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## **EXECUTIVE SUMMARY: ANNUAL PERFORMANCE PLAN FOR FY 2009 AND REVISED FINAL PERFORMANCE PLAN FOR FY 2008**

The Social Security Administration (SSA) has a longstanding tradition of providing high-quality service that the public expects and deserves. The Agency also has a reputation for protecting the integrity of the Social Security programs.

Limited resources, new responsibilities and increased workloads are threatening this reputation and will ultimately have a dramatic effect on millions of Americans in terms of service. Applicants for disability benefits have been particularly hard hit; waiting time for a hearing currently averages 17 months and in some cases can take three years. To meet these challenges, the Agency's priorities have been redirected and a comprehensive plan of fundamental business process reforms is being developed.

The Annual Performance Plan (APP) demonstrates SSA's commitment to meeting the needs of the almost 60 million beneficiaries and 165 million workers that the Agency serves. The APP also embodies innovations, new strategies and technologies to address additional workload and management challenges. These challenges include providing services to 80 million baby boomers, ensuring the integrity of the Social Security Number, and developing a new Human Capital Plan to address staffing issues. Following are examples of innovations and improvements that SSA will use to accomplish its strategic goals and objectives:

- Implementation of the Hearing Backlog Reduction Plan
- Expansion of the Quick Disability Determination (QDD) nationwide
- Expansion of the Social Security Number Verification Service
- Increase in the availability and use of electronic services

SSA is working to close the gap between limited resources and increasing workloads by working more efficiently, increasing productivity, and streamlining workload processes. FY 2008 is the start of a multi-year plan to restore the levels of service and accountability that the Agency has achieved in prior years.

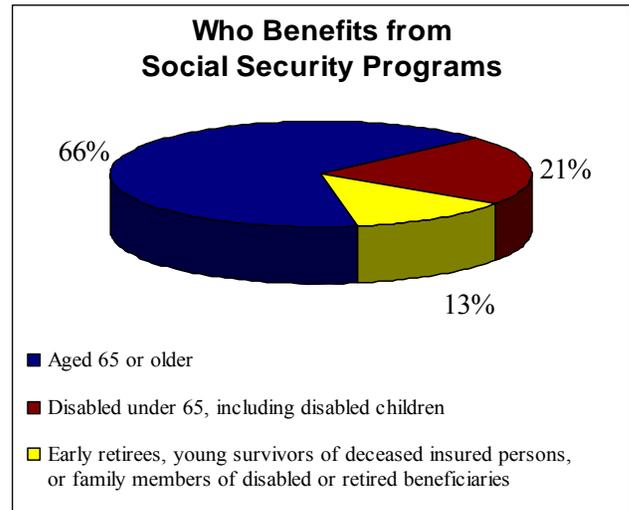
## **SOCIAL SECURITY PROGRAMS AND HOW THEY BENEFIT THE AMERICAN PUBLIC**

The Social Security Administration (SSA) touches the lives of virtually every person in America. Whether it is after the loss of a loved one, at the onset of disability, or during the transition from work to retirement, the Agency's programs and employees provide support to the people of this country, often during times of personal hardship, transition, and uncertainty.

The Agency administers one of the Nation's largest entitlement programs – the Old-Age, Survivors, and Disability Insurance (OASDI) program, commonly referred to as Social Security. Monthly cash benefits are financed through payroll taxes paid by workers and employers and by self-employed persons, and the amount of benefits is based on an individual's taxable earnings during his or her lifetime.

SSA also administers the Supplemental Security Income (SSI) program, which is designed to provide income for or supplement the income of aged, blind, or disabled adults and children with limited income and resources. Unlike Social Security benefits that are paid from the OASDI Trust Fund, SSI payments are financed by general tax revenues. Qualified recipients receive monthly cash payments in order to raise their income to a minimum level guaranteed by the SSI program.

The impact of Social Security programs on the economy of this nation and the lives of its people cannot be overstated. In fiscal year (FY) 2007, SSA paid Social Security or SSI benefits to nearly one in six people. Sixty-six percent of beneficiaries were aged 65 or older, while approximately 21% were disabled and under age 65. The remaining 13% were early retirees, young survivors of deceased insured persons, or family members of disabled or retired beneficiaries.



The average monthly Social Security benefit payment for September 2007 was \$963, while the average SSI monthly payment totaled \$467.10. In September 2007, SSA paid nearly \$48 billion in Social Security benefits and over \$3.5 billion in SSI payments.

In FY 2007, the Agency also:

- Paid benefits to over 54 million persons every month;
- Made decisions on nearly 656,000 appeals;
- Issued over 17.6 million new and replacement Social Security cards;
- Processed over 265 million earnings items for crediting to workers' earnings records;
- Handled over 57 million transactions via our toll-free number;
- Issued over 146 million *Social Security Statements*;
- Completed more than 764,000 periodic continuing disability reviews;
- Processed over one million non-disability SSI redeterminations to ensure that SSI eligibility is still met; and
- Administered components of the Medicare programs, including processing subsidy applications, calculating and withholding premiums, determining eligibility, and taking applications for replacement Medicare cards.

# THE STRATEGIC PLANNING PROCESS

SSA uses performance-based budgeting to ensure that we meet our considerable workload challenges. A performance-based budget consists of a results-oriented framework in which strategic goals are paired with related long-term outcomes and annual performance measures. This process begins with a comprehensive strategic plan, a vision of the Agency's future.

In January 2006, SSA published the *Agency Strategic Plan (ASP)* for FY 2006 - FY 2011, and now is developing a new ASP for FY 2008 - FY 2013.

This *Annual Performance Plan*, based on the FY 2006 – FY 2011 ASP, details how SSA will use our appropriated funds to accomplish the strategic goals set forth in the ASP; specifically, how SSA will increase performance, accountability, effectiveness, and efficiency in FY 2008 and FY 2009. Included are environmental factors that can affect the accomplishment of strategic objectives, as well as the means and strategies to achieve performance results.

## **Strategic Goal 1 - *To deliver high-quality, citizen-centered service***

Direct service is provided through our field offices, teleservice centers, program service centers, and hearing offices, as well as by our partners in the State Disability Determination Services (DDS) throughout the United States and its territories.

Service to the public requires not only a high degree of professionalism and compassion, but also accuracy, productivity, cost-effectiveness, timeliness, and service satisfaction. The Agency is firmly committed to continuously assessing Social Security programs and services to meet the needs of current and future generations.

## **Strategic Goal 2 - *To protect the integrity of Social Security programs through superior stewardship***

Workers, employers, the self-employed, and taxpayers, who fund the Social Security and SSI programs, deserve to have their tax dollars properly managed.

Superior stewardship, however, goes beyond sound money management. It includes strengthening the integrity of the Social Security number, securing SSA's information systems, and protecting the integrity and privacy of the personal information that SSA maintains.

## **Strategic Goal 3 - *To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations***

The aging of the Nation's population has profound, long-term implications on the sustainable solvency of Social Security programs. New patterns of work and earnings, marriage, divorce, and childbearing affect the characteristics of families. Individuals are living longer and healthier lives. The first wave of the baby boomer generation (those born from 1946 through 1964) will be eligible to retire in 2008. Without changes to the Social Security program, there will not be enough workers to generate a sufficient taxable income base to support scheduled benefits.

Consequently, SSA is educating the public about the program's financial challenges and its possible effect on future beneficiaries. The Agency also is working with elected officials and other executive agencies providing critical information necessary to address the long-term solvency of Social Security. Through these actions, the Agency can better assist Congress and the President in designing any necessary program and legislative changes to secure Social Security for meeting the needs of current and future generations.

**Strategic Goal 4 - To strategically manage and align staff to support the mission of the Agency**

Regardless of how effectively SSA uses its resources, one key to success is ensuring that our workforce can handle its growing workloads. SSA staffing has been affected in two ways:

- Before this year, constrained resources over the last six years have resulted in a much smaller SSA workforce.
- The same trends that are causing increases in retirement applications and disability claims in field offices also are

resulting in a retirement wave of SSA staff.

The Agency expects the retirement wave to peak between FYs 2008 and 2010. Over the next five years, 39% of our current workforce will become eligible for retirement.

To address the retirement wave, SSA developed and continues to update a strategic *Human Capital Plan* detailing how SSA will use staffing to meet the Agency's mission and goals. Under that plan, SSA will hire and retain the employees it needs with the skills necessary to continue SSA's tradition of excellent public service.

## **AT A GLANCE: ANNUAL PERFORMANCE PLAN FOR FY 2009 AND REVISED FINAL PERFORMANCE PLAN FOR FY 2008**

The FY 2006 – FY 2011 ASP reflects SSA’s commitment to deliver high-level service, foster program integrity and sound stewardship, address program solvency, and maintain a high-performing staff. It is the basis for this *Annual Performance Plan*. The following chart lists the performance measures and targets for FY 2008 – FY 2009. These measures are publicly reported and meet the requirements set forth in the *Government Performance and Results Act of 1993* (GPRA). More detailed information about the measures can be found in *Appendix A* of this document.

<b>Strategic Goal 1: <i>To deliver high-quality, citizen-centered service</i></b>				
<b>Strategic Objective 1.1: <i>Make the right decision in the disability process as early as possible</i></b>				
Performance Measures		FY 2008 Target	FY 2009 Target	Page
1.1a	Percent of initial disability claims receipts processed by the Disability Determination Services up to the budgeted level <sup>1</sup>	100%	100%	10
1.1b	Minimize average processing time for initial disability claims to provide timely decisions	107 days	103 days	10
1.1c	Disability Determination Services net accuracy rate for combined initial disability allowances and denials	97%	97%	11
1.1d	Achieve budgeted goal for SSA hearings processed (at/above the FY 2008 goal)	559,000	644,000	12
1.1e	Maintain the number of SSA hearings pending (at/below FY 2008 goal)	752,000	683,000	12
1.1f	Achieve target percentage of hearing level cases pending over 365 days	56%	50%	12
1.1g	Achieve target percentage of hearing level cases pending 900 days or more	Less than 1% of universe of over 900 day cases pending	n/a	13
1.1h	Achieve the budgeted goal for average processing time for hearings	535 days	506 days	13
1.1i	Achieve the budgeted goal for average processing time for requests for review (appeals of hearing decisions)	242 days	242 days	14
1.1j	Decrease the number of pending requests for review (appeals of hearing decisions) over 365 days	28%	27%	14

<b>Strategic Objective 1.2: <i>Increase employment for people with disabilities by expanding opportunities</i></b>				
Performance Measures		FY 2008 Target	FY 2009 Target	Page
1.2a	Number of Disability Insurance and Supplemental Security Income beneficiaries, with Tickets in use, who work	Establish a new baseline	20% above CY 2008 baseline	16
1.2b	Number of quarters of work earned by Disability Insurance and Supplemental Security Income disabled beneficiaries during the calendar year	Establish a baseline	TBD	17

<sup>1</sup> The budgeted level is 2,582,000 for FY 2008 and 2,600,000 for FY 2009.

**Strategic Objective 1.3: Improve service through technology, focusing on accuracy, security, and efficiency**

Performance Measures		FY 2008 Target	FY 2009 Target	Page
1.3a	Percent of Retirement and Survivors Insurance claims receipts processed up to the budgeted level <sup>2</sup>	100%	100%	18
1.3b	Improve service to the public by optimizing the speed in answering 800-number calls	330 seconds	330 seconds	19
1.3c	Improve service to the public by optimizing the 800-number busy rate for calls offered to Agents	10%	10%	19
1.3d	Percent of individuals who do business with SSA rating the overall service as “excellent,” “very good,” or “good”	83%	83%	20

**Strategic Goal 2: *To protect the integrity of Social Security programs through superior stewardship***

**Strategic Objective 2.1: Detect and prevent fraudulent and improper payments and improve debt management**

Performance Measures		FY 2008 Target	FY 2009 Target	Page
2.1a	Process Supplemental Security Income non-disability redeterminations to reduce improper payments	1,200,000	1,486,000	22
2.1b	Number of periodic continuing disability reviews processed to determine continuing entitlement based on disability to help ensure payment accuracy	1,065,000	1,149,000	23
2.1c	Percent of Supplemental Security Income payments free of overpayment and underpayment error	96% O/P 98.8% U/P	96% O/P 98.8% U/P	23
2.1d	Percent of Old-Age, Survivors and Disability Insurance payments free of overpayment and underpayment error	99.8% O/P 99.8% U/P	99.8% O/P 99.8% U/P	24

**Strategic Objective 2.2: Strengthen the integrity of the Social Security Number issuance process to help prevent misuse and fraud of the Social Security Number and card**

Performance Measures		FY 2008 Target	FY 2009 Target	Page
2.2a	Percent of original Social Security Numbers issued that are free of critical error	95%	95%	28
2.2b	Percent of Social Security Number receipts processed up to the budgeted level <sup>3</sup>	96% (18,240,000)	96% (19,200,000)	28

<sup>2</sup> The budgeted level is 4,065,000 for FY 2008 and 4,281,000 for FY 2009.

<sup>3</sup> The budgeted level is 19,000,000 for FY 2008 and 20,000,000 for FY 2009.

**Strategic Objective 2.3: Ensure the accuracy of earnings records so that eligible individuals can receive the proper benefits due them**

Performance Measures		FY 2008 Target	FY 2009 Target	Page
2.3a	Issue annual SSA-initiated <i>Social Security Statements</i> to eligible individuals age 25 and older	100%	100%	30

**Strategic Objective 2.4: Manage Agency finances and assets to link resources effectively to performance outcomes**

Performance Measures		FY 2008 Target	FY 2009 Target	Page
2.4a	Receive an unqualified opinion on SSA's financial statements from the auditors	Receive an unqualified opinion	Receive an unqualified opinion	32

**Strategic Goal 3: *To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations***

**Strategic Objective 3.1: Through education and research efforts, support reforms to ensure sustainable solvency and more responsive retirement and disability programs**

Performance Measures		FY 2008 Target	FY 2009 Target	Page
3.1a	Provide support to the Administration and Congress in developing legislative proposals and implementing reforms to achieve sustainable solvency for Social Security	Conduct analysis for the Administration and Congress on key issues related to implementing Social Security reforms	Conduct analysis for the Administration and Congress on key issues related to implementing Social Security reforms	33

**Strategic Goal 4: *To strategically manage and align staff to support the mission of the Agency***

**Strategic Objective 4.1: Recruit, develop, and retain a high-performing workforce**

Performance Measures		FY 2008 Target	FY 2009 Target	Page
4.1a	Enhance SSA's recruitment program to support future workforce needs	Implement the recruitment evaluation, including collecting initial baseline data, and develop an evaluation report	Develop and implement an action plan based on the findings from the recruitment evaluations	35

## **SSA'S MAJOR MANAGEMENT CHALLENGES**

SSA faces its share of challenges. Like any federal agency committed to the principles of good government, accountability, and integrity, SSA continually seeks to improve Agency programs and processes. SSA is addressing management and performance challenges identified in audits conducted by the Government Accountability Office (GAO), Congress' investigative arm, and by SSA's Office of the Inspector General (OIG). SSA will report on its progress in the *FY 2008 Performance and Accountability Report*.

- I.** Social Security Number Protection (OIG)
- II.** Management of the Disability Process (OIG)
- III.** Improper Payments and Recovery of Overpayments (OIG)
- IV.** Systems Security and Critical Infrastructure Protection (OIG)
- V.** Service Delivery and Electronic Government (OIG & GAO)
- VI.** Improvement of the Disability Determination Process and Return to Work Initiatives (GAO)
- VII.** Attention to the Disability Insurance program – added to the High-Risk List in 2003 (GAO)
- VIII.** Monitoring of the Supplemental Security Income program – removed from the High-Risk List in 2003. (GAO)
- IX.** Internal Control Environment and Performance Management (OIG)
- X.** Promoting Information Security (GAO)
- XI.** Investing in Human Capital (GAO)
- XII.** Reforms to Strengthen Social Security (GAO)

## **APPENDIX A: HOW THE SOCIAL SECURITY ADMINISTRATION MEASURES PERFORMANCE**

Before performance can be improved, it must first be measured. SSA uses performance measures to assess progress towards achieving goals articulated in the *Agency Strategic Plan*. Once a performance measure is identified, a target that represents an optimal level of performance is set. SSA uses a combination of output and outcome measures to determine the most effective use of resources needed to carry out the Agency's mission and goals.

SSA has also developed automated tools to assist senior staff in determining the full and marginal costs of achieving specific performance results. These tools enable SSA to determine the level of resources required to maintain core workloads; process special workloads; reduce backlogged disability claims, hearings and appeals; and improve productivity and fiscal stewardship.

The Agency's budget request clearly defines performance commitments, both in terms of the public service and program integrity workloads that the Agency will handle and the outcomes it

expects to achieve. SSA's planning and budget activities reflect evaluation and feedback from Congress, the Social Security Advisory Board, the Government Accountability Office, and SSA's Office of the Inspector General.

SSA's executive leadership also works diligently to emphasize the relationship between resources and results. Performance data are discussed at monthly meetings between the Commissioner and his senior staff. These meetings enable SSA to link performance directly to the Agency's budget to ensure that its priorities reflect the needs and expectations of Congress and the public.

This document contains twenty-six performance measures. Data collection methods and verification processes are described for each measure as well as the means by which data quality and integrity are ensured. The performance measures link directly to SSA's mission and objectives and provide a balanced view of overall Agency performance.

### **Strategic Goal 1: *To deliver high quality, citizen-centered service***

#### **ENVIRONMENTAL FACTORS**

SSA faces immediate and considerable challenges in providing high-quality, citizen-centered service. This is especially true given the Agency's current and anticipated staffing losses and the hiring limitations that are expected to prevent SSA from filling many of these positions.

As the first baby boomers began to retire in January 2008, approximately 23% of the Agency's employees were eligible for retirement. By 2015, that figure jumps to 54% with nearly 42% of SSA staff projected to actually retire. More critically, nearly 9,000 employees who provide direct service to the public are expected to retire between 2007 and 2010. It is vital that SSA hire and train new employees to prevent a significant drain on the Agency's institutional knowledge and expertise.

Another important consideration involves the numerous changes in law, medicine, technology, and society that have occurred since the Social Security disability and SSI programs were established – changes that have fundamentally and forever altered the concept of disability. The workplace has become more accessible because of legislation and advances in technology. Physical conditions that were once considered permanently or completely disabling are now perceived differently.

Technological improvements also affect the way the Agency delivers service by telephone and in person. For example, recent Agency surveys indicate one in three callers are now willing to use automated telephone services.

Although SSA has a history of enhancing the level of service it provides through automation and innovation, SSA's ability to meet Agency responsibilities is heavily dependent on the amount of resources it receives. Without

adequate resources, SSA cannot maintain a sufficient size staff or continue to make essential investments in technology, both of which are necessary to continue a high level of public service.

**Strategic Objective 1.1: Make the right decision in the disability process as early as possible**

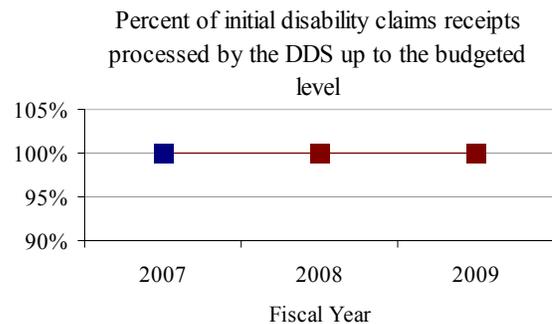
**Long - Term Outcomes**

- Reduce significantly the time it takes for a disability claimant to receive a final Agency decision
- Improve decisional consistency and accuracy
- Ensure that beneficiaries who are clearly disabled receive determinations within 20 calendar days or less

*Performance Measure 1.1a*

**Percent of initial disability claims receipts processed by the Disability Determination Services up to the budgeted level\***

Fiscal Year	2008	2009
<b>Targets</b>	100%	100%
<b>FY 2007 Historical Performance</b>		
Fiscal Year	2007	
<b>Actuals</b>	100%	



\* The budgeted level is 2,582,000 for FY 2008 and 2,600,000 for FY 2009. The budgeted level for FY 2007 was 2,530,000.

**Data definition:** In the Disability Determination Services, the number of Social Security and Supplemental Security Income initial disability claims receipts processed, including disabled dependents, compared to the number of initial disability claims received in a fiscal year up to the budgeted level.

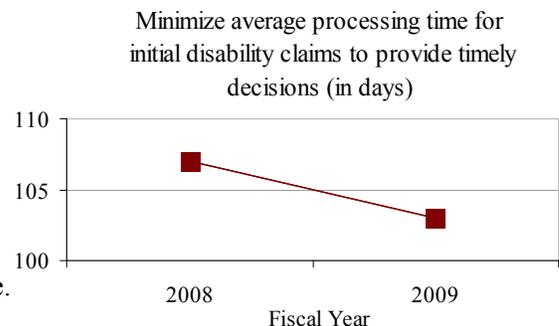
**Data source:** *National Disability Determination Services System and Disability Operational Data Store*

**Frequency reported:** Monthly

*Performance Measure 1.1b*

**Minimize average processing time for initial disability claims to provide timely decisions\* \*\***

Fiscal Year	2008	2009
<b>Targets</b>	107 days	103 days



\* This is a new performance measure for FY 2008.

\*\*This is also a *Program Assessment Rating Tool* measure.

**Data definition:** This is the fiscal year average processing time for Social Security and Supplemental Security Income disability claims combined. Processing time is measured from the application date (or protective filing date, if applicable) to either the date of the denial notice or the date the system completes processing an award. This includes “revised time,” “transit time,” and “field office, Disability Determination Services, and Disability Quality Branch times,” as well as protective filing times for awarded and medically denied claims.

**Note:** Disability claims that receive a technical (non-medical) denial at the field office are not included in this count. Cases sent to the Disability Determinations Services and sent back to the field office for a technical denial are also not included in the count. Also excluded are disability claims processed by the Disability Processing Branches in the Program Service Centers and disability claims processed by the Office of Central Operations, the Federal Disability Determinations Services, and the Disability Determination Services in Guam and the U.S. Virgin Islands. Without these technical or non-medical denials, the average processing time is approximately 20 days higher.

**Data source:** *Social Security Unified Measurement System*

**Frequency reported:** Monthly

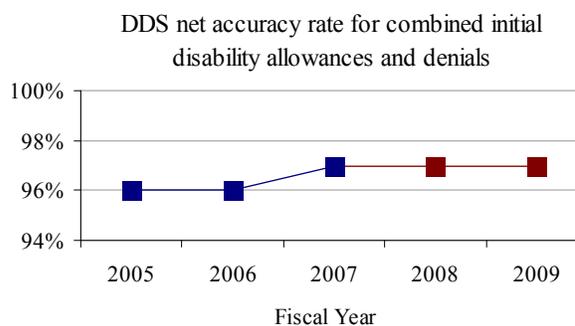
*Performance Measure 1.1c*

**Disability Determination Services (DDS) net accuracy rate for combined initial disability allowances and denials\***

Fiscal Year	2008	2009
<b>Targets</b>	97%	97%

**FY 2005 – FY 2007 Historical Performance**

Fiscal Year	2005	2006	2007
<b>Actuals</b>	96%**	96%**	97%**



\* This is also a *Program Assessment Rating Tool* measure.

\*\*Rounded up if  $\geq .5$  and down if  $\leq .4$

**Data definition:** Net accuracy is the percentage of correct initial State disability determinations and 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.

**Note:** Deficient cases corrected after the 90-day period are still counted as a deficiency.

**Data source:** *Disability Quality Assurance Databases*

**Frequency reported:** Monthly

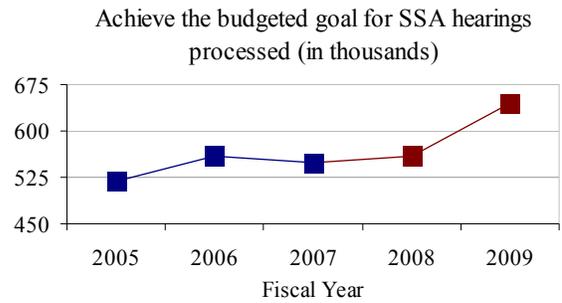
**Performance Measure 1.1d**

**Achieve the budgeted goal for SSA hearings processed (at or above the FY 2008 goal)**

Fiscal Year	2008	2009
<b>Targets</b>	559,000	644,000

**FY 2005 – FY 2007 Historical Performance**

Fiscal Year	2005	2006	2007
<b>Actuals</b>	519,359	558,978	547,951



**Data definition:** SSA hearings processed by the Office of Disability Adjudication and Review

**Data source:** Case Processing and Management System

**Frequency reported:** Monthly

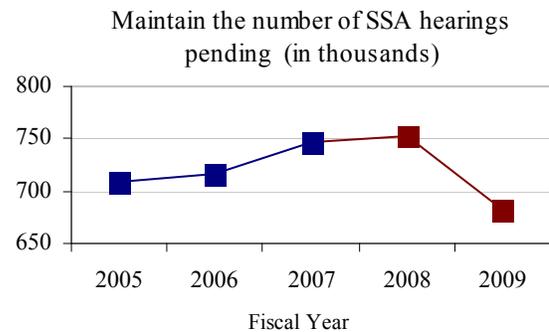
**Performance Measure 1.1e**

**Maintain the number of SSA hearings pending (at or below the FY 2008 goal)**

Fiscal Year	2008	2009
<b>Targets</b>	752,000	683,000

**FY 2005 – FY 2007 Historical Performance**

Fiscal Year	2005	2006	2007
<b>Actuals</b>	708,164	715,568	746,744



**Data definition:** SSA hearings pending in the Office of Disability Adjudication and Review

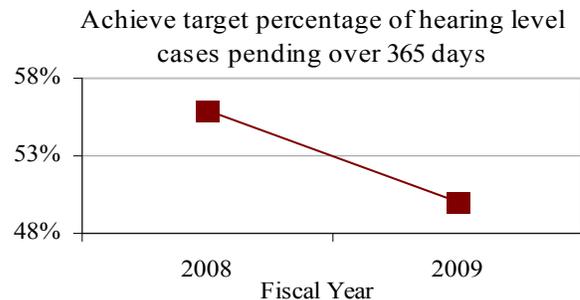
**Data source:** Case Processing and Management System

**Frequency reported:** Monthly

**Performance Measure 1.1f**

**Achieve target percentage of hearing level cases pending over 365 days\***

Fiscal Year	2008	2009
<b>Targets</b>	56%	50%



\* This is a new performance measure for FY 2008.

**Data definition:** Measured from the date of request for hearing, this represents the number of cases that

have been pending for more than 365 days as a percentage of the total number of cases pending at the hearing level. Included in the pending caseload would be remands as well as postentitlement actions. Remands are measured from the remand order date. A remand is an order by either the Appeals Council or a Federal Court returning a claim to a previous level decision maker for further action. Cases may be remanded for various reasons including: new evidence submitted with an appeal; a change in regulations; an error of law by the previous decision-maker; or an abuse of discretion.

**Data source:** *Case Processing and Management System and Disability Adjudication Reporting Tools*

**Frequency reported:** Monthly

### *Performance Measure 1.1g*

**Achieve target percentage of hearing level cases pending 900 days or more\***

Fiscal Year	2008	2009
<b>Targets</b>	Less than 1% of universe of over 900 day cases pending **	n/a

\* This is a new performance measure for FY 2008.

\*\*SSA began FY 2008 with 135,160 cases which are or will become 900 days old in FY 2008.

**Data definition:** Cases pending over 900 days or more include all cases which are, or will be, pending over 900 days during FY 2008, measured from request for hearing date or date of remand (whichever is later), except those cases that fall within an exception, such as prison cases.

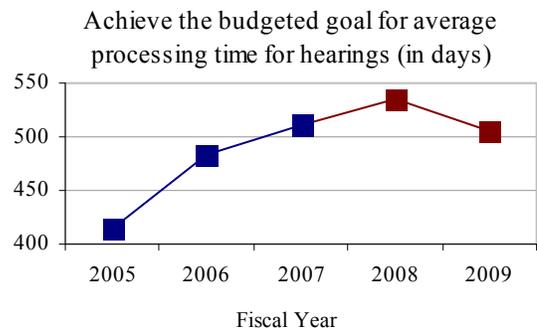
**Data source:** *Case Processing and Management System*

**Frequency reported:** Monthly

### *Performance Measure 1.1h*

**Achieve the budgeted goal for average processing time for hearings\***

Fiscal Year	2008	2009	
<b>Targets</b>	535 days	506 days	
<b>FY 2005 – FY 2007 Historical Performance</b>			
Fiscal Year	2005	2006	2007
<b>Actuals</b>	415 days	483 days	512 days



\* This is also a *Program Assessment Rating Tool* measure.

**Data definition:** The average elapsed time, from the hearing request date until the date of disposition, for cases at the hearing level (disability and non-disability cases) processed during all months of the fiscal year. Remands are measured from remand order date.

**Note:** Beginning in FY 2006, this measure no longer included Medicare hearings.

**Data source:** *Case Processing and Management System*

**Frequency reported:** Monthly

*Performance Measure 1.1i*

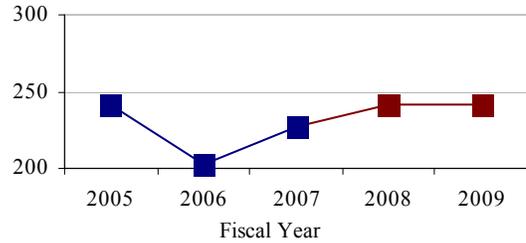
**Achieve the budgeted goal for average processing time for requests for review  
(appeals of hearing decisions)**

Fiscal Year	2008	2009
<b>Targets</b>	242 days	242 days

**FY 2005 – FY 2007 Historical Performance**

Fiscal Year	2005	2006	2007
<b>Actuals</b>	242 days	203 days	227 days

Achieve the budgeted goal for average processing time for requests for review (appeals of hearing decisions) (in days)



**Data definition:** The 12-month average processing time for decisions on appeals of hearings. Monthly processing time is calculated as an average over the course of the fiscal year. Processing time begins with the date of the request and ends when the date the disposition is entered into the *Appeals Council Automated Processing System*, which is the date the decision is date stamped, released, and mailed.

**Data source:** *Appeals Council Automated Processing System*

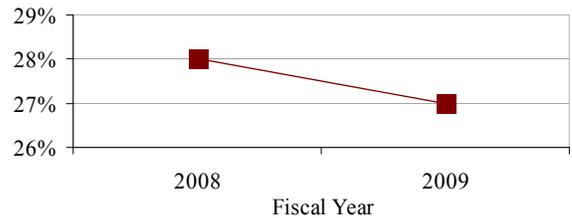
**Frequency reported:** Monthly

*Performance Measure 1.1j*

**Decrease the number of pending requests for review  
(appeals of hearing decisions) over 365 days\***

Fiscal Year	2008	2009
<b>Targets</b>	28%	27%

Decrease the number of pending requests for review over 365 days



\* This is a new performance measure for FY 2008.

**Data definition:** The indicator is calculated by dividing the total number of aged requests for review by the total number of pending requests for review. Aged requests for review are those cases where more than 365 days have elapsed since the date of the request for review.

**Data source:** *Appeals Council Automated Processing System*

**Frequency reported:** Monthly

## **MEANS AND STRATEGIES FOR STRATEGIC OBJECTIVE 1.1**

Despite the challenges posed by the complexity of and increase in the volume of disability claims and appeals, SSA has a moral obligation to provide benefits as quickly as possible to applicants who are clearly disabled. In response, the Agency has developed two initiatives – compassionate allowances and the Quick Disability Determination (QDD) process – to identify these cases and expedite them through the adjudicatory process.

***Compassionate Allowances:*** Compassionate allowances are a way of quickly identifying diseases and other medical conditions that obviously meet the definition of disability under the *Social Security Act* and can be confirmed with minimal medical information. This initiative targets individuals who have filed for benefits that are clearly disabled and will allow SSA to approve the claims as soon as the diagnosis is confirmed or medical evidence is obtained.

SSA published an advance notice of proposed rulemaking to solicit the public's views on what standards the Agency should use for making compassionate allowances, methods SSA might use to identify compassionate allowances and suggestions for how to implement those standards and methods. In December 2007, SSA held the first of four public hearings planned for FY 2008. Based on the results of these hearings and the comments received from the proposed rule, the Agency will determine the best course of action for the implementation of the compassionate allowances initiative.

***Quick Disability Determination Process:*** A complementary tool is the Quick Disability Determination process, which accelerates claims where there is a high probability that the claimant is disabled and where evidence of the claimant's alleged disabling condition is readily available.

Since August 2006, SSA has successfully used this process in the Boston region (Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, and Vermont), where 96% of closed QDD cases were approved and 94% had decision times of 20 days or less.

National rollout of the QDD process began on October 9, 2007 with Arizona, New Jersey, and North Dakota. By the end of October, the Agency had rolled out another 15 State Disability Determination Services (DDS). Sixteen additional States were rolled out in November, while five other States, Guam, Puerto Rico, the U.S. Virgin Islands, and the District of Columbia were added in December. National rollout is expected to be completed by February 2008.

***Revising and Updating the Listing of Impairments for Determining Disability:*** SSA also remains committed to updating the listing of impairments to take into account advances in medical care and treatment. The listing describes, for each of the major body systems, impairments that are considered severe enough to prevent a person from doing any substantial gainful activity. Within the past 12 months, SSA published a final regulation covering visual impairments and the Agency will soon publish final regulations for the digestive and immune systems. In addition, SSA anticipates publishing a notice of proposed rulemaking this fiscal year for mental impairments, malignant neoplastic diseases, and respiratory disorders.

There also have been key initiatives implemented with respect to the hearings process. Disability hearings have been a growing workload for SSA, and eliminating the hearings backlog is one of the most important challenges now facing the Agency. Although SSA does not anticipate completely eliminating this backlog until 2013, considerable progress in addressing this workload has already been made.

At the beginning of FY 2007 (October 1, 2006), more than 63,000 cases were over 1,000 days old. In response to its pledge to Congress and the public, the Agency concentrated on eliminating this pending workload by the end of the year. Through determination and much hard work, this goal was accomplished and SSA is continuing efforts to eliminate the remaining backlogs by focusing on the following strategies.

**Increasing Capacity to Make Decisions on Hearings Requests:** A centralized administrative law judge (ALJ) staff was created to conduct video hearings for offices with significant backlogs, thus reducing the need for local judges to travel to some remote sites. Other options being explored include the use of senior attorney advisors to issue fully favorable decisions, the use of re-employed ALJs, and the hiring of new ALJs. Also, the Agency has proposed new rules to improve the efficiency of processing claims at the hearing levels and expects to issue new rules in early calendar year 2008.

SSA also plans to remand cases to the State Disability Determination Services to issue fully favorable determinations, update claims files, and implement a medical expert screening process. Finally, the National Hearing Center, which opened in December 2007, uses a streamlined business process to electronically hear cases from those hearing offices with the largest backlogs.

**Using the Findings Integrated Template (FIT):** FIT was developed to improve the quality of hearing decisions. Automated guides include the applicable statutory and regulatory requirements to ensure all relevant issues are addressed in the decision. Originally piloted in 40 hearing offices, the template was modified

and improved based on feedback from these offices and released to all hearing offices in January 2006. As of December 2007, 99% of ALJs were using FIT. ALJs now report that the decision drafts are of higher quality, and they spend less time editing the documents.

**Image Management Software:** SSA is also conducting a “proof of concept” study with a software vendor to automate the hearing office file preparation process for the electronic folder. The objective is to test and establish a document management process using imaging software that will extract information from claim file images. Use of this software will greatly reduce the time it now takes hearing office staff to manually search claim file images and enter data into the electronic folder. Other benefits will include less time identifying and deleting duplicate information and the ability to quickly identify potential “on-the-record” decisions.

SSA is working directly with the software developers to ensure the product meets the Agency’s needs. In addition, SSA is evaluating the best method for integrating the software into its mainframe architecture. SSA awarded a contract in September 2007 to develop the necessary software. A pilot is scheduled to begin in April 2008, and full implementation is expected to begin in October 2008.

**Strategic Objective 1.2: Increase employment for people with disabilities by expanding opportunities**

- Long - Term Outcomes**
- Increase awareness of opportunities to achieve greater financial independence through employment
  - Increase participation of beneficiaries and service providers in work opportunity initiatives

*Performance Measure 1.2a*

**Number of Disability Insurance and Supplemental Security Income beneficiaries, with Tickets in use, who work**

Calendar Year	2008	2009
<b>Targets</b>	Establish a new baseline	20% above CY 2008 baseline

**Data definition:** Count the number of Disability Insurance, Supplemental Security Income, and concurrent beneficiaries who have used their Ticket to sign up with an Employment Network (EN) or State Vocational Rehabilitation (VR) agency and who have recorded earnings in the *Disability Control File* in any month of the calendar year. The data are provided on a calendar year basis and reported in

June of the following year. Performance measure language has been changed from “assigned” to “in use” to be consistent with this data definition. Beginning with FY 2008, under new regulations, Tickets will be counted as “in use” when they are being used with an EN or State VR agency, whereas under the pre-FY 2008 system they were counted when assigned.

**Data source:** The “Verify Update Earnings Screen’s Work and Earnings Reports” data field in the Disability Control File

**Frequency reported:** Annually

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*Performance Measure 1.2b*

**Number of quarters of work earned by Disability Insurance and Supplemental Security Income disabled beneficiaries during the calendar year\***

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Calendar Year	2008	2009
<b>Targets</b>	Establish a baseline	To be determined

\* This is a new measure for FY 2008.

**Data definition:** Measures overall effectiveness of all work incentive programs and reflects results of Return-to-work education and outreach activities and improvements to the Ticket and other work incentive programs. It also reflects work by beneficiaries with disabilities at increasingly significant levels over a significant period of time. A "quarter" is earned for each \$1050 earned in a year, up to a limit of four quarters in any calendar year. The value of a “quarter” will be tied to the threshold for any worker to earn a Social Security quarter of coverage in a given calendar year and will index year-to-year with the quarter of coverage.

**Data source:** *Master Earnings File*

**Frequency reported:** Annually

**MEANS AND STRATEGIES FOR STRATEGIC OBJECTIVE 1.2**

SSA is in the midst of a fundamental policy shift from a “disabled for life” approach to one that is focused on enhancing the productive capabilities of beneficiaries with disabilities. In doing so, the Agency recognizes there are multiple barriers faced by beneficiaries who wish to begin or return to work. Through a combination of regulatory initiatives and demonstration projects, SSA is now identifying and striving to remove these barriers.

**Accelerated Benefits Demonstration:** This demonstration project would provide immediate health benefits and employment supports to newly entitled Disability Insurance beneficiaries who do not have medical insurance coverage. Recruitment began in October 2007 and a final report is expected in 2011.

**Benefit Offset National Demonstration:** One concern many individuals with disabilities share when returning to work is the possible termination of their benefits. The Benefit Offset National Demonstration is intended to offer a gradual rather than an abrupt reduction in benefits for disabled Social Security beneficiaries who work and earn more than a specific amount. The project is currently under design and is scheduled to begin enrolling participants in 2009.

**Mental Health Treatment Study:** This program will provide mental health disorder treatment and employment supports not covered by other insurance. The purpose of the study will be to determine the impact these services have on outcomes, such as medical recovery, employment, and benefit receipt for certain disabled Social Security beneficiaries.

Recruitment for this project began in October 2006 and a final evaluation is expected in 2010.

**Youth Transition Demonstration Project:**

Designed to enable youth with disabilities to maximize their self-sufficiency, multiple government agencies, school systems, private-sector providers, and employers have been

brought together to create enhanced transition programs, better services, and service delivery systems. Ultimately, these activities may lead to reductions in federal and State expenditures for Supplemental Security Income, Medicaid, and other public benefits; increases in public revenues; and a better quality of life for persons with disabilities.

**Strategic Objective 1.3: Improve service through technology, focusing on accuracy, security, and efficiency**

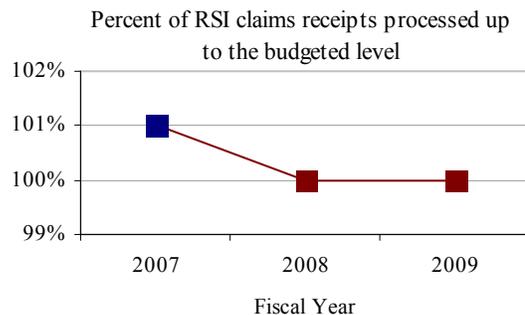
- Allow the public to more easily interact with the Social Security Administration by increasing partnerships with government and non-governmental organizations to share data and processes
- Improve and expand service capabilities by making optimal use of technology, including telephone and other electronic processes
- Protect all sensitive data by ensuring that appropriate systems security and privacy safeguards continue to be in place
- Eliminate backlogs for postentitlement work

**Long - Term Outcomes**

*Performance Measure 1.3a*

**Percent of Retirement and Survivors Insurance claims receipts processed up to the budgeted level\* \*\***

Fiscal Year	2008	2009
<b>Targets</b>	100%	100%
<b>FY 2007 Historical Performance</b>		
Fiscal Year	2007	
<b>Actuals</b>	101%	



\* The budgeted level is 4,065,000 for FY 2008 and 4,281,000 for FY 2009. The budgeted level for FY 2007 was 3,837,000.

\*\*This is also a *Program Assessment Rating Tool* measure.

**Data definition:** In the regional offices, field offices, teleservice centers, program service centers, and the Office of Central Operations, the number of initial claims for retirement, survivors, and Medicare processed compared to the number of initial claims for retirement, survivors, and Medicare received in a fiscal year up to the budgeted level. This includes Totalization claims.

**Data source:** *Social Security Unified Measurement System Operational Data Store*

**Frequency reported:** Monthly

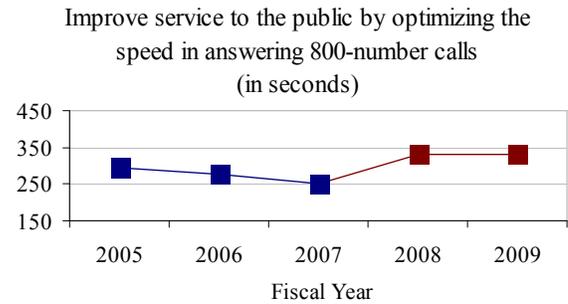
### *Performance Measure 1.3b*

#### **Improve service to the public by optimizing the speed in answering 800-number calls**

Fiscal Year	2008	2009
<b>Targets</b>	330 seconds	330 seconds

#### **FY 2005 – FY 2007 Historical Performance**

Fiscal Year	2005	2006	2007
<b>Actuals</b>	296 seconds	278 seconds	250 seconds



**Data definition:** The answer wait time of all calls divided by the number of all calls answered by agents. Wait time begins from the time the call is placed in queue and ends when an agent answers. Calls that go straight to an agent without waiting in the queue have a zero wait time, but are included in the average speed of answer calculation. Average speed of answer does not include callers who hang up after being in queue. A lower average speed of answer and busy rate are indicators of better customer service.

**Data source:** Report generated by Cisco router software

**Frequency reported:** Monthly

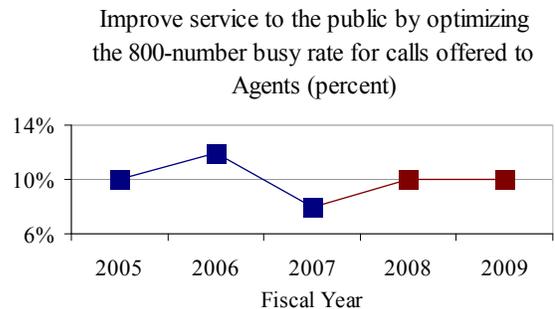
### *Performance Measure 1.3c*

#### **Improve service to the public by optimizing the 800-number busy rate for calls offered to Agents**

Fiscal Year	2008	2009
<b>Targets</b>	10%	10%

#### **FY 2005 – FY 2007 Historical Performance**

Fiscal Year	2005	2006	2007
<b>Actuals</b>	10%*	12%*	8%*



\* Rounded up if  $\geq .5$  and down if  $\leq .4$

**Data definition:** Number of busy messages divided by number of calls offered to agents (displayed as a percentage). A busy message is the voice message a caller receives when no agent is available to answer the call because the queue has reached its maximum capacity of waiting calls. When this happens, the person is asked to call back later. A lower busy rate and average speed of answer are indicators of better customer service.

**Data source:** Report generated by Cisco router software

**Frequency reported:** Monthly

### Performance Measure 1.3d

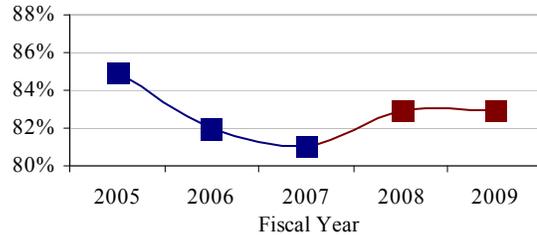
Percent of individuals who do business with SSA rating the overall service as “excellent,” “very good,” or “good”\*

Fiscal Year	2008	2009
Targets	83%	83%

#### FY 2005 – FY 2007 Historical Performance

Fiscal Year	2005	2006	2007
Actuals	85%	82%	81%

Percent of individuals who do business with SSA rating the overall service as "excellent," "very good," or "good"



\* This is also a *Program Assessment Rating Tool* measure.

**Data definition:** Percent of respondents who rate overall service as “good,” “very good,” or “excellent” on a 6-point scale ranging from “excellent” to “very poor” divided by the total number of respondents to that question.

**Data source:** SSA’s annual surveys of 800-number callers, field office callers, and field office and Hearings Office visitors

**Frequency reported:** Annually

## **MEANS AND STRATEGIES FOR STRATEGIC OBJECTIVE 1.3**

As a recognized leader in the field of information technology, SSA realizes that increased investment in this area is critical if the Agency is going to survive in an environment of escalating workloads and a retiring workforce. In fact, improving automation initiatives is the Agency’s primary course for continuing and improving service while enhancing productivity. Transforming the information technology environment will be costly, but the price of not investing in these changes would be even more costly to the Agency and the American public.

Specific strategies for improving service through technology include:

**Enhancements to the Internet Social Security Benefits Application (ISBA):** Public demand for online services continues to increase. The American Customer Satisfaction Index results show the public wants the option to apply for benefits through a single, easy-to-use, secure Internet application. In FY 2007, there was an 11% increase in usage of Social Security’s online retirement application over the previous fiscal year.

The Agency is planning several enhancements to

the application in FY 2008 to meet the expected increase in demand for online services. In addition to various usability improvements, more automated customer service options will be added. The online application will also be expanded to permit third parties to begin the application process to protect potential benefits for incapacitated individuals who are unable to file their own applications.

SSA also will remove two questions that exclude users from completing an online application for benefits, thereby increasing the number of successful claims submitted online. For individuals filing for disability benefits, an enhancement to ISBA will allow information to flow seamlessly into the documentation that is required for all disability applications. In addition, because of the increase in the full retirement age for individuals born January 2, 1938 or later, SSA will expand ISBA to include Medicare-only claims.

**Use of Video Technology:** SSA currently uses video technology to take claims and provide additional services to residents in three western States – North Dakota, Wyoming, and South Dakota. SSA has also entered into a joint venture with the University of North Dakota, the General Services Administration, local government, and tribal leaders to establish video networks. Although persons in remote areas of the country may live far from a field office, video technology extends to them many of the services traditionally offered in that setting.

The Agency plans to expand the video network to provide additional sites and services and is considering locations in Montana. Because areas that offer video conferencing have seen significant increases in the number of claims filed, SSA is also working to establish links between claimants and the DDSs.

At the hearings level, SSA uses video equipment to conduct hearings, thereby reducing the need for ALJs to travel and increasing the availability of witnesses for hearings. Since 2004, the Agency has held over 120,000 hearings using video technology. And, while there are nearly 400 video-equipped hearing rooms, SSA continues to expand its video hearing capacity.

In addition, the Agency has opened a National Hearing Center, which conducts exclusively video hearings using electronic folders. SSA also plans to expand its efforts to co-locate hearing sites with field offices in order to share video technology and further extend its network.

**eService Program:** To the extent possible, SSA must provide online options to offset the rapidly growing gap between the resources needed and the resources available to handle the projected growth in the volume and complexity of Agency

workloads. With baby boomers joining the beneficiary rolls in record numbers in coming years, SSA cannot afford to continue with business as usual.

The vision of eService is a virtual SSA where the public, businesses, and Government agencies can conduct all business through secure, electronic channels.

**Generations Online:** In an effort to better engage the senior population, SSA developed a tutorial to assist seniors in conducting three simple but common transactions on Social Security's Internet site: changing an address and/or phone number, requesting direct deposit, and requesting a password needed to conduct other Social Security business online.

**Retirement Estimator:** An enhancement to the online claims process would provide real-time estimates of benefit amounts based on the individual's earnings.

**Telephone Systems Replacement Project:** SSA is planning a multi-year replacement of the current telephone system with a system that will support the transmission of voice (sound) over the Internet. A single system that carries voice and data would save administrative costs and support other technological improvements, particularly at the field office level. For example, local offices would be able to re-route calls during disasters and other emergencies and provide the public with the option of accessing their office of choice from any location within the continental United States.

**Strategic Goal 2: To protect the integrity of Social Security programs through superior stewardship**

### **ENVIRONMENTAL FACTORS**

The Social Security program is the largest domestic social program in the world. The Old-Age, Survivors, and Disability Insurance Trust Funds paid out over \$575 billion in benefits to over 49 million beneficiaries in 2007. The size and scope of the program represent enormous stewardship challenges for SSA.

The Agency has core, ongoing stewardship efforts that are critical to the elimination of improper payments. An example is ensuring the correct earnings are credited to the right worker. Ensuring the accuracy of individual earning records and the benefit payments that are based on these records is a resource-intensive and

complex task. Despite an exceptional record by the Agency, employer error and misuse of the Social Security Number by undocumented workers have resulted in almost \$500 billion dollars that cannot be properly credited to individuals and must be placed in an earnings suspense file.

Another common occurrence involves individuals who fail to change their names when they marry or divorce, thus creating name/SSN mismatches. SSA continues to implement new technology to ensure earnings record accuracy and further protect the integrity of the Trust Funds.

The elimination of improper payments in the SSI program is heavily dependent on the availability

of resources to conduct core stewardship functions, particularly redeterminations and continuing disability reviews. SSA has been working to reduce the number of improper payments by initiating new computer matching agreements with other agencies and organizations, improving its ability to detect undisclosed financial accounts, conducting wage reporting pilots, and implementing improvements to its debt recovery program.

In addition to these core workloads, SSA also performs work that supports other federal agencies. For example, SSA cooperates with the Department of Homeland Security to operate E-Verify, the employment eligibility verification system. Additional information on E-Verify may be found on page 31 of this document.

**Strategic Objective 2.1: Detect and prevent fraudulent and improper payments and improve debt management**

**Long - Term Outcomes**

- Increase the Agency’s stewardship accuracy rate for Supplemental Security Income payments
- Maintain the Agency’s stewardship accuracy rates for Old-Age, Survivors, and Disability Insurance payments
- Increase the percent of outstanding debt that is in a collection arrangement
- Remain current with Disability Insurance and Supplemental Security Income continuing disability reviews
- Finish processing special disability cases
- Reduce the backlog of workers’ compensation cases

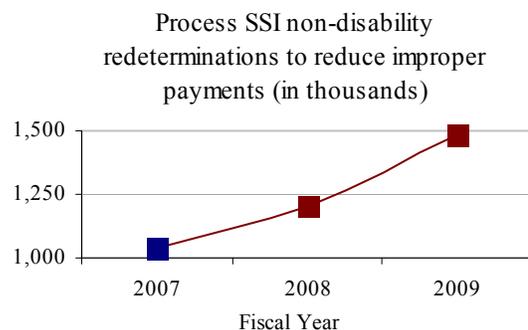
*Performance Measure 2.1a*

**Process Supplemental Security Income (SSI) non-disability redeterminations to reduce improper payments**

Fiscal Year	2008	2009
<b>Targets</b>	1,200,000	1,486,000

**FY 2007 Historical Performance**

Fiscal Year	2007
<b>Actuals</b>	1,038,948



**Data definition:** All non-disability eligibility redeterminations of Supplemental Security Income beneficiaries that are processed to completion resulting from diary actions (scheduled), those initiated as a result of events reported by beneficiaries (unscheduled), and targeted redeterminations.

**Note:** Beginning in FY 2007, the data definition was changed to include targeted redeterminations.

**Data source:** Redetermination Service Delivery Objective Report, Limited Issue Service Delivery Objective Report, Post-eligibility Operational Data Store

**Frequency reported:** Monthly

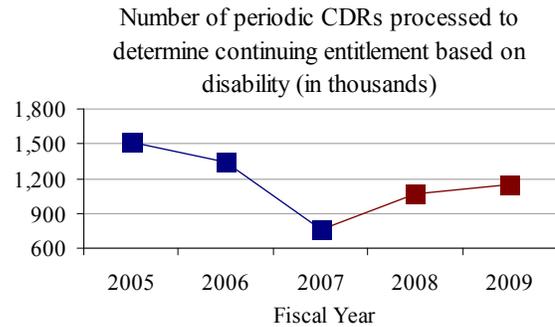
**Performance Measure 2.1b**

**Number of periodic continuing disability reviews processed to determine continuing entitlement based on disability to help ensure payment accuracy**

Fiscal Year	2008	2009
<b>Targets</b>	1,065,000	1,149,000

**FY 2005 – FY 2007 Historical Performance**

Fiscal Year	2005	2006	2007
<b>Actuals</b>	1,515,477	1,337,638	764,852



**Data definition:** Count includes periodic reviews and other continuing disability reviews (CDR) processed by the Disability Determination Services and through mailers not requiring medical reviews.

**Note:** The FY 2008 target of 1,065,000 includes 235,000 medical CDRs and 830,000 CDR mailers not requiring medical review. The FY 2009 target of 1,149,000 includes 329,000 medical CDRs and 820,000 CDR mailers not requiring medical review. Data provided from Disability Operational Data Store used to calculate a portion of the performance indicator is not archived or maintained for audit purposes.

**Data source:** Disability Operational Data Store and the continuing disability review tracking files

**Frequency reported:** Monthly

**Performance Measure 2.1c**

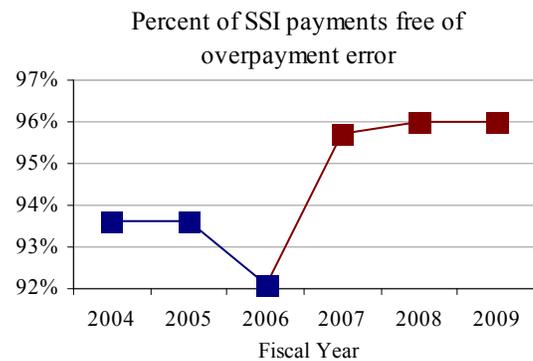
**Percent of Supplemental Security Income payments free of overpayment and underpayment error\***

**Overpayment Accuracy Rate**

Fiscal Year	2007	2008	2009
<b>Targets</b>	95.7%	96%	96%

**FY 2004 – FY 2006 Historical Performance**

Fiscal Year	2004	2005	2006
<b>Actuals</b>	93.6%**	93.6%**	92.1%

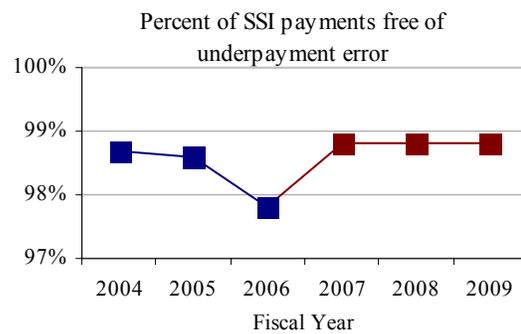


**Underpayment Accuracy Rate**

Fiscal Year	2007	2008	2009
<b>Targets</b>	98.8%	98.8%	98.8%

**FY 2004 – FY 2006 Historical Performance**

Fiscal Year	2004	2005	2006
<b>Actuals</b>	98.7%**	98.6%**	97.8%



\* This is also a *Program Assessment Rating Tool* measure.

\*\*Rounded up to the nearest tenth if  $\geq .05$  and down if  $\leq .04$

**Data definition:** The Supplemental Security Income payment accuracy rate free of overpayment and underpayment error is determined by an annual review of a statistically valid sample of the beneficiary rolls. Stewardship review findings, such as accuracy rates, are *estimates* based on the results of random samples. These estimates are expressed in terms of the degree of confidence that the estimate is somewhere between two values and the measure of precision provides information about the size of the interval. For example, in FY 2005, SSI precision at the 95% confidence level ranged from 92.7% to 94.5% for overpayments and from 98.3% to 98.9% for underpayments. Separate rates are determined for overpayment error dollars and underpayment error dollars. The accuracy rates are computed by dividing the error dollars by the total dollars paid for the fiscal year. This percentage is subtracted from 100% to determine the accuracy rate. The current measuring system captures the accuracy rate of the non-medical aspects of eligibility for SSI payment outlays.

**Note:** The SSI Stewardship Report is based on a monthly sample of cases randomly selected from the SSI payment rolls, consisting of all recipients in current pay status. Sampled cases are reviewed for non-medical factors of eligibility and, in each case, the recipient or representative payee is interviewed (usually during in-home visits), collateral contacts are made, as needed, and all factors of eligibility are redeveloped as of the sample month. The Stewardship data are reported on a fiscal year basis (targeted for June 30 of the year following the year of review) and provide an overall accuracy measurement of the payments to all recipients currently on the SSI rolls.

**Data source:** *Supplemental Security Income Stewardship Report*

**Frequency reported:** Annually

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*Performance Measure 2.1d*

**Percent of Old-Age, Survivors, and Disability Insurance payments  
free of overpayment and underpayment error\***

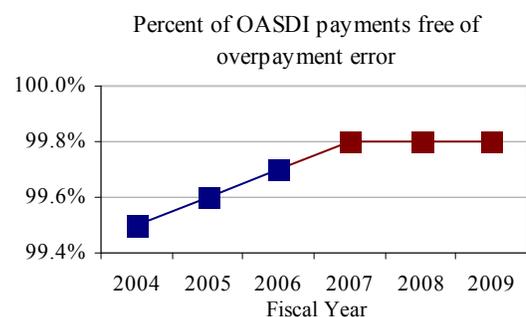
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**Overpayment Accuracy Rate**

Fiscal Year	2007	2008	2009
<b>Targets</b>	99.8%	99.8%	99.8%

**FY 2004 – FY 2006 Historical Performance**

Fiscal Year	2004	2005	2006
<b>Actuals</b>	99.5%**	99.6%**	99.7%**

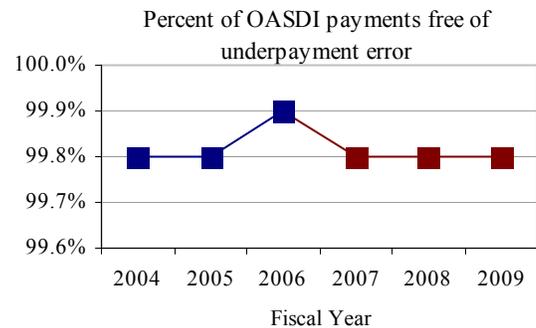


### Underpayment Accuracy Rate

Fiscal Year	2007	2008	2009
Targets	99.8%	99.8%	99.8%

#### FY 2004 – FY 2006 Historical Performance

Fiscal Year	2004	2005	2006
Actuals	99.8%**	99.8%**	99.9%**



\* This is also a *Program Assessment Rating Tool* measure.

\*\*Rounded up to the nearest tenth if  $\geq .05$  and down if  $\leq .04$

**Data definition:** The Old-Age, Survivors, and Disability Insurance (OASDI) payment accuracy rate free of overpayment and underpayment error is determined by an annual review of a statistically valid sample of the beneficiary rolls. Stewardship review findings, such as accuracy rates, are *estimates* based on the results of random samples. These estimates are expressed in terms of the degree of confidence that the estimate is somewhere between two values and the measure of precision provides information about the size of the interval. For example, in FY 2005, overall OASDI precision at the 95% confidence level ranged from 99.25% to 99.86% for overpayments and from 99.65% to 99.98% for underpayments. Separate rates are determined for overpayment error dollars and underpayment error dollars. The accuracy rates are computed by dividing error dollars by the total dollars paid for the fiscal year. The percentage is subtracted from 100% to attain the accuracy rate.

**Note:** The basis of the Retirement and Survivors Disability Insurance payment accuracy (Stewardship) report is a monthly randomly selected sample of cases from Retirement and Survivors Disability Insurance payment rolls of beneficiaries in current pay status. The cases are reviewed for non-medical factors of eligibility, and for each case, the beneficiary or representative payee is interviewed (75% by phone and 25% by home visit), collateral contacts are made, as needed, and all factors of eligibility are redeveloped for the current sample month.

**Data source:** *Old-Age, Survivors, and Disability Insurance Stewardship Report*

**Frequency reported:** Annually

## **MEANS AND STRATEGIES FOR STRATEGIC OBJECTIVE 2.1**

In support of the *President's Management Agenda* (PMA) program initiative, *Eliminating Improper Payments*, SSA has undertaken projects that have the most potential to improve program integrity across three fronts: detection of improper payments; prevention of improper payments; and collection of debt. As of June 2006, SSA achieved "yellow" for status and "green" for progress on the *PMA Program Initiatives Scorecard* and has maintained these scores through September 2007.

### **Detection and Prevention Activities**

**Continuing Disability Reviews:** SSA helps ensure the integrity of the disability program by conducting continuing disability reviews (CDR)

and determining whether beneficiaries continue to be entitled to benefits based on their medical conditions. CDRs are cost-effective, returning more than \$10 in lifetime program benefits for every \$1 spent. To make the process even more efficient, SSA has developed the CDR mailer/statistical scoring model to screen cases and identify those in which a full medical review would not be cost-effective. Remaining cases are then referred for the full medical CDR.

In FY 2007, another statistical scoring tool – the *Diary Model* – was developed to more accurately assign dates when individual disability cases should be selected for review based on the medical condition and expectation of medical improvement. Over time, the *Diary*

*Model* will save SSA millions of dollars because valuable Agency resources will not be needed to review cases where there is no reasonable expectation of improvement or recovery.

SSA also continues to focus on large-scale sampling of CDRs to maintain program integrity. These samples are conducted to ensure sufficient data for ongoing process assessment as well as periodic adjustments to the model.

Despite these efforts, overall Agency resource constraints in recent years have led SSA to process fewer CDRs. This has created an estimated backlog of more than one million CDRs required on cases that have been selected for medical review.

### ***Cooperative Disability Investigation (CDI)***

***Units:*** The purpose of the CDI unit is to develop evidence sufficient to resolve allegations of fraud in SSA's disability programs. This effort supports the Agency's strategic goal of ensuring the integrity of Social Security programs with zero tolerance for fraud and abuse.

Because of the CDI units and their partnerships with local law enforcement, SSA can:

- Prevent payments made to claimants who are not disabled;
- Stop payments for beneficiaries who have not reported medical improvement or work activity; and
- Reopen cases and stop payments to beneficiaries who should never have been entitled to disability benefits.

The CDI program represents one of Social Security's most successful anti-fraud initiatives. From the inception of the program in 1998 through March 2007, the Agency has seen more than \$776 million in total program savings. In addition to these tangible results, the public's awareness of the CDI program through notices, publications, and/or online Questions and Answers has likely discouraged additional fraud.

### ***Supplemental Security Income***

***Redeterminations:*** The most powerful tool the Agency has to detect and prevent overpayments

is the SSI redetermination process. A redetermination is a periodic review of the non-medical factors of SSI eligibility. The estimated benefit from FY 2006 redeterminations totaled \$969 million in recovered or prevented overpayments (estimated recoveries of retroactive overpayments plus prevention of future overpaid monthly payments) and identification of \$803 million in underpayments. And, like the CDR process, the redetermination process is extremely cost-effective, saving SSA \$7 in lifetime program benefits for every \$1 in additional funding spent.

***Access to Financial Information:*** SSA expects to eliminate a substantial number of improper SSI payments that result from unreported or under-reported financial accounts.

The *Foster Care Independence Act of 1999* requires SSI applicants, recipients, and deems (persons whose income and resources are considered to be available to the SSI claimant or recipient) to provide authorization for SSA to access "any and all financial records from any and all financial institutions."

A web-based system automates the consent form and handles the routing and receipt of the verifications. A key feature of the system is its ability to search for undisclosed accounts at nearby financial institutions. The Agency is developing a proposal for national expansion of the system and examining the feasibility of integrating it with the *Modernized SSI Claims System* (the system used by SSA to process most SSI claims and post-eligibility actions).

***Other Activities:*** To encourage wage reporting and to prevent overpayments, SSA has developed an automated, telephone-based monthly wage reporting system. The Agency has also created an SSI Monthly Wage Reporting website, which contains helpful hints on making wage reporting faster and easier.

### **Recovery of Overpayments**

Stewardship responsibilities require that SSA recover as much debt as possible. SSA has a stringent debt collection program and is committed to using every available means to collect debts owed. Legislation has provided the

Agency with a number of tools to recoup delinquent debts:

**Treasury Offset Program:** This collection tool incorporated the Tax Refund Offset and added the option of an administrative offset. The administrative offset is used to collect delinquent OASDI debts from a federal payment other than a tax refund, such as a federal annuity.

**Non-Citizen Benefit Clarification and Other Technical Amendments Act of 1998:** This legislation authorized mandatory cross-program recovery to collect SSI debt owed by former recipients from any Social Security benefits due. Up to 10% of these benefits may be withheld to recover the SSI overpayment. If the debt occurred from willful misrepresentation or concealment of material information, then 100% of the Social Security benefit may be withheld. Recovery also may begin without written permission from the beneficiary.

**Social Security Protection Act of 2004:** This law expanded the *Non-Citizen Benefit Clarification and Other Technical Amendments Act of 1998* by allowing SSA unlimited withholding of retroactive benefits for the recovery of overpayments from either SSI payments or Social Security benefits even when the debtor was still eligible for SSI payments.

**Federal Salary Offset:** Allows the collection of delinquent SSI and Social Security debt from the salaries of federal employees.

**Non-Entitled Debtor System:** This database identifies, records, controls, and resolves debts owed by individuals who are not currently receiving Social Security or SSI benefits. The current program targets representative payees who have received overpayments on the record of deceased Social Security beneficiaries, but expansion to other debtors is anticipated.

**Administrative Wage Garnishment:** This collection tool allows SSA to order employers to withhold 15% of the debtor's wages, which are sent to SSA and applied to the outstanding debt each payday until the debt is paid in full.

**Other Activities:** Future debt collection plans include interest charging, referrals to private collection agencies, and expansion of the Non-Entitled Debtor System to include SSI Representative Payees, attorneys, and non-attorney representatives.

SSA is also developing other methods for increasing the recovery of overpayments by building a scoring system that prioritizes unresolved debts. These procedures will help balance debt workloads with operational resources and ensure resources are expended on debt with the most potential for recovery.

## Strategic Objective 2.2: Strengthen the integrity of the Social Security Number (SSN) issuance process to help prevent misuse and fraud of the SSN and card

### Long - Term Outcomes

- Strengthen the integrity of the Social Security Number issuance process by engaging in ongoing policy development in partnership with other government entities
- Assign Social Security Numbers and issue cards accurately and safeguard Agency-maintained identity information
- Provide legally required Social Security Number record verification services to aid in the prevention of Social Security Number misuse

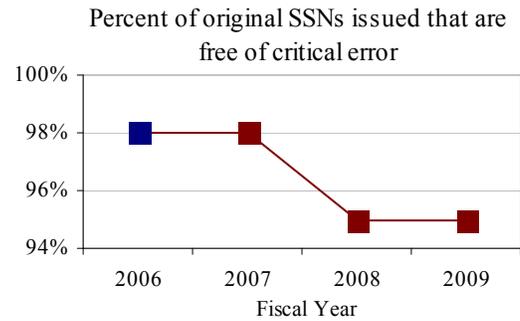
### Performance Measure 2.2a

#### Percent of original Social Security Numbers issued that are free of critical error

Fiscal Year	2007	2008	2009
<b>Targets</b>	98%	95%	95%

#### FY 2006 Historical Performance

Fiscal Year	2006
<b>Actuals</b>	98%*



\* Rounded up if  $\geq .5$  and down if  $\leq .4$

**Data definition:** The rate is based on an annual review of applications for original Social Security Number (SSN) cards to verify that: 1) the applicant did not receive an SSN that belonged to someone else; 2) if the applicant had more than one SSN, the numbers were cross-referenced; and 3) the applicant was entitled to receive an SSN based on supporting documentation, i.e., the field office verified appropriate documentation – U.S. Citizenship and Immigration Services document for foreign born and birth certificate for U.S. born, and made a correct judgment of entitlement to an SSN. SSNs issued through the Enumeration-at-Birth and Enumeration-at-Entry processes are included in the review, as well as field office processed SS-5 transactions for original SSNs.

**Note:** In the *Annual Performance Plan for FY 2008 and Revised Final Plan for FY 2007*, this data definition was incorrectly stated. The definition has now been corrected above and includes SSNs issued via Enumeration-at-Birth, Enumeration-at-Entry, and SS-5s processed in field offices for original SSNs.

**Data source:** *Enumeration Process Quality Review*, which is based on a sample of approximately 1,500 SSN transactions that have resulted in the issuance of an original SSN

**Frequency reported:** Annually

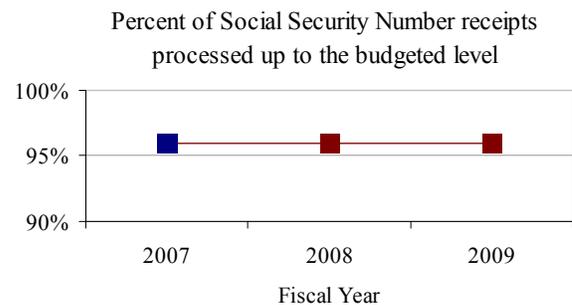
### Performance Measure 2.2b

#### Percent of Social Security Number receipts processed up to the budgeted level\*

Fiscal Year	2008	2009
<b>Targets</b>	96% (18,240,000)	96% (19,200,000)

#### FY 2007 Historical Performance

Fiscal Year	2007
<b>Actuals</b>	96% (17,280,000)



\* The budgeted level is 19,000,000 for FY 2008 and 20,000,000 for FY 2009. The budgeted level for FY 2007 was 18,000,000.

**Data definition:** In the regional offices, field offices, and the Office of Central Operations, the original and replacement Social Security Number (SSN) requests processed compared to the receipts in a fiscal

year. This also includes Enumeration-at-Birth (EAB) activity, Enumeration-at-Entry (EAE) activity, and the count of fraud investigations not resulting in the issuance of an SSN, an EAB, or an EAE.

**Data source:** *Social Security Unified Measurement System Enumeration Operational Data Store*

**Frequency reported:** Monthly

## **MEANS AND STRATEGIES FOR STRATEGIC OBJECTIVE 2.2**

Enumeration is the process of assigning and issuing Social Security Numbers (SSNs). The Agency's commitment to safeguarding the integrity of this process originates from its stewardship of public trust. Additional enhancements became necessary because of the *Intelligence Reform and Terrorism Prevention Act of 2004* (IRTPA), P.L. 108-458. These enhancements have contributed to significant improvements in the Agency's enumeration and verification processes.

***Improving the Accuracy of the Enumeration at Birth (EAB) Process:*** Using information from hospital birth records, SSA can assign SSNs to newborns. Because the information is obtained directly from the Bureau of Vital Statistics, errors and the possibility of fraud are minimized. The EAB system was further modified when SSA's Office of the Inspector General and the Government Accountability Office made recommendations to prevent the assignment of multiple SSNs to the same child and to restrict the assignment of SSNs to unnamed children.

***Strengthening the Integrity of the Social Security Card:*** Additional standards for safeguarding SSN cards and increasing detection of their fraudulent issuance and use have been established. With certain exceptions, SSA now limits the number of replacement SSN cards an individual may receive to three per year and no more than ten in a lifetime. The Agency has also added new security features to the card. Further enhancements are planned for FY 2008.

### ***Enacting Additional Evidentiary***

***Requirements:*** SSA has implemented stricter evidentiary standards for SSN card applicants by revising the list of acceptable documents that are required for proof of identity. Acceptable identification is evaluated on a case-by-case basis according to age and circumstances. Documents must have been issued after the birth

record and be current and unexpired. And, although birth records are not considered proof of identity, new regulations require that verification of any birth record submitted by a U.S.-born individual age one or older when applying for an SSN, must be verified through the State Bureau of Vital Statistics (unless submitted through the EAB process).

***Enhancing the SSN Verification Process:*** IRTPA required that, by December 2007, fraud indicators be added to the SSN verification routines used by employers and by State agencies issuing driver's licenses and identity cards. On August 25, 2007, such indicators were added to the verification routines used by these agencies and in verification routines used internally by SSA employees.

***Strengthening the Enumeration-at-Entry Process (EAE):*** The EAE process enables SSA to issue SSN cards using data collected during the immigration process. SSA receives the information directly from the Department of Homeland Security, United States Citizenship and Immigration Services (USCIS). The Department of State collects enumeration information from adult applicants applying for admission into the United States as permanent residents and sends that data to USCIS. In turn, USCIS electronically sends the applicant's enumeration data directly to SSA when the individual is admitted to the United States.

In accordance with recent SSA Office of Inspector General audit recommendations, the Agency has taken steps to modify the EAE system to prevent the issuance of duplicate SSN cards and to resolve data compatibility issues between SSA and its partner agencies. These systems enhancements will increase the number of SSN applications successfully processed through EAE. Once all modifications are fully operational, SSA and the Departments of State

and Homeland Security will consider expansion of the EAE process to other groups of non-citizens, e.g., non-immigrants who are legally authorized to work, but who are not seeking permanent resident status.

**Streamlining the Enumeration Operation:** Social Security Card Centers are designed to provide better public service by redirecting all

enumeration-related business to a single facility with a highly-trained, specialized staff. Currently, there are five centers in operation: Brooklyn, NY; Jamaica (Queens), NY; Las Vegas, NV; North Phoenix, AZ, and Downtown Phoenix, AZ. Residents of these cities must go to the Social Security Card Center to transact all SSN-related business.

**Strategic Objective 2.3: Ensure the accuracy of earnings records so that eligible individuals can receive the proper benefits due them**

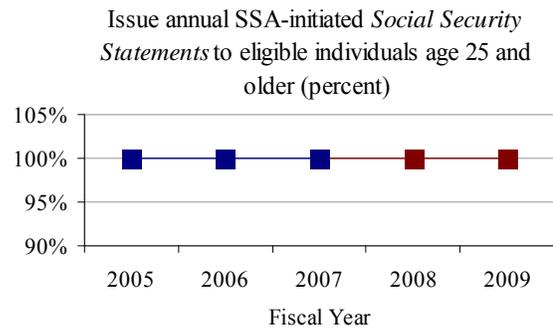
Long - Term Outcomes

- Facilitate more accurate earnings reports by encouraging the use of electronic wage reporting
- Reduce the number of annual earnings items posted to the Earnings Suspense File

*Performance Measure 2.3a*

**Issue annual SSA-initiated Social Security Statements to eligible individuals age 25 and older**

Fiscal Year	2008	2009	
<b>Targets</b>	100%	100%	
<b>FY 2005 – FY 2007 Historical Performance</b>			
Fiscal Year	2005	2006	2007
<b>Actuals</b>	100%	100%	100%*



\* Rounded up if  $\geq .5$  and down if  $\leq .4$

**Data definition:** As required by law, SSA issues annual *Social Security Statements* to all eligible individuals (Social Security number holders age 25 and older who are not yet in benefit status and for whom a mailing address can be determined). The *Statement* contains information about Social Security benefit programs, financing facts, and provides personal benefit estimates. The *Statement* provides individuals the opportunity to review their earnings history and verify their earnings record for accuracy and completeness.

**Data source:** *Executive and Management Information System*

**Frequency reported:** Monthly

**MEANS AND STRATEGIES FOR STRATEGIC OBJECTIVE 2.3**

As required by law, SSA issues annual *Social Security Statements* to all eligible individuals (workers age 25 and older who are not yet in benefit status and for whom a current mailing address can be determined). In FY 2007, SSA issued *Social Security Statements* to over 146 million individuals.

The *Social Security Statement* contains:

- An estimate of potential monthly Social Security retirement, disability, survivor and auxiliary benefits and a description of benefits under Medicare;
- The amount of wages paid to the employee or income from self-employment; and

- The aggregate taxes paid toward Social Security and Medicare.

The objectives of the *Social Security Statement* are to:

- **Educate the public about Social Security programs.** The *Statement* contains information about the various benefits to which a worker may be entitled.
- **Assist in financial planning.** The *Statement* provides workers with information about potential retirement, disability, and survivor benefits. It also contains information about planning for retirement.
- **Verify and ensure the accuracy of a worker's earnings record.** The *Statement* encourages individuals to review their earnings history and report any discrepancies as soon as possible so that corrections can be made sooner rather than later. This will avoid incorrect benefit payments in the future.

To ensure that the *Statement* meets its objectives, the Agency has an ongoing *Statement* evaluation plan that includes focus group testing, formal surveys, and an audit of existing internal sources of management information.

SSA also helps ensure the accuracy of earnings records by supporting E-Verify, a Department of Homeland Security (DHS) program that allows employers to electronically verify the employment eligibility status of newly-hired employees. Worksite enforcement is important to successful immigration reform. A critical component of worksite enforcement is a strong employee verification system, such as E-Verify.

As of November 2007, there were over 30,000 employers participating in the E-Verify program at nearly 125,000 employer sites nationwide.

The information submitted to E-Verify by the employer is first sent to SSA to verify that the SSN, name, and date of birth match information in SSA's records. For individuals alleging U.S. citizenship, SSA confirms citizenship status, thereby confirming work authorization status. For non-citizens, if alleged data matches SSA records, DHS determines the current work authorization status and notifies the employer of the results. Approximately 92% of these initial verification queries are confirmed within seconds.

If E-Verify is unable to confirm that the SSN, name, date of birth, and alleged citizenship status match SSA's record or cannot determine employment eligibility from DHS' records, a "Tentative Non-Confirmation" message is sent to the employer. Employers have been given procedures to resolve discrepancies. However, if the discrepancy cannot be resolved and the system cannot confirm employment eligibility after the employer resubmits the information, the employer may terminate the new hire.

SSA and DHS continue to work to improve the operation of the current voluntary system in order to make it more efficient for employers and employees. SSA has also begun to lay the groundwork to increase its capacity to handle substantially heavier volumes of verification transactions. Additionally, SSA and DHS are working on initiatives to reduce the number of "Tentative Non-Confirmation" messages being generated to employers about employees who are ultimately determined to be authorized to work.

**Strategic Objective 2.4: Manage Agency finances and assets to link resources effectively to performance outcomes**

**Long - Term Outcomes**

- Demonstrate the Agency’s commitment to sound financial management by creating a strong internal control structure and producing relevant and reliable accounting information, including receiving an “unqualified opinion” on the Agency’s financial statement audit
- Maximize the ability of the Agency’s financial, performance, and management information systems to fulfill its mission by improving existing automated tools and developing new ones
- Ensure the most effective use of limited Agency resources by continuing to achieve two percent, on average, annual productivity improvements
- Ensure the security of the Agency’s information systems, physical assets, and employees by continuously performing security assessments and acquiring state-of-the-art protection systems

*Performance Measure 2.4a*

**Receive an unqualified opinion on SSA’s financial statements from the auditors**

<b>Fiscal Years</b>	<b>Targets</b>
<b>2008 - 2009</b>	Receive an unqualified opinion
<b>FYs 2005 - 2007 Historical Performance</b>	
<b>Fiscal Years</b>	<b>Actuals</b>
<b>2005 - 2007</b>	Received an unqualified opinion

**Data definition:** An unqualified opinion on the financial statements is provided when an independent auditor determines that the financial statements are presented fairly; and, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

**Data source:** Auditors’ work papers

**Frequency reported:** Annually

**MEANS AND STRATEGIES FOR STRATEGIC OBJECTIVE 2.4**

This objective focuses on the management aspects of administering Social Security programs and staff/resources. In order to verify that operational checks and balances are in place to help prevent fraud, waste, abuse, and mismanagement of government resources, SSA conducts Onsite Security Control and Audit Reviews in its field, hearings, and regional offices. The reviews

enable the Agency to identify systemic or widespread problems in the areas of time and attendance certification, refunds and remittances, third party drafts, acquisitions, systems security, enumeration, physical security, and administrative matters before they can lead to material weaknesses. Offices are required to correct any deficiencies in a timely manner.

**Strategic Goal 3: To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations.**

**ENVIRONMENTAL FACTORS**

Solvency is affected by a host of demographic, socio-economic, and program-specific factors. Such factors include the size and characteristics of the beneficiary population, benefit amounts, the size of the work force, the level of workers' earnings, projected birth and mortality rates, immigration, marriage and divorce rates, retirement age patterns, disability incidence and termination rates, wage increases, and inflation.

Although overall birth and death rates are declining, death rates for individuals age 65 and older are declining more slowly. This means fewer workers will be paying into the Trust Funds at a time when beneficiaries are living longer. This contributes directly to the impending financial solvency issue.

Long-term projections by the Social Security Board of Trustees indicate, under the intermediate assumptions, the program will begin experiencing cash-flow deficits in 2017 and will be unable to meet all the scheduled benefit payments in 2041 on a timely basis. The Board also reports that present tax rates will be sufficient to pay only 75% of scheduled benefits in 2041 and 70% of scheduled benefits in 2081.

Concluding The 2007 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, the Trustees wrote: "The projected trust fund deficits should be addressed in a timely way to allow for a gradual phasing in of the necessary changes and to provide advance notice to workers. Making adjustments sooner will allow them to be spread over more generations. Social Security plays a critical role in the lives of this year's 50 million beneficiaries and 163 million covered workers and their families. With informed discussion, creative thinking, and timely legislative action, we will work with Congress and others to ensure that Social Security continues to protect future generations."

To this end, SSA is actively involved in educating the American public on the solvency issues and working with the Administration and Congress on proposals to address these issues. To date, consensus has not been reached on a set of reforms that would achieve sustainable solvency.

**Strategic Objective 3.1: Through education and research efforts, support reforms to ensure sustainable solvency and more responsive retirement and disability programs**

- Long - Term Outcome**
- Achieve reform that ensures long-term solvency

*Performance Measure 3.1a*

**Provide support to the Administration and Congress in developing legislative proposals and implementing reforms to achieve sustainable solvency for Social Security**

Fiscal Years	Targets
2008 – 2009	Conduct analysis for the Administration and Congress on key issues related to implementing Social Security reforms

## FYs 2005 - 2007 Historical Performance

Fiscal Years	Actuals
2005 – 2007	Conducted analysis for Congress and the Administration on key issues related to implementing Social Security reforms

**Data definition:** Completed reports and analysis of present law provisions, as well as proposed and pending legislation and other proposals relating to solvency of the system.

**Note:** Dependent on research funding, requests, and legislative proposals and changes.

**Data source:** Office of Policy records (consists primarily of various micro simulation models, e.g., *Modeling Income in the Near Term*, *Financial Eligibility Model*, *Social Security and Accounts Simulator*, and surveys, e.g., *Survey of Income and Program Participation*, *Health and Retirement Study*)

**Frequency reported:** Monthly

### **MEANS AND STRATEGIES FOR STRATEGIC OBJECTIVE 3.1**

To accomplish this objective, SSA provides analytical and data support to the Administration and Congress on legislative proposals to address Social Security reform issues related to the solvency of the Trust Funds, e.g., estimating how much a proposal would cost and attempting to determine the effects of a given proposal on specific demographic segments of the population (distributional analysis).

Through the Office of the Chief Actuary, SSA provides cost estimates for numerous congressional and other proposals to sustain solvency, including possible effects on the Unified Budget (which includes Trust Fund receipts and payments), the Trust Fund operations, and the cash flow between the Trust Funds and the general funds of the Treasury.

SSA also prepares distributional analyses on projected outcomes under current law and proposed changes to current law. The Agency develops and maintains several projection models for undertaking such analyses and it produces more than a dozen periodical reports that provide detailed statistical data on program size and trends.

In addition, SSA maintains Retirement Research Centers at Boston College - <http://www.bc.edu/centers/crr/index.shtml>, the University of Michigan - <http://www.mrrc.isr.umich.edu/>, and the National Bureau of Economic Research - <http://www.nber.org/programs/ag/rrc/rrchome.html>

The Centers conduct research on Social Security solvency and reform, retirement planning and risk management, measures of retiree well-being, and trends in labor force participation.

Finally, SSA continues to:

- Undertake multiple research demonstrations that will provide support, including employment support, to both disability applicants and beneficiaries;
- Communicate with the public at seminars, conferences, and forums about Social Security programs and financing facts;
- Promote the information and services available on Social Security's website (<http://www.socialsecurity.gov/>);
- Issue the annual *Social Security Statement* to eligible individuals age 25 and older; and
- Enhance the *Statement* as an educational tool for retirement planning.

**Strategic Goal 4: To strategically manage and align staff to support the mission of the Agency**

**ENVIRONMENTAL FACTORS**

One of the greatest challenges now facing SSA is staffing. By 2015, almost 54% of current employees will be eligible for retirement. As a result, while workloads increase due to the disability and retirement needs of the baby boomers, the Agency is in danger of losing that segment of its workforce that is most experienced and knowledgeable about the administration of its programs.

Additionally, increased diversity in the overall population and the introduction of new recruits to the Agency establishes a clear business case for diversity in SSA’s workforce – from both a multicultural and multigenerational perspective. SSA must be prepared to provide bilingual and multilingual services so that all members of the public can comfortably conduct their business with the Agency.

Also, to maintain high productivity, SSA must remain knowledgeable and attentive to the different needs and expectations of current and

future employees of several different generations.

These factors, along with SSA’s need to utilize technological advances, respond to changes in economic conditions, and continue making improvements in the efficient and effective delivery of its programs, will have a significant effect on the Agency’s workforce. Without balanced and effective human capital planning, these factors may significantly impact SSA’s operations and compromise the high-quality of service the Agency is known to provide.

In light of the peak retirement period that is beginning, SSA must continue to complement its existing human capital efforts with new initiatives that address current and future workforce challenges. The Agency has made substantial progress thus far; however it is imperative that it continues to effect positive change through sound planning and evaluation.

**Strategic Objective 4.1: Recruit, develop and retain a high-performing workforce**

**Long - Term Outcomes**

- Employ and develop a workforce that is diverse, committed to public service, skilled in the use of technology, and flexible in adapting to change
- Continue to use advanced technology and automation that enables staff to provide quality service to the American public
- Provide an environment and culture that encourages employee retention and motivates employees to deliver timely, quality, citizen-centered service

*Performance Measure 4.1a*

**Enhance SSA’s recruitment program to support future workforce needs**

<b>Fiscal Years</b>	<b>Targets</b>
<b>2009</b>	Develop and implement an action plan based on the findings from the recruitment evaluations
<b>2008</b>	Implement the recruitment evaluation, including collecting initial baseline data and develop an evaluation report

## FY 2007 Historical Performance

Fiscal Year	Actuals
2007	Developed methodology to evaluate selected elements of the SSA recruitment strategy

**Data definition:** The recruitment evaluation developed in FY 2007 focuses on the following six elements of SSA's multifaceted recruitment strategy: 1) co-ordination of nationwide recruitment; 2) on-campus recruitment; 3) creation of an Internet strategy; 4) automation of staffing and recruiting; 5) maximum use of hiring authorities; and 6) diversity recruitment. In FY 2008, the evaluation will be implemented according to the timeline described in the evaluation plan and a report of the findings will be developed. In FY 2009, an action plan which addresses the findings presented in the evaluation report will be developed and implemented, also according to an established timeline.

**Data source:** Office of Human Resources records, which include the evaluation plan documented in FY 2007, baseline data collected and resultant report in FY 2008, the action plan developed in FY 2009, and documentation of completion of the actions identified in the evaluation and action plans

**Frequency reported:** Monthly

### **MEANS AND STRATEGIES FOR STRATEGIC OBJECTIVE 4.1**

Despite having a capable, creative, and highly committed workforce, maintaining a high level of performance will be challenging given the unavoidable loss of experienced employees in the next few years, particularly at a time when workloads will experience record growth.

Over the years, SSA has refined its human capital management structure – creating an effective and efficient framework that encompasses recruitment, hiring, leadership and succession management, employee development and training, retention strategies, effective performance management, and accountability. SSA's balanced methods have framed efforts to ensure the Agency has the right employees, in the right jobs, at the right time.

This framework also addresses each dimension of the *President's Management Agenda* initiative for the *Strategic Management of Human Capital*. SSA has maintained a "green" status score since June 2004 by successfully completing planned activities, continuing with initiatives already underway, and adding new measures that will further improve the management of human capital.

SSA continues to:

- Update retirement wave analyses to review the current state of the Agency's workforce, identify trends in projected losses, and provide empirical data to support decisions regarding the Agency's recruitment, knowledge management, professional development, and succession planning efforts;
- Achieve workforce diversity, implement balanced recruitment and outreach strategies, and where necessary, implement targeted initiatives for underrepresented populations, such as veterans and individuals with disabilities. These strategies include cutting-edge marketing through the Internet and print media as well as strengthened collaboration with organizations supporting veterans and individuals with disabilities;
- Implement SSA's long-range strategy to minimize skill and knowledge gaps in mission-critical occupations by identifying critical competencies for success in those positions, assessing possible skill gaps in the current workforce, and developing and implementing plans to address any gaps found. Plans to address skill gaps are tailored to the positions and components involved and typically involve training, re-training or reassignment of current staff,

and/or selective or specialized hiring of new staff;

- Maximize implementation of employee-focused programs that address the needs of the Agency's employees regardless of their age or stage in their career, e.g., family friendly services, career development, financial literacy, and educational seminars;
- Ensure continuity of leadership, knowledge management, and succession planning through SSA's professional development programs and extensive training for current and future leaders at all levels in the Agency;
- Leverage new development, performance

management, and internal human resources processes;

- Refine a performance management system that enables supervisors and managers to differentiate among levels of performance, communicate effectively with employees, and ensure employee performance and expectations are aligned with the Agency's mission and goals; and
- Monitor and measure the Agency's human capital programs for accountability and results through its internal tracking and assessment procedures.

## Program Assessment Rating Tool (PART)

The Office of Management and Budget developed the *Program Assessment Rating Tool* (PART) as a diagnostic tool to assess the effectiveness of Federal programs. The PART is comprised of twenty-five generic questions that are used government-wide to assess program effectiveness. The review helps identify program strengths and weaknesses, so that the executives who make key budget and management decisions are better informed. All factors that influence and reflect program performance are considered, including program purpose and design; performance measurement, evaluation, and strategic planning; program management; and program results. Because the rating tool includes a consistent series of analytical questions, it allows programs to show

improvements over time and comparisons between similar programs.

SSA administers three programs that are currently evaluated by the PART: Old Age and Survivors Insurance; Disability Insurance; and Supplemental Security Income. Each program has been assessed as moderately effective (the second highest rating possible).

Most of the performance measures used in the PART evaluation are also *Government Performance and Results Act* (GPRA) performance measures. In addition, the PART review includes non-GPRA measures. The following section describes these non-GPRA PART measures.

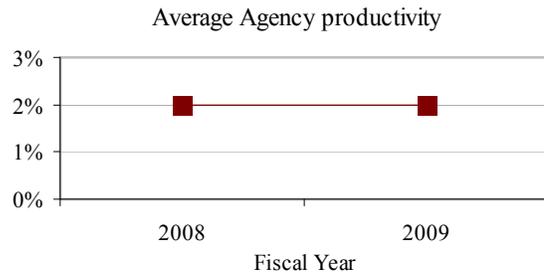
## Non-GPRA PART Annual Performance Measures

### Average Agency productivity

Fiscal Year	2008	2009
<b>Targets</b>	2%	2%

#### FY 2001 – FY 2007 Historical Performance

Fiscal Year	2001 - 2007
<b>Actuals</b>	Since FY 2001, the base year, SSA has exceeded the goal of improving productivity by 2% on average for five out of six years.



**Data definition:** The percent change in productivity is measured by comparing the total number of SSA and Disability Determination Services (DDS) workyears that would have been expended to process current year SSA-level workloads at the prior year's rates of production to the actual SSA and DDS workyear totals expended. The average annual productivity is calculated using a five-year rolling average.

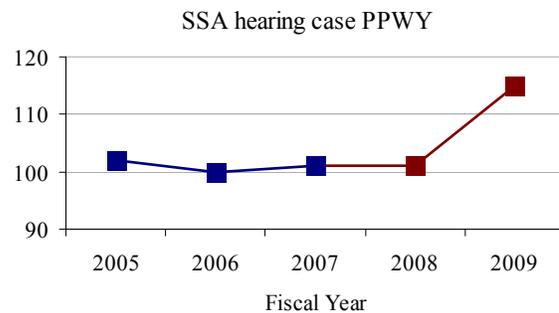
**Data source:** *Managerial Cost Accounting System*

### SSA hearing case production per workyear (PPWY) (includes all hearings, not just initial disability)

Fiscal Year	2008	2009
<b>Targets</b>	101	115

#### FY 2005 – FY 2007 Historical Performance

Fiscal Year	2005	2006	2007
<b>Actuals</b>	102* **	100*	101*



\* Rounded up if  $\geq .5$  and down if  $\leq .4$

\*\*FY 2005 included Medicare and SSA hearings.

**Data definition:** This indicator represents the average number of SSA hearing case production per workyear expended. A direct workyear represents actual time spent processing cases. It does not include time spent on training, Administrative Law Judge (ALJ) travel, leave, holidays, etc.

**Data source:** *Office of Disability Adjudication and Review Monthly Activity Report, the Case Processing and Management System, Payroll Analysis Recap Report, Travel Formula* (based on the assumption that ALJs spend an average of 10% of their time in travel status), and *Training Reports* (regional reports on new staff training, ongoing training, and special training)

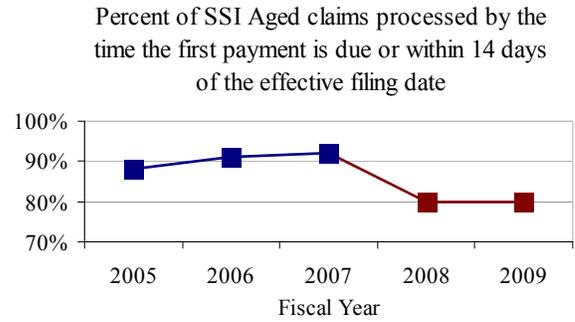
**Frequency reported:** Monthly

**Percent of SSI aged claims processed by the time the first payment is due or within 14 days of the effective filing date**

Fiscal Year	2008	2009
<b>Targets</b>	80%	80%

**FY 2005 – FY 2007 Historical Performance**

Fiscal Year	2005	2006	2007
<b>Actuals</b>	88%*	91%*	92%*



\* Rounded up if  $\geq .5$  and down if  $\leq .4$

**Data definition:** This rate reflects the number of SSI Aged applications completed through the SSA operational system (i.e., award or denial notices are triggered) before the first regular continuing payment is due or not more than 14 days from the effective filing date, if later, divided by the total number of SSI Aged applications processed. The first regular continuing payment due date is based on the first day of the month that all eligibility factors are met and payment is due. This definition came into effect beginning FY 2001.

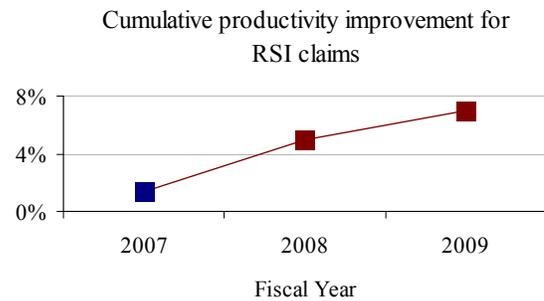
**Data source:** *Title XVI Operational Data Store*

**Cumulative productivity improvement for Retirement and Survivors Insurance claims (compared to FY 2005)**

Fiscal Year	2008	2009
<b>Targets</b>	5%	7%

**FY 2007 Historical Performance**

Fiscal Year	2007
<b>Actuals</b>	1.4%



**Data definition:** Retirement and Survivors Insurance (RSI) claims are calculated at the Agency level and the percent increase will be calculated using FY 2005 (571 claims processed per workyear) as the base. A 16% increase from this base means that the goal in FY 2013 is for SSA to process 662 claims per workyear. The RSI claims productivity per workyear number includes all retirement benefit claims, survivors benefit claims, and initial claims for Medicare.

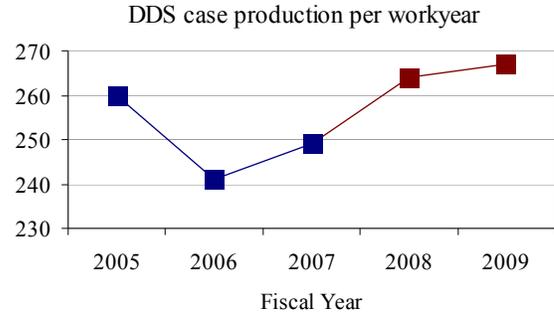
**Data source:** *The SSA Workload Trend Report*

**Disability Determination Services case production per workyear**

Fiscal Year	2008	2009
<b>Targets</b>	264	267

**FY 2005 – FY 2007 Historical Performance**

Fiscal Year	2005	2006	2007
<b>Actuals</b>	260*	241*	249*



\* Rounded up if  $\geq .5$  and down if  $\leq .4$

**Data definition:** This indicator represents the average number of Disability Determination Services (DDS) case production per workyear expended for all work. A workyear represents both direct and indirect time, including overhead (time spent on training, travel, leave, holidays, etc.). It is inclusive of everyone on the DDS payroll, including doctors under contract to the DDS.

**Data source:** *National Disability Determination Services System and Disability Operational Data Store*

**Frequency reported:** Monthly

## **APPENDIX B: MAJOR PROGRAM EVALUATIONS COVERING FY 2008 – FY 2009**

<b>Strategic Goal 1: <i>To deliver high-quality, citizen-centered service</i></b>		
<b>Evaluation</b>	<b>Description</b>	<b>Completed</b>
<i>Service Satisfaction Survey</i>	Surveys overall public satisfaction with service	Annually in September
<i>Internet Services Satisfaction Surveys</i>	Surveys satisfaction related to new or expanded Internet services made available to the public or for other issues related to Internet service delivery	Contingent on Agency information needs
<i>Telephone Services Satisfaction Surveys</i>	Surveys satisfaction related to improvements in telephone services made available to the public through SSA's 800-number or in local field offices	Contingent on Agency information needs
<i>Congressional Report on the Evaluation of the Ticket to Work Program and Adequacy of Incentives</i>	Evaluates the progress of activities and the success of the Ticket to Work Program and any recommendations for program modifications	Biennially (December 2007 & December 2009)
<i>Disability Initial Claims and Appeals Satisfaction Surveys</i>	Surveys disability claimants at the initial and appeal levels to obtain a "report card" on satisfaction with the initial claims and hearings processes	Annually
<i>Enumeration Review</i>	Reviews enumeration process to determine the quality of Social Security Number issuance	Annually

<b>Strategic Goal 2: <i>To protect the integrity of Social Security programs through superior stewardship</i></b>		
<b>Evaluation</b>	<b>Description</b>	<b>Completed</b>
<i>Safeguard Procedures Report/Activity Report</i>	Reports to the Internal Revenue Service (IRS) on security procedures in place for each SSA system using or storing IRS data	Annually
<i>Federal Information Security Management Act Report to the Office of Management and Budget</i>	Reports the status of SSA's information security program	Annually
<i>Retirement, Survivors, and Disability Insurance Stewardship Review</i>	Reports on dollar accuracy of payment outlays	Annually
<i>Supplemental Security Income (SSI) Stewardship Report</i>	Reports on dollar accuracy of payment outlays	Annually
<i>SSI Annual Report</i>	Reports on the status of the SSI program	Annually in May

**Strategic Goal 3: *To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations***

<b>Evaluation</b>	<b>Description</b>	<b>Completed</b>
<i>Trustees Report</i>	Board of Trustees Report on the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds	Annually in April
<i>Evaluation of Changing Benefit Structures</i>	Evaluates the distributional impact of changing Old-Age, Survivors, and Disability Insurance and SSI benefits	Ongoing

**Strategic Goal 4: *To strategically manage and align staff to support the mission of the Agency***

<b>Evaluation</b>	<b>Description</b>	<b>Completed</b>
<i>Retirement Wave Report</i>	Projects likely employee retirement rates in mission-critical occupations and in major SSA components	Annually
<i>Strategic Human Capital Plan</i>	Outlines how SSA's Human Capital goals, objectives, and strategies ensure employees are in place with the skills necessary to continue SSA's tradition to deliver high-quality service	Annually
<i>Strategic Leadership Succession Plan</i>	Identifies how the Agency's succession management strategies for the recruitment, selection, and development of leaders will be implemented and evaluated	Annually
<i>Human Capital Accountability Plan</i>	Provides the Agency a system by which SSA can monitor and evaluate the results of its human capital strategies, policy and programs, as well as adherence to merit system principles	Annually

## APPENDIX C: DATA VERIFICATION AND VALIDATION

### *Social Security Administration (SSA) Data Integrity Systems and Controls*

Performance data for the *Annual Performance Plan's* quantifiable measures, including the budgeted output measures, are generated by automated management information and workload measurement systems as a by-product of programmatic and administrative operations. The performance data for several accuracy and public satisfaction indicators come from surveys and workload samples designed to achieve very high levels of statistical validity (generally, a 95% confidence level).

SSA performs stewardship reviews, which are the primary measure of quality in the Old-Age, Survivors, and Disability Insurance (OASDI) and Supplemental Security Income (SSI) programs. These findings also provide the basis for reports to Congress and other monitoring authorities. The review provides an overall accuracy measurement of payments to all beneficiaries currently on the rolls and it is based on a monthly sample selection from the payment rolls consisting of beneficiaries in current payment status. For each sampled case, the recipient or representative payee is interviewed, collateral contacts are made as needed, and all non-medical factors of eligibility are redeveloped as of the current sample month.

The Agency's *Transaction Accuracy Reviews* focus on field office (FO) and program service center quality and measures operational compliance with procedural requirements contained in the Agency's *Program Operations Manual Systems* (POMS). When POMS instructions are not followed and further development of the case is needed, SSA completes the required development action to bring the issue in question into compliance with POMS instructions and determines whether there is a payment error. If an error is apparent from the material in the FO file and does not require any further development, the Agency reviewer cites an error and determines the payment impact. Quality feedback is provided to the adjudicating FO in all cases. The sample of *Transaction Accuracy Reviews* includes about 20,000 cases annually (10,000 each for the

OASDI and SSI programs). These reviews produce national and regional data on the adjudicative quality of approximately five million OASDI claims and 4.2 million SSI claims, redeterminations, and targeted redeterminations processed each year.

Depending on *Transaction Accuracy Reviews* findings, targeted reviews focus on specific problems that are identified and tested for solutions at the national or regional level. Targeted samples are not necessarily limited to a POMS compliance standard, depending on the nature of the issue. *Transaction Accuracy Reviews* reports are provided every 6 months and address a rolling 12-month review period, while analytical reports focusing on specific subject areas are generated on a flow basis.

Field assistance visits to FOs comprise a third element of this process. In conjunction with the Regional Commissioners, Regional Offices of Quality Performance staff will conduct these visits to identify where work process improvements can be made.

### *Performance and Accountability Report (PAR)*

The annual *Performance and Accountability Report* (PAR) is used to report SSA's progress in meeting the *Government Performance and Results Act* (GPRA) goals and performance measures that are described in Appendix A of this document. The PAR describes the Agency's comprehensive review of management and security controls for administrative and programmatic processes as well as accounting controls in its financial management systems. It also includes the results from audits of SSA's financial statements and internal controls by an independent accounting firm under contract with SSA's Office of the Inspector General.

### *Roles of the Government Accountability Office (GAO) and SSA's Office of the Inspector General (OIG)*

GAO and OIG play key roles in assuring SSA's data systems for measuring performance are reliable. This ensures the data are useful and relevant to policy decision-making.

## **OIG**

OIG plays a key role in auditing performance measure data systems to determine reliability, data utility, and relevance to policy decision-making. In FY 2007, the OIG contracted PricewaterhouseCoopers LLP to perform the *Government Performance and Results Act* (GPRA) audits. The objectives of these audits were to:

- Assess and test SSA's internal controls over the development and reporting of performance data for selected annual performance indicators;
- Assess and test the application controls related to the performance indicators;
- Assess the overall reliability of the performance indicators' computer processed data;
- Test the accuracy of results presented and disclosed in the PAR;
- Assess the meaningfulness of the performance indicators; and
- Report the results of the testing to the OIG and SSA Management.

OIG initiated seven audits on 14 GPRA performance measures in FY 2007. Three of these audits, known as "historical" audits because they were based on work completed in FY 2007, addressed five performance measures and the following issues were identified:

- Four of the performance measures' data were reliable.
- One of the performance measures' data was unreliable because SSA programmers had direct access rights to the performance measure data. It should be noted that SSA management has since removed all programmers' direct access. Furthermore, the auditors were able to re-calculate the data for this measure and found no errors.
- One performance measure did not have complete documentation of its policies and procedures. This issue has been resolved and the action was noted in the final audit report.
- One performance measure did not clearly support a Strategic Objective. This issue was resolved within the FY 2007 PAR by expanding the performance measure discussion.

The other four audits, addressing nine performance measures, are known as "real-time" audits. OIG agreed to implement a "real-time" auditing approach since SSA's systems are unable to maintain, in a cost-effective manner, a full fiscal year's worth of detail-level data related to several of its performance measures. The following issues relating to the reliability of the computerized data were identified:

- Five of the performance measures' data were reliable.
- Three of the performance measures' data were unreliable because SSA programmers had direct access rights to the performance measure data. It should be noted that SSA management has since removed all programmers' direct access. The auditors found no errors during the data recalculation of these measures.
- One of the performance measures' data was unreliable because the User Identification and password settings for a program were inadequate. This issue will not be resolved because the system used to maintain the data will be replaced in 2008. The new system will contain the necessary User Identification and password settings. The auditors found no errors during the data re-calculation of this measure.

## **GAO**

In June 2005, GAO acknowledged in its *Major Management Challenges at the Social Security Administration* that SSA has:

- Continued to strengthen the integrity of the SSI program;
- Taken steps to improve its programs that provide support for individuals with disabilities;
- Made important progress since FY 2003 in addressing weaknesses in policies, procedures, and practices in key information technology areas; and
- Strengthened controls to protect personal information SSA develops and maintains.

However, GAO reported that SSA still needs to take additional steps to ensure effective management and continued progress.

## **APPENDIX D: FEDERAL INFORMATION SECURITY MANAGEMENT ACT**

The goals of the *Federal Information Security Management Act of 2002* (FISMA) include development of a comprehensive framework to protect the Government's information, operations, and assets. Providing adequate security for the Federal Government's investment in information technology is a significant undertaking. FISMA requires heads of each agency to implement policies and

procedures to cost-effectively reduce information technology security risks to an acceptable level. *Section 3544* of FISMA requires that an agency's *Annual Performance Report* include the time periods and the resources, including budget, staffing, and training that are necessary to implement FISMA requirements.

### **SOCIAL SECURITY ADMINISTRATION'S FISMA STATEMENT**

While SSA implemented all major program requirements within 18 months of enactment of FISMA, the Agency continues to evaluate and enhance its security program annually. A congressional report card rates SSA's computer security efforts as among the best in the Federal Government. The report issued by the House Government Reform Subcommittee on Technology Information Policy,

Intergovernmental Relations and Census gave SSA a grade of "A."

SSA has also developed a stringent and comprehensive FISMA *Certification and Accreditation* program to ensure that it continues to improve its FISMA security programs annually. This involves human resources from various Agency components.

## **APPENDIX E: SOCIAL SECURITY ADMINISTRATION'S PERFORMANCE MEASURE CHANGES SINCE FY 2007**

Deleted Performance Measures	
<u>Number</u> Feb 2007	Performance Measure
1.1b	Maintain the number of initial disability claims pending in the Disability Determination Services (at or below the FY 2008/2009 goal)
1.1e	Average processing time for initial disability claims
1.1i	Agency decisional accuracy rate (ADA)
1.2b	Number of Supplemental Security Income disabled beneficiaries earning at least \$100 per month
1.3d	Maximize public use of electronic services to conduct business with SSA
1.3e	Increase the percent of employee reports (W-2 forms) filed electronically and processed to completion
1.3g	Improve workload information using <i>Social Security Unified Measurement System</i> (SUMS)
2.1d	Percent of outstanding Supplemental Security Income debt in a collection arrangement
2.1f	Percent of outstanding Old-Age, Survivors and Disability Insurance debt in a collection arrangement
2.3a	Remove 3 percent of the earnings items remaining in the ESF for a new tax year and post the earnings to the correct earnings record
2.4a	Continue to achieve 2 percent, on average, annual productivity improvements
2.4b	Disability Determination Services case production per workyear
2.4c	SSA hearings case production per workyear
2.4d	Enhance efforts to improve financial performance using the <i>Managerial Cost Accountability Systems</i> (MCAS)
2.4f	Get to 'green' on the <i>President's Management Agenda</i> initiatives status scores
4.1a	Minimize skill and knowledge gaps in mission-critical positions
4.1b	Align employee performance with Agency mission and strategic goals

<b>New Performance Measures</b>	
<b>Number Revised Final</b>	<b>Performance Measure</b>
1.1b	Minimize average processing time for initial disability claims to provide timely decisions
1.1f	Achieve target percentage of hearing level cases pending over 365 days
1.1g	Achieve target percentage of hearing level cases pending 900 days or more
1.1j	Decrease the number of pending requests for review (appeals of hearing decisions) over 365 days
1.2b	Number of quarters of work earned by the Disability Insurance and Supplemental Security Income disabled beneficiaries during the calendar year

<b>Changed Title of Performance Measures</b>		
<b>Number Revised Final</b>	<b>Old Title of Performance Measure</b>	<b>New Title of Performance Measure</b>
1.1a	Percent of initial disability claims receipts processed up to the budgeted level	Percent of initial disability claims receipts processed by the Disability Determination Services up to the budgeted level
1.1d	Number of SSA hearings processed	Achieve budgeted goal for SSA hearings processed (at/below the FY 2008 goal)
1.1c	DDS net accuracy rate (allowances and denials combined)	Disability Determination Services net accuracy rate for combined initial disability allowances and denials
1.1h	Average processing time for SSA hearings	Achieve the budgeted goal for average processing time for hearings
1.1i	Average processing time for hearings appeals	Achieve the budgeted goal for average processing time for requests for review (appeals of hearing decisions)
1.3b	Optimize the speed in answering 800-number calls	Improve service to the public by optimizing the speed in answering 800-number calls
1.3c	Optimize the 800-number busy rate offered to Agents	Improve service to the public by optimizing the 800-number busy rate for calls offered to Agents
2.1a	Number of Supplemental Security Income non-disability redeterminations processed to help ensure payment accuracy	Process Supplemental Security Income non-disability redeterminations to reduce improper payments

## Changed Title of Performance Measures

<u>Number Revised Final</u>	Old Title of Performance Measure	New Title of Performance Measure
2.1b	Number of periodic CDRs processed to determine continuing entitlement based on disability	Number of periodic continuing disability reviews processed to determine continuing entitlement based on disability to help ensure payment accuracy
2.1c	Percent of SSI payments free of overpayments (O/P) and underpayments (U/P)	Percent of Supplemental Security Income payments free of overpayment and underpayment error
2.1d	Percent of Old-Age, Survivors and Disability Insurance (OASDI) payments free of O/P and U/P	Percent of Old-Age, Survivors and Disability Insurance payments free of overpayment and underpayment error