The Challenges of SSA's Growing Workload 2

The Social Security Administration, in many respects, is the nation largest government service agency. More than 45 million people receive almost $350 billion each year in SSA benefit payments.[1] This represents 24 percent of all federal expenditures and over 6 percent of the gross domestic product. SSA is a key component of the Department of Health and Human Services (HHS) and accounts for more than half of the department's staff and 56 percent of its budget. As the U.S. population grows and its average age increases, SSA projects that its workload will continue to grow.

Information technology is one of the primary tools SSA has used to ensure that it continues to provide its legislatively mandated services to its customers. Because of growing workloads and declining staff levels, the agency believes that information technology will play an even greater role in the future. To provide a basis for evaluating SSA's information technology planning, this chapter describes its programs and the challenges it faces.

SOCIAL SECURITY ADMINISTRATION PROGRAMS

The Social Security Administration administers several important programs that currently provide benefits to more than one in seven Americans. The three main programs are the Old Age and Survivors Insurance (OASI) Program, the Disability Insurance (DI) Program, and the Supplemental Security Income (SSI) Program. A beneficiary may receive benefits from more than one program—for example, a disabled worker may be eligible for both

[1]Social Security Administration, "Folder I: Introduction and Overview of SSA," 1993, p. 2.

the Disability Insurance and Supplemental Security Income Programs.

Old Age and Survivors Insurance

The retirement insurance program is the largest SSA program. Old Age and Survivors Insurance is a national program of contributory social insurance under which employees and employers pay contributions into a trust fund. OASI then pays monthly benefits when the worker retires: each year, about 3 million newly retired workers apply for benefits. In 1993, SSA paid approximately $270 billion in benefits to 36.7 million individuals.[2] More than 90 percent of all Americans over the age of 65 receive Social Security benefits.[3]

Computers in the National Computer Center at SSA headquarters in Baltimore, MD, play an important role in administering the OASI program. Using modern storage technologies, SSA maintains earnings records for 125 million workers.[4] Because monthly retirement benefits are determined by the amount of an individual contributions to the trust fund, the agency is required to keep track of each worker's earnings history. Every year, SSA processes about 220 million wage reports from employers detailing workers' contributions.[5] In the past, these reports were received on paper, but now the majority are received in electronic form.

Workers who have reached the age of 62 are eligible to receive retirement benefits. Claims for benefits are filed atone of the agency's 1,300 field offices located throughout the United States, or via the agency's toll-free 800 telephone number. Often, applicants call the 800 number to make an appointment for an interview either at a field office or by telephone. SSA employees call up the applicant's earnings history by using computer terminals connected to the main computers in Baltimore. This information is then used to compute the monthly benefit. Computer support for most aspects of the retirement program allows SSA to process claims in an average of 15.5 days.[6]

Disability Insurance

The Disability Insurance Program pays monthly benefits to disabled workers and their dependents. DI, like OASI, is mandated under Title II of the Social Security Act, and is also funded by a trust fund. As of December 1992, the disabled represented 11 percent of the total combined (OASI and DI) Title H benefit program beneficiaries. The 1993 projected budget outlay for DI was $34.3 billion serving 5.1 million individuals.[7]

The determination of eligibility for disability benefits is considerably more difficult than the determination of eligibility for retirement benefits. The law requires that SSA determine whether an individual has a medical impairment expected to last at least 1 year that prevents the individual from not only doing his or her usual work, but also from doing any form of work that exists in significant numbers in the economy given his or her age, education, and work experience. Complex rules and procedures have evolved in order to implement these criteria. There is often significant disagreement with decisions made on disability claims, given that the determination of how disabling a medical condition may be is inherently a judgment decision.

The disability program is also complicated by the fact that responsibility for it is shared between the federal government and the states. As with retirement insurance, the claims are taken by SSA field offices. Evaluations of the severity of the applicant's disability, however, are made by state

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[2]Ibid.

[3]Ibid, p. 3.

[4]Social Security Administration, '"Folder 5: Primary Service Delivery/Public Contact," 1993, p. 2.

[5]Ibid.

[6]Social Security Administration, op. cit., footnote 1, p. 3.

'I bid., p. 5.

government Disability Determination Services (DDS), The applicant's file is mailed from the SSA field office to the state DDS office, which then gathers medical evidence from the applicant "s physician and other sources, makes a determination, and mails the file back to SSA to determine the monthly benefit. Many believe that the number of handoffs and stages in the process is a source of inefficiency.

Supplemental Security Income

The third major program operated by SSA is the Supplemental Security Income Program (Title XVI of the Social Security Act). It is designed to provide a minimum level of income for the aged, blind, and disabled. The projected SSI outlays for 1993 were $23.4 billion serving 5.5 million individuals.[8] SSI differs from the retirement and disability insurance programs in that it is funded out of general federal revenue, not a trust fund. It is a means-tested program; eligibility does not depend on prior contributions to a trust fund, but on the applicant's income and assets. As a result, it is possible for disabled children to receive SSI benefits; the number of new claims for children's benefits has grown rapidly since 1990.

Administering SSI is more costly and complex than the Title 11 programs because SSA must monitor income, resources, living arrangements, and, in cases where a disability is involved, medical conditions. To receive the full amount, an individual must have no other countable income. Individuals with more than $2,000 in assets cannot qualify for SSI. The component of SSI related to disability is difficult to administer for the same reasons that apply to the DI program, as well as the added challenges that are unique to SSI. Today, 72 percent of SSI recipients are disabled, further adding to the administrative burden.[9]

SERVICE DELIVERY CHALLENGES

The Social Security Administration is facing serious challenges because of a growing workload, declining staff levels, and outdated work processes. Over the past several years, the agency's performance has improved in some areas, but in many others the level of service experienced by the agency's customers has declined. In a recent document outlining issues in service delivery, the agency observed that "SSA does not deliver service as effectively as it once did and is unable to respond to change as quickly as it should. "]" Among the problems that have been identified are an inability to answer telephone calls and provide service during periods of peak demand, a growing disability backlog, difficulty responding to new workloads, and uneven delivery of services to some segments of the population that do not understand English.

Growing Workloads and Declining Staff Levels

In the late 1980s, the Social Security Administration suffered a rapid decline in staff as a result of federal budget constraints. In 1984, SSA had almost 80,000 employees; today, the agency has only 63,000 employees. At the same time, the workload has been increasing. This is especially acute in the area of disability, both DI and SSI, which involves an especially complex and labor-intensive process. From 1990 to 1993, the number of disability claims increased 47 percent, from 1.7 million to 2.5 million.[11] The reasons for this increase are unclear, but may reflect worsening eco-

[8] Ibid., p. 6.

[9] Ibid., p. 8.

[10] Social Security Administration, "improving Service Delivery at the Social Security Administration: A Conceptual Proposal," Dec. 30, 1993, p. Il.

[11] Ibid., p. 6.

nomic conditions in the early 1990s, as well as demographic changes and an aging population. Today, the disability workload is consuming over half the agency's administrative resources, despite the fact that it represents only 10 percent of the beneficiary population.

SSA believes that large investments in information technology in the late 1980s have helped it to compensate for some of the decline in staff. Beginning in 1987, SSA deployed 40,000 computer terminals to its field offices, allowing its employees online access to earnings records. The claims process for the retirement program was automated and the agency also encouraged electronic filing of wage reports and direct deposit of benefits. However, there is clear evidence that the quality of service delivery has declined in significant areas and that the agency has not been able to accommodate the growing workload and staff cuts.

Given the budget climate, SSA seems resigned to little growth in staffing or even further cuts over the remainder of the decade. This is recognized in the Agency Strategic Plan: "Because we expect Federal budget deficits to continue through the mid- 1990s, our available administrative resources are likely to grow at a much slower rate than increases in the volume of our work would warrant."] [4] As a result, SSA is looking to the increased use of computer technology to automate as many tasks as possible. In 1991, the agency began planning the IWS/LAN (intelligent workstation/local area network) project to distribute microcomputers throughout the organization. It also began to develop software for the SSI and disability programs, which had little computer support. More recently, the agency has begun a more comprehensive evaluation of its disability program to determine if there are inefficiencies that can be avoided by redesigning the process.

Disability Backlogs

The growth in disability claims has caused a crisis. The new workload has imposed large administrative costs on SSA and has led to a rapid decrease in the quality of service provided to applicants for disability benefits. The average processing time has increased from 87 days in 1990 to 128 days in 1993; SSA projects that the processing time may reach 185 days in 1994.] [5] By contrast, the Agency Strategic Plan established a target of 60 days.[16] The number of unadjudicated cases has now reached 725,000,[17] and is projected to grow to 1.3 million by September 1994.18 The situation varies from state to state; in California and Ohio, for example, the processing time is 140 days, while in North Carolina it is under 70 days.

One response to the growing workload has been to severely curtail the use of continuing disability reviews (CDRs). By law,[19] SSA is required to periodically review whether recipients of disability benefits continue to be entitled to benefits. However, because of the growth in the number of new claims, the agency has been forced to divert resources from doing CDRs. As of the middle of

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[12] Social Security Administration, op. cit., footnote 1, pp. IO-11.

[13] "[R]elying simply on additional staff is no longer an option." Social Security Administration, op. cit., footnote 10, p. iii.

[14] Social Security Administration, Office of Strategic Planning, "The Social Security Strategic Plan: A Framework for the Future," SSA Pub. No. 01-001, September 1991, p. 7.

[15] Social Security Administration, 0p. cit., footnote 10, p. 6.

[16] Social Security Administration, op. cit., footnote 14, p. 30.

[17] Lawrence H. Thompson, Principal Deputy Commissioner for Social Security, personal communication, Jan. 7, 1994, p. 3.

[18] Department of Health and Human Services, "Fiscal Year 1994, Justification of Estimates for Appropriations Committees," in testimony of Stan Kress, President, National Council of Disability Determination Directors, before the House Subcommittee on Social Security, Committee on Ways and Means, Oct. 28, 1993.

[19] Social Security Disability Amendments, 1980.

1993, SSA had over 1 million beneficiaries scheduled for reviews. In FY 1992, only 58,000 reviews were conducted.[20] There is concern that the inability to carry out CDRs is leading to benefits being paid to ineligible recipients. SSA's Office of the Actuary has estimated that there will be $1.4 billion less in the trust funds because of failure to perform CDRs in the early 1990s.[21]

SSA believes that increasing its computer capabilities is one way to handle the disability backlog. Today, computer support for the disability program is limited. Each state Disability Determination Service uses different hardware and software, and the links between the state and SSA systems are limited. One of the objectives of the IWS/LAN initiative is to install computers throughout SSA and the state DDS offices, providing a common system, and to develop a new software package to handle the disability programs. An important component of the new system is that it will permit the electronic transfer of records between the SSA field office and the state DDS, eliminating the time that the file spends in the mail.

While increased computer capability will have some impact, it will not cut the backlog dramatically. A private contractor hired by SSA to determine the effects of automation on the disability process found little correlation between the degree of automation in a state DDS and performance measures.[22] As the process is currently structured, only one day of the several months needed to handle an initial disability insurance application is spent in an actual processing activity that could be affected by automation (see table 2-1). For this reason, SSA has established a "reengineering" task force to look at more substantial changes in the disability claims process.

Slow In-Person and Telephone Service

Each year, 56 million individuals reach SSA through the toll-free telephone service, and 24 million use the field offices. The toll-free number is often used for more routine business such as answering general inquiries or handling "postentitlement events" such as changes of address. The field offices are used for more complex tasks or tasks that require documents to be verified. However, the Agency Strategic Plan states that clients should have a choice as to how they interact with the agency;[23] some clients prefer to use the field offices.

Wait-times in the field offices have been getting longer, especially in the busy urban offices that were hit disproportionately by staff reductions in the 1980s. The toll-free number, originally intended to take some of the load off the field offices, has been overwhelmed as well.[24] During peak days, the busy signal rate can be as high as 75 percent.[25] SSA prefers to look at the **access rate--** the percentage of callers who try to reach the agency and are able to get through on the same day. On peak days, the access rate is about 67 percent.[26] Even among callers who get through, the "hold" times can be significant. In FY 1991, SSA

[20] Jane L. Ross Associate Director, Income Security Issues, General Accounting office, testimony before the House Select Committee on Aging, Mar. 9, 1993.

[21] Ibid.

[22] Williams, Adley & Co., "Final Report to the Social Security Administration: Review and Analysis of Office Automatism Questionnaire for the State Disability Determination Services," Washington, DC, June 30, 1993.

[23] Social Security Administration, op. cit., footnote 14, pp. 38-39.

[24] "Too many callers receive busy signals, especially at peak hours, and some people receive incomplete and inaccurate advice. The agency cannot expect applicants and beneficiaries to use a system that limits access and dispenses inaccurate or inadequate advice." Testimony of Robert Shreve, American Association of Retired Persons, before the House Subcommittee on Social Security, Committee on Ways and Means, Oct. 28, 1993.

[25] Social Security Administration, op. cit., footnote 1, p. 19.

[26] Ibid., p. 20

TABLE 2-1: The Number of Sites, Days, Employee Hours, and Employees Required to Carry Out Typical SSA Case Work

Type of case	Sites[a]	Time (days)[b]	Employee hours involved	Number of employees involved
Denial of initial DI claim	4	120	9.6	16
Award of Initial DI claim	6	155	12,8	26
Award of initial SSI claim	5	150	14,7	19
Denial of initial DI claim and denial of claim after Reconsideration	8	223	16,0	24
Denial of initial DI claim and award of benefits after Reconsideration	10	258	19.2	36
Denial of initial SSI claim and award of benefits after Reconsideration	9	264	210	29
Denial of initial DI claim, denial after Reconsideration, and denial after Hearing	10	506	281	34
Denial of initial DI claim, denial after Reconsideration, and award after Hearing	10	553	330	45
Denial of initial SSI claim, denial after Reconsideration, and award after Hearing	10	528	306	33
Denial of Initial claim, denial after Reconsideration, denial after Hearing, and denial after Appeals Council	14	739	358	43

[a] This number represents the number of times a customer's case passes thrcugh a site Multiple passes count as another processing "site "

[b] Cumulative time, from the customer's point of view, that it took from initial claim inquiry to final settlement

SOURCE Social Security Administration, "Improving Service Delivery at the Social Security Administration A Conceptual Proposal, " Dec 30, 1993, p 9

spent over $11 million in long-distance charges for callers on "hold."*'

SSA attempts to handle the call volume in a number of ways. A control center in Baltimore tries to balance the load among the various teleservice centers by rerouting calls as needed. In addition, the agency has "spike units''—additional staff that can be diverted from other duties to handle calls on busy days. In total, about 650 employees are available to complement the core group of teleservice representatives. 28 Despite these attempts, congressional testimony, General Accounting Office reports, and HHS Office of the Inspector General reports have consistently found that SSA is well short of its goal of toll-free service that is as good as the best in the private sector.[29]

One objective for the new computers that SSA plans to acquire is to make teleservice representatives more efficient. The goal is for staff to handle calls more quickly and to ensure that a caller task can be handled with one call, limiting the number of cases in which a customer has to make multiple calls to resolve a problem. One of the tools for accomplishing this is an "expert system" that pro-

[27] Ibid.

[28] Social Security Administration, "Social Security 800: It Never Stops Working," 1993.

[29] SSA's service delivery "vision" includes the objective that "Telephone service is as good as the best in the private sector and provides a full range of services." Social Security Administration, op. cit., footnote IO, p. i.

TABLE 2–2: Growth in SSA Beneficiaries

Year	1990	2005	2015	2020
Beneficiaries (millions)	439	545	66,7	756
% increase as compared with 1990	n/a	24%	52%	72%

SOURCE Social Security Administration, "Folder 1 Introduction and Overview of SSA " 1993 p 12

vides a series of automated scripts for responding to caller inquiries. This system is intended to ensure that all important points are covered and that the agency gives consistent responses to inquiries.

As with disability processing, however, other approaches beyond the use of new computers may also prove effective. The most difficult problem in managing the toll-free service is that call volume is unevenly distributed throughout the month. Nearly 45 percent of all calls occur during the first week of the month .30 This is because all Social Security checks are issued at the beginning of the month, and customers call with questions about lost or stolen checks and other inquiries about their benefits. Several outside reviewers have suggested distributing mailing dates throughout the month, at least for new recipients.[31]

TABLE 2–3: Average Age of Disabled Worker Beneficiaries

Year	Average age of men	Average age of women
1960	573	56.7
1965	54.4	552
1970	539	550
1975	53.5	54,4
1980	529	537
1985	51.9	52,6
1990	504	508
1992	49.9	50.2

SOURCE Social Security Administration, 1993

An Aging Population and Other Demographic Changes

One major challenge facing SSA is an expected increase in the number of beneficiaries as the "baby boomers" born between 1947 and 1964 begin to retire in 2010. Table 2-2 provides SSA's estimate of total growth in the beneficiary population as a result of the aging baby boomers. A more immediate problem is that, as baby boomers reach their fifties, the percentage expected to qualify for disability payments will increase dramatically, placing further strains on an already problematic disability system (see table 2-3).[32]

In addition to growing workloads due to the baby boomers, the agency must address changes in workload resulting from judicial and legislative actions. Currently, SSA estimates that it faces about 100 class action lawsuits[33] that could necessitate the readjudication of thousands of claims. For example, a 1990 U.S. Supreme Court decision

[30]Social Security Administration, op. cit., footnote 1, p. 19.

[31]Willis H Ware Chairman, Committee on Review Of SSA's Systems Modernization Plan and Agency Strategic Plan, letter to Gwendolyn S. King, Commissioner, Social Security Administration, June 30, 1992, p. 10.

[32]Social Security Administration, op. cit., footnote 14, p. 6.

[33]Thompson, op. cit., footnote 17, p. 4.

is expected to result in 175,000 new SSI beneficiaries.[34] The Court ruled in *Sullivan* v. *Zebley that* SSA would have to change its rules for evaluating children's claims for SSI disability benefits; no longer could the agency use different procedures for evaluating child and adult disability claims. Legislative action can affect SSA's workload as well. SSA will have to begin providing annual Personal Benefit Statements (PEBES) to persons over 60 in 1995, and to all workers 25 and older in the year 2000. The resulting workload, both in issuing PEBES documents and responding to inquiries, will further strain SSA.

SSA will also have to adapt to changes in its client population. In particular, there are growing numbers of non-English-speakers and a shifting population with regard to geographic distribution. SSA must serve an increasing percentage of persons who are non-English-speaking (primarily Spanish, Vietnamese, and Chinese). The most recent national census indicates that one in seven people in the United States speaks a language other than English at home—a 38 percent increase over the past decade. To some extent, SSA tries to handle these tasks—the 800 number is answered in several languages. SSA must also be flexible enough to handle a shifting population distribution. For example, the overall U.S. population is expected to grow by 7 percent between 1993 and the year 2000, but the population in the South is expected to grow by 15.8 percent and in the West by 19.8 percent.

THE NEED FOR CHANGE

SSA's processes and procedures have evolved over a period of decades. Most SSA processes were initially designed to be carried out in a "highly specialized, sequential and manual environment."[35] Over the past 20 years, SSA has acknowledged the need to reformulate its processes and procedures, as well as to make better use of advancing information technology. The 1975 SSA Master Plan, for example, recognized that technology would be important, but that fundamental redesign of the SSA work process was key. Two statements, one from the Master Plan prologue and one from the document's summary, indicate this best:

> The SSA is faced with the need to redefine its processes if it is to cope with the ever-increasing workloads.
>
> Moreover, a projection of future workloads and related administrative costs clearly demon-- strates that the current process, already under stress, will be unable to support the magnitude of growth expected. A comprehensive examination of current processes and the development of a totally new plan for the future of SSA processes are necessary if the agency is to continue to perform its program responsibilities.[36]

These quotations could appear in an SSA document today; overall redesign of SSA work processes is still required. SSA has developed a conceptual vision of service delivery (see box 2-1). The challenge now is to translate this vision into reality using both technology and process redesign or reengineering, linked together by strategic and service delivery plans.

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[34] Ibid.

[35] Social Security Administration, Op. cit., footnote 10, p. 9.

[36] Reference Point Foundation, "Innovations for Federal Service: A Study of Innovation Technologies for Federal Government Services to Older Americans and Consumers," contractor report prepared for the Office of Technology Assessment, February 1993, p. 49.

BOX 2-1: The Social Security Administration's Vision of Service Delivery

The Social Security Administration has begun moving to address weaknesses in its service delivery In 1993, the agency outlined several goals that it would like to achieve in the future

Each person has a choice of how to interact with SSA—in person, by telephone, by mail, by fax, or by personal computer

Addresses and telephone numbers for local offices, toll-free numbers, fax numbers, and personal computer mailbox addresses are well publicized.

Telephone service is as good as the best in the private sector with

- the telephone being answered on the first try by the public,
- live service available to meet public demand,
- service available in most languages,
- all business, including claims and postentitlement, conducted by phone,
- all business conducted with one call with no need for additional call back, and
- information and referral to other services for the aged and disabled, Including health care, can be accessed

Through its network of local SSA offices

- waits for In-person service are minimal,
- virtually all Important decisions can be made by someone whom the public can see and deal with directly, including disability determinations,
- service IS available in most languages,
- all business IS conducted with one contact with no need for additional contact, and
- Information and referral to other services for the aged and disabled, including health care, can be accessed

Through the network of SSA contact stations located in places where the public congregates (including shopping centers, community centers, etc.)

- all business IS conducted, including claims and postentitlement actions, for those located in rural areas and areas Isolated from local offices, and
- high volume business IS conducted (e g,, SSNs [Social Security Numbers] in INS [immigration and Naturalization Service] offices, SSI [Supplemental Security Income] claims in welfare offices) for those located in third party offices

For those persons unable to interact with SSA by phone or visit a local office, In-person service will be provided at the person's place of residence

All SSA services, whether by phone or in person, are accessible to persons with disabilities

Facilities for electronic contact with SSA are located in communities to provide access to information about Social Security and SSI benefits and for simple claims and postentitlement actions

Help in filing for Social Security and SSI benefits is provided by third parties and outreach programs are conducted by Social Security to find people who may be eligible for benefits

SSA Information and actions are accurate and timely, SSA employees are courteous, and SSA does everything possible to minimize any inconvenience associated with mistakes or with delays

SOURCE Social Security Administration, "Improving Service Delivery at the Social Security Administration A Conceptual Proposal," Dec 30 1993 pp 2-3