



Testimony
Before the Subcommittee on Social
Security, Committee on Ways and
Means, House of Representatives

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SSA DISABILITY PROGRAMS

Better Metrics and Evaluation Needed to Inform Decision-Making

Statement of Elizabeth Curda, Director,
Education, Workforce, and Income Security

Chairman Johnson, Ranking Member Larson, and Members of the Subcommittee:

I am pleased to be here today to discuss the Social Security Administration's (SSA) efforts to manage its disability workloads. SSA provides cash benefits to Americans with disabilities who are unable to work through two main programs: Disability Insurance (DI) and Supplemental Security Income (SSI). Collectively, in fiscal year 2017, payments from these programs were about \$200 billion to about 16 million individuals. SSA has faced long-standing challenges processing related workloads and has struggled to decide who is eligible for these benefits in a timely way. Partly because of these challenges, we included "Improving and Modernizing Federal Disability Programs" on our High-Risk List of agencies and programs that are most in need of transformation or are vulnerable to fraud, waste, abuse, and mismanagement.¹

In recent years, SSA's challenges processing disability workloads are particularly evident when individuals appeal initial decisions on their claims and request a hearing before an administrative law judge (ALJ). At the end of fiscal year 2017, SSA reported that more than 1 million claimants who had appealed their decision to an ALJ were awaiting a decision on disability benefits, and they waited, on average, 605 days (or nearly 20 months). SSA's workloads overall may remain a challenge as 80 million members of the baby boom generation pass through their most disability-prone years and enter retirement.

We have issued several reports describing SSA's challenges with managing its disability workloads, efforts to reduce claims processing times, and lack of systematic evaluation to determine the efficacy of those efforts. We highlighted many of these issues in our testimony to this committee in March of this year.² We noted the need for a sustained

¹GAO, *High-Risk Series: Progress on Many High-Risk Areas, While Substantial Efforts Needed on Others*, [GAO-17-317](#) (Washington, D.C.: Feb. 15, 2017). We first designated improving and modernizing federal disability programs as high risk in 2003. In making and updating this designation, we considered actions of SSA and Department of Veterans Affairs as well as the Office of Management and Budget's efforts to create unified strategies and goals for federal programs that support employment for people with disabilities.

²GAO, *Social Security Administration: Continuing Leadership Focus Needed to Modernize How SSA Does Business*, [GAO-18-432T](#) (Washington, D.C.: March 7, 2018).

focus on the part of SSA leadership to approach these challenges strategically and follow through with rigorous plans to improve its disability programs. Today, we build on this body of work with the release of a new report on SSA's efforts to manage its appeals workload by transferring cases from hearing offices with backlogs to offices with more capacity.³

In summary, we found that SSA has increasingly transferred cases between offices to help manage its appeals workloads. At the same time, we found that SSA does not have an accurate metric to assess how individual offices contribute to processing times, which could hinder the agency's ability to identify and address problems. My testimony today will cover these new findings and the longstanding issues that surround them. Specifically, I will touch on three areas: (1) SSA's challenges managing disability workloads, especially at the appeals level, (2) the extent to which SSA has metrics to assess its efforts to reduce processing times, and (3) limitations in SSA's case processing systems that hinder its efforts to reduce backlogs. In our report being released today, we made recommendations in these areas, which SSA agreed to implement.

In developing this testimony, we primarily relied on the report that we are releasing today. We also included information from several recent GAO reports that are cited throughout this statement and which each include detailed information on the objectives, scope and methodology of our reviews. The work on which this statement is based was conducted in accordance with generally accepted government auditing standards. More details on our objectives, scope and methodology can be found in the issued report.

Background

SSA provides financial assistance to eligible individuals with disabilities through two major benefit programs:

- Disability Insurance (DI)—provides benefits to eligible workers who have qualifying disabilities, and their eligible family members; and
- Supplemental Security Income (SSI)—provides benefits for individuals with limited income and resources who are aged, blind, or have qualifying disabilities.

³GAO, *Social Security Disability: Better Timeliness Metrics Needed to Assess Transfers of Appeals Work*, [GAO-18-501](#) (Washington, D.C.: July 19, 2018).

To apply for disability benefits through DI or SSI, an individual must file an application at a local SSA office. Local office staff forward most new claims to a state Disability Determination Services (DDS) office for a review of medical eligibility and an initial determination.⁴ Individuals who do not agree with the initial determination can ultimately appeal by requesting a hearing before an administrative law judge (ALJ).

SSA's hearing operations are conducted by ALJs and other staff across the country. Hearing operations staff are organized in 164 hearing offices, with each office having a geographic area of responsibility. However, SSA can transfer appeals cases between offices in an effort to alleviate office backlogs. Staff use technology such as electronic case files and video conferencing to process transferred cases and hold hearings across locations.

SSA Faces Challenges Managing Disability Workloads, Especially at the Appeals Level

As we have noted in our High-Risk Series,⁵ SSA has faced longstanding challenges managing its disability workloads, but has made some progress in recent years. For example, as highlighted in our 2017 High-Risk update, SSA has taken steps toward reducing its backlog of initial disability claims.⁶ Specifically, SSA reduced the number of pending claims each fiscal year since 2010—from about 842,000 in fiscal year 2010 to about 523,000 in fiscal year 2017. Nonetheless, the 2017 update emphasized the need for SSA to address the growing backlog at the appeals level.

The report released today examines processing times and pending caseloads at the appeals level over the past decade and finds that both have grown in recent years. Specifically, average processing time (APT)—the average number of calendar days between a hearing request and case disposition for all dispositions during the period being analyzed—decreased by about 30 percent over fiscal years 2008 through 2012, but climbed by approximately 70 percent from fiscal years 2012

⁴Although SSA is responsible for the programs, initial determinations of disability are generally made by state agencies.

⁵In 1990, we began a program to report on government operations that we identified as “high risk.” Since then, generally coinciding with the start of each new Congress, we have reported on progress to address high-risk areas and updated the High-Risk List.

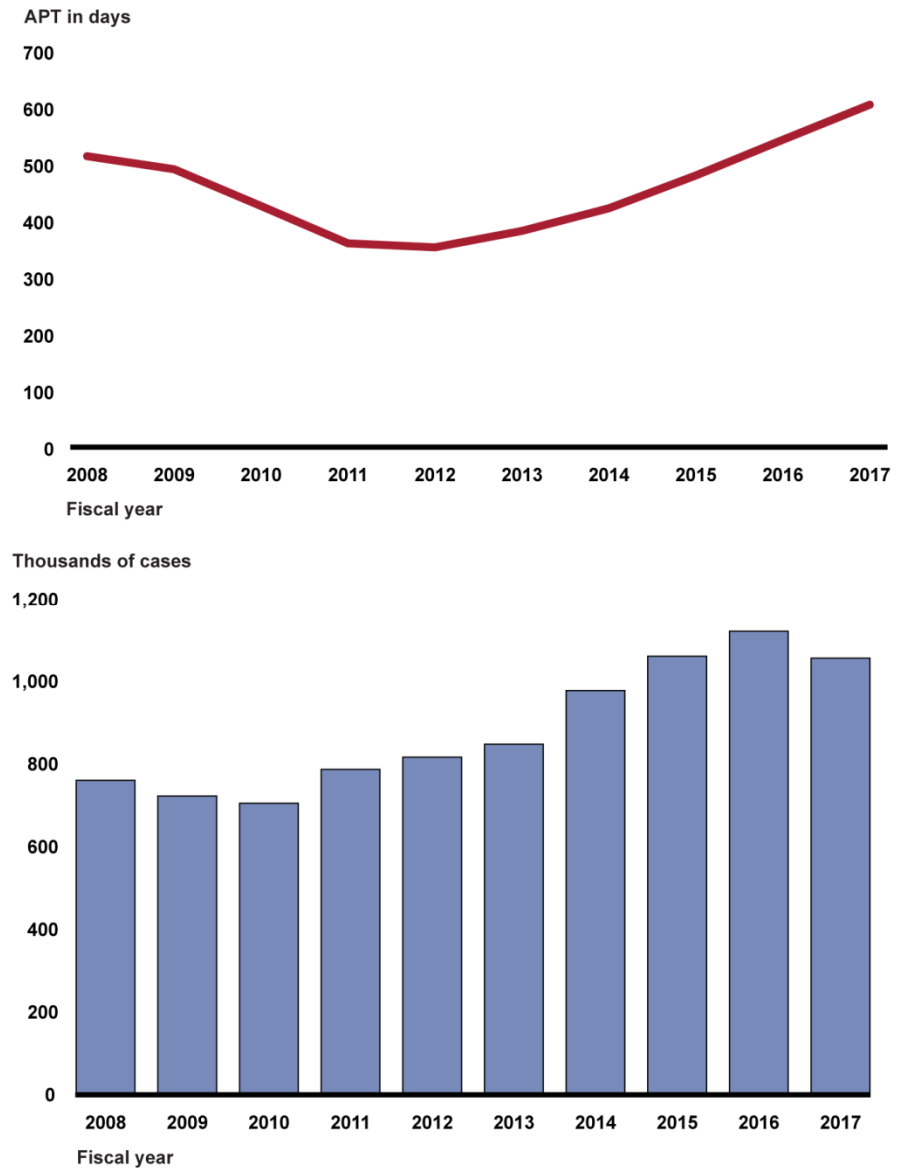
⁶[GAO-17-317](#).

through 2017. APT peaked at 605 days, or about a year and eight months, in fiscal year 2017.

Pending caseloads followed a similar pattern.⁷ Specifically, pending caseloads declined through fiscal year 2010 and then grew through fiscal year 2016 to over 1.1 million cases. However, the number of pending cases declined by six percent in fiscal year 2017, to just over 1 million cases. (See fig. 1.)

⁷ Pending cases are appeals that have not yet had a disposition, and include cases at different stages of the appeals process.

Figure 1: Average Processing Time (APT) and Number of Pending Disability Appeals Cases, Fiscal Years 2008-2017



Source: GAO analysis of Social Security Administration data. | GAO-18-677T

Note: Pending case counts are as of the end of the fiscal year.

According to SSA officials and the agency's Office of Inspector General (OIG), factors contributing to rising processing times and numbers of pending cases include increases in the number of hearing requests after

the 2007-2009 recession, recent declines in hearing operations staffing levels and imbalances in the ratio of support staff to judges, and regulatory changes that have affected judges' workloads.⁸ For example, SSA officials highlighted a regulatory change which generally requires all claimants to submit all evidence known to them that relates to their disabling condition, resulting in potentially lengthier files for judges to review.

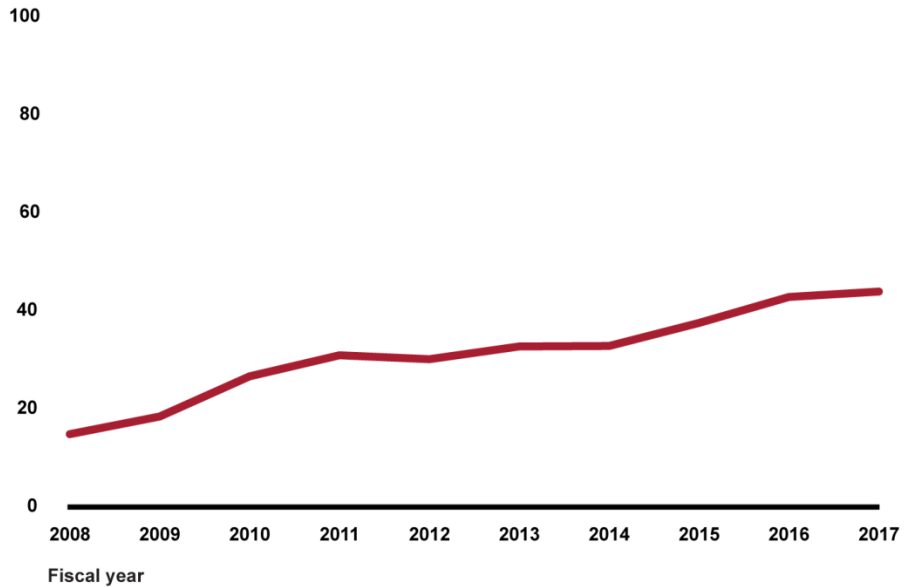
SSA Has Taken Steps to Reduce Processing Times, but Lacks Metrics to Assess its Efforts

In our recent work, we found that SSA has taken several steps to improve its processing of disability claims and appeals, but lacks metrics to determine the effect of some of these efforts. In the report we are releasing today, we examine one example. Specifically, one of SSA's key efforts to reduce processing times at the appeals level involves transferring appealed disability cases from offices with backlogs to offices with more capacity, but SSA lacks meaningful timeliness measures to assess its efforts. From fiscal years 2008 through 2017, the percentage of dispositions—decided or dismissed cases—that had been transferred increased from 14 to 43 percent, or from approximately 79,000 to more than 290,000 cases (see fig. 2).

⁸Social Security Administration, Office of the Inspector General, *Factors Related to Decreased Administrative Law Judge Productivity* (A-12-18-50289), Sept. 11, 2017.

Figure 2: Percentage of Disability Appeals Cases Transferred to Redistribute Work at Least Once, Fiscal Years 2008-2017

Percentage of cases transferred for workload redistribution at least once



Source: GAO analysis of Social Security Administration data. | GAO-18-677T

Despite the rising use of transfers over the past decade, SSA cannot assess the effectiveness of these efforts due to weaknesses in its timeliness metrics on APT. In particular, SSA lacks office-specific timeliness measures for transferred cases. Instead, SSA's current APT metric attributes the entire processing time for a case to the office that finishes it, regardless of the time the case was held by another office before being transferred. Without an office-specific measure of timeliness for transferred appeals cases, SSA does not have an accurate metric to assess how individual offices contribute to processing times—information critical to assessing the effectiveness of transferring cases in meeting timeliness goals. Given the growing use of case transfers, in the report we are releasing today, we are recommending that SSA develop a timeliness metric or set of metrics that more accurately reflect offices' performance in light of case transfers, and SSA agreed.

We have also highlighted the need for SSA to evaluate other efforts designed to reduce the backlog or improve program integrity at the appeals level. For example, our 2017 report on consistency in disability decision-making at the appeals level found that SSA had adopted five types of quality assurance reviews of hearings decisions, several of which

have similar goals and may look at similar claims, but SSA had not evaluated the efficiency or effectiveness of these reviews.⁹ In the same report, we found that SSA lacked publicly reported metrics on the accuracy and consistency of hearings-level decisions. SSA agreed with our recommendations to evaluate its quality assurance reviews and publicly report metrics and stated that it would be addressing them as part of a comprehensive assessment and refinement of its oversight roles and processes.

SSA's Office of Inspector General (OIG) has also called on SSA to evaluate several efforts related to reducing processing times and improving the quality of decisions at the appeals level. For example, it recommended that SSA evaluate an electronic application it developed for documenting and making decisions at the appeals level to determine whether it should be continued.¹⁰ The OIG concluded that by evaluating the effectiveness of its efforts, SSA could better ensure that it is using its resources for maximum benefit toward improving the timeliness and quality of its disability decisions.

SSA has recently taken important steps toward improving its evaluation and metrics that could enhance its ability to respond to these recommendations and others. Specifically, in October 2017 SSA created a deputy commissioner-level Office of Analytics, Review and Oversight with five offices—including the Office of Quality Review and Office of Analytics and Improvements—whose functions were previously spread among multiple divisions of SSA. In announcing this reorganization, SSA's acting commissioner stated that it will foster data analysis of SSA's programs and enhance oversight of the disability adjudication system. However, the specific effects of this change remain to be seen. In response to our recommendation in today's report related to timeliness metrics, SSA stated that it will refine existing metrics to more accurately reflect timeliness of cases before and after being transferred. Furthermore, SSA stated that it may develop additional reporting tools to better measure the contributions of individual offices that receive transferred cases.

⁹GAO, *Social Security Disability: Additional Measures and Evaluation Needed to Enhance Accuracy and Consistency of Hearings Decisions*, [GAO-18-37](#) (Washington, D.C.: Dec. 7, 2017).

¹⁰SSA OIG, *Electronic Bench Book*, A-01-12-11217, (Baltimore, Md.: June 21, 2016).

Limitations in SSA's Case Processing Systems Hinder Efforts to Reduce Backlogs

While SSA has made strides in modernizing its information technology (IT) systems to address growing workload demands, it continues to face challenges with these modernization efforts in dealing with backlogs.¹¹ Our report being released today found that SSA staff faced challenges related to case processing software. Specifically, hearing office staff reported and we observed difficulties in efficiently and accurately identifying appeals cases to transfer because of software limitations. For example, the current case processing system restricts search queries to a 6-month time period to avoid slowing down the system. As a result, staff cannot retrieve the universe of potential transfer cases at one time to facilitate transferring large batches of cases. Such limitations impeded productivity for the staff selecting cases to transfer and also created the potential for error and misuse. We recommended in today's report that SSA evaluate the costs versus benefits of changing system limitations that hinder users' ability to correctly and efficiently identify and transfer batches of cases. SSA agreed and stated that it is developing a new case processing system that will eliminate the limitations we identified.

Chairman Johnson, Ranking Member Larson, and Members of the Subcommittee, this concludes my prepared statement. I would be happy to answer any questions that you may have at this time.

GAO Contact and Staff Acknowledgments

For further information about this testimony, please contact Elizabeth Curda at (202) 512-7215 or curdae@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. GAO staff who made key contributions to this testimony are Erin Godtland (Assistant Director), Joel Green (Analyst-in-Charge), Susan Aschoff, James Bennett, Alex Galuten, Kristy Kennedy, Jessica Mausner, Almeta Spencer, and Shana Wallace.

¹¹GAO, *Social Security Administration: Effective Planning and Management Practices Are Key to Overcoming IT Modernization Challenges*, [GAO-16-815T](#) (Washington, D.C.: July 14, 2016).

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