

Appendix 6

SSA's Evaluation Plan

Following is a schedule of program evaluations, analyses and studies that will be undertaken or completed during FY 2002 and which directly relate to performance goals and indicators in the APP.

GOAL	PROGRAM EVALUATION	SCOPE and METHODOLOGY	ESTIMATED COMPLETION
Responsive Programs	Evaluation of Changing Benefit Structures	Evaluates distributional impact of changing OASDI benefits	Ongoing
	Welfare Reform and Children with Disabilities	Evaluates the effect of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 on SSA's childhood disability workloads and program costs (cost, program analysis)	Initial report: 2001 Final report: 2003
	State Partnership Evaluation	Evaluates the effects of demonstration project to assist States in developing integrated employment service delivery systems for SSI/SSDI beneficiaries	Preliminary results: 2002 Final results: 2004
World-class Service	Interaction Tracking Survey	Assesses customer satisfaction with service by mode of interaction – telephone, office visit, and the Internet (statistical)	Twice in 2002
	Annual Employer Survey	Assesses employer satisfaction with SSA service (statistical)	2002
Program Integrity	Annual CDR Report to Congress	Report on SSA's progress in meeting CDR requirements under law and assesses effectiveness of CDRs	2002

GOAL	PROGRAM EVALUATION	SCOPE and METHODOLOGY	ESTIMATED COMPLETION
Valued Employees	Water and Air Quality Surveys	Assesses environmental quality of facilities and identifies required corrective actions	Ongoing
	New Hire Selection Process/Competencies	Assesses competencies as a focused method of recruiting and assessing job candidates	2002-2003
	Organizational Culture Study	Re-conduct organizational culture survey	2002
	Retirement Wave Study	Reviews actual attrition data and updates/revises attrition methodology in order to better predict future attrition	2002
	Survey of Training Effectiveness	Conducts regional onsite evaluations of training effectiveness by applying OPM's Employee Survey Questionnaire	Ongoing
Public Understanding	Annual Public Understanding Measurement System (PUMS)	National public survey of adults age 18 and over to assess their knowledge about Social Security programs (statistical)	2002
	Move the Needle Study	Regional public survey of adults age 18 and over to assess their knowledge about Social Security programs (statistical)	Quarterly

Management Challenges

To meet the performance goals established for FY 2002, SSA must strive to resolve the management challenges identified both externally and internally. The management challenges listed below are those most-recently identified by the General Accounting Office and SSA's Inspector General (IG) as the most serious management challenges facing our Agency. In all cases, SSA has formulated specific action plans to address these challenges and plans to make significant progress toward meeting them. In addition, we have adopted specific and measurable performance targets that demonstrate our commitment to resolving these problems. For some problems, numeric outcome or output goals, are used. For others, measurable milestones of initiatives (tracked at the executive level to ensure success) are used.

Several challenges identified by SSA's IG cover the same general area of concern highlighted in prior year(s), however, they have different sub-issues for SSA action. In its most recent list, SSA's IG has acknowledged that SSA has made notable progress in addressing the sub-issues previously identified.

1. Strengthening SSI Program Management

In October 1998, SSA issued a comprehensive plan for improving management of the SSI program, "Management of the Supplemental Security Income Program: Today and in the Future". The plan addresses four

areas of the SSI program that can be better managed: improving overall payment accuracy, increasing continuing disability reviews (CDRs), expanding our efforts to combat program fraud, and improving debt collections. In each area, we set aggressive but achievable goals that will improve management of the program.

We have always been committed to administering the SSI program as efficiently and accurately as possible. However, we believe we can improve our administration of SSI in ways that will further increase accuracy and reduce erroneous payments. Our current strategies include the following:

- **Electronic Access to Information**
– We continue to expand electronic information exchanges significantly over the years. In FY 2002, we will continue to increase the number and frequency of computer matches with States, other Federal agencies and private organizations to detect unreported income, resources, and other payment affecting changes. We are also working to increase online, real-time access to data held by other organizations, with appropriate security and controls. Beginning with FY 2001, our APP has a discrete performance objective and specific performance measures which will track our progress in expanding our progress in this arena.
- **Processing CDRs** – SSA is committed to ensuring that only those individuals who meet program

eligibility requirements come on to the rolls and that only those who continue to be disabled remain on the rolls. We expect to complete 1.7 million CDRs in FY 2001 and 1.3 million CDRs in FY 2002 as called for by our 7-year plan. We anticipate becoming current in processing CDRs for the SSI program by the end of FY 2002. Over the course of our 7-year plan, on average, we expect to realize lifetime program savings exceeding \$10 for every \$1 in administrative cost. We are also continuing to refine our profiling techniques to better target cases with the greatest payoff.

- **Processing additional non-disability redeterminations** – Redeterminations are periodic reviews of SSI beneficiaries’ non-medical eligibility, i.e., income and resource factors affecting eligibility and payment amounts. These reviews are the most effective tool available to SSA for improving the accuracy of SSI payments. In FY 2002 we will significantly to increase our redetermination efforts.
- **Making maximum use of all debt collection tools available by law** – Recent legislation gave us additional tools to further our efforts. These include administrative offset against other Federal payments, Federal salary offset, referral of delinquent debtors to credit bureaus, use of private collection agencies, interest charging, wage garnishment, cross-program recovery, and Treasury’s cross-servicing program. In FY 2001, SSA will complete implementation of cross-program recovery, administrative offset

against other Federal payments and referral of delinquent debtors to credit bureaus. Planning is underway to complete implementation of the remaining tools.

- **Imposing sanctions** - SSA now may impose sanctions on individuals who knowingly furnish inaccurate information material to SSI eligibility or payment amount, providing a deterrent to those who purposely mislead SSA in order to claim benefits.

The FY 2002 APP contains measures for each of the 8 strategic objectives addressed in the SSI management plan, and describes the specific means and strategies that are being employed. We also include a separate section in the plan that displays all the performance goals related to SSI program management (pp. 140-142).

2. Social Security Reform, (i.e., Solvency)

As the debate moves forward on how best to strengthen and modernize Social Security for the future, SSA is committed to providing the policymakers and the public with the information needed to assess all the proposals under consideration. SSA plays a critical, active role in the policy debate by providing information about program characteristics overall and the implications of proposed strategies. For example:

- On an ongoing basis, we participate in activities across the country to inform the public about the Social Security program of today so they

can help shape the Social Security program of tomorrow.

- We brief Members of Congress about the long-term challenges for social security and provide technical assistance to congressional staff who are developing legislative proposals to enhance the programs.
- We analyze Social Security reform proposals.

The FY 2002 APP acknowledges our key participation in the development of proposals to reform and modernize OASDI programs. It commits SSA, in FY 2002, to prepare and update analyses on the distributional and fiscal effects of reform proposals developed by the Administration, Congress, and other policymakers (pp. 31-34).

3. Systems Security and Controls

The IG indicated that SSA has made notable progress in strengthening and improving the control and protection of information. SSA remains committed to addressing security and integrity issues with a goal to further improve our overall information protection control structure.

SSA will continue treating systems security as an extremely high priority. We are enhancing a plan for information systems security, that has the following key components:

- Deploying new security technology.
- Integrating security into the business process.
- Performing self-assessments of our security infrastructure.
- Introducing new performance measures for information systems security that will be reported to monitoring authorities.

We conduct periodic reviews of SSA offices and of other agencies that use SSA data to ensure that our security policies are properly implemented. Independent audits are also conducted on various security functions. The findings from these audits are used to further improve our security program.

Many security awareness and training efforts are underway to sensitize all employees to security within their own functional areas. Initiatives include:

- Development of security self-assessment and training modules for employee use via the Intranet.
- Publication of the Systems Security Handbook on SSA's Intranet Security Home page and sending routine security alerts to employees.
- Use of employee communication vehicles such as videos and posters.
- Provision of security materials to all new hires.

While SSA has a strong program to combat fraud, waste and abuse, there is potential for deliberate acts of deception in any benefits program. The FY 2002 APP contains a specific performance objective to aggressively deter, identify and resolve fraud, with numeric performance goals for FY 2002. Among the supporting means and strategies discussed is a comprehensive anti-fraud plan, jointly developed and overseen by SSA and the OIG. The anti-fraud plan includes activities to prevent and detect fraud, such as revising the integrity review process to better identify fraud prone situations and better focus security audits, continuing efforts to enhance the Agency's ability to protect critical infrastructures, and increasing systems

controls for certain automated transactions sensitive to fraud. (pp. 116-119, Appendix 5, p. 3).

In addition, to prevent any compromise or damage to our systems, we have undertaken an initiative to ensure that our assets are protected from both physical and cyber threats as required by Presidential Decision Directive (PDD) 63. It calls for a national effort to assure the security of increasingly vulnerable and interconnected infrastructures of the United States, especially the cyber-based infrastructure. We are currently assessing which of our assets are most critical, conducting vulnerabilities assessments on these assets and taking action to ensure our system of safeguards is top notch.

SSA is also addressing PDD-67, which requires all Executive Branch Departments and Agencies to have a viable continuity of operations plan in place to ensure continuation of essential functions during an emergency. Using its year 2000 contingency plan as a basis, SSA has developed a Continuity of Operations plan. Included in that plan is an ambitious disaster recovery-testing plan for the National Computer Center (NCC) which we have already implemented.

4. Program Complexity

SSA's comprehensive plan for improving management of the SSI program, "Management of the Supplemental Security Income Program: Today and in the Future" addresses four areas in which the SSI program can be better managed: improving overall payment accuracy, increasing continuing disability reviews (CDRs), expanding our efforts to combat program fraud, and

improving debt collections. In each area, we set aggressive but achievable goals to improve our management of the program, assuming receipt of adequate resources. We specifically discuss our actions to improve management of the program under item 1 above.

SSA has grappled with the complexity of the SSI program since it was first implemented and has made numerous efforts to simplify it. Legislative, regulatory and judicial actions designed to improve the program's ability to provide benefits in an equitable and cost-effective manner have increased program complexity. Congress, the General Accounting Office, the Social Security Advisory Board and others, as well as the Agency, acknowledge program complexity as an important challenge to administering the program effectively. However, the complexity of some policies is often the result of addressing the benefit equity and program integrity objectives of the program.

SSA's goal is to identify options that will make the program easier to comprehend and administer without compromising program objectives. SSA conducts research, evaluation and policy development to help policymakers make informed choices in this area. We are currently reviewing several policies including living arrangements, receipt of in-kind support and maintenance, and resource and wage accounting. We will issue a report in FY 2001. SSA will continue analyses of program simplification options and will develop specific proposals for policy change as appropriate. Additionally, as we assess any proposal for policy change, we will

consider the impact on program complexity.

Our FY 2002 APP contains goals to maintain or improve payment accuracy in the SSI and OASDI programs. SSA is also working to strengthen SSA employees' understanding of SSI program rules (pp. 106-108, Appendix 5, p. 25).

5. Fraud Risk

SSA's IG acknowledges that SSA and the IG continue to shore up efforts to reduce fraud. They cite existing and new SSA and IG initiatives which are successfully preventing and detecting fraud, saving millions of program dollars.

In FY 2002, SSA continues its aggressive actions to prevent, detect, and investigate fraud and abuse. Our FY 2002 performance indicators, that will gauge SSA's progress toward achieving a zero tolerance for fraud, are:

- Number of investigations conducted.
- OASDI dollar amounts reported from investigative activities.
- SSI dollar amounts reported from investigative activities.
- Number of criminal convictions.

The FY 2002 APP presents these measures and discusses SSA's fraud prevention and detection activities (pp.116-119, Appendix 5, p. 3).

6. GPRA

The OIG noted (in its numerous audits of SSA's performance plans and performance measures) that SSA is fully

committed to the proper implementation of GPRA and to the improvement of our APPs. We agree that the establishment of measurable goals and clear performance measures for management challenges is important. We also share the OIG's interest in identifying the resources needed to achieve planned performance.

Where appropriate, SSA has established numeric outcome or output goals to address major management problems. In other instances we have developed measurable milestones for initiatives that are tracked at the executive level. The General Accounting Office (GAO), in its criteria for scoring the FY 2000 APPs, agreed with this approach. For all the major management challenges identified in 1999 by the GAO or OIG, our FY 2001 APP reflected SSA's approach to resolving them, including tracking measurable performance goals, outcomes, outputs, and or/milestones as appropriate. This FY 2002 APP contains like information for the challenges identified through 2000, and all subsequent APPs will contain like information for the current year's major management challenges.

Beginning with our FY 2001 APP, we added more information showing how resources are allocated to major activities, projects, and key initiatives. That information, combined with SSA's Justification of Budget Estimates, meets the spirit of the OIG recommendation. Beginning with this FY 2002 APP, we have added more information on budgeted output measures, including the definition and data source of each budgeted output measure and historical performance. For this FY 2002 APP, FY 2000 measures reflect actual workloads processed and FY 2001

measures reflect outputs in the FY 2001 President's budget. This information is found on pages 45-49 and 99-102 of the FY 2002 APP.

In addition, as OIG audits of performance identify weaknesses, we will continue to address the data reliability issues and reflect these in our APP.

7. Disability Redesign

The OIG acknowledges the progress SSA has made in improving the disability adjudication progress.

SSA agrees with the OIG that making improvements to the disability adjudication process and to the hearings process are major management challenges. The FY 2001 and FY 2002 APPs reflect our strategy to improve the disability adjudication process so that it reduces fragmentation and duplication, produces greater consistency and coordination at all adjudicative levels, and takes better advantage of new technology. By taking these steps, SSA is striving to ensure that the correct disability decision is made and benefits awarded as early in the process as possible. Specific initiatives such as modifications to the disability claims process, process unification, and hearings process improvements are described, and a schedule for specific milestones through the next two years is provided.

Beginning in FY 2002, we commit to specific levels of disability and hearings accuracy and processing times, in the context of a "balanced" set of measures including an efficiency indicator. In FY 2001 and continuing, we added a productivity measure for the hearings

process and two new DDS accuracy measures (pp.75-87, Appendix 5, pp. 13).

In March 2000, SSA released its Appeals Council Improvement Plan, which uses differential case management, expedited decisionmaking, appeals processing by managers, assistance from the Office of the General Counsel to process appeals, and adjustment of the quality assurance sample review and order to process additional cases.

Beginning with our FY 2002 APP, we commit to specific performance levels for processing time and productivity in the Appeals Council (pps. 80-87, Appendix 5, p.2).

8. Earnings Suspense File

The OIG acknowledges the many improvements SSA has made to the earnings process over the years that have contributed to improvements in accurate and timely posting of wages to individuals' records. However, they are concerned with the volume of wages posted to the Earnings Suspense File because SSA is unable to match the report to a valid name/social security number. The FY 2002 APP describes SSA's ongoing initiative to reduce the size of this suspense file, which is key to our efforts to maintain and improve earnings accuracy and, as a result, OASDI payment accuracy. The APP also commits the Agency to achieving specific, numeric goals for earnings accuracy and OASDI payment accuracy in FY 2002 (pp. 106-108, 111-114, Appendix 5, p. 20).

SSA has identified and is aggressively working with the specific States, industries, and employers that continue to submit annual wage reports with erroneous data. Our actions include aggressive outreach and training, and collaboration with IRS to modify the name presentation on the Forms W2 and W4 (Employee Withholding Allowance Certificate) to better ensure that the proper last name is reported.

SSA wrote IRS Commissioner Rossotti on November 9, 1998 requesting assistance. We are promoting implementation of a penalty program for the most egregious reporters, and inclusion of problematic filers in IRS' examination and penalty programs.

Notwithstanding the above, we expect suspense file accretions will continue, particularly in certain geographic areas and industries. This may be attributed to a booming economy and tighter labor market, causing an increase in transient workers employed in certain industries.

9. Service to the Public

After decades of public service ranked among the very best, SSA is acknowledging the strain of years of demanding stellar performance from managers and employees. We now deliver service to customers whose expectations of service from us are racing higher. We look ahead to a future that promises an explosion in technology and huge growth in workloads as the Baby Boom generation approaches retirement. We also face the prospect of significant losses in our expert workforce as many dedicated colleagues also retire.

Expected increases in workloads and problems associated with a rapidly maturing workforce compel SSA to look beyond our current 5-year planning horizon. As a consequence, we developed a long-term vision that addresses service delivery issues through the year 2010.

Our long-term vision describes how service will be provided to our customers, how SSA and the DDSs will perform our work, and how we will support our employees. It is based on six principles of service and eight service enablers that position SSA to meet the resource and workload challenges ahead, and thus deliver on the promise of service built on those principles.

With SSA's new strategic plan, *Mastering the Challenge*, we have revised our performance objectives and strategies to focus (and mark our interim progress) on the areas that are key to realizing our long-term service vision. We believe these supporting objectives and strategies are the right mix for accomplishing concrete results for today's customers and for positioning the Agency to meet the needs of tomorrow's customers.

Our long-term service vision and the related performance objectives and strategies in the strategic plan will be used to drive our near-term action plans toward long-term goals. We are just beginning to develop those action plans. Throughout this FY 2002 APP are FY 2002 goals related to those supporting objectives; others are still to be determined (TBD) based on our actions plans being developed.

10. Enumeration

Consistent with SSA's zero tolerance for fraud and abuse, SSA is vigorously moving ahead with initiatives that will prevent Social Security number (SSN) fraud. Our primary focus is on preventing SSN fraud, not merely detecting fraud after it occurs.

However, the OIG believes that SSA's control over the verification of evidentiary documents submitted with SSN applications needs improvement, and that the cooperation of other agencies, such as INS, is needed to improve the enumeration process.

Over the years, SSA has tightened its policies and instituted different procedures and systems checks to prevent fraudulent documents from being used to obtain Social Security numbers. Currently in place to prevent the use of fraudulent documents to obtain numbers are:

- The Enumeration-at-Birth process, whereby approximately 4 million newborns annually are assigned numbers as part of the birth recordation process at the request of the parents.
- The issuance of reminder memoranda and periodic training of field employees who process applications on how to examine and identify fraudulent documents presented as evidence for a SSN.
- An automated system that tracks SSN applications submitted with suspect or fraudulent documents. This capability prevents an individual with fraudulent documents from "shopping around" for an SSA office that might erroneously accept them.

Essential to SSA's ultimate goal of preventing fraud is ending the Agency's dependence on documents that might be forged or misused by the dishonest in an attempt to acquire a number. To that end, SSA has undertaken these major fraud prevention initiatives.

- Detecting Fraudulent Birth Certificates: As a result of recommendations made by the OIG, SSA is examining more closely the costs of verifying, through issuing State Bureaus of Vital Statistics, birth certificates presented in SSA field offices as evidence for SSNs.
- Detecting Fraudulent Immigration Documents: The Agency's long-term goal is to have INS electronically forward to SSA the noncitizen's information we need to assign an SSN as part of the immigration process. SSA and INS signed a Memorandum of Understanding in December 2000, and the two agencies are actively working on developing the necessary software.
- Fraud Prevention Software: SSA is developing new fraud prevention software to interrupt the issuance of SSN cards in certain fraud-prone scenarios, i.e., multiple card issuance to the same mailing address and certain cases where the same individual is shown as a parent to an improbably large number of children.

Effective with the FY 2002 APP, SSA has a new strategic objective under the World-Class Service goal: "Maintain through 2005 the accuracy, timeliness and efficiency of service to customers applying for Social Security numbers and replacement cards". This new

objective says that one of SSA's most important functions is accurately assigning SSN's.

11. Identity Theft

The OIG credits SSA with recognizing the need to reduce its vulnerability to identity fraud. They recognize the beneficial initiatives we have implemented, however, they state that these initiatives concentrate on fraud detection rather than prevention.

SSA acknowledges its critical role in government-wide efforts to combat identity theft and help victims reclaim their financial and personal lives. SSA works closely with the Federal Trade Commission on this issue; they have prepared a comprehensive guide designed to assist victims. The guide is available to the public through SSA's Internet site and in our 1,300 field offices. In addition:

- We have updated SSA publications that deal with SSN misuse to provide more information on identity theft.
- We continue to partner in government-wide efforts to help victims reclaim their identities by providing information to employees and the public.
- We have provided updated instructions and more training to our employees so that they can refer victims to appropriate help sources and explain to inquirers how they can attempt to resolve credit-related problems.

See also our response to Item 10 above.