

Annual Performance Report

Fiscal Years 2017 – 2019



Annual Performance Plan for Fiscal Year 2019

Revised Performance Plan for Fiscal Year 2018

Annual Performance Report for Fiscal Year 2017

Table of Contents

| | |
|---|----|
| A Message from the Acting Commissioner..... | 3 |
| Our Mission | 4 |
| Our Programs | 4 |
| Our Organization | 5 |
| Agency Plans and Performance | 6 |
| Agency Priority Goals..... | 6 |
| Strategic Goal 1: Deliver Services Effectively | 6 |
| Strategic Objective 1.1: Improve Service Delivery | 6 |
| Strategic Objective 1.2: Expand Service Delivery Options..... | 10 |
| Strategic Goal 2: Improve the Way We Do Business..... | 13 |
| Strategic Objective 2.1: Streamline Policies and Processes | 13 |
| Strategic Objective 2.2: Accelerate Information Technology Modernization..... | 16 |
| Strategic Goal 3: Ensure Stewardship..... | 21 |
| Strategic Objective 3.1: Improve Program Integrity..... | 21 |
| Strategic Objective 3.2: Enhance Fraud Prevention and Detection Activities | 25 |
| Strategic Objective 3.3: Improve Workforce Performance and Increase Accountability | 27 |
| Strategic Objective 3.4: Improve Organizational Effectiveness and Reduce Costs | 29 |
| Budgeted Workload Measure Results..... | 32 |
| FY 2017 Performance Measure Results | 41 |
| Major Management and Performance Challenges | 52 |
| Challenges Identified by OIG | 52 |
| Additional Challenges Identified by Our Leadership | 54 |
| Appendix A: Program Evaluations | 56 |
| Appendix B: How We Ensure Our Data Integrity | 64 |
| Appendix C: Summary of Key Management Officials’ Responsibilities..... | 67 |

A Message from the Acting Commissioner



The Social Security Administration touches the lives of nearly every member of the public. For more than 80 years, we have delivered critical services at significant times like birth, marriage, retirement, disability, and death.

In fiscal year 2018, approximately 71 million individuals will depend on the benefits we provide. It is my honor to serve as Acting Commissioner of the agency responsible for this important work. From my first day in this role, I have made it clear that we must be mission-focused and mission-driven. The people we serve are our top priority and expect well-managed programs that provide timely and accurate payments. We are always looking for efficiencies and opportunities to improve our services to the public.

I am pleased to issue the *Annual Performance Plan for Fiscal Year 2019*, *Revised Performance Plan for Fiscal Year 2018*, and *Annual Performance Report for Fiscal Year 2017*, which reflects our priorities and goals for the past, current, and next fiscal year. We will focus on:

- Delivering Services Effectively;
- Improving the Way We Do Business; and
- Ensuring Stewardship.

We are committed to providing service that is efficient and compassionate, while protecting the integrity of our programs. Based on internal evaluations, I affirm that the performance data in this report is complete, reliable, and accurate.

Respectfully,

A handwritten signature in black ink, which appears to read "Nancy A. Berryhill". The signature is fluid and cursive, with a large, stylized initial "N" and "B".

Nancy A. Berryhill

Baltimore, Maryland
February 12, 2018

Our Mission

Deliver quality Social Security services to the public.

Our Programs

Few government agencies touch the lives of as many people as we do. We administer three programs under the Social Security Act:

- **Old-Age and Survivors Insurance:** Created in 1935, the Old-Age and Survivors Insurance (OASI) program provides retirement and survivors benefits to qualified workers and their family members. In fiscal year (FY) 2017, we paid approximately \$793 billion in OASI benefits to an average of almost 51 million beneficiaries a month, including 88 percent of the population aged 65 and over.
- **Disability Insurance:** Established in 1956, the Disability Insurance (DI) program provides benefits for workers who become disabled and their families. In FY 2017, we paid approximately \$141 billion in DI benefits to an average of approximately 10 million disabled beneficiaries and their family members a month.
- **Supplemental Security Income:** Established in 1972, the Supplemental Security Income (SSI) program provides financial support to aged, blind, and disabled adults and children who have limited income and resources. In FY 2017, we paid approximately \$51 billion in Federal benefits and State supplementary payments to over 8 million SSI recipients a month.

In addition, we support national programs administered by other Federal and State agencies, as required by law, such as Medicare, Employees Retirement Income Security Act of 1974, Coal Act, Supplemental Nutrition Assistance Program (formerly Food Stamps), Help America Vote Act, State Children's Health Insurance Program, E-Verify, Medicaid, and Federal Benefits for Veterans.

We administer our programs in accordance with law, regulation, and our program policy. We have implemented enterprise risk management processes to improve the effectiveness of our organization. Our goals are informed by both the strategic opportunities ahead as well as our management of risks that threaten our core mission activities.

Our Organization

Approximately 62,000 Federal employees and 15,000 State employees serve the public from a network of offices across the country and around the world. Most of our employees serve the public directly or provide support to employees who do.

We administer our programs and services through a network of more than 1,200 field offices. Each day, approximately 170,000 people visit and 250,000 call one of our field offices nationwide for various reasons such as to file claims, ask questions, or update their information.

Our National 800 Number handles over 30 million calls each year. Callers can conduct various business transactions by speaking directly with a customer service representative or through our 24-hour automated services, which include requesting benefit verification letters, ordering replacement Medicare cards, and obtaining claim status updates.

Our processing centers (PC) handle complex Social Security retirement, survivors, and disability claims, as well as provide support to our National 800 Number. State agencies make disability determinations for initial claims, reconsiderations, and continuing disability reviews.

Administrative law judges (ALJ) in our hearings offices and administrative appeals judges in our appeals council decide appealed cases.

For more information about our organization and its functions, visit our organizational structure webpage at www.ssa.gov/org.

Agency Plans and Performance

This Annual Performance Report addresses the goals, strategic objectives, and strategies in our *Agency Strategic Plan for Fiscal Years 2018–2022* as required by the Government Performance and Results (GPR) Modernization Act of 2010. We evaluate our progress by the performance measures and targets for each strategic objective.

Cross-Agency Priority Goals

Per the GPR Modernization Act of 2010 requirement to address Cross-Agency Priority Goals in the agency strategic plan, the annual performance plan, and the annual performance report, please refer to www.performance.gov for the agency's contributions to those goals and progress, where applicable.

Agency Priority Goals

As required by the GPR Modernization Act of 2010, we established two agency priority goals (APG) for FYs 2018–2019:

1. Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearings decision.
2. Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments.

The APGs are 24-month goals reflecting the priorities of our executive leadership, as well as those of the Administration.

Strategic Goal 1: Deliver Services Effectively

We must be able to deliver our services effectively to the people who come to us for assistance, regardless of whether it is in-person, on the telephone, or online. As we interact with the public every day, our employees experience firsthand the impact of our programs. We understand that doing our work well matters. We also know that our programs are not stagnant and that advancements in technology provide opportunities to do business differently, and often more efficiently and conveniently.

Strategic Objective 1.1: Improve Service Delivery

Lead: Deputy Commissioner, Office of Operations and Deputy Commissioner, Office of Hearings Operations

Over 1 million people are waiting an average of 605 days for an answer on their hearing request. Although we began reducing the hearings backlog in FY 2017, these wait times remain unacceptable. Therefore, one of our top priorities will be to reduce the hearings backlog and the time it takes to get a hearing decision.

Our PCs handle actions that arise after we determine benefit eligibility and support our field and hearing offices by handling appeals decisions, collecting debt, correcting records, performing program integrity work, and processing other complex benefit claims. In January 2016, the number of actions pending in the PCs hit an all-time high. We will improve service delivery by further prioritizing work and enlisting automation to reduce the PC backlog.

Even as we tackle the backlogs in our hearing offices and PCs, we will continue to enhance our online services. In FY 2018, the public will conduct over 190 million transactions through our online services. As we continue to expand service options and functionality, we expect more people to take advantage of the convenience of online services. To improve service delivery, we will continue to educate the public about our secure online service options.

Strategies

- Advance and update the Compassionate And REsponsive Service (CARES) plan to address the number of pending hearing decisions and lengthy wait times
- Implement a comprehensive approach to reduce the number of pending PC actions
- Increase the use of online services

Key Initiatives

Reduce the Hearings Backlog

In FY 2017, due in part to reduced disability receipts and increased adjudicative capacity, we began reducing the number of hearings pending. To reduce the backlog and enhance productivity, we implemented numerous initiatives as part of our CARES plan. We updated our plan this year to take into consideration the \$90 million in special funding that Congress provided to address the backlog.

In FYs 2018 and 2019, we will continue to expand our decisional capacity by hiring ALJs and support staff to keep us on track with our plan. Along with hiring, our CARES plan includes several initiatives to increase decisional capacity and achieve business process efficiencies, as well as plans for information technology (IT) investments. With these investments in IT, staffing, along with reinstating the reconsideration step in our disability determination service (DDS), we expect to end FY 2019 with 717,000 hearings pending and an annual average wait time of 535 days.

Reduce the Processing Center Backlog

In FY 2017, we reduced the PC backlog by 1.4 million, which is a 27 percent improvement from our all-time high of more than 5 million in January 2016. We focused on tactical workload strategies by screening cases that could be completed quickly, controlling the volume and age of our workloads. We also targeted hiring and overtime in the PCs, and we planned for future

automation, workflow enhancements, and quality initiatives to improve PC performance. These efforts will continue into FYs 2018 and 2019.

Expand Video Service Delivery

We use video service delivery (VSD) to balance our workloads and reduce wait times in our busier field offices. VSD allows us to provide services to individuals at convenient sites, such as hospitals, libraries, community centers, American Indian tribal centers, homeless shelters, and other government agencies. It also allows individuals living in remote areas to experience virtual, face-to-face interaction with us through live-streaming video. We currently have video units in 670 sites around the country. In FY 2017, we completed over 100,000 VSD transactions.

We recently tested more cost-efficient technology called flexible video (FV). Instead of the traditional video units, FV uses more flexible and less expensive video equipment such as a laptop, webcam, and video chat software. Overall, the pilot yielded positive feedback from the public. We achieved a 90 percent or above satisfaction rating for convenience, sound quality, and video quality from customer satisfaction surveys. We intend to implement this technology in more locations.

We will also work with external partners to increase video service access and participation. In FYs 2018 and 2019, we will take steps to expand video services in our field, hearing, and State disability determination services (DDS) offices.

Provide Real-Time Assistance to Online Users

Improving the service experience is one of our highest priorities. We continue to look for opportunities to add new online features to improve service delivery.

In FY 2018, we will continue to enhance *my Social Security* by adding click-to-chat for a limited group of *my Social Security* users. This new feature will allow users to communicate with us without leaving the site. In FYs 2018 and 2019, we will make additional enhancements available within *my Social Security*.

Expand the Availability of the Online Social Security Replacement Card Application

Replacing Social Security cards is one of our most requested services. Each year, we process about 10 million Social Security replacement cards in our field offices. Adults with a *my Social Security* account, who meet certain criteria, may apply for a replacement card through the Internet Social Security Number Replacement Card (iSSNRC) online application.

Since we launched iSSNRC in November 2015, we have increased the number of States where people can request a replacement Social Security card. In FY 2017, we issued approximately 500,000 cards through the iSSNRC. We currently offer iSSNRC in 24 States and the District of Columbia; our goal is to offer iSSNRC nationwide by the end of FY 2018.

Performance Measures – Strategic Objective 1.1

1.1a: Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearing decision (APG)

| Fiscal Year | 2018 | 2019 |
|---------------------|--|--|
| <i>Target</i> | Complete 97% of cases that begin the fiscal year 430 days old (~374,000 cases) | Complete 95% of cases that begin the fiscal year 350 days old (~385,000 cases ¹) |
| Performance Results | | |
| Fiscal Year | 2016 | 2017 |
| <i>Performance</i> | 98% | 96% |
| <i>Target</i> | Decide 99% of the cases that begin the fiscal year at 430 days old or older | Decide 97% of the cases that begin the fiscal year 430 days old or older |
| <i>Target Met</i> | Not Met | Not Met |

Results: We did not meet our target in FY 2017. Some of the contributing factors for not meeting the FY 2017 target include a reluctance by claimants and their representatives to elect video hearings and several natural disasters that occurred during the fiscal year resulting in office closures.

1.1b NEW: Improve customer service by reducing the number of cases pending at the processing centers

| Fiscal Year | 2018 | 2019 |
|---------------|-------------|-------------|
| <i>Target</i> | 3.3 million | 2.9 million |

¹ The number of cases is an estimate and will be updated at the end of FY 2018.

Strategic Objective 1.2: Expand Service Delivery Options

Lead: Deputy Commissioner, Office of Operations

Our biennial survey of future customers shows an increasing preference for conducting business with us online or by telephone. We continue to expand our suite of automated and online service options. We are pleased that 7 of our 8 online applications earned scores of at least 80 out of 100 in the ForeSee E-Government Satisfaction Index. These high scores help us confirm that we are providing services people want to use. (Note: A score of 80 or higher is considered the threshold for excellence.)

Since it launched in 2012, *my Social Security*, a convenient and safe option for many people who want to handle certain business with us online, has registered more than 32 million users and consistently ranks as one of the top 10 in customer satisfaction for all Federal websites. We will continue to expand *my Social Security* capabilities by adding additional services for both individual and third party users and improving existing options.

Strategies

- Respond to customer feedback on how we connect with the public and improve the customer experience
- Strengthen and enhance the *my Social Security* login and registration process
- Add additional services to *my Social Security*

Key Initiatives

Enhance Online Appeals

In FY 2017, we expanded online appeals, so users can electronically file an appeal on a non-medical claim. In FY 2018, we will provide a single online entry point that will route users to the appropriate medical or non-medical claim. We will consider other enhancements in FY 2019 to improve field office and hearing office efficiency.

Enhance *my Social Security*

Individuals who register for a *my Social Security* account can access their personal Social Security information and complete certain services with us online. In FY 2017, we enhanced *my Social Security* by adding the Get Help widget and Message Center. Users can check the status of their initial claims or appeals, and if they receive disability benefits, they can now report their wages online. In FY 2017, we also enhanced the security of *my Social Security* by requiring multifactor authentication for each registration.

We are also redesigning *my Social Security* to provide an improved user experience and additional online service options. We will add responsive design to allow broader access to *my Social Security* from various devices (e.g., smartphones, tablets, laptops, and computers). In

FYs 2018 and 2019, we will expand the services within *my Social Security* to additional user groups, including representative payees, appointed representatives, and business users. We also plan to add click-to-chat.

Throughout FY 2018 and into FY 2019, we will continue efforts to allow individuals to file claims for retirement, disability, Medicare, and SSI benefits using *my Social Security*. Users will be able to securely access their personal information already on file with us, reducing the need to provide the same information multiple times.

Performance Measures – Strategic Objective 1.2

1.2a NEW: Increase the number of successfully completed online transactions

| Fiscal Year | 2018 | | 2019 | | | |
|---------------------|--|--------------|--|--------------|----------------------------|---------------|
| <i>Target</i> | Increase the number of successfully completed online transactions by 35 million over the prior year (~190 million) | | Increase the number of successfully completed online transactions by 35 million over the prior year (~225 million) | | | |
| Performance Results | | | | | | |
| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 21.8 million | 46.3 million | 70.8 million | 87.0 million | 121.9 million ² | 156.0 million |
| <i>Target</i> | | | 50.9 million | 77.8 million | 112.0 million | 137.0 million |
| <i>Target Met</i> | | | Met | Met | Met | Met |

² Most fiscal years are 52 weeks; however, FY 2016 included 53 weeks. This data reflects 53 weeks of performance.

1.2b NEW: Increase customer satisfaction with our online services

| Fiscal Year | 2018 | | 2019 | | | |
|----------------------------|---|---|---|---|---|---|
| <i>Target</i> | 85.0 satisfaction rating for online services | | 85.0 satisfaction rating for online services | | | |
| Performance Results | | | | | | |
| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | Satisfaction rating of 82.0 for online services | Satisfaction rating of 82.0 for online services | Satisfaction rating of 83.0 for online services | Satisfaction rating of 84.0 for online services | Satisfaction rating of 84.9 for online services | Satisfaction rating of 85.5 for online services |
| <i>Target</i> | | | | | Satisfaction rating of 84.5 for online services | Satisfaction rating of 85.0 for online services |
| <i>Target Met</i> | | | | | Met | Met |

Strategic Goal 2: Improve the Way We Do Business

Improving the way we do business is imperative to delivering services effectively to the public. We must continuously evaluate our policies and business processes using data and modern methods to ensure we meet service demands and reinforce efficient and effective service. Recognizing that our current technology infrastructure and existing business systems would not allow us to serve the public the way we wanted or the way they expected us to, we developed a plan to modernize our IT systems. This modernization effort is foundational to our overall ability to improve service to the public.

Strategic Objective 2.1: Streamline Policies and Processes

Lead: Deputy Commissioner, Office of Retirement and Disability Policy

Over the last 80 years, our programs have expanded and our policies have evolved creating a level of complexity that can be difficult to fully understand. To improve our accuracy and efficiency, create opportunities to implement technology, and ensure the public understands their options, responsibilities, and rights, we must streamline our policies, processes, and procedures. We are using data analytics to identify opportunities to improve our business processes. In addition, we are proposing legislative changes to simplify the Supplemental Security Income Program.

Strategies

- Expand our use of electronic medical evidence
- Strengthen employment support programs
- Explore program and policy areas where rules and agency practices need to be modernized
- Modernize the Social Security Statement to increase the public's understanding of our programs

Key Initiatives

Expand Access to Electronic Medical Evidence

We depend on healthcare providers to provide the medical records we need to determine whether a claimant is disabled. On average, we process over 15 million pieces of medical evidence per year. We are improving our process by expanding the use of electronic medical evidence, since it provides faster access to medical information and reduces the time providers spend to comply with our requests. By using electronic medical evidence and applying business rules, we can provide more timely disability determinations.

In FYs 2018 and 2019, we plan to increase our use of electronic medical evidence and adopt advanced technologies, such as machine learning and natural language processing, to enhance and assist in the disability determination process.

Increase the Number of People with Disabilities who Return to Work

Many beneficiaries who are disabled want to work, and with adequate support, some beneficiaries attain self-sufficiency. The Ticket to Work and the vocational rehabilitation (VR) cost reimbursement programs help beneficiaries transition to employment.

We continue to improve our outreach to beneficiaries. Ongoing mailings, marketing efforts, and monthly webinars and an interactive presence on social media have also led to thousands of beneficiaries connecting with employment networks (EN) and State VR agencies to get the services they need to return to work. In FY 2017, we implemented systems enhancements to our Internet Ticket Operation Support System (iTOPSS) to expedite business processes for EN service providers. We also automated and modernized the VR payment operation into iTOPSS. This expansion eliminates paper claims and streamlines the VR payment process.

Develop an Occupational Information System

Our Occupational Information System (OIS) project will enable us to make consistent, better-informed disability decisions. We often need information about work to make a disability determination, but the types of jobs in the workforce and job requirements change over time. The occupational resources we currently use to adjudicate claims have not been updated in more than 20 years.

To support the development of new occupational data, we entered into an interagency agreement with the Department of Labor's Bureau of Labor Statistics (BLS). In FY 2017, BLS released its first year of production data to us. After extensive testing of the mental and cognitive data elements, we assembled a new set of questions that better defined the cognitive concepts, definitions, and thresholds needed for adjudication. These questions will enable BLS to collect information we can use to adjudicate disability claims with a mental/cognitive component. We will update the vocational grids to address age, work experience, education, etc. By FY 2019, we expect the occupational database will represent about 80 percent of jobs in the national economy.

Update the Listing of Impairments

The Listing of Impairments, often referred to as "the listings," describes disabling impairments for each of the major body systems. For adults age 18 or over, the impairments in the listings are considered severe enough to prevent an individual from doing any gainful activity, regardless of his or her age, education, or work experience. For children under age 18 applying for SSI, the impairments in the listings are considered severe enough to cause marked and severe functional limitations. Disability adjudicators use the listings to determine if an individual's impairment is disabling before considering any other factors.

To date, we have comprehensively revised 93 percent of the listings. In FY 2017, we drafted a Notice of Proposed Rulemaking (NPRM) for the musculoskeletal system, the only remaining body system that requires a comprehensive update. We also drafted an NPRM to update three

body systems, cardiovascular, digestive, and skin disorders, which we plan to publish in FY 2018. We plan to publish another NPRM in FY 2019 to update three more body systems. Beginning in FY 2018, we are on a 3-5 year update cycle to keep the listings current.

Enhance Process for Evaluating Compassionate Allowance Conditions

The Compassionate Allowance (CAL) initiative enables us to quickly identify and prioritize medical conditions that invariably qualify for disability under our rules. The CAL initiative allows us to make benefit decisions for individuals with the most serious disabilities within days. Since CAL began in 2008, we have identified more than 228 CAL conditions and have approved more than 500,000 claims through the CAL process.

We are committed to enhancing our policies and business processes as medical practice, technology, and the environment changes. We have a number of activities underway and planned for FY 2018. We are updating our website to include instructions for all stakeholders on how to suggest potential CAL conditions and how we will communicate with them about our progress in evaluating their suggestions. In addition, we will expand our outreach with social media, crowd-sourcing venues like IdeaScale and the National Disability Forum. These expanded efforts will allow us to receive input from stakeholders who may not otherwise have an opportunity to engage directly with us and discuss their perspectives. Finally, we will use our quality review process to ensure that CAL decisions remain highly accurate and develop any necessary policy revisions and training.

Modernize the Social Security Statement

The Social Security Statement (Statement) is a key method for us to communicate with individual workers about their credited earnings and projected benefits under the disability, survivors, and retirement segments of the Social Security program. Through public input and consultation with experts and researchers, we will strive to make the Statement a more effective tool for the public to use to plan during different times in their lives. We will update the Statement, so the individual information and projections will be more relevant to the plans and decisions that workers need to make at their stage of and situation in life.

Performance Measures – Strategic Objective 2.1

2.1a NEW: Improve the disability determination process by increasing the percentage of medical evidence received electronically

| Fiscal Year | 2018 | 2019 |
|---------------|------|------|
| <i>Target</i> | 45% | 50% |

2.1b: Increase labor force participation: Increase the number of persons with disabilities receiving employment support services who achieve the consequential earnings threshold of the trial work level

| Fiscal Year | 2018 | 2019 | |
|---------------------|----------------------|----------------------|----------------------|
| <i>Target</i> | 85,600 beneficiaries | 91,600 beneficiaries | |
| Performance Results | | | |
| Fiscal Year | 2015 | 2016 | 2017 |
| <i>Performance</i> | 58,341 beneficiaries | 62,831 beneficiaries | 80,054 beneficiaries |
| <i>Target</i> | 50,000 beneficiaries | 55,000 beneficiaries | 67,800 beneficiaries |
| <i>Target Met</i> | Met | Met | Met |

Results: We exceeded the FY 2017 target. We increased our outreach activities to beneficiaries about potential Ticket to Work program resources to assist with return to work efforts. We also provided assistance with direct marketing by our service providers as well as enhanced access to Ticket to Work program information through our Ticket Program Manager.

2.1c NEW: Update the Listing of Impairments

| Fiscal Year | 2018 | 2019 |
|---------------|--|--|
| <i>Target</i> | Publish a Notice of Proposed Rulemaking to revise three body systems in the Listing of Impairments | Publish a Notice of Proposed Rulemaking to revise three body systems in the Listing of Impairments |

Strategic Objective 2.2: Accelerate Information Technology Modernization

Lead: Deputy Commissioner, Office of Systems

We maintain the benefit, earnings items, and certain vital records of nearly every member of the public on systems designed over 30 years ago. Technological change is accelerating at a relentless pace and offers us remarkable opportunities to change, transform, and greatly improve the way we serve the public. Yet these newer technologies also can be disruptive to legacy systems, business processes, and ultimately to the way we work. Our dated IT infrastructure has grown increasingly fragile, costlier to maintain, more challenging to secure, and it does not efficiently meet current demands for our services.

Our IT Modernization Plan will replace our core systems with new components and platforms, engineered for maximum usability, operability, and future adaptability. We have already begun laying the foundation for this effort by incorporating agile methodology in our engineering practices, redesigning the way we access our legacy data to efficiently match its intended uses, and establishing and running production workloads in the cloud.

Recent breaches at other Federal and State agencies underscore the importance of securing networks and sensitive data. While our cybersecurity program is comparable to that of other Federal agencies, it remains costly and difficult to integrate with our current legacy systems. We use knowledge of the threat landscape, advanced technologies, and skilled cyber professionals to secure our networks from threats, both foreign and domestic. Cyberattacks are ever changing, and we must remain vigilant to prevent any intrusion on our networks.

Strategies

- Modernize IT infrastructure to respond to evolving business needs
- Build modern applications that improve the customer and employee experience
- Strengthen our cybersecurity program and modernize our cybersecurity infrastructure
- Modernize disability case processing

Key Initiatives

Modernize IT Infrastructure

Much of our core infrastructure needs to be replaced with current technologies that will allow us to engineer the next generation of services for the public. We developed the IT Modernization Plan in FY 2017 which describes a thoughtful and deliberate, multi-year agency initiative to modernize Social Security's major systems using modern architectures, agile software engineering methods, cloud provisioning, and shared services. We are embarking on an initiative to transform the way we design and build systems and ultimately the way we work and serve the public. Our IT modernization vision is to establish a fully integrated IT and Business team that delivers modern business platforms that improve our ability to respond more rapidly to changing needs at manageable costs. We will provide an enhanced customer experience for millions of beneficiaries across an expanded mix of service options in a cost-effective and secure manner.

There are several foundational infrastructure workstreams. Implementing cloud technology will give us further flexibility to allocate systems resources to meet changing demands. This technology improves systems availability and performance at a lower cost. In FY 2017, we will complete the implementation of an on-premises cloud proof-of-concept. In FY 2018, we will implement the on-premises cloud and complete the design for an agency hybrid cloud. This platform will allow applications to use public cloud computing services and the on-premise cloud simultaneously. In FY 2019, we will build and implement the hybrid cloud services.

Back-office modernization supports our commitment to automate technical aspects, virtualize the infrastructure, and empower users with enhanced functionality. By moving elements of our back office to the vendor-supported facilities in the cloud, we will use industry-standard applications and focus on agency-specific applications that require internal expertise. To benefit field office users, we are evaluating technologies and operational strategies for centralizing field office servers. Our goal is to leave the smallest possible server footprint allowing users to focus on public service rather than infrastructure maintenance.

Build Modern Applications: Data Consolidation

In FYs 2017 through 2019, we plan to incrementally consolidate our data. We will use state-of-the-art approaches to simplify, organize, and provide data products and services consistent with how our modernized systems will utilize data. These plans include refactoring our enumeration database to provide improved access to person-oriented data. We also plan to replace our existing legacy management information (MI) database systems with an integrated source of data to support MI, business intelligence, and predictive analytics. Finally, our modern development environment will facilitate modern principles and allow for the implementation of proven concepts and practices such as test-driven development, automation, continuous integration, and delivery.

Strengthen Our Information Security Program and Modernize Our Cybersecurity Infrastructure

We maintain a comprehensive, agency-wide information security program to protect our network, information, and communication assets. We review our policies and processes continually to ensure adequate safeguards are in place to prevent misuse and unauthorized access to our systems and data. We are strengthening the security of our systems by implementing consistent management controls at all our data facilities.

We will collaborate with the Office of Management and Budget (OMB) and Department of Homeland Security (DHS) on continuing to meet or exceed government-wide cybersecurity performance measures. We will continue to align our efforts with the Presidential Executive Order on *Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure* to ensure that we effectively manage risk and implement additional capabilities to protect the sensitive information we store on behalf of the public.

As part of the Cybersecurity Act of 2015, Federal agencies must encrypt data that is stored or passing through the agency's information systems. In FY 2017, we began the Data at Rest Encryption initiative to protect data in our most sensitive IT environments and completed Data at Rest Encryption for mainframe. In FYs 2018 and 2019, we plan to expand our data encryption efforts to all of our servers and data stores.

A strong cybersecurity infrastructure is also a critical factor in facilitating the transition to a modern and secure IT environment. As we modernize our IT environment, we must deliver a

modernized cybersecurity infrastructure capable of delivering services securely and reliably. Our cybersecurity modernization priorities include:

- Strengthening our identity credential and access management
- Modernizing our integrity review processes
- Centralizing collection and analysis of cyber threats
- Encrypting our network and data
- Building security into our agile development processes

In FY 2018, we will deploy advanced capability based on published best practices that effectively deal with cybersecurity incidents. In FY 2019, we will implement new capabilities to better identify and mitigate vulnerabilities to our hardware and software assets.

Modernize Disability Case Processing

In an ongoing effort to issue timely disability decisions, we are continuing work to modernize our disability case processing system (DCPS). When complete, DCPS will replace 52 independently operated, aging systems. To date, we deployed DCPS to 10 DDS sites (Delaware, Maine, Ohio, Virginia, Iowa, Rhode Island, South Dakota, Washington, Nebraska, and District of Columbia) and are preparing for deployment to additional sites. In FYs 2018 and 2019, we will continue development.

Performance Measures – Strategic Objective 2.2

2.2a NEW: Modernize databases, replacing and retiring outdated technology and designs

| Fiscal Year | 2018 | 2019 |
|---------------|---|---|
| <i>Target</i> | Replace two legacy databases with modern design databases | Replace two legacy databases with modern design databases |

2.2b NEW: Modernize our customer communications infrastructure

| Fiscal Year | 2018 | 2019 |
|---------------|---|--|
| <i>Target</i> | Implement a modernized notice infrastructure to enable multiple notice delivery options | Launch an additional delivery option (e.g., secure email or online) using the modernized notice infrastructure |

2.2c NEW: Maintain an effective cybersecurity program

| Fiscal Year | 2018 | 2019 |
|---------------|--|---|
| <i>Target</i> | Achieve an overall score of “managing risk” on the Federal Cybersecurity risk Management Assessment ³ | Achieve an overall score of “managing risk” on the Federal Cybersecurity Risk Management Assessment |

2.2d: Provide uninterrupted access to our systems during scheduled times of operations

| Fiscal Year | 2018 | | 2019 | | | |
|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <i>Target</i> | 99.90% availability | | 99.90% availability | | | |
| Performance Results | | | | | | |
| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 99.90% availability | 99.96% availability | 99.97% availability | 99.96% availability | 99.91% availability | 99.96% availability |
| <i>Target</i> | 99.50% availability | 99.90% availability |
| <i>Target Met</i> | Met | Met | Met | Met | Met | Met |

Results: We exceeded the FY 2017 target.

³ Presidential Executive Order 13800, *Strengthening the Cybersecurity of Federal Networks and Critical Infrastructure*, and OMB Memorandum M-17-25 require Federal agencies and departments to implement risk management measures and require OMB to evaluate Federal agencies on how they are managing their cybersecurity risk. Risk ratings are based on capabilities defined in the National Institute of Standards and Technology Cybersecurity Framework. Potential risk ratings range from (1) High Risk, (2) At Risk, or (3) Managing Risk.

Strategic Goal 3: Ensure Stewardship

We are committed to being good stewards of taxpayer dollars to ensure the public has confidence that we manage their tax dollars wisely. We take the stewardship of our programs seriously, and we will continue to demonstrate a commitment to sound management practices. To ensure stewardship and the efficient administration of our programs, we will focus our efforts in three major areas: improving program integrity; enhancing our fraud prevention and detection activities; and improving workforce performance and increasing accountability.

Strategic Objective 3.1: Improve Program Integrity

Lead: Deputy Commissioner, Office of Retirement and Disability Policy

In FY 2017, we paid more than \$82 billion in Federal benefits on average across our programs each month. As good stewards of the programs entrusted to us, we must ensure that we pay individuals the correct amount—neither overpaying nor underpaying them. Making the right payment to the right person at the right time has always been one of our priorities. We conduct ongoing stewardship reviews to confirm that individuals receive the benefits they are due and to monitor our performance.

In the coming years, we will remain focused on the integrity of our programs, including minimizing improper payments, particularly in the SSI program where program complexities pose challenges. We are committed to continuing our efforts to achieve high payment accuracy while using all available tools to recover overpayments.

Strategies

- Collaborate with partners to address improper payments
- Address the root causes of improper payments to prevent their recurrence
- Modernize our debt management and debt collection business processes

Key Initiatives

Promote the Use of myWage Reporting

Wages are a leading cause of improper payments in the SSI program. Currently, we use payroll data provider information from The Work Number to verify wage amounts that an individual alleges, however, this verification is a manual process. We are in the process of implementing an architecture that supports public-facing eService applications for computers, mobile devices, and smartphones, called myWageReport (myWR). This application will be an alternative to the existing downloadable application and voice telephone wage reporting systems. In late FY 2017, we began providing this service to disability program beneficiaries. In FY 2018, we will release myWR for SSI that will allow recipients, their representative payees, or deemors (e.g., an ineligible spouse or parent living with the recipient) to have a convenient option to report earnings electronically. In FY 2019, we will pursue automation that will enhance our

information exchange with payroll data providers and improve the way we communicate with our beneficiaries and recipients regarding their wage reporting responsibilities.

Improve the Death Reporting System Process

We are updating our death reporting system to ensure we are collecting accurate data from national, State, and local agencies as well as from other countries with whom we have totalization agreements. We rely on our death reporting system, so we can stop Social Security and SSI benefits as soon as possible after an individual's death. The early detection of an individual's death is a key means of preventing improper payments.

In FY 2017, we implemented coding modifications that provided more accurate death alert data to the Centers for Medicare and Medicaid Services (CMS) and allowed the field offices to resolve CMS death alerts more efficiently. In FY 2018, we will continue our efforts to modernize our death reporting system, including ongoing resolution of data mismatches to increase the accuracy of death information on our master database.

Modernize the Program Overpayment Remittance System

We receive remittances for repayment of program debt through the mail and in our field offices. We are modernizing our remittance process to provide our debtors with various electronic options to submit their payments.

In December 2017, we completed the nationwide rollout of the Social Security Electronic Remittance System, which allows individuals to repay their program debts using checks, money orders, or credit cards while in our field offices. Doing so will eliminate mailing the remittances to our processing operation in Philadelphia and result in more timely crediting of payments to debtors' accounts.

In FYs 2018 and 2019, we will continue efforts for the implementation of Pay.gov, an online payment application, with three different storefronts: Department of the Treasury's Pay.gov web portal; *my Social Security* website; and www.ssa.gov. We are also exploring opportunities for electronic remittances for court-ordered restitution and administrative wage garnishment.

Performance Measures – Strategic Objective 3.1

3.1a: Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments (APG)

| Fiscal Year | 2018 | | 2019 | |
|---------------------|--------------------------|-------------|-------------|-------------------------------|
| <i>Target</i> | 94.0% (O/P) ⁴ | | 94.0% (O/P) | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 93.0% (O/P) | 93.9% (O/P) | 92.4% (O/P) | Data available Summer 2018 |
| <i>Target</i> | | | 95.0% (O/P) | 94.0% (O/P) |
| <i>Target Met</i> | | | Not Met | |

Results: We did not meet our FY 2016 target. The primary cause of O/P errors is the failure by SSI recipients and their representative payees to report payment-affecting changes, which has been a perennial problem since the inception of the SSI program. Our O/P accuracy was 92.4 percent, based on improper payments totaling a projected \$4.3 billion (compared with \$3.4 billion in FY 2015). This decrease is statistically significant from the FY 2015 O/P accuracy rate of 93.9 percent, the highest O/P accuracy rate since FY 2003.

⁴ Overpayment (O/P) accuracy rate is the percentage of all dollars paid that are free of O/P errors.

3.1b: Maintain a high payment accuracy rate by reducing overpayments, in the Old-Age, Survivors, and Disability Insurance program

| Fiscal Year | 2018 | | 2019 | |
|---------------------|-------------|-------------|-------------|-------------------------------|
| <i>Target</i> | 99.8% (O/P) | | 99.8% (O/P) | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 99.5% (O/P) | 99.6% (O/P) | 99.8% (O/P) | Data available Summer 2018 |
| <i>Target</i> | | 99.8% (O/P) | 99.8% (O/P) | 99.8% (O/P) |
| <i>Target Met</i> | | Not Met | Met | |

Results: We met our FY 2016 target. The FY 2016 O/P accuracy rate was 99.8 percent, based on improper payments totaling a projected \$1.9 billion. The FY 2016 accuracy rate increase over FY 2015 is not statistically significant.

3.1c: Ensure the quality of our decisions by achieving the State disability determination services net accuracy rate⁵ for initial disability decisions

| Fiscal Year | 2018 | | 2019 | |
|---------------------|------------------|------------------|------------------|--------------------------------|
| <i>Target</i> | 97% net accuracy | | 97% net accuracy | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 98% net accuracy | 98% net accuracy | 98% net accuracy | Data available January 2018 |
| <i>Target</i> | 97% net accuracy | 97% net accuracy | 97% net accuracy | 97% net accuracy |
| <i>Target Met</i> | Met | Met | Met | |

Results: We exceeded our FY 2016 target. FY 2017 data is not available until January 2018.

Strategic Objective 3.2: Enhance Fraud Prevention and Detection Activities

Lead: Deputy Commissioner, Office of Analytics, Review, and Oversight

We take seriously our responsibility to prevent and detect fraud. We centrally manage our anti-fraud efforts and are developing consistent anti-fraud policies; refining employee training; and solidifying relationships with other Federal, State, and private partners to identify individuals who wrongfully obtain Social Security and SSI payments.

We plan to expand the use of data analytics and predictive modeling to enhance fraud prevention and detection in our programs. We will integrate data from multiple sources and use industry-proven predictive analytics software to identify high-risk transactions for further review. With these models, we will better identify suspicious and evolving patterns of activities in our workloads and prevent fraudulent actions from occurring.

Strategies

- Expand the use of data analytics and increase internal and external partnerships
- Develop and conduct regular fraud risk assessments of our programs

⁵ Net accuracy is the percentage of correct initial State disability determinations and is based on the net error rate (i.e., the number of corrected deficient cases with changed disability decisions), plus the number of deficient cases not corrected within 90 days from the end of the period covered by the report, divided by the number of cases reviewed.

Key Initiatives

Expand Our Cooperative Disability Investigations Program

Our Cooperative Disability Investigations (CDI) units are jointly operated by SSA, the Office of the Inspector General, State DDS, and State and local law enforcement. Generally, CDI units investigate suspected fraud before the agency awards benefits and during the continuing disability reviews and redetermination process when fraud may be involved.

With the addition of the New Jersey CDI unit in FY 2017, the CDI program has 40 units, covering 34 States, the District of Columbia, and the Commonwealth of Puerto Rico. We are pursuing expansion to Honolulu, Hawaii; Indianapolis, Indiana; and Albuquerque, New Mexico in FY 2018. We are also planning to add 3 units in FY 2019 and having coverage for all 50 States and U.S. territories by October 1, 2022.

Implement Audit Trail System New Architecture

Our audit trail system (ATS) ensures we protect our records and funds by collecting and maintaining detailed information about both internal and external transactions. The system stores data from programmatic and select Internet applications, allowing us to review transactions for questionable activity. We are implementing Phase II of the ATS's new architecture. Phase II will strengthen fraud detection and prevention by improving internal controls to capture additional transactions that are most vulnerable to fraud.

In FY 2017, we started the process to retire the legacy ATS by performing security updates and analysis. These security updates included encrypting audit trail data in an effort to secure agency data from cyberattacks. In FY 2018, we will complete the authority to operate for the new architecture to make it the official System of Record for audit trail data. In addition, we will implement a disaster recovery environment to adhere to SSA policy and provide continuous system use. In FY 2019, we will complete the planning and analysis needed to evaluate our data service channels for the ATS and the data collection process to enhance our integrity review processes. Furthermore, we will retire additional processes of the legacy ATS.

Implement the Anti-Fraud Enterprise Solution

We are expanding the use of data analytics to detect fraud using our data and commercial off-the-shelf software. Our Anti-Fraud Enterprise Solution (AFES) is a multi-year, multi-phase project that will replace and expand our current anti-fraud systems. AFES will integrate data from multiple sources and use industry-proven predictive analytics software to identify high-risk transactions for further review. With these models, we will identify suspicious and evolving patterns of activities in our workloads and prevent fraudulent actions from advancing.

In FY 2018, we plan to have AFES operational with our eServices analytics fully implemented. In FY 2019, AFES will consist of a data analytics engine, a case management system, and a workflow tool to assist with our anti-fraud operational responsibilities.

Performance Measures – Strategic Objective 3.2

3.2a NEW: Expand our CDI coverage

| Fiscal Year | 2018 | 2019 |
|---------------|---------------------|---------------------|
| <i>Target</i> | Add three CDI units | Add three CDI units |

3.2b NEW: Develop an Anti-Fraud Enterprise Solution

| Fiscal Year | 2018 | 2019 |
|---------------|---|---|
| <i>Target</i> | Operationalize the Anti-Fraud Enterprise Solution and implement eServices analytics | Fully implement anti-fraud disability analytics |

Strategic Objective 3.3: Improve Workforce Performance and Increase Accountability

Lead: Deputy Commissioner, Office of Human Resources

Our employees remain our most important asset. We are accountable for ensuring they have the training and technology they need to take timely, quality actions. Feedback, including clear and measurable expectations, is an important tool to ensure our employees know how they are performing.

Likewise, our managers need to understand how to maximize employee performance, so we can serve the public. We must support them in that effort by establishing expert teams who will be available to provide information and assistance in real time. We will also be requiring additional management training and working with our managers to help them engage and communicate with employees.

While many of our employees are attracted to Federal employment by the benefits and flexibilities we provide, they also specifically choose our agency because they believe in, or have personal experience with, our mission. Our employees have some of the most difficult but also the most rewarding jobs. We must ensure that they remain aware of the importance—to real people in our communities—of a job well done. We must ensure that they know how much we—and the public—value their effort. Therefore, we must be attentive to issues they bring to our attention from requests to simplify policies to demanding that we hold all employees accountable.

Our framework for comprehensive human capital management includes three major focus areas: workforce management, succession management, and performance management.

Strategies

- Enhance accountability for managing performance through program and automation improvements
- Align employee development with agency succession plans
- Invest in training and support for managers to effectively address performance and conduct challenges

Key Initiatives

Strengthen the Performance Management Process

In FY 2017, we conducted performance plan audits in two regions to measure manager accountability for performance management policies and processes. Annually, we continue to provide performance guidance to all supervisors before the completion of appraisals and issuance of new plans. During FYs 2018 and 2019, we will enhance our Performance Assessment and Communication System by adding electronic signature and delivery of performance-related documents to enhance manager accountability. The electronic 7B (e7B) system will enable us to improve the efficiency and consistency of our performance appraisals and more easily track related data. We will also update standards for managers and supervisors' performance plans to hold them accountable for addressing employee conduct issues and poor performance.

Execute Talent Management and Succession Planning

Through talent management and succession planning, we will provide the structure and processes needed to ensure continuity of effective leadership at the highest organizational levels. In FY 2017, we addressed succession planning among the Senior Executive Service (SES) by refreshing our SES talent inventory and conducting talent management and succession planning reviews. In FY 2018, we will continue to update our talent inventory by identifying skill gaps and targeting appropriate training, mentoring, and development plans. Additionally, we will evaluate our developmental programs to ensure that our programs' processes and outcomes are strategically addressing the succession needs of the agency.

Implement Performance Improvement Training and Support for Managers

To provide supervisors with the tools to address employee performance, we developed a full suite of employee and labor relations training that addresses employee performance. In FY 2017, we trained practitioners and supervisors at headquarters and in the regions. We will continue to offer this training through FYs 2018 and 2019, and we will begin to measure its effectiveness through analysis of participant training evaluations and post-training assessments. We will also provide support and resources to managers to navigate sensitive issues to ensure

they are handled appropriately. This will include quick access to advice and guidance from subject matter experts who have the knowledge to provide quality consultative services to managers.

Performance Measures – Strategic Objective 3.3

3.3a NEW: Strengthen manager accountability for effective performance management

| Fiscal Year | 2018 | 2019 |
|---------------|---|---|
| <i>Target</i> | 90% performance-related documents completed and tracked electronically through our e7B system | 95% performance-related documents completed and tracked electronically through our e7B system |

3.3b NEW: Ensure readiness of career senior executives for positions that align with agency succession needs

| Fiscal Year | 2018 | 2019 |
|---------------|---|---|
| <i>Target</i> | Review readiness of at least 95% of career executives | Review readiness of at least 95% of career executives |

3.3c NEW: Ensure timely guidance is provided to managers to address employee performance and conduct issues

| Fiscal Year | 2018 | 2019 |
|---------------|---|---|
| <i>Target</i> | Provide initial guidance within 5 business days of the management inquiry | Provide initial guidance within 5 business days of the management inquiry |

Strategic Objective 3.4: Improve Organizational Effectiveness and Reduce Costs

Lead: Deputy Commissioner, Office of Budget, Finance, and Management and Deputy Commissioner, Office of Retirement and Disability Policy

Our administrative expenses continue to be less than 1.3 percent of the combined Social Security and SSI benefits we pay. We are taking steps to reduce our real property footprint and to realign our organization to meet the current demands for our services. We are also leading efforts to improve strategic partnerships with other government and private entities and to expand data sharing opportunities with Federal and State agencies for better public service and operational savings.

Strategies

- Align our real estate footprint with current and future business needs
- Streamline our organization and how we manage workloads
- Improve strategic partnerships with other government and private entities

Key Initiatives

Reduce Our Real Property Footprint

In FY 2017, we aligned our space allocation standards with our service delivery model. We also continued to explore colocations as leases expired. In FYs 2018 and 2019, we will assess and reduce our physical footprint by aligning our portfolio strategy with our service delivery model. We will continue to explore colocation opportunities internally and externally and evaluate our space needs in light of our increasing use of remote service delivery.

Expand Strategic Partnerships with External Partners

We provide SSN verification, birth, death, prisoner, and benefit payment information, as permitted under law, to Federal, State, and private partners to ensure program payment accuracy. The public depends on our agency and our data exchange partners to simplify processes and safeguard information against fraud.

Performance Measures – Strategic Objective 3.4

3.4a NEW: Reduce our real property footprint

| Fiscal Year | 2018 | 2019 |
|---------------------|---|--------------------------------|
| <i>Target</i> | Achieve a 55,000 usable square foot (USF) reduction | Achieve a 30,000 USF reduction |
| Performance Results | | |
| Fiscal Year | 2016 | 2017 |
| <i>Performance</i> | Achieved a reduction of 174,755 USF | Data available March 2018 |
| <i>Target</i> | Achieve a 190,000 USF reduction | Achieve a 15,000 USF reduction |
| <i>Target Met</i> | Not Met | |

3.4b NEW: Initiate the data exchange process with new partners or expand existing data exchanges to improve operational efficiency and reduce improper payments

| Fiscal Year | 2018 | 2019 |
|---------------|---|---|
| <i>Target</i> | Engage with at least two new data exchange partners from government or the private sector | Engage with at least two new data exchange partners from government or the private sector |

Budgeted Workload Measure Results

The following table provides an overview of our budgeted workload performance measures⁶. While budgeted workload measures support our strategic goals and strategic objectives, their targets and outcomes are budget dependent. In an effort to establish performance measures and targets that are within our control, we have decoupled our budgeted workload measures, presenting them independently.

Retirement and survivor claims completed

| Fiscal Year | 2018 | | 2019 | |
|---------------------|-----------------------------------|-----------|-----------|-----------------------------------|
| <i>Target</i> | 5,801,000 | | 6,022,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 5,023,533 | 5,327,221 | 5,602,312 | 5,619,831 |
| <i>Target</i> | 5,131,000 (4,990,259 received) | 5,247,000 | 5,586,000 | 5,782,000 (4,196,566 received) |

Initial disability claims receipts

| Fiscal Year | 2018 | | 2019 | |
|---------------------|-----------|-----------|-----------|-----------|
| <i>Target</i> | 2,476,000 | | 2,621,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 2,805,067 | 2,756,319 | 2,637,755 | 2,442,592 |
| <i>Target</i> | 2,891,000 | 2,755,000 | 2,807,000 | 2,499,000 |

⁶ All of the FY 2018 Budgeted Workload Measure targets assume funding at the enactment of a full-year continuing resolution. The FY 2019 targets assume multi-year rollout of the reinstatement of the reconsideration level of appeal in 10 prototype States beginning on October 1, 2018.

Initial disability claims completed

| Fiscal Year | 2018 | | 2019 | |
|---------------------|-----------|-----------|-----------------------------------|-----------|
| <i>Target</i> | 2,310,000 | | 2,420,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 2,861,895 | 2,759,432 | 2,688,977 | 2,485,100 |
| <i>Target</i> | 2,947,000 | 2,767,000 | 2,695,000 (2,637,755 received) | 2,455,000 |

Initial disability claims pending

| Fiscal Year | 2018 | | 2019 | |
|---------------------|---------|---------|---------|---------|
| <i>Target</i> | 688,000 | | 889,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 632,656 | 621,315 | 567,644 | 522,869 |
| <i>Target</i> | 642,000 | 621,000 | 733,000 | 612,000 |

Average processing time for initial disability claims

| Fiscal Year | 2018 | | 2019 | |
|---------------------|----------|----------|----------|----------|
| <i>Target</i> | 111 days | | 114 days | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 110 days | 114 days | 110 days | 111 days |
| <i>Target</i> | 109 days | 109 days | 113 days | 113 days |

Disability reconsiderations receipts

| Fiscal Year | 2018 | | 2019 | |
|---------------------|---------|---------|---------|---------|
| <i>Target</i> | 542,000 | | 642,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 761,772 | 704,341 | 647,910 | 582,935 |

Disability reconsiderations completed

| Fiscal Year | 2018 | | 2019 | |
|---------------------|---------|---------|-------------------------------|---------|
| <i>Target</i> | 518,000 | | 594,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 757,198 | 723,485 | 666,948 | 595,588 |
| <i>Target</i> | 778,000 | 739,000 | 702,000 (647,910 received) | 581,000 |

Disability reconsiderations pending

| Fiscal Year | 2018 | | 2019 | |
|---------------------|---------|---------|---------|---------|
| <i>Target</i> | 129,000 | | 177,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 170,255 | 143,540 | 120,829 | 105,022 |
| <i>Target</i> | 174,000 | 143,000 | 136,000 | 130,000 |

Average processing time for disability reconsiderations

| Fiscal Year | 2018 | | 2019 | |
|---------------------|----------|----------|----------|----------|
| <i>Target</i> | 102 days | | 106 days | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 108 days | 113 days | 103 days | 101 days |
| <i>Target</i> | | | | 105 days |

Hearings receipts

| Fiscal Year | 2018 | | 2019 | |
|---------------------|---------|---------|---------|---------|
| <i>Target</i> | 582,000 | | 578,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 810,715 | 746,300 | 712,853 | 620,164 |
| <i>Target</i> | 819,000 | 805,000 | 746,000 | 632,000 |

Hearings completed

| Fiscal Year | 2018 | | 2019 | |
|---------------------|---------|---------|---------|---------|
| <i>Target</i> | 738,000 | | 761,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 680,963 | 663,129 | 652,241 | 685,657 |
| <i>Target</i> | 735,000 | 727,000 | 703,000 | 683,000 |

Hearings pending

| Fiscal Year | 2018 | | 2019 | |
|---------------------|---------|-----------|-----------|-----------|
| <i>Target</i> | 900,000 | | 717,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 977,736 | 1,060,907 | 1,121,519 | 1,056,026 |
| <i>Target</i> | 932,000 | 1,056,000 | 1,087,000 | 1,071,000 |

Annual average processing time for hearings decision⁷

| Fiscal Year | 2018 | | 2019 | |
|---------------------|----------|----------|----------|----------|
| <i>Target</i> | 605 days | | 535 days | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 422 days | 480 days | 545 days | 605 days |
| <i>Target</i> | 415 days | 470 days | 540 days | 605 days |

⁷ Average processing time for hearings is an annual figure. End of year (September) processing time for hearings is estimated to be 595 days and 498 days, for FYs 2018 and 2019, respectively.

National 800 Number calls handled

| Fiscal Year | 2018 | | 2019 | |
|---------------------|------------|------------|------------|------------|
| <i>Target</i> | 34,000,000 | | 36,000,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 37,112,118 | 36,900,641 | 37,231,564 | 36,053,988 |
| <i>Target</i> | 39,000,000 | 38,000,000 | 34,000,000 | 35,000,000 |

Average speed of answer

| Fiscal Year | 2018 | | 2019 | |
|---------------------|---------------|-------------|-------------|-------------|
| <i>Target</i> | 1,200 seconds | | 960 seconds | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 1,323 seconds | 617 seconds | 817 seconds | 802 seconds |
| <i>Target</i> | 1,020 seconds | 700 seconds | 945 seconds | 970 seconds |

Agent busy rate

| Fiscal Year | 2018 | | 2019 | |
|---------------------|-------|------|-------|-------|
| <i>Target</i> | 15.0% | | 12.0% | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 13.5% | 7.5% | 8.9% | 10.2% |
| <i>Target</i> | 14.0% | 8.0% | 9.5% | 12.0% |

Periodic continuing disability reviews completed

| Fiscal Year | 2018 | | 2019 | |
|---------------------|-----------|-----------|-----------|-----------|
| <i>Target</i> | 1,990,000 | | 1,803,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 1,674,713 | 1,971,812 | 2,107,139 | 2,257,140 |
| <i>Target</i> | 1,410,000 | 1,890,000 | 1,950,000 | 1,970,000 |

Full medical continuing disability reviews

| Fiscal Year | 2018 | | 2019 | |
|---------------------|---------|---------|---------|---------|
| <i>Target</i> | 890,000 | | 703,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 525,875 | 799,013 | 853,754 | 874,411 |
| <i>Target</i> | 510,000 | 790,000 | 850,000 | 850,000 |

Supplemental Security Income non-medical redeterminations completed

| Fiscal Year | 2018 | | 2019 | |
|---------------------|-----------|-----------|-----------|-----------|
| <i>Target</i> | 2,900,000 | | 2,822,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 2,627,518 | 2,266,993 | 2,530,446 | 2,589,638 |
| <i>Target</i> | 2,622,000 | 2,255,000 | 2,522,000 | 2,562,000 |

Social Security numbers completed

| Fiscal Year | 2018 | | 2019 | |
|---------------------|------------|------------|------------|------------|
| <i>Target</i> | 17,000,000 | | 17,000,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 16,090,179 | 16,468,018 | 17,336,833 | 17,400,585 |
| <i>Target</i> | 16,000,000 | 16,000,000 | 16,000,000 | 16,000,000 |

Annual earnings items completed

| Fiscal Year | 2018 | | 2019 | |
|---------------------|-------------|-------------|-------------|-------------|
| <i>Target</i> | 281,000,000 | | 282,000,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 256,521,405 | 265,830,718 | 272,999,400 | 279,381,782 |
| <i>Target</i> | 253,000,000 | 257,000,000 | 264,000,000 | 273,000,000 |

Social Security Statements issued⁸

| Fiscal Year | 2018 | | 2019 | |
|---------------------|------------|------------|------------|------------|
| <i>Target</i> | 14,000,000 | | 15,000,000 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 4,024,906 | 50,092,070 | 47,507,890 | 13,724,897 |
| <i>Target</i> | 4,000,000 | 44,000,000 | 38,000,000 | 10,000,000 |

⁸ The Social Security Statements Issued performance measure includes paper statements only; does not include electronic statements issued. In FY 2017, *my Social Security* users accessed their Social Security Statements 46.2 million times.

Disability determination services production per workyear

| Fiscal Year | 2018 | | 2019 | |
|---------------------|-------------|-------------|-------------|-------------|
| <i>Target</i> | 306 | | 306 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 311 | 307 | 306 | 306 |
| <i>Target</i> | 319 | 313 | 307 | 301 |

Hearings production per workyear

| Fiscal Year | 2018 | | 2019 | |
|---------------------|-------------|-------------|-------------|-------------|
| <i>Target</i> | 98 | | 104 | |
| Performance Results | | | | |
| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
| <i>Performance</i> | 102 | 95 | 88 | 94 |
| <i>Target</i> | 106 | 104 | 94 | 96 |

FY 2017 Performance Measure Results

This section provides results for the FY 2017 performance measures that we are discontinuing as performance measures reported in our APR.

Improve customer service and convenience by increasing online transactions by 25 million each year

| <i>Fiscal Year</i> | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------|--------------|--------------|--------------|--------------|----------------------------|---------------|
| <i>Performance</i> | 21.8 million | 46.3 million | 70.8 million | 87.0 million | 121.9 million ⁹ | 155.5 million |
| <i>Target</i> | | | | | 112.0 million | 137.0 million |
| <i>Target Met</i> | | | | | Met | Met |

Results: We exceeded the FY 2017 target. We processed 155.5 million online transactions in FY 2017. Contributing factors to our performance results include adding and enhancing features. In FY 2017, we enhanced *my Social Security* by adding responsive design, so *my Social Security* customers can easily access the portal from mobile devices (e.g., tablets and cell phones). Users can also check the status of their initial claims or appeals, and if they receive disability benefits, they can now report their wages online. We also enhanced the security of *my Social Security* by requiring multifactor authentication for each registration. Our results in FY 2017 can also be attributed to customers becoming more comfortable conducting business with our agency online, exemplified by an increase in transaction volume for 10 of the agency's existing online services.

⁹ Most fiscal years are 52 weeks; however, FY 2016 included 53 weeks. This data reflects 53 weeks of performance.

Minimize the average response time to deliver medical evidence to the U.S. Department of Veterans Affairs for wounded warriors and veterans

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------|-----------------|-----------------|-----------------|-----------------|-----------------|---|
| <i>Performance</i> | 6 calendar days | 7 calendar days | 6 calendar days | 4 business days | 3 business days | 3 business days |
| <i>Target</i> | | | 5 calendar days | 5 business days | 5 business days | Deliver medical evidence to Veterans Affairs in an average of 5 business days |
| <i>Target Met</i> | | | Not Met | Met | Met | Met |

Results: We exceeded the FY 2017 target. We delivered medical evidence to the U.S. Department of Veterans Affairs (VA) in an average of 3 business days. We used a secure electronic system to exchange data with authorized VA employees. The electronic process saved resources by eliminating the need to photocopy and mail medical evidence. This process also reduced the number of follow-up requests.

Assess field and hearing office lease expirations and increase colocation of our components to reduce our physical footprint

| Fiscal Year | 2016 | 2017 |
|--------------------|--|--|
| <i>Performance</i> | Colocated 5 permanent remote site hearing offices with field offices | Colocated 10 sites |
| <i>Target</i> | Colocate at least 4 permanent remote site hearing offices with field offices | Colocate or pilot a minimum of 7 sites |
| <i>Target Met</i> | Met | Met |

Results: We exceeded the FY 2017 target. OMB requires agencies to dispose of surplus properties and make more efficient use of the Federal Government’s property assets. We developed and enacted a plan to do so, collocating 5 sites in FY 2016 and 10 sites in FY 2017, thereby reducing our physical footprint and cost expenditures. We completed more than the

minimum colocation target, because construction activities went well for some projects that were projected to finish in FY 2018.

Increase the percent of initial claims processed with health IT medical evidence

| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
|--------------------|---------------------------------|----------------------------------|----------------------------------|--|
| <i>Performance</i> | 3.0% (84,779 initial claims) | 6.1% (167,626 initial claims) | 9.6% (257,743 initial claims) | 14.0% (346,438 initial claims) |
| <i>Target</i> | 2.5% (75,000 initial claims) | 6.0% (164,820 initial claims) | 8.0% (222,000 initial claims) | 12.0% of processed initial disability claims with health IT medical evidence (294,600 initial claims) |
| <i>Target Met</i> | Met | Met | Met | Met |

Results: We exceeded the FY 2017 target. By expanding our partnerships with health IT providers, we surpassed our target and improved our service to the public.

Increase secure access to the public's data

| Fiscal Year | 2017 |
|--------------------|---|
| <i>Performance</i> | Completed all mainframe encryption in our data centers in May 2017 |
| <i>Target</i> | Encrypt all mainframe data stored in our data centers by September 2017 |
| <i>Target Met</i> | Met |

Results: We met the FY 2017 target. We maintain a comprehensive, agency-wide information security program to protect our network, information, and communication assets. We are strengthening the security of our systems by implementing consistent management controls at all of our data facilities. We review our policies and processes continually to ensure adequate safeguards are in place to prevent misuse and unauthorized access to our systems and data. As part of the *Cybersecurity Act of 2015*, Federal agencies must encrypt data that is stored or passing through the agency's information systems. In FY 2017, we began the Data at Rest Encryption initiative to protect data in our most sensitive IT environments and completed Data at Rest Encryption for mainframe.

Improve the timeliness of the earnings data used to calculate benefits

| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
|--------------------|--|---|--|--|
| <i>Performance</i> | Released the Annual Wage Reporting system on February 8, 2014 | Implemented the redesigned software to process Forms W-2 within the Annual Wage Reporting system | Implemented the redesigned functionality to process Forms W-2c (Corrections) within the Annual Wage Reporting system | Implemented the Annual Wage Reporting software in December 2016 |
| <i>Target</i> | Complete construction of at least 50% of the redesigned functionality to process Forms W-2 within the Annual Wage Reporting system | Implement the redesigned functionality to process Forms W-2 within the Annual Wage Reporting system by September 30, 2015 | Implement the redesigned functionality to process Forms W-2c (Corrections) within the Annual Wage Reporting system | Before January 1, 2017, implement Annual Wage Reporting software to provide earnings data to the Internal Revenue Service up to 60 days earlier in the tax season, and post data up to 60 days earlier |
| <i>Target Met</i> | Met | Met | Met | Met |

Results: We met the FY 2017 target. Implementing the Annual Wage Reporting software will provide earnings data to the Internal Revenue Service up to 60 days earlier in the tax season and post data up to 60 days earlier.

Maintain a high accuracy rate of payments made through the Old-Age, Survivors, and Disability Insurance program to minimize improper payments

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| <i>Performance</i> | 99.8% (O/P) 99.9% (U/P) ¹⁰ | 99.8% (O/P) 99.9% (U/P) | 99.5% (O/P) 99.9% (U/P) | 99.6% (O/P) 99.9% (U/P) | 99.8% (O/P) 99.9% (U/P) | Data available Summer 2018 |
| <i>Target</i> | 99.8% (O/P) 99.8% (U/P) | 99.8% (O/P) 99.8% (U/P) | | 99.8% (O/P) 99.8% (U/P) | 99.8% (O/P) 99.8% (U/P) | 99.8% (O/P) 99.8% (U/P) |
| <i>Target Met</i> | Not Met | Not Met | | Not Met | Met | |

Results: We exceeded the FY 2016 target. Overpayment accuracy was 99.8 percent, based on improper payments totaling a projected \$1.9 billion. Underpayment accuracy was 99.9 percent, based on unpaid dollars at \$670 million. For FY 2016, each tenth of a percentage point in payment accuracy represented about \$911 million in program outlays for the Old-Age, Survivors, and Disability Insurance program.

Increase our ability to provide timely decisions by reducing the percentage of pending Appeals Council requests for review 365 days or older

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------|---|---|---|---|---|---|
| <i>Performance</i> | 88% | 91% | 84% | 82% | 83% | 94% |
| <i>Target</i> | 80% of cases pending less than 365 days | 81% of cases pending less than 365 days | 79% of cases pending less than 365 days | 80% of cases pending less than 365 days | 81% of cases pending less than 365 days | 82% of cases pending less than 365 days |
| <i>Target Met</i> | Met | Met | Met | Met | Met | Met |

Results: We exceeded the FY 2017 target. In FY 2017, we increased the percentage of cases pending less than 365 days to 94 percent, our highest percentage since we began tracking the data. We attribute this increase to a combination of decreased receipts, increased employee productivity, and the effective use of overtime to focus on our most aged cases.

¹⁰ Underpayment (U/P) accuracy rate is the projected dollar value of underpayment errors represented as a ratio of all dollars paid.

Continue to serve as a model agency for employment of individuals with targeted disabilities

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------|------|---------|------|------|------|------|
| <i>Performance</i> | 2% | 1.9% | 2% | 2% | 2% | 4% |
| <i>Target</i> | 2% | 2% | 2% | 2% | 2% | 2% |
| <i>Target Met</i> | Met | Not Met | Met | Met | Met | Met |

Results: We exceeded the FY 2017 target. We recognize the rich talent pool that exists among individuals with disabilities and worked to create awareness of our employment opportunities. Additionally, the Office of Personnel Management (OPM) issued a reclassification of employees with disabilities. This reclassification affected over one percent of our employee population who are now classified as employees with targeted disabilities, and it resulted in an increase in our agency’s on-board representation of this group.

Enhance workforce knowledge, skills, and abilities to achieve organizational goals by increasing employee satisfaction with training and development

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------|------|------|------|---|---|---|
| <i>Performance</i> | 59% | 55% | 57% | 59% | 57% | 56% |
| <i>Target</i> | | | | 60% employee satisfaction rating | 61% employee satisfaction rating | 58% employee satisfaction rating |
| <i>Target Met</i> | | | | Not Met | Not Met | Not Met |

Results: We did not meet the FY 2017 target. This measure is an index comprised of seven questions from the Federal Employee Viewpoint Survey (FEVS). OPM conducts the FEVS every year for each Federal agency to gauge the thoughts of Federal employees. Our FY 2017 results are in line with our FY 2016 results. Our FY 2018–2019 Human Capital Operating Plan addresses our continuing efforts to develop and expand our talent at SSA.

Become one of the Top 5 Best Places to Work among large agencies in the Federal Government

| Fiscal Year | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Performance</i> | Top 10 ranking | Top 12 ranking |
| <i>Target</i> | | | Top 10 ranking | Top 10 ranking | Top 5 ranking | Top 10 ranking |
| <i>Target Met</i> | | | Met | Met | Not Met | Not Met |

Results: We did not meet our FY 2017 target. While our ranking dropped from 9th place in 2016 to 12th place in 2017, our Best Places to Work score remained nearly unchanged, decreasing by only one tenth of a percent. Our employees are our most valuable asset. We remain committed to promoting a positive and inclusive environment for all employees and will work to build our agency’s reputation as an excellent place to work by continuing to support and invest in employee development, work-life balance, and leadership and communication efforts.

Expand use of data to support workforce planning, program evaluation, and decision-making

| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
|--------------------|------|------|---------|--|
| <i>Performance</i> | 77% | 83% | 54% | 45.2% |
| <i>Target</i> | 75% | 75% | 78% | Achieve 78% of the human capital metrics |
| <i>Target Met</i> | Met | Met | Not Met | Not Met |

Results: We did not meet the target for FY 2017. This performance measure is comprised of 15 distinct data sources in order to comprehensively evaluate agency-wide human capital related outcome metrics. While we achieved a substantial number of goals associated with this composite goal, results related to veteran two-year hiring, manager hiring satisfaction, and our SkillsConnect talent sharing initiative, negatively affected the overall performance for this measure. We will continue to focus on our human capital initiatives through our Human Capital Operating Plan.

Implement the consolidated enterprise database and the Enterprise Data Warehouse (EDW) to improve service delivery and make faster data-driven decisions

| Fiscal Year | 2017 |
|--------------------|--|
| <i>Performance</i> | Added two new data sources to our EDW, however, we postponed the implementation of the initial version of our new consolidated enterprise database |
| <i>Target</i> | Implement the initial version of our new consolidated enterprise database and add at least two new data sources to our EDW before September 30, 2017 |
| <i>Target Met</i> | Not Met |

Results: We did not meet the FY 2017 target. We added more than two new data sources to our EDW before September 30, 2017, so we exceeded this portion of the target. The second part of the target, the consolidated enterprise database, we postponed in order to address performance issues. The new production date will be in February 2018.

Enhance our IT infrastructure by incorporating innovative advances in service delivery

| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
|--------------------|---|---|--|--|
| <i>Performance</i> | Bandwidth-on-Demand capabilities are operational at over 75% of agency sites | Reduced our open systems infrastructure size to 1,000 servers | Released internet Social Security Number Replacement Card application in November 2015 and a new service to check the status of an application or appeal in March 2016 | Completed the implementation of an on-premises private cloud proof of concept |
| <i>Target</i> | Implement Bandwidth-on-Demand, which will provide the ability to increase telecommunications capacity to quickly meet the changing service needs of our offices and clients | Reduce open systems infrastructure size from 1,500 servers to 1,000 servers by September 2015 | Deploy new applications with a modern look and feel, accessible from the web, or over mobile devices | Complete the implementation of an on-premises private cloud proof of concept before September 30, 2017 |
| <i>Target Met</i> | Met | Met | Met | Met |

Results: We met the FY 2017 target. Implementing cloud technology will give us further flexibility to allocate systems resources to meet changing demands. This technology improves systems availability and performance at a lower cost.

Provide secure and effective services to the public by improving cybersecurity performance

| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
|--------------------|--|--|--|---|
| <i>Performance</i> | DHS Presidential Directive 12 Compliance – result 87% Information Security Continuous Monitoring – result 98% Trusted Internet Connections Consolidation – result 100% Trusted Internet Connections 2.0 Capabilities – result 94% | Hardware Asset Management – result 100% Software Asset Management – result 100% Vulnerability and Weakness Management – result 100% Unprivileged Network Users – result 86% Privileged Network Users – result 99% Anti-Phishing Defense – result 100% Malware Defense – result 100% Blended Defense – result 100% | Achieved an average of 100% for the following Cybersecurity Cross-Agency Priority Goals: Hardware Asset Management – result 100% Software Asset Management – result 100% Vulnerability and Weakness Management – result 100% Anti-Phishing Defense – result 100% Malware Defense – result 100% Blended Defense – result 100% | Achieved an average of 100% for the following Cybersecurity Cross-Agency Priority Goals: Hardware Asset Management – result 100% Software Asset Management – result 100% Vulnerability and Weakness Management – result 100% Anti-Phishing Defense – result 100% Malware Defense – result 100% Blended Defense – result 100% Achieved an overall score of Level 3 on the President’s Management Council Cybersecurity Scorecard (exceed government-wide targets in all 5 areas of the National Institute of Standards and Technology Cybersecurity framework). |

| Fiscal Year | 2014 | 2015 | 2016 | 2017 |
|-------------------|--|--|--|--|
| <i>Target</i> | Meet the performance requirements of the DHS' Federal Network Compliance and Assurance program and the Cybersecurity Cross-Agency Priority Goals | Meet the performance requirements of the DHS' Federal Network Compliance and Assurance program and the Cybersecurity Cross-Agency Priority Goals | Achieve an average of 97% for the following Cybersecurity Cross-Agency Priority Goals: Hardware Asset Management, Software Asset Management, Vulnerability and Weakness Management, Anti-Phishing Defense, Malware Defense, and Blended Defense (anti-phishing and malware defense measures) | Continue to achieve an average of 100% for the following Cybersecurity Cross-Agency Priority Goals: Anti-Phishing Defense; Malware Defense; Blended Defense (anti-phishing and malware defense measures); Hardware Asset Management; Software Asset Management; and Vulnerability and Weakness Management. Achieve an overall score of Level 3 on the President's Management Council Cybersecurity Scorecard (exceed government-wide targets in all 5 areas of the National Institute of Standards and Technology Cybersecurity framework). |
| <i>Target Met</i> | Met | Met | Met | Met |

Results: We met the FY 2017 target. Continuously strengthening our cybersecurity is critical to sustaining trust in our services. We maintain a comprehensive, agency-wide information security program to protect our network, information, and communication assets. Since FY 2013, we have met the DHS cybersecurity standards and requirements.

Major Management and Performance Challenges

As we strive to improve our performance, we face a variety of challenges. Each year, the Office of the Inspector General (OIG) identifies our top management and performance challenges. In addition, our leadership also identifies challenges, which often overlap with the OIG report.

Challenges Identified by OIG

In FY 2017, OIG identified seven top management issues for our agency. We list the acronyms for the officials responsible for addressing these management issues in Appendix C, Summary of Key Management Officials Responsibilities. To read the complete OIG report, please refer to [Fiscal Year 2017 Inspector General Statement on Social Security Administration's Major Management and Performance Challenges](#).

1) Improve Administration of the Disability Programs

Components: DCO, DCHO, DCRDP, DCS, DCHR, DCARO, and DCBFM

Challenge: While the number of pending initial disability claims has decreased, the Agency still faces challenges with pending hearings and appeals. Continued focus is necessary to simplify work incentive regulations and create new opportunities for returning beneficiaries to work.

Actions we are undertaking to address this challenge include:

- Reduce the Hearings Backlog;
- Expand Video Service Delivery;
- Expand Access to Electronic Medical Evidence;
- Develop an Occupational Information System;
- Update the Listing of Impairments;
- Enhance Process for Evaluating Compassionate Allowance Conditions; and
- Modernize the Disability Case Processing System.

2) Reduce Improper Payments and Increase Overpayment Recoveries

Components: DCRDP, DCBFM, DCO, DCHO, DCS, OCACT, DCCOMM, GC, DCARO, and IG

Challenge: SSA is responsible for issuing about \$986 billion in benefit payments, annually, to about 69 million people. Given the large overall dollar amounts involved in SSA's payments, even the slightest error in the overall process can result in millions of dollars in over- or underpayments.

Actions we are undertaking to address this challenge include:

- Promote the Old Age, Survivor, and Disability Insurance and SSI Wage Reporting;
- Improve the Death Reporting System Process;
- Modernize the Program Overpayment Remittance System; and

- Expand Our Cooperative Disability Investigations Program.

3) Improve Customer Service

Components: DCO, DCHO, DCBFM, DCRDP, and DCS

Challenge: SSA faces challenges as it pursues its mission to deliver quality services to the public, including an increase in workloads as experienced employees are expected to retire.

Actions we are undertaking to address this challenge include:

- Reduce the Processing Center Backlog;
- Provide Real-Time Assistance to Online Users;
- Expand the Availability of the Online Social Security Replacement Card Application;
- Enhance *my Social Security*;
- Develop an Occupational Information System;
- Update the Listings of Impairments; and
- Modernize the Social Security Statement.

4) Modernize Information Technology Infrastructure

Component: DCS

Challenge: SSA must modernize its information technology to accomplish its mission despite budget and resource constraints.

Actions we are undertaking to address this challenge include:

- Modernize IT Infrastructure;
- Build Modern Applications: Data Consolidation;
- Strengthen Our Information Security Program and Modernize Our Cybersecurity Infrastructure; and
- Modernize the Disability Case Processing System.

5) Secure Information Systems and Protect Sensitive Data

Component: DCS

Challenge: SSA must ensure its information systems are secure and sensitive data are protected.

Actions we are undertaking to address this challenge include:

- Strengthen Our Information Security Program and Modernize Our Cybersecurity Infrastructure; and
- Implement Audit Trail System New Architecture.

6) Strengthen the Integrity and Protection of the Social Security Number

Component: DCO, DCRDP, and DCS

Challenge: Protecting the SSN and properly posting the wages reported under SSNs are critical to ensuring eligible individuals receive the full benefits they are due.

Actions we are undertaking to address this challenge include:

- Expand the Availability of the Online Social Security Replacement Card Application; and
- Improve the Death Reporting System Process.

7) Strengthen Planning, Transparency, and Accountability

Components: DCHR, DCS, DCARO, DCBFM, DCO, DCHO, DCRDP, OCACT, DCCOMM, DCLCA, and GC

Challenge: Planning, transparency, and accountability are critical factors in management. Failure to plan properly to meet its mission and challenges will lessen the Agency's ability to provide its services efficiently and effectively now and in the future. Similarly, mismanagement and waste, as well as a lack of transparency for citizens in Government operations, can erode trust in SSA's ability to tackle the challenges it faces.

Actions we are undertaking to address this challenge include:

- Strengthen Our Information Security Program and Modernize Our Cybersecurity Infrastructure;
- Implement Audit Trail System New Architecture;
- Implement the Anti-Fraud Enterprise Solution;
- Strengthen the Performance Management Process;
- Execute Talent Management and Succession Planning; and
- Reduce Our Real Property Footprint.

Additional Challenges Identified by Our Leadership

Prevent Fraud, Waste, and Abuse

Components: DCO, DCARO, DCRDP, DCBFM, DCS, and IG

Fraud, waste, and abuse erode the public's trust in our ability to efficiently and effectively provide vital services. Prevention is critical to conserving valuable resources and meeting our mission to meet the changing needs of the public.

Actions we are undertaking to address this challenge include:

- Improve the Death Reporting System Process;
- Expand Our Cooperative Disability Investigations Programs;
- Implement Audit Trail System New Architecture; and

- Implement the Anti-Fraud Enterprise Solution.

Have Enough Employees with the Right Skills in the Right Place at the Right Time

Component: DCHR

Having employees with the right skills in the right place at the right time is critical to our mission. Employee turnover challenges our ability to develop and retain empowered, knowledgeable, compassionate, and engaged employees.

Actions we are undertaking to address this challenge include:

- Strengthen the Performance Management Process;
- Execute Talent Management and Succession Planning; and
- Implement Performance Improvement Training and Support for Managers.

Innovate the Future of Service Delivery

Components: DCO, DCHO, DCS, and DCRDP

We must innovate the future of service delivery to better serve the public. We are constantly improving and developing new service delivery options to provide enhanced service to the public.

Actions we are undertaking to address this challenge include:

- Expand Video Service Delivery;
- Expand the Availability of the Online Social Security Replacement Card Application;
- Enhance Online Appeals;
- Enhance *my Social Security*; and
- Expand Access to Electronic Medical Evidence.

Keep Pace in the Disability Program with Medicine, Technology, and the World of Work

Components: DCRDP, DCHO, DCO, and DCS

Medicine, technology, and the world of work are constantly evolving. We must keep pace creating a more agile, responsive organization committed to meeting the public's needs and maximizing efficiencies throughout the disability program.

Actions we are undertaking to address this challenge include:

- Expand Access to Electronic Medical Evidence;
- Develop an Occupational Information System;
- Update the Listings of Impairments; and
Modernize the Disability Case Processing System.

Appendix A: Program Evaluations

We routinely conduct studies and surveys to evaluate the effectiveness of our programs. Continuous evaluation of the collection of program data, research, and analyses assists us in identifying strengths and weaknesses in our programs. Information from the program evaluations assist us in developing strategies to address the major challenges we face and improve the day-to-day administration of our programs. We complete many of our evaluations annually, while others may be one-time efforts. We have included a summary of findings for the most current reports available at this time.

Strategic Goal 1 – Deliver Effective Services

ForeSee Experience Index E-Government Report (Quarterly)

The ForeSee Experience Index (FXI) E-Government report measures citizen satisfaction with government websites. The fiscal year (FY) 2017 third quarter report noted two SSA websites, “Extra Help with Medicare Prescription Drug Plan Costs” and “SSA Retirement Estimator” topped the E-Government Satisfaction Index. Four out of the top six sites were SSA webpages.

Disability Initial Claims Report Card (Biannual)

Measures customer satisfaction with the disability application process at the initial levels in alternate years. Our latest results are for FY 2014, when we conducted the initial level segment of the disability scorecard surveys. The great majority of awarded responders were satisfied with the ease of filing their disability application (89 percent excellent, very good, or good [E/VG/G]) and with the agency’s overall service (91 percent E/VG/G). However, the 2 percentage point gap in the two ratings represented a statistically significant difference. Denied responders rated both the ease of filing the disability application (55 percent E/VG/G) and the agency’s overall service (51 percent E/VG/G) far lower than their awarded counterparts, no doubt influenced by the unfavorable decision on the claim. However, unlike awarded responders, denied responders were more satisfied with the ease of filing than with overall service. The key summary ratings from awarded responders remained stable in FY 2014, as they have since FY 2008. However, both key summary ratings from denied responders were significantly lower in FY 2014 compared with FY 2012. Denied responders’ rating of the ease of filing declined by 3 percentage points (FY 2012 – 58 percent E/VG/G), while their rating of overall service fell by a similar margin (FY 2012 – 55 percent E/VG/G).

Disability Hearings Process Report Card (Biannual)

Measures customer satisfaction with the disability application process at the hearing level in alternate years. Our latest results are for FY 2014, when we conducted the initial level segment

of the disability scorecard surveys. The great majority of awarded responders were satisfied with the ease of filing their disability application (89 percent E/VG/G) and with the agency's overall service (91 percent E/VG/G). However, the 2 percentage point gap in the two ratings represented a statistically significant difference. Denied responders rated both the ease of filing the disability application (55 percent E/VG/G) and the agency's overall service (51 percent E/VG/G) far lower than their awarded counterparts, no doubt influenced by the unfavorable decision on the claim. However, unlike awarded responders, denied responders were more satisfied with the ease of filing than with overall service. The key summary ratings from awarded responders remained stable in FY 2014, as they have since FY 2008. However, both key summary ratings from denied responders were significantly lower in FY 2014 compared with FY 2012. Denied responders' rating of the ease of filing declined by 3 percentage points (FY 2012 – 58 percent E/VG/G), while their rating of overall service fell by a similar margin (FY 2012 – 55 percent E/VG/G).

Field Office Telephone Service Evaluation (Annually)

Evaluates our accuracy in handling the public's calls to field offices. During the FY 2015 evaluation, our field sites monitored 2,449 calls in 110 randomly selected field offices nationwide. More than half (52.3 percent) of calls involved issues that could have had an effect on payment or eligibility to benefits. Our findings report our accuracy rates for payment (96.4 percent), service (90.8 percent), access and disclosure (70.0 percent).

National 800 Number Telephone Service Evaluation (Annually)

Evaluates our accuracy in handling the public's calls to the National 800 Number. We based our findings for this FY 2015 report on monitoring 3,161 calls that our telephone agents in various components handled throughout FY 2015. We found that payment accuracy increased slightly from 97.8 percent in FY 2014 to 98.5 percent in FY 2015, and was the highest rate attained within the last 10 fiscal years. The FY 2015 service accuracy rate was 92.7 percent, significantly higher than the FY 2014 rate of 90.8 percent. Agents continued to provide highly courteous service on the National 800 Number, as we recorded no instances of discourteous service.

Overall Service Satisfaction Surveys (Annually)

Our Telephone Service Satisfaction Surveys evaluate callers' satisfaction with our National 800 Number and field office telephone services. Our Office Visitor Surveys evaluate visitors' satisfaction with our field offices (including Social Security Card Centers) and hearing offices. In FY 2016, the combined overall satisfaction rate for telephone and in-person service was 80 percent E/VG/G. Satisfaction with in-person service (90 percent E/VG/G) continued to exceed satisfaction with telephone service (75 percent E/VG/G) by a substantial margin.

Prospective Client Survey (Biennial)

Surveys people between ages 50 and 64 to identify service expectations and preferences of the upcoming wave of retirees. In FY 2015, key survey findings included:

- Retirement planning -- Just over half of survey respondents remembered getting a Social Security Statement within the past year.
- Conducting Business with the Agency -- 90 percent of respondents said they would conduct business by telephone, 83 percent would visit an office, and 80 percent would use the internet.
- First Choice Service Preferences -- More respondents preferred agent phone service for correcting their earnings record (43 percent) and scheduling an appointment to discuss their application (48 percent) than any other channel. On the other hand, the largest group of respondents preferred the Internet for checking application status (46 percent) and getting or changing personal information on their Social Security record (both 45 percent). An office visit was the top choice (34 percent) only for completing an application for benefits.
- Important Features of Service -- At least 80 percent of respondents considered the features of telephone and in-person service associated with getting information quickly and easily as very important.

Retirement Application Survey (Biennial)

Measures customer satisfaction with the retirement application process and identifies service expectations and preferences among recent retirees. In FY 2016, we found an exceptionally high level of satisfaction with the retirement application process, with respondents rating their overall experience at 95 percent excellent, very good or good. The large majority of respondents filed their retirement application either, in-person (45 percent) or online (41 percent), with just 14 percent completing the application over the telephone. Most (71 percent) respondents indicated that they use the Internet, and about two-thirds (66 percent) of those Internet users said they had already created a *my Social Security* account.

Strategic Goal 2 – Improve the Way We Do Business

Evaluation of the Ticket to Work and Other Employment Support Programs (Continuously)

Examines employment patterns and outcomes of disabled beneficiaries, including those beneficiaries who use employment services such as the Ticket to Work, Partnership Plus, and Work Incentives Planning and Assistance programs. We completed an independent 10-year evaluation of the Ticket to Work (TTW) program in 2013, which produced 7 reports. All reports are publically available at <http://www.socialsecurity.gov/disabilityresearch/research.htm#Ticket>.

Overall, the TTW evaluation found that beneficiaries who use the program generally like it, and the program has increased the use of return to work services. In addition, those beneficiaries

who participate in TTW have better outcomes than those who return to work without the help of SSA-financed employment services. However, we also found that the increase in service use and better outcomes by participants has not translated into net increases in benefit suspension or termination for work or an increase in the number of months spent in suspension or termination for work. This finding suggests that TTW has primarily extended the types of services that were available under the previous program where services were offered only through State vocational rehabilitation agencies. To summarize, more beneficiaries are getting these services now, but the success rate has not measurably changed. We also fund continuing TTW evaluation research through our Disability Research Consortium.

Federal Information Security Management Act Report (Annually)

Reports to Congress whether our overall information technology security programs and practices comply with the *Federal Information Security Management Act of 2002*. In FY 2017, we made substantial improvements and progress in securing applications, managing vulnerabilities, updating policies, and enhancing the overall effectiveness of our cybersecurity capabilities.

Pre-Effectuation Review of Disability Determinations (Annually)

Assesses the accuracy of initial and reconsideration disability allowances made by disability determination services as required in the Social Security Act. In FY 2015, we reviewed 386,827 allowances and 5,468 continuances. We estimate these reviews will result in lifetime savings of about \$433 million in benefits to the Old-Age and Survivors Insurance Trust Fund and Disability Insurance Trust Funds combined. We also estimate lifetime savings of \$60 million in SSI payments, \$228 million to the Medicare trust funds, and \$2 million in the Federal share of Medicaid payments.

Safeguard Security Report (Annually)

We provide examples of our policies and procedures to demonstrate how we safeguard personally identifiable information and Federal tax information. We submit this report to the Internal Revenue Service (IRS) on an annual basis.

Safeguard Review (Triennial)

Evaluates the use of Federal tax information and the measures we employ to protect this information. This review is an onsite evaluation completed in collaboration with the IRS.

The IRS completed its full Safeguard Review of our agency in the summer of 2016. The review concluded with a closing conference in September 2016 and produced findings pertaining to both physical and IT security. We did receive one critical finding from the review and addressed it in June 2017. The findings from this review are reported on a semi-annual basis through submission of a corrective action plan to the IRS.

Strategic Goal 3 – Ensure Stewardship

Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds (Annually)

Reports annually to Congress on the financial and actuarial status of the two Social Security trust funds. At the end of 2016, the Old-Age, Survivors, and Disability Insurance (OASDI) program was providing benefit payments to about 61 million people: 44 million retired workers and dependents of retired workers; 6 million survivors of deceased workers; and 11 million disabled workers and dependents of disabled workers. During 2016, an estimated 171 million people had earnings covered by Social Security and paid payroll taxes on those earnings. Total expenditures in 2016 were \$922 billion. Total income was \$957 billion, which consisted of \$869 billion in non-interest income and \$88 billion in interest earnings

Annual Report to Congress on Medical Continuing Disability Reviews

A legislatively mandated report that provides summary information on medical continuing disability reviews (CDR) conducted for a completed fiscal year, including actuarial estimates of the lifetime savings in OASDI; Supplemental Security Income (SSI); Medicare; and Medicaid benefits resulting from the reviews conducted during that fiscal year. In FY 2014, we conducted 1,674,713 periodic CDRs. Based on these reviews, we made initial determinations that benefits should be ceased in 139,204 cases. Our Office of the Chief Actuary estimates that, after all appeals, we will cease paying benefits to 92,727 individuals and their eligible dependents. We estimate the present value of future benefits saved to be \$9 billion.

Annual Report of the Supplemental Security Income Program (Annually)

Reports annually to the President and Congress on the status of the SSI program and provides 25-year projections of program participation and costs. In January 2017, 8.12 million individuals received monthly SSI payments averaging \$526, a decrease of 30,000 recipients from the 8.15 million recipients with an average payment of \$526 in January 2016. By 2041, the end of the 25-year projection period, we estimate that the SSI recipient population will reach 9.0 million. The projected growth in the SSI program over the 25-year period is largely due to the overall growth in the U.S. population, though the growth in the SSI recipient population is projected to be somewhat slower than the growth in the U.S. population.

Enumeration Accuracy Report (Triennial)

Assesses the accuracy of original Social Security numbers assigned during the fiscal year. In FY 2015, the enumeration accuracy rate was 100 percent. The difference between the FY 2015 accuracy rate and the FY 2014 accuracy rate of 99.98 percent is not statistically significant.

Evaluation of the Continuing Disability Review Enforcement Operation Predictive Model (Annually)

Evaluates the results of a predictive model used to score work issue CDR cases to ensure that cases most likely to result in overpayments are prioritized and worked first. In FY 2016, our tracking and evaluation indicated the need for improved coordination with the processing centers in reviewing cases based on the scores' priority order. While SSA Enforcement Operation issues various types of alerts, we showed progress on the challenging task of separating enforcement alert events that do not result in work reviews. Our prime objective for the future is aligning together the Continuing Disability Review Enforcement Operation predictive model, based on IRS annual earning data and a new quarterly earning work review process, via quarterly reporting.

Federal Employee Viewpoint Survey (Annually)

Assesses employee perspectives of organizational performance across several major human capital areas: recruitment, development, performance culture, leadership, job satisfaction, and personal work experiences. The 2017 Federal Employee Viewpoint Survey results indicate both strengths and areas for improvement. Employees' perceptions revealed our agency performed well on areas related to work-life programs, mission accomplishment, and employees regard for their jobs and the nature of their work. Areas of improvement include a results-oriented performance culture and fairness.

Human Capital Evaluations (Annually)

Monitors and evaluates the results of our human capital strategies, policies, and equal employment opportunity programs, as well as our adherence to merit system principles, including cyclical Human Resources Management and Delegated Examining Unit Assessments of components across the agency. We conducted two human capital evaluations in FY 2017. We evaluated the Kansas City Region in November 2016 and the Dallas Region in May 2017. We reviewed more than 50 outcomes set by the U.S. Office of Personnel Management covering the following human resources functions: training, labor-management/employee relations, civil rights and equal opportunity, staffing (including delegated examining unit hiring and work-life), workers' compensation, and security and suitability. The number of resulting required corrective actions for both assessments was low and was for non-critical issues – no illegal appointments or serious violations.

Management Directive 715 Report (Annually)

Describes the status of our efforts to establish and maintain effective equal employment affirmation actions programs under Section 717 of Title VII of the *Civil Rights Act of 1964* and effective affirmation action programs under Section 501 of the *Rehabilitation Act of 1973*. In FY 2016, we made overall progress and advances to address FY 2014 Equal Employment Opportunity Commission Program Evaluation Report recommendations. The Acting

Commissioner and agency executives supported and encouraged the following four cross-component collaborations:

- Anti-Harassment – Established a comprehensive anti-harassment program to complement the existing anti-harassment policy and prepared standard operating procedures (SOP) for processing such allegations.
- Alternative Dispute Resolution (ADR) – Established ADR guidelines to increase management and employee use of mediation for early resolution of equal employment opportunity (EEO) complaints.
- EEO SOPs – Established to create a process to ensure the consistent use of legally compliant and universally applied EEO processes and procedures. In FY 2016, we finalized SOPs for every area of the EEO complaints process, including adjoining processes with other stakeholders such as No Federal Employee Anti-Discrimination and Retaliation analysis and Final Agency Decision Finding Notification. We shared this information with our collaborators in other components and defined regions of the agency.
- Uniform EEO Training – Established to create standardized EEO training materials for agency-wide use. These materials provide consistent, legally compliant EEO training to all agency managers and employees.

Targeted Denial Review (Annually)

Assesses the accuracy of initial and reconsideration disability denials made by the disability determination services. In FY 2017, we analyzed 52,446 cases. The review found 1,926 decisional errors cited and 4,250 documentation errors cited, with 6,111 returned to their adjudicating component for correction, for a return rate of 11.7 percent.

Retirement, Survivors, and Disability Insurance Stewardship Review (Annually)

Measures the accuracy of payments to persons receiving Social Security retirement, survivors, or disability benefits. In FY 2016, the overpayment (O/P) accuracy rate was 99.79 percent, based on improper payments totaling a projected \$1.9 billion. Payment accuracy for underpayments (U/P) was 99.93 percent based on unpaid dollars projected at \$670 million. In FY 2015, the O/P accuracy rate was 99.64 percent, and the U/P accuracy rate was 99.93 percent. For FYs 2015–2016, the changes in the overall O/P accuracy rate and the overall U/P accuracy rate were not statistically significant

Supplemental Security Income Stewardship Review (Annually)

Measures the accuracy of payments to persons receiving SSI benefits by reviewing all non-medical factors of eligibility and payment. In FY 2016, the O/P accuracy rate was 92.4 percent based on overpaid dollars totaling a projected \$4.3 billion. This rate represents a decrease of 1.5 percentage points from the FY 2015 O/P accuracy rate of 93.9 percent. This change is statistically significant. The U/P accuracy rate was 98.8 percent based on underpaid dollars

totaling a projected \$696 million. This increase from the FY 2015 U/P accuracy rate of 98.6 percent is not statistically significant.

Supplemental Security Income Transaction Accuracy Review (Annually)

Review of non-medical aspects of eligibility to evaluate the adjudicative accuracy of SSI initial claims, redeterminations, and limited issues to ensure compliance with operational policy. In FY 2015, the sample of 7,819 cases provides meaningful information about the quality of the non-medical aspects of SSI initial claims, redeterminations, and limited issue transactions. The national case accuracy rates for FY 2015, defined as the percentage of cases free of either an O/P or a U/P, are 91.8 percent for O/P and 94.5 percent for U/P. In FY 2014, these rates were 89.5 percent and 92.1 percent, respectively. The increases in both the O/P and U/P case accuracy rates from FY 2014 to FY 2015 are statistically significant.

Retirement, Survivors, and Disability Insurance Transaction Accuracy Review (Triennial)

Review of non-medical factors of eligibility to evaluate recently processed retirement, survivors, and disability insurance claims to ensure compliance with operational policy. In FY 2013, based on approximately 3.2 million adjudications represented by the Retirement and Survivors Insurance (RSI) sample, there are about 4.4 dollar deficiencies for every 100 RSI cases. About 63.2 percent of the RSI deficiencies are U/Ps. In addition, approximately 1.2 million awards represented by the Disability Insurance (DI) sample result in about 11.4 dollar deficiencies for every 100 DI cases. About 52.3 percent of the DI deficiencies are U/Ps.

Appendix B:

How We Ensure Our Data Integrity

We are committed to providing consistent, reliable, and valid data. We have internal controls to ensure that our data are quantifiable, verifiable, and secure. Our internal systems and controls include:

- Audit trails;
- Integrity reviews;
- Separation of duties;
- Restricted access to sensitive data;
- Reviews at all levels of management; and
- Validation and verification in our System Development Life Cycles.

These same controls support the Commissioner's Federal Managers' Financial Integrity Act Assurance Statement.

Data Integrity Systems and Controls

We gather performance data using automated management information and other workload measurement systems. In FY 2010, we initiated a new data quality program designed to assess, measure, and monitor the quality of performance data. We evaluate the data in terms of four quality dimensions:

- Accuracy – Measures how well data adheres to specification (e.g., definitions, rules, and policies);
- Consistency – Measures consistency in internal and external reporting of data;
- Completeness – Measures missing occurrences or attributions of the data; and
- Timeliness – Measures the currency of the data (i.e., data are up to date and reporting occurs on time).

We conduct these quality evaluations based on established internal methodologies. As we introduce new performance measures, we perform a comprehensive data assessment using these four quality dimensions. From the assessment results, we establish a baseline. After establishing the baseline, we automate continuous monitoring to sustain high-quality data. Continuous monitoring allows us to follow data trends and proactively remediate potential issues.

In our data quality program, we also derive several accuracy and public satisfaction measures from surveys and work samples. These measures provide confidence levels of 95 percent or higher.

As part of our fiduciary responsibility to the public, we use an audit trail system (ATS) to protect our records and taxpayer funds from improper use. The ATS collects and maintains detailed information about our internal and public transactions. We store the data from programmatic and select internet applications, so we can review transactions for fraud and abuse.

Audit of Our FY 2017 Financial Statements

The Chief Financial Officers Act of 1990 requires the Office of the Inspector General (OIG) or an independent external auditor that it selects to audit our financial statements. OIG selected KPMG, LLP to conduct the FY 2017 audit.

The auditor found we fairly presented the basic financial statements, in all material respects, in conformity with accounting principles generally accepted in the United States of America for Federal entities. This finding marks the 24th consecutive year that we received an unmodified audit opinion. The auditor also found that our agency maintained, in all material respects, effective internal control over our financial reporting.

The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The audit did not find instances of noncompliance with laws, regulations, or other materials tested.

Appendix C:

Summary of Key Management Officials' Responsibilities

Commissioner of Social Security (COSS) manages all agency programs and staff. Also serves as the Chief Operating Officer, responsible for improving agency management and performance.

Deputy Commissioner of Social Security (DCOSS) an appointed position, authorized to act on behalf of the COSS.

Chief Actuary (OCACT) plans and directs program actuarial estimates and analyses for our programs and for any proposed changes in programs and trust funds. The OCACT provides technical and consultative services to the COSS, the Board of Trustees of the Social Security Trust Funds, Congress, and their respective staffs.

General Counsel (GC) advises the COSS, DCOSS, and all subordinate organizational components (except the Inspector General) on legal matters. The GC also serves as the **Senior Agency Official for Privacy**.

Inspector General (IG) promotes economy, efficiency, and effectiveness in administering our programs and operations, and prevents and detects fraud, waste, abuse, and mismanagement.

Deputy Commissioner for Analytics, Review, and Oversight (DCARO) oversees the review of program quality and effectiveness and makes recommendations for program improvement utilizing feedback from the adjudication of cases, predictive modeling, and other advanced data analysis techniques. Additionally, DCARO coordinates the agency's anti-fraud initiatives and responds to the recommendations of external monitoring authorities.

Deputy Commissioner for Budget, Finance, and Management (DCBFM) directs our comprehensive management programs including budget, financial policy, acquisition, grants, facilities and logistics management, and security and emergency preparedness. The DCBFM also serves as the Chief Financial Officer, Acting Performance Improvement Officer, and the responsible official for Enterprise Risk Management and the Digital Accountability and Transparency Act.

Deputy Commissioner for Communications (DCCOMM) conducts our national public information and outreach programs and fosters the transparency of our operations.

Deputy Commissioner for Hearings Operations (DCHO) administers our nationwide appeal program in accordance with relevant Federal laws.

Deputy Commissioner for Human Resources (DCHR) administers our human resources programs, including training, human capital initiatives, personnel and employee relations, labor management, and civil rights and equal opportunity. The DCHR also serves as the Chief Human Capital Officer and the senior accountable official on employee engagement initiatives.

Deputy Commissioner for Legislation and Congressional Affairs (DCLCA) develops and conducts our legislative program, serves as our liaison to Congress, and analyzes legislative and regulatory initiatives.

Deputy Commissioner for Operations (DCO) directs our network of field offices, National 800 Number teleservice centers, and processing centers. The DCO also oversees DDS offices.

Deputy Commissioner for Retirement and Disability Policy (DCRDP) advises the COSS on the major policy issues and is responsible for all major activities in the areas of program policy planning, policy research and evaluation, statistical programs, and overall policy development, analysis, and implementation. The DCRDP serves as liaison with the Centers for Medicare and Medicaid Services. The DCRDP also serves as the accountable official for improper payments and leads our efforts to improve the clarity, tone, and readability of our notices.

Deputy Commissioner for Systems (DCS) directs the strategic management of our systems and databases, which includes the development, validation, and implementation of new systems. The DCS directs operational integration, strategic planning processes, and implementation of a systems configuration program. The DCS also serves as the **Chief Information Officer**.

