

# AGENCY PERFORMANCE

## Introduction

In fiscal year (FY) 2012, we used our 4 overarching Strategic Goals, their supporting 14 Strategic Objectives, and 35 performance measures to continue to focus our attention and resources on mission critical workloads and programs. We explained these goals, objectives, measures, and targets in detail in our [Annual Performance Plan for FY 2013 and Revised Final Performance Plan for FY 2012 \(www.socialsecurity.gov/performance/\)](http://www.socialsecurity.gov/performance/). This section of the report discusses our success in achieving these performance targets. Final data for 6 of our 35 performance measures were not available when the report was published. We will report results for those measures in our *FY 2013 Annual Performance Report*. We met our target for 19 of 29 performance measures, a success rate of 66 percent.

The performance data presented in this section comply with the guidance provided in the following Office of Management and Budget (OMB) Circulars:

- [OMB Circular No. A-11, Preparation, Submission, and Execution of the Budget \(www.whitehouse.gov/sites/default/files/omb/assets/a11\\_current\\_year/a\\_11\\_2012.pdf\)](http://www.whitehouse.gov/sites/default/files/omb/assets/a11_current_year/a_11_2012.pdf) and
- [OMB Circular No. A-136, Financial Reporting Requirements \(www.whitehouse.gov/sites/default/files/omb/assets/omb/circulars/a136/a136\\_revised\\_2012.pdf\)](http://www.whitehouse.gov/sites/default/files/omb/assets/omb/circulars/a136/a136_revised_2012.pdf).

The section entitled, *How We Ensure Our Data Integrity*, on page 35, describes our continuing efforts to enhance the quality and timeliness of our performance data to increase its value to our management and other interested parties. Our executives routinely use these performance data to improve the quality of our program management, make data-driven decisions, and demonstrate our accountability for achieving expected program results.

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# Fiscal Year 2012 Performance Measures By Goal and Objective

In this section, we:

- List our 35 performance measures for FY 2012, organized by Strategic Goal and Objective. For each performance measure, we provide our FY 2012 target, actual performance, a discussion of our performance, the data definition, and the data source;
- Provide historical trend data for our targets and performance;
- Provide our plans for improving our performance where we missed our target;
- Indicate which performance measures are Priority Goals;
- Identify the FY 2012 performance measures where final data were not available at the end of the fiscal year, indicate when the data will become available, and specify that we will report the data in our *FY 2013 Annual Performance Report*;
- Provide our performance results for the measures cited in our *FY 2011 Performance and Accountability Report* where the final data were not available at the end of FY 2011;
- Round our actual performance data to the nearest whole number or decimal point, when applicable, using a standard rounding convention; and
- Discuss our program evaluations.

The following are some abbreviations we use on pages 56 through 94:

- **TBD** indicates final FY 2012 data not available;
- **Priority Goal** indicates the measure supports a Priority Goal; and
- **N/A** indicates a prior year target was not established.

## STRATEGIC GOAL 1: DELIVER QUALITY DISABILITY DECISIONS AND SERVICES

### STRATEGIC OBJECTIVE 1.1: REDUCE THE WAIT TIME FOR HEARING DECISIONS AND ELIMINATE THE HEARINGS BACKLOG

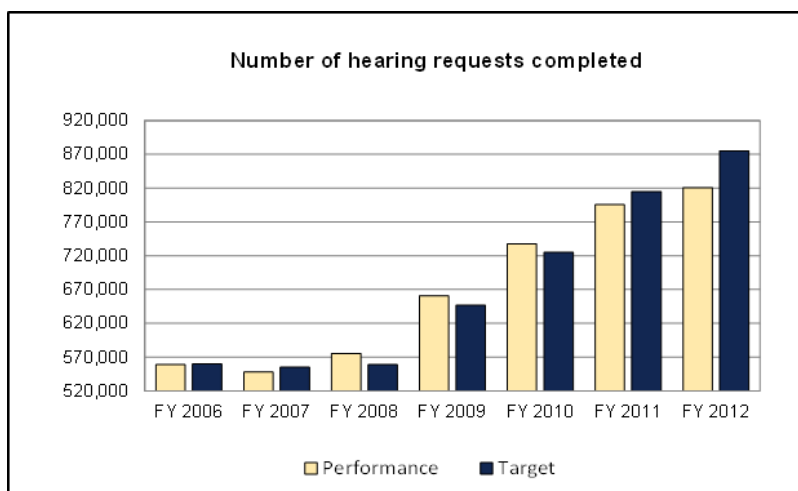
#### 1.1a: Complete the budgeted number of hearing requests

**FY 2012 Target:** 875,000  
**Performance:** 820,484  
**Target Achieved:** No

*Discussion:* Hearing requests have increased by over 45 percent since FY 2006. We completed more hearing requests this fiscal year than any other previous year. We ended FY 2012 short of our hearings completion target by 54,516 hearings. Decreased funding forced us to cancel our plans to open eight new hearing offices in Alabama, California, Indiana, Michigan, Minnesota, Montana, New York, and Texas.

We were unable to hire as many administrative law judges (ALJ) as we planned. Our hearing offices staff worked overtime to try to keep up with the surge in hearings. However, without enough ALJs, we were unable to meet our target.

*Trend:*



Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Performance</b>	558,978	547,951	575,380	660,842	737,616	795,424	820,484
<b>Target</b>	560,000	555,000	559,000	647,000	725,000	815,000	875,000
<b>Target Met</b>	Not met	Not met	Met	Met	Met	Not met	Not met

*Data Definition:* The number of hearing requests completed in the current fiscal year.

*Data Source:* Case Processing and Management System

*Plan for Improving Performance:* We are developing the Electronic Bench Book (eBB), a web-based application, designed to assist the adjudicator in documenting, analyzing, and adjudicating disability claims. The eBB will assist

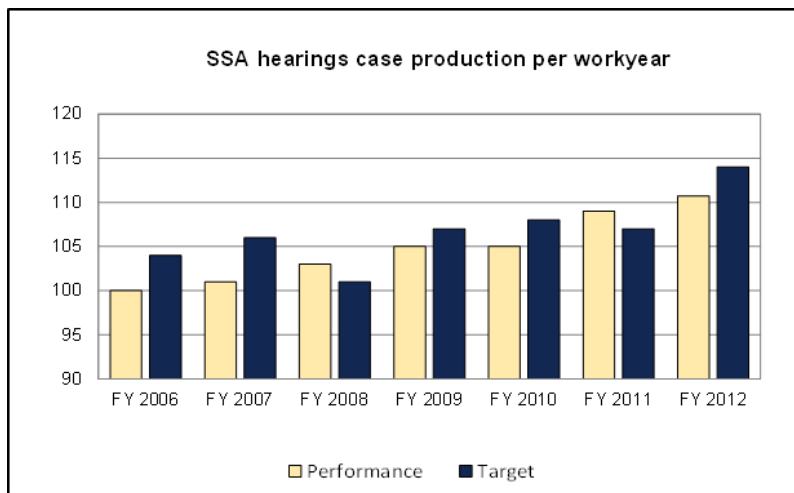
with pre-hearing analysis and on-the-record and dismissal capabilities. We anticipate our eBB will support our ALJs, improve decision writers' efficiency, and reduce remands from the Appeals Council.

**1.1b: Achieve the budgeted goal for SSA hearings case production per workyear**

**FY 2012 Target:** 114  
**Performance:** 111  
**Target Achieved:** No

*Discussion:* We improved our performance for the sixth consecutive year, but we fell slightly short of meeting this goal in FY 2012. We did not meet our target because we cancelled eight planned hearing office openings for budgetary reasons, hearings receipts were higher than we projected, and we were unable to hire as many ALJs as we needed to complete this work.

*Trend:*



Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Performance</b>	100	101	103	105	105	109	111
<b>Target</b>	104	106	101	107	108	107	114
<b>Target Met</b>	Not met	Not met	Met	Not met	Not met	Met	Not met

*Data Definition:* This indicator represents the average number of hearings completed per direct workyear used. A direct workyear represents actual time spent processing cases. It does not include time spent on training, ALJ travel, leave, holidays, etc.

*Data Source:* Office of Disability Adjudication and Review, Monthly Activity Report, the Case Processing and Management System, Payroll Analysis Recap Report, Travel Formula, and Training Reports (Regional reports on new staff training, ongoing training, and special training)

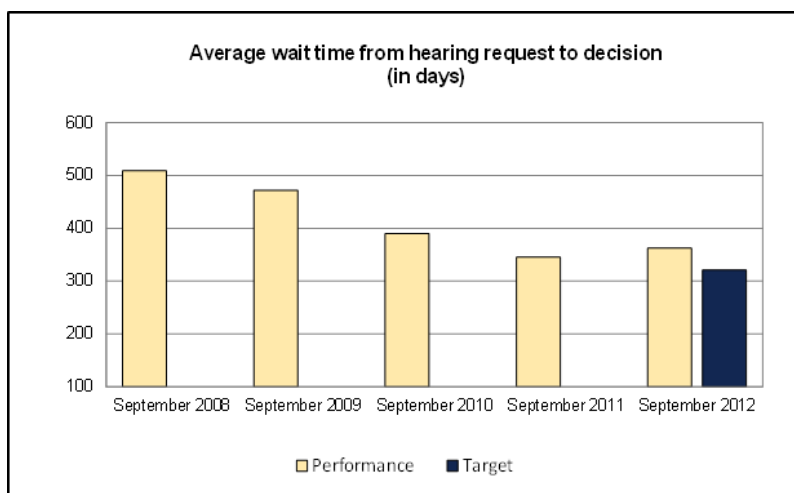
*Plan for Improving Performance:* We expect our Appointed Representative Services (ARS) to improve our performance. ARS provides appointed representatives the ability to access the electronic folders of their claimants through a secure website. Early use of ARS has reduced the need for hearing office staff to burn compact disc (CD) case files, freeing employees to perform more complex functions. When fully implemented in FY 2014, we project an 86 percent adoption rate by appointed representatives, delivering greater efficiencies and improved performance.

**1.1c: Minimize average wait time from hearing request to decision (Priority Goal)**

**FY 2012 Target:** 321 days (September only)  
**Performance:** 362 days (September only)  
**Target Achieved:** No

*Discussion:* We did not reach our target for average wait time for a hearing decision. We have received significant increases in hearings receipts in the last two years. We were only able to hire 145 of the 219 ALJs we needed in FY 2012. Due to resource constraints, we have less available space for ALJs because we had to cancel plans to open eight new hearing offices.

*Trend:*



September	2008	2009	2010	2011	2012
<b>Performance</b>	509	472	390	345	362
<b>Target</b>	N/A	N/A	N/A	N/A	321
<b>Target Met</b>	N/A	N/A	N/A	N/A	Not met

*Data Definition:* The average processing time for hearing request dispositions is the cumulative processing time for all hearing requests completed during the last month of the fiscal year divided by the total number of hearing requests completed during the last month of the fiscal year.

*Data Source:* Case Processing and Management System

*Plan for Improving Performance:* We are designing a new scheduling tool, called Auto Scheduling, to support timely hearing decisions. We will use this automated calendar-sharing tool to schedule hearings based on the availability of the hearing site, video equipment, ALJ, claimant, representative, and expert witnesses. Scheduling hearings is a resource intensive process because each hearing can involve up to five participants, from multiple locations, and by various means. Once fully developed and implemented, Auto Scheduling will allow schedulers to view the availability of all participants at once, significantly decreasing the time and effort it takes to schedule a hearing, which allows hearing office staff to focus on more complex work.

**Note:** This performance measure supports one of our three Priority Goals and is new for FY 2012. We present FY 2008 – FY 2011 performance for comparative purposes.

**1.1d: Eliminate the oldest pending hearing requests**

**FY 2012 Target:** Less than 0.5% of pending hearing requests 725 days or older  
**Performance:** 0.15% of pending hearing requests 725 days or older  
**Target Achieved:** Yes

*Discussion:* We achieved this goal. We began FY 2012 with 113,593 cases that would be 725 days or older by the end of the fiscal year. At the end of the fiscal year, only 169, or 0.15 percent, of claims remained, which was below our target.

*Trend:*

Fiscal Year	2007	2008	2009	2010	2011	2012
<b>Performance</b>	108 of 63,770 cases remained pending (.17%)	281 of 135,160 cases remained pending (.21%)	228 of 166,838 cases remained pending (.14%)	47 of 139,026 cases remained pending (.03%)	103 of 111,792 cases remained pending (.09%)	169 of 113,593 cases remained pending (.15%)
<b>Target</b>	Eliminate all hearings pending 1,000 days or older	Less than 1% of hearings pending 900 days or older	Less than 1% of hearings pending 850 days or older	Less than 0.5% of hearing requests pending 825 days or older	Less than 0.5% of hearing requests pending 775 days or older	Less than 0.5% of pending hearing requests 725 days or older
<b>Target Met</b>	N/A	Met	Met	Met	Met	Met

*Data Definition:* The percentage of oldest hearing requests pending. The oldest hearing requests are those cases that are pending, or will be pending, 725 days or more at the end of the fiscal year. We derive the percentage by dividing the total number of hearing requests pending 725 days or more at the end of the fiscal year by the total number of oldest hearing requests, identified at the beginning of the fiscal year.

*Data Source:* Case Processing and Management System

**1.1e: Reduce the percentage of Appeals Council cases pending 365 days or over**

<b>FY 2012 Target:</b>	Less than 20% of Appeals Council cases pending 365 days or over
<b>Performance:</b>	12% of Appeals Council cases remained pending 365 days or over
<b>Target Achieved:</b>	Yes

*Discussion:* We achieved this goal. We ended FY 2012 with 161,070 Appeals Council cases pending, of which 18,978, or 12 percent, were pending 365 days or over.

*Trend:*

Fiscal Year	2012
<b>Performance</b>	18,978 of 161,070 Appeals Council cases remained pending (12%)
<b>Target</b>	Less than 20% of Appeals Council cases pending 365 days or over
<b>Target Met</b>	Met

*Data Definition:* The percentage of oldest Appeals Council cases pending. The oldest Appeals Council cases are those cases that are pending, or will be pending, 365 days or over at the end of the fiscal year. The percentage is derived by dividing the total number of Appeals Council cases pending 365 days or over at the end of the fiscal year by the total number of Appeals Council cases pending at the end of the fiscal year.

*Data Source:* Appeals Review Processing System

**Note:** This performance measure is new for FY 2012.

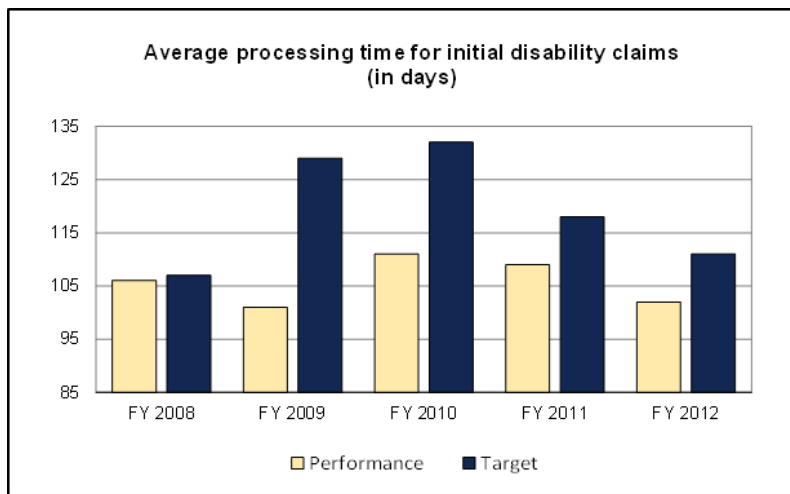
**STRATEGIC OBJECTIVE 1.2:  
IMPROVE OUR DISABILITY POLICIES, PROCEDURES, AND TOOLS**

**1.2a: Minimize average processing time for initial disability claims**

**FY 2012 Target:** 111 days  
**Performance:** 102 days  
**Target Achieved:** Yes

*Discussion:* In FY 2012, we lowered our average processing time to 102 days, 9 days below our target. This decrease is due, in part, to the continued productivity increases in our Disability Determination Services (DDS).

*Trend:*



Fiscal Year	2008	2009	2010	2011	2012
<b>Performance</b>	106	101	111	109	102
<b>Target</b>	107	129	132	118	111
<b>Target Met</b>	Met	Met	Met	Met	Met

*Data Definition:* The average processing time is the overall cumulative number of elapsed days (including processing times for transit, technical determinations, medical determinations, and quality review) from the date of filing through the date payment is made or the denial notice is issued for all initial claims that require a medical determination. The total number of days to process all initial disability claims requiring a medical determination is divided by the total number of initial disability claims requiring a medical determination that we process during the fiscal year.

*Data Source:* Chicago Claims Goals Report sourced by Social Security Unified Measurement System Title II and Title XVI Processing Time

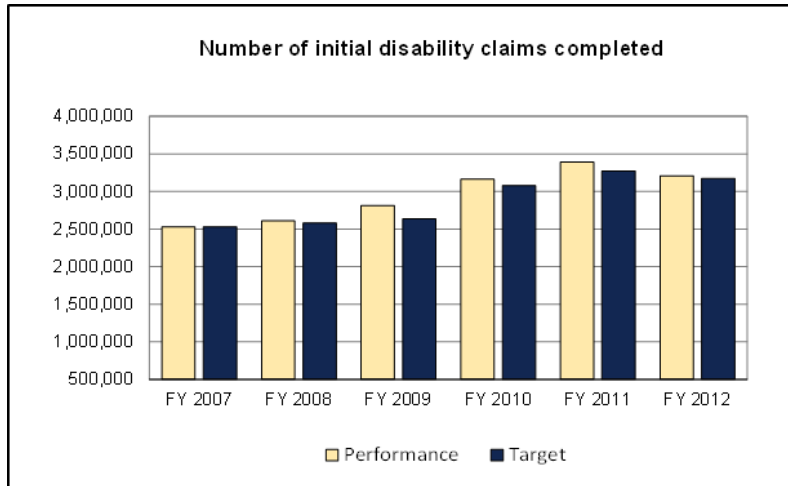


**1.2b: Complete the budgeted number of initial disability claims**

**FY 2012 Target:** 3,173,000  
**Performance:** 3,206,869  
**Target Achieved:** Yes

*Discussion:* In FY 2012, we completed 3,206,869 initial disability claims, over 33,000 more than our target. This year was the third in a row we completed over 3 million claims.

*Trend:*



Fiscal Year	2007	2008	2009	2010	2011	2012
<b>Performance</b>	2,529,721	2,607,282	2,812,918	3,161,314	3,390,936	3,206,869
<b>Target</b>	2,530,000	2,582,000	2,637,000	3,081,000	3,273,000	3,173,000
<b>Target Met</b>	Not met	Met	Met	Met	Met	Met

*Data Definition:* The number of Social Security and Supplemental Security Income initial disability claims that the State Disability Determination Services and other agency components complete in the current fiscal year up to the budgeted number.

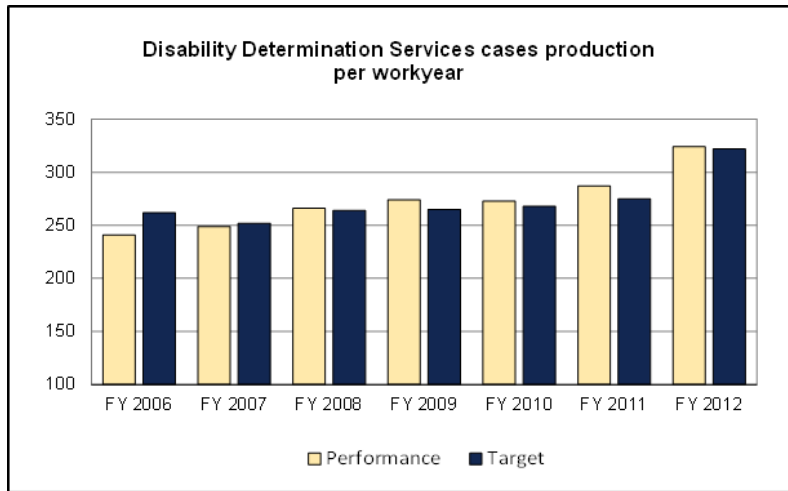
*Data Source:* National Disability Determination Services System and Disability Operational Data Store

**1.2c: Disability Determination Services cases production per workyear**

**FY 2012 Target:** 322  
**Performance:** 324  
**Target Achieved:** Yes

*Discussion:* In FY 2012, we met our target for DDS case production per workyear. We have steadily increased our DDS productivity since FY 2006. We attribute our success to our experienced staff, process improvements, enhanced automation, and reliable information technology (IT) services.

*Trend:*



Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Performance</b>	241	249	266	274	273	287	324
<b>Target</b>	262	252	264	265	268	275	322
<b>Target Met</b>	Not met	Not met	Met	Met	Met	Met	Met

*Data Definition:* The average number of all Disability Determination Services (DDS) cases produced per workyear expended. A workyear represents both direct and indirect time, including overhead (time spent on training, travel, leave, holidays, etc.). It is inclusive of all staff on the DDS payroll, including doctors under contract to the DDS. The DDS case production per workyear is a national target.

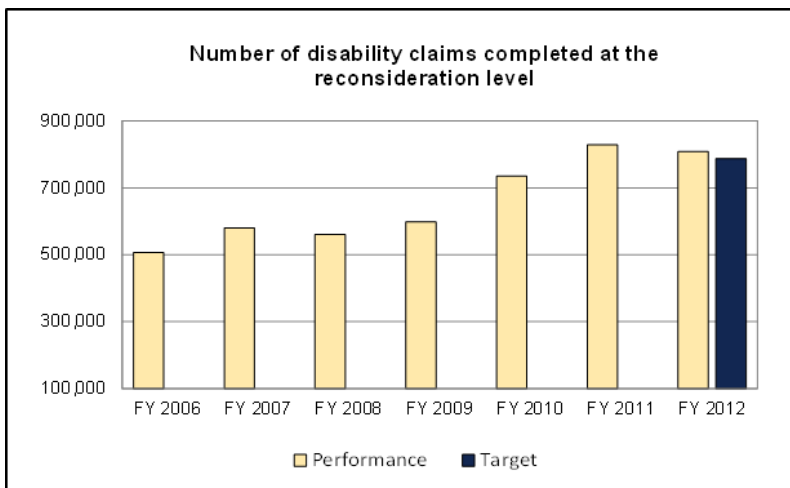
*Data Source:* National Disability Determination Services System and Disability Operational Data Store

**1.2d: Complete the budgeted number of disability claims at the reconsideration level**

**FY 2012 Target:** 787,000  
**Performance:** 808,521  
**Target Achieved:** Yes

*Discussion:* A reconsideration is the first step in our administrative review process. In FY 2012, we met our goal to complete the budgeted number of disability claims at the reconsideration level.

*Trend:*



Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Performance</b>	506,446	580,163	560,365	598,098	735,067	828,010	808,521
<b>Target</b>	N/A	N/A	N/A	N/A	N/A	N/A	787,000
<b>Target Met</b>	N/A	N/A	N/A	N/A	N/A	N/A	Met

*Data Definition:* The number of Social Security and Supplemental Security Income disability claims completed at the reconsideration level in the State Disability Determination Services and other agency components in the current fiscal year up to the budgeted number.

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

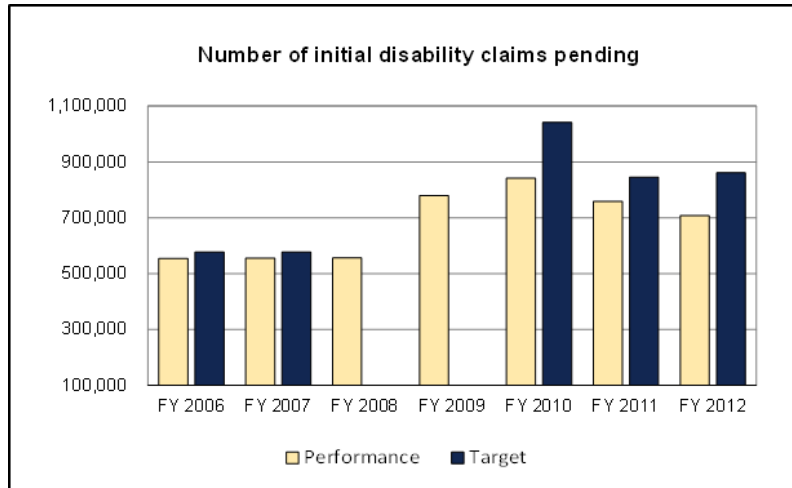
**Note:** This performance measure is new for FY 2012. We present FY 2006 – FY 2011 performance for comparative purposes.

**1.2e: Achieve the target number of initial disability claims pending**

**FY 2012 Target:** 861,000  
**Performance:** 707,700  
**Target Achieved:** Yes

*Discussion:* We achieved this goal. We reduced our initial disability claims pending to 707,700 claims, 153,300 claims below our target.

*Trend:*



Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Performance</b>	555,071	555,317	556,670	779,854	842,192	759,023	707,700
<b>Target</b>	577,000	577,000	N/A	N/A	1,041,000	845,000	861,000
<b>Target Met</b>	Met	Met	N/A	N/A	Met	Met	Met

*Data Definition:* The number of Social Security and Supplemental Security Income initial disability claims pending in the State Disability Determination Services and other agency components in the current fiscal year.

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

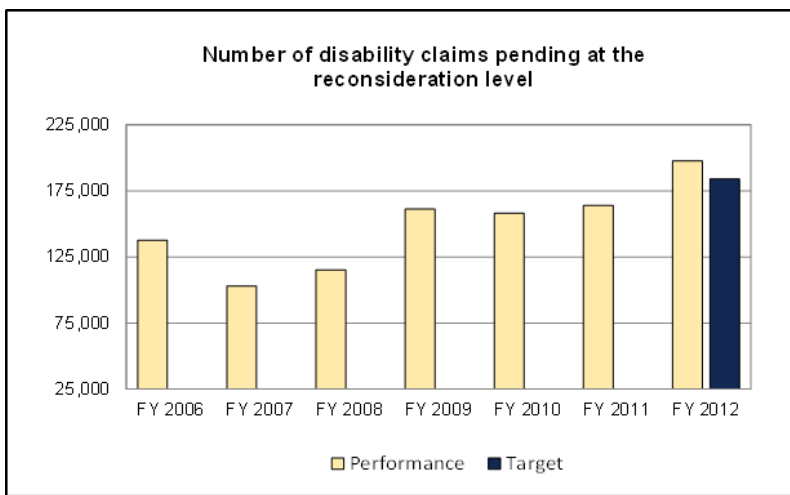
**Note:** This performance measure was new in FY 2010. We present FY 2008 – FY 2009 performance for comparative purposes.

**1.2f: Achieve the target number of disability claims pending at the reconsideration level**

**FY 2012 Target:** 184,000  
**Performance:** 197,788  
**Target Achieved:** No

*Discussion:* Although we completed more reconsiderations than we planned, we did not achieve this target because the percentage of people who decide to appeal an initial denial has increased significantly. In FY 2012, reconsideration receipts were 72 percent higher than FY 2008.

*Trend:*



Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Performance</b>	137,626	102,990	115,059	161,264	157,977	164,049	197,788
<b>Target</b>	N/A	N/A	N/A	N/A	N/A	N/A	184,000
<b>Target Met</b>	N/A	N/A	N/A	N/A	N/A	N/A	Not met

*Data Definition:* The number of Social Security and Supplemental Security Income disability claims pending at the reconsideration level in the State Disability Determination Services and other agency components in the current fiscal year.

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

*Plan for Improving Performance:* While balancing our increasing workloads, we will continue to make every effort to achieve this and other targets. We will continue to monitor receipt levels and funded targets.

**Note:** This performance measure is new for FY 2012. We present FY 2006 – FY 2011 performance for comparative purposes.

**1.2g: Update the medical Listing of Impairments**

**FY 2012 Target:** Publish five rules for public comment and two final rules  
**Performance:** Published three rules for public comment  
**Target Achieved:** No

*Discussion:* We did not meet our target for FY 2012. We published three rules for public comment in FY 2012. Rule Making is a multi-step process deliberately designed to include lengthy internal review and an opportunity for public comment. We continue to refine the medical Listing of Impairments.

*Trend:*

Fiscal Year	2009	2010	2011	2012
<b>Performance</b>	Published eight <i>Social Security Rulings</i> in the Federal Register	Published three final regulations and one Notice of Proposed Rule Making	Published two regulatory actions and one <i>Social Security Ruling</i>	Published three rules for public comment
<b>Target</b>	Develop and submit at least three regulatory actions or <i>Social Security Rulings</i>	Develop and submit at least three regulatory actions or <i>Social Security Rulings</i>	Develop and submit at least three regulatory actions or <i>Social Security Rulings</i>	Publish five rules for public comment and two final rules
<b>Target Met</b>	Met	Met	Met	Not met

*Data Definition:* We will develop regulatory actions or Social Security Rulings related to updating the medical Listing of Impairments for publication in the Federal Register. Regulatory actions include Advance Notice of Proposed Rulemaking, Notice of Proposed Rule Making, Final Rules, or Ruling, or other Federal notice.

*Data Source:* Office of Retirement and Disability Policy Workplan

*Plan for Improving Performance:* While we did not meet our target for FY 2012, we plan to improve our performance by queuing additional rules in our pipeline for FY 2013. For example, at the end of FY 2012, OMB had three regulations, one final rule, and two Notices of Proposed Rule Making (NPRM) for review, which OMB will publish in the Federal Register after completing the review process. We have two additional NPRMs and one ruling scheduled for release to OMB in early FY 2013; we then plan to publish up to five other NPRMs throughout the remainder of the fiscal year.

**1.2h: Increase the percentage of disability cases evaluated using health Information Technology**

<b>FY 2012 Target:</b>	500% above FY 2011 performance (37,500 claims)
<b>Performance:</b>	263% above FY 2011 performance (22,671 claims)
<b>Target Achieved:</b>	No

*Discussion:* While we increased the number of disability cases using health IT, we did not achieve this goal. We originally estimated the number of health IT cases assuming: (1) all 12 of our *American Recovery and Reinvestment Act* funded partners would be in production by the end of the January 2012; and (2) receiving the estimated volume of requests. However, four of the vendors were unable to move into production until May and June. By the fourth quarter of FY 2012, all 12 partners exchanged medical records with us using health IT.

In July 2012, we began a pilot with Kaiser Permanente, one of the Nation’s largest healthcare providers, to exchange electronic health records in California. By the end of the fiscal year, we expanded our initiative by bringing on two new organizations.

Our 16 partners include facilities in the following 14 States: California, Idaho, Indiana, Massachusetts, Michigan, Minnesota, New Mexico, Ohio, Oregon, Pennsylvania, Texas, Virginia, Washington, and Wisconsin. In FY 2012, we lowered case processing time by approximately 23 percent, or 22 days less, for those cases containing medical records obtained through health IT.

*Trend:*

Fiscal Year	2010	2011	2012
<b>Performance</b>	Baseline Established (3,000 claims)	108% above FY 2010 baseline (6,235 claims)	263% above FY 2011 performance (22,671 claims)
<b>Target</b>	Establish Baseline	500% above FY 2010 baseline (18,000 claims)	500% above FY 2011 performance (37,500 claims)
<b>Target Met</b>	Met	Not met	Not met

*Data Definition:* The percentage increase in the number of disability cases evaluated using medical evidence gathered through health Information Technology (health IT) over the prior year.

*Data Source:* Health Information Technology Management Information System

*Plan for Improving Performance:* To continue to reap the benefits from our investment, we must increase the number of disability cases that can be evaluated using health IT. We plan to continue our expansion of health IT partners by exchanging medical records in additional facilities with existing partners as well as with a few new high volume organizations. In FY 2013, we intend to improve the percentage of disability cases evaluated using health IT with a 200 percent increase over FY 2012.

**1.2i: Number of Disability Insurance and Supplemental Security Income disability beneficiaries, with Tickets assigned, who work**

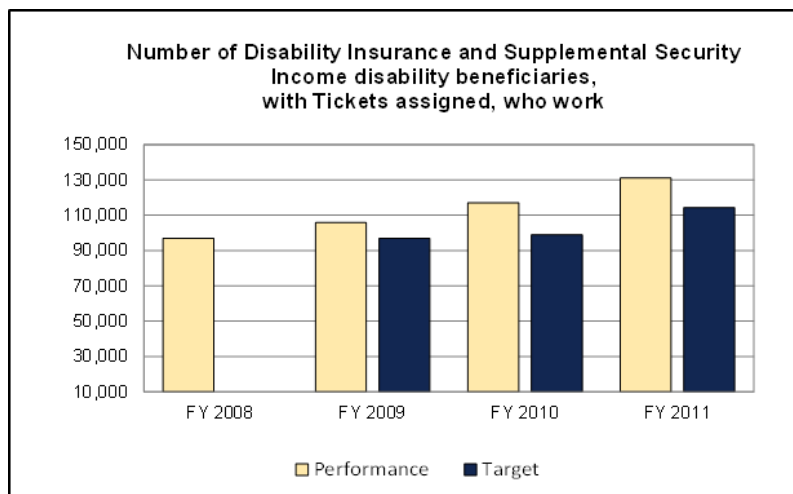
**FY 2012 Target:** 119,466  
**Performance:** Data available July 2013  
**Target Achieved:** TBD

*Discussion:* FY 2012 data for this performance measure will not be available until July 2013. We will discuss our FY 2012 performance in next year’s report. Our FY 2011 performance data became available in July 2012.

In FY 2011, we exceeded our target with 131,099 beneficiaries with Tickets who worked. To help achieve this goal, we held 734 [Work Incentive Seminar \(WISE\) webinars \(www.chooseworkttw.net/wise/jsp/wise.jsp\)](http://www.chooseworkttw.net/wise/jsp/wise.jsp) with 1,744 beneficiaries, 254 employment networks, and community partners. WISE webinars feature information to help Social Security disability beneficiaries make the decision to reenter the workforce or to work for the first time.

For information about our Ticket to Work Evaluation Program, refer to page 96 of the *Program Evaluation* section.

*Trend:*



Fiscal Year	2008	2009	2010	2011	2012
<b>Performance</b>	96,993	105,843	117,124	131,099	Data available July 2013
<b>Target</b>	Establish a new baseline	97,000	98,940	114,310	119,466
<b>Target Met</b>	Met	Met	Met	Met	TBD

*Data Definition:* The total number of Social Security, Supplemental Security Income, and concurrent beneficiaries who 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 in any month of the calendar year.

*Data Source:* Disability Control File “Verify Update Earnings Screen’s Work and Earnings Reports” data field



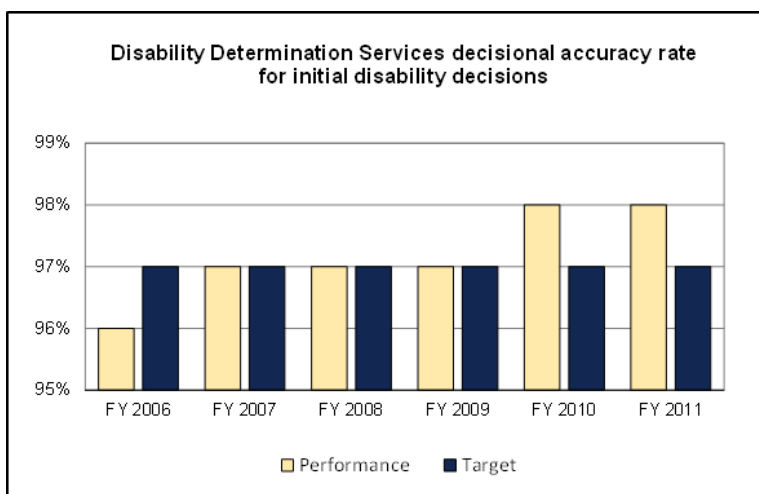
**1.2j: Improve Disability Determination Services decisional accuracy rate for initial disability decisions**

**FY 2012 Target:** 97%  
**Performance:** Data available January 2013  
**Target Achieved:** TBD

*Discussion:* FY 2012 data for this performance measure will not be available until January 2013. We will discuss our FY 2012 performance in next year’s report. Our FY 2011 performance data were not available when we published our *FY 2011 Performance and Accountability Report*.

The data are now available and show that we exceeded our FY 2011 target with a 98 percent net accuracy rate.

*Trend:*



Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Performance</b>	96%	97%	97%	97%	98%	98%	Data available January 2013
<b>Target</b>	97%	97%	97%	97%	97%	97%	97%
<b>Target Met</b>	Not met	Met	Met	Met	Met	Met	TBD

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

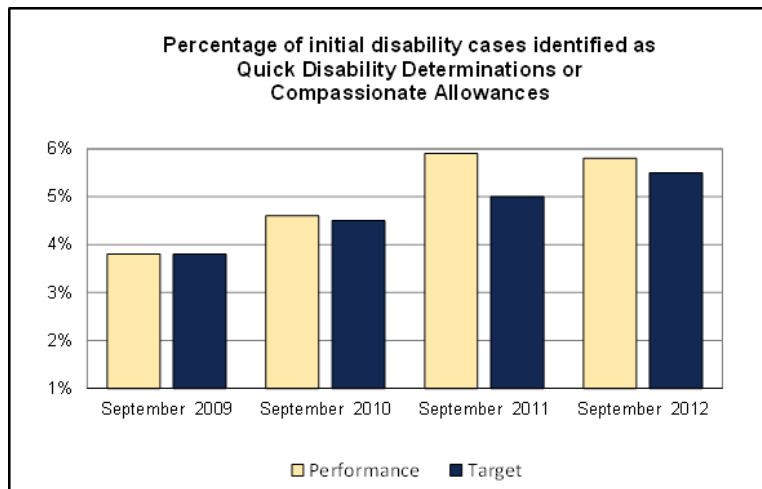
**STRATEGIC OBJECTIVE 1.3:  
EXPEDITE CASES FOR THE MOST SEVERELY DISABLED INDIVIDUALS**

**1.3a: Achieve the target percentage of initial disability cases identified as Quick Disability Determinations or Compassionate Allowances**

**FY 2012 Target:** 5.5% (September only)  
**Performance:** 5.8% (September only)  
**Target Achieved:** Yes

*Discussion:* In FY 2012, we met our goal. Quick Disability Determinations (QDD) and Compassionate Allowances (CAL) are two of our most successful initiatives designed to improve the speed of our disability process. In FY 2012, we updated our QDD predictive model, which allowed us to increase the number of applicants served through the process. We added 65 new conditions to the CAL list, which brought the total to 165 conditions. Our target was to identify 5.5 percent of the initial disability claims as QDD or CAL – we identified 5.8 percent in September 2012.

*Trend:*



September	2009	2010	2011	2012
<b>Performance</b>	3.8%	4.6%	5.9%	5.8%
<b>Target</b>	3.8%	4.5%	5.0%	5.5%
<b>Target Met</b>	Met	Met	Met	Met

*Data Definition:* We derive the percentage by dividing the total number of initial disability cases identified as a Quick Disability Determination or Compassionate Allowance, or both, by the total number of electronic initial disability cases filed in the last month of the current fiscal year.

*Data Source:* Executive and Management Information System and Management Information Disability

## STRATEGIC GOAL 2: PROVIDE QUALITY SERVICES TO THE PUBLIC

### STRATEGIC OBJECTIVE 2.1: INCREASE THE USE OF OUR ONLINE SERVICES

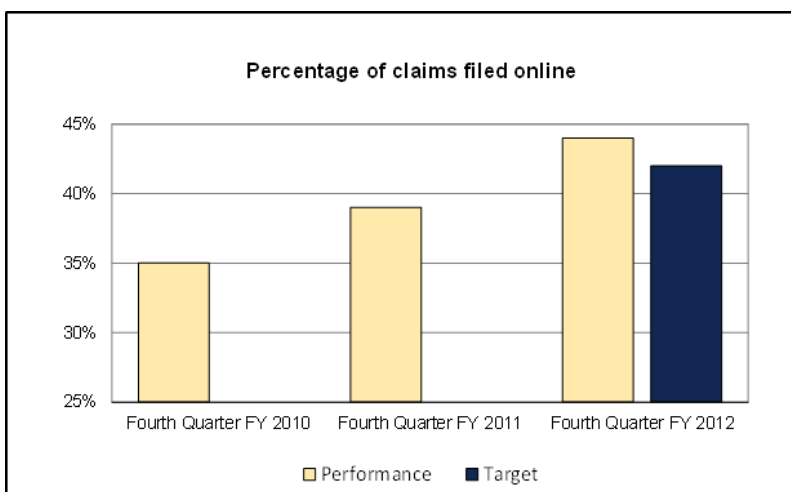
#### 2.1a: Increase the percentage of claims filed online (Priority Goal)

**FY 2012 Target:** 42% (Last quarter only)  
**Performance:** 44% (Last quarter only)  
**Target Achieved:** Yes

*Discussion:* In FY 2012, we achieved our goal by concentrating our marketing efforts on more targeted audiences.

iClaim – our online benefit application that is available in both English and Spanish – is one of the three highest rated electronic services in Federal Government, as measured by the American Customer Satisfaction Index (ACSI), ranking higher than popular private companies like Amazon and Google.

*Trend:*



Fourth Quarter FY	2010	2011	2012
<b>Performance</b>	35%*	39%*	44%
<b>Target</b>	N/A	N/A	42%
<b>Target Met</b>	N/A	N/A	Met

\*To provide comparison data for FY 2010 and FY 2011, we present iClaims (combined initial Social Security disability, retirement, spouses, and Medicare claims filed online) for only the fourth quarter of FY 2010 and FY 2011.

*Data Definition:* The percentage of initial Social Security disability, retirement, spouses, and Medicare claims filed online in the last quarter of the fiscal year. We derive the percentage by dividing the number of initial Social Security disability, retirement, spouses, and Medicare claims filed online in the last quarter of the fiscal year by the total number of initial Social Security disability, retirement, spouses, and Medicare claims that could be filed online in the last quarter of the fiscal year.

*Data Source:* Social Security Unified Measurement System, MI Central, and Local Management Information Report

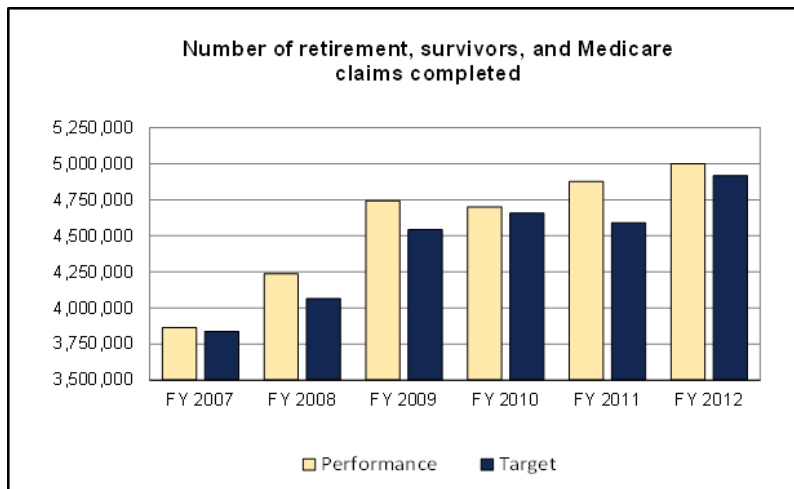
**Note:** This performance measure supports one of our three Priority Goals and is new for FY 2012. The new goal contains only the fourth quarter percentage of initial Social Security disability, retirement, spouses, and Medicare claims filed online.

**2.1b: Complete the budgeted number of retirement, survivors, and Medicare claims**

**FY 2012 Target:** 100% (4,918,000)  
**Performance:** 102% (5,001,092)  
**Target Achieved:** Yes

*Discussion:* We achieved our goal by completing more than 5 million claims – a record breaking number. In FY 2012, we completed over a million more retirement, survivor, and Medicare claims than we completed in FY 2007. Our easy-to-use online application, iClaim, helped us keep up with the significant increase in applications.

*Trend:*



Fiscal Year	2007	2008	2009	2010	2011	2012
<b>Performance</b>	101% (3,863,813)	104% (4,236,455)	104% (4,742,218)	101%* (4,700,990)	106% (4,877,955)	102% (5,001,092)
<b>Target</b>	100% (3,837,000)	100% (4,065,000)	100% (4,543,000)	100% (4,718,000; 4,658,124 rec'd)	100% (4,590,000)	100% (4,918,000)
<b>Target Met</b>	Met	Met	Met	Met	Met	Met

\*In FY 2010, our performance reached 101% as we completed 42,866 more retirement, survivors, and health insurance claims than were received. The number we received was slightly lower than we anticipated in the fiscal year; as a result, we were able to reduce the number of pending claims that were carried over from FY 2009.

*Data Definition:* The percent of retirement, survivors, and Medicare claims completed in the current fiscal year up to the budgeted number.

*Data Source:* Work Measurement Transitional Database

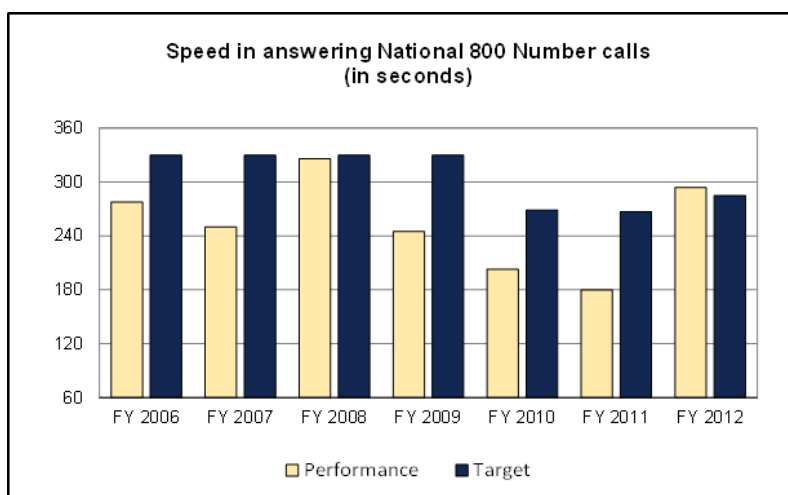
**STRATEGIC OBJECTIVE 2.2:  
INCREASE PUBLIC SATISFACTION WITH OUR TELEPHONE SERVICES**

**2.2a: Achieve the target speed in answering National 800 Number calls**

**FY 2012 Target:** 285 seconds  
**Performance:** 294 seconds  
**Target Achieved:** No

*Discussion:* In FY 2012, we did not meet our goal for Average Speed of Answer (ASA). Our ASA was 294 seconds, 9 seconds higher than our goal of 285 seconds. A more than 9 percent reduction in agents, coupled with an 11 percent increase in calls to the National 800 Number Network (callers wanting to speak to our agents compared to FY 2011), hindered our ability to achieve this goal.

*Trend:*



Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Performance</b>	278	250	326	245	203	180	294
<b>Target</b>	330	330	330	330	269	267	285
<b>Target Met</b>	Met	Met	Met	Met	Met	Met	Not Met

*Data Definition:* We calculate the speed of answer by dividing the wait time of all National 800 Number calls answered by agents by the number of all National 800 Number calls answered by agents in the fiscal year. Wait time begins from the time the caller is transferred to the agent queue (waiting for an agent) and continues until an agent answers the call.

*Data Source:* Report generated by Cisco router software

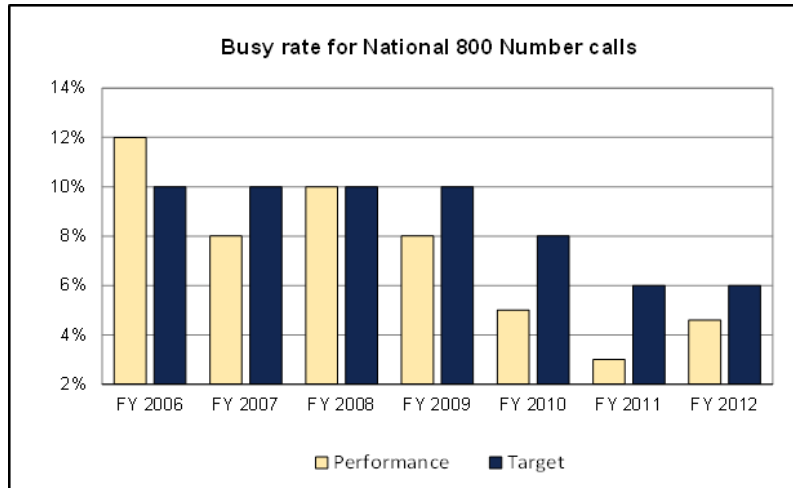
*Plan for Improving Performance:* We have made great strides in recent years to reduce the amount of time it takes to reach a National 800 Number agent. We reduced ASA three years in a row from FY 2009 – FY 2011. Even though staffing losses prevented us from continuing this trend in FY 2012, we continue to improve call center management processes and technologies to minimize the waiting times.

**2.2b: Achieve the target busy rate for National 800 Number calls**

**FY 2012 Target:** 6%  
**Performance:** 5%  
**Target Achieved:** Yes

*Discussion:* In FY 2012, we achieved our goal to keep the average busy rate down. Our busy rate was 5 percent, which was 1 percent lower than our target busy rate of 6 percent for National 800 Number calls.

*Trend:*



Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Performance</b>	12%	8%	10%	8%	5%	3%	5%
<b>Target</b>	10%	10%	10%	10%	8%	6%	6%
<b>Target Met</b>	Not met	Met	Met	Met	Met	Met	Met

*Data Definition:* We calculate the Agent Busy Rate as the number of National 800 Number busy messages divided by the number of National 800 Number calls requesting agent service in the fiscal year. The caller receives a busy message when the number of calls offered exceeds the number of telephone lines available or when the agent queue has reached its maximum capacity of waiting calls.

*Data Source:* Report generated by Cisco router software

**2.2c: Maintain the percent of people rating our services as “excellent,” “very good,” or “good”**

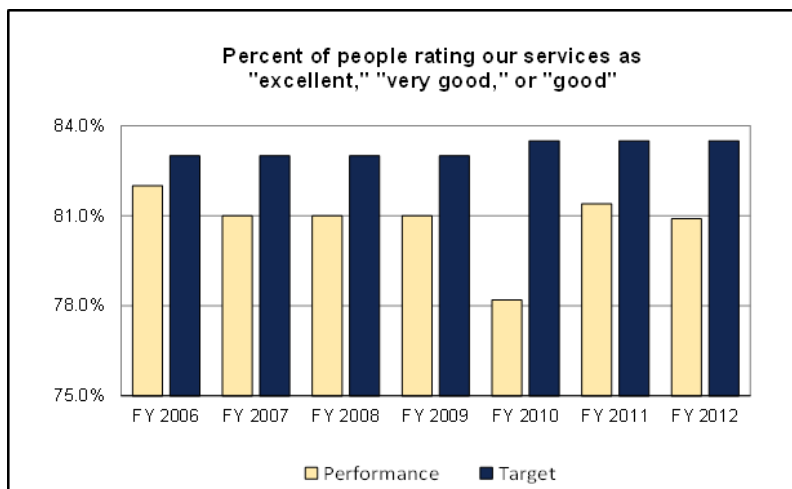
**FY 2012 Target:** 83.5%  
**Performance:** 80.9%  
**Target Achieved:** No

*Discussion:* We did not achieve our FY 2012 target.

These survey results, along with other survey findings, allow us to identify the specific aspects of service where improvements would have the greatest effect on overall satisfaction. We discuss these surveys in more detail in the *Program Evaluation* section on page 98.

We also consider the ACSI as an indicator of the public’s opinion of our services. ACSI results showed that the public was very satisfied with our online services in FY 2012. On a 100 point scale, our iClaims online benefit applications scored 92, and our online Retirement Estimator scored 90. Our online Extra Help with Medicare Prescription Drug Plan Costs scored 89 and our Social Security Internet Disability Report scored 83.

*Trend:*



Fiscal Year	2006	2007	2008	2009*	2010*	2011*	2012*
<b>Performance</b>	82%	81%	81%	81%	78.2%	81.4%	80.9%
<b>Target</b>	83%	83%	83%	83%	83.5%	83.5%	83.5%
<b>Target Met</b>	Not met	Not met	Not met	Not met	Not met	Not met	Not met

\*Prior to FY 2009, historical data included surveys of National 800 Number callers, field office callers, and visitors to field offices and hearing offices only. Starting in FY 2009 and continuing in FY 2010, we expanded the data source to include individuals who filed an application online. In FY 2009, we included results of a special survey of iClaims in the calculation of the performance indicator. In FY 2010, we implemented the Internet Report Card Survey. We started that year with a sample that included iClaims and the online application for Extra Help with Medicare Prescription Drug Plan Costs. In FY 2011, we added online change of address and direct deposit transactions. In FY 2012, we included the iMedical segment, which sampled people who completed the online medical form for a disability initial claim or appeal. The FY 2011 Office Visitor Survey added Social Security Card Centers to the types of field offices included. Also, beginning in FY 2010, we rounded to one-tenth percent instead of whole number for both trend and performance data for this measure.

*Data Definition:* The percent is derived by dividing the number of respondents who rate overall service as “excellent,” “very good,” or “good” on a six-point scale ranging from “excellent” to “very poor” in the fiscal year by the total number of respondents.

*Data Source:* We based the overall satisfaction rating on Service Satisfaction Surveys of National 800 Number callers; field office callers; visitors to field offices (including Social Security Card Centers beginning in FY 2011) and hearing offices; and individuals who used one of our transactional Internet services. The Internet Report Card Survey, which began in FY 2010 with iClaim and Medicare Part D Subsidy applications, added online change of address and direct deposit actions to the types of transactions sampled in FY 2011. The FY 2012 Internet Report Card Survey will add a sample of individuals who completed the online medical form for a disability initial claim or appeal. The FY 2013 survey will incorporate online requests for information, such as benefit verifications.

*Plan for Improving Performance:* Although we did not meet our goal in FY 2012, we are making progress to improve the service rating from our customers for FY 2013 as follows:

- We will replace the National 800 Number infrastructure with a new modern infrastructure called Citizen Access Routing Enterprise (CARE 2020) that will help us better forecast call volumes, anticipate staffing needs, and distribute incoming calls across the network so callers can more quickly reach an agent. The new system will allow us to mirror industry practice of less than 1 percent busy signal rates. Wait times will be longer, but CARE 2020 will empower customers to make a decision to wait for service, receive a scheduled callback, or hang up and retry later, which we believe will be less frustrating for customers than reaching a busy signal.
- We will add an informational message to manage customers' expectations and reduce caller frustration. Field office callers will hear a message advising them how long their wait will be to speak to a representative – similar to the message our National 800 Number Network callers hear.



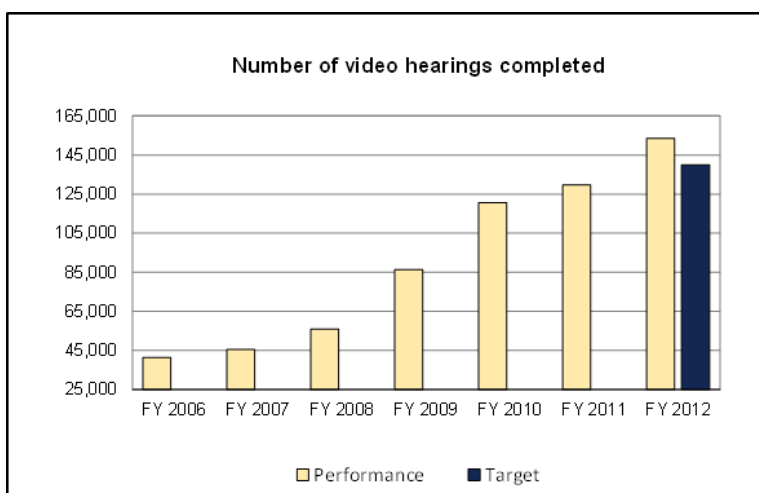
**STRATEGIC OBJECTIVE 2.3:  
EXPAND THE USE OF VIDEO SERVICES**

**2.3a: Complete the planned number of video hearings**

**FY 2012 Target:** 140,000  
**Performance:** 153,592  
**Target Achieved:** Yes

*Discussion:* We exceeded our goal by completing 153,592 video hearings in FY 2012, a growth rate of 17 percent. We attribute the growth in video hearings to a number of factors, such as more participants in the Representative Video Project where representatives are certified to participate in video hearings from their offices. Also, over the past year, we have added video capabilities to our hearing offices.

*Trend:*



Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Performance</b>	41,457	45,449	55,869	86,320	120,624	129,775	153,592
<b>Target</b>	N/A	N/A	N/A	N/A	N/A	N/A	140,000
<b>Target Met</b>	N/A	N/A	N/A	N/A	N/A	N/A	Met

*Data Definition:* The number of video hearings completed in the current fiscal year.

*Data Source:* Case Processing and Management System

**Note:** This performance measure is new for FY 2012. We present FY 2006 – FY 2011 performance for comparative purposes.

**STRATEGIC OBJECTIVE 2.4:  
IMPROVE THE CLARITY OF OUR NOTICES**

There is no performance measure for this objective.

**STRATEGIC GOAL 3:  
PRESERVE THE PUBLIC’S TRUST IN OUR PROGRAMS**

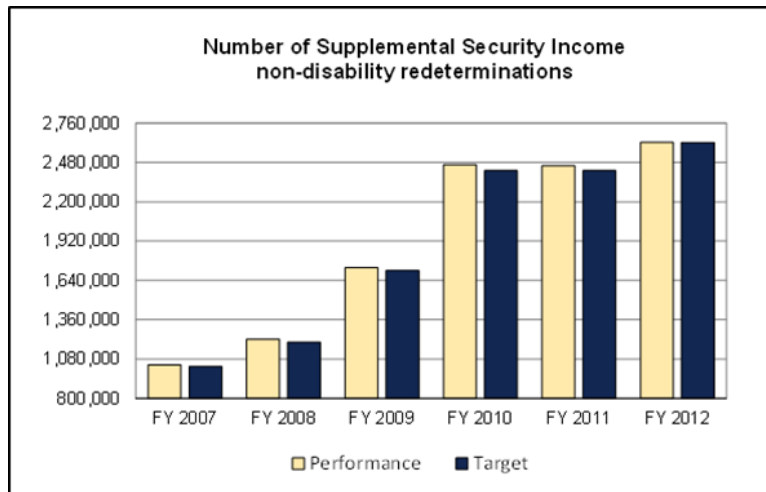
**STRATEGIC OBJECTIVE 3.1:  
INCREASE EFFORTS TO ACCURATELY PAY BENEFITS**

**3.1a: Complete the budgeted number of Supplemental Security Income non-disability redeterminations**

**FY 2012 Target:** 2,622,000  
**Performance:** 2,624,170  
**Target Achieved:** Yes

*Discussion:* In FY 2012, we achieved our goal and completed 2,170 more redeterminations than we planned. Redeterminations are periodic reviews of the non-medical factors of SSI recipients’ eligibility for SSI payments. We estimate that every dollar spent on SSI redeterminations yields about \$6 in lifetime program savings, including savings accrued to Medicaid.

*Trend:*



Fiscal Year	2007	2008	2009	2010	2011	2012
<b>Performance</b>	1,038,948	1,220,664	1,730,575	2,465,878	2,456,830	2,624,170
<b>Target</b>	1,026,000	1,200,000	1,711,000	2,422,000	2,422,000	2,622,000
<b>Target Met</b>	Met	Met	Met	Met	Met	Met

*Data Definition:* The number of non-disability Supplemental Security Income redeterminations completed in the fiscal year up to the target. This number includes scheduled and unscheduled reviews, as well as targeted redeterminations.

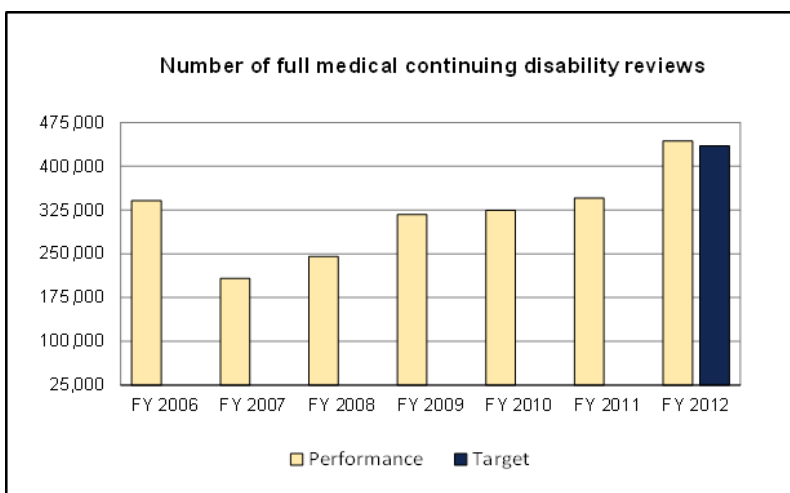
*Data Source:* Integrated SSA Unified Measurement System Counts Report

**3.1b: Complete the budgeted number of full medical continuing disability reviews**

**FY 2012 Target:** 435,000  
**Performance:** 443,233  
**Target Achieved:** Yes

*Discussion:* In FY 2012, we achieved our goal. We conducted 97,741 more full medical continuing disability reviews (CDR) than FY 2011. We perform CDRs to determine if disabled beneficiaries still meet the medical requirements for continued eligibility. We estimate, on average, each dollar spent on full medical CDRs will yield about \$9 in lifetime program savings, including savings accrued to Medicare and Medicaid.

*Trend:*



Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Full Medical</b>	340,580	207,637	245,388	316,960	324,567	345,492	443,233
<b>Target</b>	N/A	N/A	N/A	N/A	N/A	N/A	435,000
<b>Target Met</b>	N/A	N/A	N/A	N/A	N/A	N/A	Met

*Data Definition:* The number of full medical CDRs completed in the fiscal year up to the target. This number represents only full medical reviews completed by the State DDS and other agency components and cases where we initiated a review but one was not conducted because the individual failed to cooperate.

*Data Source:* Continuing Disability Review Tracking Files

**Note:** This performance measure is new for FY 2012. We present FY 2006 – FY 2011 performance for comparative purposes. Prior to FY 2012, performance included reviews completed by the State DDS and other agency components, reviews conducted by questionnaires (mailers) that do not require a medical review, and cases where we initiated a review but one was not conducted because the individual failed to cooperate. The table below provides the total full medical CDRs and mailers reported in previous fiscal year reports.

Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Full Medical</b>	340,580	207,637	245,388	316,960	324,567	345,492	443,233
<b>Mailers</b>	997,058	557,215	845,915	785,023	631,615	1,063,405	961,069
<b>Total CDRs</b>	1,337,638	764,852	1,091,303	1,101,983	956,182	1,408,897	1,404,302

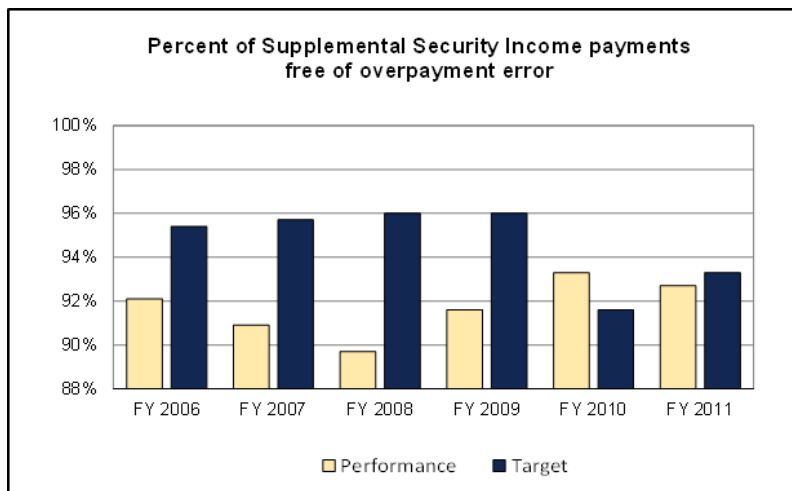
**3.1c: Percent of Supplemental Security Income payments free of overpayment and underpayment error (Priority Goal)**

**FY 2012 Target:** Overpayment accuracy: 95.0%  
 Underpayment accuracy: 98.8%  
**Performance:** Data available April 2013  
**Target Achieved:** TBD

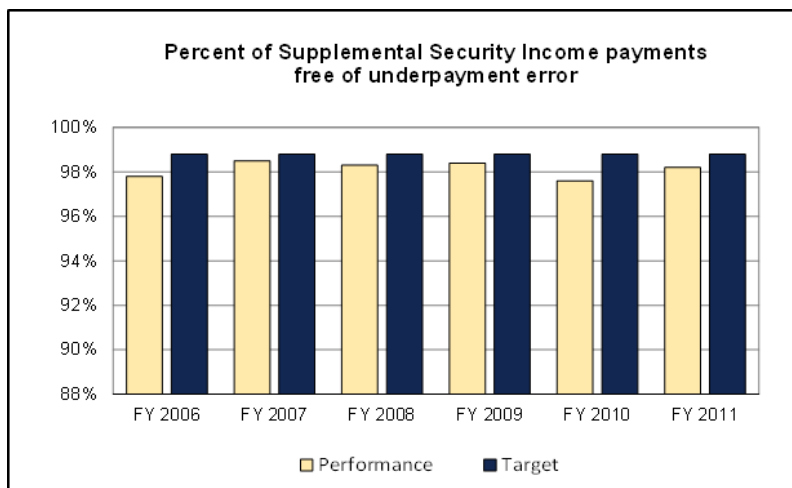
*Discussion:* FY 2012 data for this performance measure will not be available until April 2013. We will discuss our FY 2012 performance in next year’s report. Our FY 2011 performance data were not available when we published our *FY 2011 Performance and Accountability Report*.

Data are now available and show that we did not meet our FY 2011 goal. Overpayments occur when we pay beneficiaries and recipients too much money. Underpayments occur when we pay beneficiaries and recipients too little money. Our SSI overpayment accuracy has improved since FY 2008 in part, because we have conducted more SSI redeterminations. SSI redeterminations generally have a positive effect, but not always a direct correlation, on our payment accuracy. More information about our SSI payment accuracy rates is located in our *Program Evaluation* section on page 103.

*Trend:*



Overpayment Accuracy Rate							
Fiscal Year	2006	2007	2008	2009	2010	2011	2012
Performance	92.1%	90.9%	89.7%	91.6%	93.3%	92.7%	Data available April 2013
Target	95.4%	95.7%	96.0%	96.0%	91.6%	93.3%	95.0%
Target Met	Not met	Not met	Not met	Not met	Met	Not met	TBD



Underpayment Accuracy Rate							
Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Performance</b>	97.8%	98.5%	98.3%	98.4%	97.6%	98.2%	Data available April 2013
<b>Target</b>	98.8%	98.8%	98.8%	98.8%	98.8%	98.8%	98.8%
<b>Target Met</b>	Not met	Not met	Not met	Not met	Not met	Not met	TBD

**Data Definition:** We determine the SSI payment accuracy rate free of overpayment and underpayment error by an annual review of a statistically valid sample of the beneficiary rolls. The payment accuracy is based on a non-medical review of sampled individuals receiving SSI payments during the fiscal year. We determine the overpayment accuracy rate by dividing the total overpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent. We determine the underpayment accuracy rate by dividing the total underpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent.

**Data Source:** Supplemental Security Income Stewardship Report

**Plan for Improving Performance:** We planned to significantly increase the number of bank verifications conducted through our Access to Financial Institutions Initiative by the beginning of FY 2013, however, due to resource shortages, we have delayed our plan. We continue to improve the bank verification process and will increase bank verifications as resources permit.

In FY 2013, SSI recipients (or their parent, spouse, or representative payee) will be able to use their Android or iPhone to report their monthly wage amounts. This application is an extension of the SSI Telephone Wage Reporting automated system that ensures wage amounts post timely to an individual’s record. This initiative will serve as a research and development project as we work towards using mobile devices to interact with our customers.

**Note:** This performance measure supports one of our three Priority Goals.

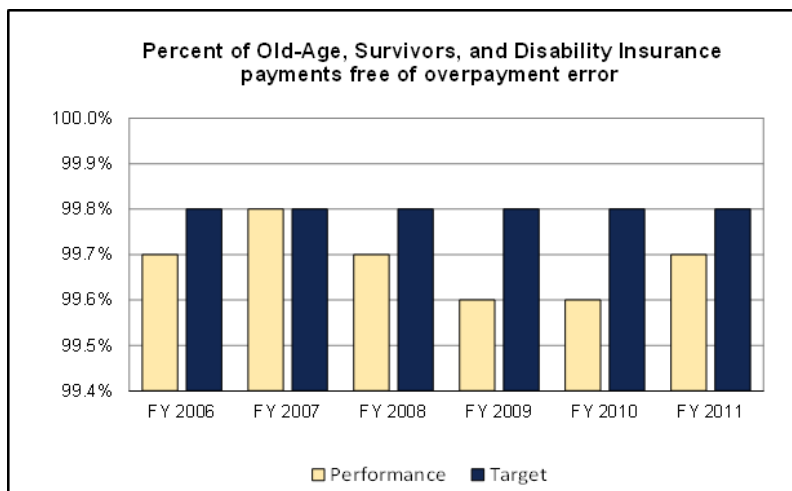
**3.1d: Maintain percent of Old-Age, Survivors, and Disability Insurance payments free of overpayment and underpayment error**

**FY 2012 Target:** Overpayment accuracy: 99.8%  
Underpayment accuracy: 99.8%  
**Performance:** Data available April 2013  
**Target Achieved:** TBD

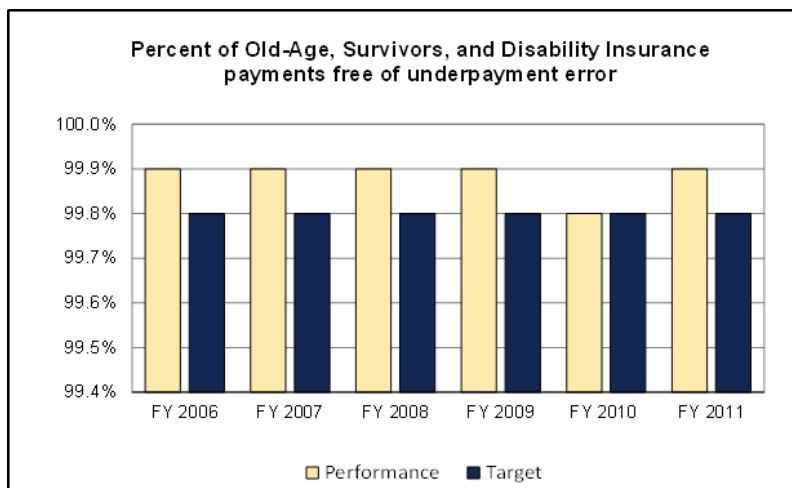
*Discussion:* FY 2012 data for this performance measure will not be available until April 2013. We will discuss our FY 2012 performance in next year’s report. Our FY 2011 performance data were not available when we published our *FY 2011 Performance and Accountability Report*.

In FY 2011, we achieved our underpayment target, but we missed our overpayment target by 0.1 percent. Our Old-Age, Survivors, and Disability Insurance (OASDI) overpayment accuracy was 99.7 percent. Our underpayment accuracy rate for the OASDI program was 99.9 percent. There are many causes for improper OASDI payments, such as disabled beneficiaries’ failing to report work activity, and beneficiaries’ providing incorrect annual wage estimates. These and other causes resulted in approximately \$3.2 billion in improper OASDI payments in FY 2011. More information about the OASDI accuracy rates is located in our *Program Evaluation* section, on page 102.

*Trend:*



Overpayment Accuracy Rate							
Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Performance</b>	99.7%	99.8%	99.7%	99.6%	99.6%	99.7%	Data available April 2013
<b>Target</b>	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
<b>Target Met</b>	Not met	Met	Not met	Not met	Not met	Not met	TBD



Underpayment Accuracy Rate							
Fiscal Year	2006	2007	2008	2009	2010	2011	2012
<b>Performance</b>	99.9%	99.9%	99.9%	99.9%	99.8%	99.9%	Data available April 2013
<b>Target</b>	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%	99.8%
<b>Target Met</b>	Met	Met	Met	Met	Met	Met	TBD

**Data Definition:** We determine the Old-Age, Survivors, and Disability Insurance (OASDI) payment accuracy rate free of overpayment and underpayment error by an annual review of a statistically valid sample of the beneficiary rolls. The payment accuracy is based on a non-medical review of sampled individuals receiving OASDI payments during the fiscal year. We determine the overpayment accuracy rate by dividing the total overpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent. We determine the underpayment accuracy rate by dividing the total underpayment error dollars by the total dollars paid for the fiscal year and subtracting this percentage from 100 percent.

**Data Source:** Old-Age, Survivors, and Disability Insurance Stewardship Report

**Plan for Improving Performance:** Our OASDI stewardship review indicates that this program is highly accurate. In an effort to prevent improper payments in our OASDI program, we continually enhance our statistical predictive models to identify the at risk workloads.

We developed a statistical predictive model that identifies beneficiaries who are at risk of receiving large earnings-related overpayments. We began testing this model in October 2010 and we expanded the pilot to include over 50 percent of the CDR workload. The predictive model will help us prioritize staff resources to work high-risk cases first and reduce the amount of work-related overpayments. We now prioritize the CDR enforcement alerts used to identify unreported earnings and complete the cases with highest earnings first to minimize overpayments.

**STRATEGIC OBJECTIVE 3.2:  
RECOVER IMPROPER PAYMENTS**

**3.2a: Expand and enhance our debt collection tools**

<b>FY 2012 Target:</b>	Implement Treasury Offset Program for programmatic delinquent debt over 10 years old
<b>Performance:</b>	Implemented Treasury Offset Program for programmatic delinquent debt over 10 years old
<b>Target Achieved:</b>	Yes

*Discussion:* We achieved our goal for FY 2012. In 2009, the United States (U.S.) Department of the Treasury enhanced the Treasury Offset Program by amending its regulations to allow for collection of legally enforceable, non-tax debts beyond the prior 10-year statute of limitation. In FY 2012, we identified 443,765 debtors with debt delinquent 10 years or more. In May 2012, we implemented systems enhancements to allow us to select and notify these debtors. In June 2012, we began sending notices to 60,000 of the affected debtors.

*Data Definition:* Develop and implement internal processes to allow SSA to begin pursuing, through the Department of Treasury Offset Program, programmatic debts that have been delinquent for longer than 10 years.

*Data Source:* The External Collection Operation Master File

**Note:** This performance measure is new for FY 2012.



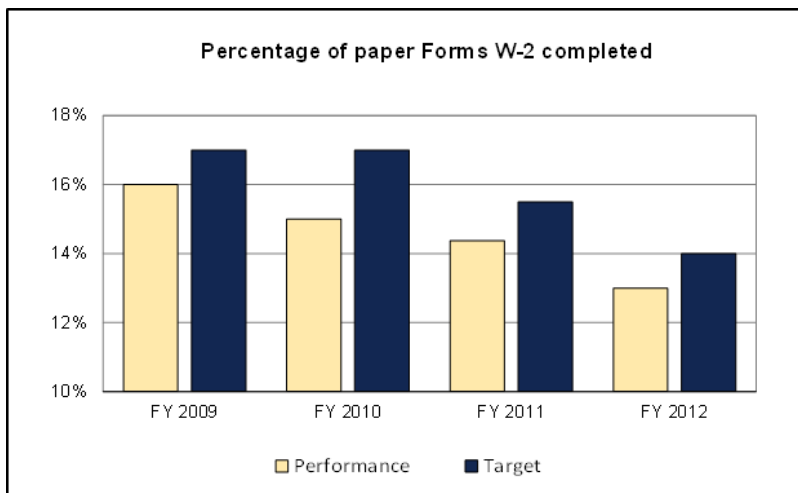
**STRATEGIC OBJECTIVE 3.3:  
MAINTAIN ACCURATE EARNINGS RECORDS**

**3.3a: Reduce the percentage of paper Forms W-2 completed**

**FY 2012 Target:** 14%  
**Performance:** 13%  
**Target Achieved:** Yes

*Discussion:* In FY 2012, we exceeded our target. Accurately posting all annual wage reports we receive to workers' earnings records is essential for the proper administration of our programs. We receive the majority of wage reports electronically. We still receive some paper reports, which are more error-prone and labor intensive to process. To help reduce paper wage reports, we conducted several outreach activities to encourage employers to register and use our Business Services Online, which enables employers to file W-2 forms electronically.

*Trend:*



Fiscal Year	2009	2010	2011	2012
<b>Performance</b>	16%	15%	14.4%	13%
<b>Target</b>	17%	17%	15.5%	14%
<b>Target Met</b>	Met	Met	Met	Met

*Data Definition:* The percentage of paper Forms W-2 processed to completion. We derive the percentage by dividing the number of paper Forms W-2 processed to completion by the total number of Forms W-2 processed to completion. Data are reported cumulatively for the current calendar year, as Forms W-2 are processed for the prior tax year.

*Data Source:* Earnings Modernization Operational Data Store Management Information Reports

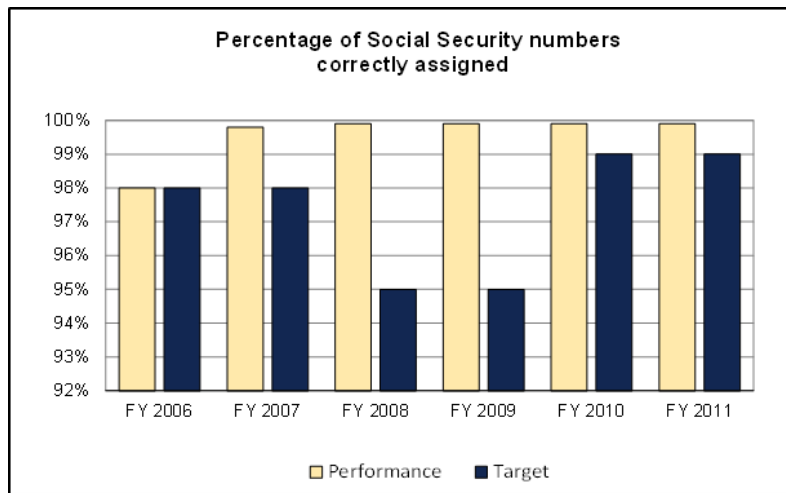
**3.3b: Achieve the target percentage for correctly assigning original Social Security numbers**

**FY 2012 Target:** 99%  
**Performance:** Data available May 2013  
**Target Achieved:** TBD

*Discussion:* FY 2012 data for this performance measure will not be available until May 2013. We will discuss our FY 2012 performance in next year’s report. Our FY 2011 performance data were not available when we published our *FY 2011 Performance and Accountability Report*.

In FY 2011, we correctly assigned 99.9 percent of Social Security numbers (SSN), exceeding our FY 2011 target of 99 percent. To help us achieve this goal, we completed SSN specialized work in our card centers nationwide. We also continued making improvements to the SSN Application Process (SSNAP) tool, a web-based application for assigning original and replacement SSN cards in our field offices and card centers.

*Trend:*



Fiscal Year	2006	2007	2008*	2009*	2010*	2011*	2012
Performance	98%	99.8%	99.9%	99.9%	99.9%	99.9%	Data available May 2013
Target	98%	98%	95%	95%	99%	99%	99%
Target Met	Met	Met	Met	Met	Met	Met	TBD

\*In FY 2008, historical data for SSNs correctly assigned included “if the applicant had more than one SSN, the numbers were cross-referenced.” We changed the data definition in FY 2009 to what we considered a correctly assigned SSN, that is, if an individual did not receive more than one SSN. In FY 2010, we changed the data definition to include correct assignment of SSNs if the individual did not receive more than one SSN, except where permitted. Beginning with the *FY 2011 Performance and Accountability Report*, we reported our performance carried to the first decimal place of the percentage rather than rounding to a whole number percentage, as in previous year reports. We felt this was a more transparent reporting of this performance measure.

*Data Definition:* We derive the percentage using a statistically valid sample of original Social Security numbers assigned in the fiscal year. We divide the number of correctly assigned Social Security numbers by the total number sampled. We consider the Social Security number assigned correctly when: (1) the individual did not receive a Social Security number that belongs to someone else; (2) the individual did not receive more than one Social Security number, except where permitted; and (3) the individual is eligible to receive a Social Security number based on supporting documentation.

*Data Source:* Enumeration Quality Review

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**STRATEGIC OBJECTIVE 3.4:  
MAKE OUR ADMINISTRATIVE OPERATIONS EVEN MORE EFFICIENT**

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**3.4a: Receive an unqualified audit opinion on SSA's financial statements**

<b>FY 2012 Target:</b>	Receive an unqualified opinion
<b>Performance:</b>	Received an unqualified opinion
<b>Target Achieved:</b>	Yes

*Discussion:* For the 19th consecutive year, we received an unqualified opinion on our financial statements. In accordance with the *Chief Financial Officers Act*, the Office of the Inspector General contracted with Grant Thornton, LLP to independently audit our financial statements. In its audit, Grant Thornton, LLP found that our financial statements, as contained in this *FY 2012 Performance and Accountability Report*, are presented fairly, in all material respects, and in conformity with accounting principles generally accepted in the U.S. We take the stewardship of our programs very seriously, and we continue to demonstrate an unyielding dedication to sound financial management practices.

*Trend:* We have received an unqualified audit opinion every year from FY 1994 to FY 2012.

*Data Definition:* The receipt of an unqualified audit opinion from an independent auditor. We receive an unqualified opinion on the financial statements when an independent auditor determines that agency financial statements are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America.

*Data Source:* The independent auditor report

## STRATEGIC GOAL 4: STRENGTHEN OUR WORKFORCE AND INFRASTRUCTURE

### STRATEGIC OBJECTIVE 4.1: STRENGTHEN OUR WORKFORCE – RECRUIT, TRAIN, DEVELOP, AND RETAIN SUPERIOR EMPLOYEES

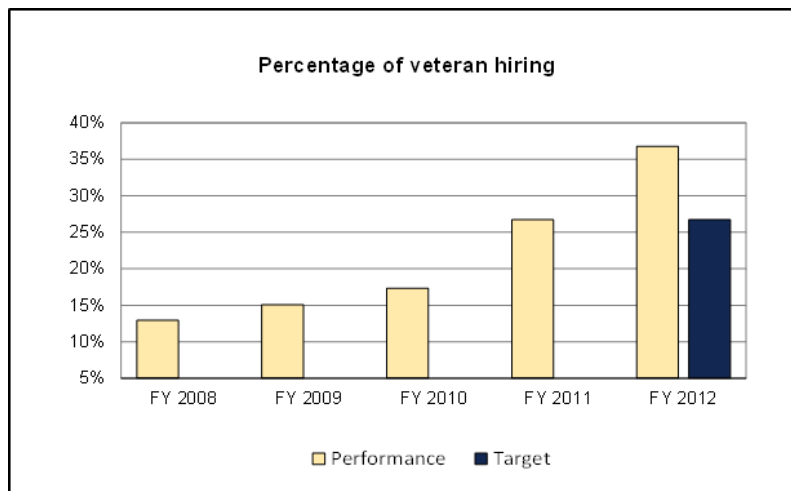
#### 4.1a: Recruit and hire veterans and disabled veterans

<b>FY 2012 Target:</b>	Veteran Hiring:	26.72%
	Disabled Veteran Hiring:	14.59%
<b>Performance:</b>	Veteran Hiring:	36.78%
	Disabled Veteran Hiring:	15.49%
<b>Target Achieved:</b>	Yes	

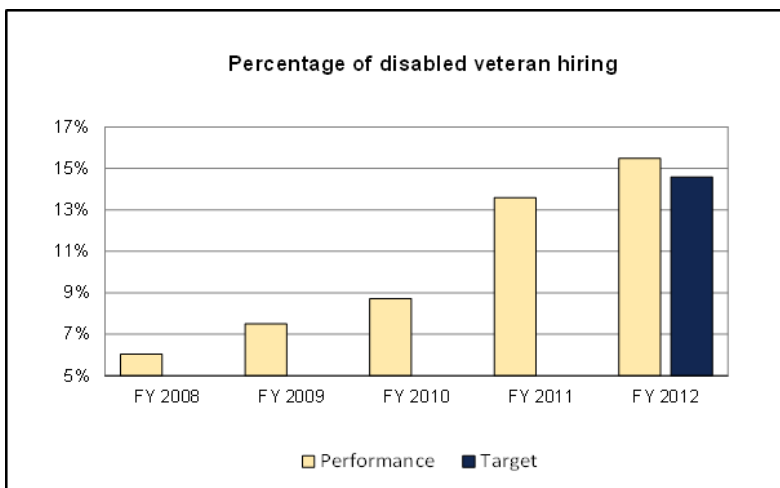
*Discussion:* We achieved our FY 2012 goal to recruit and hire veterans and disabled veterans. We implemented strategies to establish a pipeline of qualified veteran candidates.

We promoted the use of the Non-Paid Work Experience program to provide internship opportunities to connect with qualified veterans and created veteran referral packets based on non-competitive appointment eligibility to recruit and hire disabled veterans.

*Trend:*



Veteran Hiring					
Fiscal Year	2008	2009	2010	2011	2012
<b>Performance</b>	12.93%	15.07%	17.33%	26.72%	36.78%
<b>Target</b>	N/A	N/A	N/A	N/A	26.72%
<b>Target Met</b>	N/A	N/A	N/A	N/A	Met



Disabled Veteran Hiring					
Fiscal Year	2008	2009	2010	2011	2012
Performance	6.04%	7.50%	8.72%	13.59%	15.49%
Target	N/A	N/A	N/A	N/A	14.59%
Target Met	N/A	N/A	N/A	N/A	Met

*Data Definition for Veteran Hiring:* For a given fiscal year, the percentage of overall permanent hires who are veterans (i.e., an employee who has been discharged or released from active duty in the armed forces under honorable conditions and has a 5-point or 10-point veteran’s preference).

*Data Definition for Disabled Veteran Hiring:* For a given fiscal year, the percentage of overall permanent hires who are disabled veterans (i.e., an employee who has been discharged or released from active duty in the armed forces under honorable conditions and has a 10-point preference due to a service-connected disability). This category is a subset of the overall veterans hiring statistic.

Data includes full-time permanent and part-time permanent employees only.

*Data Source:* Human Resources Operational Data Store

**Note:** This performance measure is new for FY 2012. We present FY 2008 – FY 2011 performance for comparative purposes.

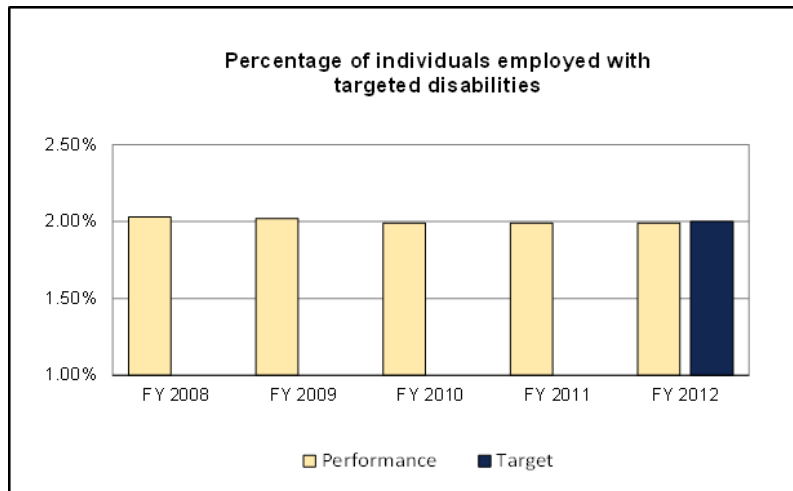
**4.1b: Employ individuals with targeted disabilities**

**FY 2012 Target:** 2.00%  
**Performance:** 1.99%  
**Target Achieved:** No

*Discussion:* In FY 2012, we fell slightly short of our goal to employ individuals with targeted disabilities. We conducted targeted recruitment through our trained nationwide cadre of Selective Placement Coordinators who collaborated with partners from local colleges, State vocational rehabilitation agencies, Ticket to Work employment networks, advocacy groups, and other organizations to recruit qualified job candidates with disabilities. In addition, we selected candidates through the Schedule A appointing authority allowing us to hire individuals with disabilities outside of the traditional competitive hiring process.

Our [Disability Careers website \(www.socialsecurity.gov/careers/dib.html\)](http://www.socialsecurity.gov/careers/dib.html) is a valuable recruitment tool used to attract individuals with disabilities. In addition, we used video on demand as a valuable resource geared for managers who are seeking to permanently hire employees with disabilities.

*Trend:*



Fiscal Year	2008	2009	2010	2011	2012
<b>Performance</b>	2.03%	2.02%	1.99%	1.99%	1.99%
<b>Target</b>	N/A	N/A	N/A	N/A	2.00%
<b>Target Met</b>	N/A	N/A	N/A	N/A	Not met

*Data Definition:* The percentage of the on-duty workforce, as of the end of the fiscal year (September 30), who self-identified as an individual with a targeted disability (i.e., an employee who has self-identified with the following physical and/or mental impairment: deafness, blindness, missing extremities, partial paralysis, complete paralysis, and other impairment such as epilepsy, severe intellectual disability, psychiatric disability, and dwarfism). Data include full-time permanent and part-time permanent employees only.

*Data Source:* Human Resources Operational Data Store

*Plan for Improving Performance:* We plan to increase awareness of available hiring authorities, internal and external support resources, and employee retention efforts among hiring managers through enhanced marketing and training programs.

**Note:** This performance measure is new for FY 2012. We present FY 2008 – FY 2011 performance for comparative purposes.

**4.1c: Conduct mandatory employee training on diffusing difficult encounters with the public**

<b>FY 2012 Target:</b>	Develop the safety and security training curriculum
<b>Performance:</b>	Identified existing training and developed internal website
<b>Target Achieved:</b>	No

*Discussion:* We did not meet this goal.

*Data Definition:* The number of new and existing employees trained on safety and security measures when encountering irate and aggressive customers. We will train front-line employees first.

*Data Source:* Safety and Security Website and the Learning Management System

*Plan for Improving Performance:* We will achieve this goal in FY 2013 by:

- Conducting an agency-wide security training needs assessment;
- Designing a new and effective security training curriculum; and
- Establishing training delivery methods.

**Note:** This performance measure is new for FY 2012.

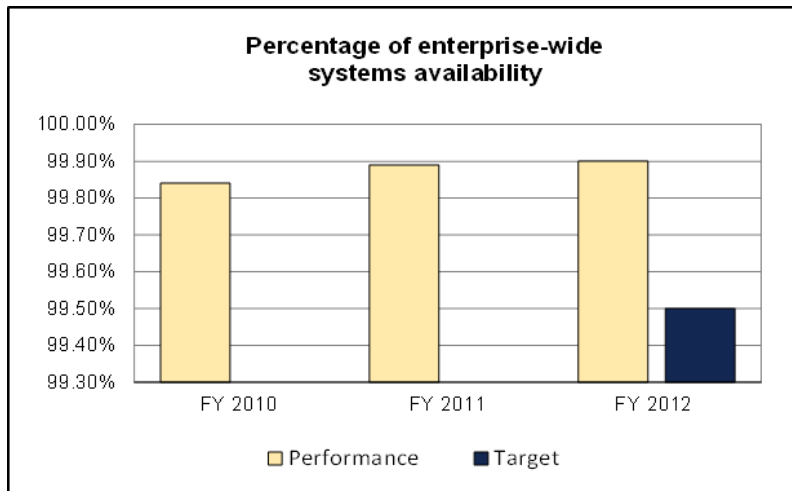
**STRATEGIC OBJECTIVE 4.2:  
MAINTAIN SECURE AND RELIABLE INFORMATION TECHNOLOGY SERVICES**

**4.2a: Percentage of enterprise-wide systems availability**

**FY 2012 Target:** 99.5%  
**Performance:** 99.9%  
**Target Achieved:** Yes

*Discussion:* We exceeded our target with a 99.9 percent enterprise-wide availability in FY 2012. Higher enterprise-wide systems availability allows our employees to be more productive. Our robust infrastructure and systems availability supports all our application processing needs. Our rigorous capacity planning ensures that hardware and network resources are in place to support application demands when needed. Continuous performance monitoring and tuning ensures we use these resources effectively and efficiently.

*Trend:*



Fiscal Year	2010	2011	2012
<b>Performance</b>	99.84%	99.89%	99.9%
<b>Target</b>	N/A	N/A	99.5%
<b>Target Met</b>	N/A	N/A	Met

*Data Definition:* We define enterprise availability as a weighted total availability of service channel mission critical applications for all our customers. An application is considered available when the end user can perform all business functions within the application with reasonable response times. Six different service channels (online, DDS eDIB, Internet, telephone, data exchange, and weekend outage) and accompanying applications are included.

*Data Source:* Change, Asset, and Problem Reporting System (Data is limited to Critical Application Severity 1 outages)

**Note:** This performance measure is new for FY 2012. We present FY 2010 – FY 2011 performance for comparative purposes.



**STRATEGIC OBJECTIVE 4.3:  
INCREASE EFFICIENCY OF OUR PHYSICAL INFRASTRUCTURE**

**4.3a: Reduce energy intensity by 30 percent by 2015**

<b>FY 2012 Target:</b>	7%
<b>Performance:</b>	Data available January 2013
<b>Target Achieved:</b>	TBD

*Discussion:* FY 2012 data for this performance measure will not be available until January 2013. We will discuss our FY 2012 performance in next year’s report.

Our energy intensity is defined as the British thermal units, or BTUs, per gross square feet of the managed space. We implemented a number of Energy Conservation Measures, such as improving heating, ventilation, and air conditioning set point changes and reducing excess lighting.

*Trend:*

Fiscal Year	2010	2011	2012
<b>Performance</b>	5.6%*	1.8%*	Data available January 2013
<b>Target</b>	N/A	N/A	7%
<b>Target Met</b>	N/A	N/A	TBD

\*We accomplish incremental progress by completing the annual Federal Energy Management Program worksheet using the results from monthly utility bills in delegated buildings. The Department of Energy issues the worksheet to agencies annually in October and it is due January 30.

*Data Definition:* Energy intensity is energy consumption per square foot of building space. Executive Order 13514 requires agencies to improve energy efficiency and reduce greenhouse gas emissions through reduction of energy intensity by 30 percent by the end of FY 2015 as it relates to the baseline of the agency’s energy use in fiscal year 2003. We measure the decrease in energy consumption for FY 2012 compared to the FY 2003 usage baseline.

*Data Source:* Department of Energy Federal Energy Management Program Greenhouse Gas Reduction Inventory

**Note:** This performance measure is new for FY 2012. We present FY 2010 – FY 2011 performance for comparative purposes.

# Program Evaluation

The following are brief summaries of selected program evaluations we completed, or obtained results for, during FY 2012. Program evaluations and surveys assess how well our programs are working. We list the evaluations under the Strategic Goal they support from our [Agency Strategic Plan for FY 2013 – FY 2016](#) ([www.socialsecurity.gov/asp/index.html](http://www.socialsecurity.gov/asp/index.html)).

## STRATEGIC GOAL 1: DELIVER QUALITY DISABILITY DECISIONS AND SERVICES

### DISABILITY SCORECARD SURVEYS

The Disability Scorecard Surveys measure customer satisfaction with the disability application process at the initial and hearing levels. We survey disability claimants – both Social Security and Supplemental Security Income – in the following groups that reflect different stages of the process:

- Mid-process, after an initial disability application is filed but before a decision is made;
- Initial awards and denials, after the initial level decision on the application; and
- Hearing awards and denials, after the hearing level decision on the application.

We ask those surveyed for an overall rating of the service we provided during the disability application process. The chart below shows the percentage of respondents at each stage of the process rating our overall service as Excellent, Very Good, or Good for each year since the surveys were first conducted. The chart shows that respondent opinion is greatly influenced by the outcome of the application for disability benefits. In addition, the chart illustrates the extent of the decline in satisfaction as the application proceeds through the hearing level. However, the gap between initial and hearing level satisfaction is greater when the application is denied than when it is awarded.

#### FY 2011 Disability Scorecard Survey Results: Overall Opinion of Our Service

Fiscal Year	Disability Initial Claims Report Card Surveys			Hearing Process Report Card Survey	
	Mid-Process	Award	Denial	Award	Denial
2011	83%	92%	54%*	83%*	40%
2010	83%	92%	51%	80%*	39%*
2009	84%	92%	51%	76%*	37%*
2008	84%	92%	53%	74%	34%

\*Indicates a statistically significant difference compared to the previous year.

### DISABILITY CASE REVIEW OF ADMINISTRATIVE LAW JUDGE HEARING DECISIONS

The following discusses the results of our Disability Case Review of ALJ Hearing Decisions for FY 2011, which were not available when we published our *FY 2011 Performance and Accountability Report*. In FY 2011,

we conducted a quality review of our ALJ decisions, known as the Disability Case Review. This review evaluates both favorable and unfavorable ALJ hearing decisions.

Our two year data comparison begins with the last six months of 2009 and ends with the first six months 2011. In the last 6 months of FY 2009 (April through September), we agreed with 90 percent of ALJ favorable decisions and 89 percent of their unfavorable decisions. For FY 2010, we agreed with 84 percent of the ALJ favorable decisions and 91 percent of the unfavorable decisions. The 6-percentage point change between FY 2009 and FY 2010 for favorable decisions is statistically significant. The 2-percentage point change between ALJ unfavorable decisions in FY 2009 and FY 2010 is not statistically significant.

For mid-year FY 2011, we agreed with 78 percent of the ALJ favorable decisions and 88 percent for ALJ unfavorable decisions. None of the differences from our prior FY 2010 findings are statistically significant when compared to the mid-year FY 2011 findings. However, when comparing FY 2009 to mid-year FY 2011 ALJ favorable decisions, the 12-percentage point decline is statistically significant, while the 1-percentage point change from FY 2009 to mid-year FY 2011 for ALJ unfavorable decisions is not.

For those cases that we did not agree, we found most needed additional documentation to support the correct disability decision.

We will discuss the results of our FY 2011 Disability Case Review of ALJ Hearing Decisions in our *FY 2013 Annual Performance Report*.

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## EVALUATION OF TICKET TO WORK PROGRAM

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We implemented the [Ticket to Work Evaluation \(www.socialsecurity.gov/disabilityresearch/research.htm#Ticket\)](http://www.socialsecurity.gov/disabilityresearch/research.htm#Ticket) to evaluate the progress of the program as required under the *Ticket to Work and Work Incentives Improvement Act of 1999*. In FY 2012, our independent evaluation contractor completed the sixth evaluation report and several papers of the seventh and final evaluation report. Each of these reports is comprised of a series of papers and summary of findings.

Key findings of particular interest from the reports are as follows:

**Can the Ticket to Work Program be Self-Financing?** In the third paper of the sixth evaluation report, we analyzed whether the Ticket to Work (TTW) Program generates sufficient savings to self-finance. We found a modest, but carefully targeted, expansion of TTW participation and exits would make it more likely that the program would be self-financing. However, the scenarios in the paper highlight the need for us to target TTW carefully and avoid drawing in beneficiaries who do not need assistance from an employment network to leave the rolls.

**Third WIPA Evaluation Report:** This two-part analysis is the first of six papers that will make up the seventh evaluation report in a series.

- Part 1 presents findings on the activities of the 103 organizations receiving grants under our Work Incentives Planning and Assistance (WIPA) program from April 1, 2010 to March 31, 2011. This paper documents: (1) the characteristics of those who use WIPA services; (2) the work incentives, benefits, and services that community work incentive coordinators discussed with beneficiaries and those that WIPA service providers suggested they use; and (3) WIPA output measures, such as the number of beneficiaries enrolled in WIPA and the amount of funding each WIPA project receives and evaluates providers' performance.
- Part 2 examines what happens to beneficiaries after they enroll for WIPA services. The paper documents the characteristics of beneficiaries who enrolled for WIPA services from October 2009 through March 2010 and the services they received. The paper evaluates the beneficiaries' employment, earnings, benefit reductions due to earnings, use of work supports, and exits from the disability rolls during the period following WIPA program entry through the end of December 2010.

**2010 National Beneficiary Survey: Methods and Statistics:** We analyzed information from the fourth National Beneficiary Survey (NBS). The NBS collects data from a national sample of working-age (age 18 to 64) disability beneficiaries and SSI recipients and a separate sample of TTW participants. The NBS provides a portrait of all working-age Social Security beneficiaries and SSI recipients with disabilities and TTW participants. We found the percentage of people interested in work or career advancement dropped from 34 percent in the 2006 NBS to 31 percent in the 2010 NBS. Those working at the time of the interview dropped from 9 percent to 7 percent over the same period. These findings are not surprising, given the economic downturn that occurred between these two survey periods.

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## QUALITY REVIEW ASSESSMENT OF SENIOR ATTORNEY ADVISOR DISABILITY DECISIONS

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The following presents the FY 2011 results of our Quality Review Assessment of Senior Attorney Advisor Disability Decisions, which were not available when we published our *FY 2011 Performance and Accountability Report*.

Some of our most experienced attorney adjudicators continue to help eliminate our hearings backlog by issuing fully favorable decisions when the decision can be made without a hearing in front of an ALJ. The FY 2011 accuracy rate for our senior attorney advisor process was 96 percent, based on a review of 960 decisions. The 2-percentage point change between FY 2008 (98 percent) and FY 2011 (96 percent) is statistically significant. We are focusing on training improvements to reduce the gap.

We will discuss the results of our FY 2012 Quality Review Assessment of Senior Attorney Advisor Disability Decisions in our *FY 2013 Annual Performance Report*.

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## OFFICE OF QUALITY PERFORMANCE DENIAL REVIEW

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In FY 2011, we conducted an internal control review of medically-denied disability applications adjudicated by the DDSs. We conducted this review to identify whether the DDSs' denial decisions were policy compliant and supported by the medical and vocational evidence in the case file.

We reviewed 51,608 cases from all 52 DDSs throughout the nation (all 50 States, the District of Columbia, and the Commonwealth of Puerto Rico). To select the cases, we used a statistical model to identify cases that matched the profile for highly error-prone medically-denied disability applications. Out of the 51,608 cases we reviewed, 4,488 (8.7 percent) contained a substantive error (i.e., an error that could result in a change in the determination of the case).

Our review of denials in FY 2011 resulted in the reversal of 3,179 DDS denial determinations to allowances. These reversals resulted in claimants receiving their benefits at an earlier stage in the process.

## STRATEGIC GOAL 2: PROVIDE QUALITY SERVICES TO THE PUBLIC

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## FIELD OFFICE TELEPHONE SERVICE EVALUATION

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We conduct an annual evaluation of the telephone service in our field offices. Each year we select a random sample of over 100 field offices across the country for the evaluation. We monitor about 2,000 randomly selected calls over the course of the year to assess the accuracy of the information representatives provide and the actions they take. The representatives do not know when we monitor their calls. We use the results of our Field Office Telephone Service Evaluation, which we have conducted since 1999, to identify training needs and clarify operating instructions for our representatives.

We assess the accuracy of the information representatives provide and the actions they take based on our program policies and operating guidelines. We use two measures of accuracy in our Field Office Telephone Service Evaluation. The first measure we use is payment accuracy, which indicates the percentage of calls free of payment error. A payment error occurs when a representative's information or action (or failure to give information or take action) has the potential to affect a caller's payment or eligibility for benefits adversely. The second accuracy measure we use is service accuracy, which reflects the percentage of calls free of service error. A service error occurs when a representative does not meet the caller's need for information, causes the caller inconvenience, or creates an unnecessary additional workload.

Our latest published accuracy rates for field office telephone service are for FY 2011. Payment accuracy was 97 percent, statistically the same as the FY 2010 rate of 95.6 percent. Service accuracy improved significantly, up by almost 6-percentage points from 76.2 percent in FY 2010 to 81.9 percent in FY 2011.

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## NATIONAL 800 NUMBER TELEPHONE SERVICE EVALUATION

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We monitor calls to our National 800 Number to evaluate both the accuracy of the information our telephone agents provide and the actions they take. Each year we monitor about 3,000 calls handled by agents in our 38 call centers nationwide. We randomly select and monitor calls throughout the year based on a statistical sampling methodology. Our agents do not know when we monitor their calls. We use the results of our annual National 800 Number Service Evaluation, which we have conducted on an ongoing basis since 1989, to identify training needs and improve operating instructions for our agents.

This evaluation identifies the specific causes of error and the operating policies that were not followed. It uses the same standards of payment and service accuracy as our Field Office Telephone Service Evaluation discussed above. Our latest published accuracy rates are for FY 2011. The FY 2011 payment accuracy rate of 97.8 percent was comparable to the FY 2010 payment accuracy rate of 97.4 percent. The FY 2011 service accuracy rate of 89.4 percent reflects a statistically significant improvement over the FY 2010 service accuracy rate of 87.3 percent.

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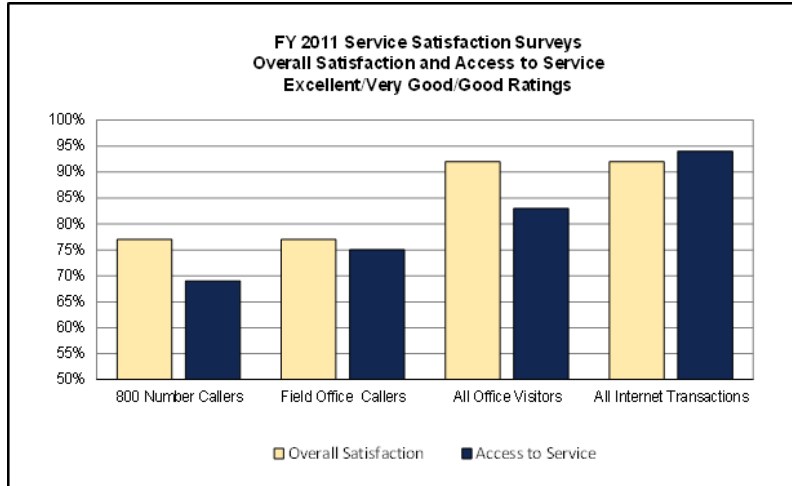
## OVERALL SERVICE SATISFACTION SURVEYS

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We measure satisfaction with our services by surveying people who use them. The surveys we conduct reflect the public's perception of the services we provide in person, on the Internet, or by telephone at our National 800 Number and in our field offices. The feedback helps us identify strengths and weaknesses in our service delivery so we can make necessary improvements. We combine the survey results for our different types of services to produce a single customer satisfaction measure. In FY 2011, our service received a combined overall satisfaction rating of 81.4 percent for Excellent, Very Good, or Good.

The following chart shows the overall satisfaction ratings for each type of service included in our combined measure. Since people use the telephone to conduct Social Security business more than any other method (in FY 2011, over 70 percent of contacts were by telephone), satisfaction with our telephone service has a strong influence on the combined measure. The chart shows that, while the majority of callers were satisfied with our telephone service, their overall ratings did not reach the same very high level as ratings from people who conducted their business with us in person or on the Internet.

Our surveys have found that access to service – getting through on the telephone, waiting to be served in the office, or locating the desired service online – is an important factor that affects satisfaction with our service overall. The chart also displays ratings of access for each of our various types of service, and illustrates callers' lower levels of satisfaction with how quickly they were served on the telephone.



Satisfaction with the service our employees provide is also a very important factor in the overall satisfaction of our service. Our surveys find that our employees receive high marks for their courtesy, helpfulness, job knowledge, and the clarity of their explanations, whether they provide service on the telephone or in person. Ratings of these employee attributes were close to 90 percent Excellent, Very Good, Good, or above for all types of service.

## PROSPECTIVE CLIENT SURVEY

We conducted the Prospective Client Survey in FY 2011 to improve our understanding of the service delivery preferences and expectations of members of the public as they approach retirement age. Our two previous Prospective Client Surveys were conducted in FY 2005 and FY 2008.

We surveyed a sample of people age 50 to 64 throughout the U.S. We targeted people in this age range because they were close enough to retirement to have considered the subject. Survey results reflected the opinions of 4,316 respondents.

The survey addressed preferred methods for handling various types of business with us and identified service attributes most important to future customers. The FY 2011 survey preserved the core questions from the previous surveys to allow us to track trends in service preferences. Other survey questions identified the nature and extent of Internet use and explored attitudes about filing online for retirement benefits. Security concerns when conducting business electronically and retirement planning were also covered.

We found that the first choice for a particular contact method appeared to be linked to the stage in the respondent’s relationship with us. For all pre-claim business activities, speaking to an agent on the phone was by far the first choice of respondents. Visiting an office was favored more for activities closely associated with retiring – gathering retirement information and actually filing an application – than for other types of business. Filing a claim in person was actually preferred by respondents over either agent phone service or the Internet/email.

The Internet was preferred by about one in four respondents for most pre-claim and claim-related activities. This proportion increased to one out of three for checking the status of an application and for post-entitlement activities such as changing or obtaining personal information contained in our records. In fact, Internet/email was equally popular as agent phone service for both types of post-entitlement contacts.

## SPECIAL NOTICE OPTION SURVEY

We conducted the Special Notice Option (SNO) Survey to measure satisfaction with our notices sent to blind or visually impaired individuals. The survey measured satisfaction with the following SNO formats: large print, data CD, Braille, follow-up telephone call, certified mail, and audio CD.

In FY 2011, we surveyed people who received a notice in their chosen SNO format to assess their satisfaction with their selection. The survey sampled individuals who received a notice in one of the SNO formats during the period May through September 2011. A contractor completed survey interviews by telephone. Survey results reflect the opinions of a total of 1,609 responders who confirmed the SNO choice used for the sampled notice.

The survey addressed issues common to all SNO formats, such as whether the notice arrived in good condition, as well as unique characteristics of each format. The key satisfaction measure for all formats was the response to the question, “Overall, how well did the notice meet your needs?” The survey measured satisfaction using our standard 6-point satisfaction scale: Excellent, Very Good, Good, Fair, Poor, and Very Poor.

Survey results demonstrated that overall, the SNO formats were effective in meeting customer needs, with few problems identified. The overall satisfaction rate for all formats combined was 92 percent Excellent, Very Good, and Good. Among the individual formats, ratings ranged from a low of 88 percent Excellent, Very Good, and Good for a follow-up telephone call to a high of 95 percent for both Braille and audio CDs. Open-ended comments, offered by about one-third of responders, were also largely positive with many expressing appreciation that the options are available.

### **STRATEGIC GOAL 3: PRESERVE THE PUBLIC’S TRUST IN OUR PROGRAMS**

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#### **ANNUAL REPORT OF THE BOARD OF TRUSTEES OF THE FEDERAL OLD-AGE AND SURVIVORS INSURANCE AND FEDERAL DISABILITY INSURANCE TRUST FUNDS**

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The *Social Security Act* requires the Board of Trustees of the Old-Age and Survivors Insurance (OASI) and Disability Insurance (DI) Trust Funds to report annually to Congress on the actuarial status and financial operations of the OASI and DI Trust Funds. The [2012 OASDI Trustees Report \(www.socialsecurity.gov/OACT/TR/2012\)](http://www.socialsecurity.gov/OACT/TR/2012), issued in April 2012, showed a decline in the projected long-term financial status of the Social Security program compared to the Trustees’ 2011 report. The primary reasons for this decline were changes in economic projections due to changes in a number of factors and assumptions, such as birth and death rates, size and characteristics of the population receiving benefits, the level of monthly benefit amounts, the size of the workforce, and the level of covered workers’ earnings.

Highlights in the report included:

- Non-interest income permanently fell below program costs in 2010;
- The projected point at which the combined OASI and DI Trust Funds will be exhausted is 2033 – three years earlier than the estimate in last year’s report;
- The projected point at which the DI Trust Fund will be exhausted is 2016 – two years earlier than the estimate in last year’s report;
- The projected actuarial deficit over the 75-year long-range period is 2.67 percent of taxable payroll – up from 2.22 percent in last year’s report; and
- Over the 75-year period, the OASI and DI Trust Funds would require additional revenue equivalent to \$8.6 trillion in present value as of January 1, 2012 to pay all scheduled benefits.

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## ANNUAL REPORT OF THE SUPPLEMENTAL SECURITY INCOME PROGRAM

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We report annually to the President and to Congress the status of the SSI program. The report's purpose is to provide the necessary data to effectively manage the SSI program. The [2012 Annual Report of the Supplemental Security Income Program \(www.socialsecurity.gov/OACT/ssir/SSI12/index.html\)](http://www.socialsecurity.gov/OACT/ssir/SSI12/index.html) issued in May 2012, includes projections for years 2012 to 2036.

Significant findings stemming from our evaluation included:

- By 2036, the end of the 25-year projection period, we estimate that the Federal SSI recipient population will reach 10.1 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, although we expect the recent economic slowdown to continue to generate some additional growth over the next few years beyond what we might expect from historical trends;
- We project that the percentage of the population receiving SSI will vary somewhat by age group, with the percentage for those age 65 or older declining throughout the projection period, and the percentage for those under age 65 continuing to increase over the next 3 years, but declining thereafter to a level slightly higher than the current percentage;
- As a percentage of the total U.S. population, the number of Federal SSI recipients increased slightly from 2.42 percent in 2010 to 2.47 percent in 2011. We project this percentage to increase gradually to 2.62 percent of the population by 2036 due largely to the changing age distribution of the population;
- We estimate that Federal expenditures for SSI payments in calendar year 2012 will increase by \$3 billion to \$52 billion, an increase of 6.1 percent from 2011 levels;
- In constant 2012 dollars, we project that Federal expenditures for SSI payments will increase to \$64.6 billion in 2036, a real increase of 1.0 percent per year; and
- Federal SSI expenditures expressed as a percentage of Gross Domestic Product (GDP) were 0.32 percent in 2011. We project expenditures as a percentage of GDP will increase to 0.33 percent in 2012, remain essentially level through 2014, and decline thereafter to 0.25 percent of GDP by 2036.

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## ENUMERATION QUALITY REVIEW

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The following presents results from our Enumeration Quality Review. These results were not available when we published our *FY 2011 Performance and Accountability Report*. Each year we process more than 5.4 million original and 11 million replacement Social Security card applications. We also verify SSNs more than one billion times a year through a variety of electronic data exchanges with public and private organizations. We refer to the process of assigning and issuing SSNs as enumeration.

To assess the accuracy of our enumeration process, we conduct annual reviews using a random sample of original SSNs assigned during the fiscal year by one of the following process:

- **Enumeration-at-Birth:** Parents can apply for an SSN for their newborn child at the same time they apply for their newborn's birth certificate. The State agency that issues the birth certificate shares the information with us and we assign an SSN and issue a Social Security card;
- **Enumeration-at-Entry:** Prospective immigrants can apply for an SSN as part of the Department of State's immigration process. When the immigrant enters the U.S., the Department of Homeland Security electronically transmits enumeration information to us. If the immigrant qualifies, we assign an SSN and issue a Social Security card; and
- **SSN Applications:** A person can apply for an SSN by completing Form SS-5, *Application for a Social Security Card*, and submitting it to a local field office or card center; or by having one of our



representatives file an application electronically through SSNAP during an in-office interview. If the person is qualified, we assign an SSN and issue a Social Security card.

In FY 2011, we correctly assigned 99.9 percent of SSNs exceeding our FY 2011 target of 99 percent. The most commonly cited error occurred when applicants received two different SSNs: one through Enumeration-at-Entry and one through SSNAP. To help us meet and exceed this goal, we completed SSN specialized work in our card centers nationwide. We continue making improvements to the SSNAP tool, a web-based Intranet application that assigns original SSNs and issues original and replacement SSN cards.

We derive the percentage of correctly assigned SSNs using a statistically valid sample of original SSNs assigned in the fiscal year. We divide the number of correctly assigned SSNs by the total number sampled. We consider the SSN assigned correctly when: (1) the individual did not receive a SSN that belongs to someone else; (2) the individual did not receive more than one SSN, except where permitted; and (3) the individual is eligible to receive a SSN based on supporting documentation.

We will discuss the FY 2012 Enumeration Quality Review results in our *FY 2013 Annual Performance Report*.

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## PREEFFECTUATION REVIEW OF DISABILITY DETERMINATIONS

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Public Law 96-265, *Public Health and Welfare*, Section 221-c, requires us to review at least 50 percent of all Social Security Disability Insurance (DI) and concurrent DI/SSI Disability (SSI/DI) favorable initial and reconsideration determinations made by the DDS. In addition, Public Law 109-171, *Deficit Reduction Act*, requires we review at least 50 percent of all SSI adult initial and reconsideration favorable determinations made by the State DDS.

We select Preeffectuation Review (PER) cases from all 52 DDSs (the 50 States, District of Columbia, and DI cases from the Commonwealth of Puerto Rico) using a statistical model to identify allowances with a high probability of containing substantive errors (i.e., potential to ultimately reverse the determination from allowance to denial). In FY 2011, we conducted 383,826 DI and 119,383 SSI/DI preeffectuation reviews. The reviews resulted in 6,261 DDS determinations reversed from an allowance to a denial.

Three agency components work in conjunction with the Centers for Medicare and Medicaid Services to produce a report to Congress on the lifetime savings resulting from PER. The FY 2011 results will not be available until later this calendar year. The most recent PER Report to Congress for FY 2010 shows estimated lifetime savings of \$627 million (which also includes Medicare and Medicaid savings).

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## RETIREMENT, SURVIVORS, AND DISABILITY INSURANCE STEWARDSHIP REVIEW

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Stewardship findings provide the basic measure we use to report on the accuracy of OASDI payments. We base the FY 2011 report findings on non-medical reviews of monthly samples of OASDI payments issued from October 2010 through September 2011. We also provide payment accuracy rates for the current and previous reporting periods.

Overall, the OASDI accuracy rate was 99.7 percent for overpayments in FY 2011, based on improper payments totaling a projected \$2.3 billion (i.e., 99.7 percent of all dollars paid were free of overpayment errors).

Accuracy for OASDI underpayments was 99.9 percent in FY 2011, based on unpaid dollars projected at \$0.9 billion (i.e., underpayment dollar errors, as a percentage of total dollars paid, were slightly more than 0.1 percent).

Comparable accuracy rates for FY 2010 were 99.6 percent for overpayments and 99.8 percent for underpayments. The changes in the overall OASDI overpayment and underpayment accuracy rates are not statistically significant.

We will report the results of our FY 2012 Retirement, Survivors and Disability Insurance Stewardship Review in our *FY 2013 Annual Performance Report*.

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## SAFEGUARD REPORTS

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Pursuant to Internal Revenue Code section 6103(p)(4), we are required to properly protect Federal Tax Information (FTI) handled in its various business processes.

We participate in three recurring activities with Internal Revenue Service (IRS) to ensure Code compliance:

1. The Safeguard Activity Report (SAR) we submit to the IRS for evaluation annually. A SAR describes controls agency components use to protect FTI in business processes and, when appropriate, provides a Plan of Action and Milestones to bring inadequate controls to full conformance with IRS' safeguard requirements. We successfully submitted the SAR in FY 2012.
2. The Safeguard Procedure Report (SPR) we submit to the IRS at least every six years. The SPR identifies significant changes to our FTI safeguard program. We successfully submitted the SPR in FY 2012.
3. The Safeguard Review we receive, when IRS conducts an onsite evaluation of our FTI safeguard program, every three years. IRS did not schedule a review for FY 2012.

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## SUPPLEMENTAL SECURITY INCOME STEWARDSHIP REVIEW

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The review evaluates non-medical factors of eligibility and measures the accuracy of payments made to persons receiving SSI benefits. The primary objective is to measure the accuracy of payments we issued and to report these accuracy rates as required by the *Improper Payments Information Act of 2002*.

We reviewed 4,252 SSI cases in FY 2011. Accuracy rates are derived using data from the review of SSI cases with a payment made in at least one month of the fiscal year under review. Any difference between what was actually paid, and what the quality review determines should have been paid, is expressed as an overpayment (O/P) or underpayment (U/P) error. The O/P accuracy rate is the percentage of all dollars paid that are free of O/P errors. The U/P accuracy rate is the projected dollar value of U/P errors represented as a ratio of all dollars paid. The O/P and U/P accuracy rates are calculated and reported separately.

In FY 2011, the O/P accuracy rate was 92.7 percent based on overpaid dollars totaling a projected \$3.8 billion. This represents a decrease of 0.6-percentage points from the FY 2010 O/P accuracy rate of 93.3 percent. This decrease is not statistically significant.

In FY 2011, the U/P accuracy rate was 98.2 percent based on underpaid dollars totaling a projected \$0.95 billion. This represents an increase of 0.6-percentage points from the FY 2010 U/P accuracy rate of 97.6 percent. This increase is not statistically significant.

### **STRATEGIC GOAL 4: STRENGTHEN OUR WORKFORCE AND INFRASTRUCTURE**

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#### **FEDERAL EMPLOYEE VIEWPOINT SURVEY (FORMERLY THE ANNUAL EMPLOYEE SURVEY/FEDERAL HUMAN CAPITAL SURVEY)**

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The U.S. Office of Personnel Management (OPM) sent the 2012 Federal Employee Viewpoint Survey to about 65,000 of our employees. Our employees had from April 17, 2012 through May 25, 2012 to take the survey. Over half of our permanent employees completed the survey.

We use the Federal Employee Viewpoint Survey results as a tool for measuring employee satisfaction and engagement throughout our agency. Traditionally, our employees show high levels of satisfaction working for us. We rank high in the categories of Job Satisfaction, Leadership, and Knowledge Management.

For more information about survey results refer to this link, [Federal Employee Viewpoint Survey \(www.fedview.opm.gov/\)](http://www.fedview.opm.gov/).

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## FEDERAL INFORMATION SECURITY MANAGEMENT ACT REPORT

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The *Federal Information Security Management Act (FISMA)* is part of the *eGovernment Act of 2002*. FISMA is a security framework requiring Federal agencies to ensure they provide adequate protections for Federal information systems and information. We must submit an annual FISMA status report to the OMB by November 15, 2012. Our report summarizes the results from security reviews conducted of our major information systems and programs, progress on correcting identified weaknesses, and the results of other work performed during the reporting period using OMB's performance measures. There are currently several bills pending in Congress intended to strengthen FISMA. As Congress considers new cyber security legislation, we will continue our efforts to meet and exceed existing information security requirements for protecting Federal information systems and personally identifiable information.

For more information refer to the complete report, [FY 2011 Report to Congress on the Implementation of the Federal Information Security Management Act of 2002 \(www.whitehouse.gov/sites/default/files/omb/assets/egov\\_docs/fy11\\_fisma.pdf\)](http://www.whitehouse.gov/sites/default/files/omb/assets/egov_docs/fy11_fisma.pdf).

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## HUMAN CAPITAL ACCOUNTABILITY SYSTEM

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We monitor and evaluate the results of our human capital strategies, policies, and programs, as well as our adherence to merit system principles; it includes cyclical Human Resources Management and Delegated Examining Unit Assessments of components across the agency and our annual Human Capital Management Report.

We regularly review all aspects of the Human Capital Accountability System to determine efficiency, effectiveness, mission alignment, and compliance with the [Human Capital Assessment and Accountability Framework \(www.opm.gov/hcaaf\\_resource\\_center/2-2.asp\)](http://www.opm.gov/hcaaf_resource_center/2-2.asp). If changes are necessary, human resources consults and includes the appropriate staff and component in the adjustment process. The evaluation phase of the system is critical.

Results of these human capital reviews show that our human capital strategies, policies, and programs are sound and that we adhere to merit system principles. We took all required corrective actions identified through these reviews. In addition, we issued policy reminders, and provided refresher training, where needed, to ensure that we remain compliant with laws, regulations, and agency policies.

Many improvements in our accountability programs have been, and will continue to be, made through this process.

Some examples include:

- Completion of the Human Resources Management Assessment evaluation template. Through evaluation of feedback, our human resources staff will make necessary changes;
- Implementation of a remote Human Resources Management Assessment process to cut costs and improve efficiency; and
- Enhancement of the Delegated Examining Unit Audit process to increase audit effectiveness.

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## MANAGEMENT DIRECTIVE-715

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The directive provides policy guidance and standards for establishing and maintaining effective affirmative action programs.

The Equal Employment Opportunity Commission (EEOC) Management Directive 715 (MD-715) requires Federal agencies to conduct an annual self-assessment of their Equal Employment Opportunity (EEO) program to ensure it

meets the requirements for each of the six essential elements of a model program. The assessment occurs in the first quarter of a fiscal year, with the report due to the EEOC in the second quarter of the fiscal year.

Below, we present our FY 2011 results, which were not available when we published our *FY 2011 Performance and Accountability Report*.

Our FY 2011 MD-715 self-assessment showed that of the 117 measures of the essential elements of a model EEO program that are applicable to us, we met 103 measures and were deficient in only 14 measures.

Our strengths included:

- Issuing EEO policy statements and communicating EEO policies to all employees;
- Communicating effectively on structures to report to the Commissioner and other executives on the effectiveness, efficiency, and legal compliance of our EEO program;
- Staffing and funding our EEO program sufficiently; and
- Collaborating and coordinating effectively between EEO and Human Resources.

For the 14 identified deficiencies, we described our plans to correct them, to the extent possible.

Examples of identified deficiencies included:

- Lack of timely compliance with EEOC orders;
- Not requiring managers to participate in Alternative Dispute Resolution; and
- Not timely completing EEO pre-complaint counseling.

We will discuss the results of our FY 2012 assessment in our *FY 2013 Annual Performance Report*.

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## NEW HIRE SURVEY

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The New Hire Survey helps us to gauge our progress on recruiting, hiring, and engaging our newest employees. We complete the process of surveying our new employees hired throughout the fiscal year by the second quarter of the following fiscal year. Our 2012 New Hire Survey Report contains the survey results for our FY 2011 new hires.

We invited 639 newly hired employees in FY 2011 to complete the New Hire Survey, and 486 employees, or 76 percent, completed the survey. Survey results show that the majority (90 percent or more) of newly hired employees are satisfied with the application and hiring processes. Over 80 percent of newly hired employees indicate that they are satisfied with their overall orientation and training. Our efforts to make new employees feel welcome at their earliest points of interaction with us help retain a high-performing and diverse workforce.

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## OFFICE OF CIVIL RIGHTS AND EQUAL OPPORTUNITY QUALITY ASSURANCE PROGRAM

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We assess the effectiveness of our EEO programs and our compliance with regulatory requirements, policy, and directives.

Between FY 2010 and FY 2012, we conducted 12 Office of Civil Rights and Equal Opportunity (OCREO) Quality Assurance Reviews and drafted reports from these reviews. We found that 11 of the 12 offices met the legal requirements for an effective EEO program, continued to work toward efficiently managing EEO program resources, and met customer needs. We worked with 1 of the 12 offices to help them meet the legal requirements for an effective EEO program.

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