

Supplemental Information

Adequacy of Trust Fund Financing

Calendar Year	1951	1961	1971	1981	1991	2001
Trends in factors affecting revenues						
- Taxable wage base for coverage:						
Social Security	\$3,600	\$4,800	\$7,800	\$29,700	\$53,400	\$80,400
Medicare (HI)	NA	NA	7,800	29,700	125,000	No Limit
- Tax contribution & distribution rates:						
- FICA tax rate (employers and employees, each)						
OASI (initiated 1937)	1.50%	2.75%	4.05%	4.70%	5.60%	5.30%
DI (initiated 1957)	NA	.25%	.55%	.65%	.60%	.90%
HI (initiated 1966)	NA	NA	.60%	1.3%	1.45%	1.45%
Combined	1.50%	3.00%	5.20%	6.65%	7.65%	7.65%
- SECA tax rate						
OASI (initiated 1951)	2.25%	4.125%	6.075%	7.025%	11.20%	10.60%
DI (initiated 1957)	NA	.375%	.825%	.975%	1.20%	1.80%
HI (initiated 1966)	NA	NA	.60%	1.30%	2.90%	2.90%
Combined	2.25%	4.50%	7.50%	9.30%	15.30%	15.30%
- Percent of benefits taxed	NA	NA	NA	NA	50.0% ¹	85.0% ²
Trends in factors affecting outlays						
- No. of beneficiaries (in millions) ³						
Retirees/dependents	3.0	11.7	17.2	23.9	28.8	32.0 ⁴
Survivors of deceased workers	1.4	3.8	6.7	7.6	7.3	7.0 ⁴
Disabled workers/dependents	NA	1.0	2.9	4.5	4.5	6.8 ⁴
- Benefit payment COLA increase ⁵	NA	NA	NA	11.2%	5.4%	3.5%
- No. of workers per beneficiary ⁶	14.5	4.7	3.6	3.2	3.3	3.4 ⁴
- Retirement Age						
Largest Benefits ⁷	65 yrs.	65 yrs.	70 yrs.	70 yrs.	70 yrs.	70 yrs.
Full Benefits ⁸	65 yrs.	65 yrs.	65 yrs.	65 yrs.	65 yrs.	65 yrs.
Reduced Benefits	NA ⁹	62 yrs. ⁹	62 yrs.	62 yrs.	62 yrs.	62 yrs.

1. Income over \$25,000 for an individual or \$32,000 for a couple.
2. Income over \$34,000 for an individual and \$44,000 for a couple; income between \$25,000 and \$34,000 for an individual and between \$32,000 and \$44,000 for a couple are taxed at 50%.
3. The first old-age and survivors benefit checks were issued in 1940 and the first disability checks in 1957. Number of beneficiaries are those current-payment status for December 31.
4. Estimated, based on the intermediate economic and demographic assumptions in the 2001 Trustees Report. Totals may not add due to rounding.
5. Prior to 1975, benefit increases were at the discretion of Congress. Data represents the increase in the benefit check received during the calendar year. Cost of Living Adjustment for FY 2000 is effectively 2.5% pursuant to Public Law 106-554.
6. Per OASI beneficiary in 1951; per OASDI beneficiary in 1961, 1971, 1981, 1991 and 2001.
7. Delayed retirement credits, increasing benefits up to age 70, became available in 1971.
8. Age at which there is neither a reduction in benefits for early retirement nor an increase for delayed retirement.
9. Reduced benefits were not offered until 1956 for women and 1961 for men.

Anti-Fraud Activities

SSA is committed to a policy of zero tolerance for fraud, waste and abuse (see Major Issues Facing SSA section for more information). Section 206(g) of the Social Security Independence and Program Improvements Act, Public Law 103-296 requires SSA to report annually on the extent to which cases of entitlement to monthly OASI, DI and SSI benefits have been reviewed; and the extent to which the cases reviewed were those that involved a high likelihood or probability of fraud.

Entitlement Reviews

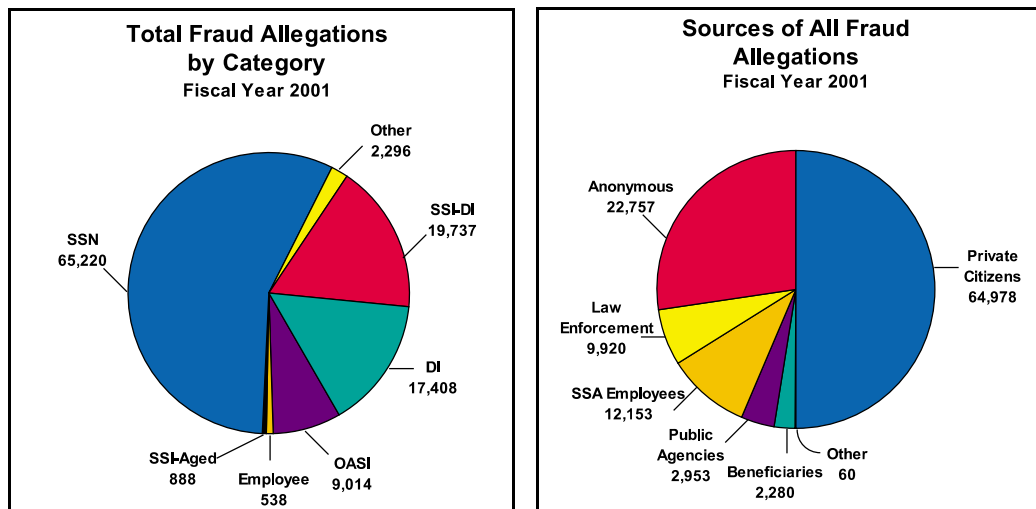
Entitlement reviews help ensure that continued monthly payments are correct, even though fraud is not an issue in the vast majority of cases. Cases are selected and reviews undertaken, both prior to and after effectuation of payment, to ensure that development procedures and benefit awards are correct. Listed below are major entitlement reviews conducted by the Agency along with a page reference for further discussion of these reviews:

- OASI and SSI quality assurance reviews (pages 146 through 151)
- Disability quality reviews (pages 208 and 209)
- SSI redetermination (pages 44 and 45)
- CDRs (pages 45 and 212)

Numerous computer matching programs and other payment safeguard activities assist us in finding and correcting erroneous payment actions and in identifying and deterring fraud in our entitlement programs. In continuing efforts to improve payment accuracy, SSA invested more than \$1 billion in processing over 9 million alerts in FY 2001. Current estimates indicate that these payment safeguard activities provided benefits to the trust funds of \$7.1 billion in overpayments detected and/or prevented.

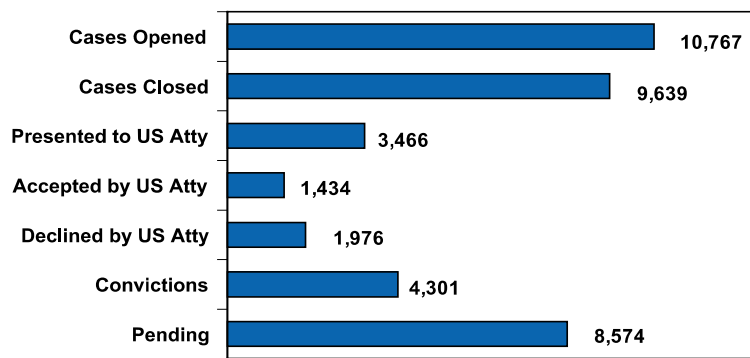
Anti-Fraud Activities

In FY 2001, as part of its fraud detection and prevention program for safeguarding the Agency's assets, SSA worked with our Office of Inspector General (OIG), the U.S. Attorney and other State and local agencies on cases involving fraud and abuse. The following charts summarize OIG's involvement in fraud activities throughout the FY.



The integrity of SSA's records and payments is maintained through an overall security program which controls access to SSA data bases and refers suspected fraud and abuse cases to OIG for investigation and, if indicated, prosecution by the Department of Justice. Protection of data security violations continues to remain excellent with 99.9 percent of business transactions occurring without incident.

Disposition of All Fraud Cases Fiscal Year 2001



Debt Management

During the 1990s, SSA has focused on expanding its use of aggressive debt collection tools. As a result of its efforts, the Agency has had many noteworthy successes. In 1992, SSA implemented its tax refund offset (TRO) program to collect delinquent DI (Title II) overpayments, in the process collecting over \$50 million in that year alone. In 1995 and again in 1998, the Agency expanded its use of the TRO program to include other classes of DI delinquent debts, as well as SSI (Title XVI) debts.

In addition, SSA began using the Treasury Offset Program (TOP) in 1998. TOP assimilated the former TRO program and added the capability of using administrative offset, or collection of a debt from a Federal payment other than a tax refund. To date, TRO and TOP have yielded \$535 million in debt collections.

Also in 1998, SSA began reporting its delinquent title II debtors to credit repositories as a way to induce repayment of the delinquent debts. To date, SSA has reported over 100,000 delinquent debtors to two major credit repositories -- Trans Union and Equifax Credit Information Services Inc. As a result of credit bureau reporting, many debtors have repaid their debts in full or have resumed regular monthly payments of their debts.

FY 2001 saw a continuance of all of the foregoing debt collection activities. FY 2001 was also a time of planning and development of two major debt collection projects that are expected to yield direct collections of more than \$115 million over five years. The two projects, cross program recovery and administrative wage garnishment, will enable SSA to collect both DI and SSI delinquent debts.

Cross program recovery was authorized as law in October 1998, and SSA immediately began developing this tool. Cross program recovery is the collection of a former recipient's SSI debt from any DI benefits due that person. Plans are to implement it in January 2002.

Administrative wage garnishment was authorized by the Debt Collection Improvement Act of 1996; it allows Federal agencies to serve garnishment orders directly upon a debtor's employer. SSA wrote a Notice of Proposed Rulemaking for garnishment, which will be implemented after the final regulations are published.

In December 1999, the Foster Care Independence Act of 1999 was signed into law. This legislation authorizes the use of all available debt collection tools for recovering SSI debts. These tools include administrative offset, interest charging, Federal salary offset, credit bureau reporting and the use of private collection agencies. Shortly after this legislation was passed, planning and development for two of the debt collection tools, administrative offset and credit bureau reporting, was set in motion. SSA wrote final regulations for these two tools, which will be implemented after the regulations are published.

The following collection data includes all the program debt owed to SSA and is presented on a combined basis without intra-Agency eliminations. Collection data shown in the GPRA performance report only includes legally defined overpayments in which beneficiaries have certain due process rights.

<i>SSA's Debt Management Activities</i>	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
Total debt outstanding end of FY (in millions)	\$5,119.1	\$5,727.3	\$6,524.4	\$7,107.7	\$11,437.1
% of outstanding debt					
- Delinquent	14.5%	14.6%	13.5%	15.5%	9.3%
- Estimated to be uncollectable	28.0%	29.0%	30.2%	33.9%	25.3%
New debt as a % of benefit outlays	0.8%	0.8%	1.0%	0.9%	1.7%
% of debt collected	38.9%	33.2%	34.0%	33.5%	19.9%
Cost to collect \$1	\$0.09	\$0.11	\$0.11	\$0.10	\$0.11
% change in collections from prior FY	12.4%	(11.9%)	16.5%	7.6%	(4.4%)
% change in delinquencies from prior FY	125.1%	12.1%	5.4%	25.6%	(3.5%)
Debt clearance rate	36.1%	30.1%	30.8%	31.0%	21.5%
Collections as a % of clearances	69.2%	76.2%	73.3%	73.7%	70.8%
Total write-offs of debt (in millions)	\$887.60	\$595.1	\$807.6	\$850.8	\$941.3
Average number of months to clear receivables:					
- OASI	12	13	12	12	14
- DI	29	29	25	26	32
- SSI	25	23	20	27	4

FY 2001 Quarterly Data (In Millions)				
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr
Total receivables (cumulative)	\$7,228.40	\$7,612.1	\$7,394.4	\$11,437.1
Total collections (cumulative)	575.7	1,185.8	1,705.6	2,280.6
Total write-offs (cumulative)	195.9	442.8	713.3	941.3
TOP collections (cumulative)	1.6	46.3	79.7	96.8
Aging schedule of delinquent debt:				
- 180 days or less	\$520.6	\$459.3	\$464.6	\$525.7
- 181 to 10 years	500.9	531.0	511.9	524.6
- Over 10 years	<u>11.3</u>	<u>11.3</u>	<u>11.3</u>	<u>11.2</u>
- Total delinquent debt	\$1,032.8	\$1,001.6	\$987.8	\$1,061.5

Biennial Review of User Fee Charges

Summary of Fees

User fee revenues of \$246 and \$253 million in FY 2000 and FY 2001, respectively, accounted for less than 1 percent of SSA's total annual revenue. Over 95 percent of user fee revenues are derived from agreements with 25 States and the District of Columbia to administer some or all of the States' supplemental SSI benefits. During FY 2001, SSA charged a fee of \$8.10 per payment for the cost of administering State supplemental SSI payments. As required by law, this fee will increase to \$8.50 for FY 2002. Starting in FY 2003, the user fee will be adjusted based on the Consumer Price Index unless the Commissioner of Social Security determines a different rate is appropriate for the States. SSA charges full cost for other reimbursable activity such as earnings record requests from pension funds and individuals.

Biennial Review

The Chief Financial Officers' Act of 1990 requires biennial reviews by Federal agencies of agency fees and other charges imposed for services rendered to individuals, as opposed to the American public in general. The objective of these reviews is to identify such activities, charge fees as permitted by law and periodically adjust these fees to reflect current costs or market value. SSA is planning to perform a review of these fees during FY 2002.

Programmatic Information

This section provides detail on how effectively and efficiently SSA performs its day-to-day program processes and service delivery functions. Included are performance indicators to assess the effectiveness in achieving intended results relating to service delivery goals and objectives outlined in the Agency's strategic plan and unit cost data to measure the efficiency of operations.

"N/A" indicates that actual data are unavailable for that particular fiscal period. When current dollars are presented to restate prior period costs at the 2001 cost levels, the conversion from "actual dollars" to current dollars is calculated based on the change in the cost of an average SSA workyear. The indices used to adjust prior period costs are 1.053011 for 2000, 1.119658 for 1999 and 1.132708 for 1998.

Enumeration Process

Enumeration is the process by which SSA assigns Social Security numbers (SSN) to individuals who request them and issues original and replacement cards as a record of each number assigned to a particular individual. The purpose of the number is to maintain accurate records of earnings covered by the Social Security Act and to pay benefits accurately under various Social Security programs.

Social Security Numbers Issued (in millions)				
	FY 98	FY 99	FY 00	FY 01
Original at Birth	3.8	3.8	4.0	3.8
Other Original	1.7	1.7	1.8	2.0
Replacement	10.7	10.9	11.3	12.3

Application for both original and replacement cards is made through SSA field offices and the data is transmitted to SSA Headquarters in Baltimore where the numbers are assigned and the cards are issued. Application for original SSNs for newborns is also made through another process called Enumeration at Birth, which accounts for the majority of original SSN cards issued. As part of the State's birth registration process in the hospital, a parent can request an SSN be assigned to his/her newborn. The State's Office of Vital Statistics then extracts the data SSA needs to assign a number and transmits the data to SSA Headquarters where the cards are issued.

The issuance of original and replacement cards must be prompt and efficient. SSA's ability to advise applicants of their assigned SSN within 24 hours of initial processing has remained very high over the last several years.

% of applicants that can be notified orally of their SSN within 24 hours of initial processing of application				
	FY 98	FY 99	FY 00	FY 01
	98.9%	96.5%	96.8%	96.8%

Requests for SSNs are processed timely, without sacrificing the integrity of the numbers issued. SSA has assigned over 400 million SSNs since the program began in 1936.

Average Processing Time (days)			
FY 98	FY 99	FY 00	FY 01
0.1	0.3	0.3	0.3

Enumeration Workload Data	FY 98	FY 99	FY 00	FY 01
Workyears	2,902	2,692	2,909	3,036
Production Per Workyear	5,584	6,063	5,888	5,988
Unit Costs (Current \$)	\$15.86	\$15.55	\$16.10	\$16.26

Earnings Process

Reports of earnings must be filed annually by every employer who is liable for Social Security and Medicare taxes. Employers may submit wage reports to SSA on paper or on electronic or magnetic media. To ensure completeness of earnings data, wage items are matched yearly against employer tax data reported to the Internal Revenue Service (IRS). Record corrections may be initiated by an employer, IRS, SSA or an employee. Individuals may request statements of their earnings records and corrections to those records by contacting SSA in person, by phone, through the mail or the Internet.

The data on the following charts shown as FY 2001 performance relates to the processing of tax year 2000 data. SSA annually estimates the number of annual wage reports (AWRs) and the amount of self-employment income that will be posted for a particular tax year. These estimates are used to monitor current year processing. Once all wage and self-employment income information is processed, these measures are recalculated using actual data.

Number of months to post 98.5 percent of AWRs for the tax year			
FY 98	FY 99	FY 00	FY 01
9.0	9.5	8.5	8.0

% of AWRs Posted Following Close of the Tax Year				
	FY 98	FY 99	FY 00	FY 01
Within 6 Months	83.0%	83.1%	91.3%	94.0%
Within 9 Months	98.5%	92.9%	98.9%	99.3%

% of Self Employment Income Posted Following the Close of the Tax Year				
	FY 98	FY 99	FY 00	FY 01
Within 9 Months	89.5%	88.5%	88.4%	87.0%
Within 12 Months	99.8%	100%	99.9%	N/A

Earnings Workload Data	FY 98	FY 99	FY 00	FY 01
Earnings Processed	266,011,984	249,867,974	277,145,696	274,427,394
Workyears	1,223	1,007	904	809
Production Per Workyear	217,440	248,131	306,577	339,218
Unit Costs (Current \$)	\$0.40	\$0.33	\$0.26	\$0.23

Earnings Suspense File

Each year SSA receives annual wage reports from employers and self-employment income from the Internal Revenue Service. These earnings records are used to determine eligibility and benefit amounts for OASDI. Once received, the reports are matched with SSA's Numident File (the repository for all issued SSNs) to verify an individual's name and SSN. Some annual wage reports have invalid name and SSN combinations. The invalid combinations are placed in the Earnings Suspense File (ESF). Once the item is placed on the ESF, another series of processes are used in an attempt to determine the correct identity (name/SSN) so the reported earnings can be posted to the correct individual's Master Earnings File. SSA hired an outside contractor to ensure we follow sound business practices and more properly reflect the Agency's activity regarding unidentified earnings reports in its records. Many objectives were set forth under the contract, including identifying alternative approaches for managing the ESF, recommending ways to improve the integrity of the data maintained in the ESF and recommending approaches to administer the ESF in a more cost effective way. In July 2001 the contractor completed their analysis and provided many recommendations to SSA on how to improve the ESF process. SSA is currently evaluating the recommendations by the contractor.

Claims Process

To become entitled to benefits under any of the programs that SSA administers, an individual must file an application and submit proof of eligibility. Those who are dissatisfied with SSA's decisions may request further review. The claims process comprises the actions that SSA takes to determine an individual's eligibility for benefits, beginning with the individual's initial contact through payment effectuation or administrative appeal.

The process for determining eligibility for benefits involves certain basic functions that are consistent across each of the programs that SSA administers: outreach and information, intake, evidence collection, determination of eligibility, notification of award or denial and initial payment. However, eligibility requirements vary considerably by program and type of benefit.

Following are several performance measures for the claims process.

Initial Claims Processing Times (in Days)				
	FY 98	FY 99	FY 00	FY 01
OASI	15.7	14.4	12.0	11.5
SSI Aged	32.6	20.8	14.6	11.2
DI	90.1	94.3	93.4	99.8
SSI Blind/Disabled	108.8	114.0	109.9	112.0

% of continuing monthly payments made on the scheduled delivery date				
	FY 98	FY 99	FY 00	FY 01
OASI	99.9%	99.9%	99.9%	99.9%
SSI	99.9%	99.9%	99.9%	99.9%

The “Initial Payment Accuracy Rate” is the measure of accuracy of the first payment made to newly awarded OASI and SSI claimants. It is calculated by dividing the amount of payments made correctly by the total amount that should have been paid. The Accuracy Rates from FY 1999 to FY 2000 have increased.

Initial Payment Accuracy Rate				
	FY 98	FY 99	FY 00	FY 01
OASI	97.1%	93.4%	N/A	N/A
SSI	93.3%	91.6%	92.8%	N/A

The Index of Dollar Accuracy is based on a statistically reliable sample of the workloads reviewed. It measures the dollar accuracy of adjudicative decisions over the retrospective, current and prospective lifetime of the payment. For OASI, the Index of Dollar Accuracy rate represents total dollars paid divided by dollars that should have been paid over the life cycle of the award. For SSI, it expresses the relationship of field office processed initial claims and redetermination dollars paid to dollars that should have been paid over the expected life of the award or determination. The lifetime of the SSI award continues until termination or redetermination. The percent of lifetime OASI initial awards has remained consistently high for the past several years. The changes in the SSI index of dollar accuracy rate from one year to the next are not statistically significant.

% of lifetime dollars from a claims award or redetermination that are paid correctly				
	FY 98	FY 99	FY 00	FY 01
OASI	99.8%	99.6%	N/A	N/A
SSI	93.9%	94.2%	94.0%	N/A
- Awards	94.8%	93.2%	93.3%	N/A
- Redets.	93.5%	94.5%	94.2%	N/A

Claims Workload Data	FY 98	FY 99	FY 00	FY 01
Workload Receipts				
-OASI	2,992,786	3,041,782	3,368,093	3,071,173
-DI	1,487,545	1,505,689	1,598,479	1,747,539
-SSI Aged	138,570	149,716	153,536	153,678
-SSI Blind/Disabled	1,444,351	1,480,536	1,546,883	1,620,902
Total	6,063,252	6,177,723	6,666,991	6,593,292
Year-To-Year Change	-3.2%	1.9%	7.92%	-1.11%
Workloads Processed				
-OASI	3,020,268	3,076,937	3,404,938	3,092,743
-DI	1,536,900	1,513,780	1,577,815	1,733,537
-SSI Aged	135,442	148,382	153,474	153,563
-SSI Blind/Disabled	1,429,247	1,440,689	1,493,390	1,585,246
Total	6,121,857	6,179,788	6,629,617	6,565,089
Year-To-Year Change	-4.6%	0.6%	8.29%	-\$0.97
End-of-Year Pendings				
-OASI	55,505	38,531	30,667	154,440
-DI	259,018	291,104	343,362	395,482
-SSI Aged	8,469	9,101	7,602	12,845
-SSI Blind/Disabled	328,260	365,281	412,495	438,922
Total	651,252	704,017	794,126	1,001,689
End of Year Pendings as % of Current Year's Dispositions				
-OASI	1.8%	1.3%	0.9%	5.0%
-DI	16.9%	19.2%	21.8%	22.8%
-SSI Aged	6.3%	6.1%	5.0%	8.4%
-SSI Disabled	23.0%	25.4%	27.6%	27.7%
Workyears	17,263	16,714	17,236	17,101

Claims Workload Data	FY 98	FY 99	FY 00	FY 01
Production Per Workyear	355	370	385	384
Unit Cost (Current \$)				
-OASI	\$257.12	\$212.60	\$199.90	\$210.04
-DI	765.00	678.07	649.60	615.42
-SSI Aged	385.79	298.76	236.56	228.96
-SSI Disabled	684.90	585.11	572.71	548.34
Overall Average	487.35	415.53	391.76	399.21

Disability Determination Services (DDS)

The following tables illustrate the DDS performance accuracy for disability determinations. Performance accuracy rates reflect the estimated percentages of initial disability determinations and reconsideration disability determinations that do not have to be returned to the DDS for development of additional documentation or correction of the disability determination. Accuracy of initial disability determinations have remained relatively constant over the last 4 years.

Performance Accuracy -- Initial Disability Determinations				
	FY 98	FY 99	FY 00	FY 01
Overall Average	93.7%	94.3%	94.2%	93.9%
Allowances	96.1%	96.5%	97.0%	96.8%
Denials	92.3%	93.0%	92.4%	92.0%

Performance Accuracy -- Reconsideration Disability Determinations				
	FY 98	FY 99	FY 00	FY 01
Overall Average	91.6%	92.3%	92.2%	91.0%
Allowances	95.6%	96.0%	96.9%	96.8%
Denials	90.9%	91.6%	91.3%	89.9%

The table on the following page reflects the net accuracy of initial disability determinations. Net accuracy is the percentage of correct DDS disability determinations. The net accuracy rate is based on the net error rate (defined as the number of corrected deficient cases with changed disability decisions, plus the number of deficient cases that are not covered by the report) divided by the number of cases reviewed. Fiscal year net accuracy is calculated approximately 3 months following the end of the fiscal year. Net accuracy of initial disability determinations has remained fairly stable over the past 4 years.

Net Accuracy of Initial Disability Determinations				
	FY 98	FY 99	FY 00	FY 01
Overall Average	96.2%	96.7%	96.4%	NA
Allowances	97.9%	98.0%	98.4%	NA
Denials	95.3%	95.8%	95.2%	NA

SSA is mandated by statute to review at least 50 percent of the favorable disability insurance determinations made by State DDSs. These reviews of initial and reconsideration allowances are conducted prior to effectuation of the DDS determination. We also perform preeffectuation reviews of DDS determinations of continuing eligibility. SSA uses a profiling system to select cases for review. This helps to ensure the cost-effectiveness of preeffectuation reviews, and satisfies the legislative requirement that the cases reviewed are those that are most likely to be incorrect.

Preeffectuation Reviews				
	FY 98	FY 99	FY 00	FY 01
% of accurate decisions to allow or continue benefits by State DDSs	96.4%	96.4%	96.6%	96.8%
No. of cases reviewed	241,611	254,134	259,785	298,150
No. of cases returned to DDS due to error or inadequate documentation	8,729	9,082	8,748	9,602

SSA also performs quality assurance reviews to measure the level of decisional accuracy for the State DDSs against standards mandated by regulations. These reviews are conducted prior to effectuation of the DDS determinations and cover initial claims, reconsiderations and determinations of continuing eligibility. The tables below show that the State DDSs have consistently made the correct decision to allow benefits.

Quality Assurance Review				
	FY 98	FY 99	FY 00	FY 01
% of accurate decisions to allow or continue benefits by State DDSs	96.1%	96.1%	96.7%	96.8%
No. of cases reviewed	42,303	43,863	42,196	39,515
No. of cases returned to DDS due to error or inadequate documentation	1,638	1,705	1,381	1,281

DDS Workload Data	FY 98	FY 99	FY 00	FY 01
Workload Receipts				
- Initial Disability Cases	2,040,738	2,053,492	2,116,667	2,209,275
- Total Cases	3,848,878	3,786,564	3,887,035	3,765,764
Workload Processed				
- Initial Disability Cases	2,023,748	2,012,047	2,035,627	2,166,623
- Total Cases	3,792,151	3,774,209	3,756,923	3,770,212
End-of-Year Pending				
- Initial Disability Cases	416,378	457,823	535,407	578,524
- Totals Cases	760,026	772,381	900,502	891,037
Production Per Workyear	265	258	264	262

Due Process Operations

Due process operations consists of reconsiderations, hearings and appeals.

Reconsiderations of initial claims constitute the majority of all reconsideration actions. Should a reconsideration be filed, it is expected that the beneficiary will receive a prompt reply. In prior years, data was collected on the percent of requests for reconsideration completed within 60 days of filing. However, beginning with FY 2001, disability reconsiderations are considered timely if they are processed with an overall time of 120 days or less. In FY 2001, 74.7 percent of reconsiderations were processed within 120 days or less.

Data for the hearings processing time performance indicator may be found in this report on page 42 and pages 138 through 141.

In FY 2001, the processing time for appeals workload decreased to an average of 447 days. The average processing time was 58 days less in FY 2001 than in FY 2000. Early in calendar year 2001, the Appeals Council Process Improvement (ACPI) Plan was implemented with an eye toward reducing average processing time for the appeals workload. Differential case management was implemented as one means of increasing the number of appeals processed. Additional sources were tapped to increase the number of adjudicators available to process claims.

Appeals Council Processing Time (Days)			
FY 98	FY 99	FY 00	FY 01
430	458	505	447

As a result of these initiatives, productivity increased and the decline in the pending level, begun in FY 2000, continued. Likewise, a corresponding decrease occurred in the average time required to process these claims. However, another major initiative, which emphasized the processing of aged claims, limited the extent of this decrease in processing time. This year we tracked the percent of Appeals Council claims that have decisions made within 105 days after the appeals filing date.

Early in calendar year 2000, the Appeals Council implemented the ACPI Plan. The Plan contained numerous initiatives aimed at reducing both the number of pending requests for review cases as well as the processing time. These initiatives included differential case management and hiring to increase the number of adjudicators available to process claims. As a result of these efforts, the pending level has decreased. However, at the same time, other initiatives impacted negatively on the Council's endeavor to process claims within 105 days. Most importantly, the Council made a concerted effort to reduce its pending workload of aged cases. By definition, aged cases are already over the 105-day limit. As the Council has reduced the number of pending request for review cases, including the number of aged claims over the past year, the percent of cases processed within 105 days has gradually increased. At the beginning of the fiscal year, in October 2000, only 5.94 percent of appeals were processed within 105 days. By September, this percentage had increase to 17 percent. The cumulative percent for the year was 12.2 percent. In FY 2000, we tracked the percent of these claims that had decisions within 90 days after the filing date and found that only 2 percent were processed within that time frame.

Due Process Workload Data	FY 98	FY 99	FY 00	FY 01
Workload Receipts				
- Hearings	519,179	524,644	569,276	554,376
- Appeals	129,033	135,379	130,534	104,864
Workloads Processed				
- Reconsiderations	1,054,512	981,347	910,921	780,039
- Hearings	618,578	596,999	539,426	465,228
- Appeals	119,271	109,691	146,980	135,912
End-of-Year Pendings				
- Hearings	384,313	311,958	346,756	435,904
- Appeals	127,367	153,056	136,002	104,457
End-of-Year Pendings as a % of Current Year's Dispositions				
- Hearings	62.1%	52.3%	64.3%	93.7%
- Appeals	106.8%	139.5%	92.5%	76.9%
Workyears	13,218	12,951	12,149	11,582
Production Per Workyear (total)	136	130	131	119
Unit Costs (Current \$)				
- Reconsiderations	\$435	\$454	\$450	\$457
- Hearings	1,569	1,570	1,590	2,157
- Appeals	515	576	463	762
- Overall Average	889	911	883	\$1,060

Postentitlement Process

Once individuals become entitled to Social Security or SSI benefits, any changes in their circumstances that affect the amount or continuation of payment must be reflected in SSA's records. The postentitlement process encompasses the actions that SSA takes, after an OASDI or SSI claim is processed to an initial award, to ensure continuing eligibility and timely and correct payment of benefits. Examples of these actions include change of address, benefit recomputations, overpayments and reviews of disability beneficiaries to determine their continuing eligibility for benefits. The performance accuracy of these continuing disability reviews (CDRs) is displayed below.

CDR Performance Accuracy				
	FY 98	FY 99	FY 00	FY 01
Overall Average	94.8%	95.3%	96.1%	96.1%
Allowances	95.7%	95.8%	96.5%	96.4%
Denials	91.5%	93.3%	93.6%	93.8%

Postentitlement Workload Data	FY 98	FY 99	FY 00	FY 01
Workloads Processed				
- OASI	64,970,602	58,571,017	63,883,455	63,140,789
- DI	14,101,384	13,139,294	14,158,427	14,376,519
- SSI	21,783,670	20,192,328	20,379,354	22,395,858
- Total	100,855,656	91,902,639	98,421,236	99,913,166
Workyears	20,175	20,420	20,236	20,832
Production Per Workyear	4,999	4,501	4,864	4,796
Periodic CDRs Processed	1,391,889	1,703,414	1,836,510	1,730,192
Redeterminations Conducted	1,852,842	2,122,279	2,182,027	2,315,856
Representative Payee Actions	7,063,595	7,644,563	6,151,264	7,135,770
Unit Costs (Current \$)				
- OASI	\$10.69	\$11.35	\$10.51	\$10.76
- DI	41.65	41.57	39.59	41.61
- SSI	45.24	56.15	51.03	46.30
- Overall Average				
- Per Work Unit	22.49	25.52	23.08	23.17
- Per Beneficiary	44.84	46.09	44.26	44.36

800-Number Telephone Service

In addition to providing face-to-face service, SSA offers a single nationwide toll-free number (1-800-SSA-1213) weekdays from 7 a.m. to 7 p.m. in each time zone. Service is available for the hearing-impaired community during the same hours using a telecommunications device for the deaf. Automated services are also available at all times including after normal business hours, on weekends and holidays. Using the automated services, callers can request applications for SSNs, Social Security statements, verification of monthly benefit amounts, Medicare information and a replacement Medicare card, and recorded information on local field offices and Medicare carriers and intermediaries.

SSA conducts an ongoing evaluation of the national 800-Number service. National 800-Number accuracy rates are derived from the remote monitoring of calls handled by teleservice representatives and program service center SPIKE employees (individuals in program service centers who answer 800-Number calls during high volume periods).

Portion of National 800-Number calls handled accurately				
	FY 98	FY 99	FY 00	FY 01
% of responses leading to correct payments (payment accuracy - all calls)	97.0%	97.4%	97.1%	NA
% of responses leading to correct payments (payment accuracy - payment affecting calls)	94.7%	95.4%	94.5%	NA
% of responses which did not result in inconvenience to the caller or cause additional SSA workloads (service accuracy)	81.7%	81.8%	84.9%	NA

The payment accuracy rates represent the percentage of all calls free of teleservice failures which have a reasonable potential to improperly affect payment of or eligibility to benefits. There are two measures of payment accuracy: 1) Payment accuracy based on the universe of all calls; and 2) payment accuracy based only on calls with the potential to affect payment of or eligibility to benefits. Service accuracy is a measure of whether SSA's 800-Number representatives respond correctly to all non-payment eligibility inquiries. Service errors involve situations which can: 1) Result in inconvenience to the public; 2) cause additional SSA workloads; or 3) result in situations where information is released from SSA records or reports which affect SSA records and are accepted before obtaining all identifying information required by SSA.

The public's perception of SSA's 800-Number service remained stable in FY 2001, as reflected in the results of the semi-annual interaction tracking surveys of 800-Number callers. The FY 2001 overall satisfaction rate of 80 percent was comparable to the FY 2000 result of 81 percent, and staff courtesy again received a high rating of 91 percent excellent, very good or good. Other aspects of staff performance, such as helpfulness and job knowledge, received similarly high ratings. The public continued to see access, including time on hold, as the weakest aspect of 800-Number service: Only 73 percent of survey responders rated how quickly they got through as excellent, very good or good. As in the past, poor perceptions of access contributed to negative impressions of 800-Number service overall.

The chart below displays SSA's 800-Number workload data. Calls placed represent the actual number of calls placed to the 800-Number including busy signals. Calls received consist of all

Staff Courtesy			
FY 98	FY 99	FY 00	FY 01
97%	90%	91%	91%

Service Satisfaction			
FY 98	FY 99	FY 00	FY 01
83%	84%	81%	80%

callers that get through and either conduct business or hang up while on hold. Calls handled represent all callers that conduct business with SSA.

SSA's 800 Number Workload Data (In Millions)	FY 98	FY 99	FY 00	FY 01
Calls Placed	78.9	78.7	87.1	85.9
Calls Received	70.5	71.8	76.0	74.8
Calls Handled	54.7	58.8	59.5	59.3

Strengthening Public Understanding

One of SSA's core responsibilities -- and one of its strategic goals -- is to "strengthen public understanding of Social Security programs." To define success in achieving this goal, SSA established the strategic objective that, by 2005, 9 out of 10 American adults age 18 and over will be knowledgeable about Social Security programs.

Reaching this objective requires that SSA engage in strategies to deliver products and services focused on effectively communicating our key Agency messages. Working with the Gallup Organization, SSA uses data from the Public Understanding Measurement System (PUMS) to provide an independent and objective measure of the public's knowledge of Social Security. In FY 2000, the level of public knowledge, according to the latest PUMS data, stands at 75 percent.

Strengthening public understanding about Social Security programs is a cornerstone of SSA's mission for a number of very important reasons.

- to discharge our ultimate responsibility as an agent of the public's trust by ensuring that members of the public understand the programs for which they pay;
- to ensure that the public knows about the major programs and benefits to which they might become entitled;
- to support our ability to administer the programs effectively and efficiently;
- to ensure continued support for the programs and for government in general by underscoring the value of Social Security to American society;
- to help members of the public plan for their financial future;
- to support the public's ability to engage in a national discussion about how to strengthen and modernize the Social Security program.

In FY 2001, SSA released its five-year communications plan, *Strengthening Public Understanding of Social Security in the New Millennium*, which contains the principles and strategies that will guide SSA in reaching its strategic objective.

Using this plan, SSA continued in FY 2001 with an aggressive national public education program that focused on and accomplished the following:

Reinforcing SSA as *the* place to go for information about the programs

According to the latest PUMS data, over 20 percent of the public (about 40 million Americans) contacted SSA for information in the past year. Over 85 percent of those were “very satisfied” or “somewhat satisfied” with the information received.

Enhancing the *Social Security Statement* as the centerpiece for mainstream communications

In FY 2001, SSA issued nearly 135 million *Social Security Statements* automatically and over 1 million more by request. The latest PUMS data show that the overall level of public knowledge continues to be higher for individuals who received the *Statement* than for other Americans. The PUMS data also show that public satisfaction with the *Statement* is very positive. Over 80 percent of those who recall receiving a *Statement* report it to be useful in increasing their knowledge of benefits that may affect them directly, and they find it to be “very easy” to “somewhat easy” to understand. Individuals who receive a *Statement* also report being much more likely to take action to increase their own financial security and to plan for their retirement.

Creating a strong program of community engagement

The strength of SSA’s programs to inform the public has always been anchored in the community-based activities of SSA’s local field managers and public affairs specialists. In past years, SSA has made tremendous strides in revitalizing and strengthening this function. Approximately 100 full-time community-based public affairs specialists are now deployed. These specialists help spearhead SSA’s participation in over 10,000 local and media events by working closely with community organizations, local governments, financial organizations and local media on a variety of ongoing, innovative, informative programs tailored to the local community. SSA knows that these efforts are successful, as our PUMS data show that persons who received information from SSA are significantly more knowledgeable about Social Security programs than other Americans.

Tailoring tools and tactics and using a variety of technologies to reach all audiences

SSA continues to expand the use of the Internet as an information source. SSA’s website (www.ssa.gov) is recognized as among the most innovative and information-rich in government. The website provides visitors with program information and downloadable versions of many SSA forms used by the public. In FY 2001, the public downloaded 8,141,698 copies of SSA’s 22 most commonly used forms using our Internet site. The website presents several online applications that the public can use to transact business, including an online retirement application. It also provides access to a “Benefit Planner” that allow individuals of any age to compute estimates of their Social Security benefits. These calculators provide benefit calculations and estimates based strictly on input from users to ensure that there are no privacy concern.

SSA’s website also offers both English- and Spanish-language versions of nearly all information pamphlets and fact sheets that SSA publishes on its benefit programs as well as informational material on the SSI and Medicare programs. In FY 2001, SSA introduced its “Multi-Language Gateway” website, containing a number of information products in 14 additional languages.

In the last two years, SSA introduced websites specifically directed to women, immigrants and client representatives. Additionally, the *Newsletter on Newsletters* awarded SSA its prestigious Gold Award for *eNews*, SSA's electronic newsletter, which reaches nearly 200,000 subscribers.

Strengthening Public Understanding Workload Data	FY 98	FY 99	FY 00	FY 01
Earnings Statements				
- Total Number Issued	24,109,695	30,140,944	137,538,881	136,708,746
- Workyears	267	252	220	35
- Unit Costs (Current \$)	\$1.01	\$0.73	\$0.48	\$0.34

Face-to-Face Service

SSA has a long tradition of providing face-to-face service for the public in its field offices (FO). SSA has 1,338 FOs nationwide which provide a full array of services for the public, from answering general questions about programs to making complex eligibility determinations. Providing prompt, courteous service in our FOs is crucial to becoming an Agency that truly provides "World-Class Service." An indicator of this type of service is the length of time visitors spend in FOs waiting for service.

The following tables display the results of the waiting times in SSA's FOs.

National Field Office Waiting Times				
	FY 98	FY 99	FY 00	FY 01
Wait time to first contact (in minutes)	12.5	12.9	14.3	15.2

National Field Office Waiting Times -- Visitors with Appointments				
	FY 98	FY 99	FY 00	FY 01
Average wait time (in minutes)	5.8	6.6	6.2	6.1
% seen within 10 minutes	87.4%	84.6%	84.2%	84.4%
% seen within 15 minutes	92.5%	89.9%	90.2%	90.2%

National Field Office Waiting Times -- Visitors without Appointments				
	FY 98	FY 99	FY 00	FY 01
Average wait time (in minutes)	25.8	25.6	24.3	27.2
% seen within 30 minutes	71.9%	71.6%	73.2%	70.0%
% seen within 60 minutes	89.9%	90.4%	91.5%	89.4%

In FY 2001, SSA's semi-annual interaction tracking surveys of office visitors again found that visitors were highly satisfied with the service they received during in-person contacts. The overall satisfaction rating from persons who had recently visited field or hearings offices was 89 percent excellent, very good or good. Although this rating appeared slightly lower than the FY 2000 result of 91 percent, the difference was not statistically significant. As illustrated in

the table below, which displays satisfaction ratings for individual aspects of office service, office visitors had a very positive view of the service provided by SSA staff. While the more tangible aspects of service, such as waiting time and privacy in the office, received much lower ratings, these factors clearly did not have as strong an impact on the overall perception of service in SSA offices as staff quality.

The table below provides satisfaction ratings, defined as the percent rating service as excellent, very good or good, for the various aspects on office survey rated in the survey.

Office Visitors	
Aspect of Service:	Percent “Satisfied”
Employee Attributes	
Staff helpfulness	90%
Staff courtesy	91%
Staff knowledge	93%
Clarity of staff explanations	90%
Office Environment	
Office location	89%
Office hours	88%
Signs/Instructions in waiting area	85%
Office comfort	79%
Office privacy	70%
Access to Service	
Appointment convenience	92%
Waiting time	72%
Forms Completion	
Ease of completion	93%

Mail

The public can initiate requests for all information and services by writing to SSA. Though members of the public do not often make their first contact with SSA through the mail, SSA’s need to make contact on a large scale means that SSA frequently interacts with the public by mail. General program information is mailed to requesters and notices are sent to explain eligibility and payment decisions and to inform clients of their rights and responsibilities.

Previous Accountability Reports have included an annual public rating of the clarity of SSA mail. This rating, which was derived from a survey of the public, has helped us monitor the effect on public satisfaction of notice language and the notice improvements we make. Throughout the 1990’s, there was a gradual increase in the percent of the public’s rating SSA notices as good to excellent. Satisfaction rose from 78 percent in 1996 to 86 percent in 1999. We discontinued that measure to pursue targeted notice studies that will provide specific information to help us improve clarity of our most difficult notices.

Although approximately 90 percent of SSA notices have been improved, some of our most difficult notices are yet to be improved. In General Accounting Office (GAO) audit number 11999024, "SSA: Longstanding Problems in SSA's Letters to the Public Need to be Fixed," GAO recommended that SSA develop performance measures to assess whether changes to notices achieve intended results.

We are in the process of securing benchmark information about how well our beneficiaries currently understand some of our problematic notices. In September 2001, we initiated a survey to measure satisfaction with Title II overpayment notices that explain the outcome of processing work and earnings actions. We will begin a targeted benchmark survey of certain problematic SSI notices in FY 2002.

Using the feedback from the benchmark surveys, we will develop performance measures that address GAO's concerns. As we continue to revise notice language, we will conduct follow-up surveys targeted to measure the level of public understanding of the revised notices and the degree to which the desired performance has been achieved.