

#### IV. OBJECTIVES AND HOW TO ACHIEVE THEM

SSA's assignment to manage the administration of so large a program as social security, to evaluate its effectiveness, to conduct research on alternative methods of providing economic security, and to advise the **Secretary** and the President on possible statutory changes, is so complex that it would be unrealistic to attempt to set down the steps through which one would hope **to** achieve each of the many objectives that are important to carrying out the assignment. The method that seems most feasible is to describe the broad approaches to be taken and to illustrate with several specific applications of those approaches to achieving the objectives.

##### A. The Broad Approaches

The broad approaches, relevant to both the managerial and technical phases of the assignment, that have been found to be successful in the past are as follows:

1. Manage the Administration of the Social Security Program
  - a. Seek increased productivity. Apart from the usual reasons why increased productivity is desirable, it is urgent that SSA achieve continuous and large increases in productivity because of the enormous workloads that it must deal with and the very large growth rates of such workloads. Social security's actions have to be based continuously on the assumption that staff will always be a scarce resource and therefore available staff resources must be used to achieve maximum results.
  - b. Reinvest some of the staff savings from increased productivity into efforts that will further increase the efficiency and economy of the process and operations of social security.

- c. Use outside consultants to insure against undemanding standards and myopic assessments, both of performance and of the possibilities of achieving improvements.
- d. Use intercomponent and interdisciplinary work groups to accomplish selected and important tasks. Ad hoc work groups drawing from the several social security components and comprised of a variety of backgrounds, skills, and disciplines bring a virility and a balance to many tasks with a result that the product is often of higher quality in respect to timeliness, comprehensiveness, relevance, and innovativeness.
- e. Set objectives. It is important that management clearly define the objectives of the organization down to the lowest level of the organization. To the extent that these objectives can be stated in measurable terms, they should be so stated: but if they can't be stated in measurable terms, it is nonetheless important to state them as best one can, defining them to the extent that is feasible and indicating to the fullest extent possible the values attached to the objectives.
- f. Improve the quality of management at all levels. Perhaps more than any other factor, the factor of management and supervision can operate geometrically rather than arithmetically in improving the performance of an organization. Improvement in a first-line supervisor's performance is magnified perhaps 15 or 20 times through the improvement of the performances of his subordinates. Improvement in the performance of the second-line supervisor is magnified perhaps 100 **times**. The further up the line, the greater the factor of improvement potentially

possible. Obviously, therefore, improvement of the quality of management and supervision in an organization such as social security must continue to be a major target because of its tremendous potential for improving the total performance of the organization and for decreasing its cost.

- g. Develop recommendations for technical changes in the law (ones that do not alter the purposes or principles). Such changes can facilitate efficient and economical administration by eliminating ineffective and/or costly requirements.

## 2. Performing the technical parts of SSA's assignment

- a. Continue a vigorous program of research. By gathering data from program operations and experience, from surveys, from the operation of other government programs and from the private sector, and from conducting basic research, produce the data that are necessary to identify trends, issues, problems, potential solutions, etc.
- b. Analysis and evaluation of operational and program experience. Evaluation and assessment is indispensable to progress and improvement.
- c. Conduct surveys. Unless steps are taken to produce data that are not being produced, some issues and some problems would continue to be dealt with on the basis of unsupported judgments and opinions.
- d. Use advisory groups. Getting the advice of outsiders representative of a wide range of disciplines and interests is desirable not only because the program is so large and complex but also because the program does not belong exclusively to any one group or groups in the Nation.

## B. Specific Applications

Illustrative of steps to be taken to fulfill these objectives are:

1. Achieve a more effective and economical administration of the social security program. Indicative of actions to be taken in this area are the following:

- a. Achieve at least a 20 percent increase in productivity over the next 5 years by:

- Redesign of data processing systems.

The Social Security Administration is now drawing to final completion a Total Data Systems Plan formulated a number of years ago. Redesigned computerized claims and post-entitlement processing systems are expected to be in operation by early 1974. The present task is to develop a new **long-range** systems plan to insure that SSA operations keep pace with the opportunities for improvement and the emerging technology in both hardware and software. Newly developing capabilities that in the long run will undoubtedly be made part of the social security system include real time access to stored data and data keying capabilities from remote "intelligent terminals" with direct input to the central system. The technology will need to be adapted to vastly more complex and larger systems configurations when being applied to social security than is true of any adaptations now existing. Some delay in beginning the implementation of a new data systems plan will undoubtedly occur because of the need to implement the massive 1972 amendments, but cost-benefit studies can be expected to begin in the relatively near future.

In the meantime, a special project has been set up under a full-time staff to redo the

present system in terms of previously set requirements so as to take full advantage of the capabilities of existing equipment and to overcome the results of a large number of patching operations that have taken place because of recent legislative changes which had to be responded to on an emergency basis.

The organization is also engaged in implementing various recommendations coming out of a study of the data processing system by the Westinghouse consultants.

Upgrading the capabilities of the staff.

During the next several years, vigorous training will be conducted particularly for the large numbers of new personnel--many from State and local welfare operations--that will be recruited to carry out the SSI program.

- Maintaining a lean organization. Efforts to keep "fat" out of the organization need to be continued and intensified, and activities that become marginally cost effective will be identified and eliminated. A particularly vigorous effort in this direction is currently needed in order that all possible resources can be directed to the implementation of the 1972 amendments.

Further exploiting non-governmental operational

assistance. Today, 735 large employers are reporting quarterly on magnetic tape earnings items for 13.8 million employees. Of the 347 million earnings items reported in calendar year 1971, 54 million were reported on magnetic tape, thus reducing SSA's costly card punching operations and speeding up its processing cycle. Similarly there were, in

the summer of 1970, 3,000 employers and unions with whom we have worked out arrangements whereby they undertake to handle part of the claims process. We will work to increase the number of groups participating in these activities and to extend the practice to new areas.

- Maintaining continuing assessment of the cost effectiveness of the requirements of the law and recommending changes in these requirements. Changing circumstances and improving systems capabilities make possible new ways of accomplishing the purposes and intent of the law. As such changes and improvements occur, requirements of the law which are no longer necessary or which are not cost effective can be eliminated.
- b. Increase the effectiveness of both social security and SSI programs, achieve economies of scale, and reduce relative overhead costs through integration of SS and SSI operations by:
- . Using established social security regulations and policies for both programs wherever possible.
  - . Using the established organization to perform SSI work.
  - . Using common support facilities for both programs.
  - . Devising systems with the needs of both programs in mind.
  - . Making the district and branch offices the focal point for taking, developing, and deciding claims under both programs.

- . Having a system whereby a report from a person receiving social security and SSI benefits will be reflected on the master record of both programs.
  - . Utilizing the SSA account establishment system, earnings record system, and Master Beneficiary Record system to support and assist in meeting the SSI requirements.
  - . Developing over a period of time field staff trained in both programs so that they can perform a full range of duties for either program.
- c. Better insure that the health insurance expenditure dollar, whether for benefits or administration, buys more by:

Increasing the effectiveness of the health insurance program through:

- . Greater efficiency of intermediaries and carriers,
  - . Better control of program costs.
  - . Establishment of alternatives (such as HMO's) to the conventional methods of providing health service.
- d. Minimize the opportunities for fraud and abuse under SSI and further tighten safeguards in the social security program by:
- . Enumerating all people receiving payments under social security and people receiving

SSI payments, payments under other Federal programs, and State welfare programs.

- . Enumerating over a period of time the entire population.
  - . Establishing a central computer record of all SSI recipients.
  - . Checking the SSI record against Social Security, Internal Revenue, Veterans Administration, Railroad Retirement Board, and Civil Service records.
  - . Maintaining a vigorous program integrity activity in the health insurance program and giving wide publicity to convictions for fraud.
  - . Having internal controls that detect possible fraud or abuse.
- e. Increase the efficiency of SSA operations by further developing new initiatives in district office operations by:
- . Assuring an efficient and economical balance of staff--supervisory, technical, and clerical in each district and branch office.
  - . Providing the offices with sophisticated equipment to make optimum use of the computer and microfiche. Enable the offices to have direct access to the computers on a real time basis.
  - . Having a system whereby input from the offices will update the master computer records on a constant basis.



- Having a regional Bureau of District Office Operations organization that provides the optimum in direction and support to the district manager.
  - Assuring that the offices receive needed technical direction from program bureaus.
  - Having policies and instructions that are easy to understand and follow.
  - Recognizing the changing role of many SSA offices, be sure that jobs are properly classified so that employees continue to be equitably paid for the work they do.
- f. Increase the effectiveness of the regional organizations and thereby lower operating costs by:
- Setting up regional SSI components.
  - Establishing regional hearings and appeals centers and regional appeals councils.
  - Reviewing and reassessing the role of the Regional Commissioners and strengthening it as necessary and desirable to better assure that the Regional Commissioner is able to provide effective leadership and coordination.
  - Establishing increasingly effective relationships with the strengthened DHEW Regional Directors' staff organizations and capitalizing on their capabilities for improving the quality and efficiency of SSA administration,

- g. Increase the effectiveness of the large-scale clerical and technical operations in payment centers and centrally. --

One of the difficulties in maintaining a work force with high morale and continuing job interest arises from the increasingly greater degree of specialization in clerical and computer support operations. We are now engaged in two experiments with Social Security payment centers and are also considering several additional job enriching and job reorganizing arrangements in the large clerical operations in Baltimore.

The six Social Security Administration payment centers that are charged with the responsibility of establishing and maintaining current benefit rolls of about 24 million retirement and survivors insurance beneficiaries employ a total of about 12,000 employees.

The structure of the payment centers into highly specialized components is a residual of the claims process that dates from the pre-computer era. The operational structure based on numerous specialized tasks causes backlogs at large numbers of work stations and, as a byproduct, has tended to create dead-end jobs.

The first experiment is the establishment of manual action modules in four payment centers for that part of the process which requires human intervention and decision. This project is designed to improve processing time for the 20 percent of initial claims that could not be processed by the computer. All payment-effectuation activities are performed within one organizational entity, avoiding the routing

of material from one work station to another. While actual processing time improvements in each payment center will vary depending on the payment center's productivity under current processes, the overall goal for these cases is a 40-percent reduction of mean processing time nationally.

The second project is longer-range and broader in scope. It applies this same modular concept to all payment center activity. Relatively small teams composed of employees ranging from file clerks to claims authorizers are assigned complete responsibility for a clearly defined portion of the workload. The goal is not only to avoid the queuing of work as it moves between organizational units but to foster a team approach by having each employee see his work as an integral part in the delivery of a finished product. The approach uses extensive cross-training and would appear to present the potential for establishing "bridge" positions between the clerical and technical levels. This experiment is now underway in the Philadelphia Payment Center.

The monitoring of these two projects will include the study of data on productivity and accuracy. In both projects, \*employee reaction will also be monitored and attitudinal surveys will be conducted.

2. Improve the level and quality of service:
  - a. Expand and improve the options of service available to an individual: *i.e.*, to visit the district office for face-to-face service: to be served in a contact station closer to his residence than is the district office: to

transact his business by phone; to have his employer or his union assist him, etc.

- b. Find new ways, and expand existing methods, of shifting to the SSA processing system, when the capability exists to do so more effectively, efficiently, and economically, requirements historically placed upon the individual. In the early days of the program, when SSA processing was a combination of manual, clerical handling and card-punch operations, there was little choice but to impose upon the people served by the program the burden of knowing all their rights and responsibilities and of initiating action by filing a claim for benefits, by initiating a claim for a recomputation of benefits, etc. As SSA's processing system achieved greater capabilities, these types of burdens carried by people served by the program were lightened or eliminated, frequently at great savings in the cost of operations. As one example, elimination of the requirement that individuals file a claim for recomputation of benefits saved tens of millions of dollars annually. SSA has moved aggressively to shift burdens to the system, and today there are major applications of the principle in the Medicare program (SSA initiates the contact with the individual before age 65 and advises him of his options): in the recomputation of benefits (as described): in the operation of the retirement test: in administering the school attendance requirements in connection with children's benefits, etc.
- c. Strengthen administration in the regions at both the Regional Commissioner and at the Bureaus' Regional Representative levels, so

that operations can be more sensitive and more quickly responsive to local conditions.

- d. Further improve the information and referral services available in the district and branch offices.
  - . Take steps to insure that there are adequate files reflecting the service resources available at the community, Federal, State, local, and nonprofit levels that can be utilized by social security district office staff.
  - . Complete training now going on to equip Social Security staff to pick up service needs of people they interview and to utilize the resource files effectively.
  - . Work with others in the community to try to establish sources of services in the community.
  - . Identify service gaps and, in concert with others, attempt to match existing service resources or potential financing of such resources with existing service needs.
  - . Engage in experiments and demonstrations in respect to information and referral responsibilities.
  - . Complete the current demonstration known as--Winter Aide--employing other persons in district offices for information and referral work. (Project uses special appointment of aged persons at \$2 per . hour--4 in each of 30 offices.)

- . Investigate and experiment with application of computer to providing data to INR personnel about available service resources.
- . Through the Regional Commissioners promote the establishment of comprehensive Information and Referral Centers with service components, the cost of which to be jointly financed by participating agencies.
- e. Continue to locate more offices in center-city neighborhoods and small communities. The greatest gaps in the quality of service exist between the service available to those that dwell in densely populated communities and those that do not, and between fully assimilated Americans and ethnic, racial, and cultural groups who have not been so assimilated.
- f. As has been indicated, establish regional hearing and appeal centers and regional appeals councils more accessible to and convenient for the public.
- g. Make further progress toward the goal of equal treatment of all members of the public.

Further improvements in this area are being accomplished through two methods. We have established a study group on service to the public with special emphasis on minority group members and other disadvantaged persons. A three-volume report of the group is now being circulated for comment among the various bureaus and offices affected. This is a very comprehensive review of law, regulations, policies, procedures, and practices which might conceivably be modified to give more equal access to Social Security's services. Public

information and training of personnel are also covered in the report.

A second approach to an evaluation of SSA's present practices in this area is through a contract arrangement with the Urban League. From its special vantage point the League is giving particular attention to district office operations and public information materials and policies.

- h. Continue to seek ways to increase the convenience, promptness, quality and responsiveness of service (without compromising our obligation to insure that statutory requirements are fully met) by automating the processes, increasing the facilities available to the district offices to render service, continuing to solicit the assistance of employees, unions, and other interested groups.
3. Maximize communications with all segments of the public: To improve their comprehension of both their rights and responsibilities under the program: to better inform them of the purposes of the program: to report to them on the program's stewardship of their money: and to get them to act in ways that will both protect their own interests and facilitate administration.
- a. Step up the establishment of public information efforts as a conscious "public communications delivery system" by:

Strengthening Communication Research. SSA must reach some 32 million people on its rolls (both for cash benefits and Medicare) and the **more-than-100-million** people who are directly affected

by the ongoing social security program. Such audience size permits economies of scale, and communications research can help us achieve those economies.

Setting Up Audience/Message/Media Priorities.

The great complexity of the social security program (from the public's point of view) means that many different messages must be directed to many different audiences.

Management techniques for improving the selection of the most important messages at the central office and the dissemination of those messages through the 1,000 field offices are being investigated.

Training SSA Employees. Because of the grass-roots nature of the social security program, more than 4,000 SSA personnel have specific responsibilities for transmitting information to the public through various media. By improvement of their effectiveness in this aspect of their work, it should be possible both to reduce the amount of time they need to spend on the task and to increase the amount of correct information reaching the public.

Testing Public Information Materials. Throughout government, there exists a lack of proper testing of public information materials. SSA, which prints up literally hundreds of millions of pamphlets, not to mention many other materials, seeks to test all message "products" before producing them, to achieve maximum cost effectiveness.

- b. Maximizing Communication Opportunities that can be identified within ongoing operations, by such efforts as:



Working with Employers. In regular contacts with the Nation's industry, seeking to increase their cooperation in two ways: 1) to improve their reporting of wage data: and 2) to transmit to their employees basic useful information about the workers' benefits and responsibilities.

Working Through School Systems. In timing with the upcoming enumeration of school children, seeking to include in appropriate curricula basic educational materials on the Nation's national insurance program.

Upgrading Initial Contacts with Persons Coming into the System. In conjunction with the central issuance of social security cards, building into the issuance process basic information on what the card means, what it is for, and what the new card holder should do in relation to his social security during his lifetime.

Using Teleservice as a "Medium." By using Teleservice not only to handle claims-related questions, but also general questions of program and policy, SSA can respond promptly to the public's quest for information and at the same time can reduce the time-consuming in-office work otherwise required to answer individual queries.

- c. Intensify the "target audience" approach as much as possible, by pursuing such activities as:

Working with Special Interest Groups. Of the more than 2,000 important national volunteer and professional organizations, a large proportion have a clientele which in some way are,

or should be, especially affected by social security provisions. The unions and the Urban League are just two examples. These organizations offer channels of communication much more effective than mass media, and SSA will increasingly seek the cooperation of these agencies to convey essential information.

Tailoring Mass Media Messages. SSA has moved to a position where it says that "more is not necessarily better" in public information output, and greatest emphasis is being given to shaping messages more efficiently to the limits of both media and audience acceptance. This is especially important as the program expands its concern for the "hard-to-reach."

Exploring New Media Techniques. The sphere of mass communications is undergoing rather violent change (as the demise of Life and Look indicate). SSA seeks to assess such change and identify new media, and new ways to use old media, in conveying the right message to the right audience at the right time. In its initial stages, for instance, is a joint project between SSA and the National Association of Broadcasters which could give entirely new direction to the customary national television network public service system.

- d. Continue to improve communications to and from the public through innovations in both management and technology, such as by:

Instituting greater research to discern the most effective media for reaching distinct audience groups. Out of this research will come media selection priorities governed by such audience characteristics as ethnic

background, educational level, income, geographical location, age, sex, occupation, and other demographics.

Expending more emphasis and research to identify those persons and institutions, on a community-by-community basis, whom the public regards as natural sources for information about social security and who should be kept more adequately informed about social security developments.

Adopting content analysis research which will measure information output against the actual intake carried by the media.

Devising systematic "alert" system to bring promptly to SSA attention misinformation about social security carried by media of any description-0this network to permit prompt response and correction.

Exploring the potentials of "talking computers" to respond to telephone inquiries.

Investigating the economies of remote copying devices and other innovative telecommunications devices for the "real time" movement of hard copies of social security materials to the media and other key audiences.

Improving and using techniques for prompt and continual assessment of public attitudes toward SSA service of comprehension of Social security provisions and philosophy.

4. Contribute to the definition of the optimum role for the contributory social insurance program by improvements achieved through legislative change.

As indicated earlier, it seems unlikely that there will be major change in the cash benefit programs of social security for the next few years. To a somewhat lesser extent, the same is true of the Medicare program. At the same time one can expect considerable attention to less-sweeping but nevertheless important social security legislation:

- a. It would be desirable, as soon as the manpower could be spared, to set up a special project to examine the social security statutes line by line with the object of making the program easier to explain, to understand, to administer, and to defend as equitable and rational. The law is now extremely complicated. A review by internal Social Security Administration staff, later joined by technical staff from the Library of Congress and the legislative committees of Congress, could be expected to produce significant results.
- b. Through legislation it might **well** be possible to further reduce the reporting burden on employers by moving to annual reporting, as compared to quarterly reporting, and also coordinating the social security reports with those required by the Internal Revenue Service and unemployment insurance.
- c. For a long time both the Executive Branch and the Congress have been convinced that the best way of providing protection and removing anomalies is to make coverage under social security as nearly universal as possible. The objective of near universal coverage is almost accomplished, but the remaining areas involve difficult problems of relationships with other Government systems such as the railroad retirement system, the civil service retirement

system and certain State and local retirement systems. Also involved are unusual administrative difficulties in the coverage of **short-term** agricultural and household employees.

A recent statutory commission has made recommendations concerning the coordination of social security and railroad retirement, and the House Ways and Means Committee has asked for a report on coordination between social security and the civil service retirement system. A new outside Advisory Council on Social Security must by law be appointed next year, and one of their tasks should be to examine possible modifications of the present coverage provisions for agricultural and household employees.

- d. The new Advisory Council would also be expected to give consideration to such matters as the financing of the supplementary medical insurance program, possible modifications of the **career-**average method of computing social security benefits, the treatment of married working women, and other matters of equity as between one group and another covered by the program.

Issue analysis papers are being prepared on 10 issues which will be a matter of Advisory Council and possible legislative consideration. Work groups have already been established. The topics are:

- a. Decoupling -- The issue has to do with the mechanisms that should be used to keep the social security system up-to-date: specifically the question arises as to whether in the long run the coupling of increases for those on the rolls and those coming on in the future that is inherent in the present

statutory formula is the best, or 'whether a change should be made so that only benefits after people retire would be tied to the cost-of-living index and benefits at the time of retirement would be more closely related to the worker's pre-retirement earnings.

- b. The Relationship of Social Security and the Assistance Programs -- This paper focuses on the weighted-benefit formula in the OASDI program and the effects of alternative program changes on assistance and poverty.
- c. Disability Insurance -- This paper will deal with several issues relating to the possible extension of existing protections such as recommended by the last Advisory Council and including such matters as the definition of disability for older workers.
- d. Equal Rights for Women under Social Security -- The paper will examine what changes would be needed in the program to conform with the equal rights amendment.
- e. Earnings Replacement Rate -- This paper will review the relative consumption or expenditure needs of retired persons as compared with working families, the relation of private pensions and other public programs to the basic social security benefits, the extent of private savings at different income levels, and other related matters with a view to judging the adequacy of the earnings replacement provided by the present formula in the social security program.
- f. Return of Contributions of Low Earners -- This paper will evaluate proposals to return part

of the contributions made by low earners so that in effect their contributions to social security would be subsidized by general revenues.

- g. Medicare Reimbursement Policies and Training for the Health Professions -- This paper will address itself to Medicare policies and the impact of those policies on health profession training institutions such as medical schools and teaching hospitals.
- h. Reevaluation of Reasonable Cost Reimbursement under Medicare -- This paper will review experience to date on all **alternatives** to cost reimbursement to providers of health care that may provide greater incentives for efficiency and economy.
- i. Mechanisms for Preadmission Review in Medicare -- This paper will review alternative specifications for standards, sanctions and methods of monitoring policy compliance in a preadmission review program and will discuss the administration implications of alternative procedures.
- j. Incentive Payments to Carriers and Intermediaries -- Currently the carriers and intermediaries who help in the administration of Medicare are reimbursed on a full cost, nonprofit basis. This paper will consider **what** types of financial rewards and penalties might be used to provide incentives for good performance.