

Program Evaluation

SSA continuously builds on its body of program data, research and analyses, identifying strengths and weaknesses in its programs and processes. The Agency uses this knowledge to help it initiate ways to meet the major challenges it faces and improve the day-to-day administration of its programs. SSA evaluates the potential impact of proposals for change and the actual effects of change after implementation.

The annual Agency coordinated evaluation plan cuts across SSA's strategic goals, objectives and business processes. It helps the Agency ensure that there are no duplications, overlaps or gaps in its evaluation program. Many of SSA's evaluations are completed on an annual basis, others are one-time efforts.

Following are brief summaries of the evaluations completed during FY 2004, organized by the strategic goals from SSA's Agency Strategic Plan (ASP). Copies of the complete results can be obtained by writing to:

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Office of Strategic Management
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Strategic Goal: To deliver high quality, citizen-centered Service

Findings from the Social Security Number Verification Service (SSNVS) User Survey

The SSNVS is designed to provide the business community with an Internet-based online or overnight SSN verification service to allow employers to verify the names and SSNs of employees after hiring, but before submitting W-2s in the annual wage reporting process. SSA's only prior verification services for employers were limited to telephone requests for the verification of five or fewer employees, or the submission of larger employee verification requests on magnetic media or on paper.

In April 2002, SSA began testing SSNVS with a group of nine volunteer employers. Of the nine employers who volunteered to participate in the first phase of the pilot, six used SSNVS during the pilot test. All of the users rated their overall satisfaction as very good or excellent. In fact, after several experiences with SSNVS, all users rated their satisfaction with the service as very good or good.

In July 2002 the final results of the survey were published. One hundred percent of the users rated SSNVS as good, very good or excellent both at the initial contact and the follow-up contact. All who had prior experience with other SSN verification services rated SSNVS as much better or better than the other services used.

In March 2003, a second phase of the pilot began and eventually involved 74 employers. SSA conducted surveys with the expanded group of SSNVS users to get their opinions on the service. All users rated SSNVS as good, very good or excellent. The vast majority of users suggest that the system would be used by many employers because it is convenient and it saves them a great deal of time.

Service Satisfaction Survey Results - Combined Rates for Fiscal Year (FY) 2004 Performance

The Service Satisfaction Surveys measure how many people who do business with SSA rate that service as very good or good. Performance indicator satisfaction ratings are derived from SSA's annual surveys of 800 number callers, field office callers and office visitors, including both field office and hearing office visitors, completed during FY 2004. A preliminary analysis conducted before the close of FY 2004 shows that the overall service satisfaction rate was 84 percent very good or good. This exceeds the Agency's goal of 83 percent.

Field office visitors were the most satisfied of those doing business with SSA. Their 89 percent very good or good rating of overall service was significantly higher than all other groups. However, since the volume of telephone contacts far outweighs the volume of office visits, the combined rating for all contacts was most strongly influenced by the satisfaction of those who handled their business by telephone.

Access (i.e., difficulties in getting through on the telephone or waiting in the office) continues to be the lowest rated aspect of service for all forms of contact. On the other hand, once customers get through, they are pleased with the service they receive.

Survey of Internet Social Security Benefit Application (ISBA) Users

In the fall of 2002 SSA surveyed benefit applicants who had used Internet Social Security Benefit Application. The survey considered the entire ISBA process from completing the online application through submission and adjudication of the claim, and the final report was completed in April 2004. Over 1,700 ISBA users were interviewed by telephone, including all types of benefit applicants—retirement, spouse and disability. Respondents were almost universally satisfied. Over half rated their experience excellent; nearly all rated the experience good or better.

Medicare, payments after stopping work due to disability, and choosing when payments would begin (month of election) were the three application sections that caused the most confusion for respondents. Over half of the applicants chose to take their paperwork into their local field office. Those respondents wanted to talk to an SSA employee, did not want to mail original documents, or simply found the field office close and convenient.

Many respondents had valuable suggestions for improving the online form, including:

- Providing a more immediate way to correct mistakes or, at least, provide more prominent instructions on how to change responses;
- Providing more information on what is needed to complete ISBA before a person commits to using it;
- Offering more links to information on specific topics;
- Helping users avoid being inadvertently “kicked out,” losing information keyed; and
- Providing explicit confirmation that the user’s information had been successfully submitted to SSA.

Beginning March 2004, SSA implemented an *online* satisfaction survey of ISBA, using the American Customer Satisfaction Index (ACSI). This gives the Agency nearly real-time data and provides detailed information on satisfaction for individuals who have not completed the application as well as those who have. Data shows that overall satisfaction is high for ISBA for individuals who have completed the application. The ACSI data shows that there is a low satisfaction level for disability filers using SBA.

Results of the surveys, and respondents’ suggestions for improvement, have provided the data necessary to make recommendations for improvements in the Retirement application online filing process while allowing the agency to adjust the number of workyears it devotes to the disability application process.

Report on Benefits Planning, Assistance and Outreach (BPAO) Survey

The Ticket to Work and Work Incentives Improvement Act of 1999 was drafted to help disabled beneficiaries return to the workforce. Under it, SSA awarded 116 cooperative agreements to a variety of community organizations to establish projects to help the disabled to make informed choices about work. These Benefits Planning, Assistance and Outreach (BPAO) projects conduct outreach programs at health fairs and clinics to locate beneficiaries who might be eligible for their services. Counselors help beneficiaries evaluate the potential effect of work on their benefits and overall financial well-being, helping them develop long-term plans to manage their work activities and benefits while they attempt to return to work.

Professional telephone interviewers from a private research firm under contract with SSA surveyed nearly 1,800 individuals who had received BPAO services between October 2001 and August 2002. The results of the survey were issued early in FY 2004. Overall, the survey found that participants had a very positive view of the BPAO program, giving a satisfaction rating of 89 percent excellent, very good or good. Benefits specialists received high ratings for the quality of service they provided when counseling program participants. Respondents’ recollection of work activity indicated that benefits counseling had helped. Before counseling, 28 percent of respondents said they were working. After counseling, 47 percent of the respondents reported they were working.

Library Bookmark Pilot

The Library Bookmark Pilot is designed to increase awareness and use of Social Security online services by disseminating bookmarks that contain Social Security’s new website address, www.socialsecurity.gov, to over 900 libraries in Pennsylvania, Maryland, Delaware and the District of Columbia. As part of the evaluation of the Library Bookmark Pilot, the SSA staff developed an online marketing survey to gather information about the public’s use of Social Security’s website. The online survey went live on December 31, 2003 and as of January 31, 2004 956 responses to the online marketing survey were received. Of the respondents, 3 percent indicated the respondent

came to SSA's website after having acquired a bookmark at a library. As part of the pilot, library seminars on Social Security online services began in January 2004.

Strategic Goal: To ensure superior Stewardship of Social Security programs and resources

Survey of Social Security Check Recipients

SSA conducted a survey in the fall of 2002 with 729 title II and 643 title XVI paper check recipients. The survey addressed issues related to satisfaction with the receipt and negotiation of paper checks, and ownership and use of financial accounts. It also solicited reasons for nonparticipation in direct deposit.

Among the findings were that reasons for direct deposit nonparticipation varied somewhat by program, but the primary reason for both was that it was "important to me to see the paper check." This accounted for 52 percent of title II and 34 percent of title XVI responses. The next most frequently cited reasons were, "don't want bank account," and, "Can't afford bank account." Overall, the survey found that paper check recipients in both programs have little motivation to switch to direct deposit. Equally important, the survey found that dealing with financial accounts and institutions is not a barrier that has to be surmounted for the majority of respondents.

In September 2004 the Treasury Department launched GO Direct, a program directed specifically toward Social Security and SSI beneficiaries and recipients, to encourage the use of direct deposit. The Treasury currently issues more than 13 million benefit checks each month. If these were converted to direct deposit, it would save the federal government about \$100 million each year. It costs around 62 cents more to issue a paper check than it does a payment by direct deposit. While SSA was unable to be a full partner in the GO Direct campaign because of other workforce commitments, it serves in an advisory capacity and fully supports the campaign. In addition to the savings accrued to the Treasury Department, it has been shown that beneficiaries are 30 times less likely to have a payment receipt problem with direct deposit than with a check. By the end of FY 2004, direct deposit rates for beneficiaries residing in the United States were at 78 percent. International direct deposit initiatives have also been highly successful with participation at 76 percent as of July 2004.

Retirement, Survivor, Disability Insurance (RSDI) Stewardship Review

The RSDI (or OASDI) payment accuracy (stewardship) review is based on a monthly sample of Social Security (Title II) cases randomly selected from the RSDI payment rolls, consisting of all beneficiaries in current payment status. The sampled cases (1,000 Retirement or Survivor Insurance cases and 500 Disability Insurance cases per year) are reviewed for non-medical factors of eligibility and, in each case, the beneficiary or representative payee is interviewed, collateral contacts are made, as needed, and all factors of eligibility are redeveloped as of the current 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 payments to all beneficiaries currently on the RSDI payment rolls. Accuracy rates (percent of dollars paid that are free of overpayments and the percent free of underpayments) are reported for an overall RSDI accuracy rate as well as separate accuracy rates for RSI and DI cases. The Stewardship review findings provide the basis for reports to Congress and other monitoring authorities. In addition, the Social Security Annual Performance Plan includes the RSDI stewardship payment accuracy measure as one of the strategic objectives to which the Agency is committed.

Overall, the FY 2003 accuracy rate was 99.76 percent for overpayments and 99.90 percent for underpayments. Comparable accuracy rates for FY 2002 were 99.87 percent for overpayments and 99.92 percent for underpayments. The changes in payment accuracy from FYs 2002 to 2003 are not statistically significant.

Errors related to improper imposition of workers compensation offset provisions continued to be the leading cause of underpayment error. SSA has been proactive in its efforts to prevent and correct workers compensation payment problems. Through FY 2003, staff had reworked more than 312,000 workers compensation cases where workers compensation offset had been removed. In FY 2004 Title II redesign features provided automated tools to assist in the cleanup efforts. The Title II Release 3 software implemented in June 2004 included additional aids for processing workers compensation cases.

SSI Stewardship Review

The SSI payment accuracy (stewardship) review is based on a monthly sample of SSI (Title XVI) cases randomly selected from the SSI payment rolls, consisting of all recipients in current payment status. The 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 payment rolls. The Agency prepares two accuracy rates – percent of dollars paid that are free of overpayments and the percent free of underpayments – that are reported, one excludes preventable overpayments/underpayments and one includes preventable overpayments/underpayments. The stewardship review findings provide the basis for reports to Congress and other monitoring authorities. In addition, the Social Security Annual Performance Plan includes the SSI stewardship payment accuracy measure as one of the strategic objectives to which the Agency is committed.

SSA reviewed 5,079 cases for the review, from an SSI population of about 6.9 million individuals. In FY 2003 there were a projected \$2.2 billion in overpayments in the universe of \$35.7 billion in payments. Excluding unpreventable overpayments, the FY 2003 accuracy rate is 93.9 percent. The comparable rate for FY 2002 was 93.4 percent. The difference is not statistically significant. Excluding unpreventable errors, the FY 2003 payment accuracy for underpayments is 98.8 percent. The comparable rate for FY 2002 was 98.6 percent. The difference also is not statistically significant.

As in earlier years, financial accounts and wage errors are the two major error categories, representing approximately two-fifths of the deficiency dollars. In an effort to reduce financial account deficiencies, the SSA continues to pursue an interface that would match financial institutions' accounts with SSI recipients' records. To address the perennial issue of wage deficiencies, a pilot to evaluate the potential of recipient monthly wage reporting by telephone was completed.

Between May and December 2003, a total of 1,341 volunteers participated in the SSI Monthly Wage Reporting Pilot by making one or more wage reports using a new automated telephone system. There were 688 SSI recipients, 636 deamors and 17 participants who were both recipients and deamors (disabled adults who were the parents of disabled children). These individuals had the option of speaking their reports or keying them in using a touch-tone keypad. The greatest hurdle was leading potential participants through a two-step password registration process, which half who attempted were unable to negotiate. The 1,341 who were successful required a good deal of assistance from their local field office. In the future SSA plans to offer knowledge-based authentication as an alternative to password authentication.

The pilot found that 15 percent of the volunteers reported for only 1 or 2 months, while 83 percent of the remaining pilot participants reported every month without interruption. The dollar accuracy of reported wages was 92.2 percent. (In contrast, the dollar accuracy of the wage estimates on the Supplemental Security Record (SSR) before the reports was 75.5 percent.) In addition, 68 percent of the wage reports were exactly the same as the verified amount (in contrast, only 9 percent of the wage estimates on the SSR before the report was made were exactly the same as the verified amount), 14 percent of the reports would have resulted in the generation of an alert to be resolved by field office wage development (in contrast, 50 percent of the estimates on the SSR, before the report was made, would have resulted in the generation of the alert). The pilot findings were about the same for SSI recipients and deamors.

Based on the pilot results, SSA estimates that approximately \$200 in annual SSI overpayments would be prevented for every person who would reports wages monthly. It is also estimated that approximately \$400 in annual SSI underpayments would be prevented for every person who reports wages monthly. If 10,000 people participated, \$2 million in overpayments and \$4 million in underpayments would be prevented. The error prevention should exceed the \$2 to \$3 million a year it would cost to offer SSI monthly wage reporting to the general SSI population.

Strategic Goal: To achieve Solvency and ensure Social Security programs meet the needs of current and future generations

Public Understanding Measurement System Survey (PUMS)

In the last quarter of FY 2004, SSA conducted a new survey of public knowledge to help the Agency understand what the public knows about important Social Security issues. The findings from this PUMS survey help us to better understand the public's knowledge of Social Security programs and related issues, and to gauge the public's awareness and use of the Social Security Statement.

Annual Report of the Supplemental Security Income Program

In the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), the Congress required the Commissioner of Social Security to report annually to the President and to the Congress on the status of the Supplemental Security Income (SSI) program. A required element of these reports is to provide projections of program participation and costs through at least 25 years. The FY 2004 report is the eighth of such reports, and following are its major findings.

By 2028, the end of the 25-year projection period, the Federal SSI recipient population is estimated to reach 8.5 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 of the 65 or older age groups projected to decline and the participation of the under 65 age groups projected to increase slightly. Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients remained essentially level at 2.2 percent in 2003, and is projected to increase gradually to 2.4 percent of the population by 2028. Federal expenditures for SSI payments in calendar year 2004 are estimated to increase by \$1.7 billion to \$34.7 billion, an increase of 5.2 percent from 2003 levels.

In constant 2004 dollars, Federal expenditures for SSI payments are projected to increase to \$43.8 billion in 2028, a real increase of 1.0 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 0.30 percent of GDP in 2003 to 0.24 percent of GDP by 2028.

These findings are used by both the Legislative and Executive branches of Government to assess the solvency of the SSI program, as well as to propose and enact legislation with regard to the program's future and its relation to the American economy.

The 2004 Annual Report of the Board of Trustees of the Federal OASI and DI Trust Funds

The Board of Trustees reports each year on the current and projected financial condition of the Social Security program, which is financed through two separate trust funds. The Old-Age and Survivors Insurance (OASI) Trust Fund pays monthly benefits to retired workers and their families and to survivors of deceased workers. The Disability Insurance (DI) Trust Fund pays monthly benefits to disabled workers and their families.

The report on the current financial status of the funds includes an accounting of the actual income and expenditures for the last year. The projections for future years reflect the Trustees' considered judgment about all the demographic, economic, and program factors that affect income and expenditures. Projections are presented separately for the next 10 years (the short range) and for the next 75 years (the long range). All projections are based on current Social Security law and do not anticipate any future changes that Congress might make.

The OASI and DI Trust Funds, individually and combined, are adequately financed over the next 10 years under the intermediate assumptions. The combined assets of the OASI and DI Trust Funds are projected to increase from \$1,531 billion at the beginning of 2004, or 306 percent of annual expenditures, to \$3,584 billion at the beginning of 2013, or 442 percent of annual expenditures in that year. Combined assets were projected in last year's report to rise to 309 percent of annual expenditures at the beginning of 2004, and 461 percent at the beginning of 2013.

Under the intermediate assumptions the combined OASI and DI Trust Funds are projected to become exhausted in 2042. For the 75-year projection period, the actuarial deficit is 1.89 percent of taxable payroll, 0.03 percentage point smaller than in last year's report. The open group unfunded obligation for OASDI over the 75-year period is \$3.7 trillion in present value, \$0.2 trillion more than the obligation estimated a year ago.

The OASDI annual cost rate is projected to increase from 11.07 percent of taxable payroll in 2004, to 16.83 percent in 2030, and to 19.29 percent in 2078, or to a level that is 5.91 percent of taxable payroll more than the projected

income rate for 2078. Expressed in relation to the projected gross domestic product (GDP), OASDI cost is estimated to rise from the current level of 4.3 percent of GDP, to 6.3 percent in 2030, and to 6.6 percent in 2078.

Between about 2010 and 2030, OASDI cost will increase rapidly due to the retirement of the large baby-boom generation. After 2030, increases in life expectancy and relatively low fertility rates will continue to increase Social Security system costs, but more slowly. Annual cost will exceed tax income starting in 2018 at which time the annual gap will be covered with cash from redeeming special obligations of the Treasury, until these assets are exhausted in 2042. Separately, the DI fund is projected to be exhausted in 2029 and the OASI fund in 2044.

The combined OASDI Trust Funds are projected to become insolvent (i.e., unable to pay scheduled benefits in full on a timely basis) when assets are exhausted in 2042 under the long-range intermediate assumptions. For the trust funds to remain solvent throughout the 75-year projection period, the combined payroll tax rate could be increased during the period in a manner equivalent to an immediate and permanent increase of 1.89 percentage points, benefits could be reduced during the period in a manner equivalent to an immediate and permanent reduction of 12.6 percent, general revenue transfers equivalent to \$3.7 trillion (in present value) could be made during the period, or some combination of approaches could be adopted. Significantly larger changes would be required to maintain solvency beyond 75 years.

The full report is transmitted to the Congress annually, which then uses its legislative authority to adjust benefits amounts, payments to the trust funds, and/or entitlement factors.

Strategic Goal: To strategically manage and align Staff to support SSA's mission

The Human Capital and Future Workforce Transition Plans

A December 2000 analysis projected that during the ensuing decade approximately 37 percent of SSA's workforce will retire. This "retirement wave," without careful long-range human resource planning, will affect the Agency's ability to deliver service to the public and will result in a significant drain in institutional knowledge. To counter this, in December 2003 SSA released its Human Capital Plan, which contains the Agency's comprehensive human capital strategy for recruiting, developing and retaining a high-performing workforce. The plan identifies specific, measurable steps to be undertaken to ensure that this occurs, identifying five key areas where activities should be measured in order to determine Agency success in achieving human capital results. The five areas are: Strategic Alignment; Workforce Planning; Workforce Development and Knowledge Management; Performance Culture; and Leadership.

The means by which SSA tracks progress towards meeting the Human Capital Plan goals, resides in the Future Workforce Transition Plan. Quarterly status reports track Agency progress in meeting the goals. Both plans are aligned with SSA's mission, goals and organizational objectives and play a vital role in helping to manage the Agency's human capital activities and performance.