Method |
| <b>1997</b>      | Design, develop, and test prototype EFS                            |
| <b>1998-2000</b> | Implement EFS (Utilizing Revised TIB4)                             |



## Establish a Program for Third-Party Assistance in the Claims Process

*Lead SSA Official:* Deputy Commissioner for Programs, Policy, Evaluation and Communications

SSA's policy is to accept applications completed by third parties. Many field offices have informal arrangements with outside organizations for providing some degree of assistance in completing SSA applications. At the Agency level, formal agreements are in place with organizations who help perform outreach activities. In recent years, third-party assistance in the claims process has increased. SSA has encouraged this trend for three reasons: one, third parties often reach eligible people who would otherwise not know about the programs; two, third parties offer increased options for access to our service-delivery systems; and three, third-party assistance reduces the workload burden of SSA staff.

The Agency recently determined that third-party assistance would have a major positive impact on the efficiency and effectiveness of the disability claims process, so increased use of third parties is being pursued as part of the implementation of the disability redesign. A further decision was made to expand SSA's collaborative arrangements with third parties for all types of benefits, and a team was chartered by the National Partnership Council (NPC) to address the broader issues involved with third-party assistance. The purpose of this plan is to effect a disciplined approach to defining how third parties will be involved in the claims process and developing the appropriate policies and procedures to make it happen.

### Major Activities

This initiative is proceeding along two tracks:

- A Third-Party Assistance Team has been chartered by the NPC to develop appropriate policies and procedures regarding the use of third-party assistance. The team is actively collecting the information it needs to formulate these policies and, at the same time, is developing a timetable for delivery.
- A workgroup has been established to implement the third-party monitoring and assistance aspects of disability redesign. This workgroup plans to incorporate the policies and procedures developed by the NPC team and has proposed a timetable to achieve full implementation of this initiative by the end of 1996.

## **Transfer Enumeration of Aliens to INS**

*Lead SSA Official:* Deputy Commissioner for Programs, Policy, Evaluation and Communications

The purpose of this initiative is to provide better overall governmental efficiencies and savings by having the Immigration and Naturalization (INS) assist SSA in enumerating aliens. Currently, aliens who require social security cards must visit SSA offices to apply for them. Aliens must provide documentary evidence of age, identity, lawful alien status and work authorization, if applicable. Also, there is widespread counterfeiting of INS documents. SSA employees must be familiar with a variety of INS documents and determine if those presented are valid. By having INS collect and forward enumeration data, SSA will reduce the potential of inadvertently accepting inappropriate and/or counterfeit documents thus improving the integrity of the enumeration process. In addition to the overall governmental savings, this initiative will make getting a social security card easier and more convenient for certain aliens.

INS has agreed in discussion to collect enumeration information as part of the immigration process and to electronically provide the data to SSA. SSA will provide INS with the numbers assigned to aliens.

### **Major Activities**

This initiative is proceeding with a phased-in approach:

- Department of State (DOS) will provide enumeration data for immigrants along with visa information to INS in phase 2 of the joint DOS-INS electronic visa effort;
- INS will collect enumeration data from aliens changing from nonimmigrant alien status to permanent residents; and
- INS will collect enumeration data from aliens applying for permission to work and issue employment authorization documents (EADs).

### **Schedule**

**FY 1996**      INS to forward to SSA enumeration data for electronic visa immigrants



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**FY 1997**      INS to transmit enumeration data for aliens changing status

INS to transmit enumeration data for aliens issued EADs

(INS indicates it will be 5 to 8 years before it can provide enumeration information for nonimmigrant aliens with work authorization inherent in their status who are not issued employment authorization documents.)

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## **Eliminate Annual Earnings Reports**

*Lead SSA Official:* Deputy Commissioner for Programs, Policy, Evaluation and Communications

Social Security beneficiaries who work and earn over the exempt amount are required to file an annual report of earnings with SSA within 3 months and 15 days after the close of the tax year. SSA prints and mails about 900,000 annual report forms to beneficiaries each year. We also take reports over the telephone and in person, processing a total of about 1.3 million reports each year.

This proposal will ease the reporting burden on the public by eliminating the need for most beneficiaries to file an annual report of earnings with SSA. Instead, SSA will consider the W-2 report received from the employer and the self-employment tax return filed by the beneficiary to be the report of earnings, and use those earnings to adjust benefits under the earnings test. Only beneficiaries whose earnings for deduction purposes cannot be correctly determined using the W-2 or self-employment tax return will have to contact SSA to file a report.

The proposal requires a change in our regulations. Our strategy consists of a public information campaign to tell beneficiaries that they will no longer be required to complete an annual report form each year. We will issue instructions to our field office employees regarding the change in procedure. The printing and mailing of annual report forms will be eliminated.

### **Schedule**

Effective with 1996 annual reports (which would have been distributed in January 1997 and due on or after April 15, 1997) this requirement is eliminated.



## ***Goal 3: Create a Supportive Environment for SSA Employees***

### **Improve the Security of SSA's Work Environment**

*Lead SSA Official:* Deputy Commissioner for Finance, Assessment and Management

The employees of this Agency are its most important asset. SSA is continually striving to improve the work environment and guarantee the security of employees, clients and visitors in every SSA facility. SSA has a solid base of security on which to build. Over the years, many practices, programs and initiatives have been implemented to upgrade and enhance security in SSA offices. For example, over the last several years, SSA invested heavily in primarily metropolitan offices to enhance security.

However, recent legislative and program-related changes have impacted or will impact the Agency/client relationship, and a heightened concern for the security of employees in public contact jobs has arisen. Recent acts of terrorism have also been troubling. More sophisticated enhancements may be necessary throughout the SSA organization, particularly with regard to the protection of employees who deal with the public. This plan is intended to identify and implement physical and procedural changes required to establish a safe and secure environment for employees.

#### **Approach**

SSA's approach entails as a first step retaining a professional security consultant who will be tasked with three responsibilities: to review the Agency's security policies and procedures; to assess the physical security of each of SSA's offices; and to make recommendations for improvements in both areas. Information from the recent report of the Department of Justice, Vulnerability Assessment of Federal Facilities, will be used by SSA, with assistance from the contractor, to help establish security levels and minimum security standards to use as a basis for making decisions. As the contractor completes the evaluation of each facility, SSA will take the recommended corrective action immediately, if warranted and if funds are available.

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SSA has taken other actions to further the cause of security. The Agency hosted its first annual Security Conference last fall. Attendees included staff from all headquarters and field components and union representatives. It had two objectives: to heighten awareness of security issues and to provide a forum for employee discussion and input. To obtain input through a different forum, SSA will perform customer service surveys to evaluate employees' perceptions of security problems that exist today and that they expect to exist in the future. In addition, SSA will develop a training curriculum to explore such topics as physical security, crime prevention, workplace violence and hostage negotiations.

A Union/Management Health and Safety Partnership Committee has been chartered to provide oversight to these activities.

### Schedule

A contractor was brought on board in October 1995; we expect the contractor's report to be completed by October 1996. Schedules for security improvements resulting from decisions on the contractor's recommendations will depend upon urgency, nature of improvement required, and resources available.



## **Interactive Distance Learning**

*Lead SSA Official:* Deputy Commissioner for Human Resources

SSA's level of success in meeting its responsibilities is largely attributable to the effectiveness of its employees, which, in large part, is attributable to how well they have been trained. Although the traditional classroom/lecture process can be a costly way to train, it is still the predominant method used at SSA today. Other technologies have been pursued, but their promise has not been fulfilled because they fail to provide opportunities for the teacher and student to interact effectively. Recent investigations by SSA to find technological solutions that enhance training while minimizing cost have led the Agency to a technology known as "Interactive Distance Learning" (IDL).

IDL is any method by which fully interactive training can be provided to students who are not co-located with the instructor. Typically, programs are received on a video monitor in a classroom setting or personal computer, and capability to interact with the teacher is provided through a separate, specific viewer response system. IDL provides the obvious advantages of timeliness, consistency, and, for most types of training, reduced cost once the system is in place. But more subtle, yet still important, advantages can be had: refresher training can become economical; presentations by experts can be more frequent; the time to wait for entry-level classes to be convened can be reduced; employee participation can be expanded; regions can exploit the facility to do region-specific training; and, in addition to training, important Agency news can be disseminated to every participating employee in real time.

The IDL technology being considered by SSA for initial implementation is interactive video teletraining (IVT). IVT utilizes one-way video (of the instructor to the students) and two-way audio communication. The project is designed to test whether IVT is an effective way to train SSA employees at entry-level positions and for various types of in-service training.

### **Major Activities**

*Equipment Procurement* -- This entails identifying and procuring equipment for IVT instructor podium, student classroom, and equipment needed subsequently for all downlink sites.

*Interagency Agreements* -- SSA will develop a memorandum of understanding with the Federal Aviation Administration to use their satellite uplink facility. We will also develop agreements with other Federal agencies to share their IVT programs.

*IVT Course Selections* -- Project staff will work with users to identify and develop IVT courses to meet customer needs. Selected courses will include training in entry-level, systems, general, managerial, and refresher topics.

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**Schedule**

<b>FY 1996</b>	Work with regions to determine courses to be delivered via IVT  Install satellite dishes, related equipment and phone lines at downlink sites  Begin training instructors in IDL presentation skills  Phase I: Begin delivery of IVT training programs to 220 sites
<b>FY 1997</b>	Phase II: Expand delivery of programs to additional sites (dependent upon outcome of evaluation)  Increase number of origination/uplink sites and begin to use multiple channels for broadcast
<b>FY 1998 +</b>	Phase III: Expand to individual workstations if evaluation shows appropriate



## GLOSSARY

AAMVA	American Association of Motor Vehicle Administrators
ACH	Automated Clearinghouse
AFGE	American Federation of Government Employees
AIDS	Acquired Immune Deficiency Syndrome
AIF	Automation Investment Fund
ALJ	Administrative Law Judge
AO	Adjudication Officer
ASP	Agency Strategic Plan
ATM	Automated Teller Machine
BP	Business Plan
BPR	Business Process Reengineering
BSRT	Benefit System Review Team
CAPS	Claims Automated Processing System
CD-ROM	Compact-Disk Read-Only Memory
CDR	Continuing Disability Review
CHIP	Customer Help and Information Program
CO	Central Office
COLA	Cost-of-Living Adjustment
CR	Claims Representative
DA&A	Drug Addiction or Alcoholism
DCM	Disability Claim Manager
DDS	Disability Determination Service
DE	Disability Examiner
DI	Disability Insurance
DOC	Data Operations Center
DOS	Department of State
EAB	Enumeration at Birth
EAD	Employment Authorization Document
EBC	Electronic Birth Certificate
EBT	Electronic Benefits Transfer
EDI	Electronic Data Interchange
EDL	Early Decision List
EFS	Electronic Filing System
ESF	Earnings Suspense File

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EFT	Electronic Funds Transfer
ESD	Electronic Service Delivery
EVS	Enumeration Verification System
FDDS	Federal Disability Determination Service
FICA	Federal Insurance Contributions Act
FMS	Financial Management System
FO	Field Office
FTE	Full-Time Equivalent
FTMS	File Transfer Management System
FY	Fiscal Year
GAO	General Accounting Office
GILS	Government Information Locator Service
GLPSC	Great Lakes Program Service Center
GPRA	Government Performance and Results Act
GSA	General Services Administration
HALLEX	Hearings, Appeals and Litigation Law Manual
HCFA	Health Care Financing Administration
HUD	Department of Housing and Urban Development
ICD	Integrated Client Data
ICDB	Integrated Client Database
IDL	Interactive Distance Learning
INS	Immigration and Naturalization Service
IRS	Internal Revenue Service
ISP	Information Systems Plan
IT	Information Technology
IVT	Interactive Video Teletraining
IWS/LAN	The Intelligent Workstation/Local Area Network
LAN	Local Area Network
MCS	Modernized Claims System
MI	Management Information
MOEP	Metropolitan Office Enhancement Project
MSSICS	Modernized Supplemental Security Income Claims System
MVA	Motor Vehicle Administration
NIA	National Information Agency
NPC	National Partnership Council



NPR	National Performance Review
OASDI	Old-Age, Survivors & Disability Insurance
OASI	Old-Age & Survivors Insurance
OCRO	Office of Central Records Operations
OHA	Office of Hearings and Appeals
OIG	Office of the Inspector General
OPIR	Office of Program and Integrity Reviews
OMB	Office of Management and Budget
OWRBBS	Online Wage Reporting Bulletin Board Service
PBS	Planning and Budgeting System
PE	Postentitlement
PC	Personal Computer
PEBES	Personal Earnings and Benefit Estimate Statements
PIN	Personal Identification Number
POMS	Program Operation Manual System
POS	Postentitlement Online System
PPRT	Policy Process Reengineering Team
PSA	Public Service Announcement
PSC	Program Service Center
RDS	Reengineered Disability System
RPS	Representative Payee System
SDA	Service Delivery Assessment
SIPEBES	SSA-Initiated Personal Earnings & Benefit Estimate Statements
SSA	Social Security Administration
SSI	Supplemental Security Income
SSIBD	Supplemental Security Income for Blind and Disabled
SSID	Supplemental Security Income Disability
SSN	Social Security Number
STAWRS	Simplified Tax and Wage Reporting System
TNA	Target Notice Architecture
TRU	Telephone Response Unit
TSC	Teleservice Center
TSR	Teleservice Representative
UPS	Unified Planning System
VA	Department of Veterans Affairs

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VR	Vocational Rehabilitation
WY	Workyear
800 Number	800 Number Teleservice Center Network