

AGENCY PERFORMANCE



INTRODUCTION

For more than 70 years, Americans have been able to turn to Social Security during good times as well as during times of economic turmoil and uncertainty. People count on us to be there for them when they unexpectedly lose their job due to a disabling condition or when they leave the workforce for retirement. During this current economic downturn when millions of Americans have found themselves in uncertain financial waters, more Americans have turned to us than ever before. Due to the combined effect of the economic downturn and the aging of the baby boomers, retirement and disability claims soared in FY 2009. We also use substantial resources to complete other statutory work such as processing Medicare Part D subsidy applications and immigration enforcement.

In FY 2009, we focused our attention and resources on 13 strategic objectives that support our 4 overarching strategic goals to accomplish our mission. We developed 25 performance measures and related targets to track our progress in meeting our strategic goals and objectives. We explained these goals, objectives, measures, and targets in our *Annual Performance Plan for Fiscal Year 2010 and Revised Final Performance Plan for Fiscal Year 2009*. This section of the *Performance and Accountability Report* documents our performance and provides discussions of the actions that enabled us to attain our performance measures for FY 2009. Even with overall agency resource constraints and increased workloads in FY 2009, we met 21 of 22 performance measure targets for which we have end of year data. We will not have data on 3 performance measures until later in 2010. We were able to meet our FY 2009 performance measures because of our dedicated staff, innovative technology initiatives, streamlined procedures, and increased productivity.

The performance data presented in this section comply with the Office of Management and Budget's guidance provided in Circulars A-11 and A-136. The section *How We Ensure Data Quality* on page 20 describes our continuing efforts to enhance the quality and timeliness of our performance data to increase its value to agency management and other interested parties. Our executives routinely use these performance data to improve the quality of program management and to demonstrate accountability in achieving program results.

STATUS OF FY 2009 PERFORMANCE MEASURES BY GOAL AND OBJECTIVE

In this section, we:

- List our FY 2009 performance measures, organized by strategic goal and objective. For each performance measure, we provide the FY 2009 target, actual performance, a discussion about the measure and target, data definition, and data source;
- Include historical data and trend charts for the current year and 4 prior fiscal years when available;
- Indicate, for measures where final FY 2009 data are not yet available, when they will be available and that we will report our FY 2009 performance in the *Fiscal Year 2010 Performance and Accountability Report*;
- Provide data for performance measures discussed in our *Fiscal Year 2008 Performance and Accountability Report* where final FY 2008 data were not available when published;

- Round actual performance data to the nearest whole number or decimal point using the standard rounding convention;
- Provide FY 2009 results or provide the status on each of our Program Performance Measures (pages 71-80); and
- Discuss our *Program Evaluations* (pages 81-88).

Strategic Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence

Strategic Objective 1.1: Increase our capacity to hear and decide cases

1.1a: Process the budgeted number of hearings

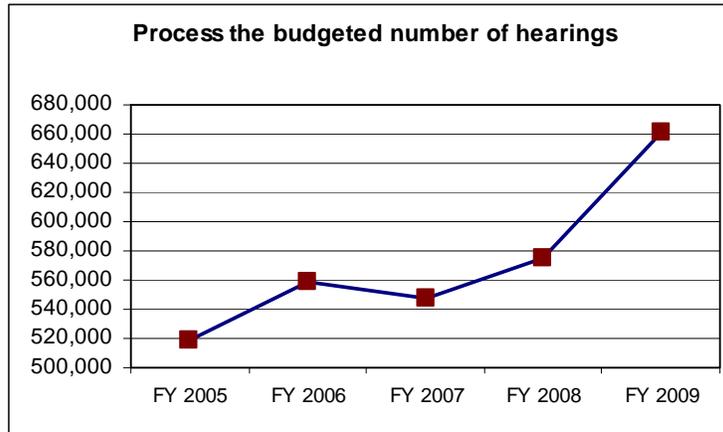
| | |
|-------------------------|---------|
| FY 2009 Target: | 647,000 |
| Performance: | 660,842 |
| Target Achieved: | Yes |

Discussion: Since the issuance of our *Hearings Reduction Backlog Plan* in FY 2007, we have taken an aggressive approach to implementing numerous initiatives focused on improving hearing office procedures, increasing adjudicatory capacity, and increasing efficiency with automation and improved business processes. In FY 2009, although challenged by the highest annual total hearing requests ever received, we met this target by processing 13,842 more hearings than our FY 2009 target. This fiscal year we continued to improve our hearing level performance by:

- Hiring 147 new administrative law judges (ALJ) and 850 support staff;
- Improving ALJ productivity to an average of 2.37 cases per day per available judge;
- Increasing the use of video hearings to minimize travel to hearing sites for individuals, representatives, and ALJs;
- Opening three new fully-electronic National Hearing Centers to provide flexibility in addressing our backlog and targeting assistance to heavily backlogged areas across the country;
- Increasing use of senior attorney adjudicators to review cases early in the hearings process and issue fully-favorable on-the-record decisions when appropriate;
- Using the informal remand process to send cases back to Disability Determination Services for review and possible favorable determinations, thereby precluding the need for a hearing;
- Rolling out a centralized printing and mailing process for hearing level notices;
- Refining and implementing a standardized electronic business process in 30 hearing offices; and
- Developing numerous enhancements to hearing office electronic processing systems.

Please refer to *Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence* beginning on page 22 for more details on how we addressed this performance measure.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 559,000 | 575,380 | Yes | ↑ |
| 2007 | 555,000 | 547,951 | No | ↓ |
| 2006 | 560,000 | 558,978 | No | ↓ |
| 2005 | 525,000 | 519,359 | No | ↓ |

Data Definition: The number of hearing requests processed in the current fiscal year up to the number budgeted.

Data Source: Case Processing and Management System

Strategic Objective 1.2: Improve our workload management practices throughout the hearing process

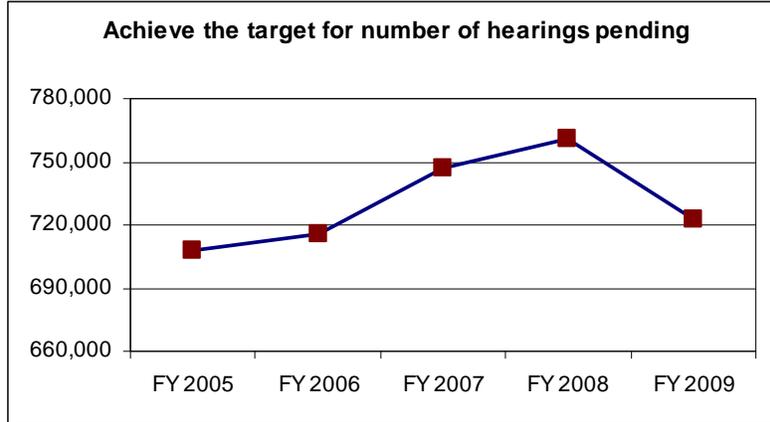
1.2a: Achieve the target for number of hearings pending

| | |
|-------------------------|---------|
| FY 2009 Target: | 755,000 |
| Performance: | 722,822 |
| Target Achieved: | Yes |

Discussion: In FY 2009, we received more requests for hearings than ever (622,851) and 33,402 more than FY 2008. Despite this, for the first time since 1999, we ended the fiscal year with fewer hearings pending than at the start of the year – a reduction of 37,991 cases. We also reduced the number of hearings pending for nine consecutive months. We achieved this target through a wide array of efforts, including hiring additional ALJs and support staff; increasing use of video hearings; implementing numerous enhancements to the hearing office business process; opening National Hearing Centers to assist heavily backlogged offices; improving hearing office automation; and using front-end screening procedures to identify possible on-the-record allowances. The elimination of the hearings backlog will remain our top priority, and we are on track to reach the optimal pipeline level of 466,000 pending hearings by FY 2013.

Please refer to *Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence* beginning on page 22 for more details on how we addressed this performance measure.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 752,000 | 760,813 | No | ↓ |
| 2007 | 738,000 | 746,744 | No | ↓ |
| 2006 | 756,000 | 715,568 | Yes | ↑ |
| 2005 | 714,000 | 708,164 | Yes | ↑ |

Data Definition: The number of hearing requests pending at the end of the fiscal year compared to the target.

Data Source: Case Processing and Management System

1.2b: Achieve the target to eliminate the oldest hearings pending

| | |
|-------------------------|--|
| FY 2009 Target: | Less than 1% of hearings pending 850 days or older |
| Performance: | 228 of 166,838 cases remained pending (.14%) |
| Target Achieved: | Yes |

Discussion: We redefined our aged case target for FY 2009 to hearing requests that would be 850 days or older by the end of the fiscal year. We began the year with 166,838 cases that met the criteria. Through continuing emphasis and monitoring, as of September 30, 2009, we reduced the number of hearing requests pending over 850 days to 228, or .14 percent of hearings pending, thereby meeting our target. For FY 2010, we established a new lower target focusing on cases that will be 825 days or older by the end of the fiscal year.

Please refer to *Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence* beginning on page 22 for more details on how we addressed this performance measure.

Trend:

| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|--|---|---------------|------------------|
| 2008 | Less than 1% of hearings pending 900 days or older | 281 of 135,160 cases remained pending (.2%) | Yes | ↑ |

Data Definition: The percentage of oldest hearings pending. The oldest hearings are those cases identified as those cases that are pending or will be pending 850 days or more at the end of the fiscal year. The percentage is derived by dividing the total number of hearings pending 850 days or more at the end of the fiscal year by the universe of oldest hearings identified.

Data Source: Case Processing and Management System

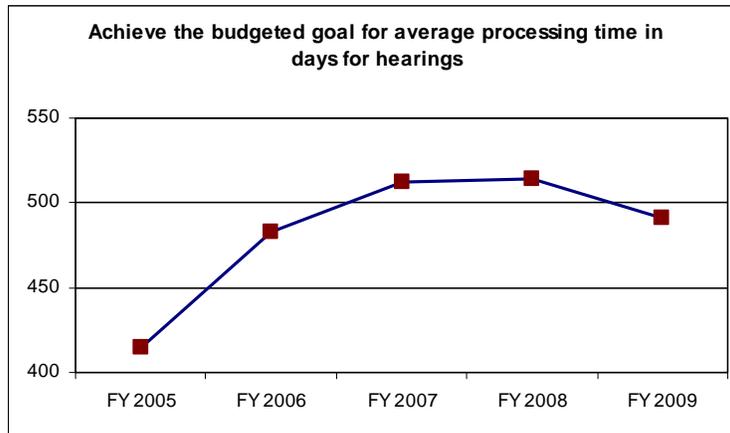
1.2c: Achieve the budgeted goal for average processing time in days for hearings

FY 2009 Target: 516 days
Performance: 491 days
Target Achieved: Yes

Discussion: We recognized that our efforts to process our oldest cases would likely inflate overall average processing time for hearings. However, as a result of our backlog reduction initiatives; our constant monitoring and focus; increased staffing; front-end screening procedures to identify possible on-the-record allowances; and enhancements to the electronic business process, we were able to lower the average processing time for hearings from 514 days in FY 2008 to 491 days in FY 2009. These efforts ensured we met this target.

Please refer to *Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence* beginning on page 22 for more details on how we addressed this performance measure.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 535 days | 514 days | Yes | ↑ |
| 2007 | 524 days | 512 days | Yes | ↑ |
| 2006 | 467 days | 483 days | No | ↓ |
| 2005 | 442 days | 415 days* | Yes | ↑ |

Data Definition: The average processing time for hearing decisions compared to the target. The average processing time is the cumulative processing time for all hearings processed divided by the total number of hearings processed in the fiscal year.

Data Source: Case Processing and Management System

Remarks:

This measure is also a *Program Performance Measure*.

*FY 2005 data included Medicare hearings. Beginning in FY 2006, Medicare hearings were no longer included as the Centers for Medicare and Medicaid Services assumed this workload.

1.2d: Achieve the target to eliminate the oldest Appeals Council cases pending

| | |
|-------------------------|---|
| FY 2009 Target: | Less than 1% of Appeals Council cases pending 750 days or older |
| Performance: | 10 of 12,184 cases remained pending (.08%) |
| Target Achieved: | Yes |

Discussion: We focused on eliminating the oldest cases at all levels of adjudication including the Appeals Council level. In FY 2009, we were successful in working down our oldest Appeals Council cases using the same approaches we used at the hearing level. We redefined our aged case target for FY 2009 to Appeals Council cases that would be 750 days or older by the end of the fiscal year. We began the year with 12,184 cases that met the criteria. Through continuing emphasis and monitoring, refinements to the web-based *Appeals Review Processing System* that supports processing of electronic folders at the Appeals Council level, as well as hiring more than 200 additional Appeals Council staff, we reduced the number of Appeals Council cases pending over 750 days to 10, or .08 percent. We met our target and, in FY 2010, plan to eliminate most cases over 700 days old.

Please refer to *Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence* beginning on page 22 for more details on how we addressed this performance measure.

Trend: This is a new performance measure for FY 2009.

Data Definition: The percentage of oldest Appeals Council cases pending. Oldest cases are identified as those cases that are pending, or will be pending 750 days or more at the end of the fiscal year. The percentage is derived by dividing the total number of cases pending 750 days or more at the end of the fiscal year by the universe of oldest Appeals Council cases identified.

Data Source: Appeals Review Processing System

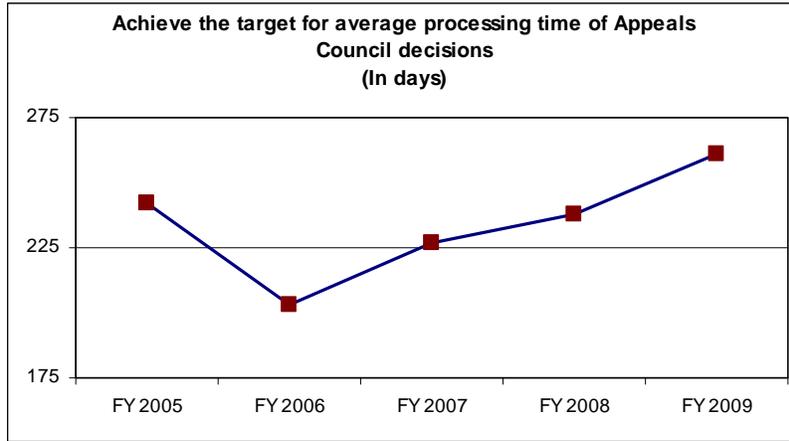
1.2e: Achieve the target for average processing time of Appeals Council decisions

| | |
|-------------------------|----------|
| FY 2009 Target: | 265 days |
| Performance: | 261 days |
| Target Achieved: | Yes |

Discussion: We are committed to reducing the overall processing time of the Appeals Council workload and ensuring that a backlog of cases does not develop. In FY 2009, Appeals Council receipts continued to outpace dispositions, and their pending workload continued to grow. We received 13,542 more receipts than in FY 2008, an increase of over 14 percent. Despite more receipts and increasing pending levels, coupled with our emphasis on processing the oldest and most complex Appeals Council cases, we were able to meet this processing time target using the initiatives described in the *Discussion* in 1.2d above.

Please refer to *Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence* beginning on page 22 for more details on how we addressed this performance measure.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 242 days | 238 days | Yes | ↑ |
| 2007 | 242 days | 227 days | Yes | ↑ |
| 2006 | 242 days | 203 days | Yes | ↑ |
| 2005 | 250 days | 242 days | Yes | ↑ |

Data Definition: The average processing time for Appeals Council decisions compared to the target. The average processing time is the cumulative processing time for all Appeals Council decisions divided by the total number of Appeals Council decisions processed in the fiscal year.

Data Source: Appeals Review Processing System. Prior to March 2008, the data source was the Appeals Council Automated Processing System.

Strategic Goal 2: Improve the Speed and Quality of Our Disability Process

Strategic Objective 2.1: Fast-track cases that obviously meet our disability standards

2.1a: Achieve the target percentage of initial disability claims identified as a Quick Disability Determination or a Compassionate Allowance*

| | |
|-------------------------|------|
| FY 2009 Target: | 3.8% |
| Performance: | 3.8% |
| Target Achieved: | Yes |

Discussion: The *Quick Disability Determination* and the *Compassionate Allowance* processes enable us to fast-track certain cases by using predictive modeling and computer-based screening tools, to identify those applicants with the most severe disabilities. In addition to quickly providing benefits to the most severely disabled individuals, these fast-tracked allowances free up resources that we can use to help process the significant increase in initial disability applications. In FY 2009, we continued to refine the *Quick Disability Determination* predictive model and use it to its maximum capacity to accurately identify these cases. We also continued to expand our initial list of *Compassionate Allowances* through public hearings and consultations with the medical, research, and advocacy communities. In FY 2009, we issued more than 92,000 favorable disability determinations under these two fast-track processes.

Please refer to *Goal 2: Improve the Speed and Quality of Our Disability Process* beginning on page 24 for more details on how we addressed this performance measure.

Trend: This is a new performance measure for FY 2009.

Data Definition: The percentage is derived by dividing the total number of initial disability cases identified as a *Quick Disability Determination* or a *Compassionate Allowance* or both by the total number of electronic initial disability claims filed in the last month of the current fiscal year.*

Data Source: *Executive and Management Information System, Disability Management Information*

Remark:

*The *Data Definition* has been revised to correct an erroneously worded definition reported in the *Annual Performance Plan for Fiscal Year 2010 and Revised Final Annual Performance Plan for Fiscal Year 2009*. Our revision clarifies that cases identified and claims filed are from the last month of the current fiscal year.

2.1b: Process the budgeted number of initial disability claims

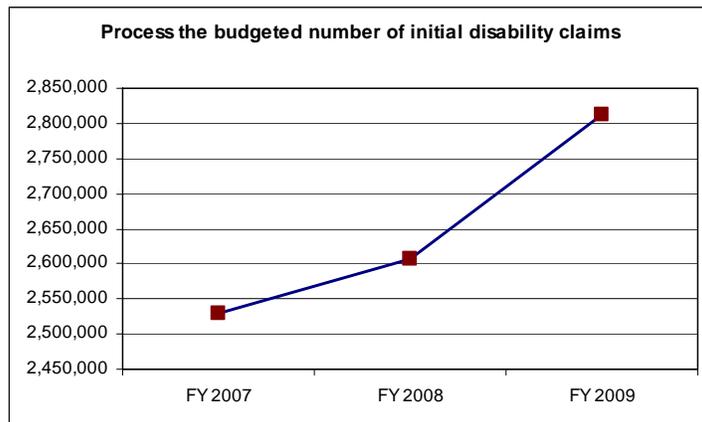
| | |
|-------------------------|------------|
| FY 2009 Target: | 2,637,000 |
| Performance: | 2,812,918* |
| Target Achieved: | Yes |

Discussion: Our disability workloads consume over half of our operational workyears and are arguably our most complex workloads. Due to the combined effects of the aging of the baby boomers and the economic downturn, we received 431,555 more initial disability claims in FY 2009 than we received in FY 2008. As a result, FY 2009 saw the highest level of receipts in the history of the disability program. Despite these challenges, through the effective use of increased hiring and overtime; technology to fast-track certain case types; an efficient electronic business process; and increased availability of electronic medical evidence, we met and exceeded our target by over 175,000 cases.

In addition, since we anticipate receiving over 3.3 million initial disability claims in FY 2010 – a 10-percent increase over FY 2009 – we developed a comprehensive multi-year strategy for handling increased initial disability claims receipts that includes additional hiring, policy simplifications, and adding personnel to state and federal units that will provide extra capacity to process claims for areas of the country hardest hit.

Please refer to *Goal 2: Improve the Speed and Quality of Our Disability Process* beginning on page 24 for more details on how we addressed this performance measure.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 2,582,000 | 2,607,282 | Yes | ↑ |
| 2007 | 2,530,000 | 2,529,721 | No | ↓ |

Data Definition: The number of Social Security and Supplemental Security Income (SSI) initial disability claims processed in the Disability Determination Services and other agency components in the current fiscal year up to the budgeted number.

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

Remark:

*The FY 2009 performance number includes cases processed by all components, whether federal or state. In prior years, the performance number only included cases processed by the states.

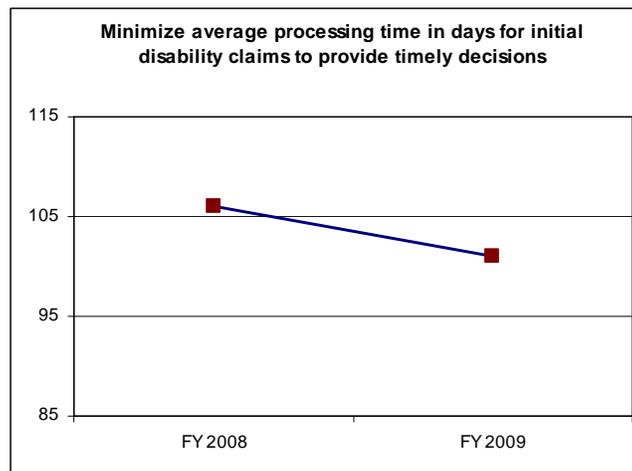
2.1c: Minimize average processing time in days for initial disability claims to provide timely decisions

FY 2009 Target: 129 days
Performance: 101 days
Target Achieved: Yes

Discussion: The timely processing of initial disability claims is a critical aspect of our service delivery to the American public. We have been able to decrease processing time despite unprecedented workload challenges through effective use of resources, increased staffing levels and overtime, and employees’ growing familiarity and expertise with electronic processes and tools. These efforts have allowed us to continue to provide prompt and efficient service to individuals, even as workloads rise. Additionally, the use of *Health Information Technology* and our *Quick Disability Determinations* and *Compassionate Allowance* processes contributed to our ability to meet and exceed this target.

Please refer to Goal 2: *Improve the Speed and Quality of Our Disability Process* beginning on page 24 for more details on how we addressed this performance measure.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 107 days | 106 days | Yes | ↑ |

Data Definition: The average processing time is the overall, cumulative number of elapsed days, including both Disability Determination Services and field office processing times, from the date of filing through the date payment is made or the denial notice is issued for all initial claims that require a medical determination. The total number of days to process all initial disability claims requiring a medical determination is divided by the total number of initial disability claims requiring a medical determination that are processed during the fiscal year

Data Source: Social Security Unified Measurement Systems

Remarks:

This measure is also a *Program Performance Measure*.

Strategic Objective 2.2: Make it easier and faster to file for disability benefits online

2.2a: Achieve the target percentage of initial disability claims filed online

| | |
|-------------------------|-----|
| FY 2009 Target: | 18% |
| Performance: | 21% |
| Target Achieved: | Yes |

Discussion: In FY 2009, almost 600,000 individuals filed for disability benefits online. This was more than a 100-percent increase over FY 2008 (260,902). In addition, FY 2009 was a banner year as it marked the year that we received our one-millionth online disability application. We were able to meet and exceed this target because of *Disability Direct*, an initiative that makes it easier and faster to apply for disability benefits by using *iClaim*, a tool that enables individuals to file electronically for benefits from the comfort and convenience of their homes or offices. We also launched an aggressive marketing campaign to increase public awareness of both the advantages and availability of this online service.

In addition, because attorneys, non-attorneys, representative payees and third parties increasingly transact business with us on behalf of individuals they represent, in FY 2009, we developed the *Appointed Representative Suite of Services*, a comprehensive package of online services for representatives. Once fully rolled out, we expect these new service features will increase the number of disability claims filed online.

Please refer to Goal 2: *Improve the Speed and Quality of Our Disability Process* beginning on page 24 for more details on how we addressed this performance measure.

Trend: This is a new performance measure for FY 2009.

Data Definition: The percentage of initial Social Security disability claims filed online. The percentage is derived by dividing the number of initial Social Security disability claims filed online by the total number of initial disability claims that could be filed online in the current fiscal year.

Data Source: Executive and Management Information System, Electronic Service Delivery, Localized Management Information Report

Strategic Objective 2.3: Regularly update our disability policies and procedures

2.3a: Update the medical *Listing of Impairments*

| | |
|-------------------------|--|
| FY 2009 Target: | Develop and submit at least three regulatory actions or <i>Social Security Rulings</i> |
| Performance: | Published eight <i>Social Security Rulings</i> in the <i>Federal Register</i> |
| Target Achieved: | Yes |

Discussion: The *Listings* (<http://ssa.gov/disability/professionals/bluebook/listing-impairments.htm>) describe for each major body system the impairments considered severe enough to prevent an individual from working, or for children, impairments that cause marked and severe functional limitations. In FY 2009, we published 8 *Social Security Rulings* concerning Childhood Disability rules in the *Federal Register*. These *Social Security Rulings* consolidate information from our regulations, training materials, and question-and-answer documents about determining disability under the functional equivalence rule. They also provide guidance on documenting and evaluating evidence of a child's impairment-related limitations.

Please refer to Goal 2: *Improve the Speed and Quality of Our Disability Process* beginning on page 24 for more details on how we addressed this performance measure.

Trend: This is a new performance measure for FY 2009.

Data Definition: Regulatory actions include *Advance Notice of Proposed Rulemaking*, *Notice of Proposed Rule Making*, *Final Rules*, or *Ruling*, or other *Federal Register* notice. We will develop regulatory actions or *Social Security Rulings* related to updating the medical *Listings of Impairments* for publication in the *Federal Register*.

Data Source: Office of Retirement and Disability Policy Workplan

Strategic Goal 3: Improve Our Retiree and Other Core Services

Strategic Objective 3.1: Dramatically increase baby boomers' use of our online retirement services

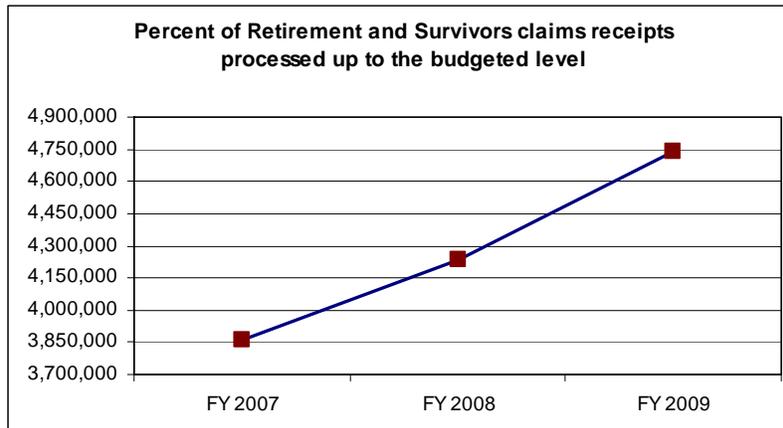
3.1a: Percent of Retirement and Survivors claims receipts processed up to the budgeted level

| | |
|-------------------------|-------------------|
| FY 2009 Target: | 100% (4,543,000)* |
| Performance: | 104% (4,742,218) |
| Target Achieved: | Yes |

Discussion: The aging of the baby boomers, as well as the economic downturn, resulted in a significant increase in the number of retirement and survivor claims filed in FY 2009. We received 541,098 more claims receipts than in FY 2008. Through the effective use of hiring and overtime; the launch of our new online retirement application; a nationwide marketing campaign; a record number of applications filed online, and policy simplifications, we met and exceeded our target.

Please refer to Goal 3: *Improve Our Retiree and Other Core Services* beginning on page 28 for more details on how we addressed this performance measure.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|-------------------|--------------------|---------------|------------------|
| 2008 | 100% (4,065,000)* | 101% (4,236,455) | Yes | ↑ |
| 2007 | 100% (3,837,000)* | 101% (3,863,813) | Yes | ↑ |

Data Definition: The number of retirement, survivors, and health insurance claims processed in the current fiscal year up to the budgeted number.

Data Source: Social Security Unified Measurement System Operational Data Store

Remarks:

This measure is also a *Program Performance Measure*.

*The number in parentheses represents the budgeted level.

3.1b: Achieve the target percentage of retirement claims filed online

| | |
|-------------------------|-----|
| FY 2009 Target: | 26% |
| Performance: | 32% |
| Target Achieved: | Yes |

Discussion: In FY 2009, 833,433 individuals filed for retirement benefits online. This was more than a 100-percent increase over FY 2008 (407,443). We also received our two millionth online retirement claim in early June. This achievement is especially noteworthy since it took more than 7 years to receive the first million online retirement claims, but less than 2 years to receive the second million.

We were able to meet and exceed this target by rolling out our new and improved online application for retirement benefits, called *iClaim*. This new online application makes it easier and faster to apply for retirement benefits as it only asks essential questions pertinent to the applicant’s situation and uses prompts, streaming videos, and other techniques to support the user’s online experience. We also greatly improved the information available to help individuals decide their optimum retirement date using our *Retirement Estimator*, a quick and secure online financial planning tool. Additionally, to encourage individuals to apply online for retirement benefits, we launched our nationwide marketing campaign with actress Patty Duke as our celebrity spokesperson.

Please refer to *Goal 3: Improve Our Retiree and Other Core Services* beginning on page 28 for more details on how we addressed this performance measure.

Trend: This is a new performance measure for FY 2009.

Data Definition: The percentage of retirement claims filed online. The percentage is derived by dividing the number of retirement claims filed online by the total number of retirement claims that could be filed online in the fiscal year.

Data Source: Executive and Management Information System

Strategic Objective 3.2: Provide individuals with accurate, clear, up-to-date information

FY 2009 Performance Measure: None

We do not have a FY 2009 performance measure under this strategic objective. However, we will continue to assess and improve our agency notices through our *Notice Improvement Initiative*. We discuss this initiative in more detail on page 28.

Strategic Objective 3.3: Improve our telephone service

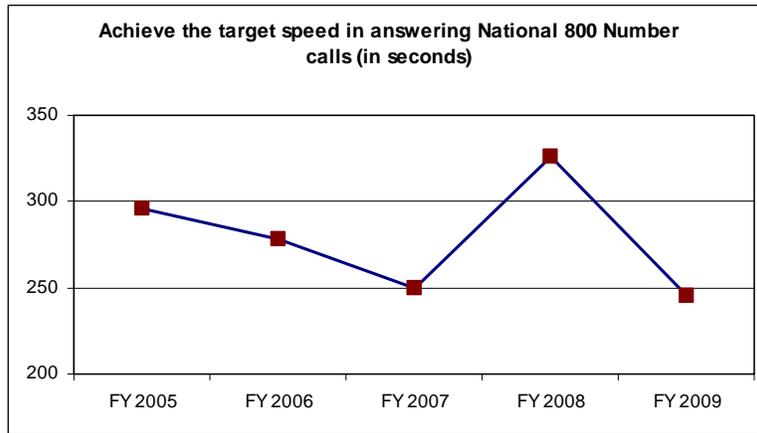
3.3a: Achieve the target speed in answering National 800 Number calls

| | |
|-------------------------|-------------|
| FY 2009 Target: | 330 seconds |
| Performance: | 245 seconds |
| Target Achieved: | Yes |

Discussion: Our National 800 Number call volume has increased annually, exceeding 82 million calls in FY 2009. We expect this number to grow in FY 2010. How quickly we answer these calls is affected by a variety of factors, including the number of available agents, the average handle-time per call, and the wait tolerance of callers to remain on hold. In FY 2009, we met and exceeded our target and improved our speed of answering by 25 percent over FY 2008. To increase our capacity to handle this call volume, we hired about 260 additional telephone agents and effectively used overtime. We also used technologies to more effectively forecast call volumes, anticipate staffing needs, and better distribute incoming calls across the network so callers could reach an agent as quickly as possible. To position ourselves for future 800 Number workloads, we started planning and analysis for click-to-communicate technologies which will allow telephone agents to assist users in real time as they conduct their business with us online. We also moved forward with a replacement of our National 800 Number telecommunications infrastructure and began working with the General Services Administration to build a new teleservice center in Jackson, TN, the first new teleservice center in more than a decade.

Please refer to *Goal 3: Improve Our Retiree and Other Core Services* beginning on page 28 for more details on how we addressed this performance measure.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 330 seconds | 326 seconds | Yes | ↑ |
| 2007 | 330 seconds | 250 seconds | Yes | ↑ |
| 2006 | 330 seconds | 278 seconds | Yes | ↑ |
| 2005 | 330 seconds | 296 seconds | Yes | ↑ |

Data Definition: Speed of answer is calculated by dividing the wait time of all calls by the number of all calls answered in the fiscal year. Wait time begins from the time the caller is transferred to an agent (in queue) until an agent answers the call.

Data Source: Report generated by Cisco router software

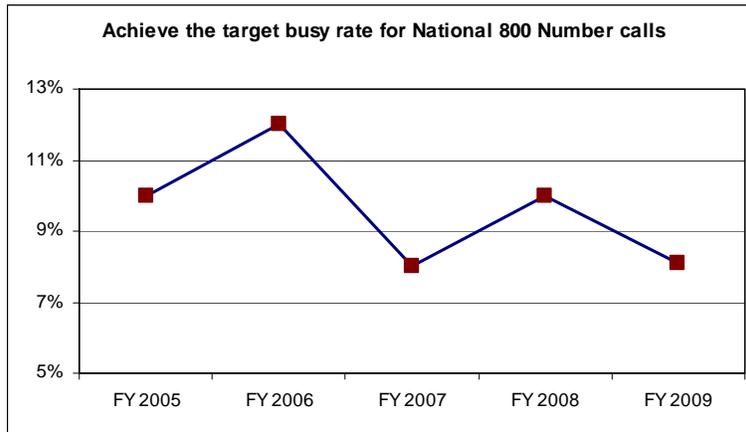
3.3b: Achieve the target busy rate for National 800 Number calls

| | |
|-------------------------|-----|
| FY 2009 Target: | 10% |
| Performance: | 8% |
| Target Achieved: | Yes |

Discussion: In FY 2009, we met and exceeded our target and improved our busy rate on the National 800 Number. To accomplish this, in addition to the initiatives described in 3.3a above, we also enhanced our use of speech recognition technology. This technology enables callers to speak their request into an interactive voice prompt system, thereby reducing the time callers spend navigating through menu prompts and touch-tone commands. Callers use this technology to process an array of actions, including change of address, benefit verification requests, and Medicare card replacements, without the assistance of an agent. We also continued to enhance the *Customer Help and Information Program* tool to provide agents with instant access to facts, policy, and reference materials, thereby minimizing the amount of time it takes to handle each call.

Please refer to *Goal 3: Improve Our Retiree and Other Core Services* beginning on page 28 for details on how we addressed this performance measure.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 10% | 10% | Yes | ↑ |
| 2007 | 10% | 8% | Yes | ↑ |
| 2006 | 10% | 12% | No | ↓ |
| 2005 | 10% | 10% | Yes | ↑ |

Data Definition: The busy rate is calculated as the number of busy messages divided by number of calls offered to agents in the fiscal year. The caller receives a busy message when an agent is not available to answer the call because the queue had reached its maximum capacity of waiting calls. When this happens, we instruct the individual to call back later.

Data Source: Report generated by Cisco router software

Strategic Objective 3.4: Improve service for individuals who visit our field offices

3.4a: Percent of individuals who do business with SSA rating the overall services as “excellent,” “very good,” or “good”

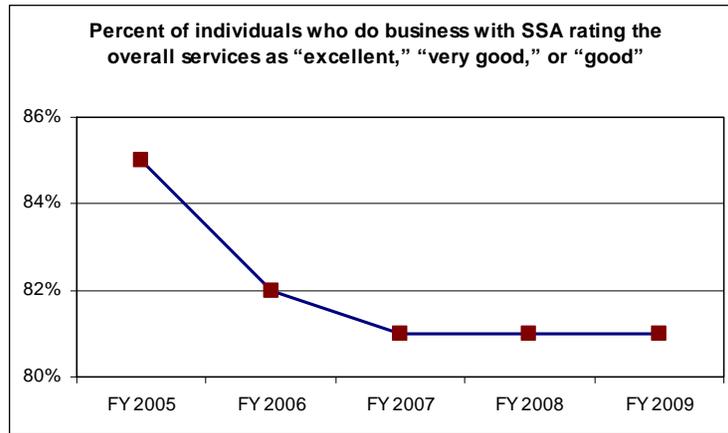
| | |
|-------------------------|-----|
| FY 2009 Target: | 83% |
| Performance: | 81% |
| Target Achieved: | No |

Discussion: We conduct surveys each year to evaluate various aspects of our service. This performance measure is based on the combined results of annual service satisfaction surveys of callers to our National 800 Number and field offices, as well as visitors to our field and hearing offices. We carefully monitor the public’s perception of the quality of the service we provide. The results of these surveys allow us to identify the specific aspects of service where improvements would have the greatest impact on overall satisfaction. We have not met this target since 2005, and since then our workloads have grown in volume and complexity. To improve our service performance, in FY 2009, we hired additional staff to fill front-line positions; maximized use of overtime; improved our business processes; simplified policies; enhanced online services; and continued to improve our automated systems. Although we did not achieve our FY 2009 service target of 83 percent, we maintained our FY 2008 score despite significant growth in our service demands.

We have devoted significant resources to ensure that our web services rank among the best in government. The *American Customer Service Index* (ACSI) e-Government Satisfaction Index is widely used in both the federal and private sectors to measure public satisfaction with features of websites. In the latest ACSI report, the agency received the top four scores in the rankings for *E-Commerce* and *Transactional Sites*, with our *iClaim* application receiving the top ranking. For more information on ACSI government satisfaction scores, see http://www.theacsi.org/index.php?option=com_content&task=view&id=12&Itemid=26.

Please refer to *Overall Service Satisfaction Surveys* under Program Evaluation on page 83 for a detailed description of our customer service satisfaction surveys.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 83% | 81% | No | ↓ |
| 2007 | 83% | 81% | No | ↓ |
| 2006 | 83% | 82% | No | ↓ |
| 2005 | 83% | 85% | Yes | ↑ |

Data Definition: The percent is derived by dividing number of respondents who rate overall service as "good," "very good," or "excellent" on a six-point scale ranging from "excellent" to "very poor" in the fiscal year by the total number of respondents.

Data Source: *Service Satisfaction Surveys*

Remark:

This measure is also a *Program Performance Measure*.

Strategic Objective 3.5: Process our Social Security Number workload more effectively and efficiently

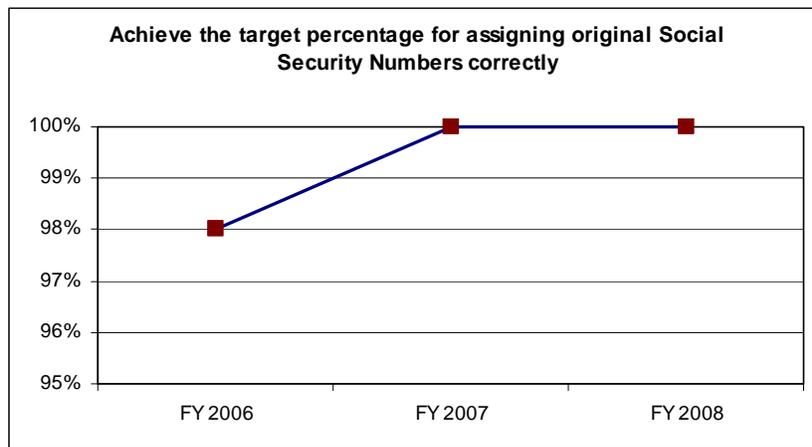
3.5a: Achieve the target percentage for assigning original Social Security Numbers correctly

| | |
|-------------------------|--------------------------|
| FY 2009 Target: | 95% |
| Performance: | Data available May 2010* |
| Target Achieved: | TBD |

Discussion: Although data for this fiscal year will not be available until May 2010, we met and exceeded this target in FY 2008, and project comparable performance for FY 2009. We continue to strengthen current processes and implement new methods to safeguard the assignment of Social Security numbers and the issuance of cards. In FY 2009, we expanded the use of *Social Security Number Verification Services and E-Verify* to allow employers to verify in real time if reported names and Social Security numbers of employees match our records. We opened specialized Social Security Card Centers, expanded Enumeration at Entry to allow all individuals applying for an immigrant visa to elect to receive a Social Security number, and successfully implemented the *Social Security Number Application Process (SSNAP)*, a new Internet application that will enhance the application process and accuracy of data collected.

Please refer to *Goal 3: Improve Our Retiree and Other Core Services* beginning on page 28 for more details on how we addressed this performance measure.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 95% | 100%* | Yes | ↑ |
| 2007 | 98% | 100% | Yes | ↑ |
| 2006 | 98% | 98% | Yes | ↑ |

Data Definition: The percentage is derived using a statistically valid sample of original Social Security numbers assigned in the fiscal year. The number of correctly issued Social Security numbers is divided by the total number sampled. We consider the Social Security number assigned correctly when: 1) the individual did not receive a Social Security number that belongs to someone else; 2) the individual does not receive more than one Social Security number; and 3) the individual is eligible to receive a Social Security number based on supporting documentation.

Data Source: *Enumeration Process Quality Review*

Remark:

*The performance data shown for FY 2008 was not available at the time we published the *Fiscal Year 2008 Performance and Accountability Report*. Therefore, we are reporting the results in the *Fiscal Year 2009 Performance and Accountability Report*. Actual data for FY 2009 will not be available until May 2010, and we will report it in the *Fiscal Year 2010 Performance and Accountability Report*.

Strategic Goal 4: Preserve the Public’s Trust in Our Programs

Strategic Objective 4.1: Curb improper payments

4.1a: Process the budgeted number of Supplemental Security Income non-disability redeterminations

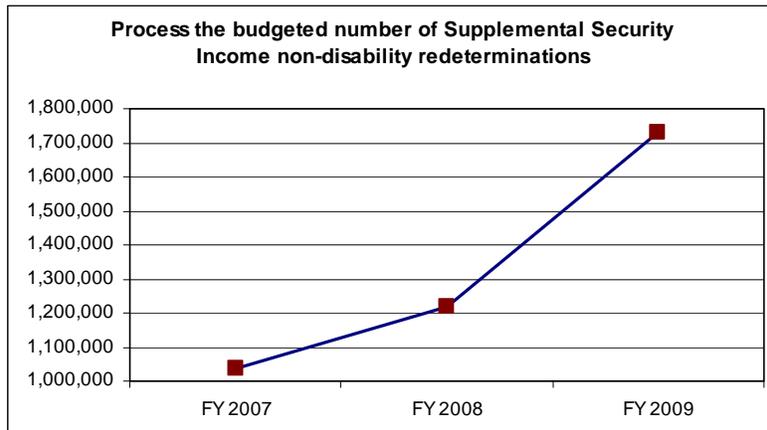
FY 2009 Target: 1,711,000
Performance: 1,730,575
Target Achieved: Yes

Discussion: To ensure that we are making accurate SSI payments only to eligible individuals, we conduct periodic redeterminations that review individuals’ non-medical eligibility factors, such as income and resources. We currently estimate that redeterminations processed above the base level have a return on investment over 10 years of \$7 in program savings for each \$1 of additional funding spent, including savings accruing to Medicaid. In years past, we had to reduce some of our stewardship activities to devote resources to critical workloads. However, with increased funding in FY 2009, we were able to increase the number of redeterminations processed by 639,272 over our FY 2008 level.

In FY 2009, we expanded our *Access to Financial Institutions* project that enables us to electronically verify account balances with financial institutions. We expect the project to significantly reduce incorrect SSI payments caused by excess resources. Additionally, we made it easier for individuals and their representatives to report monthly wages through an automated telephone system. We also encouraged them to report their wages via this system and provided training on how to use it. All of these efforts contributed to our ability to meet and exceed this target.

Please refer to *Strategic Goal 4: Preserve the Public’s Trust in Our Programs* beginning on page 31 for details on how we addressed this performance measure.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 1,200,000 | 1,220,664 | Yes | ↑ |
| 2007 | 1,026,000 | 1,038,948 | Yes | ↑ |

Data Definition: The number of non-disability SSI redeterminations processed in the fiscal year up to the target. This number includes scheduled and unscheduled reviews, as well as targeted redeterminations.

Data Source: *Redetermination Service Delivery Objective Report, Limited Issue Service Delivery Objective Report, and the Post-Eligibility Operations Data Store*

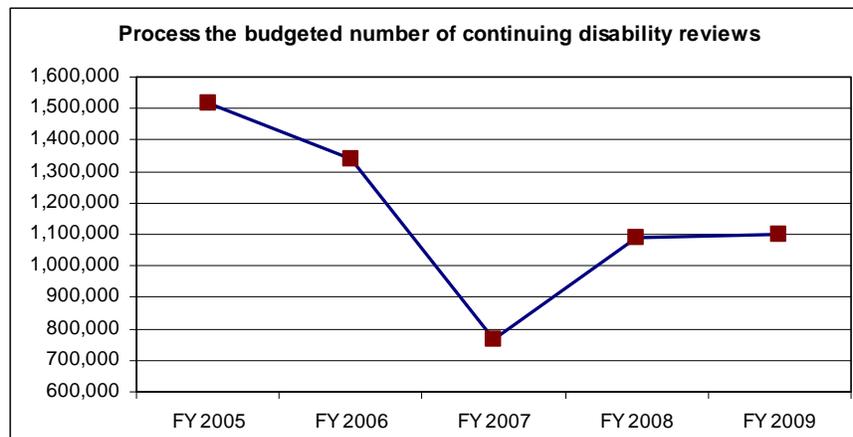
4.1b: Process the budgeted number of continuing disability reviews

FY 2009 Target: 1,079,000*
Performance: 1,101,983*
Target Achieved: Yes

Discussion: To ensure we pay disability benefits only to those who continue to meet our medical requirements, we periodically conduct continuing disability reviews. These reviews protect the integrity of the disability programs we administer. Continuing disability reviews are cost-effective, saving \$10 for every \$1 invested. To make this process even more efficient, we continued to refine the scoring models used to identify cases for which a full medical review would not be cost effective. For the remaining cases, we conduct our reviews using a mailer process. We also expanded use of an electronic continuing disability review process which will increase productivity and eliminate a labor-intensive paper process. Because of these initiatives and increased funding in FY 2009, we met and exceeded our target.

Please refer to *Strategic Goal 4: Preserve the Public's Trust in Our Programs* beginning on page 31 for details on how we addressed this performance measure.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 1,065,000 | 1,091,303 | Yes | ↑ |
| 2007 | 729,000 | 764,852 | Yes | ↑ |
| 2006 | 1,242,000 | 1,337,638 | Yes | ↑ |
| 2005 | 1,384,000 | 1,515,477 | Yes | ↑ |

Data Definition: The number of continuing disability reviews processed in the fiscal year up to the target. This number includes medical reviews processed by the Disability Determination Services and other agency components, reviews conducted by questionnaires (mailers) that do not require a medical review, and cases where we initiated a review but one was not conducted because the individual failed to cooperate.

Data Source: Continuing Disability Review Tracking Files and the Disability Operational Data Store

Remark:

*The FY 2009 target of 1,079,000 includes 329,000 medical continuing disability reviews and 750,000 continuing disability review mailers not requiring medical review. The FY 2009 performance includes 316,960 medical continuing disability reviews and 785,023 continuing disability review mailers not requiring medical review.

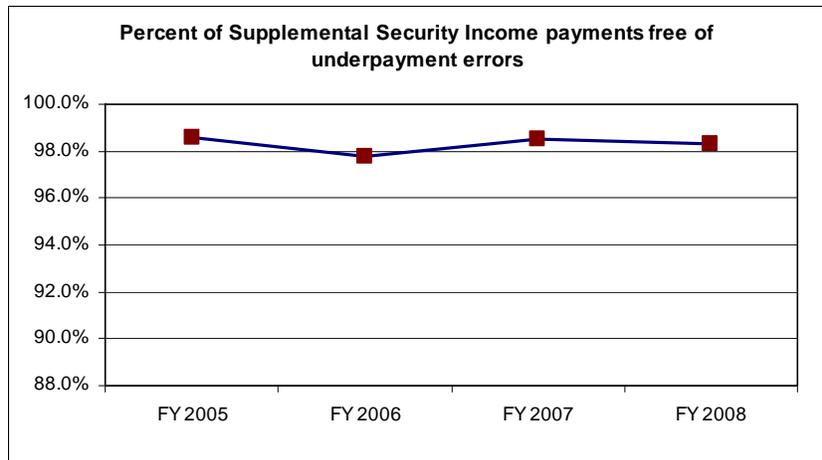
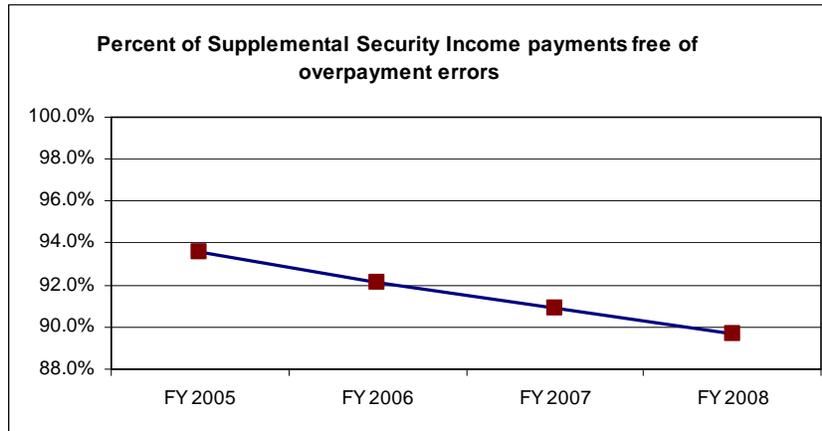
4.1c: Percent of Supplemental Security Income payments free of overpayment (O/P) and underpayment (U/P) errors

| | | |
|-------------------------|---------------|---------------------------|
| FY 2009 Target: | O/P accuracy: | 96.0% |
| | U/P accuracy: | 98.8% |
| Performance: | O/P accuracy: | Data available June 2010* |
| | U/P accuracy: | Data available June 2010* |
| Target Achieved: | O/P accuracy: | TBD |
| | U/P accuracy: | TBD |

Discussion: We base initial SSI payments on projections, such as future wages, that we must later verify. Even though we exceeded our FY 2009 redetermination target and completed more redeterminations than in FY 2008, the number of reviews may be insufficient to improve the SSI accuracy rate. Without increasing the number of reviews further, it will be very difficult to meet our future SSI accuracy targets. Although data for this fiscal year won't be available until June 2010, we did not meet the targets in FY 2008 and anticipate comparable performance for FY 2009 when data become available. To modify this trend, we will complete additional redeterminations in FY 2010, expand use of the *Access to Financial Institutions* project (described in 4.1a above), continue ongoing quality reviews, and streamline and simplify policies and procedures.

Please refer to *Strategic Goal 4: Preserve the Public's Trust in Our Programs* beginning on page 31 for details on how we addressed this performance measure.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------------|----------------------|---------------|------------------|
| 2008 | O/P accuracy: 96.0% | O/P accuracy: 89.7%* | No | ↓ |
| 2008 | U/P accuracy: 98.8% | U/P accuracy: 98.3%* | No | ↓ |
| 2007 | O/P accuracy: 95.7% | O/P accuracy: 90.9% | No | ↓ |
| 2007 | U/P accuracy: 98.8% | U/P accuracy: 98.5% | No | ↓ |
| 2006 | O/P accuracy: 95.4% | O/P accuracy: 92.1% | No | ↓ |
| 2006 | U/P accuracy: 98.8% | U/P accuracy: 97.8% | No | ↓ |
| 2005 | O/P accuracy: 94.9% | O/P accuracy: 93.6% | No | ↓ |
| 2005 | U/P accuracy: 98.8% | U/P accuracy: 98.6% | No | ↓ |

Data Definition: The SSI payment accuracy rate free of overpayment and underpayment error is determined by an annual review of a statistically valid sample of the beneficiary rolls. The payment accuracy is based on a non-medical review of sampled individuals receiving SSI payments during the fiscal year. The overpayment accuracy rate is determined by dividing the total overpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent. The underpayment accuracy rate is determined by dividing the total underpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent.

The confidence level for each fiscal year is determined when the review is completed. In FY 2008, SSI precision at the 95-percent confidence level ranged from 88.2 percent to 91.2 percent for O/Ps and from 97.8 percent to 98.8 percent for U/Ps.

Data Source: *Supplemental Security Income Stewardship Report*

Remark:

This measure is also a *Program Performance Measure*.

*The performance data shown for FY 2008 was not available at the time we published the *Fiscal Year 2008 Performance and Accountability Report*. Therefore we are reporting the results in the *Fiscal Year 2009 Performance and Accountability Report*. Actual data for FY 2009 will not be available until June 2010, and we will report it in the *Fiscal Year 2010 Performance and Accountability Report*.

4.1d: Percent of Old-Age, Survivors, and Disability Insurance payments free of overpayment (O/P) and underpayment (U/P) error

| | | |
|-------------------------|---------------|---------------------------|
| FY 2009 Target: | O/P accuracy: | 99.8% |
| | U/P accuracy: | 99.8% |
| Performance: | O/P accuracy: | Data available June 2010* |
| | U/P accuracy: | Data available June 2010* |
| Target Achieved: | O/P accuracy: | TBD |
| | U/P accuracy: | TBD |

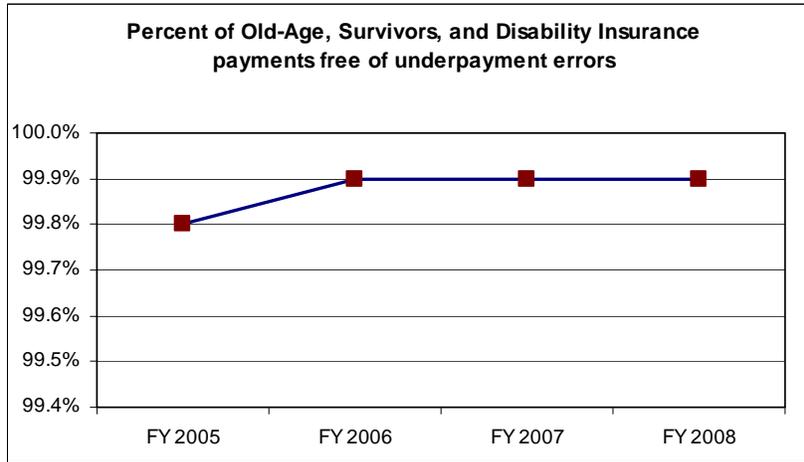
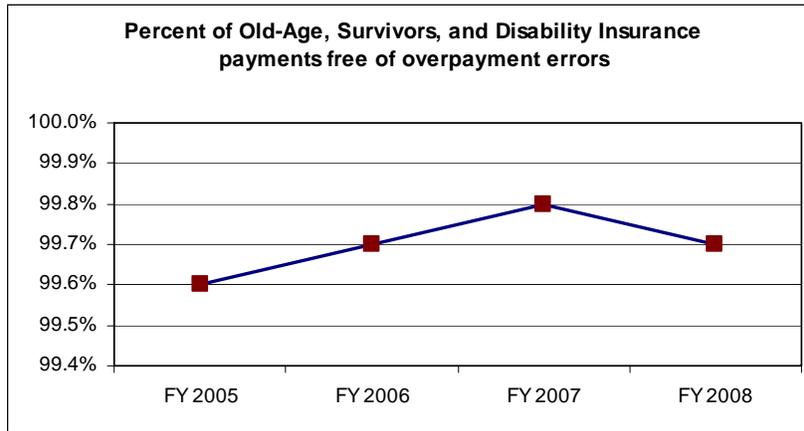
Discussion: Although the data for this fiscal year will not be available until June 2010, in FY 2008, we met the underpayment accuracy rate target of 99.8 percent. However, we did not achieve the overpayment accuracy rate target of 99.8 percent by a tenth of a percentage point (99.7 percent).

Individuals are generally overpaid due to death or work activity not being reported timely, computation errors, and unreported relationship changes (e.g., marriages, student status). They are likely to be underpaid because of earnings computation errors, incorrect date of birth information, and delays in reporting workers' compensation

payment changes. In FY 2009, we continued to use automated system capabilities to further prevent, identify, and correct computation errors. We also continued to work with states to implement *Electronic Death Registration*. Death registration is traditionally done manually by the states. The electronic process is faster, which means death information is posted to our records more quickly, reducing the chances the individual will be paid improperly. Through our ongoing quality reviews and efforts to streamline and simplify policies and procedures, we will continue identifying new strategies to ensure that we maintain high levels of payment accuracy for OASDI payments.

Please refer to *Strategic Goal 4: Preserve the Public's Trust in Our Programs* beginning on page 31 for more details on how we addressed this performance measure.

Trend



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------------|-----------------------|---------------|------------------|
| 2008 | O/P accuracy: 99.8% | O/P accuracy: 99.7% * | No | ↓ |
| 2008 | U/P accuracy: 99.8% | U/P accuracy: 99.9% * | Yes | ↑ |
| 2007 | O/P accuracy: 99.8% | O/P accuracy: 99.8% | Yes | ↑ |
| 2007 | U/P accuracy: 99.8% | U/P accuracy: 99.9% | Yes | ↑ |
| 2006 | O/P accuracy: 99.8% | O/P accuracy: 99.7% | No | ↓ |
| 2006 | U/P accuracy: 99.8% | U/P accuracy: 99.9% | Yes | ↑ |
| 2005 | O/P accuracy: 99.8% | O/P accuracy: 99.6% | No | ↓ |
| 2005 | U/P accuracy: 99.8% | U/P accuracy: 99.8% | Yes | ↑ |

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. The payment accuracy is based on a non-medical review of sampled individuals receiving OASDI payments during the fiscal year. The overpayment accuracy rate is determined by dividing the total overpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent. The underpayment accuracy rate is determined by dividing the total underpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent.

The confidence level for each fiscal year is determined when the review is completed. In FY 2008, the Old-Age, Survivors Insurance (OASI), and Disability (DI) precision at the 95-percent confidence level ranges from 99.53 percent to 99.83 percent for O/Ps and 99.88 percent to 99.95 percent for U/Ps.

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

Remarks:

This measure is also a *Program Performance Measure*.

*The performance data shown for FY 2008 was not available at the time we published the *Fiscal Year 2008 Performance and Accountability Report*. Therefore we are reporting the results in the *Fiscal Year 2009 Performance and Accountability Report*. Actual data for FY 2009 will not be available until June 2010, and we will report it in the *Fiscal Year 2010 Performance and Accountability Report*.

Strategic Objective 4.2: Ensure privacy and security of personal information

FY 2009 Performance Measure: None

We do not have an FY 2009 performance measure under this strategic objective. However, we will continue to engage in a variety of practices to ensure privacy and security of personal information. We discuss this objective in more detail on page 33.

Strategic Objective 4.3: Maintain accurate earnings records

4.3a: Achieve the target percentage of paper Forms W-2 received

| | |
|-------------------------|-----|
| FY 2009 Target: | 17% |
| Performance: | 16% |
| Target Achieved: | Yes |

Discussion: Annually, we receive over 43 million paper wage reports from approximately 4.4 million employers. Since paper wage reports are more error-prone, labor intensive, and expensive to process, we continued to encourage employers to use our *Business Services Online* capabilities to file Forms W-2 for their employees electronically. We also informed employers about electronic wage reporting through online information and resources, promotional materials, payroll conferences, articles in trade publications, and direct contact. These efforts enabled us to meet and exceed our FY 2009 target.

Please refer to *Strategic Goal 4: Preserve the Public’s Trust in Our Programs* beginning on page 31 for more details on how we addressed this performance measure.

Trend: This is a new performance measure for FY 2009.

Data Definition: The percentage of paper *Forms W-2* received. The percentage is derived by dividing the number of paper *Forms W-2* received by the total number of *Forms W-2* received.

Data Source: *Earnings Modernization Operational Data Store Management Information Reports*

Strategic Objective 4.4: Simplify and streamline how we do our work

FY 2009 Performance Measure: None

We do not have an FY 2009 performance measure under this strategic objective. However, we continue to simplify and streamline our policies and procedures and move more of our business processes to an electronic environment. We discuss this objective in more detail on page 34.

Strategic Objective 4.5: Protect our programs from waste, fraud, and abuse

4.5a: Receive an unqualified audit opinion on SSA’s financial statements

| | |
|-------------------------|---------------------------------|
| FY 2009 Target: | Receive an unqualified opinion |
| Performance: | Received an unqualified opinion |
| Target Achieved: | Yes |

Discussion: For the 16th successive year, we received an unqualified opinion on our financial statements. In accordance with the *Chief Financial Officers Act*, the Office of the Inspector General (OIG) independently audited our financial statements with limited assistance from an independent external auditor. In its audit, the OIG found that our financial statements, as contained in this *Fiscal Year 2009 Performance and Accountability Report*, are presented fairly in all material respects, in conformity with accounting principles generally accepted in the U.S. We take our stewardship responsibility of our programs very seriously and will continue to demonstrate an unyielding dedication to sound financial management practices.

Please refer to the *Auditor’s Reports* section, beginning on page 145, for more information on our financial statements audit.

Trend: We have received an unqualified audit opinion every year from FY 1994 to FY 2009.

Data Definition: The receipt of an unqualified audit opinion from an independent auditor. An independent auditor gives an unqualified opinion when agency financial statements are determined to be fair, accurate, and conform to generally accepted accounting principles.

Data Source: The independent auditor report

Strategic Objective 4.6: Use “green” solutions to improve our environment

4.6a: Replace gasoline-powered vehicles with alternative-fuel vehicles

| | |
|-------------------------|-------------|
| FY 2009 Target: | 20 vehicles |
| Performance: | 26 |
| Target Achieved: | Yes |

Discussion: In accordance with *Executive Order 13423*, in FY 2009, we made environmentally conscious decisions across the agency under this green solutions strategic objective. We met and exceeded this target and anticipate continued success in FY 2010. Nationwide, we have converted over 60 percent of our light-duty vehicles to alternative fuel vehicles, and at Headquarters, we have converted 80 percent.

Please refer to *Strategic Goal 4: Preserve the Public’s Trust in Our Programs* beginning on page 31 for more details on how we addressed this performance measure.

Trend: This is a new performance measure for FY 2009.

Data Definition: The number of gasoline-powered vehicles in our inventory replaced with alternative-fuel vehicles in the fiscal year.

Data Source: Agency Fleet Vehicle Inventory

4.6b: Develop and implement an agency Environmental Management System

| | |
|-------------------------|-----------------------------------|
| FY 2009 Target: | Develop a high-level project plan |
| Performance: | Completed |
| Target Achieved: | Yes |

Discussion: We developed a high-level project plan in FY 2009 to begin efforts to establish our Environmental Management System. It will ensure that we continue to make environmentally conscious decisions when purchasing equipment, disposing of old equipment, renovating or constructing new buildings, and implementing a variety of other “green” improvements. We will continue to develop our *Environmental Management System* with a target to have it in place by FY 2012.

Please refer to *Strategic Goal 4: Preserve the Public’s Trust in Our Programs* beginning on page 31 for more details on how we addressed this performance measure.

Trend: This is a new performance measure for FY 2009.

Data Definition: A high-level project plan is developed and implemented. Developing the plan includes establishing timeframes, establishing and assigning specific responsibilities, and training suitable staff to implement an organizational *Environmental Management System* by 2012.

Data Source: Office of Management and Budget Environmental Scorecard Workgroup

Update to a Fiscal Year 2008 Performance Measure

In FY 2009, the following FY 2008 performance measure was eliminated as a Government Performance and Results Act measure in FY 2009. The final FY 2008 data for this performance measure was not available in time for publication in last year’s *Performance and Accountability Report*. Therefore, we have included final FY 2008 results in below.

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

| | |
|-------------------------|---|
| FY 2008 Goal: | Establish a new baseline from which to measure future performance |
| Performance: | No baseline data available- performance measure eliminated |
| Target Achieved: | No |

Discussion: This FY 2008 performance measure was eliminated as a *Government Performance and Results Act* measure early in calendar year 2009 prior to the availability of the baseline data in July 2009. We decided the best way to measure progress resulting from changes to the *Ticket to Work* program in 2008 was by continuing to use the same performance measure used prior to the changes, which is the *Number of Disability Insurance and Supplemental Security Insurance beneficiaries, with ticket in use, who work*. Because we did not proceed with plans to establish this new measure for 2008, there is no baseline data available for publication in the *Fiscal Year 2009 Performance and Accountability Report*.

Trend: This was a new measure for 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 \$1,050 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

Remark:

*In last year's report, this performance measure was referenced as 1.2b.

PROGRAM PERFORMANCE MEASURES

As we stated in the Program Performance Measure discussion on page 36, Program Performance Measures are a diagnostic tool that the Office of Management and Budget designed to examine different aspects of program performance and to identify the strengths and weaknesses of a given federal program. We continue to work with the Office of Management and Budget to ensure that we develop, implement, and update plans to improve program performance.

To assess our progress, at the request of the Office of Management and Budget, we identified 18 program performance measures of which 8 are also *Government Performance and Results Act* measures described in the previous section, *Status of FY 2009 Performance Measures by Goal and Objective*. We described our FY 2009 results for the remaining 10 performance measures below.

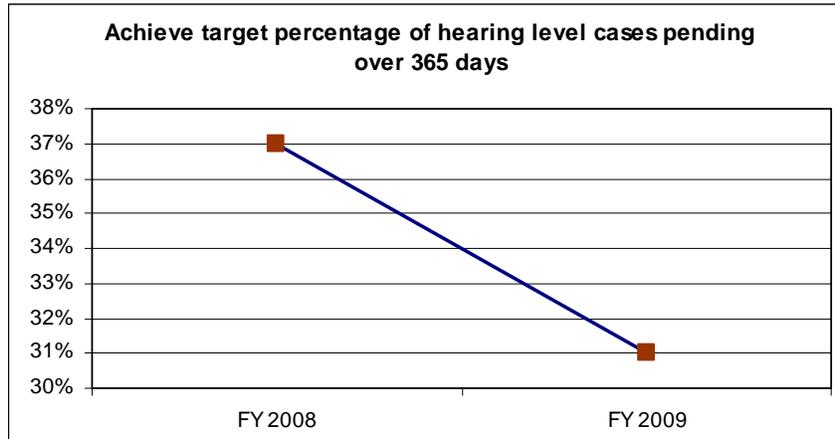
Achieve target percentage of hearing level cases pending over 365 days

| | |
|-------------------------|-----|
| FY 2009 Target | 50% |
| Performance: | 31% |
| Target Achieved: | Yes |

Discussion: Eliminating the hearing backlog and preventing its recurrence is our highest priority. As part of this effort, in FY 2009, in addition to processing our aged hearing cases (pending 850 days or more as discussed on page 49 under performance measure 1.2b) we also reduced cases pending over 365 days. This fiscal year we met and exceeded our target for this measure.

To do this, we hired additional ALJs and support staff; increased use of video hearings; implemented numerous enhancements to the hearing office business process; opened National Hearing Centers to assist heavily backlogged offices; improved hearing office automation; used front-end screening procedures to identify possible on-the-record allowances; and continued ongoing emphasis and monitoring of our aged case workload.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 56% | 37% | Yes | ↑ |

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.

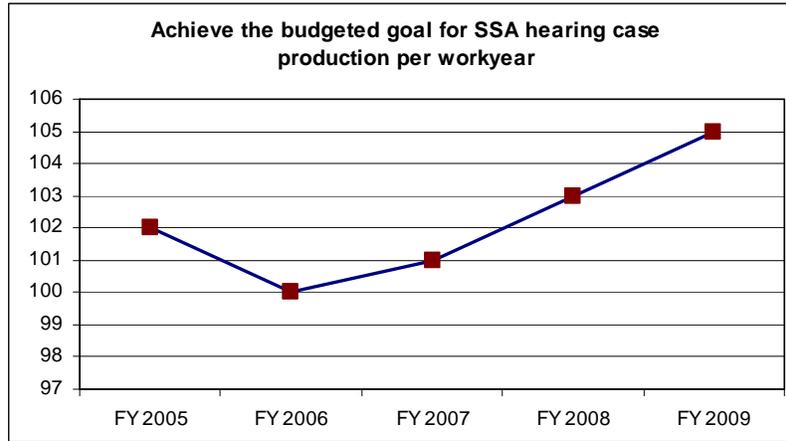
Data Source: Case Processing and Management System and Disability Adjudication Reporting Tools.

Achieve the budgeted goal for SSA hearing case production per workyear

| | |
|-------------------------|------|
| FY 2009 Target: | 107 |
| Performance: | 105* |
| Target Achieved: | No |

Discussion: We continued to implement enhancements to the hearings process to support an increase in the average number of hearings produced per workyear. Although we did not meet our FY 2009 target, production per workyear was up over FY 2008. We increased the efficiency of our hearings process through use of electronic disability folders, informal remands, case screening, centralized mailing and printing of notices, video hearings and electronic medical evidence.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 101 | 103 | Yes | ↑ |
| 2007 | 106 | 101 | No | ↓ |
| 2006 | 104 | 100 | No | ↓ |
| 2005 | 103 | 102* | No | ↓ |

Data Definition: This indicator represents the average number of SSA hearings case production per workyear expended. A direct workyear represents actual time spent processing cases. It does not include time spent on training, 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 percent of their time in travel status), and Training Reports (Regional reports on new staff training, ongoing training, and special training).

Remarks:

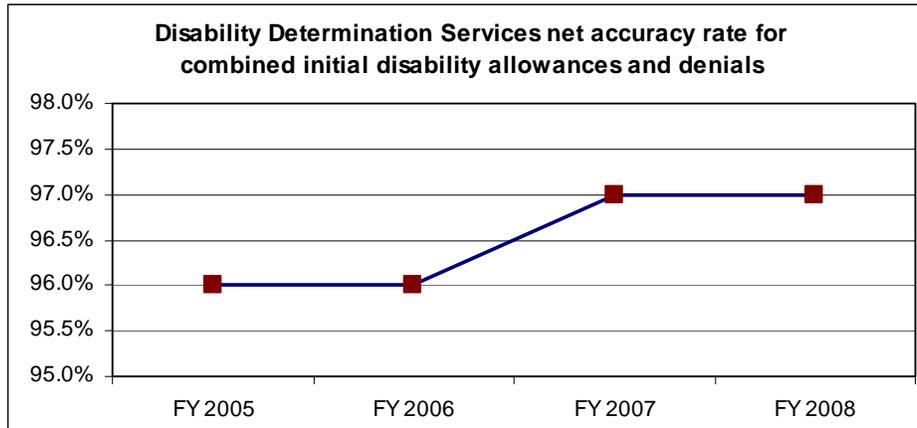
*FY 2005 included Medicare hearings.

Disability Determination Services net accuracy rate for combined initial disability allowances and denials

| | |
|-------------------------|------------------------------|
| FY 2009 Target: | 97% |
| Performance: | Data available January 2010* |
| Target Achieved: | TBD |

Discussion: Although the data for this fiscal year will not be available until January 2010, in FY 2008, we achieved the Disability Determination Services net accuracy rate of 97 percent and we are on track for comparable performance for FY 2009. Innovative and electronic enhancements have supported our ability to provide accurate and timely disability determinations. In FY 2009, we continued a new process we started in FY 2008, called *Request for Program Consultation*, which resolves programmatic disagreements and identifies issues where training is needed or where policies may not be clear. Additionally, we expanded the *Targeted Denial Review*, an ongoing review that calls for increased sampling of denied disability determinations. We also continued testing a new web-based tool, *eCAT*, that aids disability examiners in documenting, analyzing, and adjudicating disability claims in accordance with our regulations and policies.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 97% | 97%* | Yes | ↑ |
| 2007 | 97% | 97% | Yes | ↑ |
| 2006 | 97% | 96% | No | ↓ |
| 2005 | 97% | 96% | No | ↓ |

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

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

Data Source: Disability Quality Assurance Databases

Remarks:

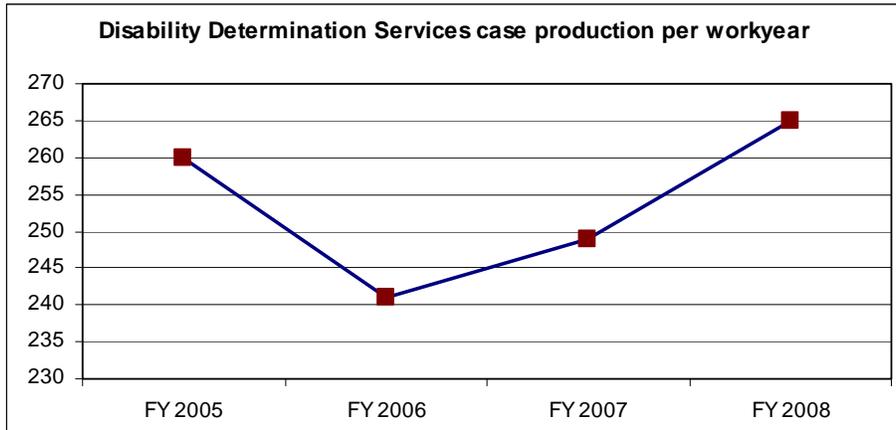
*The performance data shown for FY 2008 was not available at the time we published the *Fiscal Year 2008 Performance and Accountability Report*. Therefore we are reporting the results in the *Fiscal Year 2009 Performance and Accountability Report*. Actual data for FY 2009 will not be available until January 2010, and we will report it in the *Fiscal Year 2010 Performance and Accountability Report*.

Disability Determination Service case production per workyear

| | |
|-------------------------|-----|
| FY 2009 Target: | 265 |
| Performance: | 274 |
| Target Achieved: | Yes |

Discussion: The Disability Determination Services improved their production per workyear by 3 percent over FY 2008. This increase is remarkable given the challenges the Disability Determination Services faced. Several states imposed hiring freezes and furloughs throughout the year and for those states that could hire disability examiners, extensive resources were used to mentor and train new employees during their extensive learning curve period. Despite challenges, through the effective use of increased hiring and overtime, technology to fast-track certain case types, an efficient business process, and increased availability of electronic medical evidence, we met and exceeded our target for FY 2009.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 264 | 266 | Yes | ↑ |
| 2007 | 252 | 249 | No | ↓ |
| 2006 | 262 | 241 | No | ↓ |
| 2005 | 278 | 260 | No | ↓ |

Data Definition: This indicator represents the average number of Disability Determination Services 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 Disability Determination Services payroll, including doctors under contract to the Disability Determination Services.

Data Source: National Disability Determination Services System and Disability Operational Data Store

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

| | |
|-------------------------|---------------------------|
| FY 2009 Target: | 97,000 |
| Performance: | Data available July 2010* |
| Target Achieved: | TBD |

Discussion: Through the *Ticket to Work* program, we provide individuals receiving disability benefits a voucher or ticket they can take to an Employment Network or state vocational rehabilitation agency that provides support services to help them obtain and keep a job. As a new performance measure in FY 2008, our objective was to establish a baseline that we could use to set subsequent fiscal year targets. In July 2009, we determined that 96,993 individuals, with a *Ticket* in use, worked in 2008. With this data, we established a conservative target of 97,000 due to the economic downturn for FY 2009. The data for this target will be available in July 2010.

Data Definition: Count the number of DI, SSI, and concurrent beneficiaries who have used their *Ticket* to sign up with an Employment Network (EN) or state vocational rehabilitation 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 2008, under new regulations, *Tickets* are counted as “in use” when they are being used with an EN or state vocational rehabilitation 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

Trend:

| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target Achieved?</u> |
|--------------------|---|--------------------|---------------------------|
| 2008 | Establish a new baseline from which to measure future performance | 96,993* | Yes, baseline established |

Remark:

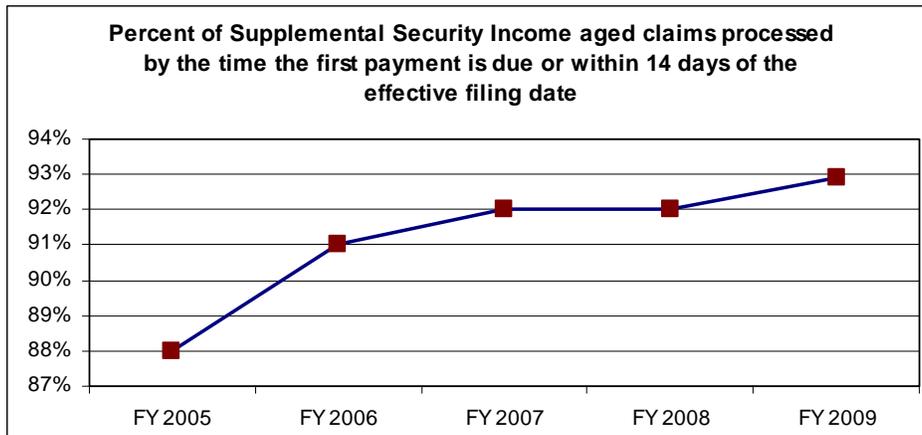
*The data are provided on a calendar year basis and are available in July of the following year. Therefore, we are reporting FY 2008 performance data in the *Fiscal Year 2009 Performance and Accountability Report*. We will report actual data for FY 2009 in the *Fiscal Year 2010 Performance and Accountability Report*.

Percent of Supplemental Security Income aged claims processed by the time the first payment is due or within 14 days of the effective filing date

| | |
|-------------------------|-----|
| FY 2009 Target: | 80% |
| Performance: | 93% |
| Target Achieved: | Yes |

Discussion: We met and exceeded our target to pay aged individuals (qualified individuals age 65 and older) within 14 days of their effective filing date for SSI payments. We continue to provide sufficient resources to ensure that we process applications as quickly as possible. Our performance reflects a national commitment to make timely and accurate payments to SSI aged recipients.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 80% | 92% | Yes | ↑ |
| 2007 | 75% | 92% | Yes | ↑ |
| 2006 | 75% | 91% | Yes | ↑ |
| 2005 | 75% | 88% | Yes | ↑ |

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.

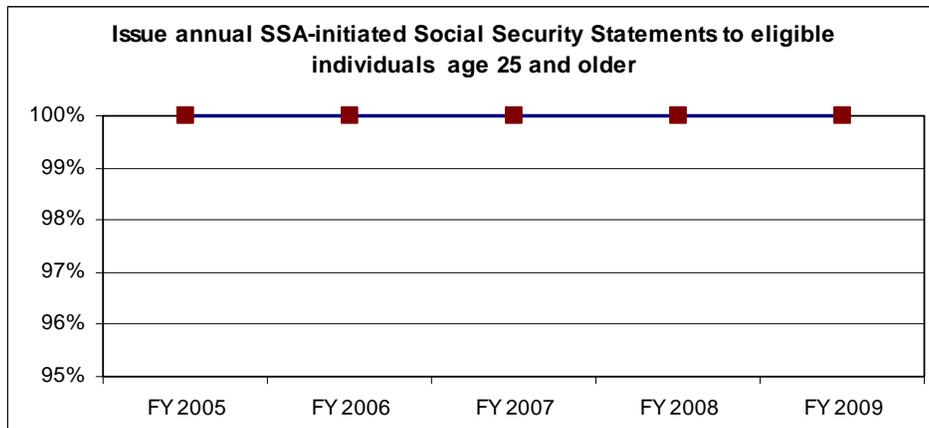
Data Source: Title XVI Operational Data Store

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

FY 2009 Target: 100%
Performance: 100%
Target Achieved: Yes

Discussion: The *Social Security Statement* is a concise, easy-to-read personal record of individuals’ earnings and an estimate of the benefits individuals and their families may receive as a result of those earnings. In FY 2009, we issued more than 150.6 million *Statements* to individuals age 25 and older. We also developed and included informational inserts for individuals from two age groups. The insert for individuals age 55 and older highlights retirement age choices, the online *Retirement Estimator*, and the ease of filing online. The insert for individuals aged 25-30 provides information about retirement planning and the benefits of savings. We also continued to conduct formal surveys to solicit the public’s comments on the *Statement’s* design and content which we used to make necessary revisions and enhancements.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 100% | 100% | Yes | ↑ |
| 2007 | 100% | 100% | Yes | ↑ |
| 2006 | 100% | 100% | Yes | ↑ |
| 2005 | 100% | 100% | Yes | ↑ |

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.

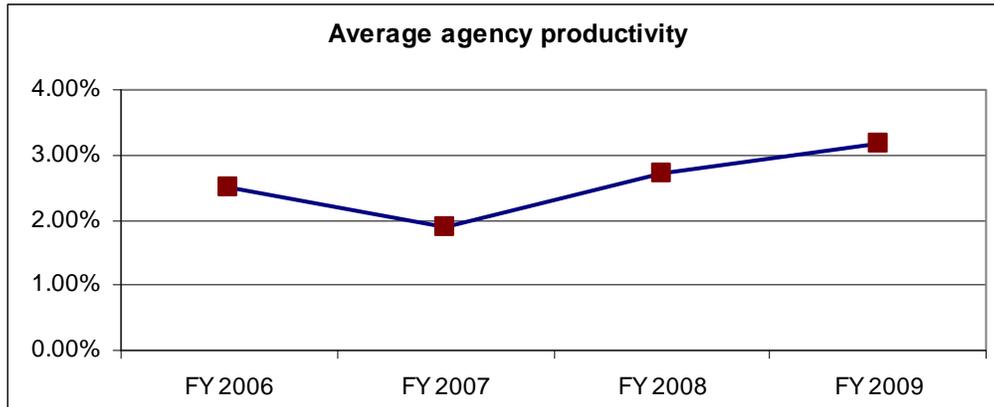
Data Source: Executive and Management Information System.

Average agency productivity

FY 2009 Target: 2%
Performance: 3.17%
Target Achieved: Yes

Discussion: We met and exceeded our target for FY 2009, and we are proud of the increases in productivity that we have achieved year after year. On average, we have increased productivity by 3.17 percent over the last 5 years. It is especially challenging to meet the target due to the increase in volume and complexity of our workloads. We have been able to increase productivity because of our dedicated staff, technological advances, systems' improvements, our transition to electronic disability folders, and our efforts to streamline and simplify our business processes, policies, and procedures.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Performance</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------|---------------|------------------|
| 2008 | 2% | 2.72% | Yes | ↑ |
| 2007 | 2% | 1.89% | No | ↓ |
| 2006 | 2% | 2.49% | Yes | ↑ |

Data Definition: The percent change in productivity is measured by comparing the total number of our 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.

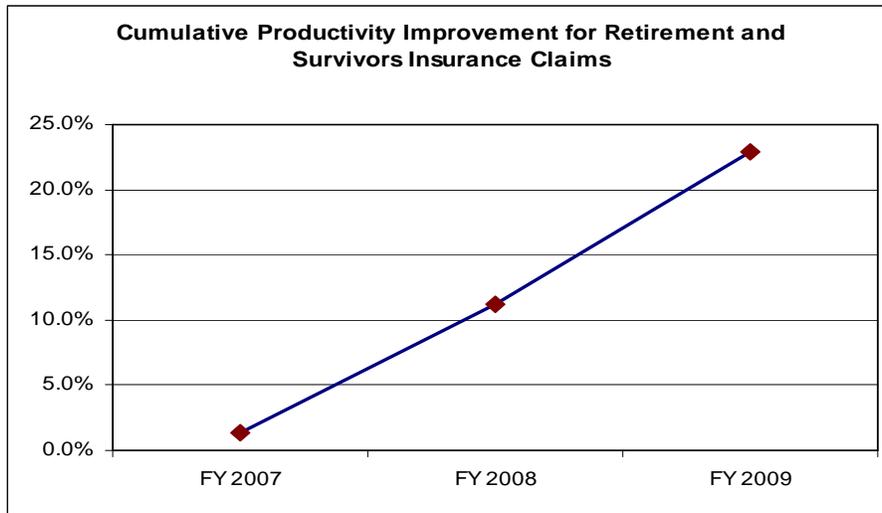
Data Source: Agency Cost Accounting System

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

FY 2009 Cumulative Target: 14.0%
Performance: 22.9%
Target Achieved: Yes

Discussion: We established this performance measure in 2007, and set a target of a 16-percent cumulative productivity improvement for Retirement and Survivors Insurance (RSI) claims by FY 2013. In FY 2009, we met and exceeded our 2013 target, by achieving 701 claims processed per workyear, a 22.9-percent increase over base year FY 2005. We attribute our success to our achievements in enhancing automation, streamlining policies, processes and procedures, and increasing benefit applications completed online.

Trend:



| <u>Fiscal Year</u> | <u>Target</u> | <u>Cumulative Target</u> | <u>Performance</u> | <u>PPWY</u> | <u>Target</u> | <u>Achieved?</u> |
|--------------------|---------------|--------------------------|--------------------|-------------|---------------|------------------|
| 2009 | 7% | 14% | 22.9% | 701 | Yes | ↑ |
| 2008 | 5% | 7% | 11.2% | 635 | Yes | ↑ |
| 2007 | 2% | 2% | 1.5% | 579 | No | ↓ |
| 2005 | Base Year | ---- | ---- | 571 | ---- | -- |

Data Definition: 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-percent increase from this base means that the target in FY 2013 is for us 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

Through changes in the law, achieve and maintain sustainable solvency such that today's and tomorrow's workers can expect to receive the benefits scheduled in law as reformed rather than as determined by Trust Fund solvency, while continuing to protect those who depend on Social Security the most.

| | |
|-------------------------|------------------|
| FY 2009 Target: | Conduct Analysis |
| Performance: | Completed |
| Target Achieved: | Yes |

Discussion: To assist the Administration and Congress in making informed decisions on major policy issues, we provided policymakers with the information they needed to understand the broad impact and effects of potential reform proposals. In FY 2009, we met this target as we continued to provide analysis and research on policy initiatives and produced briefing materials for Congressional hearings to inform policymakers about the scope, impact, and dynamics of reform on the Old-Age, Survivors, and Disability programs. We also continued to use retirement modeling as one of our most important tools for evaluating the effects of Social Security reform proposals and produced numerous periodic reports that provide detailed statistical data on program size and trends.

Most recently we announced the establishment of a new *Financial Literacy Research Consortium* made up of research centers at Boston College, the RAND Corporation, and the University of Wisconsin. The *Financial Literacy Research Consortium* will develop innovative materials and programs to help Americans plan for a secure retirement. The consortium will tailor materials for Americans at different stages of their working lives – new workers, mid-career professionals, near-retirees, and those who have already left the workforce – to address the different challenges these individuals face. They will also help traditionally underserved populations better understand the path toward a secure retirement.

Trend: We met this target every year from FY 2003 - FY 2009 by conducting analyses related to Social Security reform.

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.

Data Source: Office of Retirement and Disability 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*).

PROGRAM EVALUATION

Evaluating programs is a systematic way to learn from experience by assessing how well a program is working. A focused evaluation examines specifically identified factors of a program in a more comprehensive way than a program would be evaluated using day-to-day experiences. The following are brief summaries of selected program evaluations we completed during FY 2009. We list the evaluations under the strategic goal they support as outlined in our *Fiscal Years 2008-2013 Agency Strategic Plan*. To obtain copies of the comprehensive results of completed evaluations write to:

Social Security Administration
Office of Budget, Finance and Management
Office of Strategic Services
3124 West High Rise
6401 Security Boulevard
Baltimore, MD 21235

Strategic Goal 1: Eliminate Our Hearings Backlog and Prevent Its Recurrence

Hearings Process Report Card Survey

In FY 2009, we reported results of our first Hearings Process Report Card Survey which we conducted in FY 2008. This annual survey samples disability benefit applicants who recently received a hearing-level decision on their claim. Both favorable and unfavorable decisions were sampled for the survey. Questions addressed satisfaction with the entire hearing process, from requesting and waiting for the hearing to the hearing itself and receipt of the decision.

As in initial claims, the outcome of the hearing was a very strong driver of responders' perceptions of both the hearing process and our service overall. Those responders who received a favorable decision gave a rating of 80 percent "excellent," "very good," or "good" to the hearing process and 74 percent were satisfied with our service overall. Only 29 percent of responders who received an unfavorable decision were satisfied with the hearing process and only 34 percent were satisfied with our service overall. Satisfaction with the hearing experience and with our service overall among all responders was identical whether the hearing was held by video conference or face-to-face.

For all responders, whether they received a favorable or unfavorable decision, the lowest rated element of service was the length of time from the date they requested a hearing until it was held. Only 42 percent of those responders who received a favorable decision rated the timeframe for the hearing to be held as "excellent," "very good," or "good." Even less satisfied were those responders who received an unfavorable decision. Just 25 percent were satisfied with the wait for the hearing. Responders' opinions of the Judge's performance (courtesy, clarity of explanations about what would happen at the hearing, preparedness to discuss the case, opportunity given the individual to present the facts of the case) were more favorable, although the outcome of the hearing again exerted strong influence on satisfaction. Responders that received favorable decisions gave ratings ranging from 91 to 95 percent "excellent," "very good," or "good" for the Judge's performance. Satisfaction with the Judge's performance among responders receiving unfavorable decisions ranged from 40 to 53 percent.

Disability Appeals – Senior Attorney Adjudicator Quality Assessment

Almost 723,000 individuals are waiting for a hearing on their disability applications. To help eliminate our hearings backlog, we continued our initiative which allows our most experienced senior attorney adjudicators to issue fully favorable decisions without the need to conduct an actual hearing.

To evaluate the accuracy of these decisions, we conducted a random review of senior attorney adjudicators' decisions after the individual's disability benefits were awarded. Our quality review agreement rate was 96 percent for FY 2009 to date. The final FY 2009 agreement rate will not be available until mid November 2009 and will be

published in next year's *Performance and Accountability Report*. Our senior attorney adjudicators expedited favorable decisions to nearly 25,000 claimants in FY 2008, the first year of the initiative. Continuing these positive results, our senior attorney adjudicators issued 36,366 decisions in FY 2009. These cases also have a positive effect on processing time because they are processed well under the current average of 491 days.

Strategic Goal 2: Improve the Speed and Quality of Our Disability Process

Disability Claim Pre-Effectuation Accuracy Report

We have three large ongoing accuracy reviews of proposed disability determinations at the initial and reconsideration levels. One review randomly selects an equal number of proposed allowances and denial cases, and results are used to determine national and State-based accuracy rates. The other two reviews target case selection to proposed allowances and denials that are more likely to contain errors. Combined, these reviews resulted in pre-effectuation reviews of over 500,000 disability claims and appeals in FY 2009. In terms of compliance with national policy and bottom-line decisional accuracy, we were 97-percent accurate without initial disability determinations in FY 2009.

Disability Initial Claims Report Card

The Disability Initial Claims Report Card is an annual survey we conduct to measure customer satisfaction with the initial disability application process. We surveyed individuals who had filed for disability benefits – both Social Security and SSI – using separate samples from different phases of the application process. We surveyed selected individuals either shortly after they had filed for benefits (mid-process sample) or after they had received a decision that their application had been approved or denied.

We asked individuals to rate key aspects of our service related to the disability application process, such as processing time and the clarity of our explanations on how we decided their claims. This year, we published the first findings for individuals who were denied disability benefits at the initial claim level based on a disability application that was filed in the third quarter of FY 2007. The negative outcome had a very strong impact on the perception of service with 59 percent of denied individuals rating the ease of filing as “excellent,” “very good,” or “good” compared to 88 percent of those individuals awarded disability benefits. The various elements of how well employees did their jobs were the highest rated aspects of service for denied applicants – about 70 percent of responders were satisfied – while the amount of time to process their claims was the lowest – 45 percent satisfied. About half of the denied individuals also indicated they were dissatisfied with their ability to obtain information about their claim while it was pending.

We will publish the results from our FY 2009 Disability Initial Claims Report Card in our *Fiscal Year 2010 Performance and Accountability Report*.

Evaluation of Ticket to Work Program and Adequacy of Incentives

The *Ticket to Work* program is one of our return-to-work initiatives. The purpose of the program is to expand the universe of service providers available to individuals with disabilities who are seeking vocational rehabilitation, employment, and other related support services. We issue a ticket to eligible individuals who may choose to assign the ticket to an Employment Network. Employment Networks offer one or more services, such as job readiness and work skills assessment, career counseling, employment placement internships and apprenticeships, vocational rehabilitation, job coaching, transportation, and other support. *The Worksite* (www.socialsecurity.gov/work) provides a host of resource for *Ticket to Work* participants.

An independent evaluation of the program, now in its 7th year, is providing us with ongoing feedback on the program's effectiveness and potential. For a full discussion of the *Ticket to Work* program and evaluation findings, see <http://www.socialsecurity.gov/disabilityresearch/research.htm#Ticket>.

Strategic Goal 3: Improve Our Retiree and Other Core Services

Overall Service Satisfaction Surveys

We continually evaluate our retirement and other core services by surveying individuals who use them. These surveys provide us with the public's perception of the services we provide whether via the Internet, telephone, or in-person visits to our offices. In addition, public feedback helps us to identify strengths and weaknesses in our programs and processes so we can make improvements accordingly. We combine the results of the Service Satisfaction Surveys to produce a single customer satisfaction measure. In FY 2009, we sustained a high level of customer satisfaction with an overall service rating of 81 percent as "excellent," "very good," or "good." Overall satisfaction has remained stable at this 81 percent rate since FY 2007. Below, we discuss our survey activities to evaluate service satisfaction.

800 Number Caller Survey

Our telephone service remains a primary service option for providing effective and efficient service to the public. Last year, we handled 82 million calls to our National 800 Number, and we expect the volume to grow in 2010. To ensure we are providing quality service, we annually survey callers to our National 800 Number to obtain and measure their satisfaction with our telephone service. This survey provides first-hand feedback about callers' experiences and perception of our National 800 Number.

In FY 2009, we reported findings from our FY 2008 National 800 Number Caller Survey which showed the majority of callers remain satisfied with our 800 Number service. The overall satisfaction rating remained stable at 77 percent "excellent," "very good," or "good," compared to 78 percent in FY 2007. However, the FY 2008 satisfaction level reflected the continuation of a decline that began in FY 2006 after a 4-year period of ratings in the 84 to 86 percent range. The decline in overall satisfaction was linked to falling satisfaction with access to our 800 Number. The satisfaction rate for access in FY 2008 was 67 percent which is significantly lower than the 75 percent rate sustained from FY 2002 to FY 2006.

Additional survey findings demonstrated the issue of access has become more complex with the introduction of sophisticated call center technology. Caller perceptions of access are influenced by factors beyond the traditional elements of encountering busy signals and waiting on hold. Survey results showed that 45 percent of callers thought it was hard to get the interactive voice prompt to understand the service they needed. Only 49 percent of these individuals' access rating was "excellent," "very good," or "good." On the other hand, 81 percent of callers that thought it was easy to reach the service they needed rated access as "excellent," "very good," or "good." This type of finding underscores the need for our continued efforts to fine-tune the speech recognition scripts so that our callers find it easier to obtain the service they need using interactive voice prompts. Based on the survey results, though, once callers reached our 800 Number agents, they were highly satisfied with the service we provided. Caller ratings of various aspects of staff performance, such as helpfulness and job knowledge, increased significantly in FY 2008 and ranged from 90 to 93 percent "excellent," "very good," or "good."

Preliminary results from our FY 2009 National 800 Number Caller Survey show that satisfaction with both access and 800 Number Service overall were essentially the same as in FY 2008: The overall rate was 78 percent and access was 68 percent "excellent," "very good," or "good." We will report on our detailed analysis of FY 2009 data in our *Fiscal Year 2010 Performance and Accountability Report*.

Field Office Caller Survey

Our FY 2008 Survey of Field Office Callers, published in FY 2009, showed public satisfaction with field office telephone service held steady with 79 percent of responders rating it "excellent," "very good," or "good." Callers continue to be highly satisfied with the service they receive from field office staff, but access to telephone service remains problematic and is the primary cause for dissatisfaction. Just over half of our survey responders reported they had tried to call our field offices but were unable to get through. Similarly, slightly more than half were satisfied with the amount of time they had to wait on hold before they were connected to a field office employee.

Initial results from our FY 2009 Survey of Field Office Callers indicate that satisfaction remained stable at 78 percent “excellent,” “very good,” or “good.” Perceptions of other aspects of service were also comparable to FY 2008 results. We will report on our detailed analysis of FY 2009 data in our *Fiscal Year 2010 Performance and Accountability Report*.

Office Visitor Survey

Our offices are our front door for the American public. To better serve the public, we conduct an annual Office Visitor Survey. In FY 2009, we published our latest annual Office Visitor Survey Report based on the results of a “report card” completed by a random sample of individuals that visited our field and hearing offices during the last quarter of FY 2007. Survey results continued to reflect a high degree of public satisfaction with our in-person service. Office visitors gave an overall service rating of 90 percent “excellent,” “very good,” or “good,” in line with their ratings over the last few years. Positive perceptions of staff performance contributed to this level of overall satisfaction. Ratings of staff courtesy, helpfulness, job knowledge, and clarity of explanations ranged from 91 to 93 percent “excellent,” “very good,” or “good.” The lowest rated aspect of in-person service was office privacy, with a satisfaction rate of 76 percent. We recognize the importance of improving this aspect of our service, and we are mounting an initiative to redesign our reception and interview areas with a focus on protecting visitor privacy and confidentiality.

Preliminary results from our FY 2009 Office Visitor Survey still reflect a highly positive view of our in-person service, with satisfaction at 88 percent “excellent,” “very good,” or “good.” However, the decline from the previous 90 percent satisfaction rate was statistically significant. We will report on our detailed analysis of FY 2009 data, including discussion of the factors that may have contributed to the decline in the overall rating, in our *Fiscal Year 2010 Performance and Accountability Report*

Internet Service Satisfaction Surveys

Nearly 80 million baby boomers will file for retirement benefits over the next 20 years, an average of 10,000 per day. The public’s increased use of our online services is essential for us to effectively handle the anticipated influx of baby-boomer retirement claims and is a major element in our *Agency Strategic Plan*. In addition to online retirement and disability claims, we offer several other online services. We evaluate these services on an ongoing basis to ensure they remain up-to-date and fulfill the public’s needs. See www.socialsecurity.gov/onlineservices to view the online services we currently offer. Below are some surveys we conduct to evaluate our Internet services. The survey responses help us learn more about the public’s preferences for service delivery and gain insight about the market for electronic services.

Prospective Client Survey

In FY 2009, we reported results of our second Prospective Client Survey, which we conducted in FY 2008. The purpose of this survey was to refresh our understanding of the service delivery preferences and expectations of the public approaching retirement age, with a focus on electronic service delivery. The survey results reflected the opinions of almost 3,400 United States responders between the ages of 50 and 64. The survey addressed the public’s preferred methods for conducting various types of Social Security business and identified the service attributes most important to our future clients. We also included questions about the nature and extent of the public’s Internet use and their attitudes about online filing for Social Security benefits.

The survey revealed some shifts in our client preferences for conducting Social Security business compared to the previous survey we conducted in FY 2005. The most notable trends were increased interest in using the Internet for reporting changes or obtaining personal information after entitlement to benefits; a decline in the preference for an office visit to file for benefits; and a rise in the preference for dealing with a field office by telephone for a benefit application versus a visit to our field office to conduct their business.

Survey of Auxiliary and Survivor Benefit Applications

In FY 2008, we conducted a survey of recently awarded auxiliary and survivor beneficiaries. The purpose of this survey was to measure this group’s satisfaction with our current claims process and their level of interest in filing

online. Survey responses represented the opinions of 914 auxiliary or survivor child beneficiaries and 718 aged widow/er beneficiaries who recently filed claims.

Our survey found both child and widow responders viewed the current application process very positively, giving an overall rating of 96 percent “excellent,” “very good,” or “good.” They were very satisfied with all aspects of their experience and gave high marks to the convenience of our service and the quality of our employees.

Although their experience with the traditional application process was highly positive, child responders expressed considerable interest in online filing. Among all child responders, 65 percent said they use the Internet. Of these Internet users, 60 percent said they would have been interested in filing online if that service had been available. This translates to 38 percent of all child responders, a much higher proportion than seen in surveys of applicants for other types of benefits. The extent of Internet use (34 percent) and an interest in filing online (42 percent of Internet users) was much lower among widow responders.

Internet Benefit Applicant Survey

In FY 2009, we conducted a survey to measure the satisfaction of those individuals who used our new “*iClaim*” to file for retirement or disability benefits. For retirement claims, the survey explored satisfaction with the entire process, from filing online through receiving the decision, since these claims are usually processed very quickly. We selected individuals who filed for disability benefits not long after they filed their claim to facilitate their recall of the experience completing the “*iClaim*.” They provided their opinions while their applications were still being processed.

We have completed an initial analysis of survey results. Individuals that filed for retirement or disability benefits reported a very positive experience using *iClaim*, giving a combined rating of 94 percent “excellent,” “very good,” or “good.” Individuals that filed for retirement benefits were especially enthusiastic, with 98 percent satisfied. Ratings for Individuals that filed for disability benefit were also very favorable at 88 percent.

We will report on additional survey findings in our *Fiscal Year 2010 Performance and Accountability Report*.

Each year we process 6 million original and 12 million replacement Social Security card applications. We also verify Social Security numbers more than one billion times a year through a variety of electronic data exchanges with public and private organizations. The process of assigning and issuing Social Security numbers is referred to as enumeration. To assess our enumeration process, we conduct annual reviews to measure our overall accuracy rate using a random sample of original Social Security numbers assigned during the fiscal year by one of the following means:

- Enumeration-at-Birth: Parents can apply for a Social Security number for their newborn child at the same time they apply for their newborn’s birth certificate. The State agency that issues the birth certificate will share the information with us at which time we assign a Social Security number and issue a Social Security card;
- Enumeration-at-Entry: Certain non-citizens can apply for a Social Security number as part of the Department of State’s immigration process. When the immigrant enters the United States, the Department of Homeland Security electronically transmits the enumeration information to us. If the immigrant qualifies, we assign a Social Security number and issue a Social Security card; and
- Paper Social Security number applications: Individuals complete the SS-5, Application for a Social Security card, and submit it to a field office or Social Security Card Center.

In FY 2008, enumeration accuracy for the assignment of a Social Security number was 99.9 percent. Almost all of the assignment errors for FY 2008 were detected in the Enumeration-at-Entry process, which represents less than 2 percent of the enumeration population. Results from our FY 2009 Enumeration Quality Review will not be available until May 2010. We will report the results in our *Fiscal Year 2010 Performance and Accountability Report*.

Social Security Statement Survey

The *Social Security Statement* is a concise, easy-to-read personal record of the earnings individuals paid Social Security taxes on during their working years and a summary of the estimated benefits individuals and their families may receive as a result of those earnings. Each year, we issue the *Social Security Statement* to more than 150 million individuals who are eligible to receive it.

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 an individual or income from self-employment; and
- The aggregate taxes paid toward Social Security and Medicare.

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

- Help individuals verify the information in their earnings record;
- Educate the public about Social Security programs. The Statement contains information about the various benefits to which a worker may be entitled; and
- Assist in financial planning. The Statement provides individuals with information regarding potential retirement, disability, and survivors benefits.

To ensure the *Statement* is meeting its objective and providing value to the public, we have an ongoing evaluation plan. This plan includes focus group testing and formal surveys. During FY 2009, we conducted one tracking survey to measure the effectiveness of, and improve customer satisfaction with the *Statement*. In FY 2010, we plan to conduct two surveys. The surveys will be divided equally among:

- Recipients who have an earnings history with both covered and non-covered earnings under Social Security; and
- Recipients who have only earnings covered under Social Security.

Information obtained from this survey will help us to identify what is needed to improve the public's awareness, understanding, and use of the *Social Security Statement*. Data for FY 2009 was not available at the time our *Fiscal Year 2009 Performance and Accountability Report* was published. We will report FY 2009 data in our *Fiscal Year 2010 Performance and Accountability Report*.

Strategic Goal 4: Preserve the Public's Trust in Our Programs

Retirement, Survivors, and Disability Insurance Stewardship Review

We have conducted the Old Age and Survivors Insurance Stewardship reviews since 1981 and the Disability Insurance Stewardship reviews since 1998. This annual review provides an accuracy measurement of Social Security benefit payments. Stewardship review findings provide the basis for reports to monitoring authorities, as well as the reporting requirements contained in the Improper Payments Act of 2002.

The Stewardship review is based on a monthly sample of individuals receiving Social Security benefits. Each month, about 90 OASI cases and about 50 DI cases are selected. For each of these samples, the beneficiary or representative payee is interviewed, collateral contacts are made as needed, and all nonmedical factors of eligibility are redeveloped as of the sample month. We are presenting data for FY 2008 since this data was not available at the time the *Fiscal Year 2008 Performance and Accountability Report* was published.

Total spending for the Title II OASDI program in FY 2008 was \$607 billion and there were 50.6 million individuals receiving benefits at the end of the fiscal year. Our payment accuracy with respect to overpayments was 99.7 percent based on improper payments totaling a projected \$2 billion (i.e., 99.7 percent of all payments are free of overpayment errors). We refer to this as the overpayment accuracy rate. Payment accuracy with respect to

underpayments, referred to as the underpayment accuracy rate, was 99.9 percent based on unpaid dollars projected at \$495 million (i.e., underpayment dollars as a percentage of total dollars paid were 0.08 percent).

For FY 2008, each tenth of a percentage point in the payment accuracy represents about \$607 million in program spending for the Title II program. Overall, Title II OASDI accuracy rates have remained steady over the past 5 years. In the OASDI program, errors dollars involving substantial gainful activity are the leading category of overpayments. The leading categories of underpayment error dollars in the OASDI programs involve computational problems with the primary insurance amount computation. The sheer magnitude of the payments made in the Title II program, approximately \$607 billion in FY 2008, means that even a small percentage in error will result in a substantial dollar error.

Data for FY 2009 was not available at the time our *Fiscal Year 2009 Performance and Accountability Report* was published. We will report the FY 2009 data in our *Fiscal Year 2010 Performance and Accountability Report*.

Supplemental Security Income Stewardship Review

This review is similar to the Retirement, Survivors, and Disability Insurance Payment Accuracy Stewardship Review discussed above. In this review, we measure the accuracy of payments to individuals who received SSI during the fiscal year. The review is based on a random sample of approximately 4,000 SSI cases from which findings are projected to the universe of all individuals receiving SSI. In conducting the review, we interview individuals (or their representative payees) and contact other sources such as employers and financial institutions to obtain supporting information. We recreate all non-medical factors of SSI eligibility to measure the accuracy of the payments. We report findings as a percent of SSI dollars paid that are free of overpayment and underpayment errors.

In FY 2008, the latest year for which we have findings, the SSI overpayment accuracy rate was 89.7 percent, and the underpayment accuracy rate was 98.3 percent. While the overpayment rate was lower than the FY 2007 rate (90.9 percent) and the underpayment rate was higher than the FY 2007 rate (98.5 percent), the differences are not statistically significant. The leading cause of SSI overpayments were financial account errors and the leading cause of underpayments were wage errors.

Data for FY 2009 was not available at the time our *Fiscal Year 2009 Performance and Accountability Report* was published. We will report FY 2009 data in our *Fiscal Year 2010 Performance and Accountability Report*.

The Federal Information Security Management Act of 2002 Report to Congress

The *Federal Information Security Management Act* (FISMA) is an information technology security framework for all federal agencies included in the *eGov Act of 2002*. These agencies are required to submit a FISMA report to the Office of Management and Budget by November 18 of this year. The report summarizes the results of annual information technology security reviews of systems and programs, agency progress on correcting identified weaknesses, and the results of other work performed during the reporting period using the Office of Management and Budget's performance measures to assess and report the status of agency information technology security programs. We are a leader among federal agencies for our implementation of FISMA. There are currently several bills pending in Congress to strengthen FISMA. As Congress considers revamped cybersecurity legislation, we will strive to meet and exceed requirements for protecting the privacy and security of personal information.

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

The *Social Security Act* requires the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds to report annually to Congress on the financial and actuarial status of the two Social Security Trust Funds – OASI and DI. The *2009 OASDI Trustees Report*, issued in May 2009, showed a worsening of the projected long-term financial status of the Social Security program compared to the Trustees' 2008 report. The primary reasons for this worsening were lower assumed levels of economic activity that reflect the

recent economic recession and faster reductions in death rates assumed in the long term. Other report highlights included:

- The projected point at which tax revenues will fall below program costs is 2016 - one year sooner than the estimate in last year's report;
- The projected point at which the Trust Funds will be exhausted is 2037 - four years sooner than the estimate in last year's report;
- The projected actuarial deficit over the 75-year long-range period is 2.00 percent of taxable payroll - up from 1.70 percent in last year's report; and
- Over the 75-year period, the Trust Funds would require additional revenue equivalent to \$5.3 trillion in present value as of January 1, 2009, to pay all scheduled benefits.

See <http://www.socialsecurity.gov/OACT/TR/2009/index.html> for the full 2009 OASDI Trustees Report to Congress.

Annual Report of the Supplemental Security Income Program

We are required by law to report annually to the President and to Congress on the status of the SSI program. The report must include projections of program participation and costs through at least the next 25 years. The 2009 report, issued in May 2009, covered the 25-year period 2009 to 2033. Significant findings stemming from our evaluation included:

- By 2033, the end of the 25-year projection period, the federal SSI recipient population is estimated to reach 9.7 million. The projected growth in the SSI program over the 25-year period is largely due to the overall growth in the U.S. population, although the current economic recession is expected to temporarily generate additional growth beyond what might be expected from historical trends. The percentage of the population receiving SSI is projected to vary somewhat by age group, with the percentage for those age 65 or older projected to decline, and the percentage for those under 65 projected to increase slightly;
- Expressed as a percentage of the total U.S. population, the number of federal SSI recipients increased slightly from 2.28 percent in 2007 to 2.31 percent in 2008 and is projected to increase gradually to 2.56 percent of the population by 2033 due largely to the changing age distribution of the population;
- Federal expenditures for SSI payments in calendar year 2009 are estimated to increase by \$2.8 billion to \$44.9 billion, an increase of 6.7 percent from 2008 levels;
- In constant 2009 dollars, federal expenditures for SSI payments are projected to increase to \$57 billion in 2033, a real increase of 1.3 percent per year; and
- When compared to the Gross Domestic Product, federal SSI expenditures are projected to temporarily increase from the 2008 level of 0.29 percent of the Gross Domestic Product due to the effects of the economic recession, but thereafter gradually decline over time to 0.25 percent of Gross Domestic Product by 2033.

Supplemental Security Income Annual Reports provide our agency, Congress, and other interested parties with information on the future of the SSI program. These reports can also represent a basis for considering and evaluating possible changes to the program. The 2009 report can be found at <http://www.socialsecurity.gov/OACT/ssir/SSI09/index.html>.