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Health, Education, and
Human Services Division

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June 30, 2000

The Honorable Fred Thompson, Chairman
The Honorable Joseph I. Lieberman, Ranking Member
Committee on Governmental Affairs
United States Senate

Subject: Observations on the Social Security Administration's Fiscal Year 1999
Performance Report and Fiscal Year 2001 Performance Plan

As you requested, we have reviewed the 24 Chief Financial Officers Act agencies' fiscal year 1999 performance reports and fiscal year 2001 performance plans required by the Government Performance and Results Act of 1993 (GPRA). In essence, under GPRA, annual performance plans are to establish performance goals and measures covering a given fiscal year and provide the direct linkage between an agency's longer term goals and day-to-day activities. Annual performance reports are to subsequently report on the degree to which those performance goals were met.

This letter contains two enclosures responding to your request concerning key program outcomes and major management challenges at the Social Security Administration (SSA). Enclosure I provides our observations on SSA's fiscal year 1999 performance and fiscal year 2001 planned performance for the key outcomes that you identified as important mission areas for the agency. These key outcomes are (1) providing timely, accurate, and useful information and services to the public; (2) making disability determinations more timely and accurate; (3) reducing long-term disability benefits because people return to the workplace; (4) providing timely information to decisionmakers necessary to address program policy issues, such as long-term trust fund solvency; and (5) reducing fraud, waste, and error in the Supplemental Security Income (SSI) program. Enclosure II lists the major management challenges facing the agency that we and SSA's Inspector General identified, how their fiscal year 1999 performance report discussed the progress the agency made in resolving these challenges, and the applicable goals and measures in the fiscal year 2001 performance plan.

Results in Brief

SSA considers customer service one of its key priorities, and according to its fiscal year 1999 performance report, the agency met many of its goals related to providing accurate, timely, and useful service to the public. Of particular note, SSA met key goals related to overall customer satisfaction and the timely processing of retirement claims. However, SSA's progress lagged in some areas, such as waiting times for persons with appointments and the accuracy of the handling of calls to its toll-free number. In addition, data were not available for a number of other measures of service accuracy. In its fiscal year 2001 plan, as with its fiscal year 2000 plan, SSA has demonstrated its desire to use an even broader range of measures for customer satisfaction through its new Market Measurement Program. The 2001 plan also describes key strategies that seek to expand electronic and telephone service while ensuring customer privacy and data integrity. To further improve its ability to track progress, SSA needs to develop better performance measures for assessing access to its 800-number service and to diligently continue efforts to improve data credibility, which was found to be a problem with some accuracy measures.

The fiscal year 1999 report clearly indicates that making accurate and timely disability determinations remains one of SSA's most challenging service areas. In those cases where performance data were available, SSA did not meet any of the key goals it set for itself. Unmet goals included average processing times and other timeliness measures of disability decisions at both the initial application and appellate levels. In addition, data on the accuracy of decisions at the initial level were not available, and at the time SSA did not measure accuracy at the appellate level. SSA's fiscal year 2001 performance plan reflects some improvements in how SSA assesses its progress. For example, SSA now measures decisional accuracy and work-year productivity at the appellate level. Moreover, SSA is taking a number of steps to improve its performance in this challenging area; these include significant changes to both its initial and appellate decisionmaking processes. However, our work has shown that SSA has experienced delays and setbacks in similar efforts in the past, and it will be important for the agency to carefully monitor its progress in this area. In addition, SSA needs better performance measures to assess consistency in decisionmaking between the initial and appellate levels, which has been problematic, and to assess timeliness from the claimant's perspective—that is, the time it takes to reach a final decision at any level. SSA indicated in its plan that the agency intends to rethink its measures in future plans.

The fiscal year 1999 report also reflects that minimal progress has been made in reducing long-term disability benefits as a result of returning beneficiaries to work. First, SSA's performance measures focused on activities, such as beginning to implement changes, rather than the desired result. Second, SSA provided too little additional information with which to judge performance. However, the fiscal year 2001 plan includes improvements. In this plan, the agency focuses on increases in the percent of beneficiaries who begin a trial work period or who participate in a project that permits them to work and continue receiving benefits under certain conditions. With recent passage of key legislation in this area, these measures will help the agency monitor progress. However, SSA recognizes that its current set of

performance measures do not track long-term achievement of self-sufficiency and that it needs to establish better measures.

SSA's progress toward providing decisionmakers timely information necessary to address program policy issues in fiscal year 1999 was also unclear. While SSA listed a number of research activities it conducted during the fiscal year, it was difficult to determine how timely or useful they were. The fiscal year 2001 plan, however, reflects significant improvements. Over the last two plans, the agency has added a number of new measures and strategies to reflect the agency's responsibility for providing information and policy options and to better monitor the breadth of analysis and research policymakers need to make sound decisions about future program issues. SSA also added measures of the quality of its research and analysis and the timeliness of certain projects. The results of the agency's efforts will be clearer over time.

Finally, the fiscal year 1999 report indicates that SSA met all its key goals related to reducing fraud, waste, and error in the SSI program—a program we have designated as at high risk for waste, fraud, and mismanagement. SSA's achievements reflect concerted effort and resources from the agency and its Office of the Inspector General (OIG) to mitigate problems in this high-risk area. The fiscal year 2001 plan reflects a continued commitment of effort and resources and contains additional measures for assessing error. Also, over time, SSA has adopted measures that are more specific to the SSI program, rather than combining data from SSI with other less troubled programs; however, SSA could further improve its measures and strategies in this area and others. For example, the agency could develop better indicators of antifraud efforts and measure the results of its regular eligibility reviews. It will be important for the agency to sustain its commitment to SSI program integrity. Although many of the changes implemented by SSA should result in improvements, additional changes—particularly those focusing on organizational culture—will be necessary to reduce the vulnerability of the program to waste, fraud, abuse, and mismanagement.

Of the nine management challenges known to the agency at the time it developed its fiscal year 2001 performance plan, SSA has established goals and measures for five: long-term program solvency, SSI program integrity, redesigning the disability claims process and focusing on return to work, program complexity, and service to the public. In each case, SSA established goals and measures that were directly applicable to the challenge; in some cases, the agency provided indirect or related measures as well. However, room for improvement both in measuring and achieving progress exists for each of these challenges. SSA did not establish specific goals and measures for another challenge—reducing the Earnings Suspense File—but indicated in the fiscal year 2001 plan its commitment to accomplish activities addressing this challenge by given deadlines. For the remaining three challenges—related to implementing new information technology, information security, and GPRA commitments—SSA's fiscal year 2001 plan does not include specific performance measures to gauge progress and, for two of these, could have more explicitly stated the agency's plans or strategies for improvement.

Objectives, Scope, and Methodology

Our objectives concerning selected key agency outcomes were to (1) identify and assess the quality of the performance goals and measures directly related to a key outcome, (2) assess SSA's actual performance in fiscal year 1999 for each outcome, and (3) assess SSA's planned performance for fiscal year 2001 for each outcome. Our objectives concerning major management challenges were to (1) assess how well SSA's fiscal year 1999 performance report discussed the progress it had made in resolving the major management challenges that we and the agency's Inspector General had previously identified and (2) identify whether SSA's fiscal year 2001 performance plan had goals and measures applicable to the major management challenges.

As agreed, in order to meet the Committee's tight reporting time frames, our observations were generally based on the requirements of GPRA, guidance to agencies from the Office of Management and Budget for developing performance plans and reports (OMB Circular A-11, part 2), previous reports and evaluations by us and others, our knowledge of SSA's operations and programs, and our observations on SSA's other GPRA-related efforts. We did not independently verify the information contained in the performance report or plan. We conducted our review from April through May 2000 in accordance with generally accepted government auditing standards.

Agency Comments and Our Evaluation

On June 9, 2000, we obtained written comments from the Commissioner of Social Security on our analysis of SSA's fiscal year 1999 performance report and fiscal year 2001 performance plan. The Commissioner generally agreed with our conclusions regarding SSA's actual performance and plans to continue addressing the five key outcome areas. The Commissioner also said that SSA will duly consider our suggestions, especially those regarding potential improvements to performance measures and the importance of continued management attention to effective strategies.

As arranged with your office, unless you announce its contents earlier, we plan no further distribution of this report until 30 days after the date of this letter. At that time, we will send copies to the Honorable Kenneth S. Apfel, Commissioner of Social Security; appropriate congressional committees; and other interested parties. Copies will also be available through our web site, "www.gao.gov." If you or your staff have any questions, please call me at (202) 512-7215. Key contributors to this letter were Michael Alexander, Kay Brown, Valerie Freeman, Michele Grgich, Valerie Melvin, Deborah Sebastian, and Robert Tomcho.

A handwritten signature in black ink that reads "Barbara D. Bovbjerg". The signature is written in a cursive style with a large, prominent initial 'B'.

Barbara D. Bovbjerg
Associate Director, Education,
Workforce, and Income Security Issues

Enclosures

**OBSERVATIONS ON THE SOCIAL SECURITY ADMINISTRATION'S
FISCAL YEAR 1999 ACTUAL PERFORMANCE AND FISCAL YEAR 2001
PLANNED PERFORMANCE RELATED TO KEY OUTCOMES**

This enclosure contains our observations on SSA's FY 1999 actual performance and FY 2001 planned performance relating to the following selected key outcomes: (1) providing timely, accurate, and useful information and services to the public; (2) making disability determinations more timely and accurate; (3) reducing long-term disability benefits because people return to the workplace; (4) providing timely information to decisionmakers necessary to address program policy issues, such as long term trust fund solvency; and (5) reducing fraud, waste, and error in the SSI program.

Key Agency Outcome: Provide Timely, Accurate, and Useful Information and Services to the Public

Table I-1 shows SSA's 20 performance goals and measures that relate to the key agency outcome of providing timely, accurate, and useful information and services to the public and whether or not these goals were met in FY 1999, as reported in its FY 1999 performance report.

Table I-1: Goals and Measures to Provide Timely, Accurate, and Useful Information and Services to the Public and Their FY 1999 Status, as Reported by SSA

Goal/measure	FY 1999 status
Timeliness	
95% of callers successfully access 800 number within 5 minutes of first call.	Goal met
90% of callers get through to the 800 number on their first attempt.	Goal met
85% of public with an appointment wait 10 minutes or less.	Goal not met
70% of public without an appointment wait 30 minutes or less.	Goal met
83% of Old Age and Survivor's Insurance (OASI) claims processed by the time the first regular payment is due or within 14 days from effective filing date, if later.	Goal met
66% of initial SSI-aged claims processed within 14 days of filing.	Goal not met
97% of original and replacement Social Security cards issued within 5 days of receiving all necessary documentation.	Goal met
Accuracy	
90% of 800 number calls handled accurately (service accuracy).	Goal not met
95% of 800 number calls handled accurately (payment accuracy).	Goal met
Dollar accuracy of OASI payment outlays—99.8% without overpayments.	FY 1999 data not available
Dollar accuracy of OASI payment outlays—99.8% without underpayment.	FY 1999 data not available
99.8% of Social Security numbers (SSN) issued accurately.	FY 1999 data not available
99% of earnings posted correctly.	Goal met

Goal/measure	FY 1999 status
Usefulness	
82% of public who are "satisfied" or "very satisfied" with clarity of SSA mail.	Goal met
59% of public who perceive they are "very well" informed or "fairly well" informed about Social Security.	FY 1999 data not available
100% of individuals issued Social Security Statements as required by law.	Goal met
Crosscutting	
87% of public rate service as "good" or "very good."	Goal met
By Sept. 2000, take retirement or survivor claims immediately over the phone or in person, as long as applicant has all information.	Not applicable
By Sept. 2000, provide overnight electronic SSN verification for employers.	Not applicable
By Sept. 2000, give employers the option to transmit wage reports to SSA using a personal computer or high-speed data transmission line.	Not applicable

Note: Goals and measures in the FY 1999 performance report differed slightly from the original FY 1999 plan. Specifically, SSA dropped its goal of completing development of SSA standards for client authentication by FY 1999, which SSA determined was not feasible. In addition, wording was clarified for some goals and measures. See table I.2 for additional goals and measures related to accuracy and/or timeliness of disability determinations.

GAO Observations on SSA's FY 1999 Goals and Measures to Provide Timely, Accurate, and Useful Information and Services to the Public and SSA's Performance Report on This Key Outcome

Most of SSA's 20 performance goals and measures have quantifiable target levels. However, three goals that seek to increase the range of services provided by a certain time period are not amenable to numerical measurement; they also lack interim targets to be achieved in FY 1999. Most goals appear to be objective, although one goal (wait times for public with an appointment) has been criticized for being self-reported and, therefore, subject to error or bias.

Many of SSA's FY 1999 service goals and measures are outcome-oriented. Most measure timeliness or accuracy of specific services or service delivery methods. Several are crosscutting, in that they relate to activities that affect both usefulness and timeliness or accuracy. While most of its measures are outcome-oriented, SSA's measures for its toll-free 800-number service do not provide a meaningful measure of customer wait time because they do not reflect time spent on hold waiting to speak to a service representative.

Of the 13 numeric goals for which FY 1999 performance data were available, SSA achieved its targets for 10 of them. For these goals, the report clearly highlighted where a targeted goal was met or exceeded and provided 3 fiscal years of historical performance data (FY 1996 to FY 1998) in addition to actual FY 1999 data. The report also included a discussion of the reasons for achieving or not achieving its targets.

For the three nonnumeric goals to be achieved by September 2000, the FY 1999 report described any progress toward final goal achievement. However, due to the lack of interim goals for FY 1999 and general subjectivity of the measures, it is difficult to independently assess the extent to which SSA made progress toward its stated goal.

Performance data were not available for four goals. For three of the four goals (relating to accuracy of OASI overpayments and underpayments and SSNs), SSA expects the data to become available in August or fall 2000. Regarding the fourth goal (percent of public who perceive they are “very well” informed or “fairly well” informed about Social Security), SSA intends to replace it in future plans with a more objective indicator—that is, one based on the public’s actual knowledge of Social Security programs—rather than a self-assessment.

SSA’s FY 1999 report addressed GAO’s criticisms of the FY 1999 performance plan, in that it provided general information regarding the credibility of performance data. The following standard efforts to achieve valid and reliable data were described:

- a comprehensive program of conducting reviews of management and security controls in both administrative and programmatic processes;
- an outside audit of financial statements and internal controls;
- OIG efforts to verify and validate SSA’s performance measures; and
- a new monitoring team (as of February 1998) to further ensure the integrity of management information data.

Although the report did refer to SSA’s FY 1999 financial statement audit, it did not note that findings related to continuing deficiencies in the design and operation of SSA’s information systems’ internal controls could hamper SSA’s ability to produce credible performance data. SSA’s OIG has determined that SSA has methods to collect data for all performance measures and has initiated efforts to verify some performance data. However, it has not verified the reliability of most of this data. Moreover, SSA’s OIG did identify problems relating to several performance measures for this outcome, including timeliness of OASI and SSI-aged claims processing, percent of public receiving Social Security Statements as required by law, SSN cards issued in 5 days, and customer satisfaction. Problems included a lack of sufficient documentation to support performance data.

Finally, the report did not identify the source of performance data and generally did not discuss the reliability of or any shortcomings in its performance data. The report did indicate that data for several indicators relating to accuracy and public satisfaction come from surveys and workload samples designed to achieve very high levels of statistical validity.

SSA’s performance report provides a brief summary of program evaluations performed during FY 1999 related to this and other outcomes. Evaluations that appeared related to this outcome include a study of the impact on productivity of processing requests for replacement Social Security cards by telephone and several customer surveys (for example, Internet and 800 number). However, the report does not tie these evaluations

to specific goals and measures, and discussions regarding achievement of specific goals and measures did not refer to these or other program evaluations.

Unmet FY 1999 Performance Goals and Measures for This Key Outcome

SSA's performance fell short of its targets for three goals:

- 81% (goal: 90%) of 800-number calls were handled accurately (service accuracy),
- 84.6% (goal: 85%) of public with an appointment waited 10 minutes or less, and
- 63.5% (goal: 66%) of initial SSI-aged claims were processed within 14 days of filing.

As required, SSA's performance report provided explanations and strategies for meeting unmet targets. With respect to 800-number service accuracy, the report indicated that its FY 1999 performance of 81%—though well below its target level of 90%—was in line with previous years. SSA stated that it is using a two-pronged approach to improve 800-number service accuracy in the future, which involves identifying training needs and implementing a software program that helps agents to respond correctly to frequently asked questions. Although this is an appropriate approach, it will be a challenge to meet this goal in the future, given the agency's need to rely on inexperienced 800-number service representatives during times of high volume.

Deviations from the other two goals were relatively slight. SSA reported falling short of its appointment time goal by less than 1% and noted that it had more appointments in FY 1999 than in past years. For the initial SSI-aged claims processed goal, SSA reported that it was only 2.5% short of meeting its overall goal and actually met its goal each of the last 5 months of FY 1999. SSA indicated it fully expects to meet or exceed the goal in FY 2000.

SSA's FY 2000 Performance Goals and Measures to Provide Timely, Accurate, and Useful Information and Services to the Public

SSA's FY 2000 performance plan included the following changes from the FY 1999 plan that related to this outcome.

Goals and Measures Added

- 37% of core business customers rating overall service as "excellent."
- 93% of employers rating overall service as "excellent," "very good," or "good."
- 13% of employers rating overall service as "excellent."
- New or expanded services available electronically (with four related goals—two new and two preexisting).
- 7 million customers accessing "Social Security Online."

Measures Changed

- “87% public rating service as good or very good” changed to “88% core business customers rating overall service as excellent, very good, or good” (target increased).
- “Take retirement or survivor claims immediately over the phone or in person, as long as applicant has all the information needed” changed to “New or expanded service available over the phone.” (The prior wording is now the performance goal.)
- “Percent of public who perceive they are ‘very well’ informed or ‘fairly well’ informed about Social Security” changed to “Percent of public who are knowledgeable about Social Security programs.” (Performance goal: establish baseline.)
- “Number of Social Security Statements issued upon request and automatically by SSA” changed to “50% increase in the number of automated SSA-initiated personal earnings statement inquires processed on Internet.”
- “82% public who are ‘satisfied’ or ‘very satisfied’ with clarity of SSA mail” changed to “82% core business customers rating clarity of SSA’s notices as ‘excellent,’ ‘very good,’ or ‘good.’”

The final revised FY 2000 plan includes the following changes to SSA’s targets related to this key outcome:

- Percent of callers who successfully access the 800 number within 5 minutes of their first call lowered from 95% to 92%.
- Percent of callers who get through to the 800 number on their first attempt lowered from 90% to 86%.
- Percent of public who are knowledgeable about Social Security programs target changed to 65% (10% higher than FY 1999 actual—the established baseline).

GAO Observations on the FY 2000 Performance Plan for This Key Outcome

SSA’s FY 2000 plan reflects improvements in how overall service and the usefulness of service to the public is measured. SSA’s new approach is aimed at identifying areas needing improvement, including specific aspects of service for specific customer segments. SSA also indicated that new goals regarding expanded telephone and electronic services resulted from customer feedback and will help track service expansion and increases in customers who successfully use new services. Regarding percent of public knowledgeable about Social Security programs, the report notes that this new measure replaces a measure that relied on an external data source.

The FY 2000 plan also describes new means and strategies that will be important for meeting FY 2000 goals and identifying additional areas for improvement. One key strategy noted in the plan is SSA’s Market Measurement Program—a broad initiative intended to more systematically collect and analyze comprehensive data about all major customer groups. The plan also describes several new and critical strategies related to expanding electronic service delivery, including efforts aimed at finding reliable ways to ensure customer privacy and integrity of SSA systems.

SSA's changes to its FY 2000 plan and the reasons for these changes were reported together with its FY 2001 plan. Specifically, in the revised FY 2000 plan SSA lowered targets for its 800 number goals. SSA also indicated that these changes were a result of reductions to the agency's FY 2000 budget request.

SSA's FY 2001 Performance Goals and Measures
to Provide Timely, Accurate, and Useful
Information and Services to the Public

The FY 2001 plan includes many changes made to the FY 2000 plan from the FY 1999 plan. The following are changes to performance goals and measures between the FY 2000 and FY 2001 plans.

Goals Added

Three goals were added under "new or expanded services available electronically":

- electronic RSI claim forms,
- additional online transactions for beneficiaries, and
- death certification pilot.

Goal and Measure Dropped

- Percent of core business customers rating clarity of SSA's notices as "excellent," "very good," or "good."

Goals and Measures Changed

- "Percent increase in the number of automated SSA-initiated personal benefit statement inquires processed on Internet" changed to "Number of online Social Security Statement requests as compared to number of completed calls on the 800-number automated response unit for the SSA-7004" (Social Security Statement request form).
- Two goals—overnight SSN verification and wage report transmittal option—now under the goal and measure "new or expanded services available electronically."

Targets Changed

- Percent of core business customers rating SSA's overall service as "excellent," "very good," or "good" increased from 88% to 89%.
- Percent of employers rating SSA's overall service as "excellent," "very good," or "good" increased from 93% to 94%.

GAO Observations on the FY 2001 Performance
Plan for This Key Outcome

SSA's FY 2001 plan mainly reflected revisions to how it has assessed usefulness of service and did not include any new goals and measures from its FY 2000 plan. Regarding new electronic service goals, SSA indicated that a growing number of customers want to conduct business electronically. SSA did not elaborate on why it dropped some electronic service goals, but it appears SSA expects to accomplish them in FY 2000. SSA explained that the "clarity of notices" goal and measure was dropped because SSA is redirecting survey efforts on improving specific notices, and it plans to add a new notices indicator in the future. SSA also explained that some targets did not change (despite improved FY 2000 performance) because SSA anticipates having to process more work with budget resource limitations.

The FY 2001 plan also included new means and strategies, largely related to achieving its 800-number goals. Specifically, SSA indicates that it intends to supplement 800-number staff, develop new equipment to forecast and route calls, and increase automated services.

In general, the FY 2001 plan provides a clear picture of intended performance, and its goals and measures are succinct and concrete. The plan also identifies crosscutting efforts with other federal agencies. For example, for the goal of expanding electronic services, SSA states that it is currently participating in government efforts such as the Government Information Technology Board's Federal Public Key Infrastructure Steering Committee to develop customer authentication standards that are consistent across a range of applications.

The FY 2001 plan addresses some key weaknesses identified in GAO reviews of earlier plans. For example, SSA has established more useful goals and measures that directly relate to strengthening the public's understanding of Social Security programs. The plan includes a clear explanation of what needs to be accomplished before SSA will consider the goal to have been met.

On the other hand, some weaknesses still need to be addressed, including the following:

- SSA still has not established adequate goals for measuring promptness and completeness of its 800-number service, as we recommended in June 1997.
- SSA needs to diligently continue its efforts to ensure the credibility of its performance data, including efforts to address findings and recommendations in the FY 1999 audit, and to improve its workload measurement and quality assurance systems.

Key Agency Outcome: Make More Timely and Accurate Disability Determinations

Table I-2 shows SSA's six performance goals and measures that relate to the key agency outcome of making more timely and accurate disability determinations and whether or not these goals were met in FY 1999, as reported in its FY 1999 performance report.

Table I-2: Goals and Measures to Make More Timely and Accurate Disability Determinations and Their FY 1999 Status, as Reported by SSA

Goal/measure	FY 1999 status
Timeliness	
100 days initial disability claims processing times.	Goal not met
53% of disability insurance (DI) claims decided within 6 months after onset or within 60 days after effective filing date, whichever is later.	Goal not met
26% of SSI disability claims decided within 60 days of filing.	Goal not met
313 days annual average hearings processing times. ^a	Goal not met
15% of hearings decisions made and notices sent within 120 days of filing.	Goal not met
Accuracy	
97% accurate Disability Determination Service (DDS) decisional accuracy.	Data not available

Note: The FY 1999 report also includes several goals and measures that reflect pending workloads as well as cases processed at both the initial and appellate levels.

^aThe original FY 1999 plan included a different goal for hearings processing time. Specifically, the original goal measured average processing time for the month of September with a target of 284 days.

GAO Observations on SSA's FY 1999 Goals and Measures to Make More Timely and Accurate Disability Determinations and SSA's Performance Report on This Key Outcome

All six performance goals and measures that relate to the key outcome of making more timely and accurate disability determinations have quantifiable target levels and appear to be objective measures. While all six relate to the key outcomes, they do not allow SSA to completely assess the timeliness and accuracy of its disability determinations, for reasons such as the following:

- Even though five of the goals and measures relate to the timeliness of the disability decisionmaking process at the initial or hearings level, none measure timeliness from the customer's perspective—that is, total time until the customer receives a final decision, including final decisions reached on appeal.
- Decisional accuracy is measured only at the initial level, not at the appellate level.
- SSA does not assess the extent of consistency in decisionmaking between its initial and appellate levels, despite indications of long-standing inconsistencies between the two decision levels.

The FY 1999 report clearly portrays the extent to which SSA met its five goals related to timeliness—it did not meet any of them. The report included 4 fiscal years of trend data (FY 1996 to FY 1999), providing additional context to assess performance data. For the one accuracy goal, the report explained that data would not be available until January 2000—2 months after the report’s publication in November 1999.

The report included a general discussion of data verification and validation efforts. The report also noted that SSA’s Office of Quality Assurance and Performance Assessment regularly reviews a stratified sample of recently completed actions and ongoing entitlement rolls to determine the accuracy of SSA payments and service transactions—which improves the credibility of DDS decision accuracy data. However, the continuing deficiencies in the design and operation of SSA’s information systems’ internal controls, as noted in the financial statement audit, could hamper the agency’s ability to produce credible performance data. The report also did not provide sources for the data used.

SSA’s performance report also included a brief summary of program evaluations performed during FY 1999 that relate directly to this outcome. For example, the plan discussed evaluations that explored the impact of certain process changes on productivity and processing times. While the results of these evaluations were used to inform decisions on future strategies, the evaluations were presented in a general section on program evaluation in the FY 1999 report and not in relation to specific goals and measures.

Unmet FY 1999 Performance Goals and Measures for This Key Outcome

SSA’s performance report indicated that SSA did not achieve any of the five goals relating to timeliness of decisions (SSA also reported not meeting its recently eliminated goal regarding average number of days for hearing decisions for the month of September):

- 105 days (goal: 100 days) average to process initial disability claims.
- 49.2% (goal: 53%) of DI claims were decided within 6 months after onset or within 60 days after effective filing date, whichever is later.
- 22.3% (goal: 26%) of SSI disability claims were decided within 60 days of filing.
- 316 days (goal: 313 days) annual average to process hearings.
- 14.2% (goal: 15%) of hearings decisions were made and notices were sent within 120 days of filing.

Since data were not available, it was not possible to determine if SSA had met or exceeded its DDS decisional accuracy goal.

The report provided three basic reasons for its failure to meet the three goals relating to timeliness of initial disability claims. First, preparations for implementing a newly redesigned disability claims process (or disability prototype) at 10 disability determination offices required significant staff training, which reduced the amount of

time available to process claims and, consequently, reduced productivity. Second, the increased emphasis upon completing full medical continuing disability reviews detracted from staff ability to meet processing goals. Finally, SSA's emphasis on up-front quality decisions affected initial case processing times, dispositions, and pending cases.

For the two goals regarding timeliness of the hearings process, SSA noted that the performance goal was set at an approximate level and the deviation from that level was slight.

SSA's strategy for improving results in the future is to rely on process and technological improvements to the decisionmaking process, which were identified and formally evaluated during its recent initiative to redesign the claims process. The FY 1999 performance report briefly describes SSA's plans to prototype its redesigned initial disability claims process in order to improve accuracy and reduce the number of cases needing a hearing. It also briefly describes plans to process more hearings without additional resources through implementation of a new Hearings Process Improvement initiative. However, previous work we conducted in this area found that SSA has experienced delays and setbacks with its redesign efforts, including failure to develop and deliver the first major software application that was to support the disability claims process. We concluded that it is unclear when and if significant improvements will be realized in this area.

SSA's FY 2000 Performance Goals and Measures to Make More Timely and Accurate Disability Determinations

SSA's FY 2000 performance plan included the following changes from the FY 1999 plan that relate to this outcome.

Goals and Measures Added

- Office of Hearings and Appeals (OHA) decisional accuracy rate (87% accurate).

The final revised FY 2000 plan includes the following changes to SSA's targets related to this key outcome:

- Initial disability claims average annual processing time was changed from 100 to 115 days.
- OHA average annual processing time was changed from 268 to 257 days.

Goals and Measures Changed

- Three goals were dropped as individual annual goals and rolled into the umbrella strategic objective with target dates of 2002: (1) 75% (originally 53%) of DI claims decided within 6 months after onset or within 60 days after effective filing date; (2) 50% (originally 26%) of SSI disability claims decided within 60 days of filing; and (3) 30% (originally 15%) of appeals to hearing level decided within 120 days of date of hearing request.

- Processing times for both initial disability claims and hearings changed to annual average processing times.

Target Changed

- For annual average hearings processing time from 313 days to 268 days.

GAO Observations on the FY 2000 Performance Plan for This Key Outcome

In its FY 2000 plan, SSA explained that until its plans to redesign the claims process are more complete, it will rely on its two current measures for timeliness—average annual times to process claims at the initial and hearings levels—which SSA revised to provide a more accurate representation of performance. Once its plans are completed, the agency intends to reevaluate its current disability claims and hearings processing time objectives to specify levels of performance that are acceptable to customers and challenging, yet reasonably attainable under the redesigned process. It will then revise related performance indicators. In the meantime, the target for the average hearings processing time was changed to reflect increased attention on clearing aged cases; the target for the initial claims process was unchanged. Regarding OHA decisional accuracy, SSA indicated that this goal (along with and the DDS decisional accuracy goal) is an interim indicator of performance, until indicators of overall accuracy (that is, accuracy of both medical and nonmedical factors of eligibility) are developed. SSA did not provide time frames for establishing new indicators.

SSA's changes to its FY 2000 plan and the reasons for those changes were reported together with its FY 2001 plan. Specifically, SSA reported that longer processing times for initial claims reflect SSA's FY 1999 performance, FY 2000 budget request reductions, and FY 2000 plans to begin rolling out process changes by prototyping a new disability claims process for 20% of cases. SSA also reported that lower processing times at the hearings level reflect expected decreases in pending cases, increased monitoring, and implementation of process improvements at a number of hearings offices.

The FY 1999 report and final revised FY 2000 plan both describe revisions to means and strategies for achieving FY 2000 goals related to SSA's process redesign plans. The FY 1999 report referenced the plans to prototype several changes to its initial disability claims process and hearings adjudication process. The final revised FY 2000 plan indicated the scope and/or timetable of these plans. Specifically, SSA plans to prototype the new disability process for 20% of the national workload, and to institute a new Hearings Process Improvement plan at 37 hearing offices, beginning January 2000.

SSA's FY 2001 Performance Goals and Measures to Make More Timely and Accurate Disability Determinations

The following changes were made to SSA's performance goals and measures related to making more timely and accurate disability determinations between the FY 2000 and FY 2001 plans.

Goals Added

- 14% increase in production per work year in hearings process.
- DDS allowance performance accuracy rate (96.5% accurate).
- DDS denial performance accuracy rate (93.5% accurate).

Targets Changed

- Targets for two of its three measures that were rolled into longer term objectives in the FY 2000 plan were changed: (1) 70% (originally 75%) of DI claims decided within 6 months after onset or within 120 (originally 60) days after effective filing date, and (2) 60% (originally 50%) of SSI disability claims decided within 120 (originally 60) days of filing.
- Average annual processing time for initial claims increased from 115 to 117 days.
- Average annual processing time for hearing decisions lowered from 257 to 208.

(The wording for one goal and measure has changed—from DDS decisional accuracy to DDS net decisional accuracy rate—but the change did not affect the meaning of this measure.)

GAO Observations on the FY 2001 Performance Plan for This Key Outcome

In SSA's FY 2001 plan, the agency explains that it altered its longer term objective to reflect "a more appropriate processing time goal for a greater number of applicants." SSA also changed its "annual processing time for initial claims" target to reflect its expectation that productivity will decrease and processing times increase as the new disability prototype is implemented. Ultimately, SSA expects process changes will help ensure that correct disability decisions are made and benefits are awarded as early in the process as possible. In the plan, SSA also indicates that the new goal of increasing production per work year in the hearings process is a key outcome for its Hearings Process Improvement plan. SSA further indicated that revised disability claims and hearing processing time objectives will be contained in its new strategic plan and next performance plan. On the other hand, the plan did not indicate the basis for adding goals and measures regarding accuracy of DDS allowances and denials.

Goals and measures in SSA's FY 2001 plan are generally concrete, and achieving or exceeding some of these goals would clearly indicate improvement in one of the agency's most challenging service areas. On the other hand, new targets for processing disability claims reflect improvements only under the envisioned process—not under the current

process. SSA will need to carefully monitor its performance in this area while process changes are being implemented.

The FY 2001 plan includes improvements that address some weaknesses in past plans identified by GAO. For example, SSA has finally established an ongoing measure of decisional accuracy at the hearings level. It also adjusted its goals to reflect expected process changes and workloads and clearly explained its strategies for meeting these goals at both the initial and appellate levels. Finally, the plan recognizes a number of areas where SSA's goals intersect with those of many other federal agencies. For example, SSA and the Department of Veteran Affairs exchange data regarding veterans' benefits.

However, weaknesses still exist with SSA's set of goals and measures for the disability program, including the following:

- SSA has not established a goal for measuring the success of its efforts to achieve more consistent decisions between the initial and hearings levels of the process.
- SSA's current goals and measures still do not completely assess timeliness from the claimant's perspective—that is, the time it takes to receive a final decision—regardless of the adjudicative level.

Key Agency Outcome: Reduce Long-Term Disability Benefits Because People Return to the Workplace

Table I-3 shows SSA's two performance goals and measures that relate to the key agency outcome of reducing long-term disability benefits because people return to the workplace and whether or not these goals were met in FY 1999, as reported in SSA's FY 1999 performance report.

Table I-3: Goals and Measures to Reduce Long-Term Disability Benefits Because People Return to the Workplace and Their FY 1999 Status, as Reported by SSA

Goal/measure	FY 1999 status
Begin implementation of the "Ticket to Independence" program, contingent upon enactment of supporting legislation in FY 1998. ^a	Goal met
Complete testing of a prototype on an improved method for making sound decisions regarding the capacity for persons with disabilities to work (by FY 2001). ^b	Not applicable

Note: The FY 1999 report includes two other goals and measures—that is, regarding the Disability Evaluation Study and return-to-work research and analysis—that we considered indirectly related to the outcome of returning beneficiaries to work.

^aSSA's "Ticket to Independence" program referred to the Administration's proposal to test allowing disabled beneficiaries to choose their own public or private vocational rehabilitation provider.

^bThe prototype referred to software that will enable persons with disabilities to make informed decisions about the effect work and earnings will have on their Social Security benefits and net income from certain other federal benefits.

GAO Observations on SSA's FY 1999 Goals and Measures to Reduce Long-Term Disability Benefits Because People Return to the Workplace and SSA's Performance Report on This Key Outcome

SSA's FY 1999 performance report includes two measures directly related to the outcome long-term disability benefits are reduced because people return to the workplace. However, these measures do not sufficiently track progress toward this key outcome. While they reflect progress in developing tools to help beneficiaries achieve self-sufficiency, they do not measure the number of beneficiaries who actually achieve this outcome. Moreover, they are not quantifiable or objective. Both lack specific activities to be accomplished and the "complete testing of a prototype" goal does not include interim activities and dates to be accomplished in FY 1999.

The degree to which these goals were achieved is unclear. Although key legislation for achieving SSA's "Ticket to Independence" goal was not enacted until December 1999, SSA reported having met this goal through developing implementation strategies. However, details of these activities were not provided. Regarding the "complete testing prototype" goal, the report indicates testing continues and possible future changes to its prototype software may occur, but details describing SSA's accomplishments and status were not provided.

While the overall credibility of SSA's performance data could be hampered by deficiencies in its information systems' internal controls, data for this particular goal are qualitative and do not rely on the data sources in question. However, SSA's FY 1999 report does not identify any program evaluations conducted that are directly relevant to this outcome.

Unmet FY 1999 Performance Goals and Measures for This Key Outcome

SSA had no unmet FY 1999 performance goals and measures for this outcome. The "complete testing of a prototype" goal's target date was FY 2001 and was, therefore, not considered unmet.

SSA's FY 2000 Performance Goals and Measures to Reduce Long-Term Disability Benefits Because People Return to the Workplace

SSA's FY 2000 performance plan included the following changes from the FY 1999 plan that related to this outcome. Changes were not made to the FY 2000 plan as a result of SSA's actual FY 1999 performance.

New Strategic Objective

To promote policy changes that shape the disability program in a manner that increases self-sufficiency.

Goals and Measures Added

- 10% increase in the number of DI adult beneficiaries who begin a trial work period.
- 10% increase in the number of SSI disabled beneficiaries aged 18 to 64, participating in 1619(a)—that is, working but still receiving benefits.

The FY 2000 plan also included three goals and measures—validating medical listings, reporting results of the Disability Evaluation Study, and creating a Disability Research Institute—that we considered indirectly related to the outcome of returning beneficiaries to work.

Goals and Measures Dropped

- The two FY 1999 goals and measures were dropped from the FY 2000 plan.

GAO Observations on the FY 2000 Performance Plan for This Key Outcome

Changes to SSA's FY 2000 plan bring SSA closer to tracking its progress toward returning beneficiaries to work. SSA added a new strategic objective and two new goals to more accurately reflect the agency's responsibility for working to increase self-sufficiency of disabled beneficiaries. Although these goals only track individuals who still receive benefits, SSA considers them interim indicators of progress and indicated that it plans to specify long-term goals after analysis of historical data is complete. In its FY 2000 plan, SSA also describes its employment strategy for people with disabilities. For example, SSA plans to rely mostly on its initiative to improve access to vocational rehabilitation services, and on "Ticket to Independence" activities to significantly increase self-sufficiency.

The performance report does not discuss specific changes to the FY 2000 plan but does include a general statement regarding revised strategic objectives, indicators, and performance goals in its FY 2000 plan relating to the umbrella strategic goal.

SSA's FY 2001 Performance Goals and Measures to Reduce Long-Term Disability Benefits Because People Return to the Workplace

There were no additional changes from the FY 2000 plan that we considered directly related to the key outcome of reducing long-term disability benefits because people return to the workplace.

Note: The FY 2001 plan includes three goals and measures (that is, regarding validating medical listings, results of the National Study on Health and Activity, formerly the Disability Evaluation Study, and analysis of return-to-work strategies) that we considered indirectly related to the outcome of returning beneficiaries to work.

GAO Observations on the FY 2001 Performance
Plan for This Key Outcome

The FY 2001 performance plan does not contain any changes in performance goals and measures from the FY 2000 plan that are directly related to returning beneficiaries to work. The current set of related goals and measures in the FY 2001 plan are generally succinct and concrete, in that they will help SSA assess actual performance relative to expected performance. Moreover, they are a step in the right direction, in that they begin to measure results. However, as SSA acknowledged in the plan, measures are still needed to track achievement of long-term self-sufficiency by disability beneficiaries.

A number of activities associated with supporting beneficiaries in their return-to-work efforts require coordination with other agencies. In its FY 2001 plan, SSA describes efforts to work with other agencies in support of this outcome. For example, SSA works with the Department of Labor and other agencies to coordinate on national policy, benefits, and return-to-work research. SSA also has cooperative agreements with 12 states to test the effects of providing integrated services to disabled beneficiaries at the state and local levels.

By recognizing the importance of interagency coordination and including intermediate goals essential to assess progress toward returning beneficiaries to work, SSA has addressed a number of weaknesses we identified in our reviews of previous plans. However, SSA still has more to do to establish goals and measures that assess the achievement of long-term self-sufficiency, such as the number of beneficiaries achieving long-term employment and no longer receiving benefits.

**Key Agency Outcome: Provide Timely
Information to Decisionmakers to
Address Program Policy Issues**

Table I-2 shows SSA's performance goal and measure related to the key agency outcome of providing timely information to decisionmakers necessary to address program policy issues, such as long-term trust fund solvency, and whether or not this goal was met in FY 1999, as reported in its FY 1999 performance report.

**Table I-4: Goal and Measure to Provide Timely Information to Decisionmakers
Necessary to Address Program Policy Issues and Its FY 1999 Status, as Reported by SSA**

Goal/measure	FY 1999 status
Continue to conduct planned research and policy evaluation necessary to assist the Administration and the Congress in developing proposals to strengthen and enhance the Social Security program.	Goal met

Note: SSA's 1999 plan listed a number of other measures related to this outcome; however, none had accompanying goals for FY 1999.

GAO Observations on SSA's FY 1999 Goal and Measure to Provide Timely Information to Decisionmakers Necessary to Address Program Policy Issues and SSA's Performance Report on This Key Outcome

SSA's FY 1999 performance plan included only one goal related to this outcome, and this goal is not objective or quantifiable. Moreover, it is output- rather than outcome-oriented. While it is difficult to measure goals related to policy analysis, research, and evaluation, as we reported in our review of SSA's FY 1999 plan, SSA could have established more meaningful performance goals related to its effectiveness in this area.

In its FY 1999 performance report, SSA listed a number of research activities that it accomplished during FY 1999 to document its continuing research and policy evaluation. For example, SSA continued development of a long-run microsimulation model for estimating the impact on various socioeconomic groups of major changes in the Social Security system. The model was used to respond to congressional requests and to undertake preliminary analyses of major reform groups. SSA also produced a number of other evaluations and studies including an evaluation of reform proposals to alleviate poverty among elderly women and the possible effects of increasing SSA's early retirement age. While it appears from SSA's accomplishments that much progress was made in conducting research and policy evaluation, it is not possible to independently determine how effective or useful the agency's activities were.

While the overall credibility of SSA's performance data could be hampered by deficiencies in its information systems' internal controls, data for this particular goal are qualitative and do not rely on the data sources in question.

Unmet FY 1999 Performance Goals and Measures for This Key Outcome

As reported by SSA, there were no unmet FY 1999 goals and measures related to this key outcome.

SSA's FY 2000 Goals and Measures to Provide Timely Information to Decisionmakers Necessary to Address Program Policy Issues

SSA's FY 2000 performance plan included the following changes from the FY 1999 plan that relate to this outcome.

Goals and Measures Added

- Develop customer survey and data collection mechanism to measure percent of customers assigning a high rating to the quality of SSA's research and analysis.
- Issue initial research and policy agenda.
- Identify and define appropriate barometer (program effectiveness) measures for both the Old-Age, Survivors, and Disability Insurance (OASDI) and SSI programs.

- Prepare a number of specified analyses and reports on the effects of OASDI programs on different populations in order to identify areas for policy change and develop options as appropriate.
- Prepare a number of specified analyses and reports on demographic, economic, and international trends and their effects on OASDI programs in order to anticipate the need for policy change and develop options as appropriate.
- Take early steps to expand and acquire data on the characteristics of SSI populations in order to improve capacity to provide analyses, identify areas for policy change, and develop options as appropriate.
- Prepare analysis on sources of support for the SSI population in order to identify areas for better coordination with other social benefits and develop options as appropriate.

Goal Changed

- SSA changed its FY 1999 goal to focus on preparing analysis of the distributional and fiscal effects of solvency proposals.

GAO Observations on the FY 2000 Performance Plan for This Key Outcome

In its FY 2000 performance plan, SSA revised its FY 1999 goal and added a number of new goals and measures related to this key outcome. The FY 2000 plan explains that these changes are meant to more accurately reflect the agency's responsibility for providing information and policy options. The new set of goals better measures the extent to which critical information is available to decisionmakers. The new goals provide added depth and breadth to the agency's expectations for its performance in this area.

The FY 2000 plan also describes a number of revisions to means and strategies for achieving performance goals related to this outcome. Key revisions include a new organizational structure; the use of partnering, grants, contracts, interagency agreements, and task orders to encourage outside research and advice; and a new communications infrastructure that will allow all SSA users to efficiently access well-organized and up-to-date policy-related material.

These changes were made in response to acknowledged weaknesses in the FY 1999 plan, not in SSA's FY 1999 performance.

SSA's FY 2001 Goals and Measures to Provide Timely Information to Decisionmakers Necessary to Address Program Policy Issues

In its FY 2001 plan, SSA generally retained the measures from its FY 2000 plan and made the following changes.

Goals and Measures Added

- Establish a baseline for the percent of customers assigning a high rating to the quality of SSA's research and analysis products.
- Establish a baseline for percent of major statistical projects that are produced on schedule.

Goals Dropped

- Expand and acquire data on the characteristics of SSI populations.
- Issue periodically updated research and policy agenda.

Goals Changed for Preexisting Measures

- Prepare summaries and analyses of the barometer measures for OASDI and SSI identified in FY 2000.
- Prepare additional analyses and reports.

GAO Observations on the FY 2001 Performance Plan for This Key Outcome

The FY 2001 performance plan includes only a few significant revisions to performance measures from the FY 2000 plan with respect to this outcome. Most of the changes reflect updates to existing measures to build upon presumed accomplishments from FY 2000.

The FY 2001 plan explains the rationale for some, but not all, of these changes or updates to goals. In addition, the plan does not explain why one goal (regarding characteristics of SSI populations) was dropped or why another (regarding timely statistical products) was added.

Overall, the current set of goals and measures related to this outcome in the FY 2001 plan are generally concrete and provide a clear picture of the agency's expected performance. Although goals for this outcome are difficult to define and quantify, SSA is now using a number of related outputs that are specific and objective and has clearly articulated what must occur before it will consider the goal achieved. In addition, two of SSA's new or revised measures help capture the effectiveness or usefulness of SSA's research and analysis efforts—the measure of customer satisfaction with the quality of SSA's research and analysis and the measure of the timeliness of statistical products.

SSA's FY 2001 plan recognizes that SSA's research and evaluation efforts intersect with those of many other federal agencies. SSA states that it has numerous standing relationships to coordinate programs that are directed toward common populations, and cites a number of agencies and organizations that it works closely with. For example, SSA indicated that it participates with the National Institute on Aging, the Bureau of Labor Statistics, and the Bureau of the Census in planning surveys that provide essential

background information for policy research and analysis, such as the Survey of Income and Program Participation and the National Longitudinal Surveys of Women.

SSA's FY 2001 plan has addressed a number of weaknesses identified with respect to its FY 1999 and FY 2000 plans. Specific improvements include the following:

- Clearer relationships between goals and measures.
- More quantifiable, measurable goals, with clearly defined levels of expected performance.
- More specific output and intermediate outcome measures.
- Indicators of effectiveness of research and policy (quality, timeliness, customer satisfaction).

Key Agency Outcome: Reduce Fraud, Waste, and Error in the SSI Program

Table I-5 shows SSA's six performance goals and measures that relate to the key agency outcome of reducing fraud, waste, and error in the SSI program and whether or not these goals were met in FY 1999, as reported in SSA's FY 1999 performance report.

Table I-5: Goals and Measures to Reduce Fraud, Waste, and Error in the SSI Program and Their FY 1999 Status, as Reported by SSA

Goal/measure	FY 1999 status
Waste/error	
2,091,600 SSI nondisability redeterminations processed.	Goal met
1,637,000 continuing disability reviews (CDR) processed. ^a	Goal met
\$576.9 million in SSI overpayment dollars collected. ^b	Goal met
Fraud	
5,700 allegations opened as investigations. ^a	Goal met
\$18 million SSI dollar amounts reported from investigative activities. ^b	Goal met
1,800 criminal convictions. ^a	Goal met

Note: The FY 1999 report includes two other related goals and measures—percent multiyear CDR plan completed and annual increase in debt collected—that we considered redundant with the goals and measures listed here.

^aGoal and measure not specific to SSI.

^bTwo goals—SSI overpayments collected and SSI dollar amounts reported from investigations—were not in the original FY 1999 plan. The original plan included similar goals but measured activities for both the OASDI and SSI programs combined rather than isolating the results for the SSI program. In addition, the target level for overpayments collected changed from the original plan. The original target for the programs combined was higher. SSA adjusted the target level to reflect a 7% increase over actual 1998 data.

GAO Observations on SSA's FY 1999 Goals and Measures to Reduce Fraud, Waste, and Error in the SSI Program and SSA's Performance Report on This Key Outcome

While SSA's six goals and measures related to reducing fraud, waste, and error in the SSI program are quantifiable, some are not specific to the SSI program. We criticized SSA's FY 1999 plan because it contained only two goals specific to the SSI program (only one of these was related to this outcome). In the FY 1999 report, the agency changed two of its goals to specifically measure SSI program activities. However, SSA did not directly link some of its other goals and measures to the SSI program, such as those relating to CDRs and investigations, in the same manner.

FY 1999 goals and measures regarding SSI are not sufficiently outcome-oriented. Specifically, most of these goals and measures track outputs (such as number of redeterminations, number of CDRs, number of investigations), not results (such as reducing error, waste, and fraud). Better measures for tracking reductions in error exist, such as improvement in accuracy levels, which would monitor progress before benefits are paid, rather than monitoring progress made in recovering funds that are erroneously paid. We recognize that measuring reductions in fraud is more difficult because the universe of fraud cannot be known. In its FY 1999 performance report, SSA indicated that its OIG is attempting to develop better tools for predicting performance.

SSA's performance information for its six FY 1999 goals relating to this outcome was complete and clear. SSA reported meeting all six goals. SSA explained that some goals (CDRs, debt collections) were met due to diligence and focus. Other goals (redeterminations and investigative activities) were exceeded due to additional resources. SSA also completed a comprehensive action plan of the SSI program in October 1998, which helped focus its efforts.

For SSI, performance information is based on actual (not estimated) data, and includes 3 years of historical data provided for comparison. However, as with other performance measures, data sources were not provided. In addition, the report includes only a general discussion of data verification and validation efforts and does not mention that deficiencies noted in the financial statement audit could hamper SSA's ability to produce credible performance data. Finally, other statements in the report cast some doubt on the validity of certain measures. For example, SSA reported taking steps to upgrade or modify its system used to track the redetermination workload.

The FY 1999 report provides minimal information on program evaluations related to the SSI program. For example, it lists only one relevant study, which evaluated the impact of new SSI software on productivity and process improvements, but the anticipated change is not linked to any change in performance data.

Unmet FY 1999 Performance Goals and Measures for This Key Outcome

SSA's performance met its targets for all final revised FY 1999 goals. (SSA reported that it did not meet its original overpayment collection goal—for OASDI and SSI combined—but it did meet its revised goal, which represents a 7% increase over actual FY 1998 data.)

SSA's FY 2000 Performance Goals and Measures to Reduce Fraud, Waste, and Error in the SSI Program

SSA's FY 2000 performance plan included the following changes from the FY 1999 plan that relate to this outcome.

Goals and Measures Added

- Dollar accuracy of SSI payment outlays—95% without overpayments.
- Dollar accuracy of SSI payment outlays—98.8% without underpayments.

Target Changed

- Performance goals for five of six existing measures increased (only number of criminal convictions was unchanged).

The revised FY 2000 plan included the following changes from the original FY 2000 plan:

Measure Changed

- The word “closed” was added to the measure regarding number of investigations conducted to clarify that the measure includes completed actions.

Target Changed

- Targets increased for three performance goals: number of investigations, SSI dollar amounts reported from investigation activities, and SSI debt collected.

GAO Observations on FY 2000 Performance Plan for This Key Outcome

The FY 2000 performance plan includes important changes from the FY 1999 plan, including higher targets for most of its existing measures and new goals and measures for assessing error (payment accuracy). The FY 2000 plan includes explanations for some of the changes.

- Regarding increased targets, SSA indicated that most of these activities (CDRs and antifraud efforts) have received increased funding and emphasis.
- Regarding new goals and measures for SSI dollar accuracy, SSA indicated that, while the accuracy of SSI outlays was seemingly high and fluctuated little, a small

percentage of error in SSI payments translates into large dollar amounts due to the size of the SSI program.

The FY 1999 report alludes to changes to the original FY 2000 plan; however, these changes are not identified and explained until the revised FY 2000 plan (published in SSA's FY 2001 plan). Specifically, the revised plan notes the following:

- SSI debt collected increased to reflect a 7% increase over actual FY 1999 performance.
- Targets for number of investigations and for SSI dollar amounts reported from investigations increased to reflect increased OIG resources and return on investment.

SSA's FY 2001 Performance Goals and Measures to Reduce Fraud, Waste, and Error in the SSI Program

The FY 2001 plan contained the same measures directly related to the key outcome as the final revised FY 2000 plan. In most cases, however, target levels changed between the FY 2000 and FY 2001 plans.

Goal Added

- Prepare analyses on SSI simplification opportunities.

Targets Changed

- Number of CDRs lowered from 1.88 million to 1.73 million.
- Number of nondisability redeterminations lowered from 2.24 million to 2.05 million.
- Number of investigations increased from 7,600 to 8,000.
- SSI dollar amounts reported from investigations increased from \$80 million to \$90 million.
- Number of criminal convictions increased from 1,800 to 2,500.
- Overpayment of SSI dollars collected increased from \$684.8 million to \$732.7 million.

GAO Observations on FY 2001 Performance Plan for This Key Outcome

The FY 2001 plan does not contain significant changes from the FY 2000 plan. Changes largely involve target levels, mostly an increase in expected performance. Regarding higher targets for investigations, convictions, and dollars reported, the FY 2001 plan indicates that the OIG has steadily increased its resources for combating fraud. With respect to higher overpayment of SSI dollars collected, this reflects a 7% increase over the adjusted FY 2000 targets. However, the FY 2001 plan does not include an explanation for the lower redeterminations target compared to FY 2000 and only states that the target number for CDRs is consistent with its 7-year plan.

Regarding the new SSI simplification goal and measure, the plan explains that GAO and others have identified program complexity as one of SSA's management challenges. It also explains that SSA intends to use feedback from internal and external sources to identify SSI policies determined to be complex. The plan indicates that the expected analyses will consider tensions that exist between a number of factors, such as simplification and program integrity, but does not provide adequate specificity regarding what the agency plans to do with this information.

Discussions of expected performance for FY 2001 goals and measures related to this outcome, including the two new goals and revised targets, are generally succinct and concrete. In addition, the plan addresses several key weaknesses identified in earlier GAO reports:

- The plan includes revised performance objectives, goals, and measures that better reflect the need to combat fraud and abuse, further highlighting goals related to SSI program management improvement and payment accuracy.
- The plan provides a separate summary of SSI improvement goals to highlight the agency's efforts to improve program integrity and discusses SSA's comprehensive plan for improving management of the SSI program, including activities and legislation relevant to achieving its goals.
- The plan addresses crosscutting areas, citing several agencies (such as the Immigration and Naturalization Service and the Bureau of Prisons) that SSA needs to coordinate with to improve the dollar accuracy of SSI payments through computer matching and online access to relevant databases.

While SSA's FY 2001 plan contains many improvements over its FY 1999 plan, room for additional improvements such as the following still exists.

- SSA should follow through with developing better indicators of antifraud efforts, perhaps looking to other agency programs for best practices. Additional indicators might include efforts to track civil monetary penalties.
- SSA's current overpayment collection goals and measures lump together new and old debt and underpayments. Because it may be easier for SSA to collect new debt, this measure can mask SSA's progress in recovering old debt, which is more difficult to collect.
- Several FY 2001 goals and measures could be more directly linked to the SSI program (for example, CDRs, investigations, criminal convictions).
- SSA could measure the results of its CDR and nondisability redeterminations (dollars saved) rather than measuring output.

**OBSERVATIONS ON THE SOCIAL SECURITY ADMINISTRATION'S EFFORTS TO
ADDRESS ITS MAJOR MANAGEMENT CHALLENGES**

The table on the following pages identifies the major management challenges confronting SSA. The first column lists the major management challenges identified by GAO and those identified by SSA's OIG. The second column summarizes the progress, as discussed in its FY 1999 performance report, SSA has made in resolving these major management challenges. The third column discusses the extent to which SSA's FY 2001 performance plan includes performance goals and measures to address these management challenges.

Major management challenge	Progress in resolving major management challenge as discussed in the FY 1999 performance report	Applicable goals and measures in the FY 2001 performance plan
Ensuring the long-term solvency of the Social Security system		
<p>As a result of profound demographic changes, the Social Security program faces long-term financing problems. According to current estimates, benefit payments will begin to exceed tax receipts for the Social Security trust funds in 2015. Trust fund reserves will be exhausted in 2037, at which time tax receipts will be sufficient to pay about 72 percent of promised benefits. A number of changes to the program have been proposed to resolve this key issue facing the country. SSA has an important role to play in this policy debate. It can inform policymakers and the public about program characteristics overall and the implications of proposed changes. (SSA's OIG also identified this area as a management challenge.)</p>	<p>SSA's FY 1999 Performance Report discusses the agency's progress under its one key goal for this area: to conduct planned research and policy evaluation to assist the Administration and the Congress in devising proposals to strengthen and enhance the Social Security program. For example, the agency is using and enhancing a long-run microsimulation model for estimating the impact of changes on various socioeconomic groups. With this model, SSA has undertaken preliminary analyses of major reform proposals. SSA also produced a number of other related evaluations and studies. However, it is difficult to determine how effective or useful the agency's activities were. Also, the report provided little discussion on the many steps the agency has taken to further develop its capacity to inform policymakers and the public on solvency issues.</p>	<p>Since FY 1999, SSA has added a number of new goals and measures to reflect its commitment to revitalize the agency's research, policy analysis, and evaluation capabilities so that it can meet its responsibility to inform the solvency debate. The agency uses a mix of program outcome goals and other measures to monitor the usefulness of its reports and studies. Of particular significance, SSA plans to establish a baseline from which to monitor both the quality (as assigned by customers according to four dimensions) and timeliness of certain key products. Moreover, the plan explains steps SSA is taking to coordinate, fund, and disseminate research by others through research institutes or consortiums. SSA has made important strides both in building its capacity in this area and improving its measures; however, the results and usefulness of its efforts are not yet fully apparent. Building this type of research and analysis capacity and completing the research take time.</p>

Major management challenge	Progress in resolving major management challenge as discussed in the FY 1999 performance report	Applicable goals and measures in the FY 2001 performance plan
Fraud, waste, and error in the SSI program		
<p>The SSI program has been plagued with many long-standing problems, such as program abuses and mismanagement, increasing SSI overpayments, and SSA’s inability to recover outstanding debt. We have designated this program at high risk for waste, fraud, and mismanagement. (SSA’s OIG refers to the SSI program under its “Fraud Risk” designation.)</p> <p>SSI program operations are also affected by problems related to processing disability claims and a lack of focus on returning beneficiaries to work—issues discussed separately in the next section.</p>	<p>SSA’s FY 1999 performance report is embedded in its accountability report for that year—which, in turn, highlights a report issued by the Commissioner in October 1998 outlining the actions SSA plans to take to improve its oversight and stewardship of the SSI program. The Commissioner’s report states that the agency has moved aggressively to strengthen SSI program management.</p> <p>In its performance report, SSA changed two of its goals (regarding overpayments collected and dollars reported from investigations) to better reflect progress specific to the SSI program, whereas before it had combined information from both SSI and DI. Also, the report contains numerous references to specific actions the agency has taken to meet the six goals related to SSI program management. For example, the agency completed over 2 million nondisability (that is financial eligibility) SSI redeterminations because this workload was given a top priority and progress was closely monitored,</p>	<p>SSA’s FY 2001 plan contains a section where it reaffirms its commitment to improve SSI program integrity and highlights its key goals related to improving SSI management. Since FY 1999, SSA has added two new measures and goals to track accuracy of SSI payment outlays. For FY 2001, the agency has increased the targets for four of its six measures related to SSI program management; however two key goals (numbers of continuing disability reviews and nondisability redeterminations) that help ensure only eligible individuals continue to receive benefits were reduced.</p> <p>Overall, SSA and its OIG are dedicating attention and resources to better managing the SSI program, which have produced results. However, to a large extent, many of the problems facing SSI are the result of more than 20 years of inattention to payment controls and an organizational culture that has focused more on quickly processing claims than on controlling program expenditures. Thus, we believe the agency must also take steps to change</p>

Major management challenge	Progress in resolving major management challenge as discussed in the FY 1999 performance report	Applicable goals and measures in the FY 2001 performance plan
	<p>according to the report. Also, the OIG placed a greater emphasis on antifraud activities, including increasing hotline staff from 12 telephone operators to over 50. As a result, SSA greatly exceeded its goals for opening investigations and dollar amounts reported from investigative activities.</p>	<p>its management culture to reduce the program's vulnerability to waste, fraud, and mismanagement. For example, SSA's work credit and measurement system has historically rewarded staff for processing cases rather than thoroughly verifying applicant eligibility or preventing fraud and abuse. We believe the system needs to be revised to include specific performance measures to hold managers accountable for verifying recipient information and combating program fraud and abuse. Also, SSA could further focus certain measures specifically on SSI and better measure the outcomes of its redetermination efforts.</p>

Major management challenge	Progress in resolving major management challenge as discussed in the FY 1999 performance report	Applicable goals and measures in the FY 2001 performance plan
Redesigning SSA's disability claims processes and focusing on return to work		
<p>SSA's disability programs have long suffered from a set of serious problems, including lengthy processing times, backlogs of appealed cases, and inconsistencies in decisions between the initial application and appellate levels. In addition, the disability program contains a number program weaknesses that result in few beneficiaries ever leaving the rolls to return to work. (SSA's OIG also identified disability process redesign as a management challenge.)</p>	<p>The continuing difficulties SSA has in the disability claims area is evidenced by SSA's failure to meet its five timeliness goals from its FY 1999 plan. It was not possible to determine if SSA had met or exceeded its sixth performance goal because data were not yet available.</p> <p>The FY 1999 report discusses SSA's efforts over the last few years to test a number of process improvement initiatives and the agency's decision to prototype some of the changes it considers promising, which began in 10 states in October 1999.</p> <p>Regarding the need to place more emphasis on helping beneficiaries return to work, the FY 1999 report itself reflects limited progress towards this key challenge. Only two goals discussed in the FY 1999 performance report might be considered directly related to this challenge. SSA planned to implement the "Ticket to Independence legislation," but the law was not passed until December 1999. SSA did report developing</p>	<p>For FY 2001, SSA is relying on several measures that include average annual processing times and decisional accuracy at both the initial and hearings levels. The agency also added a measure to monitor productivity improvements in its hearings offices.</p> <p>The agency is in a period of transition in its efforts to improve its disability claims process. Under its current strategy, it is prototyping process changes in 10 states and simultaneously rolling out significant process changes at its hearings offices. When more is known about the results of these initiatives, the agency plans to revise processing time goals and measures. However, the extent of success of some of these changes relies, in part, on proposed technology improvements, which have been challenging for the agency in the past and are not measured in the plan. Overall, the agency will need to carefully monitor its progress in this difficult area.</p> <p>SSA's FY 2001 plan addresses some but</p>

Major management challenge	Progress in resolving major management challenge as discussed in the FY 1999 performance report	Applicable goals and measures in the FY 2001 performance plan
	<p>implementation strategies but does not provide any details regarding these strategies. Regarding the goal to test an improved method for making decisions, the report indicates testing continues and possible future changes to SSA's prototype software may occur, but details again are lacking.</p> <p>Additional information on SSA's strategy to increase the number of beneficiaries returning to work can be found in its FY 1999 accountability report and in a more detailed long-range plan published March 1999. This report brings together a broad array of initiatives to comprise the agency's strategy to improve the disability claims/adjudication process, enhance beneficiaries' opportunities to work, and focus on disability program integrity. In this report, the Commissioner acknowledges that no single initiative can address this management challenge; rather, the agency needs to take concerted action in several areas.</p>	<p>not all measurement weaknesses we have identified in past plans. For example, SSA still lacks a single measure of accuracy for the entire process, SSA has yet to establish a goal for measuring the success of its efforts to achieve consistency in decisions between the initial and appellate levels, and SSA's current goals and measures do not completely assess timeliness from the customer's perspective.</p> <p>Regarding the agency's return-to-work efforts, the FY 2001 plan includes a number of goals that directly or indirectly track SSA's progress in this area. Two goals added in FY 2000 bring the agency closer to directly tracking the desired outcome. The agency hopes to increase by 10 percent (1) the number DI adult worker beneficiaries who begin a trial work period and (2) the number of SSI disabled beneficiaries, aged 18 to 64, who are working but still receive benefits. The plan also includes several indirect goals that can help bolster its efforts, such as one to analyze alternative return-to-work strategies.</p>

Major management challenge	Progress in resolving major management challenge as discussed in the FY 1999 performance report	Applicable goals and measures in the FY 2001 performance plan
		<p>The FY 2001 plan also describes various initiatives and commitments that have a return-to-work focus. Implementing the Ticket to Work and Work Incentives Improvement Act of 1999, which is intended to address some of the most significant barriers to people with disabilities obtaining and retaining employment, will begin in FY 2001 and will be phased in over a 3-year period.</p> <p>SSA still has work remaining to achieve real progress in returning beneficiaries to the workplace. First SSA needs better data, measures, and goals to track and assess the extent to which beneficiaries achieve complete, or long-term, self-sufficiency. Second, SSA has yet to develop a comprehensive strategy that addresses our recommendation to develop earlier intervention and work capacity identification strategies, and that sufficiently integrates its return-to-work and disability redesign efforts.</p>

Major management challenge	Progress in resolving major management challenge as discussed in the FY 1999 performance report	Applicable goals and measures in the FY 2001 performance plan
Implementation of new technology to address future workload demands		
<p>SSA faces a significant challenge in demonstrating how its information technology investment strategy will contribute to the success of its strategic goals. In particular, SSA has been unable to show how its investment in intelligence workstation/local area network (IWS/LAN) is impacting mission performance, although it considers IWS/LAN to be the linchpin for both its improved customer service program and its entire business approach.</p>	<p>While SSA’s performance report does not discuss this management challenge directly, it does include some discussions of how SSA is relying on information technology services to help meet the agency’s strategic goals. However, the discussions generally do not clearly link the initiatives to outcome-oriented goals and measures that are needed to assess whether the initiatives deliver desired program results. For example, within its overall discussion of performance goals and results, the report briefly discusses the significance of the IWS/LAN initiative in facilitating planned productivity improvements and process redesign as well as the agency’s progress relative to one information technology goal—to measure the percentage of front-line employees connected to IWS/LAN. Specifically the report notes that SSA had planned to provide 100 percent of its front-line employees with access to IWS/LAN by the end of 1999. (Due to the need to replace some workstations that were determined to be technically obsolete, SSA delayed its national rollout to all employees, which</p>	<p>The FY 2001 performance plan does not discuss this strategy as a major management challenge. However, the plan does contain a section discussing how information technology is linked to the agency’s strategic goals and initiatives, and it identifies specific initiatives associated with three of the five strategic goals. The plan places particular emphasis on SSA’s intention to increase the number of electronic transactions available to the public by adding Internet services and identifies performance goals for the numbers of customers accessing “Social Security Online” and requesting Social Security statements online. The plan mentions IWS/LAN as the enabling technology infrastructure for improved customer service and increased efficiency and notes the expected time frame for completing its rollout. However, the plan does not include any specific performance measures or discuss other strategies for determining how the IWS/LAN investment is actually contributing to the agency’s goal of improving productivity.</p>

Major management challenge	Progress in resolving major management challenge as discussed in the FY 1999 performance report	Applicable goals and measures in the FY 2001 performance plan
	resulted in only 93 percent of employees having access in FY 1999.) However, the report does not contain language clearly linking this initiative to goals and measures necessary for determining IWS/LAN's impact on workload productivity, processing times, or decisional accuracy rates.	

Major management challenge	Progress in resolving major management challenge as discussed in the FY 1999 performance report	Applicable goals and measures in the FY 2001 performance plan
Information security		
<p>SSA's systems environment remains threatened by weaknesses in several components of its information protection control structure. A number of deficiencies in SSA's contingency plan would impair SSA's ability to respond effectively to a disruption in business as a result of a disaster or other long-term crisis. (SSA's OIG also identified this area as a management challenge under its "Systems Security and Controls" designation.)</p>	<p>SSA reported that the agency has completed a new business impact analysis that includes identification and validation of critical workloads, has adjusted its plans regarding physical location of data operations in the event of an emergency, and successfully tested all of its critical systems over the last 3 years.</p> <p>In its report on SSA's FY 1999 financial statements, PricewaterhouseCoopers (PwC) reported that SSA made notable progress in strengthening controls to protect information and in improving and testing its plan for continuity of operations in the event of an emergency. However, PwC stated that, until corrected, these weaknesses will continue to increase the risks of unauthorized access to and modification or disclosure of sensitive SSA information.</p>	<p>There are no applicable goals and measures in the FY 2001 performance plan. SSA acknowledges that both the GAO and SSA's OIG have identified information security and controls as one of SSA's management challenges. In its FY 2001 performance plan, SSA states that, overall, it has formulated specific action plans to address these challenges and plans to make significant progress toward meeting them. The agency also mentions that the PwC FY 1998 audit credits the agency with progress in the areas of strengthening controls to protect information and planning for continuity of operations, but the plan does not clearly state that weaknesses in both of these areas continue to exist. Finally, the FY 2001 plan notes that the agency's antifraud plan includes activities to prevent and detect fraud, such as revising the integrity review process to better focus security audits and increasing systems controls for certain automated transactions.</p>

Major management challenge	Progress in resolving major management challenge as discussed in the FY 1999 performance report	Applicable goals and measures in the FY 2001 performance plan
Other areas identified by SSA's OIG		
Program complexity		
<p>In administering the OASDI and SSI programs, SSA is bound by increasingly complicated guidelines. These guidelines are the product of legislative, regulatory, and judicial actions; the complexity resulting from these actions has left SSA's programs difficult to administer and error-prone.</p>	<p>Management challenge was not discussed or listed.</p>	<p>The FY 2001 performance plan contains a new measure to prepare analyses on complex SSI policies; its first goal is to prepare an analysis on simplification opportunities in the SSI program. Pursuing legislative proposals for simplification of the SSI program is also part of a key initiative to promote prevention, detection, and resolution of overpayments. Further details or clarification are needed.</p>
Government Performance and Results Act		
<p>SSA's OIG considers this area to be a management challenge since it has found weaknesses in data sources and inaccurate measurements that impact the reliability of performance data. Also, according to SSA's OIG, performance indicators do not always reflect a clear measure of performance.</p>	<p>SSA noted that it would take appropriate action to correct any reported deficiencies in its performance data. These actions may include disclosure of data gaps, changes in performance indicators, improvements to or additions of data collection systems or combinations of these.</p>	<p>There are no applicable goals and measures in the FY 2001 performance plan. However, SSA acknowledges that both GAO and SSA's OIG have identified GPRA commitments as one of SSA's management challenges. In its FY 2001 performance plan, SSA states that, overall, it has formulated specific action plans to address the challenges and that the agency plans to make significant progress toward meeting them. The plan contains a separate section that details how performance measurement is verified, validated, and reported; this plan, as</p>

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		well as the FY 2000 plan, identifies the data source for most performance measures. However, the plan does not contain specific performance measures related to ensuring the accurate measurement of GPRAs commitments.
Service to the public		
<p>The quality of service SSA provides to its customers is at risk due to challenges facing the current workforce and future challenges facing the agency. SSA's ability to serve the public in a timely and efficient manner will likely be affected by retirements of its experienced staff and a caseload growing in volume and complexity.</p>	<p>SSA has numerous goals and measures to monitor the quality of service provided to the public. However, the goals and measures that deal with the identified concern over the ability of SSA staff to handle growing workloads focus on providing its workforce with the necessary tools and training to do its work. These include providing its front-line employees with IWS/LAN and access to interactive video training/interactive distance learning, management development programs, other management and leadership training, and on identifying and preparing training on skills needed in the future.</p>	<p>In addition to the goals and measures found in the FY 1999 plan that address SSA's objective of providing its workforce with the necessary tools and training to do its work, SSA's FY 2001 goals include the key step of completing a workforce transition plan. The report also discusses the agency's efforts to develop a vision that is expected to provide a view of the ways SSA expects to deliver service in 2010 and beyond. In the meantime, SSA's strategy is to rely on the implementation of an enabling technology infrastructure to improve customer service and increase efficiency, improve processes and systems to achieve efficiencies, and provide opportunities for customers to do business with less SSA employee assistance. We believe SSA needs to develop a concrete service-delivery plan that builds upon its vision and provides a detailed road map for steps</p>

Major management challenge	Progress in resolving major management challenge as discussed in the FY 1999 performance report	Applicable goals and measures in the FY 2001 performance plan
		to meet its future service delivery challenges.
Earnings Suspense File (formerly reported under “Annual Wage Reporting” heading)		
Social Security benefits are based on an individual’s earnings as reported to SSA annually. If an individual’s reported name or SSN do not match SSA’s records, the wages or self-employment income will not post to his or her record in SSA’s Master Earnings File. Instead, the wages are held in the Earnings Suspense File, which has continued to grow over the years.	Management challenge was not discussed or listed.	The FY 2001 plan does not have a specific goal to reduce the size of the Earnings Suspense File. However, SSA states in the plan that it has developed a 5-year plan that will move the agency toward more accurate earnings records, improved earnings products and services for employers, and a reduced earnings suspense file.

SSA’s OIG also identified two new management challenges this year:

- enumeration (need to improve controls over verifications and evidentiary documents submitted with SSN applications), and
- identity theft.

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