

AGENCY PERFORMANCE

SUMMARY OF FY 2007 PERFORMANCE

The following data summarize the Social Security Administration’s (SSA) achievements toward reaching its targets for the performance measures specified in its *Annual Performance Plan for FY 2008 and Revised Final Plan for FY 2007*. Where end-of-year data are not available, year-to-date performance is shown along with an indication of when the final data will be available. For these measures, the end-of-year data will be provided in the *FY 2008 Performance and Accountability Report (PAR)*. Similarly, for those measures where year-to-date data were provided in the last PAR, final data are displayed in the “trend” section of the particular measure. For milestones and new performance measures, there is a discussion section in place of a chart or trend section.

The performance data presented in this section comply with the guidance provided by the Office of Management and Budget (OMB) Circulars A-11 and A-136. The *Data Quality* discussion in the *Overview of Key Performance Indicators, Goals and Results* section (page 16) describes SSA’s continuing efforts to enhance the quality and timeliness of its performance information in order to increase its value to SSA’s management and other interested parties. Agency managers routinely use this performance data to improve the quality of program management and to demonstrate accountability in achieving program results.

STATUS OF FY 2007 PERFORMANCE MEASURES BY GOAL AND OBJECTIVE

The *Performance Section* details the specific expectations for SSA’s achievements and documents the Agency’s performance and accomplishments from FY 2003 through FY 2007. It also provides detailed discussions of FY 2007 actions, which enabled SSA to attain its goals, as well as the rationale, where appropriate, for why SSA did not meet its established targets.

The following tables provide an overview of SSA’s performance measures. The measures are organized by the goals and objectives they support as specified in SSA’s *Strategic Plan for FY 2006 - FY 2011* and published in the *Annual Performance Plan for FY 2008 and Revised Final Plan for FY 2007*.

Key

Target Achieved ↑

Target Not Achieve ↓

KPI – Denotes each of the Agency’s 16 Key Performance Indicators (KPI)

PART – Denotes each of the Agency’s 15¹ Program Assessment Rating Tool (PART) performance measures which are also *Government Performance Results Act (GPRA)* performance measures.

¹ Performance measures 2.1c -*Percent of SSI payments free of overpayments (O/P) and underpayments (U/P)* and 2.1e – *Percent of Old-Age, Survivors and Disability payments free of O/P and U/P* each represent two PART measures – one for overpayments and one for underpayments.

Agency Performance Summary

Strategic Goal 1: <i>To deliver high quality, citizen-centered service</i>					
Strategic Objective 1.1: <i>Make the right decision in the disability process as early as possible</i>					
Performance Indicator		FY 2007 Goal	FY 2007 Actual	Goal Achieved?	See Page #
1.1a KPI	Percent of initial disability claims receipts processed up to the budgeted level	100% ¹	100% ²	↑	54
1.1b KPI	Maintain the number of initial disability claims pending in the Disability Determination Services (DDS) (at/below the FY 2007 goal)	577,000	555,317	↑	55
1.1c KPI	Number of SSA hearings processed	555,000 ³	547,951	↓	55
1.1d KPI	Maintain the number of SSA hearings pending (at/below FY 2007 goal)	738,000	746,744	↓	56
1.1e KPI PART	Average processing time for initial disability claims	88 days	83 days	↑	57
1.1f KPI PART	Average processing time for SSA hearings	524 days	512 days	↑	58
1.1g	Average processing time for hearings appeals	242 days	227 days	↑	59
1.1h PART	Disability Determination Services (DDS) net accuracy rate (allowances and denials combined)	97%	97% (thru June 2007)	↑	59
1.1i	Agency decisional accuracy rate (ADA)	97%	97% (thru June 2007)	↑	61

¹ The budgeted level for FY 2007 was 2,530,000.

² The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

³ Final FY 2007 appropriations decisions for the Agency restored sufficient resources to the Agency's FY 2007 budget to allow processing of 14,000 additional SSA hearings. The appropriations change requires an adjustment to the projected workloads for FY 2007 compared to those shown in the FY 2007 column of the FY 2008 President's Budget and the Congressional Justification for the Agency's budget. This number has been modified to reflect this action.

Strategic Objective 1.2: Increase employment for people with disabilities by expanding opportunities					
Performance Indicator		FY 2007 Goal	FY 2007 Actual	Goal Achieved?	See Page #
1.2a PART	Number of DI and SSI beneficiaries, with tickets assigned, who work	44,611 (80% above CY 2004 baseline)	Data available July 2008	TBD	62
1.2b	Number of SSI disabled beneficiaries earning at least \$100 per month	261,560 (10% over baseline)	259,701	↓	63

Strategic Objective 1.3: Improve service through technology, focusing on accuracy, security, and efficiency					
Performance Indicator		FY 2007 Goal	FY 2007 Actual	Goal Achieved?	See Page #
1.3a PART	Percent of Retirement and Survivors Insurance (RSI) claims receipts processed up to the budgeted level	100% ¹	101% ²	↑	64
1.3b	Optimize the speed in answering 800-number calls	330 seconds	250 seconds	↑	64
1.3c	Optimize the 800-number busy rate for calls offered to Agents	10%	8% ²	↑	65
1.3d KPI	Maximize public use of electronic services to conduct business with SSA	2,946,800	2,869,829	↓	66
1.3e KPI	Increase the percent of employee reports (W-2 forms) filed electronically and processed to completion	80%	81% ²	↑	67
1.3f KPI PART	Percent of individuals who do business with SSA rating the overall service as "excellent," "very good," or "good"	83%	81%	↓	68
1.3g	Improve workload information using <i>Social Security Unified Measurement System</i> (SUMS)	Complete 74% of SUMS projects	74% of SUMS projects completed	↑	69

¹ The budgeted level for FY 2007 was 3,837,000.

² The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

Strategic Goal 2: <i>To protect the integrity of Social Security programs through superior stewardship</i>					
Strategic Objective 2.1: Detect and prevent fraudulent and improper payments and improve debt management					
	Performance Indicator	FY 2007 Goal	FY 2007 Actual	Goal Achieved?	See Page #
2.1a KPI	Number of Supplemental Security Income (SSI) non-disability redeterminations processed	1,026,000	1,038,948	↑	70
2.1b KPI	Number of periodic CDRs processed to determine continuing entitlement based on disability	729,000	764,852	↑	71
2.1c PART	Percent of Supplemental Security Income (SSI) payments free of overpayments (O/P) and underpayments (U/P)	95.7% O/P 98.8% U/P	Data available July 2008	TBD	72
2.1d	Percent of outstanding Supplemental Security Income (SSI) debt in a collection arrangement	56%	52% ¹	↓	73
2.1e PART	Percent of Old-Age, Survivors, and Disability Insurance (OASDI) payments free of overpayments (O/P) and underpayments (U/P)	99.8% O/P 99.8% U/P	Data available July 2008	TBD	74
2.1f	Percent of outstanding Old-Age, Survivors and Disability Insurance (OASDI) debt in a collection arrangement	44%	44%	↑	76

Strategic Objective 2.2: Strengthen the integrity of the Social Security Number (SSN) issuance process to help prevent misuse and fraud of the SSN and card					
	Performance Indicator	FY 2007 Goal	FY 2007 Actual	Goal Achieved?	See Page #
2.2a	Percent of original SSNs issued that are free of critical error	98%	Data available Sept 2008	TBD	77
2.2b KPI	Percent of SSN receipts processed up to the budgeted level	96% ²	97%	↑	78

Strategic Objective 2.3: Ensure the accuracy of earnings records so that eligible individuals can receive the proper benefits due them					
	Performance Indicator	FY 2007 Goal	FY 2007 Actual	Goal Achieved?	See Page #
2.3a PART	Remove 3 percent of the earnings items that remain in the <i>Earnings Suspense File</i> (ESF) for a new tax year and post the earnings to the correct earnings records	3%	1% ¹	↓	79

¹ The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

² The budgeted level for FY 2007 was 18,000,000. The goal of 96% of the budgeted level was 17,280,000.

Strategic Objective 2.4: Manage Agency finances and assets to link resources effectively to performance outcomes					
Performance Indicator		FY 2007 Goal	FY 2007 Actual	Goal Achieved?	See Page #
2.4a PART	Continue to achieve 2 percent, on average, annual productivity improvements	2% on average	1.89%	↓	80
2.4b KPI PART	Disability Determination Service (DDS) case production per workyear (PPWY)	252	249 ¹	↓	80
2.4c PART	SSA hearings case production per workyear (PPWY)	106	101 ¹	↓	81
2.4d	Enhance efforts to improve financial performance using <i>Managerial Cost Accountability System</i> (MCAS)	Complete 58% of MCAS projects	29% of the MCAS projects completed	↓	82
2.4e	Receive an unqualified opinion on SSA's financial statements from the auditors	Receive an unqualified opinion	Received an unqualified opinion	↑	83
2.4f KPI	Get to "green" on the <i>President's Management Agenda</i> (PMA) initiatives status scores	Achieve a status score of "green" on five of five PMA initiatives	Achieved a status score of "green" on four of five PMA initiatives	↓	84

Strategic Goal 3: To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations					
Strategic Objective 3.1: Through education and research efforts, support reforms to ensure sustainable solvency and more responsive retirement and disability programs					
Performance Indicator		FY 2007 Goal	FY 2007 Actual	Goal Achieved?	See Page #
3.1a KPI	Provide support to the Administration and Congress in developing legislative proposals and implementing reforms to achieve sustainable solvency for Social Security	Conduct analysis for the Administration and Congress on key issues related to implementing Social Security reforms	Completed	↑	85
3.1b PART	Issue annual SSA-initiated <i>Social Security Statements</i> to eligible individuals age 25 and older	100%	100%	↑	86

¹ The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

Strategic Goal 4: <i>To strategically manage and align staff to support the mission of the Agency</i>					
Strategic Objective 4: Recruit, develop, and retain a high-performing workforce					
Performance Indicator		FY 2007 Goal	FY 2007 Actual	Goal Achieved?	See Page #
4.1a KPI	Minimize skill and knowledge gaps in mission-critical positions	Identify skill and competency gaps and develop an implementation plan for addressing gaps in mission critical occupations - Actuaries and Economists	Completed	↑	87
4.1b	Align employee performance with Agency mission and strategic goals	Implement the <i>Performance Assessment and Communications System</i> , which is a multi-tiered results-oriented performance assessment system for General Schedule (GS) and Federal Wage System employees below the GS-15 or equivalent grade, and GS-15 employees who are covered by the <i>2005 SSA/American Federation of Government Employees (AFGE) National Agreement</i>	Completed	↑	88
4.1c	Enhance SSA's recruitment program to support future workforce needs	Develop methodology to evaluate selected elements of the SSA recruitment strategy	Completed	↑	89

INDIVIDUAL PERFORMANCE MEASURE RESULTS

SSA identifies performance measures that link to SSA's mission and Agency objectives. This section of the report provides SSA's FY 2007 results for each individual performance and Program Assessment Rating Tool (PART) measure. Included for each measure are the FY 2007 goal, the actual performance, and whether the goal was achieved. This section also includes an explanation of the corrective actions the Agency will take for those goals that were not achieved. Established measures include historical data and trend charts for the past five years. For new and revised measures, historical, and trend information is not provided. In cases where FY 2007 end-of-year data are not yet available, an indication of when the final data will be available is shown. For these measures, the end-of-year data will be provided in the FY 2008 PAR. This report also includes final FY 2006 data for those performance measures for which final data were not available when the FY 2006 PAR was released.

Strategic Goal 1: *To deliver high quality, citizen-centered service*

Strategic Objective 1.1: *Make the right decision in the disability process as early as possible*

1.1a – Percent of initial disability claims receipts processed up to the budgeted level

FY 2007 Goal: 100% (of receipts received up to the budgeted level*)

Performance: 100%**

Goal Achieved: Yes

* The budgeted level for FY 2007 was 2,530,000.

** The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

Discussion: The Agency made significant progress in implementing the electronic disability process. In light of the extensive growth in both the number and complexity of disability claims, major changes were made to provide timely and accurate service. The electronic disability process eliminates the paper-based case folder that was previously used in the disability process. All SSA components are now able work electronically to collect data, develop and obtain medical information, make determinations and add information to a disability record. Because disability cases are stored electronically, they can be accessed by SSA components at any time without having to wait for the folder to arrive by mail. There is no longer a need to assemble and mail paper folders for most claims. The electronic folder has also eliminated the cumbersome and time consuming steps of printing, filing, and archiving paper folders and has allowed SSA to collect critical case data earlier in the claims process. Cases can be receipted without keying data and medical evidence can be requested sooner. Data can be generated, validated, and shared throughout the decision process.

In addition to the electronic disability process, the Agency is working on other initiatives that will expedite the disability decision. The Quick Disability Determination (QDD) process accelerates cases where there is a high probability that the claimant will be allowed benefits. The QDD will be implemented nationally in FY 2008. Another initiative, Compassionate Allowances, will allow for the quick identification of diseases and other medical conditions that will qualify the applicant for benefits. In these cases, allowances can be made as soon as the diagnosis is confirmed or the other necessary medical evidence is obtained. It is believed that, with both the QDD and Compassionate Allowances initiatives, as many as 15 percent of the cases will benefit from an expedited process. (Refer to *Agency Challenges, III. Improve the Disability Determination Service Process and Return to Work* page 22 for more information on the QDD Process.) Through the implementation of these new processes, SSA is better positioned to meet future goals for this measure.

Trend: This was a new measure for FY 2007.

Data Definition: The number of initial disability claims receipts processed in DDSs, including disabled dependents, compared to the number of initial disability claims received in a fiscal year up to the budgeted level.

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

Note: In the *Annual Performance Plan for FY 2008 and Revised Final Performance Plan for FY 2007*, the data source was stated as the “Social Security Unified Measurement System Operational Data Source”. This has been clarified to show “National Disability Determination Services System and the Disability Operational Data Store”.

1.1b – Maintain the number of initial disability claims pending in the Disability Determination Services (DDS) (at/below FY 2007 goal)

FY 2007 Goal: 577,000

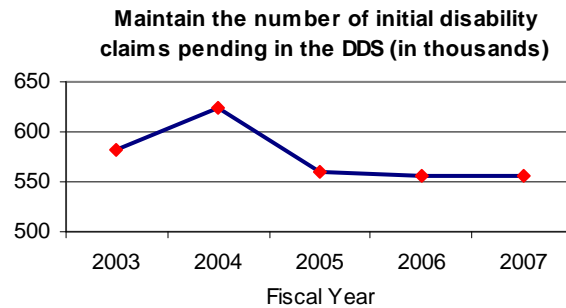
Performance: 555,317

Goal Achieved: Yes

Discussion: The Agency’s ability to meet a goal for initial disability claims pending is dependent on the number of disability claims received, available Agency resources, and the experience level of staff with the electronic disability folder. As one of SSA’s fastest growing core workloads, the Agency is proud to have been able to meet this goal. Disability examiners and other personnel have become increasingly proficient at processing disability claims and the use of the electronic folder has helped to reduce processing delays caused by organizing, mailing, locating, and reconstructing paper folders. A process called the Independence Day Assessment (IDA) certification was designed to verify whether a DDS site was ready to operate in a fully electronic environment; and, as of January 4, 2007, all DDS sites were IDA certified. SSA’s ability to make accurate, consistent and timely disability decisions will be further enhanced as employees gain increased proficiency during the move to electronic folders.

Trend:

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2003	581,929	↑
2004	624,658	↓
2005	560,529	↑
2006	555,071	↑
2007	555,317	↑



Data Definition: DDS count of initial disability claims pending, including disabled dependents

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

Note: In the *Annual Performance Plan for FY 2008 and Revised Final Performance Plan for FY 2007*, the data source was stated as “National Disability Determination Services System”. This has been clarified to show “National Disability Determination Services System and the Disability Operational Data Store”.

1.1c – Number of SSA hearings processed

FY 2007 Goal: 555,000*

Performance: 547,951

Goal Achieved: No

* Final FY 2007 appropriations decisions for the Agency restored sufficient resources to the Agency's FY 2007 budget to allow processing of 14,000 additional SSA hearings. The appropriations change required an adjustment to the projected workloads for FY 2007 compared to those shown in the FY 2007 column of the FY 2008 President's Budget and the Congressional Justification for the Agency's budget. This number has been modified to reflect this action.

Discussion: Although SSA did not meet this goal, the Agency is continuing to make progress in its strategy of moving to the electronic processing of hearings. The use of an electronic folder has eliminated the inefficient use of resources for filing, retrieving, shipping, and otherwise moving paper folders throughout the disability process. With the electronic folder, SSA has been able to improve efficiency by collecting case data early in the claims process and eliminating keying of the same case data repeatedly throughout the disability process. More time is,

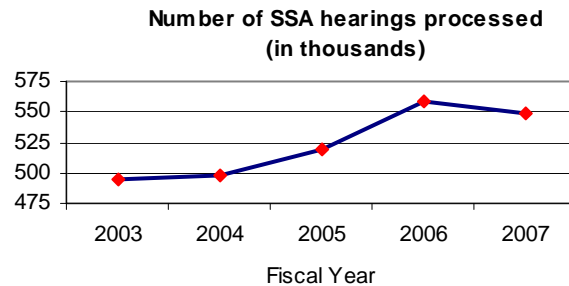
therefore, available for developing and deciding cases in a timely fashion. The Agency will continue to improve its efficiency with regard to the hearings workload by:

- Hiring additional Administrative Law Judges (ALJs) and staff to support them;
- Creating a centralized ALJ staff to conduct video hearings for offices with the most need;
- Establishing attorney adjudicators to review cases early in the hearings process and issue favorable decisions when appropriate;
- Mandating the use of the *Findings Integrated Template*, a decision-writing tool that offers a detailed decisional outline for a wide variety of claims; and
- Developing numerous enhancements to the hearing office electronic processing systems.

Refer to *Agency Challenges, IV. Disability Insurance* page 23 for more information about improving hearing office procedures and reducing hearing office backlogs.

Trend:

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2003	493,923	↓
2004	497,379	↓
2005	519,359	↓
2006	558,978	↓
2007	547,951	↓



Data Definition: SSA hearings processed by the Office of Disability Adjudication and Review (ODAR)

Data Source: ODAR Case Processing and Management System

1.1d – Maintain the number of SSA hearings pending (at/below the FY 2007 goal)

FY 2007 Goal: 738,000*
Performance: 746,744
Goal Achieved: No

* Final FY 2007 appropriations decisions for the Agency restored sufficient resources to the Agency's FY 2007 budget to allow processing of 14,000 additional SSA hearings. The increase in appropriations required an adjustment to the projected workloads for FY 2007 compared to those shown in the FY 2007 column of the FY 2008 President's Budget and the Congressional Justification for the Agency's budget. The FY 2007 Goal was changed to reflect this action.

Discussion: Receipts of hearing requests have increased at an unprecedented rate. Numerous factors, including Administrative Law Judge and staffing shortages, have impacted SSA's ability to keep up with the pace of the new case receipts.

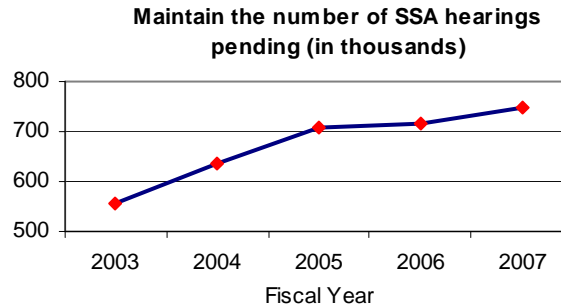
In addition to processing the high volume of new receipts, the Office of Disability Adjudication and Review has been faced with the challenge of processing its large aged pending case workload. These cases require a significantly greater amount of time to develop, analyze, and process than cases that have been pending for shorter periods because of the expanse of time involved during the alleged period of disability in each aged case. In FY 2007, the Agency was committed to processing the most aged cases before the close of the fiscal year and, therefore, expended substantial resources for this cause. SSA's focus on this effort resulted in the successful processing of all but 108 of the 63,770 aged cases over 1,000 days old. Unfortunately, the Agency did not have

sufficient resources remaining to keep up with the influx of new cases and keep the total number of hearings pending below its target level.

Refer to *Agency Challenges, IV. Disability Insurance* page 23 for more information about improving hearings pending.

Trend:

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2003	556,369	↓
2004	635,601	↓
2005	708,164	↑
2006	715,568	↑
2007	746,744	↓



Data Definition: SSA hearings pending in the Office of Disability Adjudication and Review

Data Source: Case Processing and Management System

1.1e – Average processing time for initial disability claims

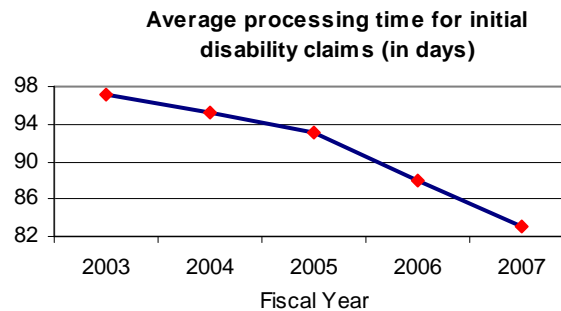
FY 2007 Goal: 88 days
 Performance: 83* days
 Goal Achieved: Yes

Discussion: The timely processing of initial disability claims is a critical aspect of SSA's service delivery to the public. The Agency has made considerable progress over the past several years in reducing the time it takes to process initial disability claims. This year's average processing time of just 83 days is 14 percent less than the 97 days it took in FY 2003. To achieve this high level of performance, the Agency has continued to improve the disability claims process in both the SSA Field Offices and the State Disability Determination Services by increasing the number of electronic folders and using the electronic signature proxy process. Additional improvements in processing time are expected as employees gain increased proficiency in processing claims via eDib.

Refer to *Agency Challenges, II. Management of the Disability Process* page 21 for more information about how SSA is addressing this issue.

Trend:

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2003	97 days *	↑
2004	95 days *	↑
2005	93 days *	↑
2006	88 days *	↑
2007	83 days *	↑



* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

Note: This is a Disability Insurance and Supplemental Security Income Program Assessment Rating Tool performance measure.

Data Definition: This is the fiscal year average processing time for Title II (Social Security) and Title XVI (SSI) claims combined. Processing time is measured from the application date (or protective filing date) to either the date of the denial notice or the date the system completes processing an award.

Data Source: Social Security Unified Measurement System

Note: Also includes “revised time,” “transit time,” and “Field Office, DDS, and Disability Quality Branch times,” as well as protective filings, awarded claims, medically denied claims, technically denied claims, and abbreviated applications.

1.1f – Average processing time for SSA hearings

FY 2007 Goal: 524* days

Performance: 512 days

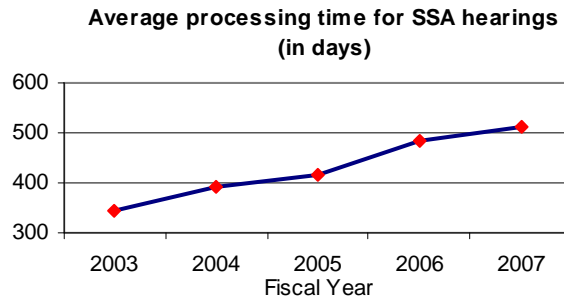
Goal Achieved: Yes

Discussion: As of the beginning of FY 2007, SSA determined there were approximately 63,770 cases pending that would be in the aged category of more than 1,000 days old by the end of the fiscal year. SSA decided the Agency could best serve the public by focusing on these cases. Processing time is measured by the average length of time it takes to process cases from the request-for-hearing date to disposition during the fiscal year. The Agency recognized the processing time for these aged cases would inflate the overall average processing time for the fiscal year and the goal was modified to compensate for this. The Agency has processed all but 108 of the 63,770 cases. This represents a 99.8 percent reduction of this critical workload. Consequently, although processing time for FY 2007 increased over that for FY 2006, SSA met its FY 2007 goal.

Refer to *Agency Challenges, IV. Disability Insurance* page 23 for more information about SSA initiatives for reducing average processing time.

Trend:

Fiscal Year	Performance	Goal Achieved?
2003	344 days **	↑
2004	391 days **	↓
2005	415 days **	↑
2006	483 days	↓
2007	512 days	↑



* As of FY 2006, SSA no longer processed Medicare hearings. Due to legislation, these Medicare hearings, which were faster and easier to process, were transferred to the Centers for Medicare and Medicaid Services. Removal of these cases from the SSA’s workload contributed to the increase in average processing time. As a result, the FY 2007 goal was increased over the goals for prior years.

** FY 2003 – FY 2005 included Medicare and SSA hearings

Note: This is a Disability Insurance Program Assessment Rating Tool performance measure.

Data Definition: The average elapsed time, from the hearing request date until the date of disposition for SSA cases at the hearing level (disability and non-disability cases) processed during all months of the fiscal year.

Data Source: Case Processing and Management System

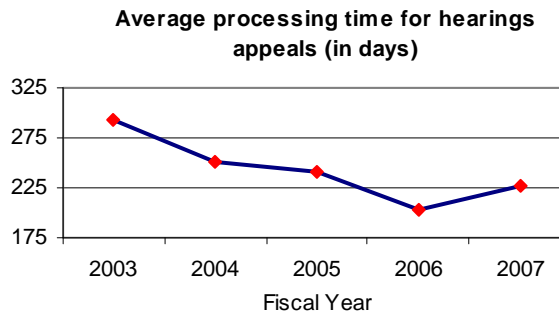
1.1g – Average processing time for hearings appeals

FY 2007 Goal: 242 days
Performance: 227 days
Goal Achieved: Yes

Discussion: SSA has taken proactive steps over the years to reduce the number of older claims that had accrued at the Appeals Council, which has resulted in significant accomplishments in this area. In anticipation of increased workloads in the coming year, the Appeals Council concentrated on significantly reducing the aged cases that are pending this fiscal year. As a result of this initiative, the overall processing time is higher this fiscal year than last. However, by balancing workloads and identifying and clearing incoming cases ready for immediate processing, the processing time remains well below the targeted level.

Trend:

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2003	294 days	↑
2004	251 days	↑
2005	242 days	↑
2006	203 days	↑
2007	227 days	↑



Data Definition: The 12-month average processing time for decisions on appeals of hearings. Monthly processing time is calculated as an average over the course of the fiscal year. Processing time begins with the date of the request and ends when the disposition is entered into the Appeals Council Automated Processing System, which is the date the decision is date stamped, released, and mailed.

Data Source: Appeals Council Automated Processing System

1.1h – Disability Determination Services (DDS) net accuracy rate (allowances and denials combined)

FY 2006 Goal: 97%
Performance: 96%*
Goal Achieved: No

FY 2007 Goal: 97%
Performance: 97%* ** (through June 2007)
Goal to be Achieved: Yes

Discussion: The Agency has devoted substantial resources to improve the accuracy of the initial State DDS decisions. The rules and instructions for administering the disability adjudication process are very complex, requiring years of experience before a disability examiner becomes fully proficient at evaluating claims. In

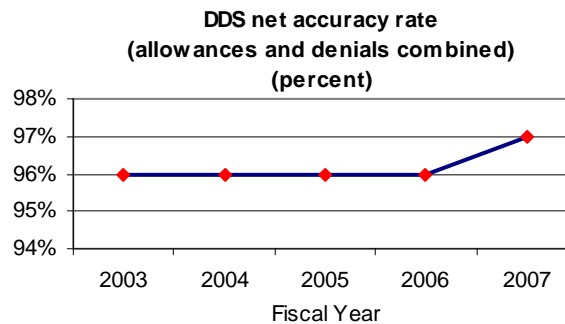
FY 2007, the Agency continued to give training and support to the State DDS, providing not only disability training programs on SSA’s website, but also developing the Enhanced Program Operations Manual System, a web-based application. The Enhanced Program Operations Manual System is designed to assist DDS employees in obtaining up-to-date policy and procedural information. It contains step-by-step processing instructions, structures information into small groups to make it easier for the DDS employee to use, and provides search capabilities that limit the response to material relevant to the requestor’s job tasks and position.

In addition, SSA has continued to strengthen the working relationships with medical providers. The quality of these relationships help the Agency ensure that the medical evidence to support the disability determination is complete and received timely, both important elements of making a quality decision.

SSA has also conducted quality reviews by randomly selecting disability claim files and checking them for consistency and quality. These quality reviews were expanded in FY 2007 to include both Social Security and Supplemental Security Income claims. As of June 2007, SSA is on target to meet the FY 2007 goal.

Trend:

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2003	96% *	↓
2004	96% *	↓
2005	96% *	↓
2006	96% *	↓
2007	97% * **	↑



* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

** The performance data shown for FY 2007 is based on performance through June 2007. Actual end-of-year data will not be available until January 2008 and will be reported in the FY 2008 PAR.

Note: This is a Disability Insurance and Supplemental Security Income Program Assessment Rating Tool performance measure.

Data Definition: Net accuracy is the percentage of correct initial State disability determinations and 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 Data Bases

1.1i – Agency decisional accuracy rate (ADA)

FY 2006 Goal: 97%
 Performance: 97%*
 Goal Achieved: Yes

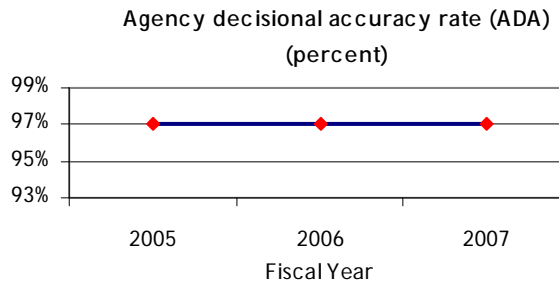
FY 2007 Goal: 97%
 Performance: 97%* ** (through June 2007)
 Goal Achieved: Yes

Discussion: The Agency uses this measure to target areas needing improved decisional accuracy. The final performance number for FY 2006 became available in January 2007 and the Agency achieved the goal of 97 percent. As of June 2007, SSA is on target to meet the FY 2007 goal.

This measure portrays the Agency’s initial disability determination accuracy. It considers all corrective actions taken in connection with SSA quality control reviews before a final Disability Determination Service (DDS) decision is made on a case. This measure expands on measure 1.1h, *DDS net accuracy rate*, described on page 59, as it includes correct decisions as well as incorrect DDS determinations that were corrected by SSA prior to the final processing of the decision. As a service measure, it demonstrates the high accuracy rate of SSA decisions and the reliance that can be placed on those decisions.

Trend: This was a new measure for FY 2005.

Fiscal Year	Performance	Goal Achieved?
2005	97% *	↑
2006	97% *	↑
2007	97% **	↑



* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

** The performance data shown for FY 2007 is based on performance through June 2007. Actual end-of-year data will not be available until January 2008 and will be reported in the FY 2008 PAR.

Data Definition: Agency decisional accuracy (ADA) estimates total errors in all initial State agency disability determinations based on the quality assurance sample review conducted in the Disability Quality Branches. Errors are defined as those cases in which decisions change upon correction. The errors that are corrected in the regional quality assurance and pre-effectuation reviews are subtracted from the total estimated errors. The remaining uncorrected errors are the “incorrect” cases in ADA. The remaining correct cases divided by the total cases represent ADA.

Data Source: Disability Quality Assurance Data Bases

Strategic Objective 1.2: Increase employment for people with disabilities by expanding opportunities

1.2a – Number of DI and SSI beneficiaries, with tickets assigned, who work

FY 2006 Goal: 22,483 (60% over CY 2003 baseline)

Performance: 49,682

Goal Achieved: Yes

FY 2007 Goal: 44,611 (80% over CY 2004 baseline)

Performance: Data available July 2008*

Goal Achieved: To Be Determined

Discussion: SSA exceeded the FY 2006 goal on this measure that supports the Agency’s service goal by assisting disabled recipients to overcome the obstacles they may face when entering the workforce or returning to work. Through the Agency’s Ticket to Work program, beneficiaries receive a voucher or ticket that they can take to an approved service provider of their choice. The provider, called an Employment Network, can be a private organization or public agency that agrees to provide vocational rehabilitation, employment, and other support services to help beneficiaries get and keep a job. For those months where cash benefits stop because of work or earnings, Employment Networks receive a percentage of the benefits that otherwise would have been paid to the individual.

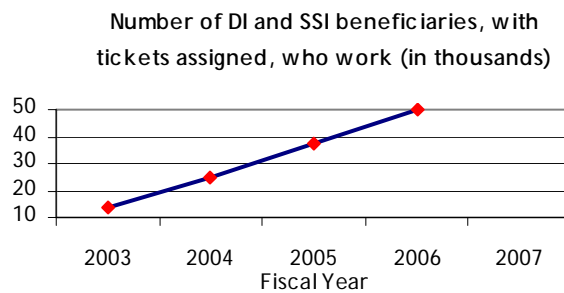
As a critical element of the success of the Ticket to Work program, SSA has also devoted resources to the continued education of employers and the public about the benefits of the program. One method of providing information to beneficiaries has been through Work Incentive Seminar events, which bring together beneficiaries, employment providers and other partners in their local communities. Ten pilot Work Incentive Seminar events were conducted in FY 2007.

In addition, SSA has proposed a new regulation that would improve the overall effectiveness of the program in assisting people with disabilities who want to become more economically self-sufficient through employment.

Refer to *Agency Challenges, III. Improve the Disability Determination Service Process and Return to Work* page 22 for more information about the Ticket to Work program.

Trend:

<u>Calendar Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2003	14,052 (CY 2003 baseline)	
2004	24,784 (CY 2004 baseline)	
2005	37,424	↑
2006	49,682	↑
2007	To Be Determined *	



* Actual data for FY 2007 will not be available until July 2008 and will be reported in the FY 2008 PAR.

Note: This is a Disability Insurance and Supplemental Security Income Program Assessment Rating Tool performance measure.

Data Definition: Count the number of Disability Insurance, Supplemental Security Income, and concurrent beneficiaries who have used their Ticket to sign up with an Employment Network or State Vocational Rehabilitation Agency and who have recorded earnings in the *Disability Control File* (DCF) in any month of the calendar year. The data are provided on a calendar year basis and reported in June of the following year.

Data Source: The “Verify Update Earnings Screen’s Work and Earnings Reports” data field in the DCF.

1.2b – Number of SSI disabled beneficiaries earning at least \$100 per month

FY 2007 Goal: 261,560 (10 percent over baseline)

Performance: 259,701

Goal Achieved: No

Discussion: SSA has a number of strategies and work incentives to assist disabled Supplemental Security Income (SSI) recipients in achieving economic independence and self-sufficiency. These strategies are guided by and directly support the President’s *New Freedom Initiative*, a nationwide effort to eliminate the barriers that prevent people with disabilities from engaging in productive work and fully participating in community life.

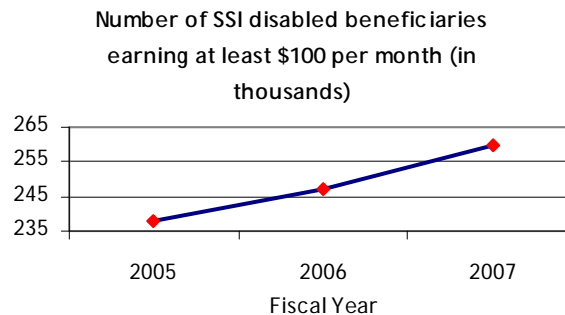
SSA recognizes the level of education, work experience, and capacity for work of the SSI population varies considerably, and for many, transitioning into the workforce can be a slow process. Nevertheless, SSA will continue to offer and promote work incentives that can help SSI recipients enter or re-enter the workforce in order to improve the quality of their lives.

Refer to *Agency Challenges, III. Improve the Disability Determination Service Process and Return to Work* page 22 for more information about SSA’s initiatives designed to support people with disabilities engage in productive work and fully participate in community life.

Trend:

Fiscal Year Performance Goal Achieved?

2005	237,782 (baseline)	
2006	247,143	↓
2007	259,701	↓



Data Definition: The number of working SSI disabled beneficiaries earning at least \$100 per month. This measure is intended to reflect the impact of all work incentives for SSI disabled beneficiaries. Effective FY 2005, SSA averages the four fiscal year quarterly results to determine annual performance.

Data Source: *SSI Disabled Recipients Who Work* report

Strategic Objective 1.3: Improve service through technology, focusing on accuracy,

1.3a – Percent of Retirement and Survivors Insurance (RSI) claims receipts processed up to the budgeted level

FY 2007 Goal: 100%*

Performance: 101%**

Goal Achieved: Yes

* The budgeted level for FY 2007 was 3,837,000.

** The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

Discussion: As the number of RSI beneficiaries continues to increase, the Agency makes every effort to fully utilize the benefits that technology can bring to managing and expediting the processing of claims. Through advances in technology, the public can now view retirement benefit estimates, file for retirement benefits online, and virtually sign an application over the Internet, thereby eliminating the need for a beneficiary to visit an SSA Field Office. In May 2007, SSA’s Strategic Internet Claims Workgroup introduced a five-year strategic plan to further improve the Internet application process for RSI claims. The implementation of this plan will result in a sophisticated user-centered collection of easy-to-use claims services for the public filing for claims online.

Refer to *Agency Challenges, VII. Service Delivery and Electronic Government* page 25 for more information. As the trend of online service expands over the next decade, SSA faces the challenge of providing cost-effective electronic service delivery.

Trend: This was a new measure for FY 2007.

Note: This is an Old-Age and Survivors Insurance Program Assessment Rating Tool performance measure.

Data Definition: In the Regional Offices, Field Offices, Immediate Claims Taking Units, and Office of Central Operations, the number of initial claims for retirement, survivors, and Medicare processed compared to the number of initial claims for retirement, survivors, and Medicare received in a fiscal year up to the budgeted level. This includes totalization claims.

Data Source: Social Security Unified Measurement System Operational Data Source

1.3b – Optimize the speed in answering 800-number calls

FY 2007 Goal: 330 seconds

Performance: 250 seconds

Goal Achieved: Yes

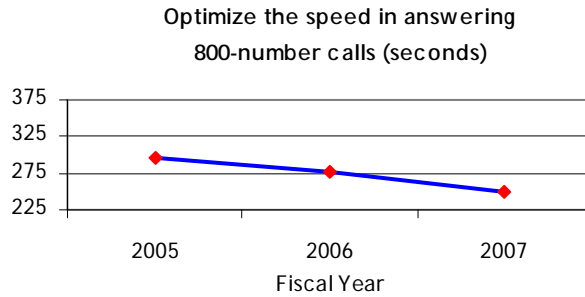
Discussion: To “optimize” the speed in answering these calls, SSA intends to make this process operate at its most effective without negatively impacting the “busy rate” goal in measure 1.3c. Average speed of answer is affected by a variety of factors, including the number of available agents, the average handle-time per call, and the wait tolerance of callers to remain on hold.

Anticipating increases in call volume, SSA continues to use technology advances to improve service delivered by the National 800-Number Network. For instance, in FY 2007, SSA implemented Screen Splash using speech technology to collect identifying information from callers. This information is then displayed on the agent’s workstation, subsequently reducing call handle-time and increasing overall accuracy. Likewise, speech-enabling

technology has increased the National 800-Number Network efficiency by reducing the time callers spend navigating through menu prompts. Speech technology is currently being used to automate workloads that were once handled manually.

Trend: This was a new measure for FY 2005.

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2005	296 seconds	↑
2006	278 seconds	↑
2007	250 seconds	↑



Data Definition: The answer wait time of all calls divided by all calls answered by agents. Wait time begins from the time the call is placed in queue and ends when an agent answers. Calls that go straight to an agent without waiting in the queue have a zero wait time but are included in the average speed of answer (ASA) calculation. ASA does not include callers who hang up after being in the queue.

Data Source: Report generated by Cisco router software

1.3c – Optimize the 800-number busy rate for calls offered to Agents

FY 2007 Goal: 10%

Performance: 8%*

Goal Achieved: Yes

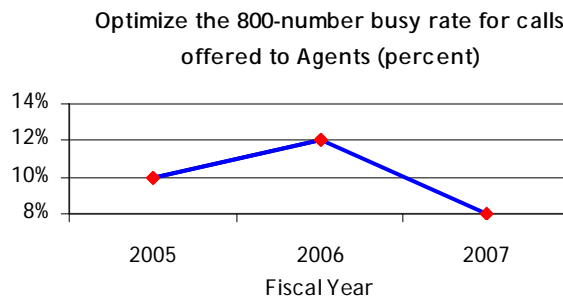
Discussion: To “optimize” the 800-number busy rate, SSA intends to make this process function at its most effective without negatively impacting the “average speed of answer” goal in measure 1.3b. The agent busy rate is affected by a variety of factors, including the number of available agents, the average handle-time per call, and the wait tolerance of callers to remain on hold.

In anticipation of increases in call volume, SSA continues to use technological advances to improve service delivered by the National 800-Number Network. For instance, in FY 2007, SSA implemented Screen Splash using speech technology to collect identifying information from callers. This information is then displayed on the agent’s workstation, subsequently reducing call handle-time and increasing overall accuracy.

Similarly, speech-enabling technology has increased the National 800-Number Network efficiency by reducing the time callers spend navigating through menu prompts. Speech technology is currently being used to automate workloads that were once handled manually. In addition, the National 800-Number consists of several self-service applications that allow callers to complete transactions without speaking to an agent or encountering a busy signal.

Trend: This was a new measure for FY 2005.

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2005	10% *	↑
2006	12% *	↓
2007	8% *	↑



* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

Data Definition: Number of busy messages divided by number of calls offered to agents (displayed as a percentage). A busy message is the voice message a caller receives when no agent is available to answer the call because the queue has reached its maximum capacity of waiting calls. When this happens, the person is asked to call back later.

Data Source: Report generated by Cisco router software

1.3d – Maximize public use of electronic services to conduct business with SSA

FY 2007 Goal: 2,946,800

Performance: 2,869,829

Goal Achieved: No

Discussion: At the end of FY 2007, ten of the 17 applications included in this measure met or exceeded the goal for that application. A major systems outage, from November 20-25, 2006 negatively impacted usage, resulting in approximately 25,000 fewer transactions than the previous month. The public's use of electronic services made a slight rebound in the month of December, but the overall performance of this measure did not consistently sustain a usage growth to offset the November loss. For the second year in a row, usage fell slightly below the goal set for the growth in electronic services, ending FY 2007 at 97 percent of the goal.

The performance of the electronic service measure cannot be influenced by shifting workloads or resources. This measure is dependent upon public usage of the Agency's electronic services. The Agency continues to dedicate resources to increasing the availability and usage of electronic services for the public. Not only are workloads escalating at a rapid pace, but the expectations of the American public are changing to expect more services to be available through non-traditional means. The technologies that enable service improvement are rapidly evolving; and, over the course of the next few years, technological advances will increase the number of applications available to telephone and Internet users. SSA is in the process of implementing a formal plan to dramatically increase the use of electronic services, especially with regard to online retirement claims filed by the baby boom generation. Encouraging the public to make full use of these emerging technologies is a critical component to the Agency's success in maintaining the level of service that the public expects and deserves.

Trend: This was a new measure for FY 2007.

Data Definition: This indicator consists of an aggregate measure of representative electronic transactions the public performs with SSA, such as applying for benefits and updating beneficiary information. Application counts for electronic services represent only fully successful transactions. As this indicator is for transactions, it does not include public use of SSA electronic screening tools. The following are included in the count of transactions:

- *Internet Social Security Benefit Application* includes:
 - *Retirement Application* (effective 11/00)
 - *Spouse Application* (effective 3/01)
 - *Disability Application* (effective 1/02)
- *Proof of Income Letter – Internet* (effective 3/99)
- *Proof of Income Letter – 800# voice enabled* (effective 7/04)
- *Medicare Replacement Card – Internet* (effective 7/00)
- *Medicare Replacement Card – 800# voice enabled* (effective 4/01)
- *Change of Address – Internet Password based* (effective 4/01)
- *Change of Address – Internet Knowledge based* (effective 2/04)

- Change of Address – 800# voice enabled (effective 7/05)
- Change of Direct Deposit -- Internet (effective 8/01)
- Change of Direct Deposit – 800# voice enabled (effective 7/05)
- Internet 3368 Work History and Disability Report (effective 8/02)
- Internet 3368PRO Work History and Disability Report (effective 2/05)
- Internet 3441 Disability – All Types (effective 2/04)
- Internet 3820 Disability – Child (effective 11/03)
- Internet Replacement 1099 (effective 3/99)

Data Source: Executive and Management Information System; Title II Internet Claims Report.

1.3e – Increase the percent of employee reports (W-2 forms) filed electronically and processed to completion

FY 2007 Goal: 80%

Performance: 81%*

Goal Achieved: Yes

Discussion: Through a series of process and service initiatives, SSA has steadily increased the percent of W-2s filed electronically from 53 percent in FY 2003 to 81 percent in FY 2007; an overall increase of 53 percent. Electronic Wage Reporting simplifies the employer wage reporting process by allowing employers to submit employee wage reports online.

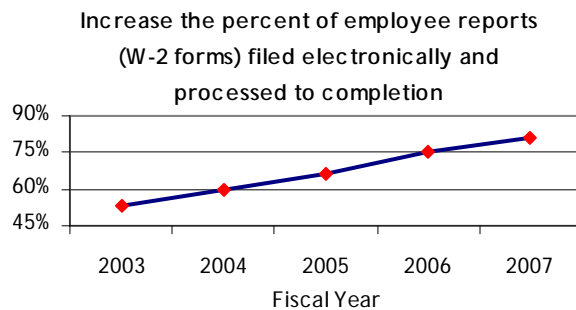
In FY 2007, SSA continued to offer W-2 Online, which gives employers the ability to submit wage reports online and allows employers to print copies of the W-2 forms for their employees. In FY 2007, the W-2 Online service was used to submit 208,499 employer reports and the Agency began a pilot of the Electronic Wage Reporting Web Service, allowing employers to submit W-2s without manual intervention.

In addition, the Agency aggressively continued outreach efforts to employers and employer associations to increase electronic wage reporting and improve the accuracy of wage reports.

Refer to *Agency Challenges, VII. Service Delivery and Electronic Government* page 25 for more information about the Electronic Wage Reporting Web Service and W-2C Online.

Trend:

Fiscal Year	Performance	Goal Achieved?
2003	53% *	↑
2004	60%	↑
2005	66%	↑
2006	75% *	↑
2007	81% *	↑



* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

Data Definition: This percent is the number of W-2s filed electronically and processed to completion for a tax year, divided by the total number of W-2s for that tax year processed to completion by the end of the processing year (mid-January).

Note: “Processed to completion” means that the W-2 was not rejected in the process – earnings were either posted to an individual earnings record or updated to the *Earnings Suspense File*.

Data Source: *Earnings Management Information Operational Data Store* reports

1.3f – Percent of individuals who do business with SSA rating the overall service as “excellent,” “very good,” or “good”

FY 2007 Goal: 83%

Performance: 81%

Goal Achieved: No

Discussion: SSA conducts several surveys during the fiscal year to evaluate various aspects of the Agency’s service. The combined results of the surveys produce the overall service satisfaction score. As the workloads of the Agency increase, public perception of the quality of the service provided by the Agency is carefully monitored. The results of these surveys allow SSA to identify the specific aspects of service where improvement would have the greatest impact on overall satisfaction.

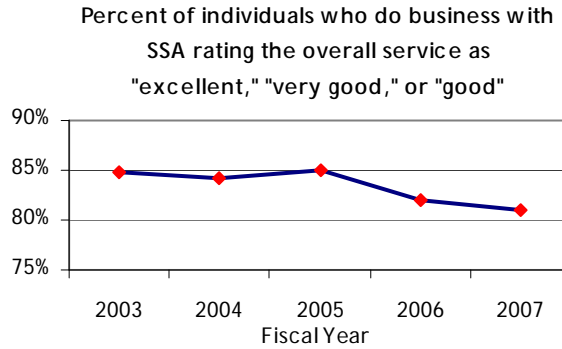
The Agency’s primary strategy is to improve service through the use of technology. For example, SSA is continually refining the speech recognition system on its 800-number to improve telephone access and better assist callers with their business. As a result, more calls can be handled to completion through automation. The Agency continually reassesses the types of services offered electronically, both on the Internet and via the 800-number, to identify opportunities for expanding and refining those services to reach a larger segment of the public. Expanded use of electronic services for more routine transactions will enable more staff time to be devoted to customers with more complex service needs.

The public also benefits from technological enhancements the Agency has developed for use by its employees in Field Offices, Teleservice Centers, and Hearing Offices. These enhancements include automated wage reporting, the Visitor Intake Program, electronic folders, video hearings, Immediate Claims Taking Units, eWork, and employment verification programs. By instituting these policy and systems enhancements, the Agency reduces customer waiting times, expedites claims processing, and improves overall service delivery for the public's convenience.

The Agency has devoted significant resources to ensure its web services rank among the best in Government. American Customer Satisfaction Index (ACSI) surveys are widely used in both the Federal and private sectors to measure public satisfaction with features of websites. The surveys provide agencies with standard, statistical measurements of public satisfaction. On September 2007, the third quarter Federal ACSI scores were released and SSA received top scores. The Internet Social Security Benefits Application topped all Federal websites with a score of 88, whereas the Medicare Prescription Plan Drug Costs Application followed closely with a score of 87. This is the fourth consecutive quarter these applications have led the way for Federal e-Commerce and transactions websites. Further, these two applications, together with SSA’s Business Service Online and SSA’s Retirement Planner, captured four of the top six spots in the e-Commerce category. SSA’s aggregate score (80 for six surveys) was the second highest among all Federal agencies running multiple surveys.

Trend:

Fiscal Year	Performance	Goal Achieved?
2003	85% *	↑
2004	84% *	↑
2005	85%	↑
2006	82%	↓
2007	81%	↓



* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

Note: This is an Old-Age and Survivors Insurance Program Assessment Rating Tool performance measure.

Data Definition: Percent of respondents who rate overall service as “good,” “very good,” or “excellent” on a 6-point scale ranging from “excellent” to “very poor” divided by the total number of respondents to that question.

Data Source: SSA’s annual surveys of 800-number callers (based on contacts sampled from all 800-number sites throughout March); Field Office callers (based on contacts sampled from randomly selected Field Offices throughout April); Field Office and hearings office visitors (based on contacts sampled from randomly selected offices over an eight-week period from July to September).

1.3g – Improve workload information using *Social Security Unified Measurement System (SUMS)*

FY 2007 Goal: Complete 74% of SUMS projects
Performance: 74% of SUMS projects completed
Goal Achieved: Yes

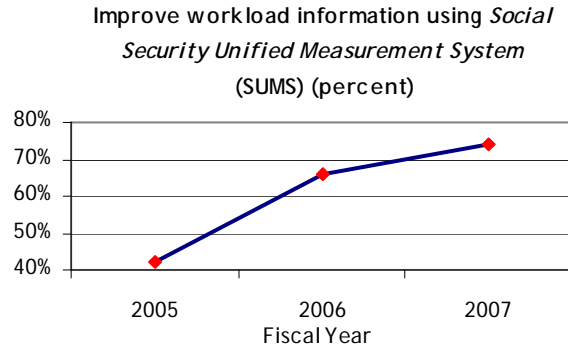
Discussion: SUMS projects are intended to improve the quality of management information on all workloads processed throughout SSA. The implementation of SUMS provides Agency level and component level workload counts and employee time consistently regardless of where the work is performed. The system stores the data required to make business decisions or to ensure compliance with regulations. SUMS reports are available online through a web-based portal. Reports include workload listings, performance reports, and other vital information. SUMS is a key enabler in monitoring and reporting on Agency progress in achieving goals and objectives.

Existing component-specific work measurement systems will be replaced by a unified system in which decisions to move workloads among components are handled automatically.

The Agency will continue to dedicate resources to the SUMS initiatives until full implementation is achieved.

Trend: This was a new measure for FY 2005.

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2005	42%	↓
2006	66%	↑
2007	74%	↑



Data Definition: SUMS is a series of projects that provides improved workload control and management information. Each project consists of multiple releases. A methodology which weights individual projects to create a combined percentage is used to track the overall completion of this initiative. This formula scores the deliverables within each project, which includes the creation of the SUMS data store, control listings, performance measures, and SUMS counts. Completion percentages are also attributed to cross cutting projects, including Time Allocation and the Customer Service Record, to derive an overall SUMS completion percentage.

Data Source: SUMS/Managerial Cost Accountability Systems (MCAS) project plan; reports to the SUMS/MCAS Executive Steering Committee on systems releases and the status of projects under development.

Strategic Goal 2: *To protect the integrity of Social Security programs through superior stewardship*

Strategic Objective 2.1: *Detect and prevent fraudulent and improper payments and improve debt management*

2.1a – Number of Supplemental Security Income (SSI) non-disability redeterminations processed

FY 2007 Goal: 1,026,000

Performance: 1,038,948

Goal Achieved: Yes

Discussion: SSA has reduced some of its stewardship activities in order to devote necessary resources to service delivery. Although there were limited Agency resources to work this cost-effective program integrity workload, SSA was able to meet the redetermination goal for FY 2007. The redetermination process provides a direct link to the Agency’s stewardship. These periodic reviews of non-medical factors, such as income and resources, are conducted to ensure that SSI beneficiaries remain eligible for payments and are receiving the benefits to which they are due. Redeterminations result in both overpayments being collected or prevented and in underpayments being paid or prevented. Overall, SSA saves approximately \$7 for every \$1 spent in processing redeterminations.

SSA has taken the initiative to simplify the SSI redetermination process for both the public and Agency employees handling these cases. One such project is the *Access to Financial Information* project, which is discussed on page 24 of *Agency Challenges, VI. Improper Payments and Recovery of Overpayments*. This system automates access to financial institution data. SSA expects to significantly reduce incorrect SSI payments caused by excess financial account resources through this project. SSA also piloted an automated telephone-based monthly wage-reporting method for workers at risk for wage-related overpayments. SSA continues to improve this automated process so that it can support more callers and eventually provide a national means of fully automated SSI wage reporting. Although these and other systems enhancements are contributing to the Agency’s ability to manage this workload, resource constraints have reduced the number of SSI non-disability redeterminations processed.

Trend: This was a new measure for FY 2007 as a result of expanding the data definition to include targeted redeterminations. Historical data is immaterial because it does not include targeted redeterminations.

Data Definition: All non-disability eligibility redeterminations of SSI beneficiaries that are processed to completion resulting from diary actions (scheduled), those initiated as a result of events reported by beneficiaries (unscheduled), and targeted redeterminations.

Data Source: Redetermination Service Delivery Objective Report, Post-eligibility Data Warehouse

2.1b – Number of periodic CDRs processed to determine continuing entitlement based on disability

FY 2007 Goal: 729,000

Performance: 764,852

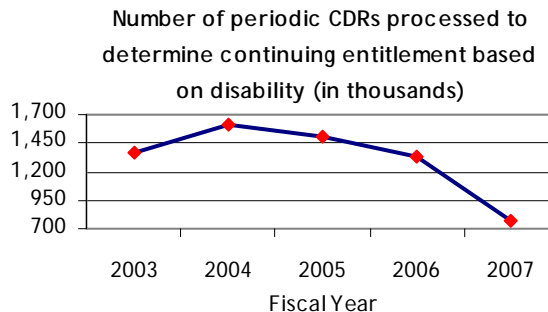
Goal Achieved: Yes

Discussion: SSA conducts Continuing Disability Reviews (CDRs) as a method to ensure the integrity of the disability program. Overall Agency resource constraints in FY 2007 required SSA to make adjustments to program integrity workloads so the Agency could focus on maintaining service levels. Despite limited Agency resources to perform this cost-effective program integrity workload, SSA was able to meet the CDR goal for FY 2007, CDRs are used to determine whether beneficiaries continue to be entitled to benefits based on their current medical condition and, as such, are a key activity for protecting the integrity of Social Security programs.

Although SSA achieved this goal and saves \$10 for every \$1 spent in conducting CDRs, the number of CDRs the Agency has been able to process dropped dramatically in FY 2007 due to resource constraints. Given these constraints and recognizing the value of prioritizing CDR cases as efficiently as possible, SSA continues to make improvements to the CDR process. In June 2007, SSA implemented Medical Diary Profiling for new Disability Determination Services awards and CDR continuances. Medical Diary Profiling extends the benefits of statistical modeling to the front end of the disability process. In doing so, it creates greater precision and more uniformity in medical re-examination diaries while increasing efficiencies in managing CDR workloads. SSA also began to process CDRs using an electronic folder in June 2007. These electronic records will ensure that the Agency has an individual’s medical information readily available for future CDRs.

Trend:

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2003	1,371,255	↑
2004	1,604,680	↑
2005	1,515,477	↑
2006	1,337,638	↑
2007	764,852	↑



Data Definition: Count includes periodic reviews and other CDRs processed by the Disability Determination Services and mailers not requiring medical reviews.

Data Source: Disability Operational Data Store and the CDR tracking files

Note: The FY 2007 goal of 729,000 includes 198,000 medical CDRs and 531,000 CDR mailers not requiring medical review.

2.1c – Percent of Supplemental Security Income (SSI) payments free of overpayments (O/P) and underpayments (U/P)

FY 2006 Goal:	Overpayment accuracy:	95.4%
	Underpayment accuracy:	98.8%
Performance:	Overpayment accuracy:	92.1%
	Underpayment accuracy:	97.8%
Goal Achieved:	Overpayment accuracy:	No
	Underpayment accuracy:	No
FY 2007 Goal:	Overpayment accuracy:	95.7%
	Underpayment accuracy:	98.8%
Performance:	Overpayment accuracy:	(Data available July 2008)**
	Underpayment accuracy:	(Data available July 2008)**
Goal Achieved:	Overpayment accuracy:	To Be Determined**
	Underpayment accuracy:	To Be Determined**

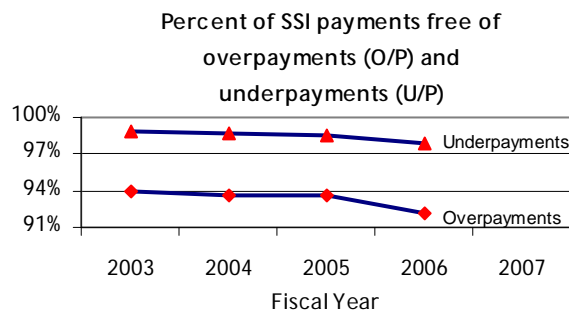
Discussion: SSA has had to make difficult decisions about where to use limited Agency resources in order to best serve the public. Consequently, SSA has reduced some of its stewardship activities in order to devote necessary resources to service delivery.

A large part of this performance measure is addressed through the SSI redetermination process. Initial payments are based on projections, such as future earnings, that must later be verified and a determination made as to the accuracy of the payment amount. This links the success of this performance measure to 2.1a - *Number of Supplemental Security Income (SSI) non-disability redeterminations processed*. Refer to the discussion under 2.1a on page 70 of this section for more information on the non-disability redeterminations processed.

In addition, this performance measure is linked to SSA’s projects in the President’s Management Agenda program initiative, “Eliminating Improper Payments.” Refer to the *Improper Payments Information Act of 2002 Detailed Report* on page 186 and *Agency Challenges, VI. Improper Payments and Recovery of Overpayments* on page 24 for more information on the Agency’s efforts to reduce improper payments.

Trend:

Fiscal Year	Performance	Goal Achieved?
2003	O/P: 93.9% *	↓
	U/P: 98.8% *	↓
2004	O/P: 93.6% *	↓
	U/P: 98.7% *	↓
2005	O/P: 93.6% *	↓
	U/P: 98.6% *	↓
2006	O/P: 92.1%	↓
	U/P: 97.8%	↓
2007	O/P: To Be Determined **	
	U/P: To Be Determined **	



* The actual number is rounded to the nearest tenth using the standard rounding convention of rounding up numbers that are .05 or higher and rounding down those .04 or less.

** Actual data for FY 2007 will not be available until July 2008 and will be reported in the FY 2008 PAR.

Note: This is a Supplemental Security Income Program Assessment Rating Tool performance measure.

Data Definition: The SSI payment accuracy rate free of overpayments and underpayments is determined by an annual review of a statistically valid sample of the beneficiary rolls; i.e., the findings are representative of the universe of the payments issued with 95 percent precision and confidence levels of +/- 1.0 percent for O/P and +/- .05 percent for U/P. Separate rates are determined for overpayment error dollars and underpayment error dollars. The accuracy rates are computed by dividing error dollars by the total dollars paid for the fiscal year. This percentage is subtracted from 100 percent to determine the accuracy rate. The current measuring system captures the accuracy rate of the non-medical aspects of eligibility for SSI payment outlays.

Note: In the *Annual Performance Plan for FY 2008 and Revised Final Plan for FY 2007*, the *Data Definition* was incorrect in that it included projected confidence levels. The confidence level for each fiscal year cannot be determined until the review has been completed. The *Data Definition* now includes the FY 2006 confidence levels of +/- 1.0 percent for O/P and +/- 0.5 percent for U/P.

Data Source: SSI Stewardship Report

Note: The SSI payment accuracy (stewardship) report is based on a monthly sample of SSI (Title XVI) cases randomly selected from the SSI payment rolls consisting of all recipients in current pay status. Sampled cases are reviewed for non-medical factors of eligibility and, in each case, the recipient or representative payee is interviewed (usually during in-home visits), collateral contacts are made as needed, and all factors of eligibility are redeveloped as of the sample month. The stewardship data are reported on a fiscal year basis (targeted for June 30 of the year following the year of review) and provide an overall accuracy measurement of the payments to all recipients currently on the SSI rolls.

2.1d – Percent of outstanding Supplemental Security Income (SSI) debt in a collection arrangement

FY 2007 Goal: 56%

Performance: 52%*

Goal Achieved: No

Discussion: One of SSA’s critical stewardship obligations can be found in the President’s Management Agenda (PMA) program initiative *Eliminating Improper Payments*. The Agency has an obligation to the public to ensure that SSA’s funds are paid to the proper person and in the correct amount. When erroneous payments are made, it is an equal priority for SSA to collect monies that were overpaid. The collection of this debt is an important element of the Agency’s plan under this PMA initiative.

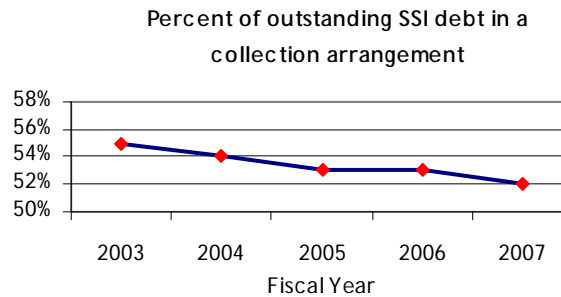
Overall Agency resource constraints in FY 2007 required SSA to make adjustments to program integrity workloads so the Agency could focus on maintaining service levels. As a result of these changes, the FY 2007 SSI debt collection goal was not met. Nevertheless, SSA has an aggressive debt recovery program which includes:

- Using a new debt collection measurement tool that enables the Agency to better target those portions of its debt portfolio that can be collected;
- Withholding of ongoing and retroactive SSI payments;
- Continuing cross-program recovery of SSI debt from Social Security benefits;
- Recovering overpayments through offsets to Federal tax refunds and other Federal payments;
- Reporting to credit bureaus;
- Exercising authority to hold representative payees liable for overpayments caused by incorrect payments to deceased beneficiaries; and
- Requesting employers to offset the wages of delinquent debtors.

Several plans to enhance the Agency’s ability to collect debt are in development, such as charging interest on outstanding debt and the referrals of cases to private collection agencies.

Trend:

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2003	55%	↑
2004	54% * **	↓
2005	53% *	↑
2006	53% *	↓
2007	52% *	↓



* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

** The data reported from October 2003 through April 2004 was incomplete and could not be accurately recalculated. The actual FY 2004 performance represents cumulative data from May 2004 through September 2004 only.

Data Definition: The percent of outstanding SSI debt that is scheduled for collection by benefit withholding or installment payment. The rate is expressed as the average for the year, i.e., the percent is calculated monthly and the annual performance is derived by averaging the results for the most recent 12 months. Outstanding SSI debt is grouped into four main categories: newly established debt; debt that involves a current due process request, such as waiver; debt that is in a collection arrangement; and debt that is not in a collection arrangement. The percent of debt in a collection arrangement is computed by dividing the dollars in that category by the total dollar amount of outstanding debt in all four categories.

Note: Data is shown as a 12-month rolling average.

Data Source: Supplemental Security Record

2.1e – Percent of Old-Age, Survivors and Disability Insurance (OASDI) payments free of overpayments (O/P) and underpayments (U/P)

FY 2006 Goal: Overpayment accuracy: 99.8%
Underpayment accuracy: 99.8%

Performance: Overpayment accuracy: 99.7%*
Underpayment accuracy: 99.9%*

Goal Achieved: Overpayment accuracy: No
Underpayment accuracy: Yes

FY 2007 Goal: Overpayment accuracy: 99.8%
Underpayment accuracy: 99.8%

Performance: Overpayment accuracy: (Data available July 2008)**
Underpayment accuracy: (Data available July 2008)**

Goal Achieved: Overpayment accuracy: To Be Determined**
Underpayment accuracy: To Be Determined**

Discussion: SSA is a committed steward of the Social Security OASDI Trust Funds. In FY 2006, the Agency exceeded its underpayment accuracy goal and has continued to make steady progress toward its overpayment accuracy goal. Although the overpayment accuracy rate ended the year below the FY 2006 goal, the difference of 0.1 percent is not statistically significant and the steady improvement in the percentage of overpayment accuracy since FY 2004 translates into millions of dollars saved.

SSA continues to implement initiatives with the potential to improve payment accuracy. In FY 2007, the Agency expanded the development of the two following applications to help address overpayments:

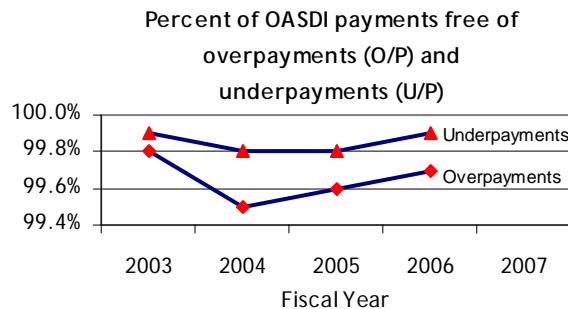
- eWork, an automated system that controls and processes Continuing Disability Reviews, and
- eVital, an electronic process that enables timely receipt of accurate information on the death of individuals.

Refer to *Agency Challenges, VI. Improper Payments and Recovery of Overpayments* pages 24 and 25 for more information on eWork and eVital.

To the extent that future resources will allow, the Agency will persist in the development of new strategies to improve the overpayment accuracy rate.

Trend:

Fiscal Year	Performance	Goal Achieved?
2003	O/P: 99.8% *	↑
	U/P: 99.9% *	↑
2004	O/P: 99.5% *	↓
	U/P: 99.8% *	↑
2005	O/P: 99.6% *	↓
	U/P: 99.8% *	↑
2006	O/P: 99.7% *	↓
	U/P: 99.9% *	↑
2007	O/P: To Be Determined**	
	U/P: To Be Determined**	



* The actual number is rounded to the nearest tenth using the standard rounding convention of rounding up numbers that are .05 or higher and rounding down those .04 or less.

** Actual data for FY 2007 will not be available until July 2008 and will be reported in the FY 2008 PAR.

Note: This is an Old-Age and Survivors Insurance Program Assessment Rating Tool performance measure.

Data Definition: OASDI payment accuracy rate is determined by an annual review of a statistically valid sample of the beneficiary rolls; i.e. the findings are representative of the universe of the payments issued with 95 percent precision and confidence limits of +/-0.2 percent for overpayments and +/-0.1 percent for underpayments. Separate rates are determined for overpayment error dollars and underpayment error dollars. The accuracy rates are computed by dividing error dollars by the total dollars paid for the fiscal year. This percentage is subtracted from 100 percent to attain the accuracy rate.

Note: In the *Annual Performance Plan for FY 2008 and Revised Final Plan for FY 2007*, the *Data Definition* was incorrect in that it included projected confidence levels. The confidence level for each fiscal year cannot be

determined until the review has been completed. The *Data Definition* now includes the FY 2006 confidence levels of +/-0.2 percent for overpayments and +/-0.1 percent for underpayments.

Data Source: OASDI Stewardship Report

Note: The basis of the Retirement and Survivors Disability Insurance (RSDI) payment accuracy (stewardship) report is a monthly randomly selected sample of cases from RSDI payment rolls of all beneficiaries in current pay status. The cases are reviewed for non-medical factors of eligibility and, for each case, the beneficiary or representative payee is interviewed (75 percent by phone and 25 percent by home visit), collateral contacts are made, as needed, and all factors of eligibility are redeveloped for the current sample month.

2.1f – Percent of outstanding Old-Age, Survivors and Disability Insurance (OASDI) debt in a collection arrangement

FY 2007 Goal: 44%

Performance: 44%*

Goal Achieved: Yes

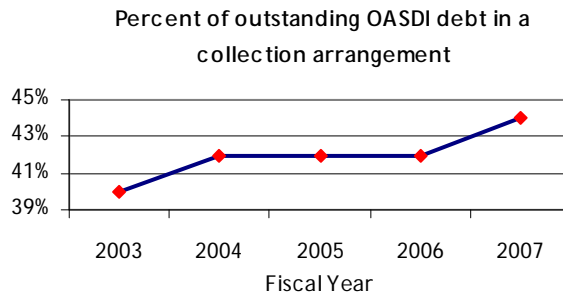
Discussion: As with the *Percent of outstanding Supplemental Security Income (SSI) debt in a collection arrangement* performance measure, the collection of the debt incurred when an improper OASDI payment is made is part of the Agency’s plan under the President’s Management Agenda *Eliminating Improper Payments* program initiative.

Through a rigorous debt collection program, SSA is committed to making every effort to recover OASDI Trust Fund monies incorrectly paid out. The Agency’s success in meeting this goal can be attributed to the hard work of its employees in conjunction with several debt collection techniques, including:

- Recovering overpayments through an offset to Federal tax refunds and other Federal payments;
- Identifying and resolving overpayments received by representative payees on the record of deceased OASDI beneficiaries;
- Requesting employers to offset the wages of delinquent debtors;
- Withholding ongoing and retroactive OASDI benefits;
- Referring delinquent debts to credit bureaus; and
- Using a new debt collection measurement tool that enables the Agency to better target those portions of its debt portfolio that can be collected.

Trend:

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2003	40% *	↑
2004	42% *	↑
2005	42% *	↑
2006	42% *	↓
2007	44% *	↑



* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

Data Definition: This is the percent of outstanding OASDI debt that is scheduled for collection by benefit withholding or installment payment. The rate is expressed as the average for the year, i.e., the percent is calculated monthly and the annual performance is derived by averaging the results for the most recent 12 months. Outstanding OASDI debt is grouped into four main categories: newly established debt; debt that involves a current due process request such as waiver; debt that is in a collection arrangement; and debt that is not in a collection arrangement. The percent of debt in a collection arrangement is computed by dividing the dollars in that category by the total dollar amount of outstanding debt in all four categories.

Note: Data are shown as a 12-month rolling average.

Data Source: The *Recovery of Overpayments, Accounting, and Reporting* system.

Strategic Objective 2.2: Strengthen the integrity of the Social Security Number (SSN) issuance process to help prevent misuse and fraud of the SSN and card

2.2a – Percent of original SSNs issued that are free of critical error

FY 2006 Goal:	98%
Performance:	98%*
Goal Achieved:	Yes
FY 2007 Goal:	98%
Performance:	Data available Sept 2008**
Goal Achieved:	To Be Determined

Discussion: The SSN was developed as a tool to track the earnings records of individuals for the purpose of determining future benefits that may be due to those individuals and their families. Although SSA’s purpose for assigning a number and issuing a card has not changed, over time, the SSN has become a primary means of identification in both the public and private sectors. As use of the SSN has grown, so has identity theft and SSN fraud. SSA’s role in preventing SSN misuse is to ensure that SSNs are assigned and cards are issued correctly.

Each year, the Agency strengthens current initiatives and implements new methods to safeguard SSN assignment and card issuance processes. For instance, fraud indicators are now displayed on queries and SSN verifications to further deter SSN fraud and misuse. SSA verifies evidentiary documents with the Department of Homeland Security and other Federal Agencies for non-U.S.-born individuals or with State Bureaus of Vital Statistics for all U.S.-born individuals prior to issuing an original Social Security card. SSA also works with the Department of State to verify the status of newly arrived refugees. In addition, in accordance with the provisions of the Intelligence Reform and Terrorism Prevention Act of 2004, fraud codes and death indicators were placed on SSN records to further prevent fraud and misuse.

Refer to *Agency Challenges, I. Social Security Number Protection* pages 19 and 20 for more information on the process of assigning and issuing SSNs.

Trend: This was a new measure for FY 2006.

Fiscal Year	Performance	Goal Achieved?
2006	98% *	↑
2007	To Be Determined **	

* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

** Actual data for FY 2007 will not be available until September 2008 and will be reported in the FY 2008 PAR.

Data Definition: The rate is based on an annual review of applications for original SSN cards to verify that: 1) the applicant did not receive an SSN that belonged to someone else; 2) if the applicant had more than one SSN, the numbers were cross-referenced; and 3) the applicant was entitled to receive an SSN based on supporting documentation, i.e., the Field Office verified appropriate documentation – Department of Homeland Security document for foreign born and birth certificate for U.S. born, and made a correct judgment of entitlement to an SSN. SSNs issued through the Enumeration-at-Birth (EAB) and Enumeration-at-Entry (EAE) processes are included in the review, as well as field office processed SS-5 transactions for original SSNs.

Note: In the *Annual Performance Plan for FY 2008 and Revised Final Plan for FY 2007*, the *Data Definition* was incorrectly stated. The *Data Definition* has been corrected above to include SSNs issued via EAB and EAE.

Data Source: *Enumeration Process Quality Review*, which is based on a sample of approximately 1,500 SSN transactions that have resulted in the issuance of an original SSN.

2.2b – Percent of SSN receipts processed up to the budgeted level

FY 2007 Goal: 96%*

Performance: 97%**

Goal Achieved: Yes

* The budgeted level for FY 2007 was 18,000,000. The goal of 96% of the budgeted level was 17,280,000.

** The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

Discussion: SSA worked diligently to achieve this goal for FY 2007. As the threat of identity theft continues to become more widespread, stricter standards for acceptable identification and verification made this task more difficult and time-consuming.

As a result of legislation and policy changes, revisions to the SSN and card issuance process continue to be made. Through the recommendation of an Interagency Task Force, SSA began to limit the number of replacement SSN cards an individual may receive to a maximum of three in a single year and a total of ten over a person's lifetime. In addition, policy changes have significantly decreased the number of non-work SSNs the Agency assigned to non-citizens. In April 2007, two improvements were made to the Social Security card issuance process:

- An issue date was added to the front of each card; and
- Signing instructions were added to clarify when adults and children should sign their cards.

Effective October 2007, further enhancements to the SSN card included a display of the first and last name on two lines and included additional security features.

Refer to *Agency Challenges, I. Social Security Number Protection* pages 19 and 20 for more information on the process of assigning and issuing Social Security Numbers.

Trend: This was a new measure for FY 2007.

Data Definition: In the Regional Offices, Field Offices and the Office of Central Operations, the original and replacement SSN requests processed compared to the receipts in a fiscal year. This also includes Enumeration-at-

Birth (EAB) activity, Enumeration-at-Entry (EAE) activity, and the count of fraud investigations not resulting in issuance of an SSN, an EAB or an EAE

Data Source: Social Security Unified Measurement system Enumeration Operational Data Store.

Strategic Objective 2.3: Ensure the accuracy of earnings records so that eligible individuals can receive the proper benefits due them

2.3a – Remove 3 percent of the earnings items that remain in the *Earnings Suspense File* (ESF) for a new tax year and post the earnings to the correct earnings records

FY 2007 Goal: 3%

Performance: 1%*

Goal Achieved: No

Discussion: The ESF is an electronic holding file for earnings reported by an employer that cannot be posted to an individual worker’s record due to a mismatch of the worker’s name and/or SSN. Since the record of worker’s earnings determines the benefits that are payable to Old-Age, Survivors and Disability Insurance beneficiaries, it is essential that SSA be able to accurately match the earnings reported by employers to the correct individual record.

Although the Agency did not meet this goal for FY 2007, SSA recognizes that the best means of keeping the ESF as small as possible is through a preventative strategy designed to improve the accuracy of the reporting of future earnings. SSA provides a variety of tools to employers to help them match the names of their employees with the SSN they have on file for that employee. This matching activity will help ensure that employers report the earnings of their employees to the correct SSN record. These methodologies include:

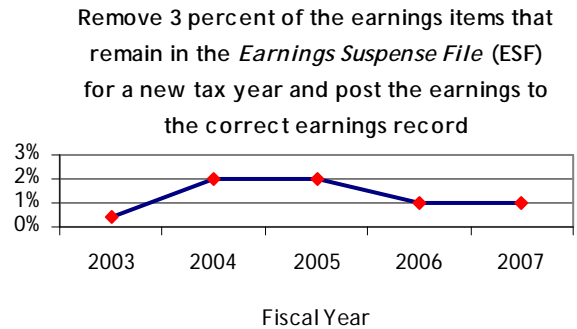
- The Social Security Number Verification Service, which allows employers to verify employee names and SSNs;
- Business Services Online, which allows employers to verify an employee’s SSN online; and
- W-2C Online, which allows employers to correct errors in the W-2 forms of their employees electronically.

Refer to *Agency Challenges, I. Social Security Number Protection* page 19 and *VII. Service Delivery and Electronic Government* page 25 for more information about these tools for employers.

In addition to these initiatives to prevent earnings from being placed in the suspense file, SSA will continue to dedicate resources to removing those items that are currently in the ESF.

Trend:

Fiscal Year	Performance	Goal Achieved?
2003	0.4%	↓
2004	2% *	↓
2005	2% *	↓
2006	1%	↓
2007	1% *	↓



* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

Note: This is an Old-Age and Survivors Insurance Program Assessment Rating Tool performance measure.

Data Definition: Items remaining in suspense are wages or self-employment earnings not matched to an earnings record after all routine matching operations are complete. The 3 percent reduction will be achieved by using new matching routines developed by the Office of Quality Performance. The percentage is determined by comparing the number of items added to suspense for a tax year (TY) to the number later removed by the new process.

Note: There is a 4-year lag between the tax year and the year calculated, i.e., for 2005, the tax year is 2001; for 2006, the tax year is 2002; and for 2007, the tax year is 2003.

Data Source: Compare the number of items in the ESF for a new tax year after all processes are completed to the number of items removed by the new process developed by the Office of Quality Performance and the Office of Systems.

Strategic Objective 2.4: Manage Agency finances and assets to link resources effectively to performance outcomes

2.4a – Continue to achieve 2 percent, on average, annual productivity improvement

FY 2007 Goal: 2% on average

Performance: 1.89% on average

Goal Achieved: No

Discussion: The Agency came very close to achieving the FY 2007 goal for this measure with an annual productivity improvement of 1.89 percent. SSA is proud of the increases in productivity that have been achieved since the base year of FY 2001. To be able to increase employee productivity in an environment where the Agency's workloads continue to grow is of great benefit to the public. Unfortunately, the aging of the baby boom generation is also leading to increased retirements among SSA's employees. Within ten years, 54 percent of the Agency's employees will be eligible for retirement. Many of these positions require two to three years of training before the employee can be fully productive. Replacement of these losses will be essential to the SSA's ability to continue to increase productivity and best serve the public. SSA will continue the actions that have been successful in the past of planning, supporting, and implementing several workload processing initiatives each year.

Trend: Since FY 2001, the base year, SSA has exceeded the goal of improving productivity by two percent on average for five out of six years.

Note: This is an Old-Age and Survivors Insurance Program Assessment Rating Tool performance measure.

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

2.4b – Disability Determination Service (DDS) case production per workyear (PPWY)

FY 2007 Goal: 252

Performance: 249*

Goal Achieved: No

Discussion: This performance measure's focus on productivity directly links it to Agency stewardship. Although SSA did not meet this goal, the FY 2007 average case PPWY of 249 shows an improvement of 3.3 percent over the FY 2006 average case PPWY of 241. In addition, PPWY continued to climb during the last six months of this fiscal

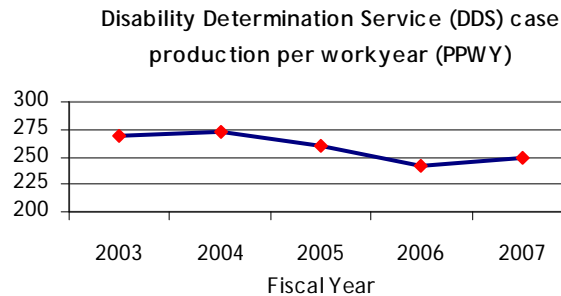
year. Many States have now returned to their pre-eDib case PPWY since becoming Independence Day Assessment certified; a verification that a DDS site is ready to operate in a fully electronic environment. For instance, for the quarter ending June 30, 2007, the PPWY was 265.

One factor that affected the number of cases processed per individual was the Agency’s decision to focus on clearing older cases, which take more time to process. Also, on a national basis, over 47 percent of DDS medical examiners have less than five years experience and over 23 percent have less than two years. As part of the new eDib initiative, the training for all disability examiners in the new electronic document management system was completed in FY 2007. As DDS employees are now near the end of the learning curve in the move from the more-familiar paper process to the new fully electronic disability system and have gained more experience as adjudicators, PPWY is expected to continue to increase accordingly.

Refer to *Agency Challenges, II. Management of the Disability Process* on page 21 and *Agency Challenges, III. Improve the Disability Determination Service Process and Return to Work* on page 22 for more information about Agency initiatives that will improve DDS PPWY.

Trend:

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2003	270 *	↑
2004	273 *	↑
2005	260 *	↓
2006	241 *	↓
2007	249 *	↓



* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

Note: This is a Disability Insurance Program Assessment Rating Tool performance measure.

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

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

2.4c – SSA hearings case production per workyear (PPWY)

FY 2007 Goal: 106
Performance: 101*
Goal Achieved: No

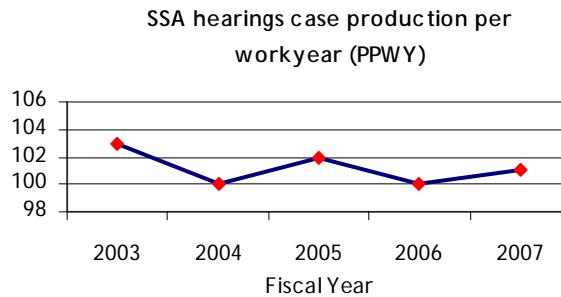
Discussion: The Agency is actively working on implementing enhancements to the hearings process that will allow employees to increase the average number of hearings they process in a year. The most significant improvement is the availability of case records through electronic files. As paper files are eliminated and employees become more comfortable with the new process, the Agency expects significant increases in employee productivity.

In addition to the electronic process, SSA is actively making greater use of video hearings, which will save Administrative Law Judges’ time by reducing their need to travel.

Refer to *Agency Challenges, IV. Disability Insurance* on page 23 and *Agency Challenges, VII. Service Delivery and Electronic Government (OIG & GAO)* on page 25 for more information about improvements to the hearings process.

Trend:

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2003	103 * **	↑
2004	100 * **	↓
2005	102 * **	↓
2006	100 *	↓
2007	101 *	↓



* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

** FY 2003 – FY 2005 included Medicare and SSA hearings.

Note: This is a Disability Insurance and Supplemental Security Income Program Assessment Rating Tool performance measure.

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, Administrative Law Judge (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 ten percent of their time in travel status), and *Training Reports* (Regional reports on new staff training, ongoing training, and special training).

2.4d – Enhance efforts to improve financial performance using *Managerial Cost Accountability System (MCAS)*

FY 2007 Goal: Complete 58% of the MCAS projects

Performance: 29% of the MCAS projects completed

Goal Achieved: No

Discussion: Achievement of MCAS project percentage goals is dependent on the full completion and successful implementation of major releases. When the performance plan was developed for FY 2007, two such major releases were planned. While progress was made during FY 2007 toward both of these releases, due to budgetary restraints critical SSA systems development resources had to be shifted away from the MCAS project to work on more critical projects. As a result, completion of the release that will increase MCAS’ completion from 29 percent to 54 percent is currently scheduled for completion in late FY 2008. Completion of the second release, which will further increase MCAS’ completion to 58 percent, is currently scheduled for completion in FY 2009.

MCAS has a common goal with the Social Security Unified Measurement System in that both systems are designed to:

- Provide more accurate and consistent information;
- Improve access to management information;
- Improve work resource allocation;

- Improve customer service; and
- Reduce manual work.

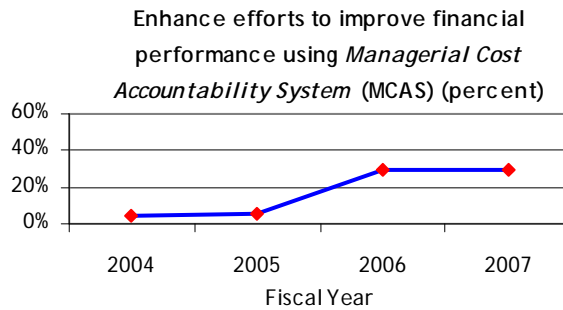
The MCAS projects will establish and integrate modern, state-of-the-art managerial accountability, performance tracking, and cost accounting practices into SSA’s basic business practices. MCAS is essential to the positioning of the Agency’s resources and processes to meet the growing and emerging workloads in an environment of continuing resource constraints. MCAS will also provide essential data which the Agency needs to track its progress and efficiency in meeting most of its other goals and objectives. As a result, it will be an essential element in monitoring and reporting on the Agency’s progress in pursuing and implementing these goals and initiatives as well as determining the resources which each consumes.

MCAS is supported by the Time Allocation System, which is a management information system that is being developed to improve the way workload data is captured for such purposes as determining resource requirements and measuring productivity. The Time Allocation System links work resources and costs together to provide SSA managers and analysts with accurate, detailed, timely, and relevant data about how SSA’s direct service work resources are used to perform SSA’s workloads.

Trend: This was a new measure for FY 2004.

Fiscal Year Performance Goal Achieved?

Fiscal Year	Performance	Goal Achieved?
2004	4%	n/a
2005	5%	↓
2006	29%	↑
2007	29%	↓



Data Definition: MCAS provides improved managerial accountability cost accounting and financial management information for SSA, its component organizations, and the programs, as well as workloads that it supports, in separate projects that may have multiple releases. A methodology is used that weights individual projects to create a combined percentage to track the overall completion of this initiative. This formula scores the deliverables within each project.

Data Source: SUMS/MCAS project plan tracking and releases as reported to the SUMS/MCAS Executive Steering Committee

2.4e – Receive an unqualified opinion on SSA’s financial statements from the auditors

- FY 2007 Goal:** Receive an unqualified opinion
- Performance:** Received an unqualified opinion
- Goal Achieved:** Yes

Discussion: For the 14th successive year, SSA received an unqualified opinion on the Agency’s financial statements. In accordance with the *Chief Financial Officers’ Act*, SSA’s financial statements were independently audited by PricewaterhouseCoopers LLP. In their audit, PricewaterhouseCoopers found that SSA’s financial statements, as contained in this FY 2007 PAR, were presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

The Agency takes its stewardship responsibility of the Social Security programs very seriously and will continue to demonstrate an unyielding dedication to sound financial management practices. Refer to the *Auditor’s Reports* section, beginning on page 157, for more information on SSA’s financial statements audit.

Trend: SSA has received an unqualified audit opinion every year from FY 1994 – FY 2007.

Data Definition: An unqualified opinion on the financial statements is provided when an independent auditor determines that the financial statements are presented fairly, and, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

Data Source: Auditors' work papers

Note: SSA's Office of Inspector General has a contract with an outside auditing firm to audit the Agency's financial statements.

2.4f – Get to “green” on the *President’s Management Agenda (PMA)* initiatives status scores

FY 2007 Goal: Achieve a status score of “green” on five of five PMA initiatives

Performance: Achieved a status score of “green” on four of five PMA initiatives

Goal Achieved: No

Discussion: The PMA lists and describes those Government-wide initiatives determined to have the greatest potential to improve Federal management and deliver results in areas deemed to be important to the public. It guides the activities of Federal agencies to ensure accountability for each Agency's performance on five vital topics.

The Office of Management and Budget (OMB) uses a scorecard to track each agency's efforts to implement the PMA initiatives. OMB assesses agency "status" based on the scorecard standards for success, which can be found at: <http://www.whitehouse.gov/results/agenda/standardsforsuccess08-2007.pdf>. Under each of these standards, an agency is "green" or "yellow" if it meets all of the standards for success listed in the respective column and "red" if it has any one of a number of serious flaws listed in the "red" column.

Although the Agency did not achieve the goal of obtaining a status score of “green” on all five PMA initiatives, SSA is proud to have maintained the “green” status on four of the five initiatives and has devoted considerable time and resources working to achieve a score of “green” on the fifth initiative – *Expanded Electronic Government*. Refer to *Agency Challenges, VII. Service Delivery and Electronic Government* on page 25 for more information about SSA's electronic government efforts.

Trend: The following table summarizes SSA's status scores under the PMA for FY 2003 through FY 2007:

SSA's President's Management Agenda - Status Scores					
	September 2003	September 2004	September 2005	September 2006	September 2007
Strategic Management of Human Capital	 Yellow	 Green	 Green	 Green	 Green
Competitive Sourcing	 Red	 Yellow	 Yellow	 Green	 Green
Improved Financial Performance	 Green	 Green	 Green	 Green	 Green
Expanded Electronic Government	 Yellow	 Yellow	 Yellow	 Yellow	 Red
Performance Improvement Initiative ¹	 Yellow	 Green	 Green	 Green	 Green

Note: The PMA scorecard can be found at: <http://www.whitehouse.gov/results/agenda/scorecard.html>.

Data Definition: Being scored “green” on the PMAs.

Data Source: The Office of Management and Budget’s PMA initiative scorecard for SSA

Strategic Goal 3: *To achieve sustainable solvency and ensure Social Security programs meet the needs of current and future generations*

Strategic Objective 3.1: Through education and research efforts, support reforms to ensure sustainable solvency and more responsive retirement and disability programs

3.1a – Provide support to the Administration and Congress in developing legislative proposals and implementing reforms to achieve sustainable solvency for Social Security

FY 2007 Goal: Conduct analysis for the Administration and Congress on key issues related to implementing Social Security reforms

Performance: Completed

Goal Achieved: Yes

Discussion: The policies established by the Administration and Congress in their work to maintain the solvency of the Old-Age, Survivors, and Disability Insurance (OASDI) Trust Funds are of great importance to SSA’s primary purpose of implementing the Social Security programs and the Agency’s mission: *To advance the economic security of the Nation’s people through compassionate and vigilant leadership in shaping and managing America’s Social Security programs.*

¹ Effective July 1, 2007, the name of this initiative was changed from *Budget and Performance Integration* to the *Performance Improvement Initiative*.

To assist the Administration and Congress in making informed decisions on major policy issues, the Agency provides policymakers with the information they need to understand the broad impact and effects of potential reform proposals to the OASDI programs. SSA provides analysis and research on policy initiatives and produces briefing materials for congressional hearings to educate policymakers about the scope, impact, and dynamics of the OASDI programs.

Trend: SSA has met this goal every year from FY 2003 - FY 2007 by conducting analyses related to Social Security reforms.

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 Policy records (consists primarily of various micro simulation models, e.g., *Modeling Income in the Near Term*, *Financial Eligibility Model*, and *Social Security and Accounts Simulator*, as well as surveys, e.g., *Survey of Income and Program Participation*, *Health and Retirement Study*).

3.1b – Issue annual SSA-initiated *Social Security Statements* to eligible individuals ages 25 and older

FY 2007 Goal: 100%

Performance: 100%*

Goal Achieved: Yes

Discussion: This performance measure was created to ensure that all eligible individuals are issued an annual *Social Security Statement* as required by law. SSA has met its goal every year since FY 2005 when this measure was established. In FY 2007, SSA met the 100 percent goal by issuing *Social Security Statements* to over 146 million individuals who were eligible to receive the *Statement*.

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

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

- Verify and ensure the accuracy of a worker's earnings record. The *Statement* plays a vital role in helping individuals to verify their earnings record for accuracy and completeness. Individuals are encouraged to review their earnings history to avoid incorrect benefit payments in the future. This information, which is at the top of the page to make it easier to see, includes instructions for recipients to report any earnings discrepancies as soon as possible.
- Educate the public about Social Security programs. The *Statement* contains information about the various benefits to which a worker may be entitled.
- Assist in financial planning. The *Statement* provides workers with potential retirement, disability and survivor benefits. It also contains information about planning for retirement. By reviewing this information, individuals can see if they are on track to meet their retirement goals.

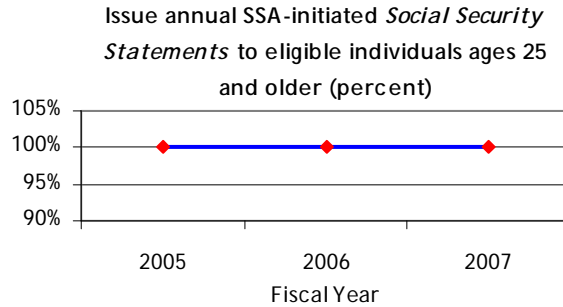
To ensure that the *Statement* is meeting its objectives and providing value to the American public, the Agency has an ongoing *Statement* evaluation plan that includes focus group testing and formal surveys. The plan also provides for an analysis of existing internal sources of management information. For example, a monthly Operations report

shows how many Internet inquiries are received from people who claim their wages are not listed correctly on their *Statements*.

Revisions to the *Statement* are considered and made as appropriate and necessary, based on these assessments and in conjunction with mandated changes. In FY 2007, the Agency made some formatting changes, taking into consideration changes mandated by law, along with suggestions made by the Government Accountability Office. In addition, SSA’s Commissioner updated the message on the front page of the *Statement* to include important information about the need for people to save and invest to have enough money to live comfortably in retirement. Also, the *Statement* now includes a paragraph advising readers on how to learn more about, or apply for, the extra help that is available to some Medicare beneficiaries for Medicare Part D.

Trend: This was a new measure for FY 2005.

<u>Fiscal Year</u>	<u>Performance</u>	<u>Goal Achieved?</u>
2005	100%	↑
2006	100%	↑
2007	100% *	↑



* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

Note: This is an Old-Age and Survivors Insurance Program Assessment Rating Tool performance measure.

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 SSA can determine a current mailing address). The *Statement* contains information about Social Security benefit programs, financing facts, and provides personal benefit estimates.

Data Source: Executive and Management Information System

Strategic Goal 4: To strategically manage and align staff to support the mission of the Agency

Strategic Objective 4.1: Recruit, develop and retain a high-performing workforce

4.1a – Minimize skill and knowledge gaps in mission-critical positions

FY 2007 Goal: Identify skill and competency gaps and develop an implementation plan for addressing gaps in mission critical occupations – Actuaries and Economists

Performance: Completed

Goal Achieved: Yes

Discussion: In order to address gaps in mission critical occupations, the Agency must properly target training and evaluation programs. To accomplish this, SSA needs to identify the job-specific knowledge, skills, and abilities necessary for successful performance in each of these positions.

A competency-based plan for training shifts the learners from achieving a single instructional objective to focusing on the acquisition of competencies during the training. The competencies for these positions were identified through

an extensive data collection effort involving both technicians and management officials. In FY 2007, position incumbents were assessed on their level of proficiency across each of the competencies identified as critical for success in the position. Based on the results of those assessments, implementation plans were developed for addressing any competency gaps that were uncovered during the assessment process.

Note: The full list of Mission Critical Occupations can be found in the Agency's Strategic Human Capital Plan, which is an internal document that is shared with the Office of Management and Budget and the Office of Personnel Management. Competencies have been identified for the Claims Representative, Service Representative, Teleservice Representative, Benefit Authorizer, Claims Authorizer, Technical Support Technician, Information Technology Specialist, Actuary, and Administrative Law Judge positions. In FY 2007, focus was on skills gap analyses for Actuaries and Economists. Other occupations will be targeted as part of a long-range plan to assess and improve skill gaps for all Mission Critical Occupations.

Trend: In FY 2007, SSA met the goal to identify skill and competency gaps for Actuaries and Economists and developed an implementation plan for addressing those gaps.

Data Definition: A competency is a pattern of knowledge, behaviors, skills, abilities, attributes, or traits associated with high or superior performance on the job. Competencies are identified through a structured interview and analysis process by working with SSA components and outside sources. A gap is the difference between the Agency's desired needs and current proficiency levels in the selected competency.

Data Source: Office of Human Resources records, which include the following: definitions of competencies identified for the targeted mission critical positions; results of skill gap analysis surveys; skill gap improvement, implementation, and/or results plans provided to the Office of Personnel Management as part of the *President's Management Agenda* (PMA) scoring; and the *Mission Critical Occupation Resource Chart* provided to OPM quarterly as part of the PMA scoring.

4.1b – Align employee performance with Agency mission and strategic goals

FY 2007 Goal: Implement the *Performance Assessment and Communication System* (PACS), which is a multi-tiered results-oriented performance assessment system for General Schedule (GS) and Federal Wage System employees below the GS-15 or equivalent grade, and GS-15 employees who are covered by the *2005 SSA/American Federation of Government Employees (AFGE) National Agreement*

Performance: Completed

Goal Achieved: Yes

Discussion: In FY 2006, SSA executed communication and training plans that addressed technical changes to the performance management process and communications skills. These activities facilitated implementation of the new multi-tiered, results-oriented PACS in early FY 2007. Since the implementation, SSA has closely monitored the web-based tool used by managers to document performance appraisal activities ensuring that performance plans are consistent with regulations and the applicable collective bargaining agreements. Refer to *Agency Challenges, XI. Human Capital* page 29 for more information on the Agency's efforts to align employee performance with SSA's mission and strategic goals.

Trend: In FY 2007, PACS was successfully implemented.

Data Definition: The PACS is a multi-tiered, results-oriented performance assessment system for General Schedule (GS) and Federal Wage System employees below the GS-15 or equivalent grade and GS-15 employees who are covered by the *2005 SSA/American Federation of Government Employees (AFGE) National Agreement*. This performance appraisal system provides for ongoing interaction and communication between the supervisor and employee on performance expectations. The PACS includes performance plans consisting of: 1) *elements*, i.e.,

work assignments and responsibilities that are critical to achieving the Agency’s mission and goals and 2) *standards*, i.e., how employee accomplishments are to be measured in terms of quality, quantity, and timeliness. PACS also includes *expectations*, i.e., the outcomes managers expect of each employee based on the elements, standards, and employee’s job duties and responsibilities. Employees are issued alignment statements to show how the employees’ performance relates to the Agency’s mission, values, goals, and objectives. PACS will help align employee performance plans to Agency strategic goals and objectives and make distinctions between levels of performance. PACS performance plans and records are maintained in an automated PACS system.

Data Source: Office of Human Resources records, which include reports and queries from the PACS web-based application showing the number of employees to whom performance plans have been issued, performance discussions held, etc.

Note: In the *Annual Performance Plan for FY 2008 and Revised Final Performance Plan for FY 2007*, the *Data Source* was incorrectly stated. The *Data Source* has been corrected above to delete information that references discussion points and data sources specific to the FY 2006 performance measure.

4.1c – Enhance SSA’s recruitment program to support future workforce needs

FY 2007 Goal: Develop methodology to evaluate selected elements of the SSA recruitment strategy

Performance: Completed

Goal Achieved: Yes

Discussion: As SSA strives to adequately prepare for the workforce of the future, several factors have increased awareness of the importance of strong human capital planning to achieve its business objectives. One of the greatest challenges facing the Agency is the potential loss, by 2015, of 54 percent of SSA’s employees to retirement. Not only is this over half of the Agency’s employees; but also, these are the employees that are the most experienced and knowledgeable about the administration of SSA’s programs. Adding to the impact of this large retirement wave is the increasing volume of the Agency’s workload due to the disability and retirement needs of the baby boomers. The situation is bleaker due to overall Agency resource constraints that have limited the ability of the Agency to hire new employees during FY 2007. Despite the ongoing retirement wave, SSA does not expect to be able to replace retiring employees or hire additional staff throughout FY 2008.

To ensure that SSA is poised to act quickly should the budget allow, the Agency is prepared with an aggressive recruitment strategy, the National Recruitment Program, which includes a ten-step plan, a vast cadre of recruiters across the nation, and the ongoing expansion of tools to ensure that SSA continues to be a leader in recruitment initiatives Government-wide.

As one of the major human capital initiatives linked directly to the Agency’s strategic goal to “recruit, develop, and retain a high-performing workforce,” it is important that SSA’s National Recruitment Program continues to be effective. As a result, in FY 2007 SSA developed a comprehensive methodology to evaluate selected elements of its recruitment strategy. The Agency will begin implementation of this evaluation in FY 2008.

Refer to *Agency Challenges, XI. Human Capital* on page 29 for more information.

Trend: This was a new measure for FY 2007.

Data Definition: The process used to develop the evaluation methodology in FY 2007 will include the following steps: 1) research, draft an evaluation strategy, and identify metrics necessary to evaluate the SSA Recruitment Strategy; 2) document the draft plan for evaluating the Recruitment Strategy and request feedback from Regional/component recruitment leads and Human Resource directors; and 3) analyze feedback and document the final Recruitment Evaluation Strategy to be implemented by the Agency in FY 2008. The evaluation methodology will identify the specific elements of SSA’s multifaceted recruitment strategy that will be evaluated, as well as the

appropriate evaluation methods to be used for those elements. The evaluation strategy and plan will also include a timeline to be used in FY 2008.

Data Source: Office of Human Resources records, which include the documented evaluation strategy and plan, the evaluation timeline, the collected data (i.e., the research and the feedback from recruiters and Human Resources directors), and the reported results (i.e., the final evaluation strategy and plan).

The Program Assessment Rating Tool (PART) is a diagnostic tool designed by the Office of Management and Budget (OMB) to examine different aspects of program performance to identify the strengths and weaknesses of a given Federal program. The Disability Insurance (DI) program was assessed in 2003; the Supplemental Security Income (SSI) program was assessed in 2004 and in 2007; and the Old-Age and Survivors Insurance (OASI) program was assessed in 2006. The DI, SSI, and OASI program assessments are available online at ExpectMore.gov (<http://www.whitehouse.gov/omb/expectmore/>).

The findings from these program assessments are consistent with the areas SSA identified as requiring attention. SSA continues to work with OMB to ensure that plans are developed, implemented, and updated to improve program performance and address the following PART findings:

DI PROGRAM

- Simplifying the process for determining if an individual is disabled to improve the accuracy and speed of decisions;
- Testing several demonstration projects and removing other barriers to assist Disability Insurance beneficiaries in returning to work; and
- Publishing rules to update the way age is considered in making disability determinations and considering other rule changes.

OASI PROGRAM

- Educating the American people on the solvency issues facing the OASI program and working with the Administration and Congress on legislative reform proposals necessary to achieve long-term solvency;
- Updating the tactical plan for electronic services to include information technology and non-information technology projects that will be developed and implemented in FY 2008 and FY 2009; and
- Developing new automated techniques to detect and correct errors in name/Social Security Number matching.

SSI PROGRAM

- Simplifying the process for determining if an individual is disabled to improve the accuracy and speed of decisions;
- Connecting beneficiaries with expanding employment opportunities for individuals with disabilities; and
- Addressing payment accuracy issues by developing proposals to simplify the program's eligibility rules.

SSA's strategic plan, annual performance plan, and budget requests all address the findings from the assessments. The performance measures and targets for the PART assessments were provided by SSA and used by the OMB and SSA to evaluate the effectiveness of the DI, OASI, and SSI programs. In addition to the 15 *Government Performance and Results Act* (GPRA) performance measures and targets, identified by the **PART** symbol on the charts on pages 49-53 and discussed in detail on the page number indicated on those charts, the PART assessment also included two non-GPRA performance measures.

PART Measures

Percent of SSI Aged claims processed by the time the first payment is due or within 14 Days of the effective filing date

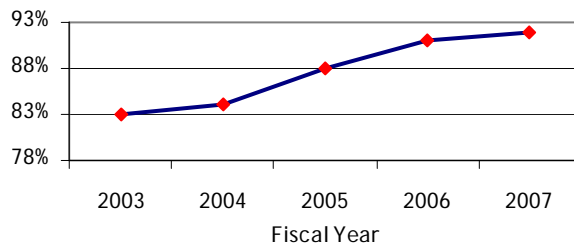
FY 2007 Goal: 75%
Performance: 92%*
Goal Achieved: Yes

Discussion: Supplemental Security Income (SSI) payments are made to qualified people who have limited income and financial assets. The Agency has provided and will continue to provide sufficient resources through this program to ensure that the needs of this segment of the population are met and that the claims are processed as quickly as possible. SSA’s performance reflects a national commitment to make timely and accurate payments to SSI Aged recipients (i.e. qualified individuals over the age of 65).

Trend:

Fiscal Year	Performance	Goal Achieved?
2003	83% *	↑
2004	84% *	↑
2005	88% *	↑
2006	91% *	↑
2007	92% *	↑

SSI Aged Claims Processed Timely (percent)



* The actual number is rounded to the nearest whole number using the standard rounding convention of rounding up numbers that are .5 or higher and rounding down those .4 or less.

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. This definition came into effect beginning FY 2001.

Data Source: The SSI Operational Data Store System.

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

FY 2007 Goal: 3%
Performance: 1.4%
Goal Achieved: No

Discussion: The aging of the baby boomer generation will result in increases in retirement and survivors claims. The achievement of this performance goal is especially challenging due to the increase in these workloads, which is complicated by the steady addition of disability claims filed by the younger of the baby boomers as they enter their disability-prone years. In addition, SSA’s own workforce will experience its own retirement wave, which will create an additional hurdle for the Agency in meeting the program’s ambitious targets. In the face of anticipated rising workloads, the employee retirement wave, and constrained resources, SSA has set ambitious targets and timeframes for its long-term Old-Age and Survivors Insurance measure for increased productivity. The Agency has set a goal of cumulative productivity improvement of 16 percent through FY 2013.

Trend: This is a new PART measure for FY 2007.

Data Definition: Retirement and Survivors Insurance (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 goal in FY 2013 is for SSA 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

PROGRAM EVALUATION

SSA continues to build on its body of program data, research, and analyses to identify strengths and weaknesses in its programs and processes, which are used in allocating Agency resources and rendering management decisions. The Agency uses this information to develop strategies that address the major challenges it faces and to improve the day-to-day administration of its programs. SSA evaluates the potential effects of proposals for change and the actual effects of change after implementation.

Many of SSA's evaluations are completed on an annual basis, while others are one-time efforts. The purpose of this section is to highlight some of the major internal program evaluations and how the results of these evaluations were used to assist management in decision-making.

Following are brief summaries of selected evaluations completed during FY 2007, arranged by the strategic goals they support as outlined in SSA's Strategic Plan. Copies of the complete results can be obtained by writing to:

Social Security Administration
Office of Strategic Management
4215 West High Rise
6401 Security Boulevard
Baltimore, MD 21235

Strategic Goal 1: *To deliver high quality citizen-centered service*

TICKET TO WORK EVALUATION

As discussed in the *Agency Challenges, III. Improve the Disability Determination Service Process and Return to Work* section on page 22, an independent five-year evaluation of the Ticket to Work program, now in its fourth year, has provided SSA with ongoing feedback on the program's effectiveness and potential. SSA used the findings to pursue regulatory changes, which will strengthen the program.

The findings rely on extensive analysis of three basic data sources:

- Administrative data on SSA beneficiaries with disabilities;
- A new four-year survey of SSA beneficiaries with disabilities with a special focus on Ticket participants; and
- Field interviews with service providers, such as the Ticket program manager, SSA staff, and others with a stake in the Ticket program.

Analysis early in the process found beneficiaries' interest in the program encouraging, but the levels of participation by potential service providers, Employment Networks, was disappointing. In response to these findings, SSA and the independent contractor refined research activities to better understand the business constraints and needs of potential Employment Networks.

Five key findings have given SSA crucial guidance in developing changes to Ticket to Work regulations:

- Many beneficiaries are interested in employment, which will discontinue their entitlement to disability benefits;
- Beneficiaries who become gainfully employed tend to remain off for significant periods of time;
- A broad array of potential service providers are interested in joining the Ticket program if financial incentives improve;
- Original Ticket program payment options are insufficient to cover the cost of services provided by Employment Networks; and
- Despite these constraints, evidence suggests that the Ticket program has led to modest increases in the use of employment services by beneficiaries, but has not yet led to significant changes in disability benefits and earnings.

The net implication of these findings is that the Ticket program has significant potential but improvements to Employment Network incentives, such as increasing payments and reducing Employment Network financial risks, must be made. The proposed regulations will address these needs by increasing overall payment levels while providing a larger share of those payments early on as a means of reducing the financial risks faced by Employment Networks. Analysis by an independent contractor of the proposed changes to the Ticket regulations suggests that Employment Networks could cover their costs under the new regulations and this could lead to renewed interest in the program.

The Ticket evaluation has also found that the Work Incentives Planning and Assistance program are playing an important role in beneficiary employment decisions. In response, SSA has modified the Ticket evaluation to develop more in-depth analysis of the effects of the Work Incentives Planning and Assistance program.

The Ticket to Work evaluation has provided valuable feedback in its first years. Additional work is expected to help SSA refine and improve the program as longer term data on program outcomes become available.

SERVICE SATISFACTION SURVEYS

The Office of Quality Performance conducts annual satisfaction surveys of 800-number callers, Field Office callers and visitors, and Hearing Office visitors, to support results for the Agency's overall service satisfaction performance measure. Results of the separate surveys are combined to produce a single measure. In FY 2007, SSA sustained a high level of customer satisfaction with an overall service rating of 81 percent *Excellent, Very Good, or Good*. This rating was comparable to the FY 2006 rating of 82 percent.

TELEPHONE SERVICES SATISFACTION SURVEYS

In addition to the annual satisfaction surveys of 800-number and Field Office callers, ad hoc surveys are conducted to obtain feedback on the public's perceptions of new services and initiatives SSA has undertaken to improve the Agency's telephone service. These surveys include tailored questions about caller experiences to provide insight about their levels of satisfaction and service preferences.

In FY 2007, SSA reported findings from a survey related to implementation of the new voice recognition system on the national 800-number. The survey compared perceptions of callers who reached the new speech recognition system with those who reached the traditional touch-tone menu and found equal levels of overall satisfaction. Callers using the speech recognition system who had difficulty reaching the type of service they needed most often said it was because they had to repeat themselves or they could not figure out what to say. SSA has continued to refine the vocabulary of the speech recognition system to make it easier for callers to use and more efficient in serving their needs.

INTERNET SERVICES SATISFACTION SURVEYS

SSA runs several *American Customer Satisfaction Index* (ACSI) surveys on the Agency's website, collecting data on informational pages as well as online applications. ACSI surveys are widely used in both the Federal and private sectors to measure public satisfaction with features of websites. The surveys provide agencies with standard,

statistical measurements of public satisfaction that are directly comparable to other ACSI users. The elements measured by ACSI surveys are:

- Overall Satisfaction;
- Content;
- Functionality;
- Look and Feel;
- Navigation;
- Search; and
- Future Behaviors (i.e., Likely to Return, Likely to Recommend to Others).

The third quarter Federal ACSI scores were released in September 2007 and SSA received top scores. The Internet Social Security Benefits Application topped all Federal websites with a score of 88, whereas the Medicare Prescription Plan Drug Costs Application followed closely with a score of 87. This is the fourth consecutive quarter these applications have led the way for Federal e-Commerce and transactions websites. Further, these two applications, together with SSA's Business Service Online and SSA's Retirement Planner, captured four of the top six spots in the e-Commerce category. SSA's aggregate score (80 for six surveys) was the second highest among all Federal agencies running multiple surveys.

In 2007, SSA added a new eServices ACSI survey for the *Internet Disability Report*. The *Internet Disability Report* score of 73 is lower than those of other SSA eServices applications, but is generally in line with SSA's information pages survey scores.

SSA uses data gathered through the ACSI surveys to help form Agency decisions on improvements to electronic services. In 2007, SSA has continued to use these surveys to improve search functionality in its *Frequently Asked Questions* application and to identify opportunities for improving customer support.

In addition to the ACSI to measure public satisfaction with online services, SSA conducts surveys to better understand public preferences for conducting business with the Agency and to obtain insight for marketing electronic services. For example, in FY 2007, SSA completed analysis of a survey of initial disability insurance claimants which obtained perceptions of the application process and compared the experiences of those who filed on the Internet with those who used a traditional filing method. In addition, the survey addressed issues related to experience and interest in using the Internet for transacting this type of business.

SSA also surveyed beneficiaries who had recently completed a change of address or direct deposit about their satisfaction with the way the transaction was handled and their preferences for conducting business after the initial entitlement determination. The survey sampled beneficiaries who had handled their transaction through an employee, either by telephone or in person, as well as those who had used the Internet or SSA's 800-number automated service. Survey results for the change of address and direct deposit samples are currently being analyzed.

The survey also included a sample of representative payees to gauge their level of interest in conducting various types of SSA business electronically. Survey results indicated there is a clear desire among representative payees for Internet and automated telephone services to assist them in conducting business on behalf of beneficiaries. The percentage of Internet users among both Old-Age, Survivors, and Disability Insurance and Supplemental Security Income payees was significantly higher than traditionally seen in the Agency's surveys of other general populations (such as 800-number callers) and a substantial portion of those payees said they would be likely to use the Internet to conduct business with SSA. The majority of payees also expressed interest in using automated telephone services.

DISABILITY PROCESS SATISFACTION SURVEYS

SSA conducts a number of surveys to obtain public perceptions of the disability claims process at both the initial claims and hearing levels. These include a large-scale "report card" satisfaction survey of initial disability

applicants, conducted with a sample of claimants shortly after they file for benefits (the mid-process sample) and with samples of claimants after they receive the decision on whether benefits have been awarded and denied. The survey asks claimants to rate key aspects of service related to the disability claims process, such as clarity of explanations of how the decision is made and claims processing time. The “report card” survey, which is conducted annually, provides SSA with data to track changing perceptions of service over time.

Results for the first phase of the FY 2007 survey, the mid-process sample, have been compiled. These results reflect a very positive view of the initial disability claims process. Responders gave a rating of 85 percent for the ease of filing the disability claim and a rating of 86 percent for SSA’s service overall. Ratings of SSA staff attributes, such as courtesy and job knowledge, were as high as 92 percent. The rating for the explanation of how the disability application process works received the lowest rating, at 73 percent. Results for the award and denial samples for FY 2007 are currently being analyzed.

A similar “report card” survey is being developed for FY 2008 to address perceptions of the process at the hearing level. The survey will sample both favorable and unfavorable decisions and focus on obtaining ratings of key aspects of the hearings process. Similar to the initial claims survey, the appeals survey will permit tracking of changing perceptions over time as SSA works to improve the handling of disability claims at the hearing level.

In FY 2007, SSA has also reported findings of a more in-depth Hearing Process Satisfaction Survey of individuals who recently received a hearing decision (favorable or unfavorable). This survey explored claimant experiences and perceptions of the hearing process from initiating the hearing request to receiving the decision. The information provided the Agency with insights about the claimant perspective on the hearing process and aspects of service most in need of improvement as well as a frame of reference for understanding the results of the hearing “report card” survey described above.

The Hearing Process Satisfaction Survey found that overall satisfaction was strongly influenced by the case outcome. Applicants awarded benefits were mostly satisfied, giving an overall rating of 83 percent. The satisfaction of responders who were denied benefits was 54 percent.

Among all aspects of service rated in the survey, those relating to the performance of SSA staff and the Administrative Law Judge were viewed the most positively.

- SSA staff received satisfaction ratings ranging from 81 to 83 percent from awarded responders for their courtesy, helpfulness, job knowledge and amount of time spent with the claimant. The ratings of claimants denied benefits ranged from 62 to 71 percent.
- The satisfaction ratings of the clarity of the judge’s explanations, preparedness to discuss the case, courtesy and time spent with the claimant ranged from 94 to 95 percent for claimants awarded benefits and 51 to 66 percent for claimants denied benefits.

The two lowest rated aspects of service for both awarded and denied applicants were the length of time it took to schedule the hearing and the ease of getting an inquiry resolved with SSA while the hearing request was pending.

- The satisfaction rating for the length of time it took to schedule the hearing was 53 percent for claimants awarded benefits and 28 percent for claimants denied benefits.
- The ease of resolving an inquiry received a satisfaction rating of about 40 percent from both claimants awarded and denied benefits.

Strategic Goal 2: *To protect the integrity of Social Security programs through*

RETIREMENT, SURVIVORS, DISABILITY INSURANCE PAYMENT ACCURACY STEWARDSHIP REVIEW

The Retirement (Old-Age) and Survivors Insurance (OASI) and Disability Insurance (DI) review is based on an annual review of approximately 1,000 OASI cases and 500 DI cases. The beneficiary or representative payee is interviewed, collateral contacts are made as needed, and all non-medical factors of eligibility are recreated.

Accuracy rates (percent of dollars paid that are free of overpayments and the percent of dollars paid that are free of underpayments) are reported for an overall OASI and DI rating, as well as separate accuracy rates for OASI and DI cases. Data from these reviews are also used in corrective action planning and monitoring performance, as required by the *Government Performance and Results Act of 1993* and the *Improper Payments Information Act of 2002*.

In FY 2006, the Old-Age, Survivors, and Disability Insurance (OASDI) overpayment accuracy rate was 99.7 percent and the underpayment accuracy rate was 99.9 percent. In FY 2005, the OASDI overpayment accuracy rate was 99.6 percent and the underpayment accuracy rate was 99.8 percent. The changes in the overall OASDI accuracy rates from FY 2005 to FY 2006 are not statistically significant.

Because of the small sample size, OASI and DI error data are viewed over a period of years to aid in identifying trends. The data are used to help guide initiatives that improve SSA processes. Improvement efforts include:

- Identification of substantial gainful work activity through the implementation and continued use of the eWork tool. eWork is an automated tool for monitoring the Continuing Disability Review workload to ensure these cases are prioritized for timely processing. eWork allows SSA staff to process and record work activity in a single National web-based database and is synchronized with SSA's National database of work and earnings determinations.
- Development of two automation tools, "MacPaste" and "AEROWiz," to address errors involving computations. The first tool, MacPaste, helps eliminate transcription errors made by technicians, thereby enhancing productivity and accuracy. The second tool, AEROWiz, helps technicians process computations of benefit amounts by providing them with a convenient summary of all of the issues involved with the case.

SUPPLEMENTAL SECURITY INCOME (SSI) PAYMENT ACCURACY STEWARDSHIP REVIEW

The SSI payment accuracy review is based on a random, non-medical review of approximately 4,000 SSI cases. The review involves an examination of documents in SSA's records and verification of payment accuracy through contact with recipients, their representatives, and other sources, such as employers and financial institutions. Data from these reviews are also used in corrective action planning and monitoring performance, as required by the *Government Performance and Results Act of 1993* and the *Improper Payments Information Act of 2002*. The FY 2006 SSI overpayment accuracy rate was 92.1 percent and the underpayment accuracy rate was 97.8 percent. The underpayment accuracy rate is slightly lower than, but not statistically significant from, the FY 2005 underpayment accuracy rate of 98.6 percent. The overpayment accuracy rate is lower than the FY 2005 overpayment accuracy rate of 93.6 percent. This change in rate is statistically significant.

SSI payment accuracy is influenced by the volume, mix and effectiveness of the redeterminations conducted by the Agency. Administrative budget limitations resulted in 900,000 fewer redetermination actions being processed in FY 2006 than in FY 2005.

ANNUAL REPORT OF THE SUPPLEMENTAL SECURITY INCOME (SSI) PROGRAM

The 2007 report, published by SSA's Office of the Chief Actuary, provides a 25-year forecast spanning the years 2007 to 2031. Significant projections are:

- By 2031, the end of the 25-year projection period, the Federal SSI recipient population is estimated to reach 9.2 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. The rate of participation is projected to vary somewhat by age group, with the overall participation rate of the 65 or older age groups projected to decline, and the participation of the under 65 age group projected to increase slightly.
- Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients increased slightly from 2.25 percent in 2005 to 2.27 percent in 2006, and is projected to increase gradually to 2.52 percent of the population by 2031, due largely to the changing age distribution of the population.
- Federal expenditures for SSI payments in calendar year 2007 are estimated to increase by \$2.2 billion to \$40 billion, an increase of 5.9 percent from 2006 levels.
- In constant 2007 dollars, Federal expenditures for SSI payments are projected to increase to \$51.5 billion in 2031, an increase of 1.2 percent per year.
- When compared to the Gross Domestic Product (GDP), Federal SSI expenditures are projected to decline over time, from the current level of 0.29 percent of GDP in 2006 to 0.24 percent of GDP by 2031.

The Chief Actuary uses these projections to provide Congress and other interested parties with information on the future of the SSI Program.

FEDERAL INFORMATION SECURITY MANAGEMENT ACT REVIEW

The *Federal Information Security Management Act* (FISMA) is an Information Technology (IT) Security framework for all Federal agencies included as Part III of the *eGov Act of 2002*. All Federal agencies are required to submit a FISMA report to the Office of Management and Budget (OMB) by October 1st of each year. The purpose is to summarize the results of annual IT security reviews of systems and programs, agency progress on correcting identified weaknesses, and the results of other work performed during the reporting period using OMB's performance measures to assess and report the status of agency IT security programs. In April 2007, SSA was given a grade of "A" and ranked fifth among Federal agencies in the FY 2006 FISMA review. And, for the second year in a row, SSA was the only Federal agency to be graded as "Excellent" in its Certification and Accreditation process that is incorporated into the Federal FISMA review.

ENUMERATION PROCESS QUALITY REVIEW

The Office of Quality Performance conducts an Enumeration Quality Review to measure the accuracy of the SSN card issuances made through the Agency's processes. SSNs issued through the Enumeration-at-Birth and Enumeration-at-Entry processes are included in the review, as well as Field Office processed applications for SSNs transactions for original SSNs.

Data from this review are used to determine whether the Agency meets the annual performance goal for assigning SSNs that are free of critical error, meaning, SSNs that are properly issued to applicants who request them and are entitled to them. FY 2007 performance on enumeration will not be available until September 2008 and will be reported in the FY 2008 *Performance and Accountability Report*.

REVIEW OF MEDICARE PART D SUBSIDY DETERMINATIONS

SSA conducts an ongoing review of the Medicare Part D Subsidy applications to measure the accuracy of the Agency's subsidy eligibility determinations.

Data from the Medicare Part D Subsidy quality review is used to provide feedback on the performance of the prescription drug subsidy program. Additionally, data are used to develop profiles to identify, for determinations of continuing eligibility, those types of cases that have a high probability of error. The quality review is performed on

a statistically valid sample of Medicare Part D Subsidy awards, redeterminations and denials. SSA also performs special reviews of target cases on an ad hoc basis.

Strategic Goal 3: *To achieve sustainable solvency and ensure Social Security*

ANNUAL REPORT OF THE BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE (OASI) AND DISABILITY INSURANCE (DI) TRUST FUNDS

The Old-Age, Survivors, and Disability Insurance (OASDI) program provides protection against the loss of earnings due to retirement, death, or disability. The OASDI program consists of two separate parts, OASI and DI, which pay monthly benefits to workers and their families. The *Social Security Act* requires that the Board of Trustees report annually to Congress on the financial and actuarial status of the OASI and DI Trust Funds under present law. Based on the actuarial status projected by the Trustees, Congress modifies the *Social Security Act* as needed to assure solvency of the OASDI Trust Funds in the future. The Trustees have stated repeatedly that future legislative modifications should be designed to achieve sustainable solvency for Social Security.

Strategic Goal 4: *To strategically manage and align staff to support the mission*

HUMAN CAPITAL PLAN

SSA's comprehensive human capital strategy was publicly documented in 2004 when SSA issued the Agency's first Human Capital Plan. The plan laid out how SSA would use human capital to meet the Agency's mission and goals and ensure that the Agency has employees in place with the skills necessary to continue SSA's tradition of excellent service. Employees across the Agency worked together to accomplish these initiatives and, as a result, SSA was rewarded with the President's Management Agenda score of "green" for the Strategic Management of Human Capital in June 2004. To date, SSA has maintained "green" status by successfully completing planned activities, continuing with initiatives underway, and adding new ones that will further improve the management of human capital.

The Human Capital Plan, which is updated annually, demonstrates how SSA will use human capital to meet the Agency's mission and goals. The plan contains "Elements for Success" that align with and support the *Agency Strategic Plan*. These elements are Strategic Alignment; Workforce Planning; Workforce Development and Knowledge Management; Performance Culture; Leadership; and Accountability/Measures. It also includes a summary of SSA's key accomplishments that are linked to each of the elements.

Each "Element for Success" contains results-oriented goals that are measured and tracked. This measurement and tracking process helps the Agency to monitor advancement toward its human capital goals, and develop new and refined strategies for addressing its major management challenges in this area.

RETIREMENT WAVE

The Retirement Wave report was established to assist Agency leaders in assessing workforce needs and to foster workforce planning by providing objective information to support the Agency's human capital initiatives. This report provides a snapshot of the current workforce and a projection of probable retirement losses in mission critical positions for each region and major component within the Agency. Because it is an early alert for the Agency's leaders and managers, SSA uses it as a tool to guide leaders and managers in establishing new initiatives that will be successful in addressing potential leadership and knowledge management deficiencies.

As SSA approaches the estimated peak retirement period, the Retirement Wave report remains an important foundation for and evaluation of the Agency's efforts toward the strategic management of human capital. To address SSA's future workforce challenges, several initiatives were born from the retirement wave analysis, including strategic use of the Voluntary Early Retirement Authority, recruitment and retention initiatives, developmental programs, and various workforce planning frameworks and accountability systems.

As a result of the Agency's conscientious efforts to prepare for the potential drain on institutional knowledge and expertise, the Agency has seen significant positive changes in SSA's workforce. These changes include a decrease in average years of service and in the average age of SSA's overall workforce as well as the Agency's new hires. This places SSA in a favorable position to maintain a consistent and stable workforce that is adequately prepared to continue to address the needs of the American people.

STRATEGIC LEADERSHIP SUCCESSION PLAN

The FY 2007 Strategic Leadership Succession Plan was developed to provide a blueprint of how the Agency will recruit, develop, and retain current and future leaders. The plan addresses the Agency's current and future leadership needs, including an organizational assessment that contains a baseline examination of leadership strength, projected attrition, and the Agency's current succession planning strategies. The plan also documents the organization's strategic goals, specific means and strategies toward achieving those goals, and a metric-driven plan for evaluating goal attainment and program effectiveness. The results of the evaluation will provide a basis for improvements in SSA's succession planning programs.

HUMAN CAPITAL ACCOUNTABILITY PLAN

SSA has established a human capital accountability system as a framework to improve the Agency's human resources management practices toward creating a high-performing workforce. This system is supported by the Human Capital Accountability Plan, which is a mechanism for evaluating the effectiveness of the Agency's human capital goals and strategies as stipulated in the Human Capital Plan. The Human Capital Accountability Plan links the Agency's human capital goals to specific measures, data collection procedures, and assessment timeframes. In addition, the plan identifies component-level accountability for the reporting and implementation of activities therein, as well as providing a schedule for measurement. The annual analysis of the outcomes are presented in a formal report and used to identify areas of strength and opportunities for improvement across human capital management policy, programs, and initiatives, as well as adherence to merit system principles.

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