

PERFORMANCE  
SECTION



# Agency Performance

## Summary of FY 2006 Performance

The following summarizes the Social Security Administration's (SSA) achievements toward reaching its targets for the performance measures specified in its *Revised Final Performance Plan for Fiscal Year 2006*. In cases 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 2007 *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 are in accordance 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 21) describes continuing efforts to strengthen the quality and timeliness of SSA's performance information in order to increase its value to SSA's management and 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 2006 Performance Measures by Goal and Objective

In 2001 the Agency developed a multi-year plan to meet the ongoing challenges facing SSA. This plan, which lays out the specific expectations for achievements and results, documents the Agency's performance and accomplishments from FY 2001 through FY 2006. It also provides detailed discussions on how well the Agency met the goals.

The tables on the following pages provide an overview of SSA's performance measures. The measures are organized under the objectives they support. The objectives are those specified in SSA's *Strategic Plan for FY 2006 – FY 2011* and the *Revised Final Performance Plan for Fiscal Year 2006*.

## Agency Performance Summary

### Strategic Goal 1: SERVICE

*To deliver high quality, citizen-centered SERVICE*

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

Performance Indicator		FY 2006 Goal	FY 2006 Actual	See Page# <sup>1</sup>
1.1a <b>KPI</b>	Number of initial disability claims processed by the Disability Determination Services (DDS)	2,663,000	2,532,264	74
1.1b <b>KPI</b>	Maintain the number of initial disability claims pending in the DDS (at or below the FY 2006/2007 goal)	577,000	555,071	75
1.1c <b>KPI</b>	Number of SSA hearings processed	560,000	558,978	75
1.1d <b>KPI</b>	Maintain the number of SSA hearings pending (at or below the FY 2006/2007 goal)	756,000	715,568	76
1.1e <b>KPI</b>	Average processing time for initial disability claims	93 days	88 days <sup>2</sup>	77
1.1f <b>KPI</b>	Average processing time for SSA hearings	467 days	483 days	78
1.1g	Average processing time for hearings appeals	242 days	203 days	78
1.1h	DDS net accuracy rate (allowances and denials combined)	97%	96% <sup>2</sup> <b>Estimated</b>	79
1.1i	Disability hearings decision accuracy rate	90%	No data will be available for FY 2006	80
1.1j	Agency decisional accuracy rate (ADA)	97%	97% <sup>2</sup> <b>Estimated</b>	81

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

Performance Indicator		FY 2006 Goal	FY 2006 Actual	See Page# <sup>1</sup>
1.2a	Number of DI and SSI beneficiaries, with tickets assigned, who work (over CY 2003 baseline of 14,052)	22,483	22,483 <b>Estimated</b> Data available July 2007	82
1.2b	Number of SSI disabled beneficiaries earning at least \$100 per month	268,419	247,143	83

<sup>1</sup> Detailed information regarding these measures can be found on the page indicated.

<sup>2</sup> 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.

<i>Strategic Objective 1.3: Improve service through technology, focusing on accuracy, security, and efficiency</i>				
Performance Indicator		FY 2006 Goal	FY 2006 Actual	See Page# <sup>1</sup>
1.3a	Retirement and Survivor Insurance (RSI) claims processed	3,911,000	3,789,328	84
1.3b	Optimize the speed in answering 800-number calls	330 seconds	278 seconds	85
1.3c	Optimize the 800-number busy rate for calls offered to Agents	10%	12% <sup>2</sup>	86
1.3d KPI	Increase the usage of electronic entitlement and supporting actions	300% growth over FY 2004 baseline (2,211,200)	291.8% growth over FY 2004 baseline (2,165,865)	87
1.3e KPI	Increase the percent of employee reports (W-2 forms) filed electronically	70%	75% <sup>2</sup>	89
1.3f KPI	Percent of individuals who do business with SSA rating the overall service as "excellent," "very good," or "good"	83%	82%	90
1.3g	Improve workload information using <i>Social Security Unified Measurement System</i> (SUMS)	Complete 66% of SUMS projects	66% of SUMS projects completed	90

## Strategic Goal 2: STEWARDSHIP

*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*

Performance Indicator		FY 2006 Goal	FY 2006 Actual	See Page# <sup>1</sup>
2.1a KPI	SSI non-disability redeterminations processed	1,244,000	1,070,822	91
2.1b KPI	Number of periodic CDRs processed to determine continuing entitlement based on disability	1,242,000	1,337,638	92
2.1c	Percent of SSI payments free of overpayments (O/P) and underpayments (U/P)	95.4% (O/P) 98.8% (U/P)	Not Available Data available June 2007	93
2.1d	Percent of outstanding SSI debt in a collection arrangement	55%	53% <sup>2</sup>	94
2.1e	Percent of OASDI payments free of O/P and U/P	99.8% (O/P) 99.8% (U/P)	Not Available Data available June 2007	95
2.1f	Percent of outstanding OASDI debt in a collection arrangement	43%	42% <sup>2</sup>	96

<sup>1</sup> Detailed information regarding these measures can be found on the page indicated.

<sup>2</sup> 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.

<i>Strategic Objective 2.2: Strengthen the integrity of the Social Security Number issuance process to help prevent misuse and fraud of the Social Security Number and card</i>				
Performance Indicator		FY 2006 Goal	FY 2006 Actual	See Page# <sup>1</sup>
2.2a	Percent of original SSNs issued that are free of critical error	98%	98% <b>Estimated</b>	97
2.2b	Number of Social Security Numbers (SSNs) processed	18,000,000	17,259,110	99

<i>Strategic Objective 2.3: Ensure the accuracy of earnings records so that eligible individuals can receive the proper benefits due them</i>				
Performance Indicator		FY 2006 Goal	FY 2006 Actual	See Page# <sup>1</sup>
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	3%	1% <sup>2</sup>	100

<i>Strategic Objective 2.4: Manage Agency finances and assets to link resources effectively to performance outcomes</i>				
Performance Indicator		FY 2006 Goal	FY 2006 Actual	See Page# <sup>1</sup>
2.4a	Continue to achieve 2 percent productivity improvement on average	2% on average	2.49% on average	101
2.4b <b>KPI</b>	Disability Determination Service (DDS) case production per workyear (PPWY)	262	241 <sup>2</sup>	101
2.4c	SSA hearings case production per workyear (PPWY)	104	100 <sup>2</sup>	102
2.4d	Maintain zero outside infiltrations of SSA's programmatic mainframes	0	0	103
2.4e	Enhance efforts to improve financial performance using Managerial Cost Accountability System (MCAS)	Complete 29% of MCAS projects	29% of MCAS projects completed	104
2.4f	Receive an unqualified opinion on SSA's financial statements from the auditors	Receive an unqualified opinion	Received an unqualified opinion	105
2.4g <b>KPI</b>	Get to "green" on the President's Management Agenda (PMA) initiatives status scores	Achieve a status score of "green" on four of five PMA initiatives	Achieved a status score of "green" on four of five PMA initiatives	106

<sup>1</sup> Detailed information regarding these measures can be found on the page indicated.

<sup>2</sup> 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 3: SOLVENCY**

*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 2006 Goal	FY 2006 Actual	See Page# <sup>1</sup>
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	107
3.1b	Issue annual SSA-initiated <i>Social Security Statements</i> to eligible individuals age 25 and older	100%	100%	108

**Strategic Goal 4: STAFF**

*To strategically manage and align STAFF to support the mission of the Agency*

*Strategic Objective 4: Recruit, develop, and retain a high-performing workforce*

Performance Indicator		FY 2006 Goal	FY 2006 Actual	See Page# <sup>1</sup>
4.1a KPI	Minimize skill and knowledge gaps in mission-critical positions	Competency-based entry-level training curriculum will be developed for 100% of the remaining targeted public contact positions - Benefit Authorizers, Claims Authorizers, and Technical Support Technicians	Completed	109
4.1b	Align employee performance with Agency mission and strategic goals	Develop a communication and training plan to facilitate implementation of the new performance assessment system for employees at the GS-14 and below level and GS-15s who are covered by the SSA / American Federation of Government Employees (AFGE) National Agreement	Completed	110

<sup>1</sup> Detailed information regarding these measures can be found on the page indicated.

Program Assessment Rating Tool (PART) Measures			
Measure	FY 2006 Goal	FY 2006 Actual	See Page# <sup>1</sup>
Average processing time for initial disability claims	93 days	88 days <sup>2</sup>	77
Average processing time for SSA hearings	467 days	483 days	78
DDS net accuracy rate (allowances and denials combined)	97%	96% <sup>2</sup> Estimated	79
Number of DI and SSI beneficiaries, with tickets assigned, who work (over CY 2003 baseline of 14,052)	22,483	22,483 Estimated Data available July 2007	82
Percent of SSI payments free of overpayments	95.4%	Not Available Data available June 2007	93
Percent of SSI payments free of underpayments	98.8%	Not Available Data available June 2007	93
Disability Determination Services (DDS) case production per workyear (PPWY)	262	241 <sup>2</sup>	101
SSA hearings case production per workyear (PPWY)	104	100 <sup>2</sup>	102
Percent of SSI Aged claims processed by the time the first payment is due or within 14 days of the effective filing date	75%	91% <sup>2</sup>	112
Note: Not a performance measure for the Annual Performance Plan			

## Individual Performance Measure Results

SSA identifies performance measures that link directly to Agency objectives and ultimately to SSA's mission. This section reports SSA's FY 2006 performance for each individual performance and Program Assessment Rating Tool (PART) measure. Included for each measure are the FY 2006 goal, the actual performance achieved, whether the goal was met, and if the goal was not met, an explanation as to why and what actions the Agency will take toward improvement. Established measures include historical data and trend charts, which concentrate on results for the past six years. For new and revised measures, historical and trend information is not provided. Final data for some performance measures are not available at the end of the fiscal year. Data for these measures are captured and reported at only one point in time. In cases where FY 2006 end-of-year data are not available, year-to-date performance or estimates are 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 2007 PAR. This report also includes final FY 2005 data for those performance measures for which final data were not available when the FY 2005 PAR was submitted.

On its PART assessment, SSA achieved "moderately effective" - the second highest score - for both the DI and the SSI programs. Per the OMB definition, a program rated moderately effective has set ambitious goals and is well-managed. SSA is continuing to expand employment opportunities of for DI beneficiaries through its Ticket to Work and Area Incentive Coordinators efforts. SSA continues to pursue strategies to reduce the average disability determination processing time, increase decisional consistency and accuracy, and ensure that the right determination

<sup>1</sup> Detailed information regarding these measures can be found on the page indicated.

<sup>2</sup> 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.

or decision is made as early in the disability determination process as possible. SSA is dedicated to program improvement and continues to address PART recommendations in our strategic plans and budget.

**Strategic Goal 1: SERVICE**

*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 – Number of initial disability claims processed by the Disability Determination Services (DDS)**

FY 2006 Goal: 2,663,000

Performance: 2,532,264

Goal Met: No

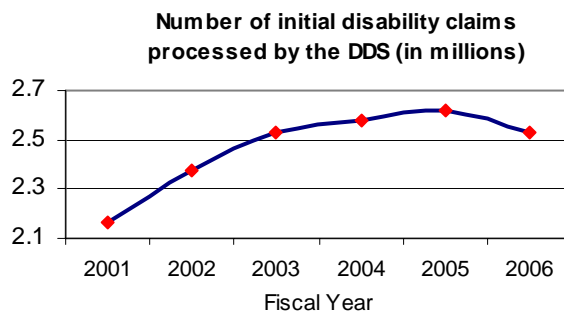
*Discussion:* The number of disability claims processed by the DDS in FY 2006 exceeded the number processed in FY 2001 (2,166,623) by 16.9 percent (365,641). The following factors affected the number of claims processed in FY 2006:

- 1) The number of initial disability claims received was lower than anticipated. Certain levels of receipts are needed so that the DDS has an adequate number of cases to process. As discussed on the following page, the number of disability claims pending in the DDS reached a 6-year low in FY 2006;
- 2) Changes in business processes and systems enhancements as a result of the new electronic disability (*eDib*) process. The *eDib* process enhances the Agency’s ability to make more accurate, consistent, and timely decisions. It allows more than one employee or claims processing component to work on a claim at the same time, thus speeding up the process;
- 3) The training required for a new process, the learning curve, and working simultaneously in the old and new processes also prevented SSA from further increasing the number of claims processed to achieve this goal.

SSA continues to make significant progress in implementing the electronic disability process. *eDib* is already a reality in 48 States, as well as the territories of Guam, the Virgin Islands, and Puerto Rico - all of which are using a fully electronic process, and the remaining States will be fully electronic by the end of December 2006. Many positive results have been realized. For example, 97 percent of disability examiners have been trained to use the Document Management Architecture, which is the component of the electronic file that stores document images and audio/video files. Through the implementation of these new processes, SSA will be better positioned to meet future goals for this measure.

**Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	2,166,623
2002	2,376,572
2003	2,526,020
2004	2,574,848
2005	2,617,231
2006	2,532,264



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



Data Source: National Disability Determination Services System

**1.1b – Maintain the number of initial disability claims pending in the DDS (at or below the FY 2006/2007 goal)**

FY 2006 Goal: 577,000

Performance: 555,071

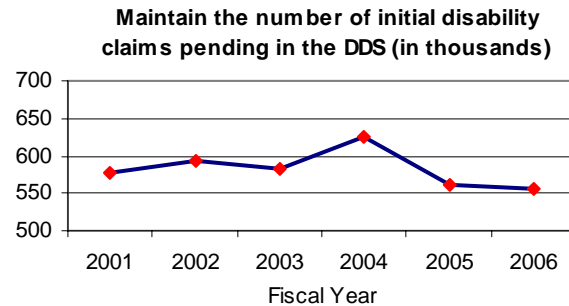
Goal Met: Yes

*Discussion:* In FY 2006, the number of initial disability claims pending in the DDS reached a 6-year low. This achievement is especially significant because this is one of SSA's fastest growing core workloads. SSA reduced the pending number of claims to 555,071, which is 21,929 less than the goal in spite of ongoing challenges. SSA is also making great strides in moving its disability claims process from a paper to an electronic environment. As more States and territories became certified to process claims electronically, the time it took to process claims declined. This has contributed to a decrease in the number of initial disability claims pending in the DDS.

SSA is committed to making even more progress in lowering its pending disability workload in the future as disability examiners, and other personnel involved in processing disability claims, become more proficient in electronically processing claims. This, along with the Agency's new disability service initiative, will enhance the Agency's ability to make accurate, consistent and timely disability decisions.

**Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	578,524
2002	592,692
2003	581,929
2004	624,658
2005	560,529
2006	555,071



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

Data Source: National Disability Determination Services System

**1.1c – Number of SSA hearings processed**

FY 2006 Goal: 560,000

Performance: 558,978

Goal Met: No

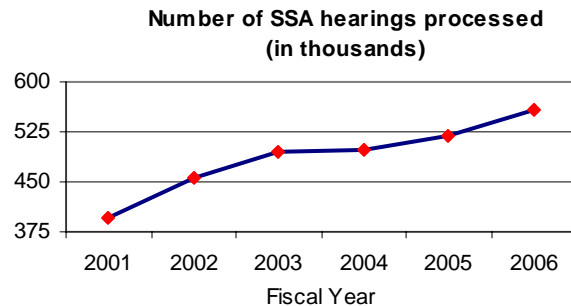
*Discussion:* Compared to FY 2001, the Hearing Offices processed 163,413 more hearings in FY 2006. This represents a 41 percent improvement over the past six years. This improvement occurred during *eDib* implementation, which included the following new processes: converting to a new management information system; video hearings; and electronic folder processing. Also, the Agency did not realize the number of receipts expected in FY 2006.

Based on the following activities, the Agency will continue to become more efficient and productive with regard to the hearings workload:

- 1) In FY 2006, SSA restructured its organization to improve the management of its appeals process as described on page 13 in the Agency Organization section;
- 2) The 100 new Administrative Law Judges (ALJ) hired in February 2005, are approaching the 2-year period when maximum productivity is achieved. These judges are fully utilizing the new processes, which include conversion to a new management information system; video hearings; and electronic folder processing; and
- 3) By the end of FY 2006, 49 Hearings Offices in 22 States successfully completed Independence Day Assessment (IDA) certification, meaning they are certified to use electronic files as the official Agency record. The remaining States will be certified by the end of December 2006.

**Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	395,565
2002	454,718
2003	493,923
2004	497,379
2005	519,359
2006	558,978



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

*Data Source:* ODAR Case Processing Management System (CPMS)

**1.1d – Maintain the number of SSA hearings pending (at or below the FY 2006/2007 goal)**

**FY 2006 Goal:** 756,000

**Performance:** 715,568

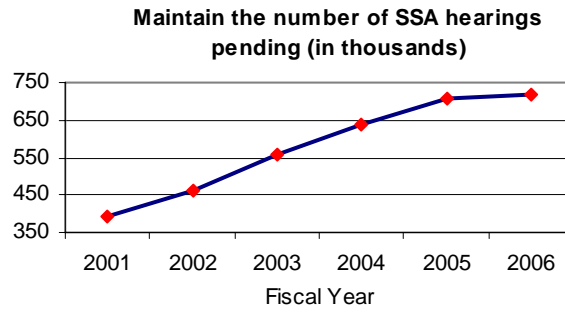
**Goal Met:** Yes

*Discussion:* Along with the new management structure discussed in 1.1c, the Agency continued the process of eDib implementation. The number of pending cases increased slightly between FY 2005 and FY 2006 due to effect of the restructuring, training new hires, and the transition to the new electronic process. The number of hearings pending are expected to decline as electronic and video hearing volumes increase. The number of hearings processed electronically has increased as more Hearing Offices acquire the ability to use the electronic folder. At the end of FY 2006, 134 Hearing Offices in all States (except New York), Puerto Rico and the District of Columbia had the capability to conduct electronic hearings. This represents 93 percent of all Hearing Offices (134 of 144 Hearings Offices).

In FY 2006, 78 video hearing sites were installed, bringing the nationwide count to 375. Video hearings allow the Agency to reach more claimants in remote areas, reducing the time it takes to schedule and conduct hearings for these individuals. In FY 2006, there were 41,457 video hearings held compared to 24,999 held in FY 2005.

**Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	392,387
2002	463,052
2003	556,369
2004	635,601
2005	708,164
2006	715,568



*Data Definition:* SSA hearings pending in ODAR

*Data Source:* Case Processing Management System (CPMS)

**1.1e – Average processing time for initial disability claims**

**FY 2006 Goal:** 93 days

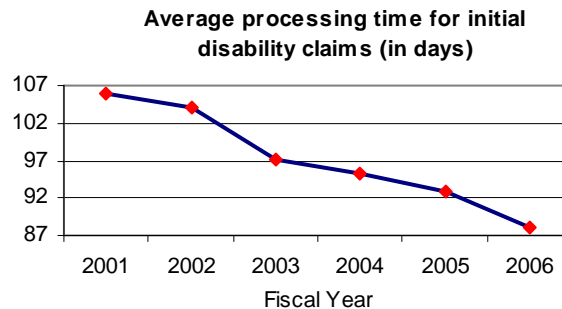
**Performance:** 88 days

**Goal Met:** Yes

*Discussion:* Timely processing of initial disability claims is a critical aspect of SSA's service delivery to the public. The Agency has made significant strides in this area over the last several years. The average processing time for initial disability claims has steadily decreased from 106 days in 2001 to 88 days in FY 2006. Recent improvements in the disability claims process in both the SSA Field Offices and State DDSs, such as the implementation of the electronic disability (*eDib*) process and the electronic signature proxy process, contributed to meeting the FY 2006 goal. Signature proxy allows the virtual signing of a document without requiring the claimant to visit a field office. It is used by claimants who file by telephone or on the Internet. This feature continues the Agency's progress toward a fully electronic environment. Improvements in processing time are expected to continue as employees gain increased proficiency in processing claims via *eDib*.

**Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	106 days
2002	104 days
2003	97 days
2004	95 days
2005	93 days*
2006	88 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.

*Data Definition:* 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:* Title II Management Information Initial Claims Record (MIICR) Processing Time; Social Security Unified Measurement System (SUMS)

### 1.1f – Average processing time for SSA hearings

FY 2006 Goal: 467 days

Performance: 483 days

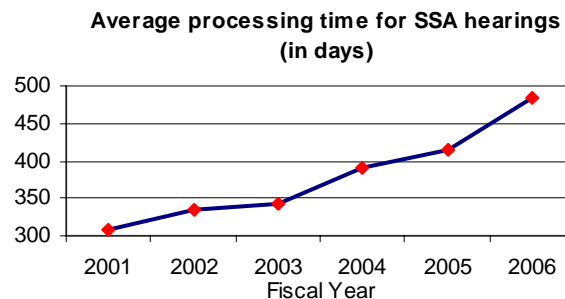
Goal Met: No

*Discussion:* Processing time for hearings increased in FY 2006 for several reasons:

- 1) The Agency focused on reducing the level of older cases pending. Older cases tended to be more problematic and took longer to decide;
- 2) The hiring of 100 new Administrative Law Judges (ALJs) in FY 2005. It takes approximately two years before maximum productivity will be achieved;
- 3) The legislatively mandated transfer of Medicare hearings to the Centers for Medicare and Medicaid Services (CMS) removed a large number of cases from this processing time count. Certain types of Medicare cases are much faster and easier to process. Therefore, the transfer of the Medicare hearings to CMS contributed to an increased average processing time for SSA; and
- 4) The Agency's transition from a paper to an electronic process (e.g., training, learning curve, dual process, etc.). The new management structure, having more experienced ALJs, fully implementing *eDib*, and increased use of video and electronic hearings will have a positive effect on future processing time for SSA hearings.

#### *Trend:*

<u>Fiscal Year</u>	<u>Performance</u>
2001	308 days
2002	336 days
2003	344 days
2004	391 days
2005	415 days
2006	483 days



*Note:* FY 2001 – FY 2005 included Medicare and SSA hearings

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

*Data Source:* Case Processing Management System (CPMS)

### 1.1g – Average processing time for hearings appeals

FY 2006 Goal: 242 days

Performance: 203 days

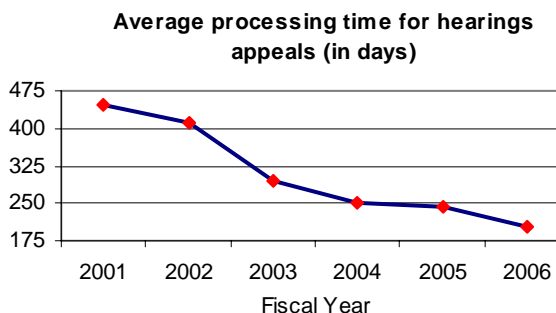
Goal Met: Yes

*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. Since 2001, the average number of days needed to process hearings appeals has decreased by 55 percent; from 447 days in FY 2001 to 203 days in FY 2006. Factors that contributed to the lowering of processing time included balancing workloads and identifying and clearing of incoming cases ready for immediate processing.

Reducing the time it takes for a person to receive a decision on a claim, from initial filing to final administrative appeal, is one of SSA's high priorities. Decreasing the time to process hearings appeals improves SSA's service to the public.

**Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	447 days
2002	412 days
2003	294 days
2004	251 days
2005	242 days
2006	203 days



*Note:* In SSA's FY 2005 PAR, this measure was termed Reduce the average number of days needed to process hearings appeals.

*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 (ACAPS)* which is the date the decision is date stamped, released, and mailed.

Data Source: ACAPS

**1.1h – DDS net accuracy rate (allowances and denials combined)**

FY 2005 Goal:	97%
Performance:	96%*
Goal Met:	No
FY 2006 Goal:	97%
Estimated Performance:	96%* **
Goal to be Met:	No

*Discussion:* The Agency invests a great deal of effort to ensure the accuracy of decisions on initial disability claims. These efforts include providing training and regional office support to the State Disability Determination Services (DDS), building better relationships with medical providers to ensure that medical evidence is received and complete, and ensuring claims files are randomly selected for consistency and quality review.

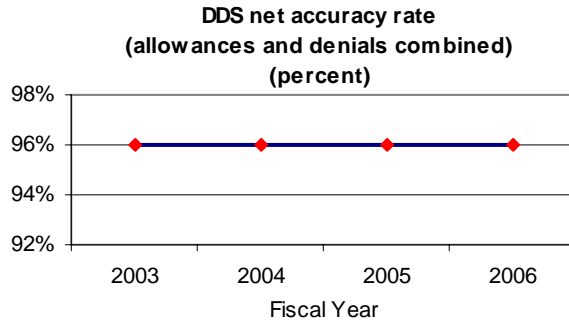
Over the years, this goal has proven to be very challenging. The rules and instructions for administering the disability adjudication process are very complex, requiring years of experience for the disability examiner to become proficient. In order to address the complexities of the disability adjudicative process, the DDSs invest significant time in training and mentoring programs and have expanded their in-line quality reviews of claims to include reviews of both Social Security and SSI claims. SSA believes that the implementation of the new disability process and continued training and emphasis on accuracy will position the Agency to meet this goal in the future.

The Agency is addressing ways to supply the disability examiner with relevant and timely information and to provide a variety of policy information and instructions as well as information for disability training programs and newsletters on its website. The Agency has developed a web-based application called Program Policy Online, which is designed to assist DDS employees in obtaining policy and procedural information. Program Policy Online

presents step-by-step processing instructions and will help the DDS employees find information more quickly by using searching capabilities based on their job tasks and position.

**Trend:** This was a new measure for FY 2003

<u>Fiscal Year</u>	<u>Performance</u>
2003	96%*
2004	96%*
2005	96%*
2006	96%* <b>Estimated**</b>



\* 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 2006 is based on performance through June 2006. Actual end-of-year data will not be available until January 2007 and will be reported in the FY 2007 PAR.

**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.

**Data Source:** Disability Quality Assurance Data Bases

**Note:** Deficient cases corrected after the 90-day period are still counted as a deficiency.

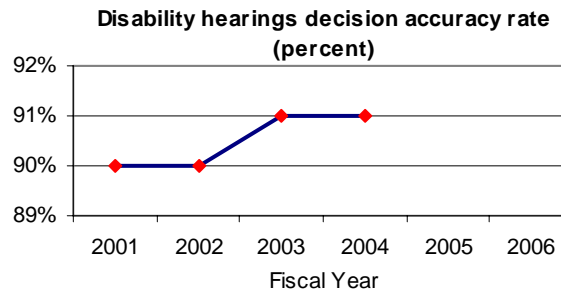
### 1.1i – Disability hearings decision accuracy rate

FY 2005 Goal:	90%
Performance:	n/a
Goal Met:	n/a
FY 2006 Goal:	90%
Performance:	n/a
Goal Met:	n/a

**Discussion:** The Commissioner of Social Security made the decision to suspend the Administrative Law Judge Peer Review process, which was the data source for this measure. As part of the Disability Service Improvement initiative, SSA established a Decision Review Board which is responsible for reviewing ALJ decisions for accuracy and consistency.

**Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	90%
2002	90%
2003	91%
2004	91%
2005	n/a
2006	n/a



*Note:* In SSA’s FY 2005 PAR, this measure was termed *Disability hearings accuracy rate*.

*Data Definition:* The percent of disability hearing decisions (favorable or unfavorable) supported by “substantial evidence” -- less than a preponderance of evidence, but sufficient to be reasonably convincing of the position’s credibility when no opposing evidence clearly indicates another finding/conclusion, requires less support than the “weight of the evidence” rule, i.e., evidence on one side of an issue need not possess greater weight or be more convincing/credible to be “substantial.” Federal Courts use it to evaluate decisional accuracy. The Appeals Council uses it to determine which hearing decisions to review.

*Data Source:* *Biennial Disability Hearings Quality Review Process Peer Review Reports*. The Peer Review Reports are based on a review of ALJ decisions and focus on six major areas: hearing case characteristics, substantial evidence review, *de novo* review, due process issues, legal sufficiency issues and special reviews.

**1.1j – Agency decisional accuracy rate (ADA)**

<b>FY 2005 Goal:</b>	97%
<b>Performance:</b>	97%*
<b>Goal Met:</b>	Yes
<b>FY 2006 Goal:</b>	97%
<b>Estimated Performance:</b>	97%* **
<b>Goal Met:</b>	Yes

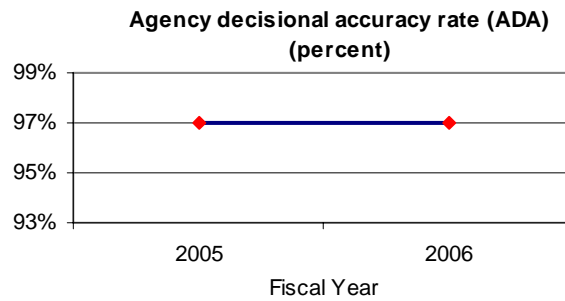
*Discussion:* The Agency uses findings from this measure to target areas needing improvement in accuracy. The ADA rate is updated quarterly on a fiscal year-to-date basis and is reported after the close of the 3-month period following the report period. This allows time for corrective action to take place. It is predicted that the final numbers will indicate that SSA did meet its 97 percent FY 2006 accuracy target.

This measure more precisely portrays the Agency’s initial disability determination accuracy because it includes in the calculation all corrective actions taken in connection with SSA quality control reviews that are performed before DDS determinations are effectuated. (This measure expands on the DDS accuracy rate measure 1.1i described on page 80 in that it includes among Agency correct decisions those incorrect DDS determinations that were corrected by SSA on a pre-effectuation basis.) As a service measure, it is a way for both the public and the Agency to know that a high standard of accuracy is being maintained and that the accuracy of SSA decisions can be relied on to a high degree.

To elevate the level of attention on quality issues, in FY 2006 the Agency established the Chief Quality Officer to direct the Agency-wide quality performance management program. Accuracy is an important aspect of the five dimensions of quality (accuracy, productivity, cost, timeliness and service).

**Trend:** This was a new measure for FY 2005

Fiscal Year	Performance
2005	97%*
2006	97%* <b>Estimated**</b>



\* 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 2006 is based on performance through June 2006. Actual end-of-year data will not be available until January 2007 and will be reported in the FY 2007 PAR.

*Note:* ADA is updated quarterly. It represents an accurate measure of bottom-line decisional correctness of initial disability determinations. Unlike the DDS net accuracy rate, it is an estimate of the number of correct decisions after OQP corrective actions. ADA is updated quarterly on a fiscal year-to-date basis, and is reported after the close of the 3-month period following the report period, to allow time for corrective actions to take place.

*Data Definition:* ADA estimates total errors in all initial State agency disability determinations based on the quality assurance (QA) sample review conducted in the Disability Quality Branches (DQBs). Errors are defined as those cases in which decisions change upon correction. The errors that are corrected in the regional QA and Pre-effectuation reviews (PER) 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 (over Calendar Year [CY] 2003 baseline of 14,052)**

FY 2005 Goal:	40% over baseline - 19,673
Performance:	37,424
Goal Met:	Yes
FY 2006 Goal:	60% over baseline - 22,483
Estimated Performance:	60% over baseline - 22,483*
Goal to be Met:	Yes

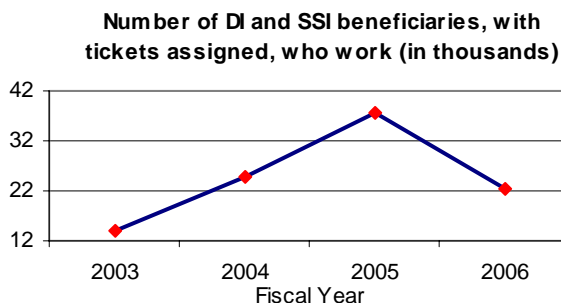
*Discussion:* This measure supports the Agency’s service goal to increase disabled beneficiaries’ access to employment opportunities through the Ticket to Work program. Through changes in legislation, advances in medicine, and technology improvements, the workplace is now more amenable to persons with disabilities than in past decades. SSA is committed to facilitating access to employment by educating employers and the public about the benefits of the Ticket to Work program.



SSA is continuing to strengthen and market the Ticket to Work Program. The Agency has proposed a new regulation that will increase the flexibility Ticket holders have in using their ticket. SSA will be conducting meetings, conferences, community forums, informational seminars and media events to increase awareness of the program and satisfy a need for community outreach. These initiatives should continue to have a positive influence on Social Security Disability Insurance beneficiaries and disabled SSI recipients attempting to work.

**Trend:** This was a new measure for FY 2003

Fiscal Year	Performance
2003	14,052 (baseline)
2004	24,784 (76%)
2005	37,424
2006	22,483 <i>Estimated*</i>



\* Based on past performance the Agency expects to meet its goal for FY 2006. Actual data for FY 2006 will not be available until July 2007 and will be reported in the FY 2007 PAR. The targets were initially set as 20 percent incremental improvements over a CY 2003 baseline. Due to the delay in obtaining actual end-of-year data adjustments to the targets could not be made. As a result, performance totals are anticipated to be higher than the established targets.

New performance measures are being proposed for FY 2007 and beyond that will better reflect beneficiaries' access to employment services and their engagement in significant levels of work activity.

**Data Definition:** Count the number of DI, SSI, 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 (VERN) Work and Earnings Reports data field in the Disability Control File

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

FY 2005 Goal:	255,637
Performance:	237,782
Goal Met:	No
FY 2006 Goal:	268,419*
Performance:	247,143
Goal Met:	No

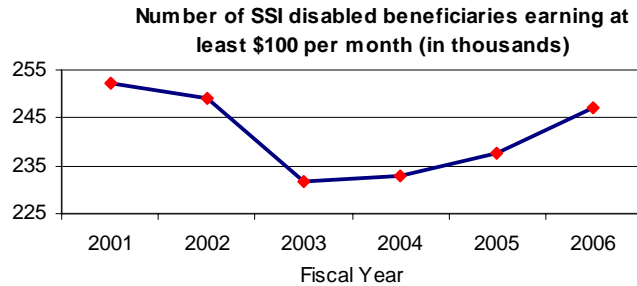
**Discussion:** SSA encourages all disabled beneficiaries to take advantage of various work incentives in order to increase their economic independence and self-sufficiency. Due to the dynamics of the SSI population, which include factors such as levels of education, work experience, and capacities for working, a more graduated approach to joining the workforce is often appropriate.

The strategies for increasing employment for disabled people are guided by and directly support the President's *New Freedom Initiatives*, a nationwide effort to remove barriers to community living for people of all ages with disabilities and long-term illnesses. SSA has a number of strategies and work incentives in place to assist disabled

people who want to become more self-sufficient. It will take several years to see the full benefits and results of these efforts. Factors such as the economy and educational and training resources affect the Agency's ability to achieve this goal.

**Trend:**

Fiscal Year	Performance
2001	252,219
2002	249,175
2003	231,870
2004	232,775
2005	237,782
2006	247,143



\* Based on audit recommendations made by SSA's Inspector General, SSA agreed to change the methodology for calculating performance. Beginning in FY 2005, the calculation was revised from using an end-of-year snapshot to an average of all four quarters. As a result, the published FY 2006 goal of 268,419 was based on a 5 percent increase over the FY 2005 goal (255,637) instead of the new baseline of FY 2005 actual performance (237,782) calculated under the quarter-averaging methodology. The FY 2007 and 2008 goals will be based on FY 2006 actual performance.

**Data Definition:** The number of working Supplemental Security Income (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. Through FY 2004, performance against this measure was calculated based on an end-of-year snapshot. Effective with 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, security, and efficiency**

**1.3a – Retirement and Survivors Insurance (RSI) claims processed**

FY 2006 Goal: 3,911,000

Performance: 3,789,328

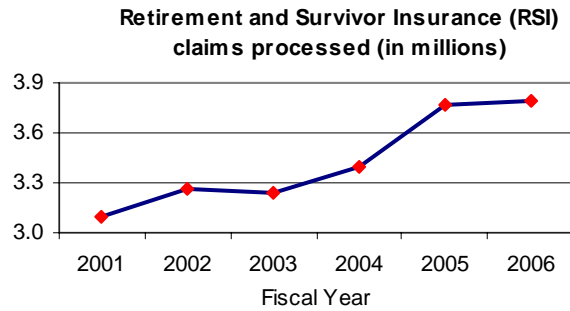
Goal Met: No

**Discussion:** The number of RSI claims processed in FY 2006 exceeded the number processed in FY 2001 (3,092,743) by 22.5 percent (696,585). Each year, this goal is based on actuarial estimates, prior years' claims receipts, legislative or policy changes and other factors. The Agency did not realize the number of receipts expected in FY 2006, therefore the goal of processing 3,911,000 RSI cases could not be achieved. However, RSI case processing time and appointment availability were at acceptable levels.

Over the past few years, SSA introduced a number of initiatives improving the application process for RSI claims. The Agency has successfully managed and expedited the claims process using improved technology for an ever increasing number of beneficiaries. The public now has the capability to obtain a retirement benefit estimate and file for retirement benefits online. The use of signature proxy was also implemented, which allows for virtual signing of the application without requiring the beneficiary to visit an SSA field office. It is used by claimants who file by telephone or on the Internet. As this trend in filing for benefits online is expected to continue over the next decade, SSA faces the challenge of providing cost effective electronic service delivery.

**Trend:**

Fiscal Year	Performance
2001	3,092,743
2002	3,266,297
2003	3,238,871
2004	3,399,471
2005	3,762,977
2006	3,789,328



**Data Definition:** All initial claims for retirement, survivors, and Medicare processed by the Regional Commissioner (RC)/Field Offices (FOs) and Office of Central Operations (OCO). This includes totalization claims.

**Data Source:** Integrated Work Measurement System/District Office Workload Report (IWMS/DOWR) cells 00112, 00212; Office of International Operations (OIO) Ad Hoc Report; Division of Direct Service Operations (DDSO) Teleclaims Report; Program Service Center (PSC); Internet Retirement Insurance Benefits (IRIB); and Immediate Claims Taking Unit (ICTU).

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

**FY 2006 Goal:** 330 seconds  
**Performance:** 278 seconds  
**Goal Met:** Yes

**Discussion:** Advances in telephone communication technology provide the public with greater access to services and allow SSA to more efficiently meet the needs of the public. Telephone communication is an important tool in conducting business with the public. Whether or not a person is receiving benefits from SSA, they will likely have an occasion to contact SSA by telephone. SSA’s goal is for these interactions to be responsive and timely.

SSA made great strides in the speed of answering 800-number calls. In January 2006, call volumes increased significantly as a result of inquiries related to the Medicare Prescription Drug Program. Average speed of answer rose from 360 seconds in October 2005 to a high of 414 seconds in January 2006. Following the January high, the average speed of answer declined each month allowing SSA to achieve and surpass its goal of 330 seconds for FY 2006.

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. In order to maintain the 330 second goal, significant changes will be needed in the form of new automation and/or additional hiring since call volumes are expected to continually increase each fiscal year. The projected increase in call volumes is directly tied to actuarial projections and Agency workload forecasting.

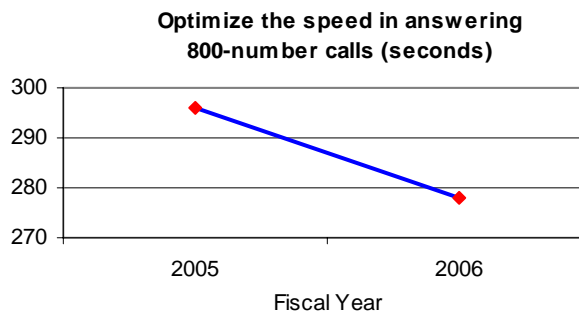
In 2006, SSA continued to realize increased efficiencies through the Call Center Network Solution, a system that allows the routing of calls to the next available agent at any site in the national network. This allows the network to handle the optimum number of calls per agent, which translates into improved service to the public through technological enhancements. The increased use of automated response options also contributed to success in achieving the goal.

Closely related to this measure is 1.3f – “Percent of individuals who do business with SSA rating the overall service as “excellent,” “very good,” or “good.” The high quality service provided by SSA employees, as evidenced by the very favorable ratings they received for their courtesy, helpfulness, job knowledge, and the clarity of their explanations, continues to be a key factor in the overall public perception of the Agency’s service.

\*Excellent, very good, or good ratings of these categories were virtually all 90 percent or better for all service delivery channels (800-number, Field Office telephone service, and office visits).

**Trend:** This was a new measure for FY 2005.

<u>Fiscal Year</u>	<u>Performance</u>
2005	296 seconds
2006	278 seconds



**Note:** The number of transactions (either live or automated service) handled by SSA’s 800-number was 55,070,693 in FY 2005 and 59,475,747 in FY 2006.

**Data Definition:** Answer wait time of all calls divided by all calls answered by agents (includes calls that do not queue). Wait time begins from the time callers first hear the message that they will be connected with the next available agent and ends when an agent answers. Calls that go straight to an agent without waiting in the queue have a zero average speed of answer (ASA), but are included in the ASA for all calls, i.e., they are included in the average. ASA does not include callers who hang up once in the queue, but did not get an answer.

**Data Source:** Report generated by Cisco router software

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

**FY 2006 Goal:** 10%  
**Performance:** 12%  
**Goal Met:** No

**Discussion:** SSA is committed to answer the phone when the public calls. Through advancements under the Call Center Network Solution, a system that allows callers to reach SSA on the first try, SSA met the 10 percent goal for FY 2005. While actuarial projections and Agency workload forecasting indicated that call volumes would continue to increase, the Agency was confident that performance could be maintained and, therefore, the performance goal for FY 2006 remained at 10 percent, which is the same as the FY 2005 performance goal.

SSA was given the responsibility for the application for and determination of the premium subsidy for Medicare Part D Prescription Drug Plan. Although it was expected that call volumes would increase due to the January 2006 implementation of Medicare Part D Prescription Drug Plan, it was not anticipated that the public would see SSA as a point of contact for all Part D issues. Medicare Part D inquiries caused an increase in calls to SSA resulting in the 800-number busy rate reaching a high of 23 percent in January 2006.

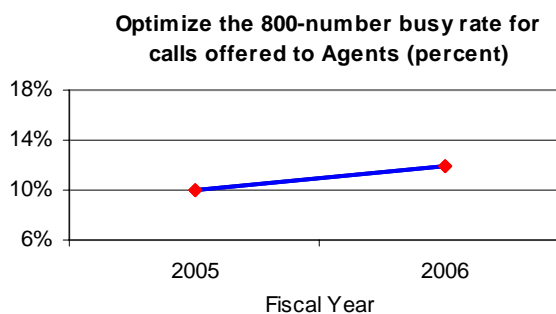
As a result of legislation, major changes to the Social Security number application process were implemented on December 17, 2005. These changes affected both original and replacement card applications and also contributed to increased call volumes. The busy rate has steadily declined every month since the high in January. It should also be noted that the Agency received over four million more 800-number transactions in FY 2006 than in FY 2005 which also contributed to the Agency not meeting this goal.

A complimentary measure is performance measure 1.3f – “Percent of individuals who do business with SSA rating the overall service as “excellent,” “very good,” or “good.” The high quality service provided by SSA employees, as evidenced by the very favorable ratings they received for their courtesy, helpfulness, job knowledge, and the clarity of their explanations, continues to be a key factor in the overall public perception of the Agency’s service.

\* Excellent, very good, or good ratings of these categories were virtually all 90 percent or better for all service delivery channels (800-number service, Field Office telephone service, and office visits.)

**Trend:** This was a new measure for FY 2005.

<u>Fiscal Year</u>	<u>Performance</u>
2005	10%
2006	12%



\* 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 – Increase the usage of electronic entitlement and supporting actions

**FY 2006 Goal:** 300% growth over FY 2004 baseline (2,211,200)

**Performance:** 291.8% growth over FY 2004 baseline (2,165,865)

**Goal Met:** No

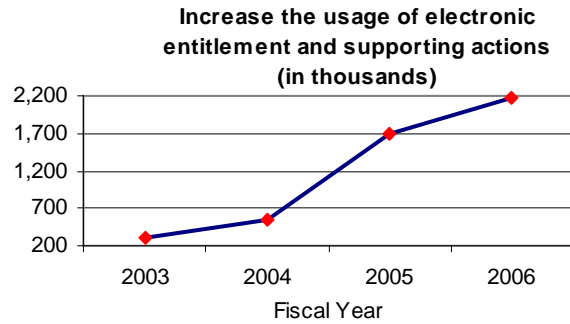
**Discussion:** SSA is proud to offer one of the best and most secure Internet service delivery channels in the Federal government at [www.socialsecurity.gov](http://www.socialsecurity.gov). Users of this site consistently rate it very highly. Both the Internet Benefits Application and the information page, “Help with Medicare Prescription Drug Plan Costs,” received the highest scores among government websites in the September 2006 *American Customer Satisfaction Index* produced by Stephen M. Ross Business School at the University of Michigan in partnership with the American Society for Quality and the International consulting firm, CFI Group. SSA runs several *American Customer Satisfaction Index* (ACSI) surveys on the Agency’s website, collecting data on informational pages as well as on-line applications. ACSI surveys are widely used in both the Federal and private sectors to measure public satisfaction with features of web sites. The surveys provide agencies with standard, statistical measurements of public satisfaction that are directly comparable to other ACSI users.

The usage of the seven applications in this measure remained on target to achieve the goal through the first half of the fiscal year; however, an unexpected dip in performance occurred in the third quarter. Environmental factors outside of the Agency’s control, such as increased media coverage of potential privacy breaches related to the theft of personal information, may have influenced the public’s decision to avoid conducting business via electronic channels. In addition, usage of SSA’s Proof of Income application did not grow at the pace anticipated based on last year’s performance. This lower than anticipated usage may be related to the fact that, for security reasons, SSA mails the requested information via surface mail rather than email, adding time to the delivery of the document.

SSA continues to expand access to information and services through Internet resources and enhance the functionality and usability of current applications. Expanding the services SSA can provide through additional use of technology not only improves service to the public, but also saves the Agency time and money. These continued efforts will help the Agency to achieve this goal in the future.

**Trend:** This was a new measure for FY 2003.

Fiscal Year	Performance
2003	295,219
2004	87.3% growth* 552,810
2005	471.1% growth* 1,685,959
2006	291.8% growth* 2,165,865



\* Over baseline

*Note:* As a result of the decision to count only fully successful transactions beginning in FY 2005, the FY 2003 baseline changed from 334,016 to 295,219 to reflect fully successful transactions for comparison to the FY 2005 performance target. For the same reason, the FY 2004 performance changed from actual performance of 611,266 to 552,810. The FY 2006 target has been modified to 300 percent growth over the FY 2004 baseline. This is expected to be a more realistic reflection of what the Agency can accomplish than the FY 2005 performance target.

*Data Definition:* This indicator consists of an aggregate measure of representative electronic transactions the public performs with SSA. Beginning with FY 2005, a decision was made to track application counts for electronic services that represent only fully successful transactions. This will maintain consistency throughout all applications and provide a better representation of performance.

The following are included in the FY 2004 baseline:

- 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 (iMRC) (effective 7/00)
- Medicare Replacement Card – 800# voice enabled (effective 7/04)
- Password based Change of Address (effective 4/01)
- Knowledge based Change of Address (effective 2/04)
- Internet Change of Direct Deposit (iCDD) (effective 8/01)

Applications continue to be added on an ongoing basis.

*Data Source:* Executive and Management Information System (EMIS); Title II Internet Claims report; Electronic Service Delivery Report

### 1.3e – Increase the percent of employee reports (W-2 forms) filed electronically

FY 2006 Goal: 70%

Performance: 75%

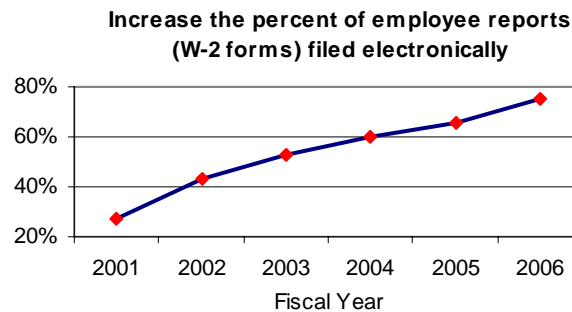
Goal Met: Yes

*Discussion:* SSA’s vision is to provide a variety of cost-effective electronic government services to citizens, businesses and other government agencies, within the next few years. Within the scope of this measure, Electronic Wage Reporting simplifies the process for businesses by allowing them to submit employee wage reports (Form W-2) online. The service also includes the *AccuWage* tool for businesses, which improves reporting accuracy and reduces the volume of error corrections and necessary follow-up contacts. In addition, *W-2 Online* is a service that meets the needs of small businesses by providing online entry and printing of W-2 wage and tax statement forms for distribution to employees. The Agency’s ability to receive electronically filed wage reports through the Internet provides the business community with an easy-to-use, cost effective filing process.

SSA has made significant improvements in the process for employers to report earnings. The Agency recently received results from a survey that was conducted to provide insight into how to encourage small business reporters to report wages electronically. The survey results indicated that most small businesses switched from paper to the electronic reporting process as a result of SSA’s promotional materials, payroll and employer conferences, articles and trade publications, and direct contact with large employers. SSA also plans to increase electronic business via the Internet by improving earnings products and services for accountants that prepare W-2s. At a May 2006 Software Developers Conference, SSA received input from several sources for strategies to switch paper filers to an electronic filing process. As a result, SSA will pilot a Web Service for Tax Year 2006.

**Trend:**

Fiscal Year	Performance
2001	27%*
2002	43%*
2003	53%*
2004	60%
2005	66%
2006	75%*



\* 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* (ESF).

*Data Source:* Earnings Management Information Operational Data Store (EMODS) reports



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

FY 2006 Goal: 83%  
 Performance: 82%  
 Goal Met: No

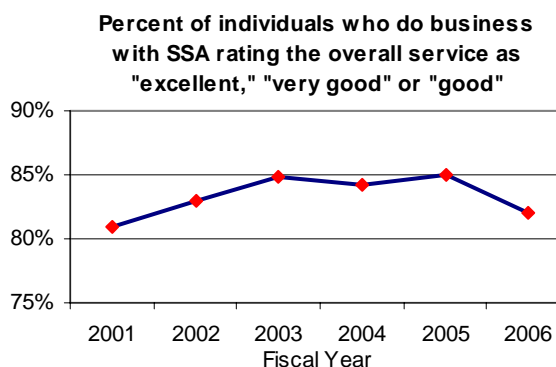
*Discussion:* SSA continually assesses the service needs of the public to determine how the Agency can meet those needs appropriately, efficiently, courteously, and in a timely manner. In the face of increasing workload growth, the Agency faces challenges in maintaining efficiency and delivering the level of service the public has come to expect.

With natural disasters like Hurricane Katrina, major changes occurred to the Social Security number application process that affected both original and replacement card applications and the implementation of Medicare Part D, call volumes increased dramatically in FY 2006. Satisfaction with telephone service, both on the 800 number and in Field Offices, was lower this year than in FY 2005. SSA has received very high ratings in years prior to 2006. SSA expects that in the future, overall public perception of the Agency’s service will reflect the previous high ratings for courtesy, helpfulness, job knowledge and the clarity of explanations.

On September 20, 2006, Foresee Results published its *Federal American Customer Satisfaction Index* Scorecard, which measures satisfaction on a 100-point scale. SSA had the two top scoring websites; the Internet Social Security Benefits Application and Help with Medicare Prescription Plan Drug Costs Application, which topped all Federal websites with scores of 88 and 87 respectively. This is the fourth consecutive quarter these applications have led Federal sites. Further, these two applications, together with SSA's Business Services Online and SSA's Retirement Planner, captured 4 of the top 5 spots in the E-Commerce category. SSA's aggregate score (79.6 for 6 surveys) was the highest among all Federal agencies running multiple surveys.

**Trend:**

Fiscal Year	Performance
2001	81%
2002	83%
2003	85%
2004	84%
2005	85%
2006	82%



*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, FO callers, and FO and hearings office visitors

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

FY 2006 Goal: Complete 66% of SUMS projects  
 Performance: 66% of SUMS projects completed  
 Goal Met: Yes

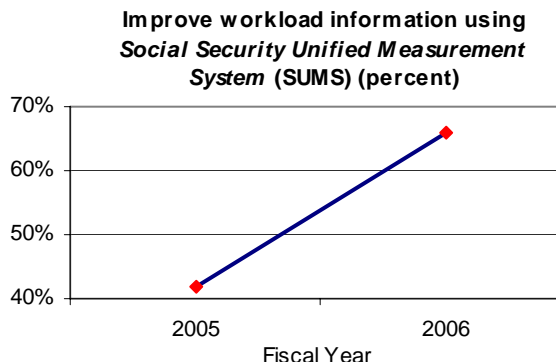
*Discussion:* The Agency has recognized the need to improve the quality, consistency and access to information used by managers and analysts throughout SSA to manage work and account for resources. The objective of the Social Security Unified Measurement System is to create a system that counts and measures all work in a consistent



manner. This system provides information needed to help make business decisions and comply with government standards. Access to web based reports, workload listings and other information are available online, eliminating the need for paper reports.

**Trend:** This was a new measure for FY 2005.

<u>Fiscal Year</u>	<u>Performance</u>
2005	42%
2006	66%



**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/MCAS project plan; reports to the SUMS/MCAS Executive Steering Committee on systems releases and the status of projects under development.

**Strategic Goal 2: STEWARDSHIP**

*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 – SSI non-disability redeterminations processed**

**FY 2006 Goal:** 1,244,000

**Performance:** 1,070,822

**Goal Met:** No

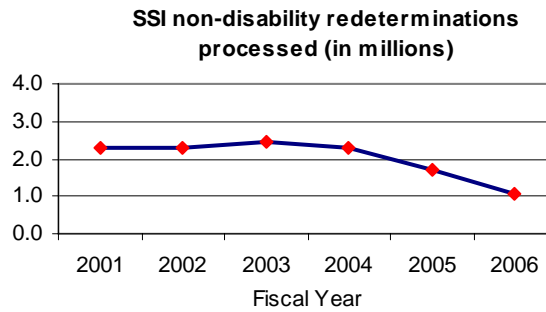
**Discussion:** The most powerful tool available for eliminating improper SSI payments is the redeterminations process, which focuses on the income and resource factors affecting eligibility and payment amounts. Periodic redeterminations are required by law and result in billions of dollars in payment changes. The Agency saves approximately \$7 for every \$1 spent in processing redeterminations.

Many systems enhancements have contributed to the Agency’s ability to manage this workload. SSA has consistently met (or nearly met) its goal for number of redeterminations processed through careful adherence to schedule dates and improved reporting methods for changes in information.

Overall Agency resource constraints have contributed to a reduction in the number of FY 2005 and FY 2006 SSI non-disability redeterminations processed. Despite the savings that SSI redeterminations provide, SSA must prioritize resources, giving priority to providing service to the American people.

**Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	2,315,856
2002	2,311,499
2003	2,449,674
2004	2,278,566
2005	1,724,875
2006	1,070,822



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

*Data Source:* Redetermination Service Delivery Objective (RZ SDO) Report, Post-eligibility (PE) Data Warehouse

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

**FY 2006 Goal:** 1,242,000

**Performance:** 1,337,638

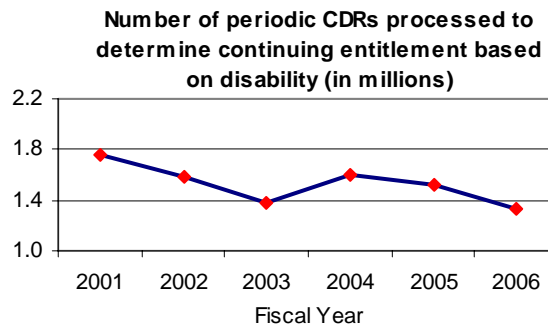
**Goal Met:** Yes

*Discussion:* SSA uses CDRs to periodically determine if disabled beneficiaries continue to meet the definition of disability, and whether disability benefits should continue. CDRs help ensure the integrity of the disability program by ensuring that beneficiaries receive the benefits they are due and help to ensure that Disability Insurance Trust Fund money and general revenue funds are spent correctly. The Agency saves over \$10 for every \$1 spent on processing CDRs.

Overall, Agency resource constraints have contributed to a reduction in the number of FY 2005 and FY 2006 medical CDRs processed. Also, the Agency has made progress in its efforts to improve the CDR profiling process and procedures. Profiles identify cases for review where medical improvement is much more likely. Cases involving severe impairments can be processed with a limited amount of contact and are only investigated if there has been a change in a person's condition or work activity.

**Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	1,762,517
2002	1,586,091
2003	1,371,255
2004	1,604,680
2005	1,515,477
2006	1,337,638



*Data Definition:* Count includes periodic reviews and other CDRs processed by the DDS and mailers not requiring medical reviews.

*Data Source:* Disability Operational Data Store (DIODS) and the CDR tracking files

*Note:* Data provided from DIODS used to calculate a portion of the performance indicator is not archived and maintained for audit purposes.

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

<b>FY 2005 Goal:</b>	Overpayment accuracy:	94.9%
	Underpayment accuracy:	98.8%
<b>Performance:</b>	Overpayment accuracy:	93.6%
	Underpayment accuracy:	98.6%
<b>Goal Met:</b>	Overpayment accuracy:	No
	Underpayment accuracy:	No
<b>FY 2006 Goal:</b>	Overpayment accuracy:	95.4%
	Underpayment accuracy:	98.8%
<b>Performance:</b>	Overpayment accuracy:	Not Available*
	Underpayment accuracy:	Not Available*
<b>Goal to be Met:</b>	Overpayment accuracy:	Not Available*
	Underpayment accuracy:	Not Available*

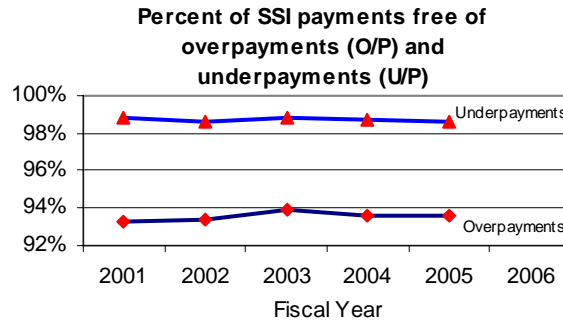
*Discussion:* As stewards of the portion of general funds that supports SSI payments, it is critical that SSA carefully manages amounts paid. A large part of this performance measure is addressed through the SSI redetermination process (performance measure 2.1a). Because of the way benefits are paid, many payments are based on projections, such as future earnings, that must later be verified and a determination made as to the accuracy of the initial payment amount. Particular emphasis has been given to improving the more complex and error-prone SSI program. This performance measure is linked to SSA’s initiatives addressing the President’s Management Agenda program initiative, “Eliminating Improper Payments.” In addition, SSA’s efforts regarding the reduction of improper payments are highlighted in the Improper Payments Information Act of 2002 Detailed Report on page 204.

Achievement of this goal is linked to resources required to implement new error prevention initiatives. For more detailed information on specific initiatives the Agency is using to prevent overpayments and underpayments, please refer to the Agency challenges section of this Performance and Accountability Report.

The Agency did not meet the FY 2005 goal and subsequently, does not anticipate meeting the FY 2006 goal. Despite the implementation of the initiatives mentioned above, the Agency was forced to make some very tough decisions with regard to achieving certain goals and targets. The decision was made to use available resources to focus on public service goals knowing that certain stewardship goals would not be met as a result. The reduction in the number of SSI non-disability redeterminations, which help to identify and reduce overpayments and underpayments, was a contributing factor to not meeting this goal. As resources permit, the Agency will continue to implement new initiatives that will help achieve this goal in the future.

**Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	O/P: 93.3% U/P: 98.8%
2002	O/P: 93.4% U/P: 98.6%
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: Not Available* U/P: Not Available*



\* Actual data for FY 2006 will not be available until July 2007 and will be reported in the FY 2007 PAR.

**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 +/- 0.7 percent for O/P and +/- .03 percent for U/P. The rate is computed by first subtracting the amount of incorrect payments from the dollars overpaid or underpaid in a fiscal year, and then dividing these 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.

**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. 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 rolls.

### 2.1d – Percent of outstanding SSI debt in a collection arrangement

**FY 2006 Goal:** 55%  
**Performance:** 53%  
**Goal Met:** No

**Discussion:** SSA’s stewardship responsibilities require that the Agency recover as much debt as possible. The Agency employs a wide variety of safeguards designed to prevent overpayments; however, not all overpayments can be prevented. In some situations no practical method of preventing overpayments is available. The Agency aggressively pursues collection of overpayments.

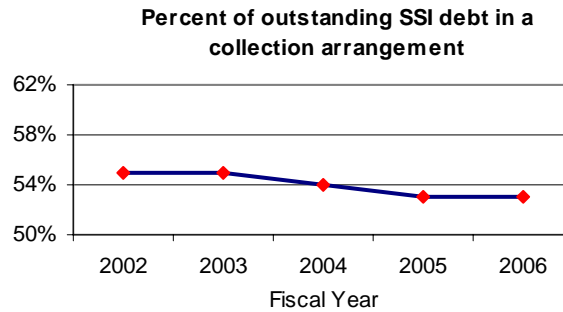
The Agency continues to use aggressive debt collection tools to recover delinquent benefit overpayments. The Agency uses both internal and authorized external collection tools to collect what is owed. Internal methods include benefit withholding from people receiving benefits and an Agency billing and follow-up system to collect overpayments from people who are no longer receiving benefits.

The Agency also has a broad based initiative to improve the way debts are resolved. The core feature of the initiative, which was implemented late in the fiscal year, is prioritization of unresolved debts based on their potential

for cost-effective recovery. This prioritization will lead to more timely and effective resolution at lower cost. It is anticipated that the first phase of actions based on this initiative will improve the measured SSI performance goals by about 2 percentage points. Although, the FY 2006 goal was not met, the Agency anticipates meeting this goal in the future by continuing to develop initiatives to collect debt.

**Trend:** This was a new measure for FY 2002.

<u>Fiscal Year</u>	<u>Performance</u>
2002	55%*
2003	55%*
2004	54%**
2005	53%*
2006	53%*



\* 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 (SSR)

### 2.1 e – Percent of OASDI payments free of overpayment (O/P) and underpayment (U/P)

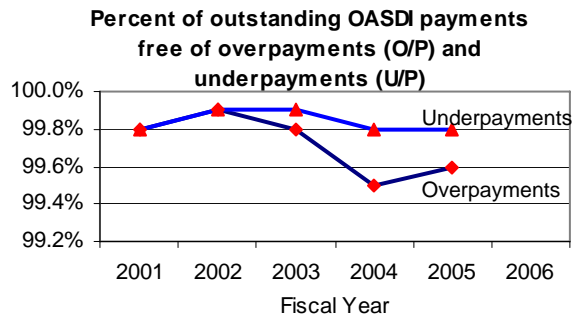
<b>FY 2005 Goal:</b>	Overpayment accuracy:	99.8%
	Underpayment accuracy:	99.8%
<b>Performance:</b>	Overpayment accuracy:	99.6%
	Underpayment accuracy:	99.8%
<b>Goal Met:</b>	Overpayment accuracy:	No
	Underpayment accuracy:	Yes
<b>FY 2006 Goal:</b>	Overpayment accuracy:	99.8%
	Underpayment accuracy:	99.8%
<b>Performance:</b>	Overpayment accuracy:	Not Available*
	Underpayment accuracy:	Not Available*
<b>Goal to be Met:</b>	Overpayment accuracy:	Not Available*
	Underpayment accuracy:	Not Available*

*Discussion:* As stewards of the Social Security OASDI Trust Funds, SSA must ensure benefit payments are accurate. In addition, through careful management of entitlement factors and reporting requirements, SSA continues to maintain payment accuracy and, in turn, controls the incidence of overpayments and underpayments.

While the improper payment rate in the OASDI program is very low, SSA’s annual outlays are so large that even small percentages of payment error can mean millions of dollars paid incorrectly. Accordingly, SSA seeks continuous improvement in its processes to minimize improper payments. For more detailed information on specific initiatives the Agency is using to prevent overpayments and underpayments, please refer to the Agency Challenges section of this Performance and Accountability Report. As resources permit, the Agency will continue to implement new initiatives that will help achieve this goal in the future.

**Trend:**

Fiscal Year	Performance
2001	O/P: 99.8% U/P: 99.8%
2002	O/P: 99.9% U/P: 99.9%
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: Not Available* U/P: Not Available*



\* Actual data for FY 2006 will not be available until July 2007 and will be reported in the FY 2007 PAR.

*Data Definition:* OASDI payment accuracy rate is determined by an annual review of a statistically valid sample of the beneficiary rolls. Separate rates are determined for the accuracy of payments with overpayment dollars and the accuracy of payments with underpayment dollars. The rates are computed by dividing these dollars by the total dollars paid for the fiscal year. This percentage is subtracted from 100 percent to attain the accuracy rate.

*Data Source:* OASDI Stewardship Report

*Note:* The OASDI Stewardship Report is based on a monthly random sample of Title II cases selected from the Retirement, Survivor, and Disability Insurance (RSDI) payment rolls, consisting of all beneficiaries in current pay status. One thousand RSI and 500 DI 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.

**2.1f – Percent of outstanding OASDI debt in a collection arrangement**

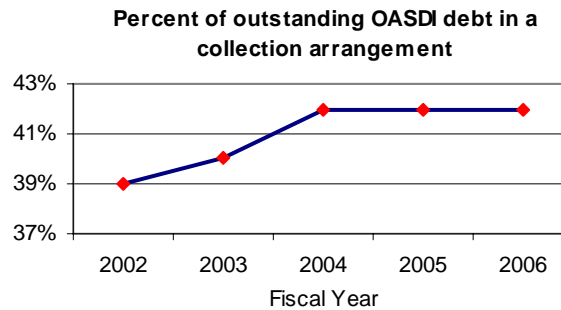
FY 2006 Goal: 43%  
 Performance: 42%  
 Goal Met: No

*Discussion:* As with SSI payments, SSA makes every effort to avoid overpaying OASDI beneficiaries. However, in those instances where overpayments are incurred, it is important that the Agency use aggressive debt collection tools to recover benefit overpayments from current and former beneficiaries. Current beneficiaries and the public deserve the assurance that OASDI Trust Fund monies erroneously paid will be recouped to the fullest extent possible.

The percentage of outstanding OASDI debt in a collection arrangement has steadily increased since FY 2002 and eventually stabilized at 42 percent beginning in FY 2004. This can be attributed to the debt collection initiatives used by SSA, which include referring delinquent debts to credit bureaus and the Department of Treasury for recovery under the Treasury Offset Program (by which debts are collected from Federal income tax refunds and other federal payments). SSA also requests employers to offset the wages of delinquent debtors.

**Trend:** This was a new measure for FY 2002.

Fiscal Year	Performance
2002	39%*
2003	40%*
2004	42%*
2005	42%*
2006	42%*



\* 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 (ROAR) 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 SSNs issued that are free of critical error**

FY 2005 Goal:	99.8%
Performance:	98.9%
Goal Met:	No

**Percent of original SSNs issued that are free of critical error**

FY 2006 Goal:	98%
Estimated Performance:	98%**
Goal to be Met:	Yes

**Note:** In SSA's FY 2005 PAR, this measure was termed *Percent of SSNs issued that are free of critical error*. Actual performance for FY 2005 is now being reported based on data that became available in September 2006. Beginning with the FY 2006 Enumeration Process Quality Review (the results of which will be reported in the



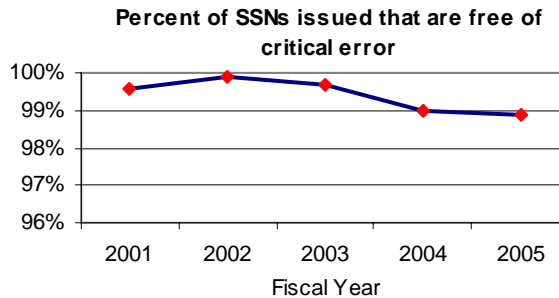
FY 2007 PAR) the universe of SSNs subject to this review and used in the calculation of this performance measure changed. Enumeration-at-Birth and Enumeration-at-Entry SSNs are now included in the FY 2006 review. Also, the universe of cases used to calculate the FY 2006 accuracy rate now only includes requests for original SSNs.

*Discussion:* The SSN was devised to keep an accurate record of each person’s earnings and monitor benefits paid under the Social Security programs. Despite its intended purpose, the use of the SSN as a general identifier has grown to the point where it is the most commonly used and convenient identifier for many types of record-keeping systems. Because maintaining accurate Social Security records is essential to paying benefits in the correct amount to the correct person, SSA continually seeks to ensure the accuracy of SSN issuances.

The Agency takes this responsibility very seriously as demonstrated by the various systems and the operational and policy initiatives that are directed towards insuring the integrity of the enumeration process. (Enumeration is the term Social Security traditionally used to encompass the SSN assignment and card issuance processes.) For example, SSA now verifies evidentiary documents with U.S. Citizenship and Immigration Services (USCIS) and other Federal Agencies for non-U.S.-born people or with the State Bureaus of Vital Statistics for U.S.-born people age one or older prior to issuing a Social Security card. In addition, the Agency has opened three Social Security Card Centers whose sole purpose is the issuance of Social Security cards. This specialization strengthens the SSN application procedure and ensures that applications are processed with a high degree of integrity, efficiency and expertise. Another good example of an initiative that insures the integrity of the enumeration process is the SS-5 Assistant as discussed on page 44.

**Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	99.6%*
2002	99.9%*
2003	99.7%*
2004	99.0%*
2005	98.9%*



\* FY 2002 – FY 2005 performance numbers included the issuance of original and replacement SSNs.

**Trend:** This represents the new measure for FY 2006.

<u>Fiscal Year</u>	<u>Performance</u>
2006	98.0% <b>Estimated**</b>

\*\*Based on enhancements to strengthen the integrity of the SSN issuance process, SSA expects to meet the FY 2006 performance goal. Actual data for FY 2006 will not be available until September 2007 and will be reported in the FY 2007 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 – U.S. Citizenship and Immigration Services (USCIS) 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.

*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 – Number of Social Security Numbers (SSNs) processed

FY 2006 Goal: 18,000,000  
Performance: 17,259,110  
Goal Met: No

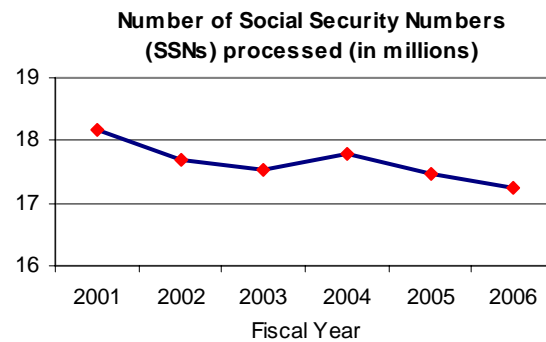
*Discussion:* The SSN was devised to keep an accurate record of each person's earnings and monitor benefits paid under the Social Security programs. Despite its intended purpose, the use of the SSN as a general identifier has grown to the point where it is the most commonly used and convenient identifier for many types of record-keeping systems. SSA is ever mindful of the need to properly manage and forecast this workload to ensure the Agency is providing both accurate and timely service.

The volume of SSNs processed was based on the number of persons applying for original numbers and replacement cards. The Agency did not realize the number of receipts expected in FY 2006, which were based on actuarial estimates. Applications received were processed timely.

As a result of legislation, major changes to the Social Security number issuance process have been implemented. These changes have significantly decreased the number of non-work SSNs the Agency assigns to non-citizens. In FY 1995, SSA assigned nearly 550,000 non-work SSNs. By FY 2005, the Agency reduced the number of non-work SSNs assigned to less than 15,000. Also, there are now limits on the number of replacement cards that can be issued yearly and over a lifetime.

### **Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	18,179,115
2002	17,679,490
2003	17,523,560
2004	17,791,880
2005	17,455,921*
2006	17,259,110



\* Although tracked internally, this was not a Government Performance and Results Act measure in FY 2005.

*Data Definition:* Includes SSN issuance for duplicate or original numbers processed by Regional Offices (ROs), Field Offices (FOs) and the Office of Central Operations (OCO), plus Enumeration-at-Birth (EAB) activity and the count of fraud investigations not resulting in issuance of an SSN and an EAB.

*Data Source:* Social Security's Monthly Tracking Report. Tracking Report sources are: Field Office Social Security Number Enumeration Report (FOSSNER), EAB Year-To-Date processing statistics.

**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 2006 Goal: 3%

Performance: 1%

Goal Met: No

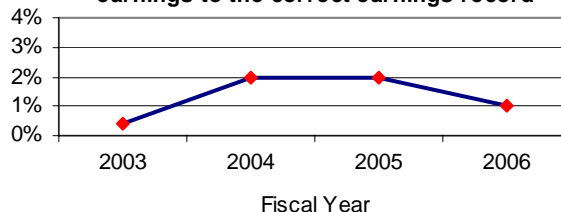
*Discussion:* Earnings are the primary basis used to determine the amount of benefits payable to OASDI beneficiaries. When an earnings report (W-2 or a report of self-employment income) cannot immediately be matched with an individual because of inconsistent identifying data—name or SSN—the reported earnings are placed in what is known as the Earnings Suspense File until the Agency succeeds in properly associating the earnings to the right individual. Removing items from the suspense file and more effectively managing the suspense file are essential features of SSA’s goal for improving earnings record accuracy. SSA has an educational campaign to inform the wage reporting community of various error detection tools available to them.

The Agency continues to develop initiatives to prevent items from being placed in the suspense file and to remove items that are in the suspense file. The development of new matching software to remove items from the Earnings Suspense File this year did not result in the anticipated success rate to meet the goal. The Agency continues its efforts to reduce the size and growth of the suspense file.

*Trend:* This was a new measure for FY 2003.

<u>Fiscal Year</u>	<u>Performance</u>
2003	0.40%
2004	2%*
2005	2%*
2006	1%*

**Remove 3 percent of the earnings items remaining in the Earnings Suspense File (ESF) for a new tax year and post the earnings to the correct earnings record**



\* 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: In SSA’s FY 2005 PAR, this measure was termed Increase the percent of incoming earnings items removed from the earnings suspense file for a new tax year.

*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 five percent reduction will be achieved by using new matching routines developed by the Office of Quality Performance (OQP) and Office of Systems. The percentage is determined by comparing the number of items added to suspense for a tax year to the number later removed by the new process.

*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 OQP and Office of Systems.

*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.

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

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

FY 2006 Goal: 2% on average

Performance: 2.49% on average

Goal Met: Yes

*Discussion:* Consistent with the Agency's Strategic Plan, SSA's Service Delivery Budget includes a commitment to achieve an average annual productivity increase of 2 percent through FY 2008. SSA is very proud of achieving this goal. The public can be assured that SSA maintains its high standards of productivity and can look forward to improvements each year. The Agency believes that, given the array of services SSA provides and the major workload processing initiatives implemented each year, incremental productivity improvements are sustainable.

The total change over the 5 years from FY 2001 (the base year) through FY 2006 is 13.09 percent. This represents an average annual productivity increase of 2.49 percent. This success can be attributed to the hard work of the Agency's employees and ongoing efforts to streamline the business processes and automate workloads.

*Trend:* SSA met the goal of improving productivity by 2 percent on average for FY 2006.

*Note:* In SSA's FY 2005 PAR, this measure was termed Increase Agency productivity by 2 percent annually on average.

*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.

*Data Source:* Agency Cost Accounting System

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

FY 2006 Goal: 262 cases PPWY

Performance: 241 cases PPWY

Goal Met: No

*Discussion:* This goal measures the average number of cases processed by everyone on the DDS payroll, including doctors under contract to the DDS, during the fiscal year. This count represents outcomes that are directly linked to overall Agency performance.

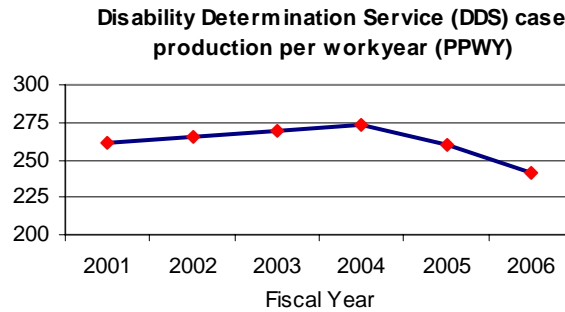
PPWY increased each year from FY 2001 to FY 2004, keeping pace with the record number of initial disability claims received in the DDS offices. PPWY decreased in FYs 2005 and 2006 for several reasons:

- 1) The DDSs are experiencing a retirement wave similar to that of SSA. The DDSs lost almost 2,400 examiners from FY 2004 through FY 2006 with a 4 for 5 replacement rate. Nationally, over 47 percent of examiners have less than five years experience, and over 23 percent have less than two years. Because of the learning curve, new examiners are not able to process the same number of claims as experienced ones;
- 2) During the transition to the new *eDib* process, the DDSs were unable to maintain previous levels of productivity. As the transition is made from the traditional paper process to the fully electronic process and the workforce becomes more proficient, SSA expects to realize benefits from efficiencies gained with full implementation of the *eDib* process; and

- 3) As DDSs lost clerical and administrative staff, they began replacing some of this staff with examiners. This increase in the percentage of examiners has happened to an even greater extent in FY 2006. The short-term affect of the transition is that the training and the experience needed for an examiner is considerably greater than that for clerical and administrative staff. Additional training and mentoring needed for new examiners has had a considerable influence on the DDS PPWY in FY 2006 which will continue in FY 2007.

**Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	262*
2002	265*
2003	270*
2004	273*
2005	260*
2006	241*



\* 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:* In SSA’s FY 2005 PAR, this measure was termed *DDS cases processed per workyear*.

*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 (NDDSS) and Disability Operational Data Store (DIODS)

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

FY 2006 Goal: 104  
 Performance: 100\*  
 Goal Met: No

*Discussion:* SSA hearings case production per workyear in FY 2006 exceeded PPWY in FY 2001 (85) by 17.6 percent (15 cases per workyear). This goal measures the average number of hearings processed by an individual employee during the fiscal year. SSA strives to maximize productivity to ensure that the public receives the best return from the resources that their tax dollars support with careful management of human resources.

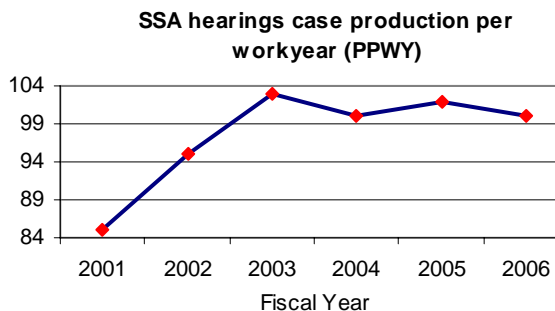
In FY 2006, SSA restructured its organization to improve the management of its appeals process and provide increased accountability. The reorganization created a Deputy Commissioner for the Office of Disability Adjudication and Review who reports directly to the Commissioner. In addition, the hiring of 100 new Administrative Law Judges (ALJ) in February 2005, contributed to the increase in the number of SSA hearings processed. Although not fully experienced, the new ALJs were able to assist in processing pending workloads. Initiatives, such as screening to determine if a decision can be made without a hearing and holding video hearings, have contributed to increased productivity.

In the long term the Agency expects significant improvements due to *eDib*. However, viewing large electronic medical files and simultaneously completing required forms initially slowed down the process. To realize some of these gains more quickly, SSA installed dual monitors, which allow employees to view two electronic files simultaneously while processing cases. More developments are expected that will increase productivity, including

elimination of paper file processing, employees’ increasing familiarity with the new systems, and workforce adjustments to compliment the enhanced functionality of *eDib*.

**Trend:**

Fiscal Year	Performance
2001	85*
2002	95*
2003	103*
2004	100*
2005	102*
2006	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: In SSA’s FY 2005 PAR, this measure was termed Number of SSA hearings cases processed per workyear.

*Data Definition:* This indicator represents the average number of SSA hearings case production per “direct” 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 (ODAR) Monthly Activity Reports (MAR), the Case Processing Management System (CPMS), Payroll Analysis Recap Report (PARR), Time and Attendance Management Information System, ODAR Bi-weekly Staffing Report, Cost Analysis Report (CAR), Travel Formula (based on the assumption that ALJs will spend an average of 10 percent of time in travel status), and Training Reports (Regional reports on new staff training, ongoing training, and special training).

**2.4d – Maintain zero outside infiltrations of SSA’s programmatic mainframes**

**FY 2006 Goal:** 0 infiltrations

**Performance:** 0 infiltrations

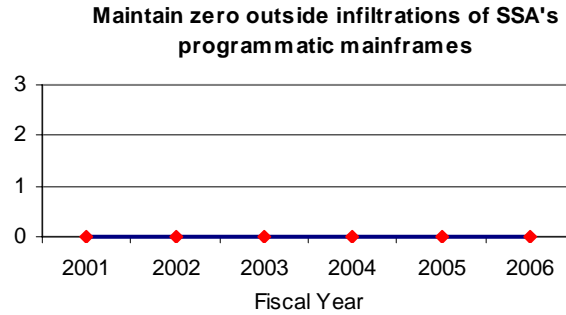
**Goal Met:** Yes

*Discussion:* Safeguarding the information the Agency maintains is SSA’s highest priority, particularly considering the volume of personal and confidential information housed in its mainframe systems. SSA reviewed and implemented industry “best practices” to ensure that information technology security corresponds to the critical importance and sensitive nature of the information it processes and maintains. SSA ensures a continuous review and monitoring of the development, implementation, and maintenance of the automated systems critical to the Agency’s mission.

SSA is proud of the Agency’s track record in safeguarding its programmatic mainframes. The Agency employs an Intrusion Protection Team and Agency-wide Security Response Team, as well as routine contact with the Federal Computer Incident Response Center to exchange up-to-date information on threats and countermeasures.

**Trend:**

<u>Fiscal Year</u>	<u>Performance</u>
2001	0
2002	0
2003	0
2004	0
2005	0
2006	0



**Data Definition:** An infiltration is an unauthorized access that requires a cleanup or restoration of backup files to a state prior to the infiltration. This measure is a count of the number of times that an infiltration of mainframes is detected.

**Data Source:** Change Asset and Problem Reporting System

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

**FY 2006 Goal:** Complete 29% of the MCAS projects

**Performance:** 29% of MCAS projects completed

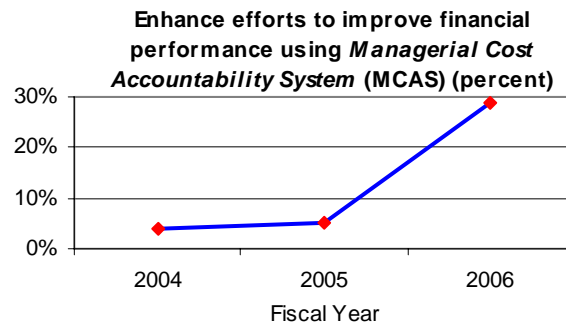
**Goal Met:** Yes

**Discussion:** The Managerial Cost Accountability System focuses on critical performance and financial information needed by managers and employees, and promotes performance accountability for Social Security programs. As stewards of the Social Security OASDI Trust Funds, SSA must also model appropriate information management processes to ensure accountability for workloads. The Agency's Managerial Cost Accountability System includes a number of projects designed to update the cost analysis system, reporting systems, workload measurement systems, and system access. The integration of financial and performance management systems will allow the Agency to routinely assess performance and financial information so that local managers can make more timely and efficient day-to-day decisions.

After the inception of the Managerial Cost Accountability System and the closely related Social Security Unified Measurement System effort, the project was expanded to include the Time Allocation System effort. The Time Allocation System will use routine data captured from the Agency's automated workload transaction systems and support functions to measure the work time expended on work activities. This will provide accurate, timely and detailed information on the way that these workloads are handled and the resources they require.

**Trend:** This was a new measure for FY 2004.

<u>Fiscal Year</u>	<u>Performance</u>
2004	4%
2005	5%
2006	29%



*Note:* Total completion percentage is cumulative and includes 5 percent of projects completed through FY 2005. The overall initiative includes:

- Renovation of *Cost Accounting System* (CAS) data acquisition processes.
- Replacement of the CAS with a modern MCAS partition for workloads, workyears, and administrative costs.
- Creation of an MCAS partition for program management, performance, and cost information.
- Creation of an MCAS partition for performance and cost information reflecting data in relation to SSA Strategic and Performance Plans.
- Creation of all required MCAS data store.
- Completion percentages to attribute a major cross-cutting project, Time Allocation, to derive an overall MCAS completion percentage.

*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

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

**FY 2006 Goal:** Receive an unqualified opinion

**Performance:** Received an unqualified opinion

**Goal Met:** Yes

*Discussion:* SSA is committed to providing data that are complete and reliable. In accordance with the Chief Financial Officer’s Act of 1990, SSA’s financial statements were independently audited by PricewaterhouseCoopers LLP. The audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. In their audit, PricewaterhouseCoopers LLP found that SSA’s financial statements, as contained in the FY 2006 PAR, were presented fairly in all material respects and were in conformity with accounting principles generally accepted in the United States. The Agency has a strong and continued commitment to sound financial management practices and has received an unqualified audit opinion on the Agency’s financial statements every year since 1994.

*Trend:* SSA received an unqualified audit opinion every year from FY 1994 – FY 2006.

*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.

*Data Source:* Auditors’ work papers

*Note:* SSA’s Office of Inspector General (OIG) currently has a contract with PricewaterhouseCoopers to audit the Agency’s financial statements.

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

FY 2006 Goal: Achieve a status score of “green” on four of five PMA initiatives

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

Goal Met: Yes

*Discussion:* The PMA helps guide Federal agencies in establishing strategies to improve management and performance of their respective programs, and assures accountability for Agency activities. Every American and many foreign workers rely on SSA to provide quality, timely service. SSA takes seriously its role in their lives. For this reason, SSA uses the PMA as an important tool to guide process improvements toward results-oriented outcomes.

In the OMB’s role to track agencies’ efforts to implement the PMA initiatives, it uses a scorecard that uses a simple “traffic light” grading system. As good stewards for the people who are contributing to and benefiting from the Social Security and SSI programs, the Agency is committed to this goal to get to “green” on four of the five PMA initiatives.

Note: In SSA’s FY 2005 PAR, this performance measure was titled Get to “green” on four of five President’s Management Agenda (PMA) initiatives.

*Trend:* The following summarizes SSA’s performance under the PMA for FY 2003 through FY 2006:

SSA’s President’s Management Agenda Scorecard								
	September 2003		September 2004		September 2005		September 2006	
	Status	Progress	Status	Progress	Status	Progress	Status	Progress
Strategic Management of Human Capital	Yellow	Green	Green	Green	Green	Green	Green	Green
Competitive Sourcing	Red	Green	Yellow	Green	Yellow	Green	Green	Green
Improved Financial Performance	Green	Green	Green	Green	Green	Green	Green	Green
Expanded Electronic Government	Yellow	Green	Yellow	Yellow	Yellow	Green	Yellow	Red
Budget and Performance Integration	Yellow	Green	Green	Green	Green	Green	Green	Green



Note: “Status” is based on meeting certain scoring criteria, revised in FY 2005 by OMB. The highest standard is “green”, followed by “yellow”. The lowest score is “red”. OMB Budget Examiners provide a final scorecard on a quarterly basis for each of the PMAs. The scorecard is published on the OMB website: <http://www.results.gov/agenda/index.html>.

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

*Data Source:* Office of Management and Budget’s (OMB) PMA initiative scorecard for SSA

### Strategic Goal 3: SOLVENCY

*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*

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

**FY 2006 Goal:** Conduct analysis for the Administration and Congress on key issues related to implementing Social Security reforms.

**Performance:** Completed

**Goal Met:** Yes

*Discussion:* Although SSA implements Social Security programs and policies, it does not set policy related to solvency. This does not, however, diminish SSA’s role in ensuring the solvency of the OASDI Trust Funds. Solvency is directly tied to SSA’s mission, *To advance the economic security of the Nation’s people...* The Agency has a vested interest in the future of the programs it administers and provides the information necessary for the Administration and Congress to pursue thoughtful debate and examination of how to stabilize the economic base for Old-Age, Survivors and Disability Insurance benefits.

For the past 4 years, SSA has conducted numerous analyses related to Social Security reforms for the Administration and Congress. During FY 2006 SSA officials frequently provided briefing papers, testimony, and responses to questions. SSA will continue to support the Administration and Congress to the extent necessary to support discussions and analyses of Social Security programs.

*Trend:* SSA met this goal every year from FY 2003 - FY 2006 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 SSASIM, as well as surveys, e.g., Survey of Income and Program Participation, Health and Retirement Study).

*Note:* Dependent on research funding, requests, and legislative proposals and changes.

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

**FY 2006 Goal:** 100%

**Performance:** 100%

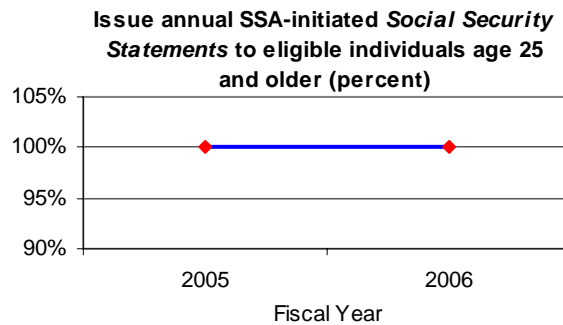
**Goal Met:** Yes

*Discussion:* In line with improving the public’s knowledge of Social Security’s programs is the issuance of the *Social Security Statement*. The *Social Security Statement* informs workers of their posted earnings for each year, provides OASDI benefit estimates, and provides valuable information about Social Security programs and services. The *Statement* allows workers to ensure the accuracy of SSA’s information regarding their earnings and to better plan for their financial future.

SSA began issuing the *Statement* in 1999 in an effort to educate workers and help them to begin early planning for retirement earlier in life. The Agency established this as a performance measure as a means to highlight the importance of providing this service. Solvency of the OASDI Trust Funds is of concern to many in the working population. By providing annual estimates of benefits payable, workers will become more informed about the future of Social Security and their stake in the solvency issue and debate.

**Trend:** This was a new measure for FY 2005.

<u>Fiscal Year</u>	<u>Performance</u>
2005	100%
2006	100%



*Data Definition:* As required by law, SSA issues annual *Social Security Statements* to all eligible individuals (SSN holders age 25 and older who are not yet in benefit status and for whom we 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 (EMIS)

## Strategic Goal 4: STAFF

*To strategically manage and align STAFF to support SSA's mission*

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

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

**FY 2006 Goal:** Competency-based entry-level training curriculum will be developed for 100% of the remaining targeted public contact positions - Benefit Authorizers, Claims Authorizers, and Technical Support Technicians

**Performance:** Completed

**Goal Met:** Yes

*Discussion:* SSA's public contact positions are the face of the Agency and its programs. It is critical that staff in these positions reach high levels of competence as quickly as possible and receive adequate and proper training. In order to properly target training and evaluation programs, the Agency needs to first identify the job-specific knowledge, skills, and abilities necessary for successful performance in each of these public contact 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 instruction, training objectives, and training materials are all centered on the required competencies. The competencies for these technical positions were identified through an extensive data collection effort involving both technicians and management officials.

*Note:* There are six targeted public contact positions in Field Offices (FOs), Teleservice Centers (TSCs), and Payment Service Centers. They are Claims Representative (CR), Service Representative (SR), Teleservice Representative (TSR), Benefit Authorizer (BA), Claims Authorizer (CA), and Technical Support Technician (TST). In FY 2003, job-specific competencies were developed for CR, SR and TSR positions. In FY 2004, redesigned competency-based training was developed for the CR and SR positions. In FY 2005, the Office of Human Resources identified job specific competencies for BA, CA and TST positions and redesigned competency-based training was developed and implemented for the TSR position. The BAs, CAs, and TSTs provide direct service to the public and are responsible for making critical decisions to determine entitlement and the amount of benefits paid to individuals.

*Trend:* In FY 2006, SSA met the goal to develop a competency-based entry-level training curriculum for Benefit Authorizers, Claims Authorizers and Technical Support Technicians. This completes SSA's multi-year plan to identify job-specific competencies and develop competency-based entry-level training for the CR, SR, TSR, BA, CA and TST positions.

*Data Definition:* Job-specific competencies are the knowledge, behaviors, skills, and abilities, attributes, or traits associated with high or superior performance on the job as it exists today. The job-specific competencies are identified by working with SSA components and private sources.

*Data Source:* Office of Human Resources records which include the following: Data Collection Plan from SI International; Group Interview Plan; Finding & Preliminary Recommendations Report; Job Competencies Report; Claims Authorizer Curriculum Design; Benefit Authorizer Curriculum Design; and Technical Support Technician/Assistant Design.

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

##### FY 2005 Goal :

- 1) Implement a results-oriented performance assessment system for employees at the GS-14 and below level and GS-15s who are covered by the Social Security Administration/American Federation of Government Employees (AFGE) National Agreement during the fiscal year in which the new agreement is implemented.
- 2) Develop a communication plan to facilitate implementation of the new performance plan after completion of the union negotiations.

**Performance:** Delayed implementation (see the note below)

**Goal Met:** N/A

**FY 2006 Goal:** Develop a communication and training plan to facilitate implementation of the new performance assessment system for employees at the GS-14 and below level and GS-15s who are covered by the Social Security Administration/American Federation of Government Employees (AFGE) National Agreement

**Performance:** Completed

**Goal Met:** Yes

*Discussion:* To facilitate implementation of the new performance assessment system, SSA has implemented communication and training plans that include management talking points, union notification, Interactive Video Teletraining, coordination of training cadres across the agency, face-to-face training, and ongoing “frequently asked questions” updates. The training addresses technical changes to the performance management process as well as communications skills. The multi-tiered results-oriented system was implemented October 1, 2006.

*Note:* In FY 2005, SSA and AFGE reached an agreement on a new 4-year *National Agreement*. Because of the complexity of the negotiated changes to the performance management process and related subjects for AFGE covered employees, implementation of the provisions of the *2005 National Agreement* regarding performance assessment, awards, and within-grade increases was delayed to allow the Agency sufficient time to develop the instructions and training needed to properly effectuate the agreement.

*Trend:* This was a new measure for FY 2006 and was delayed as discussed in the Note above. The timeline and implementation goals were modified accordingly for FY 2006. All FY 2006 milestones were accomplished on time and implementation is on schedule.

*Data Definition:* Performance assessments are component- and employee-tailored performance appraisal systems that provide for ongoing interaction and communication between supervisor and employee on performance expectations. The new performance appraisal system will help align employee performance elements to Agency strategic goals and objectives and make distinctions between levels of performance.

*Data Source:* Office of Human Resources. The alignment of employee performance with Agency mission and strategic goals will be measured through a new, multi-level performance appraisal program for all employees below the GS-15 level and GS-15 employees in the bargaining unit. The new program will be based upon the following sources: *5 CFR Chapter 1, Part 430, Performance Management*; the *SSA/AFGE National Agreement, Article 21*; and the *Agency’s Personnel Policy Manual, Chapter 430-1*. The new appraisal program will measure an employee’s contributions to the team effort needed to achieve the Agency’s public service mission and incorporates evaluation of both technical competence in achieving business results and the manner in which the results are achieved. The

data sources to be used to measure an individual's contributions include: 1) *performance plans consisting of elements* (work assignments and responsibilities that are critical to achieving the Agency's mission and goals); 2) *standards* (how employee accomplishments are to be measured in terms of quality, quantity and timeliness); and *alignment statements* (a tool to facilitate communication of the Agency's mission, values, goals and objectives to the employee).

## Program Assessment Rating Tool Measures

The Program Assessment Rating Tool (PART) is a diagnostic tool designed by the OMB to examine different aspects of program performance to identify the strengths and weaknesses of a given Federal program. The DI and SSI Aged programs were selected for the initial assessment period and the results were published in the President's FY 2005 budget. In the summer of 2004, the entire SSI program (disabled, blind and aged) was assessed and the results were published in the President's FY 2006 budget. SSA did not have any new programs assessed for the President's FY 2006 Budget.

OMB's finding from the assessments of the DI and SSI programs are consistent with the areas SSA identified as requiring attention. SSA continues to work with the OMB to ensure that plans are developed and implemented to improve program performance and address the following PART findings:

### DI Program

- Improve the disability claims process by fully implementing technology to eliminate the need to store, locate and mail millions of paper files and finalize proposals to redesign the disability process.
- Better connect DI beneficiaries with expanding employment opportunities for people with disabilities.
- Better match DI administrative resources with performance benchmarks.

### SSI Program

- Speed up and increase the accuracy of the process used to determine whether an applicant for benefits is disabled.
- Better connect SSI recipients with expanding employment opportunities for people with disabilities.
- Address payment accuracy issues by aggressively pursuing strategies outlined in the SSI Corrective Action plan, such as simplifying income reporting requirements.

SSA's *Strategic Plan*, *Annual Performance Plan*, and budget requests all address OMB's findings from the assessments. In addition, the performance measures and targets below were provided by SSA and used by the OMB and SSA to evaluate the effectiveness of the DI and SSI programs. It should be noted that of the nine PART measures, eight are also Government Performance and Results Act (GPRA) measures.

Disability Insurance and Supplemental Security Income - PART Measures	See page for detailed discussion
Average processing time for initial disability claims	77
Average processing time for SSA hearings	78
Disability Determination Service (DDS) net accuracy rate (allowances and denials combined)	79
Number of DI and SSI beneficiaries, with tickets assigned, who work (over CY 2003 baseline of 14,052)	82
Percent of SSI payments free of overpayments	93
Percent of SSI payments free of underpayments	93
Disability Determination Services (DDS) case production per workyear (PPWY)	101
SSA hearings cases production per workyear (PPWY)	102
Percent of Supplemental Security Income (SSI) Aged claims processed by the time the first payment is due or within 14 days of the effective filing date (Note: This is not a GPRA measure)	112

The following describes the non-GPRA PART performance measure:

**PART Measure - Percent of Supplemental Security Income (SSI) Aged Claims Processed by the Time the First Payment is Due or within 14 Days of the Effective Filing Date**

**FY 2006 Goal:** 75%

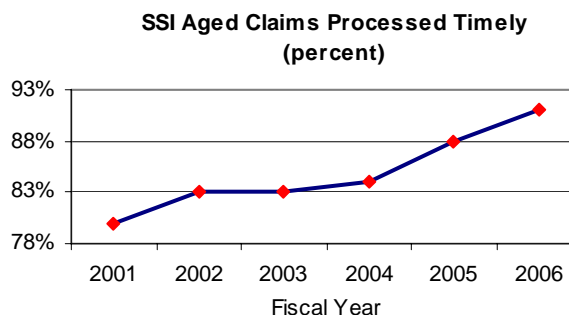
**Performance:** 91%\*

**Goal Met:** Yes

The goal was increased from 70 percent to 75 percent for FY 2005 because SSA has demonstrated increased performance over the past few years. 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 expeditiously as possible. SSA's performance reflects a national commitment to make timely and accurate payments to SSI Aged recipients.

**Trend:**

Fiscal Year	Performance
2001	80%*
2002	83%*
2003	83%*
2004	84%*
2005	88%*
2006	91%*



\* 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.

## 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 internal major program evaluations and how the results of these evaluations were used to assist management in decision-making.

The Office of Management and Budget's (OMB) Program Assessment Rating Tool (PART) was developed to assess and improve program performance so that the Federal Government can achieve better results. SSA's Disability Insurance (DI) and Supplemental Security Income (SSI) programs have been evaluated using the PART. However, in agreement with OMB, SSA did not have any new programs assessed for the President's FY 2006 Budget. More information on Federal programs can be found on the OMB website: [www.expectmore.gov](http://www.expectmore.gov).

Following are brief summaries of selected evaluations completed during FY 2006, arrayed by the strategic goals 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: SERVICE

*To deliver high quality, citizen-centered SERVICE*

### Ticket to Work Evaluation

As discussed in the *Agency Challenges* section (page 24), an independent 5-year evaluation of the *Ticket to Work* program, now in its third year, has provided SSA with ongoing feedback on the program's effectiveness and potential. SSA used the findings from the annual evaluation reports to make regulatory changes, which will strengthen the program.

The evaluation relies on extensive analysis of three basic data sources: administrative data on SSA beneficiaries with disabilities; a new 4-year survey of SSA beneficiaries with disabilities, with a special focus on *Ticket* participants; and field interviews with service providers, the *Ticket* program manager, SSA staff, and others with a stake in the *Ticket* program. Early analysis found beneficiaries' interest in the program encouraging, but the levels of participation by potential service providers, called Employment Networks, was disappointing. In response to these findings, SSA and the independent contractor refined evaluation activities to better understand the business constraints and needs of potential Employment Networks.

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

- Many beneficiaries are interested in employment and working their way off disability benefits;
- Beneficiaries who work their way off SSA benefit rolls 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 reductions in disability benefits and modest increases in beneficiary 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 regulations, which will be published by the end of calendar year 2006, 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.

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. The fourth and fifth reports are scheduled to be released in 2007 and 2008.

### Enumeration Review

The Office of Quality Performance conducts an Enumeration Process Quality Review to measure the quality of SSN card issuances. Data from this review are used to determine whether the Agency's meets the annual performance goal for assigning SSNs that are free of critical error. In addition to the more stringent definition a critical error that was incorporated last year, the definition now includes SSN card issuances from the Enumeration at Birth and Enumeration at Entry processes, and is limited to the issuance of original SSN cards (i.e., SSN replacement cards are excluded). FY 2006 performance will be reported in the FY 2007 Performance and Accountability Report.



## 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. The FY 2006 combined overall satisfaction rate was 82 percent – decline from last year's rate of 84.9 percent, but quite remarkable in light of the challenges SSA faced in FY 2006, including the implementation of Medicare Part D subsidy and the more stringent enumeration processes (discussed in the Enumeration review).

Given the importance of good public service, reception area procedures were reviewed and a new reception area tool called Visitor Intake Process was implemented. This tool allows for the electronic entry of visitor information and automatically notifies the responsible interviewer that a visitor is waiting. The Visitor Intake Process functionality was expanded to allow Field Office visitors to key in the reason for their visit using a monitor or keypad located in the lobby, further reducing waiting time and eliminating a step in the manual process.

The latest enhancement to the Visitor Intake Process, which was released in September 2006, will allow for the posting and control of all appointment claims interviews, including teleclaim appointments. This ensures that there are sufficient interviewers available to handle walk-in visitors.

Anecdotal feedback on the Visitor Intake Process has been positive; and in a survey of visitors to Visitor Intake Process offices, "office privacy" was rated 4% higher than for non-Visitor Intake Process offices.

Note: As stated in the narrative, FY 2005 data are the only data the Agency has so far and FY 2006 data may not be received until mid FY 2007.

## 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. For example, SSA is conducting a survey related to implementing a new voice recognition system on the 800-number. This survey explores issues such as callers' reactions to interacting through voice recognition, ease of using the system to reach the type of service needed and success in using automated services. Analysis will compare perceptions of callers who reached the new voice recognition system with those who reached the traditional touchtone menu. Results will aid in refining the system to improve the caller experience. One previously conducted survey related to improvements in SSA's telephone service was the *Voice Over Internet Protocol Pilot* for Field Offices. This survey obtained callers' impressions of the quality of telephone service in a group of pilot Field Offices with Voice Over Internet Protocol equipment in advance of SSA proceeding with the *Telephone Service Replacement Project*.

## 800-Number Expanded Hours Survey

The survey was conducted with callers who contacted SSA's 800-number after regular hours of operation with live service being offered as part of a pilot that ran from June 2002 through FY 2006. The survey was completed by telephone with 1,814 non-business callers who reached an 800-number representative during expanded hours of service. Overall, survey respondents were very pleased with the expanded hours for service; however, the Agency continues to receive the majority of calls during normal business hours.

## 800-Number Internet Message Survey

This survey explored callers' reactions to an 800-number automated message with an extensive listing of SSA's Internet services. Survey findings revealed that the message did not have the desired effect of encouraging callers to use Internet services and actually contributed to the decline in caller satisfaction with the 800-number service. As a result, SSA removed the lengthy message from the 800-number menu and replaced it with a short reference to the Internet site.

## 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 on-line applications. ACSI surveys are widely used in both the Federal and private sectors to measure public satisfaction with features of web sites. The surveys provide agencies with standard, statistical measurements of public satisfaction that are directly comparable to other ACSI users. Among the important elements measured by ACSI surveys are:

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

Overall, SSA's ACSI scores show the Agency's informational web site to be higher than the average for other Federal site satisfaction scores in the content and look and feel elements. This allows SSA to focus attention on other elements of the site. For example, informational site survey scores on the Main Site were somewhat lower in search and navigation elements. As a result of the search score, SSA implemented new search engine technology. The new technology allowed for the incorporation of information on public search patterns into web site improvements. Additionally, SSA also implemented new search functionality in its Frequently Asked Questions on-line application, resulting in improved search functionality. To improve the navigation score on the Main Site, SSA began incorporating better and more consistent navigation across the site.

In Quarter 3 of calendar year 2006, SSA took four of the top five spots in the ACSI's eCommerce category. In fact, SSA's Internet Social Security Benefit Application and Help with Medicare Prescription Drug Costs (i1020) scored highest among all Federal ACSI sites, with very high scores in tasks and transactions. These scores allow SSA to focus attention on other elements of the site. For example, management information showed lower participation in Internet Social Security Benefit Application among disability benefit applicants as compared to retirement benefit applicants, and disability benefit applicants rated the site lower in satisfaction. SSA was able to determine that focusing on overall improvement to the usability of the application was the most effective use of resources. After the revisions, SSA saw much increased public satisfaction with the application, among all categories of applicants, and increased use by disability benefit applicants. The Internet Social Security Benefit Application is now one of the most highly rated on-line applications in the Federal Government and ranks well with the most popular on-line applications of the private sector.

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. In FY 2006, the Agency completed analysis of a survey of retirement benefit applicants that measured satisfaction with the entire claims filing process, from the first contact to adjudication of the claim. The sample included applicants who successfully completed a retirement claim online, those who began the process online, but completed it via traditional filing methods i.e., the telephone or in person, and those who used only the traditional filing methods.

Survey results revealed the challenge facing SSA in expanding the use of the online process. Factors contributing to this challenge include very high levels of satisfaction with the traditional methods of filing a claim, only half of

traditional applicants consider themselves Internet users, and traditional filers' strong preference for personal contact.

## Strategic Goal 2: STEWARDSHIP

*To protect the integrity of Social Security programs through superior STEWARDSHIP*

### Retirement, Survivors, Disability Insurance Stewardship Review

The Title II Retirement and Survivors Insurance (RSI) and Disability Insurance (DI) review is based on an annual review of about 1,000 RSI 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 redeveloped. 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 retirement, survivors, and disability rating, as well as separate accuracy rates for RSI, and DI cases. Stewardship review findings provide the basis for reports to Congress and other monitoring authorities.

In FY 2005, the Title II overpayment accuracy rate was 99.6 percent and the underpayment accuracy rate was 99.8 percent. This is slightly better than the FY 2004 overpayment accuracy rate of 99.5% and the same as the FY 2004 underpayment accuracy rate.

Because of the small sample size, RSI and DI error data are viewed over a period of years to aid in identifying trends. The RSI and DI Stewardship data have been used to assist management decision-making regarding the:

- Application of Workers' Compensation offset provisions to ensure that benefit amounts are correctly calculated based on receipt or termination of workers' compensation benefits;
- Resolution of earnings record discrepancies through the implementation of the Earnings Alert Project, which will automate the earnings review for Internet claims and extend the automation of review criteria to all initial claims; and
- Identification of substantial gainful work activity through the implementation of a new tool – e-Work. e-Work is an automated tool for monitoring the Continuing Disability Review workload to ensure these cases are prioritized for timely processing. e-Work allows SSA staff to process and record work activity in a single national web-based database; and it is synchronized with SSA's national database of work and earnings determinations.

### 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 collateral sources such as employers and financial institutions. Information in the stewardship report is used by the Agency in reporting to Congress and other monitoring authorities on the accuracy of SSI payments.

SSI payment accuracy is influenced by the volume and mix and effectiveness of the redeterminations conducted by the Agency. Compared to FY 2004, in FY 2005, administrative budget limitations resulted in a one-third reduction in the resources the Agency could afford to invest in conducting redeterminations. Despite the decision to process fewer of the more costly full redeterminations in favor of processing more limited issue redeterminations, there was only a 10 percent drop in the overpayment dollars recovered and underpayment dollars paid (\$3.7 billion in FY 2004 vs. \$3.4 billion) in FY 2005.

The FY 2005 SSI overpayment accuracy rate was 93.6 percent and the underpayment accuracy rate was 98.6 percent. The overpayment rate is the same as FY 2004 and the underpayment rate is slightly lower than, but not statistically significant from, the FY 2004 underpayment accuracy rate of 98.7 percent.

### Annual Report of the Supplemental Security Income (SSI) Program

The 2006 report, published by SSA's Office of the Chief Actuary, provides a 25-year forecast spanning the years 2006 to 2030. Significant projections are:

- By 2030, the end of the 25-year projection period, the Federal SSI recipient population is estimated to reach 8.8 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 group projected to increase slightly.
- Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients increased slightly to 2.25 percent in 2005, and is projected to increase gradually to 2.45 percent of the population by 2030.
- Federal expenditures for SSI payments in calendar year 2006 are estimated to increase by \$2.1 billion to \$38.1 billion in 2030, an increase of 5.8 percent from 2005 levels.
- In constant 2006 dollars, Federal expenditures for SSI payments are projected to increase to \$48.5 billion in 2030, a real increase of 1.1 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 2005 to 0.24 percent of GDP by 2030.

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

### Strategic Goal 3: SOLVENCY

*To achieve sustainable SOLVENCY and ensure Social Security programs meet the needs of current and future generations*

### 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 (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 and the Congress agree that future legislative modifications should be designed to achieve sustainable solvency for Social Security.

## Strategic Goal 4: STAFF

*To strategically manage and align STAFF to support the mission of the Agency*

### 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. Each element contains results-oriented goals that are measured and tracked.

### 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 each SSA component and region a snapshot of their current workforce and a projection of probable retirement losses. Because it is an early alert for the Agency's leaders and managers, they have a tool that guides them in establishing new initiatives that will be successful in addressing potential leadership and knowledge management deficiencies.

As SSA approaches the estimated peak retirement period, it remains an important empirical 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, such as the Human Capital Plan and Future Workforce Transition Plan.

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 an increase in the total number of employees on board, a decrease in the average years of service, and a decrease in the average of SSA's workforce overall 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.

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