



SOCIAL SECURITY ADVISORY BOARD

Data Exchange Issue Brief Series

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Keeping the Record Straight — *An Overview of How SSA's Data Exchange Program Works*

This is the first in a series of issue briefs that will explore the potential for meeting service delivery challenges of the Social Security Administration through the electronic exchange of information. This issue brief describes the overall data exchange process, how it works and whether it meets the agency's needs. Subsequent briefs will explore individual data exchanges that involve a specific type of data.

In a letter in support of the Social Security Administration's (SSA's) 2011 budget request, thirty-two U.S. Senators expressed their concern to the Senate Budget Committee about the agency's ability to deliver services to the growing number of beneficiaries who are and will be receiving payments in the coming years. "Unfortunately, there are other critical service delivery problems that will remain un-addressed; even if the President's [Budget] Request is appropriated.... there is no funding for the 3,100 additional work-years that are required for tasks that occur after beneficiaries are already receiving benefits."¹ Similar concerns about service delivery have been part of the Social Security Advisory Board's agenda for much of its fifteen-year history and the Board has consistently looked for effective ways in which the agency can meet its service delivery challenges.

With an anticipated 80 million baby boomers expected to file for both retirement and disability benefits over the next 20 years, SSA will need to devote a majority of its resources to initial claims and appeals workloads. As the letter to the Senate Budget Committee indicates, additional resources will not be available to handle the

expanding post-entitlement workloads, such as processing increases to retirement benefits due to earnings, reviewing an individual's continuing eligibility for Supplemental Security Income (SSI), terminating benefits when someone dies, or adjusting beneficiaries' disability benefits because they have started receiving workers' compensation payments. Additional automation of the processes used to handle these workloads would help the agency respond to these growing resource issues.

The Social Security Advisory Board has undertaken this study of the agency's data exchange program; first to see how well the current program is working, and second to look at ways the program can be expanded and improved to increase the automated processing of SSA's workloads. We believe that an enhanced data exchange program would provide SSA with the information needed to establish accurately entitlement to benefits and maintain beneficiary records once individuals begin receiving payments.

Overview of the Data Exchange Program

Efficient, accurate, and timely exchanges of data promote good stewardship for all parties involved. SSA's information exchanges involve both data the agency provides to its data exchange partners (i.e., state and

¹ Letter to the Senate Budget Committee in support of SSA's 2011 administrative budget, signed by 32 U.S. Senators. March 23, 2010.

federal agencies that use the data in various programs), and data it receives from those partners in order to administer Social Security programs.² Beginning in the late 1960s, early data exchange initiatives were developed to provide data to state agencies to administer many of their needs-based programs, such as Medicaid, Food Stamps (now known as the Supplemental Nutrition Assistance Program, or SNAP), and Aid to Families with Dependent Children (the forerunner of the Temporary Assistance for Needy Families (TANF) program). In a reciprocal process, SSA receives data from a number of governmental agencies, primarily at the state level. These data are used to determine eligibility for Social Security and SSI benefits by verifying various factors of entitlements.

Most of the data exchanges currently in place provide income and wage information necessary to determine whether individuals already receiving benefits are being paid accurately. The information is used to modify payments and to suspend or terminate benefits as appropriate. Through the exchange process, SSA is able to receive updated information in a much more timely fashion, eliminating or at least minimizing the overpayments and underpayments that cause undue anxiety for beneficiaries. According to SSA's Inspector General, the current data exchanges mitigate the volume of incorrect payments but the agency's current outstanding debt still is approximately \$15 billion.³ Of that \$15 billion, a little over \$1 billion will be written off and another \$4 billion (26.5 percent) of the outstanding debt is delinquent. Enhancing and expanding the data exchange programs will relieve some of the burden on beneficiaries to report changes in circumstances that contribute to that outstanding debt. As a result, SSA will be able to carry out its stewardship responsibilities in a much more effective manner.

SSA gains efficiencies through the receipt of data directly from a primary source such as a state vital records agency and by providing data to public and private sec-

tor organizations as allowed by law.⁴ These needs-based programs and service providers (including private companies) frequently require their clients to furnish verification of entitlement to SSA programs and confirmation of the amount of their income. A large number of the individuals who visit SSA field offices come to obtain these types of verification statements. If agency-to-agency verification can be completed through an electronic exchange, this eliminates a beneficiary's need to visit the field office or to telephone the agency's national 800 number, thereby improving service to the individual and allowing field office managers to direct their resources to more complex tasks.

Partners in the Data Exchange Process

SSA has over 1,300 exchange agreements with federal, state, local and foreign governmental entities as well as some private sector companies.⁵ About 70 percent of the agreements require SSA to provide data to the agreement partner; the remaining 30 percent of agreements are for the receipt of data by the agency. Figure 1 provides a summary of SSA's data exchange agreements.

Data for Business Processes

The partners involved in data exchange use the shared information for a variety of purposes in their business processes. Data received via the exchange agreements can be broken down into three main categories: vital records, eligibility information, and income verifications. Primarily SSA provides Social Security number, entitlement, and income verifications. The data SSA receives is primarily benefit and asset verifications and eligibility information. Box 1 displays the major types of data, originating source, and a description of how the data are used by the parties involved in the information exchange.

The Agreement Process

Identifying Data Needs

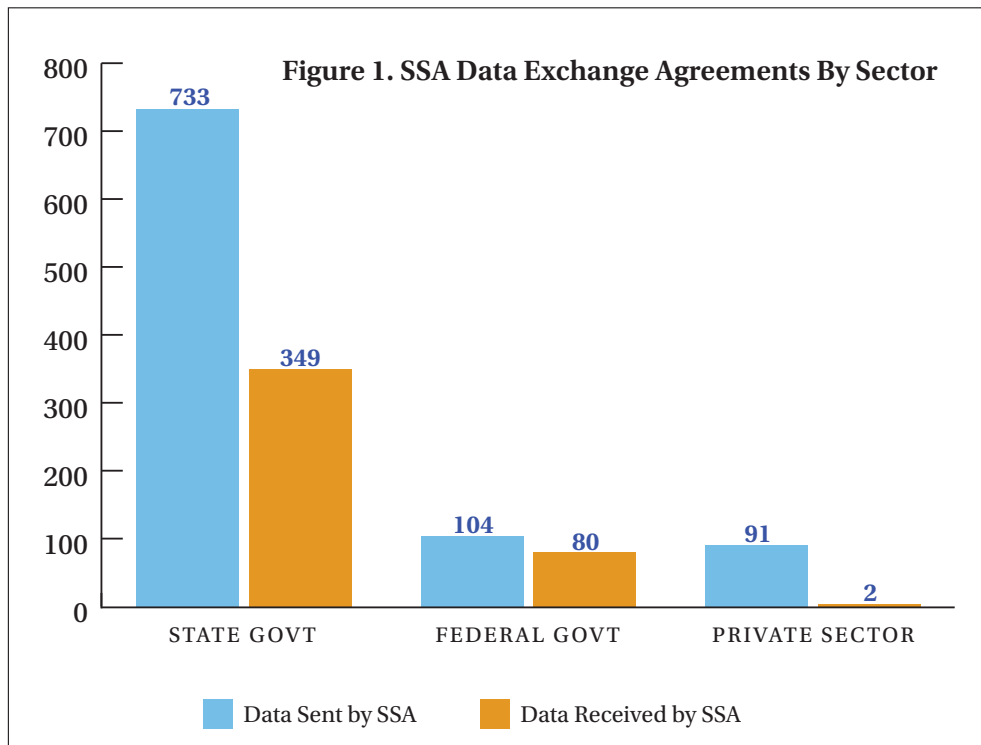
In the course of administering its programs, SSA collects a vast amount of information in order to pay bene-

² SSA also enters into data exchange agreements for the purposes of obtaining/providing research data. However, this brief will focus on data obtained for programmatic purposes.

³ SSA's *Performance and Accountability Report of FY 2009*, p. 179. This reflects the total receivables accumulated through the end of FY 2009.

⁴ Unless the disclosure of information without the consent of the individual is provided for in the 1974 *Privacy Act*, the *Freedom of Information Act*, or other subsequent legislation, SSA cannot release information, either in person or electronically, without written consent. When data is exchanged electronically, the agency or private company requesting the data must maintain the written consents in an auditable file.

⁵ SSA's Data Exchange Inventory lists a total of 1361 data exchanges.



Source: SSA's Data Exchange Inventory

fits accurately. For data exchanges to be an effective part of the business process, the agency must determine what data are needed and the best sources for obtaining the needed information. This requires systematically sorting through policies, procedures and various workload processes to identify the exact data sets needed. While the agency has performed this kind of analysis for a few programs in the past, in general there is not a systematic process for identifying data needs. Some data needs are identified as the result of enterprise-wide activities such as the implementation of new legislation. For example, data exchanges are instrumental in the business process developed for the 2006 Medicare Low-Income Subsidy legislation.⁶

Generally, the business applications are identified on an *ad hoc* basis by the users who need the data to do their job such as processing initial claims or adjusting benefits after entitlement. A claims representative in a local office, for example, may frequently need a certain type of information requiring repeated contacts with an individual state or local agency, and quickly recognizes the efficiencies that are possible through electronic ex-

change. When data sources are identified by the front-line employees, the recommendations are submitted to the regional office or SSA headquarters for further action.

Obtaining the Agreement

SSA uses a number of different types of arrangements to formalize the exchange of information, depending on who the agreement is with and what types of data are involved (Box 2). Regional program specialists work closely with potential partners to obtain agreements on a state-by-state and in many cases, an agency-by-agency basis and are responsible for managing the actual negotiation process. However, SSA's headquarters is often involved in direct negotiations for some of the same data at a national level. For example, there are situations where there are regionally-negotiated agreements in place with state vital records agencies for birth, death, and marriage data while, at the same time, headquarters staffs are working with a national vital record association to obtain the same type of information. The bottom-up *and* the top-down approach can result in the regions working with individual states while SSA's central office is negotiating with national organizations. This seeming duplication of effort raises questions about coordination and communication among SSA's various components.

⁶ *Federal Register*, Vol. 70, No. 250, Subpart D – Medicare Part D Subsidies, dated December 30, 2005.

Box 1. SSA'S Data Exchange Program: Type and Usage

Data Received by SSA From Federal/State Agencies		Data Sent by SSA To Federal/State Agencies	
TYPE OF DATA	DATA USAGE	TYPE OF DATA	DATA USAGE
Vital Records		SSN Verification	
Includes: Birth, Death, Marriage, Divorce	Establish entitlement and verify identity	Includes: Social Security Number, Name, Date of Birth	Verify identity
Benefit Verification		Program Entitlement	
Includes: Unemployment Comp, Workers Comp, TANF, Medicaid, Food Stamps (now SNAP), Federal Pensions	Determine payment and adjust the amount of benefit payment	Includes: Entitled to Title II and Title XVI benefits; entitled to Medicare and Part D Low Income Subsidy	Determine eligibility for federal and state programs
Asset Verification		Benefit Verification	
Includes: Motor Vehicles, Savings Bonds	Verify entitlement and verify and/or terminate eligibility	Includes: Title II and Title XVI benefits	Determine payment amount and adjust benefits
Eligibility Status			
Includes: Prisoners and Fugitive Felon data, School Enrollment, Employment	Verify and/or terminate eligibility		

» **CMPPA Agreements**

The *Computer Matching and Privacy Protection Act (CMPPA)*⁷ agreement is the primary vehicle for the exchange of information between SSA and state/federal agencies for use in the administration of federally-funded, needs-based programs. This agreement sets

forth in broad terms how these governmental agencies can use exchanged information. For state exchanges, SSA endeavors to negotiate only one CMPPA agreement per state at the highest level of state government possible. But there are states where multiple CMPPA agreements are in place which means that SSA may have to go through the entire negotiation process with two or three agencies in a single state. The original agreement has an 18-month life cycle with the option for a 12-month extension. Thus, each agreement is valid for only 30 months. This renewal cycle set by the 1988 CMPPA leg-

⁷ The *Computer Matching and Privacy Protection Act (CMPPA)* of 1988 describes the manner in which computer matching involving federal agencies could be performed and adds certain protections for individuals applying for and receiving federally-funded benefits. The Act lays out the requirements for an original agreement and a one-time renewal of that agreement in prescribed timeframes.

isolation is one feature that SSA finds overly restrictive. Once the agreements are negotiated, it can take a year just to get a new agreement through the clearance process. It is not uncommon for SSA to be in the position of concluding one agreement cycle and then immediately starting the process all over again. Given that the 20 years since the passage of the original legislation have seen tremendous advancements in technology, the Board would support a legislative effort to review the CMPPA legislation and streamline the implementation process for all federal agencies.

» **Information Exchange Agreements**

In addition to the CMPPA agreements, individual state or federal agencies may enter into separate *Information Exchange Agreements* or IEAs. These IEA agreements provide more specific information about the nature of the data exchange, specifying the types of programs involved, whether they are federally-funded or state-funded, the type of data sets involved, and the data delivery methodology, i.e., file transfer and/or online access. Unlike the CMPPA agreement, the IEA agreements are usually negotiated for a 5-year period.

» **Agreements with State Transmission Components**

SSA also enters into an agreement with one agency in the state that serves as a State Transmission Component (STC). The STC is responsible for sorting out specific data for individual programs from the basic data format provided by SSA and then distributing it to end-users. All data transmitted to and from SSA under the CMPPA agreement must flow through this transmission component. Like IEA agreements, the agreements with state transmission components are negotiated for a 5-year period.

» **Reimbursable Agreements**

Yet another agreement is needed if the cost of the data exchange is reimbursable. The determination regarding cost depends on the purposes for which the data are used. SSA will send data to state and federal agencies without cost if the programs involved are compatible with SSA's programs. To be compatible, a program must be essentially an income security or needs-based program. If the release of data does not meet these criteria, SSA can charge the agency or organization, but the charges are limited to the actual cost of performing the data exchange. About one-fourth of the agreements cur-

rently in place are reimbursable agreements. They are primarily with public/private organizations that do not meet the compatibility test and have the program participant's consent to verify the Social Security number or SSA program income. For example, the Department of Housing and Urban Development has entered into a reimbursable agreement with SSA to obtain income verification to administer its loan program. Unlike either the CMPPA or IEA agreements, reimbursable agreements are negotiated for only one year. By separating the procedures for the information exchange from the funding mechanism, the agency can handle changes in costs and federal budgeting requirements without renegotiating the entire data exchange process. While this separation has its advantages, it does add to the complexity of the agreement process.

» **SSASRO Agreements**

The agreements discussed above all involve data SSA provides to other governmental agencies at the state or federal level. The *SSA Access to State Records Online* (SSASRO) agreement, however, allows SSA real time access to state records such as vital records, workers' compensation, prisoner data, and unemployment compensation. SSA has established at least one SSASRO agreement in the majority of states;⁸ however, there are states where SSA has entered into multiple agreements and can access multiple types of data. The length of the agreements varies because the timeframes are set by the states, but it is usually a 5-year cycle.

Role of Umbrella Organizations

There are situations in which there is a national agreement for the exchange of data. For example, some of the data that SSA needs from a state source can be obtained through umbrella organizations such as the National Association for Public Health Statistics and Information Systems (NAPHSIS) or the American Association of Motor Vehicle Administrators. These umbrella organizations serve as a hub for the actual exchange of the data. Requests from SSA are sent to the umbrella organization which then distributes the requests to its member agencies. By using these overarching organizations, SSA is able to reach more potential exchange partners in a more efficient and coordinated manner and can facilitate interstate agreements that otherwise

⁸ Per SSA's Data Exchange Inventory, there are SSARO agreements in all states except Hawaii and New Hampshire.

Box 2. Summary of Data Exchange Agreements

<p>CMPPA Agreement</p> <ul style="list-style-type: none"> • Agreements mandated by the statute governing computer matching in connection with federally-funded programs. • Broad requirements for data usage • Usually one overarching agreement per state/federal agency • 30 month lifecycle – new agreement for 18 months with 12 month renewal <p>SSASRO Agreement</p> <ul style="list-style-type: none"> • Requirements for data usage for SSA access to state records • Usually negotiated with individual state agencies; some negotiated at national level with umbrella organizations • Length of contract determined by state or umbrella organization; but usually a 5-year lifecycle 	<p>IEA Agreement</p> <ul style="list-style-type: none"> • Individual requirements for specific data exchange for either federally funded or non-federally funded programs • Negotiated with individual agencies; used in conjunction with CMPPA agreements for some exchanges • 5-year agreement lifecycle <p>Reimbursable Agreement</p> <ul style="list-style-type: none"> • Details the cost of the exchange and reimbursement requirements • Negotiated with individuals agencies in addition to IEA agreement • 1-year agreement lifecycle <p>STC Agreement</p> <ul style="list-style-type: none"> • Security and transmission requirements for the pass-through of data • Usually one agreement per state with agency designated as transmission component • 5-year agreement lifecycle
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would have to be negotiated on a state-by-state basis. Agreements negotiated at the state level often are restricted to SSA end users in that particular state. However, applicants and beneficiaries move, often across state lines. Data exchange arrangements with umbrella organizations that cover multiple states and agencies enable claims representatives to easily access essential entitlement data from sources outside their state. Having the ability to do this electronically certainly improves the efficiency of the process.

Obtaining vital records through an agreement with NAPHSIS clearly has been successful for SSA. However, at this time the agency has access to records in only 19 states because those states are the only ones participating at this time. While NAPHSIS is continuing to bring more states online, accelerating state participation would be of tremendous value for the agency. SSA also is in negotiations with other umbrella organizations to

secure data such as workers' compensation settlements that is needed to accurately process Social Security and Supplemental Security Income disability cases.

The Impact of the Data Exchange Program

The Impact on SSA

SSA clearly recognizes the value of the data exchange program and relies on it to update the records of nearly 58 million beneficiaries, and ensure that benefits payments are correct. However, much of the work that goes into reconciling new information with SSA's records is "back office" activity that comprises a sizeable share of the hidden post-entitlement workload. When data are matched against existing SSA records, an alert is generated signaling that action is needed by the field office or one of the seven program service centers to effectuate the change. It is estimated that some

1.3 million alerts are generated through multiple data exchange activities annually. Based on SSA's budget submissions, the overall post-entitlement workload has exceeded available capacity.⁹ Finding solutions such as prioritizing the expansion of effective data exchanges will minimize the drain on post-entitlement resources and should be a priority.

SSA could improve service and use its resources more efficiently by eliminating or at least minimizing the volume of alerts through greater use of seamless data propagation. For example, the agency provides vital data to states to assist them with administering SNAP (Food Stamps), TANF benefits, and child support enforcement claims. SSA field office managers report that if they were to receive reciprocal information from these programs that propagated to the SSI master claims records, much of the SSI post-entitlement workload could be resolved automatically. SSA does utilize internal automatic updates; for example, an electronic report of death automatically triggers the termination of the record once the information has been successfully matched against SSA's records. Expanding the capability for internal auto-sharing of entitlement data should be a priority.

SSA should enhance its use of automated data programs by analyzing how and to what extent each type of data received through information exchanges could be used to trigger updates to claims records without manual intervention. This evaluation should include a cost benefit analysis that would identify the resources the agency would save through further automation—valuable resources that could be allocated to other critical workloads.

The Impact on the Data Exchange Customers

As part of our research for this issue brief we interviewed several state-level data exchange coordinators seeking perspectives on the overall effectiveness of the process. There was clear agreement that the data received from SSA was essential to the administration of state programs and that data exchange was an effective means of obtaining the information. However, they noted disappointment in the way the data are received and formatted. Although online data are available for certain programs, most states received the data from SSA

through file transfers. As one coordinator put it, what they get through the file transfer process is “a confusing pile of data” which must undergo extensive reworking by the state programmers before it can be distributed for use in the various programs. SSA has resisted efforts to tailor or reorganize the basic data format, citing the need to ensure the security of the data. The agency provides the minimal number of data elements that is legally defensible to share and believes that the information is presented in a fashion that is sufficient for the users.

Efforts to work with SSA to make the format more accessible and user friendly have not been successful, resulting in each state developing its own set of workarounds. Representatives from the agencies have formed a “working group” that meets regularly to exchange solutions on how the data can be formatted and used more effectively at the state level. SSA cannot be expected to develop hundreds of different data presentations, but there may be some middle ground that would not entail substantial work on its part and would be more compatible with the types and format of data the states can use most readily. SSA should participate in the working group meetings so it can gain a better understanding of the challenges the end-users have with the current delivery format and work collaboratively to quickly resolve the problems.

Collaboration and Communications

Frustration with uncertainty about roles and responsibilities and unclear communications relative to expectations was heard frequently from the coordinators. From their perspective, policy and procedural communications between the regional offices and SSA headquarters needs to be strengthened. (Some of this may be exacerbated by the many components in SSA headquarters that have a role in the data exchange process necessitating multiple conversations and painstaking coordination.) One state coordinator reported he was unable to obtain clear and consistent guidance, despite numerous requests, on how to properly complete a 60-page security plan, resulting in submitting the plan three times to the agency before it was accepted. A recent changeover in transmission software should have been relatively straightforward but became unnecessarily difficult because of confusing guidance and implementation delays.

The last CMPPA agreement cycle began in 2007 and caused major disruptions for the states because SSA

⁹ In SSA's *Justification of Estimates for Appropriations Committees*, the agency estimated that in FY 2010 the Annual Growth of Backlog of Other Work/Service in Support of the Public equaled 2,200 work-years; the estimate for FY 2011 was 3,100 workyears.

was unaware of new OMB-mandated security requirements and could not communicate the needed changes timely. As a result, states had only three or four months to make major systems changes that would fulfill the requirements of the new computer matching agreements. The changes were significant enough that states had to design and implement new business processes at the same time the systems changes were being developed. One state reported that it had to suspend access to SSA data for 80 percent of its workers until the programming changes could be implemented. While most state coordinators believe that the changes were ultimately a good thing and improved the security of the process, they agreed that the execution of these changes required much more time than they were given.

The overarching theme throughout the discussions with the data exchange coordinators in the states was that they did not believe they were viewed by SSA as customers. There was little evidence noted that SSA actively seeks to identify and respond to the needs and expectations of the state agencies. If the inter-agency data sharing process becomes dictatorial rather than collaborative, it is unlikely to result in better public service while simultaneously making efficient use of agency resources. Serving these state customers should be an important part of SSA's service delivery strategy.

However, collaboration is a two-way street and the states must also improve their internal coordination. The sheer volume of data exchanges has grown over time because SSA has often found itself in the position of having to negotiate data exchange protocols on an agency-by-agency basis within each of the 50 states, some territories and even in a few local jurisdictions. It appears that little has been done by the states to work with SSA at a macro level. The coordination of the exchange of all state data through a single entity would greatly improve the process. One state contacted for this issue brief coordinated its data exchange agreements through the state's Chief Information Officer (CIO) who then works directly with SSA; the CIO finds the centralization of the process to be highly effective. Better collaboration with SSA regarding the exchange of data would improve services to the states' citizens and therefore should be an important part of each state's service delivery strategy.

Organizational Governance

The exchange of personal data has evolved substantially in the last 40 years into a sensitive and complicated process. Initially, this new capability for gathering and sharing data through technology presented more of a "mechanical" IT challenge to SSA than it did to the business process because most of the data was going out of the agency to be used by state agencies for their programs. SSA's Office of Systems and the Automation staff in its Office of Operations were the logical partners to oversee and manage this process. The data exchange process has matured sufficiently that it cannot be considered just a tool to share information, but rather as an integral service for the claims process. The organizational homes that made sense when automated exchanges were introduced may not provide the best model for 21st century needs. SSA should take a fresh look at the governance structure.

Several components within SSA play significant roles in the data exchange process, but it is difficult to determine which component is or should be ultimately accountable for the process. The complexity makes it difficult to "assign" a proper home. The Office of Operations is the user of the data and is in the best position to know what is sufficient for adjudicative purposes. The Chief Information Officer is charged with oversight and strategic management of SSA's information technology *in support* of the agency's mission and business needs. Thus, it is the CIO who is accountable for meeting vital agency needs and delivering technological strategies that will accomplish organizational priorities.

We believe it is at the CIO level that the organizational home for data exchange should reside. Data exchange has evolved from individual components developing "stand alone" projects with separate plans and agendas. An information sharing process needs a single point in the agency where all of its potential can be maximized. Innovations in the use of data exchange must be linked to new business case processes that reflect the most effective ways of delivering service for the agency as a whole.

Policy Governance

Another critical role of governance is to ensure that automated information sharing delivers the efficiencies and resource savings that are expected. This requires constant monitoring and proactive policy development.

In discussions with some field office managers, several examples were offered of exchanges that provide needed data, but have limited usefulness. Some of this seems to be a result of insufficient or incorrect data elements being received through the exchange, which could be remediated through strengthened policy oversight. Field office managers have offered several suggestions to the Board such as:

- » State wage match data should include the Social Security Number (SSN) and name, instead of only the SSN to reduce the volume of alerts.
- » Data received from the Bureau of Public Debt should show all owners of security instruments/savings bonds. This would minimize the need to re-contact the beneficiary for clarifying information.
- » The interface with the Veterans Administration should be improved. The VA data does post directly to the SSI record; however the benefit type, amount, and identification number often are not correct, necessitating a paper follow up process.
- » IRS data are often available to the adjudicatory staff for limited periods of time, thus making it difficult to resolve problems that may span months or even years.

We recognize that continuous modernization of policy and procedures is an intensive effort. However, policies should be in place that facilitate the efficiencies that electronic information is capable of providing. If data exchange is to meet operational needs, policies must be in place that make the greatest use of the technology in order to improve service and effectively utilize agency resources.

Funding for Data Exchange

In general, the current data exchange program is funded through the Office of Systems IT budget. The FY 2009 budget for the program was approximately \$9.1 million. SSA received an additional \$3.5 million through the reimbursable agreement arrangements.

In the past, states were reluctant to expand data exchanges. In some cases, state public health agencies were unwilling to provide vital records information for fear of losing revenues from the sale of birth, death, and marriage records and in other situations, the state lacked the money to expand its automation efforts. Several years ago, in an effort to encourage electronic death

reporting, SSA provided funding to assist states with the conversion of paper death records to an electronic format that could be exchanged. Twenty-seven states took advantage of the funding and participated in the data exchange program. SSA continued this program until Congress gave the Department of Health and Human Services (DHHS) the responsibility to create a national Electronic Death Registration mechanism that would post death records electronically to a centralized database. However, the DHHS funding for the project never materialized and the remaining states will have to fund their own participation in the electronic register.¹⁰

How data exchange at SSA will be funded in the future will depend in part on the agency's new IT budget process. Preliminary information indicates that data exchange initiatives will continue be funded under one of two separate portfolios: 1) *Maximizing Automation* and 2) *Program Integrity*. What is unclear is how the two different portfolios will coordinate the allocation of resources in support of programmatic priorities and ensure there is no duplication of effort or that essential projects go unfunded. SSA might consider a single portfolio for the data exchange program that would clearly signify it as a sanctioned priority for service delivery. How the funding mechanisms are structured, as well as the new budget process, is an area the Board will continue to watch closely, not only because of the potential effect on the data exchange process, but also to monitor the agency's entire IT investment strategy.

It is important to note that funding issues related to data exchange are not all on SSA's side. The states also have funding issues that affect the degree to which they can participate with SSA. All costs for receiving data from SSA are the responsibility of the state agency and fairly extensive IT programming resources are often needed. For example, while SSA may be able to send daily data files to the states, IT resources needed to manipulate that data may limit when and how often the state agency can distribute information for program administration. Limits may be placed on not only how often but also how data are received. While SSA has provided online access to data for certain programs, not all states have been able to fund the resources needed to do the programming for online access.

¹⁰ DHHS has requested funding for EDR expansion in its 2011 budget.

Concluding Observations and Recommendations

Comprehensive Strategy

The data exchange program at SSA has evolved over a number of years. In the 1960s and 1970s, SSA began sending information to state agencies in order for them to administer certain needs-based programs. In the 1980s, the State Verification and Exchange System was developed to address an ever-growing number of requests for different types of SSA data. In the 1990s, the agency began requesting state data for use in administering its programs. Since 2000, several legislative initiatives have called for the use of data exchange as part of implementing procedures. Perhaps because the evolution of data exchange has been driven by specific events, the agency views it more as a tool to be used when developing or restructuring individual business processes. There is little evidence that the agency has developed a comprehensive strategy for how data exchange should be integrated into its business and service delivery plan. As a result, the availability of core claims-essential data is inconsistent within SSA (end-users in some states have access to data that users in other states cannot access), stove-piped systems cannot accommodate fully-automated processes, and complicated agreement and security requirements are more the norm than the exception. Eliminating or minimizing these barriers will promote a far more effective service delivery channel for SSA and its data exchange partners.

In SSA's current strategic plan, data exchange is featured only as part of certain key initiatives such as online retirement, health information technology or as a vehicle to curb improper payments¹¹. There are several government-wide initiatives that have identified data sharing as an essential element for improving government performance, particularly in the area of reducing or eliminating improper payments. For example, a primary component of the "Do Not Pay List" initiative¹² is the data SSA has obtained through its current data exchange processes.

1. Develop a Comprehensive Strategy: SSA must develop a comprehensive strategy that addresses

¹¹ *Strategic Plan Fiscal Years 2009-2013*, Social Security Administration, September 2008, pages 15, 18, 24.

¹² The "Do Not Pay List" initiative requires all federal agencies to check federal databases that house death information (such as SSA's Death Master File) before awarding benefits and making payments of any type.

how data exchange can be used to meet increasing service demands and program integrity responsibilities, to improve customer service, and to foster government-wide collaboration. Considering the dynamic solution data exchange offers in support of the agency's stewardship role, the Board urges SSA to incorporate data exchange as a key capability into its new strategic plan.

Service Delivery

Automated data exchange processes play a significant role in SSA's delivery of reliable public service. As vital as the receipt of information is to SSA processes, it is equally important that it be used efficiently once it is received. Most of the data SSA receives generates alerts that are themselves a workload requiring employees to take manual actions to process the required changes. Processing systems are not fully integrated and data that are received in one system are not passed automatically to other systems that need the information. Often this manual processing and the lack of integration mean that transactions can take months to resolve, leaving the beneficiary in a state of uncertainty over the accuracy of a benefit amount.

2. Recognize the Data Exchange Program as Essential to Service Delivery: Data exchanges that generate transmission of data to SSA are key to carrying out the work of the agency. However, the agency needs to aggressively pursue process improvements that focus on maximizing electronic exchanges within the organization. With beneficiary rolls growing, SSA should optimize the use of automation in order to develop and promote effective processes which will improve the integrity of SSA programs.

Through the data exchange program, SSA delivers service to a wide variety of agencies and organizations. However, customer needs are not always addressed as part of the exchange process. The state agencies receive a massive amount of data, but there is usually a need to do extensive data manipulation before it can be used in administering individual programs. The state coordinators report that they are not successful in working through the process with SSA to make the data format more useful to the states.

3. Support Customer Needs: The basic reason for data exchange, particularly with state participants, is to provide a fundamental service to a valued partner that shares a common goal—serving the American public. SSA needs to undertake a customer needs assessment to identify specific requirements and expectations. The agency should improve the communications channels between itself and its exchange partners.

4. Centralize communications and outreach processes: The states can also do a better a job of coordinating the data exchange process between the various agencies within their states and SSA. Utilizing the offices of a centralized technology agent such as the state’s CIO could allow SSA to better serve the state while streamlining the process.

Governance and Funding

Lack of effective coordination with the agency’s data exchange partners may well be a reflection of an unclear governance structure. Responsibilities for the agreements, technology, security, policy, and legal aspects of the process are all housed in different components. Without an organizational home for data exchange to ensure that the use of data sharing is maximized and that policies and technologies are integrated, potential opportunities for improvement may be lost. Further, the funding for data exchange projects is divided according to IT portfolios and has the potential to reinforce stove-piped program development and planning, making duplication of effort or failure to allocate sufficient funding for needed information exchanges more likely to occur.

5. Centralize governance process: The agency should centralize the governance process of the data exchange program in order to provide the comprehensive oversight needed for effective information sharing. The single point for program coordination should reside with the CIO whose responsibility would be to promptly establish an overarching strategy that effectively links policies and technology.

6. Consolidate Funding: The agency should consider consolidating funding mechanisms in order to ensure a robust, effective data exchange program. The current portfolios used to allocate resources should

be merged in order to promote automated information sharing as a priority process for service delivery.

Congressional Action

7. Modernize the CMPPA: It has been 20 years since the passage of the *Computer Matching and Privacy Protection Act*. Congress should undertake a review of this law, beginning with a close examination of the advancements in technology and systems security and consider improvements that will facilitate the use of data exchange for all federal agencies. This review should also include an assessment of ways to minimize complexity in the administration of the programs, for example, standardizing the timeframes for all computer matching agreements.

To a significant degree, improvements to the data exchange process are within the agency’s control. Perhaps more challenging for SSA is overcoming the barriers to getting data from external governmental agencies and private organizations. The barriers are many, including funding issues, legal, security and privacy concerns, or technology challenges, and the agency will have to develop multifaceted strategies, enter into innovative collaborations that benefit both sides of the partnership, and work with the larger information exchange community to promote needed legislative and regulatory changes. The first step, however, should be to clarify, simplify and strengthen the existing data exchange program and ensure that it is integrated into all aspects of the agency’s strategic and technology plans. SSA must focus its attention on the data exchange program without delay.

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