

Budget Highlights

IMPROVING THE DISABILITY PROGRAMS

Eliminating the hearings backlog is a moral imperative for the Agency. This effort will take several years, but by the end of FY 2009, SSA will have laid the groundwork of regulatory and process changes needed and will be driving waiting times down. SSA also will process more initial disability claims, resulting in the lowest pending level since 1999, and will make changes to the disability process to improve timeliness, accuracy and efficiency.

ENHANCING SERVICE TO THE AMERICAN PUBLIC

SSA will continue to improve its retirement and enumeration processes, safeguard personally identifiable information, and reach out to all Americans through financial literacy efforts. Furthermore, with the FY 2008 enacted appropriation and the FY 2009 budget, SSA will reverse a trend of staffing declines that has damaged service to the public.

INNOVATING, AUTOMATING AND INVESTING IN THE FUTURE

The FY 2009 budget, if it receives the full support of Congress, will allow SSA to make automation and business process changes which will improve service to the public. The budget also provides more support for program integrity to ensure that the public's money is spent in an appropriate fashion.

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February 4, 2008

SSA'S PROGRAMS

SSA is facing an avalanche of disability and retirement claims at the same time that we must address large backlogs due to years of limited resources. The FY 2009 budget will put us in a better position to handle the onslaught of work we are confronting.

- Commissioner Michael Astrue

SSA's budget request will fund the administrative expenses of SSA's three major programs: Old-Age and Survivors Insurance (OASI), Disability Insurance (DI), and Supplemental Security Income (SSI) in addition to other administrative expenses. These three programs provide a combined total of about \$650 billion in benefit payments. Essential to the beneficiaries and the nation, the benefits will be distributed to almost 60 million people and are equivalent to approximately 20 percent of Federal spending and 5 percent of the nation's gross domestic product.

In the 70 years since it was created, SSA's flagship program, OASI, has established itself as one of the nation's most successful government programs and one that is part of nearly every American's life. OASI provides benefits to more than 41 million people, including 90 percent of the population aged 65 and over. SSA evaluates eligibility and administers the monthly payments to retirees, their spouses and minor children, and survivors.

The DI program, for which payments first began in 1957, provides a continuing income base for eligible workers who have qualifying disabilities and for eligible members of their families. The lengthy interviews required to obtain information regarding the medical condition and the development of medical evidence cause this program to be more labor-intensive and expensive to administer than OASI. In FY 2009, SSA will provide monthly benefits to 9.3 million disabled workers and their family members.

Figure 1



About 91% of workers age 21-64 in covered employment and their families have protection through Social Security in the event of a long-term disability.

Almost 3 in 10 of today's 20 year-olds will become disabled before reaching 67.

70% of the private sector workforce has no long-term disability insurance.

Social Security makes a difference in people's lives.

The intent of the SSI program, for which payments first began in 1974, is to provide a nationally uniform program of income to financially needy individuals who are aged, blind, or disabled. In FY 2009, SSI will provide payments to 7.6 million recipients. The means-testing element of the program requires complex eligibility rules and requires lengthy, in-depth reviews of applicants' income and resources, including bank accounts and significant possessions.

Both the DI and SSI programs have grown substantially since they began. In fact, in the next decade, our Chief Actuary estimates that 26 million

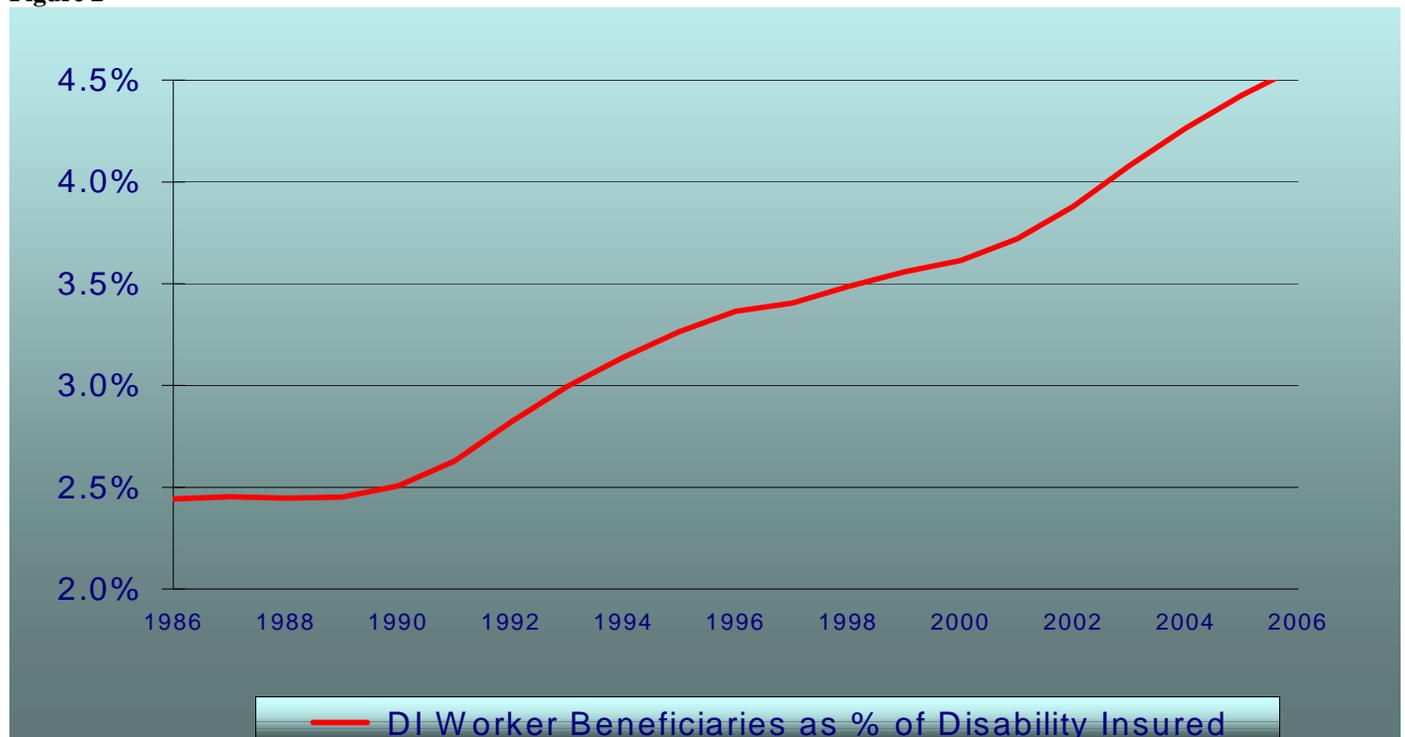
Americans will apply for disability benefits. SSA's disability appeals process is already recognized as one of the largest administrative adjudicative systems in the world.

SSA's role in the administration of the Medicare Hospital Insurance (HI) and Supplementary Medical Insurance (SMI) programs continues to expand. In addition to processing applications for HI and SMI, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 required SSA to undertake a number of additional Medicare-related responsibilities.

Over the next 10 years, SSA's traditional workloads will increase significantly – retirement claims by over 40% and initial disability claims by nearly 10%. At the same time, SSA continues to face many new complex responsibilities, from helping with the Medicare Prescription Drug Program to employment verifications needed for immigration reform. SSA needs an adequate workforce to serve the American public now more than ever.

Percent of Disability Insurance (DI) Beneficiaries has Steadily Increased

Figure 2



FY 2009 BUDGET REQUEST

Social Security Administration FY 2009 Budget Request – Current Law

	FY 2008 Enacted	FY 2009 President's Budget
Budget Authority (in millions)		
<i>Limitation on Administrative Expenses (LAE)</i>	\$9,745	\$10,327
<i>Research and Demonstrations</i> ^{1/}	\$27	\$35
<i>Office of the Inspector General (OIG)</i>	\$92	\$98
Total Budget Authority	\$9,864	\$10,460
Workyears (includes reimbursable workyears)		
Full-Time Equivalents	60,064	60,293
Overtime	2,000	2,000
Lump Sum	231	245
Total SSA	62,295	62,538
Disability Determination Services (DDS)	13,580	13,669
Total SSA/DDS	75,875	76,207
OIG	595	614
Total SSA/DDS/OIG	76,470	76,821

^{1/} Includes \$7 million in base research funding classified by the Office of Management and Budget (OMB) as mandatory.

**Social Security Administration
FY 2009 Budget Request – Key Performance Targets**

	FY 2008 Enacted	FY 2009 President's Budget
Selected Workload Measures		
Retirement and Survivors Claims Processed (thousands)	4,065	4,281
Initial Disability Claims Processed (thousands)	2,582	2,600
SSA Hearings Processed (thousands)	559	644
Periodic Continuing Disability Reviews (CDRs) Processed (thousands)	1,065	1,149
Periodic Medical CDRs (included above, thousands)	235	329
SSI Non-Disability Redeterminations Processed (thousands)	1,200	1,486
800-Number Transactions Handled (millions)	63	67
Social Security Numbers Issued (millions)	19	20
Annual Earnings Items Processed (millions)	273	274
Social Security Statements Issued (millions)	148	150
Selected Outcome Measures		
Initial Disability Claims Pending (thousands)	519	493
SSA Hearings Pending (thousands)	752	683
Average Processing Time for Initial Disability Claims (days) ^{1/}	107	103
Average Processing Time for Hearing Decisions (days)	535	506
Disability Determination Services Production per Workyear	264	267
Office of Disability Adjudication and Review Production per Workyear	101	115
Other Work/Service in Support of the Public – Annual Growth of Backlog (workyears)	3,300	4,800

^{1/} Disability decisions that receive a technical (non-medical) denial are not included.

With the FY 2009 budget, SSA will be able to process significantly more retirement claims and answer more 800-number calls, reduce disability processing times and pendencies, and process more program integrity work. However, backlogs in the work SSA does after an individual is approved for benefits (post-entitlement work) will continue to rise.

SSA's LAE Responsibilities

In addition to paying benefits, SSA's ongoing operational responsibilities include:

- **Claims and Evaluating Eligibility**
SSA takes claims, evaluates evidence, and makes determinations of eligibility and benefit amounts.
- **Appeals and Hearings**
SSA administers three levels of appeals of disputed claims decisions: a reconsideration (a complete review of the claim by someone who did not take part in the initial decision); a hearing conducted by an Administrative Law Judge (ALJ); and lastly a review by Social Security's Appeals Council.
- **Program Integrity**
SSA is responsible for stewardship of the trust funds by conducting activities such as medical and non-medical continuing eligibility reviews to avoid improper payments to beneficiaries.
- **Social Security Numbers (SSNs)**
SSA takes applications for and issues SSNs after determining the validity of the required evidence. Each year, SSA processes millions of actions to keep records of number holders current and accurate.
- **Earnings Records**
SSA receives regular updates on the earnings of the working population from employer and government sources and posts the earnings to the worker's record. SSA links the earnings records to SSNs and, when no match can be found, tracks the reported earnings and attempts to resolve the discrepancy.
- **Social Security Statements**
SSA mails annual updates to workers and former workers aged 25 and older and provides the earnings on which the individual has paid Social Security taxes and a summary of the estimated benefits the individual and his/her family may receive as a result of those earnings.
- **Employment Eligibility Verification – E-Verify**
E-Verify is an automated system available to employers that verifies the name/SSN/citizenship/work authorization of new hires by checking against SSA and Department of Homeland Security databases. This workload has expanded rapidly due to demand by employers eager to comply with Federal law and new State laws requiring use of this system.
- **Medicare Administration Assistance**
SSA assists the Centers for Medicare and Medicaid Services in administering the Medicare programs. SSA deducts Medicare premiums from Social Security payments as appropriate, makes eligibility determinations and redeterminations for extra help with the Medicare Prescription Drug Program, and takes applications for replacement Medicare cards.

SSA's Research Budget

The FY 2009 funding request for research is \$35 million, an increase of \$8 million from the FY 2008 enacted level which will help fund studies related to the expansion of Compassionate Allowances. This request also reflects the Agency's decision, for the first time, to identify and test better ways to employ emerging medical technologies and diagnostics in the disability determination process. It also reflects SSA's continuing efforts to support and encourage the return-to-work efforts of individuals with disabilities.

Office of the Inspector General (OIG)

The FY 2009 funding request for the OIG is \$98 million, an increase of \$6 million over the FY 2008 enacted level. The OIG will continue efforts to improve the Agency's integrity, efficiency and effectiveness. To that end, the OIG provides invaluable service by directing, conducting and supervising a comprehensive program of audits, evaluations and investigations relating to SSA's programs and operations. The focal point of this effort is protecting the integrity of the SSN and the enumeration process.

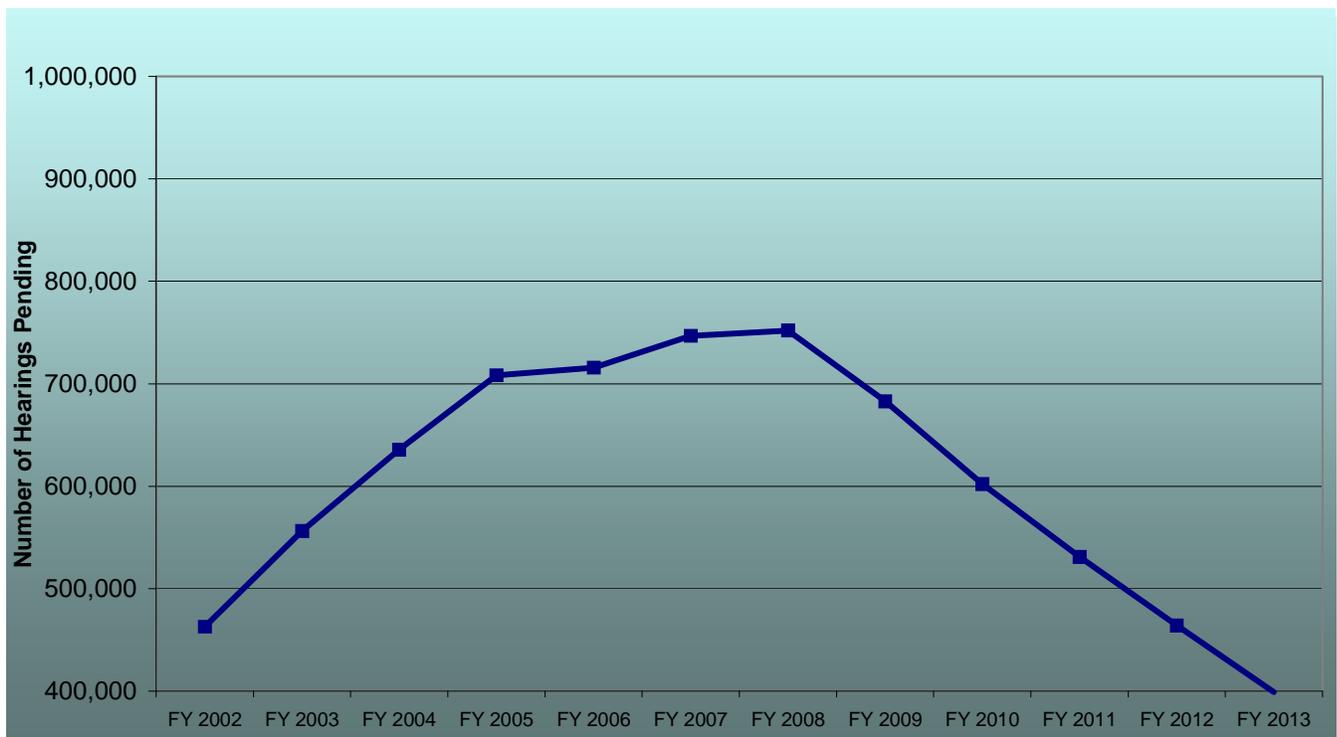
IMPROVING THE DISABILITY PROGRAMS

Eliminating the hearings backlog is a moral imperative for the Agency. This effort will take several years, but by the end of FY 2009, SSA will have laid the groundwork of regulatory and process changes needed and will be driving waiting times down. SSA also will process more initial disability claims, resulting in the lowest pending level since 1999, and make changes to the disability process to improve timeliness, accuracy and efficiency.

Eliminating the Hearings Backlogs

SSA's disability backlogs have grown significantly over the last 5 years. As of the end of September 2007, the number of cases waiting for a hearing decision has grown to almost 750,000, leading to average processing times of 512 days. The Azdell decision, which precluded SSA from hiring ALJs for many years, on top of years of budget reductions led to the hearings crisis SSA faces today. These backlogs and processing times are not just numbers – they represent extreme hardship for Americans who are at the most vulnerable point in their lives.

Full Funding of the Hearings Backlog Reduction Plan Will Allow SSA to Dramatically Reduce the Number of Hearings Pending



SSA will be implementing the Hearings Backlog Reduction Plan over the next 5 years to eliminate the hearings backlog as efficiently and expeditiously as possible. These new initiatives will increase the Agency's capacity to hold hearings and implement necessary modernizations to the hearing process. Crucial to the plan's success is full funding of SSA's FY 2009 budget, which would ensure that hearing offices have enough staff to handle more cases and allow critical improvements to Agency infrastructure.

Accelerating Review of Cases Likely or Certain to be Approved

SSA has an obligation to provide benefits quickly to those applicants whose medical conditions are so serious that they obviously meet our disability standards. We have two new processes to identify these cases and expedite them through our adjudicatory process. We anticipate that as many as 15 percent of disability cases will benefit from an expedited process.

The first initiative, Compassionate Allowances, is a way of quickly identifying diseases and other medical conditions that invariably qualify under SSA's medical listings based on minimal medical information. Many of these claims can be allowed based on confirmation of a medical diagnosis supported by medical evidence. For example, allowances for cases such as catastrophic congenital anomalies (such as anencephaly, a form of Tay-Sachs disease, and the most common form of Down syndrome), acute leukemia, amyotrophic lateral sclerosis (ALS), and pancreatic cancer can be made

as soon as the medical diagnosis and onset date is confirmed.

The second initiative is the Quick Disability Determination (QDD) process, which was designed to identify and expedite claims that are likely to be allowed. The QDD process uses an electronic screening tool/predictive model to identify claims where there is a high probability that the claimant is disabled and where medical evidence can be easily and quickly obtained. QDD claims are

electronically routed to the state Disability Determination Services (DDS) where experienced disability examiners and other staff review and adjudicate them on an expedited basis, many times in less than two weeks. National rollout of the QDD process began in October 2007. As of January 2008, 1 percent of all cases nationally are being reviewed within 8 days under the new QDD process, and we expect that

percentage to increase in the next year.

Improving Hearings Procedures

At the beginning of FY 2007, there were 63,000 hearing requests that would have been 1,000 or more days old on September 30, 2007. By September 30, SSA reduced that number to 108. For FY 2008, SSA raised the bar for its own performance and set a goal to resolve over 135,000 cases that are or would be 900 days old or older by the end of the fiscal year.

In recent months, SSA has made great progress in reducing the number of hearing requests that have

There are four key elements of my Hearings Backlog Reduction Plan that I believe hold the most promise to eliminate the hearings backlog:

- **Accelerating review of cases likely or certain to be approved;**
- **Improving hearings procedures;**
- **Increasing adjudicatory capacity; and**
- **Increasing efficiency through automation and improved business processes.**

The success of these initiatives depends on timely and adequate Agency funding. Properly funded, these initiatives will reduce the amount of time members of the public wait for a hearing decision and will lead to a reduction in the number of cases pending in our offices.

Commissioner Michael Astrue

been pending the longest. As the number of aged cases is reduced, SSA will create new targets to ensure we provide decisions to those waiting the longest. Further, SSA has renewed the Senior Attorney Advisor program, allowing Senior Attorneys to issue decisions in cases that are fully favorable without the involvement of an ALJ.

Increasing Adjudicatory Capacity

Only ALJs are allowed to issue decisions that are not fully favorable. In order to process more cases, SSA is immediately seeking to increase its number of ALJs. We expect that 150 new ALJs will start work in the spring of 2008. Our goal is to hire enough ALJs to reach a level of 1,250 in early FY 2009. Sufficient funding in FY 2009 and beyond is essential to ensuring that we can maintain an adequate number of ALJs to continue reducing the hearings backlog.

Additionally, we are seeking new ways to improve the adjudicatory process. One way to do this is to ensure hearing dockets are filled to capacity. With full dockets, ALJs would be able to schedule additional hearings per month. Other efforts include returning to the DDSs some cases that may be allowed without a hearing, screening cases likely to be approved for accelerated approval, and expanding pilot testing of a centralized, fully electronic National Hearing Center to conduct video hearings and balance workloads at hearing offices nationwide.

Increasing Efficiency through Automation and Improved Business Processes

One of the impediments to a timely hearing is the lengthy procedure to simply prepare the case for the ALJ. Currently, a number of electronic initiatives are being developed which would reduce this preparation time. The electronic folder has the potential to significantly decrease the time it takes hearing office staff to prepare and exhibit files,

associate correspondence, prepare and send notices, and transfer workloads. Centralized printing and mailing will streamline the processing of the millions of documents sent annually by hearing offices.

Finally, a new electronic file assembly tool called ePulling will support preparation of electronic cases for hearing and dramatically reduce the time necessary for the file assembly portion of electronic folder preparation. At the hearing level, ALJs need the ability to sign decisions electronically. Currently, decisions are printed, signed and then scanned into the electronic folder. By implementing electronic signature capacity, the adjudicator will be able to complete the decision-making process electronically, thus sending the signed decision directly to the electronic folder.

Processing More Disability Claims

In FY 2007, SSA was able to stem the tide and slow the growth in the claims backlog. With the FY 2009 budget, the DDSs will be able to hire new employees and will process significantly more disability claims, reducing claims backlogs to the lowest level since 1999. In addition to hiring in the DDSs, efforts such as the successful electronic disability process and QDD will improve service to the public, helping claimants to receive decisions earlier at this critical juncture in their lives.

The FY 2009 budget will enable SSA to process significantly more initial disability claims, reducing claims backlogs to the lowest level in 10 years.

Modernizing the Disability Process

In addition to the efforts described above, SSA has launched the Integrated Disability Process (IDP), a collaborative initiative that will enable the Agency to address and resolve important disability policy and procedural issues. IDP will result in clear, consistent and simplified policy, procedures and business processes that will allow SSA to work more efficiently so that it can better face the challenges that lie ahead. This new process will also help SSA address differences and difficulties in application of policy and procedures.

Until just recently, many of SSA’s medical regulations—generally known as our “listings”—went decades without review and revision. The Agency is now on a schedule that will review all listings every 5 years, and with this budget SSA will aim to review them every 3 years. Moreover, we have an ambitious effort underway to expand the listings to include, for the first time, many rare diseases and conditions, which have been error-prone cases in the past due to lack of guidance to adjudicators.

SSA Speeds Disability Process for America’s ‘Wounded Warriors’

Figure 3



U.S. military personnel are now receiving expedited processing of disability claims from Social Security. The expedited process is used for military service members who become disabled while on active military duty on or after October 1, 2001, regardless of where disability occurs.

Social Security’s disability examiners are working with digestive listings that do not accurately reflect advances in the diagnosis and treatment of digestive disorders. As a result many cases that should be resolved quickly are not being determined appropriately. The changes to our digestive listings are among the many steps we are taking in our effort to bring about accurate allowances for people who apply for Social Security disability.

- Commissioner Michael Astrue

ENHANCING SERVICE TO THE AMERICAN PUBLIC

SSA will continue to improve its retirement and enumeration processes, safeguard personally identifiable information, and reach out to all Americans through financial literacy efforts. Furthermore, with the FY 2008 enacted appropriation and the FY 2009 budget, SSA will reverse a trend of staffing declines that has damaged service to the public.

Waiting at a Field Office

Figure 4



With adequate resources, SSA will provide timely service to everyone while we handle the increasing claims from the more than 80 million baby boomers.

Retirement Claims

With millions of Americans becoming eligible for Social Security retirement benefits at the rate of 10,000 a day for the next two decades, SSA must continue to develop a wide range of online and automated services and seek to transform its service model. Maximizing the use of modern technology and changing the service delivery model will enable SSA to continue to provide critical services to future beneficiaries.

Enumeration

SSA has already opened five Social Security Card Centers in cities across the country that have succeeded in issuing cards more efficiently and accurately. To ensure the continued security of the Social Security card and to prepare for anticipated growth in card applications if immigration-related legislation is passed by Congress, SSA is planning to open 7 more Card Centers – 3 more in FY 2008 and 4 more in FY 2009 – in California, Texas, Florida, New York and Minnesota.

The volume of SSA's enumeration workloads has increased with the rising population, as well as with expanded usage of E-Verify. We expect that participation in E-Verify will continue to rise. For example, in August the Office of Management and Budget released a memorandum requiring all Federal agencies and departments to verify newly hired employees beginning October 1, 2007.

Personally Identifiable Information

Safeguarding sensitive information has been an important issue ever since the creation of Social Security. In 1937, the first regulation adopted by the Social Security Board outlined the rules regarding privacy and disclosure of Social Security records. Through the years, regulations, the Privacy Act and other laws have further defined our responsibilities to ensure the confidentiality of the information we collect and hold.

The prevalence of identity theft in the world today, and our increased exposure as more transactions are completed across the Internet, makes the efforts of employees to ensure the protection of the personal information entrusted to them as an SSA employee more important than ever. Each SSA employee is responsible for properly safeguarding personally identifiable information from loss, theft or improper disclosure, including inadvertent disclosure, and to immediately notify his or her supervisor of any breach, loss or potential loss of personally identifiable information in any form.

Financial Literacy

Research indicates that many Americans lack comprehensive financial literacy and often make poor savings and retirement decisions. A lack of financial retirement planning or poor decision-making contributes to the number of retired elderly living in poverty. Improving the public's financial literacy, particularly its understanding about the need for retirement planning and the role of Social Security's retirement benefits as a supplement to other sources of income, could boost personal savings and foster better retirement decisions. Our annual Social Security Statements, our online presence, and contacts with the public provide a unique opportunity to participate in educational efforts.

We continue to explore new ways to have a greater impact on educating the public. For example, future plans include a streamlined online claims process and enhanced Internet benefit calculators that will provide real-time estimates of retirement benefits based on the user's earnings record. These tools will facilitate financial planning by allowing multiple "what if" scenarios based on different user-entered retirement dates and earnings amounts.

Among elderly Social Security beneficiaries, about 20% of married couples and 40% of unmarried persons rely on Social Security for 90% or more of their income.

50% of the workforce has no private pension coverage.

One-third of the workforce has no savings set aside specifically for retirement.

Figure 5



Human Capital

The retirement of the baby boomer generation coupled with years of budget cuts have drastically affected SSA’s maturing workforce. In just the last two years, approximately 10 percent of SSA’s employees have retired, and in 2010, 30 percent of the Agency’s current workforce will be retirement-eligible. This attrition also means that SSA is losing much of its experienced leadership and institutional knowledge.

The FY 2009 President’s Budget will help SSA begin to turn around the staffing crisis by enabling SSA to replace those employees who leave the Agency, whether for retirement or other reasons. While the higher staffing levels will help SSA improve service on a national level, it will have an even more profound effect on local offices because hiring freezes have caused staffing imbalances and critical staffing shortages.

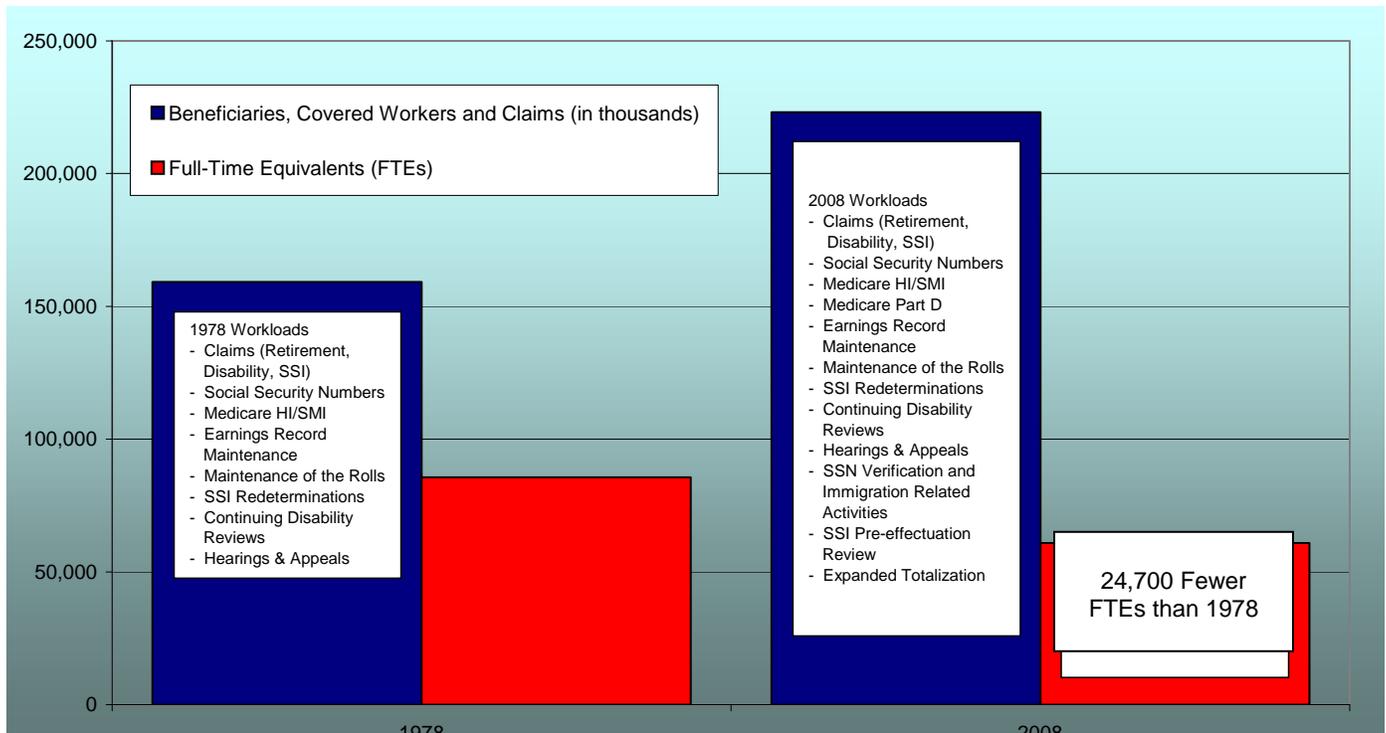
Figure 7



Gen X’ers and Millenials are the future of SSA.

While Increased Productivity Has Helped SSA Manage Rising Workloads with Fewer Staff, an Adequate Workforce is Essential to Meeting the Needs of the Baby Boomers

Figure 6



INNOVATING, AUTOMATING AND INVESTING IN THE FUTURE

The FY 2009 budget, if it receives the full support of Congress, will allow SSA to make automation and business process changes which will improve service to the public. The budget also provides more support for program integrity to ensure that the public's money is spent in an appropriate fashion.

As discussed earlier, the challenges SSA has faced in recent years have led to increased backlogs and have made it difficult for the Agency to maintain a high standard of customer service. However, the situation would be even worse now without the productivity improvements we have achieved or the excellent management that has benefited our programs. As an Agency, we take pride in making efficient use of our administrative resources. With administrative expenses of less than 2 percent of total program outlays, SSA is an excellent investment. The Agency's cost-conscious attitude is also reflected in our performance goal of annual productivity improvements, program management initiatives that tie into the President's Management Agenda (PMA), the Program Assessment Rating Tool (PART) and our dedication to maintaining program integrity.

SSA is dedicated to continuous productivity improvements as demonstrated by the dramatic productivity it has achieved since FY 2001 – a cumulative productivity improvement of over 15%.

Leveraging Technology

The unprecedented growth in our workloads demands that we effectively leverage technology. SSA's information technology budget centers on improving service to citizens all across America. While approximately 65 percent of our information technology resources must be used to maintain our infrastructure and telecommunications network, we also must prepare for the avalanche of retirement and disability claims through new and improved systems and automated services and business processes.

Some of the highlights of SSA's budget request include:

- **Continuing to invest in SSA's website** so that citizens can conveniently conduct business from their homes and offices. In FY 2009, some of the new services we will be offering are a much improved claims application package that will help ensure that claimants file for all benefits to which they are entitled, and a more integrated disability application that will streamline the filing process and improve the quality of the data we receive. We will offer the capability for third parties, such as personnel offices, to help individuals file for retirement benefits. We will make available to Members of Congress a secure Internet channel to communicate with the Agency concerning constituent issues. We also will provide employers with the ability to make corrections to their earnings reports online, and will work with additional States to expand electronic death reporting.

- **Improving telephone services** will be a major focus in FY 2009. We will replace our 10 year-old call center network system, which manages and routes our 800-number calls, with a system providing the Agency with 21st century features for secure e-mail, web chat, multimedia recording, screen capture, productivity management and advanced reporting. In addition, we will continue the replacement of our outdated field office telephone systems with a state-of-the-art phone system that saves the Agency money and provides the capability to review e-mail messages over the phone.

Figure 8



- **Providing compassionate, efficient service to SSA's most vulnerable clients, the disabled**, has been the centerpiece of Commissioner Astrue's vision for the future. Advances in medicine and technology require constant analysis of their impact on SSA's listings and rules, and constant improvement in SSA's policies. SSA's monumental challenge is to provide consistent support, processes and information across disparate case processing systems and to leverage the advancements in health informatics so that we can make decisions as promptly and fairly as possible.

Online Filing Is Easy and Efficient

Figure 9



Kathleen Casey-Kirschling, America's first baby boomer, stated, "Filing for Social Security benefits online is easy and convenient. I urge my fellow baby boomers to give Social Security's online services a try. Save a trip and do business with Social Security from the comfort of your home or office."

In the 54 State DDSs, we have 54 different systems for processing claims. SSA is working with the DDS community on plans to pursue the replacement, beginning in FY 2009, of the outdated systems that the States use to process disability claims with a modern, web-based case processing system. If we can resolve the remaining concerns of the State DDSs, we plan to proceed.

SSA also will take advantage of the progress that the medical community is making in automating its services through Electronic Health Records and Personal Health Records. Using automated exchanges in standardized data formats, medical providers

will send SSA requested evidence electronically, allowing staff to compare this information to the Agency's updated medical listings and to use business intelligence tools to make more accurate, consistent and timely decisions.

To further prepare for the future, SSA intends to establish an advisory panel of high level experts from various industries that will provide independent advice and recommendations pertaining to electronic interactions and service provision to the public. The panel, which will be known as the Future Systems Technology Advisory Board, will provide recommendations that will project information technology operations and electronic services 5 to 10 years in the future.

Investing in Program Integrity

While continued innovation and automation ensure that SSA is using its administrative resources efficiently, program integrity workloads ensure that program dollars are being spent wisely and according to the intent of the law.

SSA was forced to scale back its program integrity workloads due to budget constraints over the last several years and unprecedented levels of initial disability claims at the DDSs. Program integrity reviews ensure that beneficiaries who have been approved for benefits continue to be

eligible and to be paid the correct amount. They are important stewardship efforts that protect the integrity of the trust funds and the taxpayer's money.

As part of our efforts to pursue cost-saving initiatives, the FY 2009 budget includes resources for SSA to continue performing CDRs and SSI redeterminations and a special funding mechanism to increase the resources available for these important workloads. In both FYs 2008 and 2009, SSA plans to process increasing volumes of CDRs and SSI redeterminations.

CDRs are periodic reevaluations of medical eligibility factors for DI and SSI disability beneficiaries and are estimated to yield \$10 in lifetime program savings for every \$1 spent. The additional funding requested for SSI redeterminations, which are periodic reviews of non-medical factors of SSI eligibility such as income and resources, is estimated to yield \$7 in lifetime program savings for every \$1 spent. Both CDRs and SSI redeterminations are extremely cost-effective.

Program Integrity is a Good Investment in the Future:

- ***For every \$1 invested in continuing disability reviews, the return is \$10.***
- ***For every \$1 invested in SSI redeterminations, the return is \$7.***

CONCLUSION

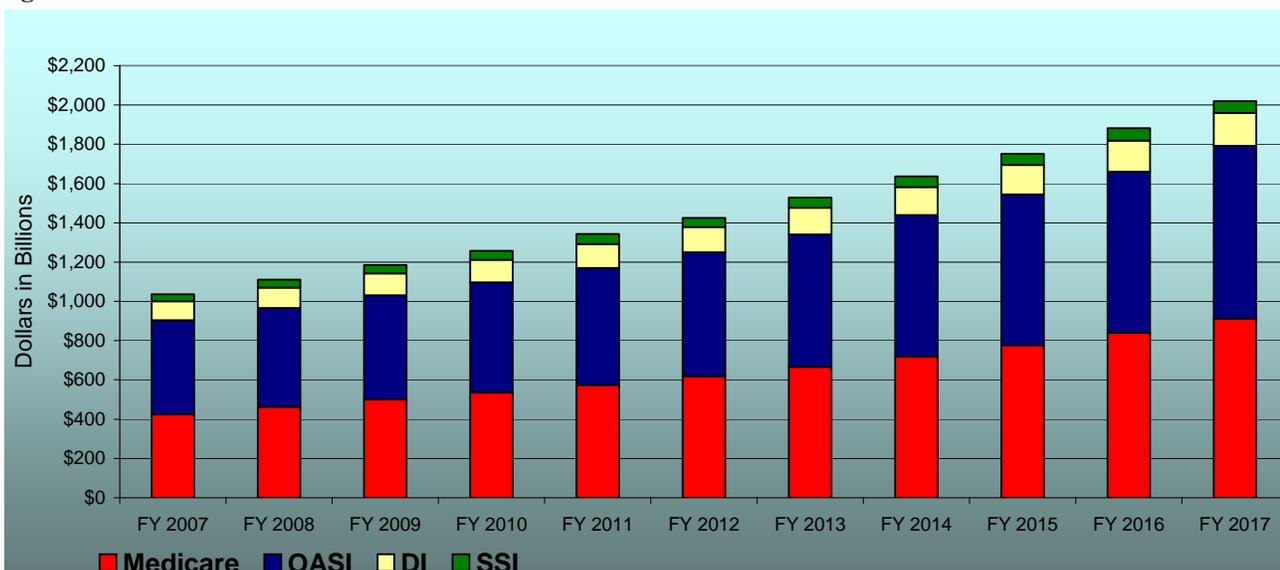
For more than 70 years, SSA has administered programs and provided service upon which millions of Americans rely. For many of our beneficiaries, the benefit payments that Social Security provides are all that keeps them from poverty. SSA's programs (and the related Medicare benefits that we help to administer) have a tremendous impact on the nation's economy and provide hundreds of billions of dollars annually to eligible individuals.

This budget lays out a long-term plan to fix the programs' most pressing problem—the disability backlogs – at the same time that we face the largest onslaught of work that SSA has ever faced. We have developed innovative strategies that will result in productivity improvements, and we expect to eliminate the disability hearings backlog by the end of FY 2013. If there is a way to do better, we will.

Across all workloads, SSA is consistently and proactively seeking solutions that streamline our business processes to be as efficient and expeditious as possible. We are maximizing the efficiency of electronic service delivery not only to meet the public's expectations for electronic service delivery options, but also to offset the expected growing gap between the resources needed and the resources available to handle projected workloads as baby boomers reach their retirement and disability prone years.

SSA's Program Benefits Have an Increasing Economic Impact

Figure 10



Medicare estimates based on FY 2008 Mid-Session Review. All other estimates are based on FY 2009 President's Budget.