

Audit Report

Increases in Program Service Center
Workloads



MEMORANDUM

Date: April 24, 2018 **Refer To:**

To: The Commissioner

From: Acting Inspector General

Subject: Increases in Program Service Center Workloads (A-05-17-50254)

The attached final report presents the results of the Office of Audit's review. The objective was to assess workload increases in program service centers from Fiscal Years 2013 to 2016.

If you wish to discuss the final report, please call me or have your staff contact Rona Lawson, Assistant Inspector General for Audit, 410-965-9700.

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Gale Stallworth Stone

Attachment

Increases in Program Service Center Workloads

A-05-17-50254



April 2018

Office of Audit Report Summary

Objective Background PSCs are responsible for paying Old-Age, Survivors and Disability Insurance (OASDI) benefits, administering the Medicare program, and handling a variety of other functions essential to maintaining beneficiary records. The Social Security Administration (SSA) maintains eight processing centers nationwide: six process similar workloads while the remaining two handle specialized workloads. PSCs 1 through 6 play a key role in serving approximately 60 million OASDI beneficiaries and handling items referred from approximately 1,230 field offices, about 170 hearing offices, National Hearing Centers, the Appeals Council, and telephone service centers as well as those generated by automated computer operations. PSCs handle such tasks as awarding and adjusting benefits, issuing payments, updating records, and resolving complex issues. Each year, the Deputy Commissioner for Operations establishes an operating plan that defines operating priorities at PSCs, field offices, and hearing offices in the form of Public Service Indicators based on the public's changing needs and the challenges SSA faces.	Findings The combined volume of all pending workload items at PSCs 1 through 6 more than tripled, from approximately 1.1 million at the beginning of FY 2013 to about 3.5 million by the end of FY 2016. Work receipts and staffing were among the factors that accounted for the growth in PSC pending workloads. Work receipts increased 18 percent from about 16 million in FY 2013 to over 19 million in FY 2016. Additionally, the PSCs' ability to hire employees was limited because of budget constraints. From FY 2013 to the end of FY 2016, core technical staff at PSCs 1 through 6 declined by 7 percent. In addition, because of a large influx of new employees at the beginning of FY 2015, the proportion of experienced to new technicians fell significantly. Further, training and mentoring new employees required extensive resources, which reduced the number of experienced staff available to process work and contributed to the increase in pending workload items during the audit period. These new hires completed their extensive training while PSC workloads were experiencing the largest growth. As such, we found the increase in pending workload items resulted not only from the growth in work receipts and a reduction of staff but also from the sharp decline in overall staff experience. Recommendation We recommend SSA develop a plan to address the backlog of pending PSC workload items. SSA agreed with our recommendation.
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ABBREVIATIONS

AERO	Automatic Earnings Reappraisal Operations
BA	Benefit Authorizer
CDR	Continuing Disability Review
COS	Computer Operations Section
DCO	Deputy Commissioner for Operations
DDS	Disability Determination Services
FY	Fiscal Year
OASDI	Old-Age, Survivors and Disability Insurance
OIG	Office of the Inspector General
PCACS	Processing Center Action Control System
PSC	Program Service Center
PSI	Public Service Indicator
SSA	Social Security Administration
SSI	Supplemental Security Income

OBJECTIVE

Our objective was to assess workload increases in program service centers (PSC) from Fiscal Years (FY) 2013 to 2016.

BACKGROUND

PSCs are responsible for paying Old-Age, Survivors and Disability Insurance (OASDI) benefits, administering the Medicare program, and handling other functions essential to maintaining beneficiary records. The Social Security Administration (SSA) maintains eight processing centers nationwide: six process similar workloads and two handle specialized workloads.¹ PSCs 1 through 6 play a key role in serving approximately 60 million OASDI beneficiaries and handling items referred from approximately 1,230 field offices, about 170 hearing offices, National Hearing Centers, the Appeals Council, and telephone service centers as well as those generated by automated computer operations. PSCs handle such tasks as awarding and adjusting benefits, issuing payments, updating records, and resolving complex issues. Each year, the Deputy Commissioner for Operations (DCO) establishes an operating plan, which defines operating priorities at PSCs, field offices, and hearing offices in the form of Public Service Indicators (PSI), based on the public's changing needs and the challenges SSA faces.

We reviewed SSA's management information for PSC workloads and staffing and assessed the changes in the volume and age of pending workloads and staffing levels at PSCs 1 through 6 for FYs 2013 to 2016. Additionally, we discussed workloads and goals with SSA executives in the Office of Operations. See Appendix A for more information on our audit scope and methodology.

¹ The Northeastern PSC in Jamaica, New York; Mid-Atlantic PSC in Philadelphia, Pennsylvania; Southeastern PSC in Birmingham, Alabama; Great Lakes PSC in Chicago, Illinois; Western PSC in Richmond, California; and Mid-America PSC in Kansas City, Missouri, process similar workloads. The remaining two processing centers—the Offices of Disability and International Operations—are in Baltimore, Maryland, and handle specialized workloads. Their work is not comparable to PSCs 1 through 6. Thus, we excluded them from our analysis.

RESULTS OF REVIEW

The combined volume of all pending workload items at PSCs 1 through 6 more than tripled, from approximately 1.1 million in FY 2013 to about 3.5 million by the end of FY 2016. Although SSA met most of its PSIs² during this period, it did not meet two PSIs in FY 2016 and modified another by deferring processing for some actions. In addition, SSA did not meet one critical workload goal.³

We partially attributed the growth in PSC pending workload items to growth in new receipts. However, staffing issues also contributed to the increase in both the volume and age of the pending workload, as training for new hires diverted resources away from workload processing.

Volume of Pending Workload Items

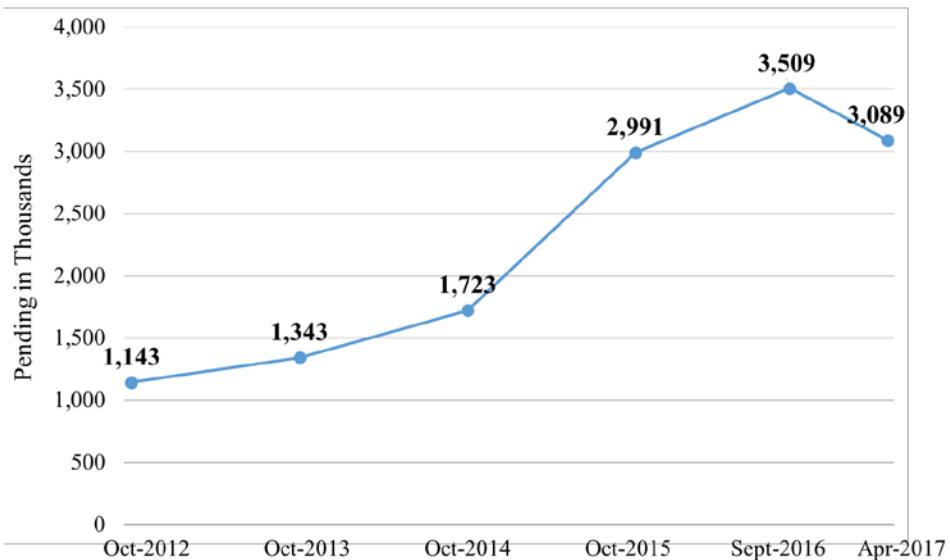
The combined volume of pending workload items at PSCs 1 through 6 tripled from about 1.1 million at the beginning of FY 2013 to about 3.5 million by the end of FY 2016. At the end of April 2017, there were about 3.1 million workload items pending—130 percent higher than the total pending at the end of FY 2013 (see Figure 1). The Operations pending and Computer Operations Section (COS) pending each accounted for approximately half of the total workload items pending.⁴

² SSA defines PSIs as performance measures for workloads in the DCO Operating Plan and the PSC National Work Plan. The DCO Operating Plan emphasizes SSA’s need to focus on compassionate service, accuracy, timeliness, efficiency, and cost-effective operations while providing balance across workloads.

³ SSA defines PSC priority workloads as “. . . workloads that ensure issuance of the proper payment at the proper time to the beneficiary” and PSC critical workloads as those that “. . . ensure each eligible and entitled beneficiary is receiving benefit payment, including dire need situations and those with Congressional interest.” Please see Appendix B for list of PSIs in FYs 2013 through 2016, Appendix C for workload categories, and Appendix D for workload definitions.

⁴ PSCs receive their work (1) from public inquiries, field offices, and other components, called Operations pending, and (2) through automated work actions such as diaries, alerts, and matches from the COS, referred to as COS pending. Please see Appendix C for more information.

Figure 1: Volume of National PSC Pending Workloads, FYs 2013 Through 2017, as of April 2017



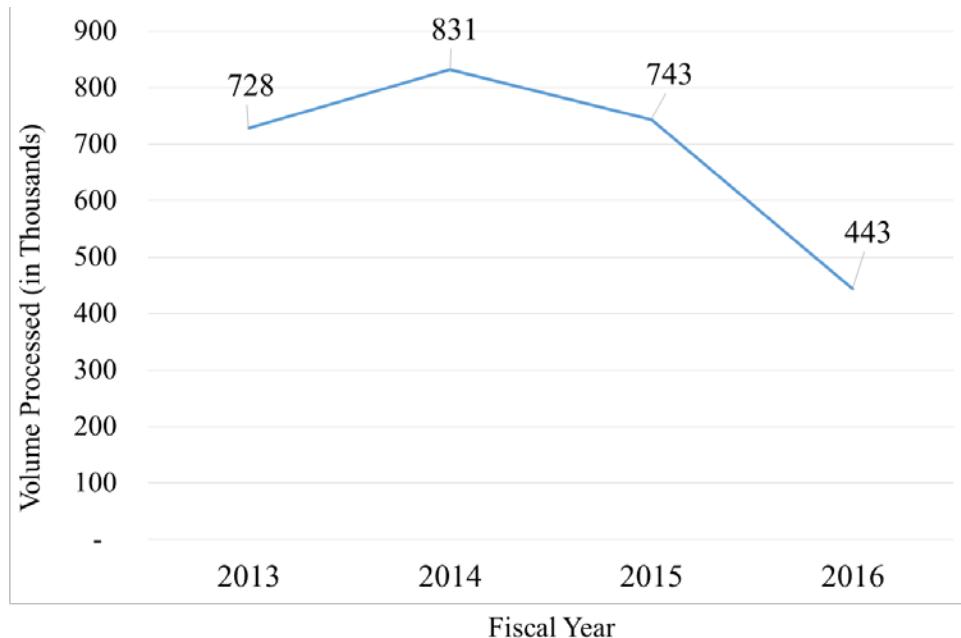
From the end of FY 2014 to the end of FY 2016, PSCs' pending workloads increased by almost 1.8 million workload items—approximately 994,000 (56 percent) in Operations pending and about 770,000 (46 percent) in COS pending. The largest single-year increase occurred in FY 2015 when the pending workload increased by over 1.2 million workload items, of which over 1 million (83 percent) were in the Operations pending workload.

SSA PSIs – Priority and Critical Workloads

The DCO establishes annual PSIs for the PSCs, which SSA updates during the year in response to budget and policy changes. According to SSA, PSC management emphasizes priority and critical workloads when it establishes the PSIs. For FYs 2013 through 2016, they included specific goals for timely processing of disability hearing workloads, continuing disability reviews (CDR), automatic earnings reappraisal operations (AERO), benefit rate increases, and offset for beneficiaries entitled to both OASDI and Supplemental Security Income benefits. While workers' compensation offset was not a PSI workload, SSA listed the goal in its Operating Plan.

According to Agency data, the number of PSI priority and critical workload items processed declined from the peak of approximately 831,000 in FY 2014 to 443,000 in FY 2016, as shown in Figure 2.

**Figure 2: PSI Priority and Critical Workload Items Processed by PSCs,
FYs 2013 Through 2016**



SSA met four of six PSIs in FY 2016.⁵ SSA did not meet a work CDR processing time PSI goal⁶ or the goal of having no more than 1 percent of pending work reviews over 270 days.⁷ Finally, SSA did not meet the workload target of completing 90 to 95 percent of pending workers' compensation actions.⁸

⁵ SSA stated it used a balanced approach to all workloads when it developed the annual DCO Operating Plan and the PSC National Work Plan. As such, the number of PSIs varied in FYs 2013 to 2016.

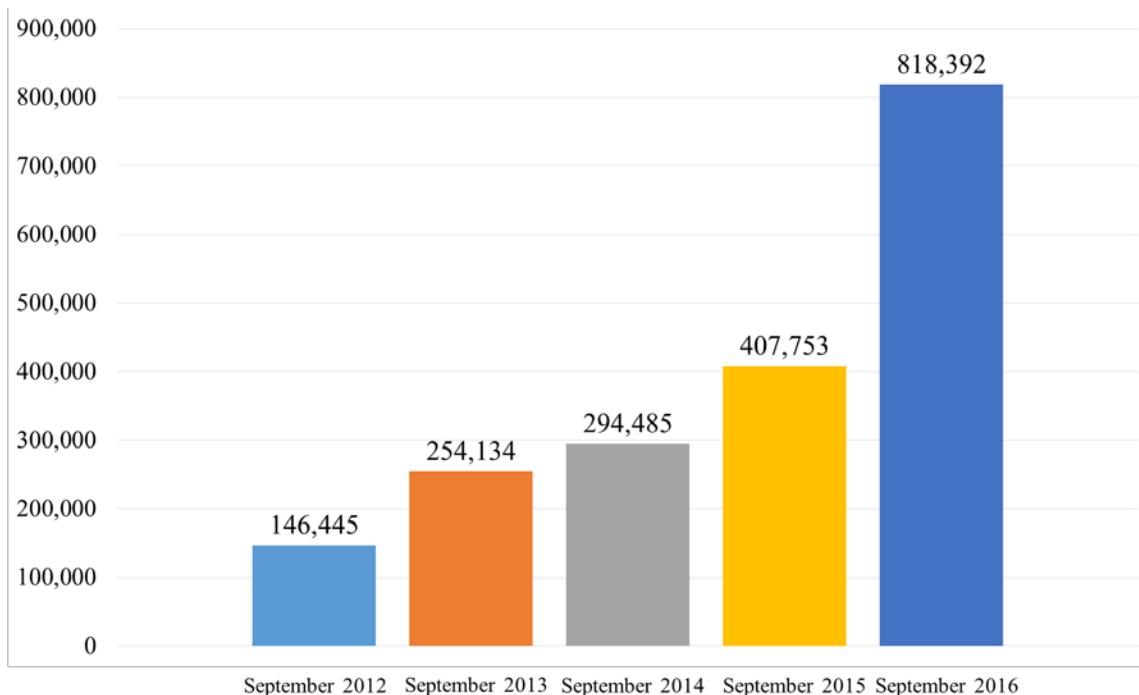
⁶ The goal was to process work CDRs resulting from enforcements in no longer than 250 days on average. In FY 2016, SSA processed CDR work enforcement in 310 days on average.

⁷ The goal was to have no more than 1 percent of work reviews pending in eWork aged over 270 days. In FY 2016, SSA had about 1.6 percent of pending work reviews waiting for processing for longer than 270 days.

⁸ In FY 2016, SSA had a completion target of 90 to 95 percent of pending workers' compensation clean-up actions but completed only 83.5 percent.

Additionally, in FY 2016, SSA lowered the PSI goal for the recurring AERO workload. The AERO goal for FYs 2013 through 2015 was to complete 100 percent of the prior years' AERO workload items and 50 percent for the current FY. SSA adjusted the goal in FY 2016 by limiting the categories worked and deferring processing for about 63,000 AERO workload items to a later time.⁹ The beneficiaries associated with these deferred AERO actions waited longer than 1 year for their payment issues to be resolved. As shown in Figure 3, the largest increase in pending AERO workload items occurred from FYs 2015 to 2016 when the workload more than doubled, from over 407,000 in FY 2015 to about 818,000 at the end of FY 2016.

Figure 3: Changes in AERO Workload, September 2012 Through September 2016



We attributed the doubling of the AERO workload to a shift in SSA's focus. In FYs 2013 through 2015, PSCs processed an average of 550,000 AERO workload items, but, in FY 2016, they completed about 215,000. As such, beneficiaries had to wait an average of 332 days for benefit adjustments. Additionally, since a portion of the workload involved payment discrepancies, the workload volume of improper payments increased because SSA delayed processing these cases by about 11 months.

⁹ AERO workload items require a monthly benefit rate determination, but not all AERO actions result in an increased payment to the beneficiary.

Non-critical Workloads

Similar to SSA's priority workloads, those identified by SSA as non-critical may still affect the accuracy and timeliness of beneficiary payments and improper payment recovery. Table 1 shows five workloads that could result in delayed or improper payments or impede payment recovery. For each category, both volume and age increased from FYs 2013 through 2016.¹⁰

**Table 1: PSC Workloads with Increased Pending Volume and Age,
FYs 2013 Through 2016**

Workload	Beginning of FY 2013 Pending	Average Age of Pending	End of FY 2016 Pending	Average Age of Pending	Percent Increase in Volume
OASDI Overpayment	95,386	84	305,222	138	220%
Status	38,007	37	202,787	110	434%
Field Assistance	23,119	39	150,215	119	550%
Payment	21,012	33	131,712	114	527%
Medicare	12,458	36	100,635	191	708%

Note: See Appendix C for complete list of workloads and Appendix D for workload definitions.

At the end of FY 2016, SSA did not have a defined plan or specific goals to address the increase in age and volume for these workloads.

- **OASDI Overpayments:** This workload involved computation and recovery of overpayments. At the end of FY 2016, it exceeded 300,000 pending workload items, more than 3 times as many as in FY 2013. These overpaid beneficiaries had to wait 138 days, on average, to receive an assessment, explanation, or other action related to their overpayment. This wait time indicates SSA delayed taking recovery actions, which could decrease the likelihood of collecting overpayments.¹¹ Also, this workload could increase costs of administering the program, as additional work is required to address inquiries from beneficiaries seeking assistance at an SSA field office.

¹⁰ For the remainder of the report, we focused our analysis on the Operations workloads. It is important to note that the age of each workload item resets when SSA transfers them from COS pending to Operations pending. Thus, the Operations pending age may not fully represent how long a workload item has been pending with SSA. In addition, there were workloads with significant increases in volume or age during our review period that did not directly affect payments or payment recovery. We listed the number of pending workload items for all workloads in Appendix C.

¹¹ See SSA, OIG, *Overpayments Collected Through Long-term Repayment Plans*, A-07-16-50082, p. 2 (May 2017) and *Old-Age, Survivors and Disability Insurance Overpayments Pending Collection*, A-02-15-35001, p. 9 (September 2015).

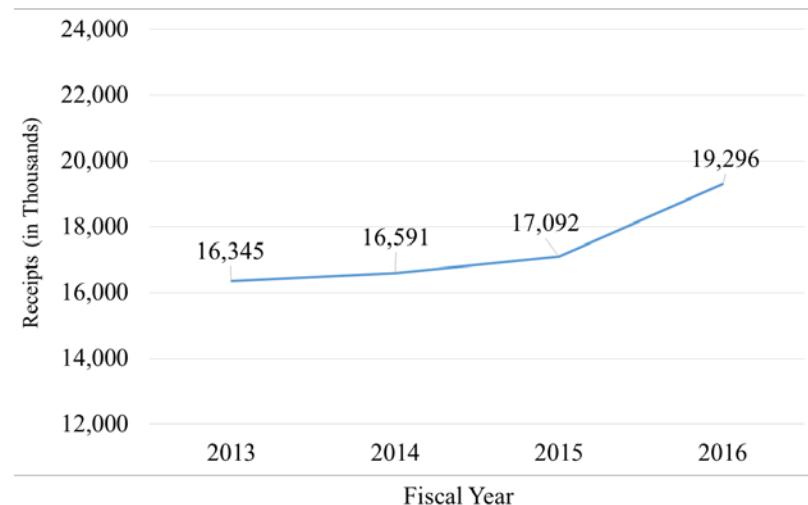
- **Status:** This workload helped SSA maintain the integrity of its record systems by updating and correcting information in its databases. It involved post-entitlement actions, including changes in entitlement or payment status, benefit adjustments, and suspension actions, all of which affect ongoing entitlement. On average, beneficiaries waited 110 days for their benefits to be reinstated or suspended. The age of this workload grew by 73 days—about 2.5 months. This additional wait time meant that, on average, beneficiaries in non-pay status waited longer than 2 additional months to get their payment, and SSA made 2 more months of incorrect payments to beneficiaries awaiting suspense that it could have prevented.
- **Field Assistance:** This workload involved responding to inquiries from beneficiaries and their representatives, field offices, teleservice centers, congressional offices, Federal and State agencies, and other parties. This workload increased 550 percent from about 23,000 to 150,000 workload items pending. These workload items, 119-days-old on average, primarily involved ongoing communication between SSA field offices and the PSCs. This workload creates significant inefficiency in SSA operations when field offices and PSCs have to follow up on needed actions numerous times. It can result in wasted time and resources and reduced quality of service. It also creates the potential for public-relations issues when beneficiaries must wait months for action after visiting a field office or sending information to SSA.
- **Payment:** This workload, which mainly involved check or electronic fund transfer payment issues, grew from just over 21,000 to almost 132,000 workload items. At the end of FY 2016, beneficiaries were waiting 114 days on average for payment issues to be resolved. If SSA does not make payments to the correct account or individual, beneficiaries are negatively affected, and SSA may not recover the incorrect payment. Additionally, SSA must be aware of potential fraud issues related to changes of address or bank accounts. The additional wait time increases the magnitude of these errors and the burden on SSA to resolve them.
- **Medicare Parts A and B:** These workloads are related to Medicare enrollments, terminations, refusals, and premium and entitlement issues. This workload increased 708 percent from FYs 2013 to 2016 and aged an average of 191 days. About 100,000 elderly and disabled beneficiaries who had Medicare entitlement concerns had to wait longer than 6 months, on average, for SSA staff to resolve their issues. The primary concern with this workload is that beneficiaries may not receive coverage for vital medical care or may receive coverage to which they are not entitled. Further, when SSA fails to deduct premiums correctly, incorrect payments occur, putting Agency funds at risk.

Overall, the increase in non-critical workloads resulted in significant increases in the Operations workload pending volume and age. We recommend SSA develop a plan to address the backlog of pending PSC workload items, thus minimizing potential negative effects on beneficiaries.

Impact of Increased Work Receipts and Staffing Issues on Pending Workloads

Work receipts and staffing were among the factors that accounted for the growth in PSC pending workloads.¹² The population of entitled beneficiaries grew 5 percent from about 58 million in 2013 to about 61 million in 2016. However, during that period, PSC work receipts increased 18 percent from about 16 million in FY 2013 to over 19 million in FY 2016, as shown in Figure 4.

Figure 4: Growth in Receipts at PSCs, FYs 2013 Through 2016



We partially attribute the increase in pending workloads to the growth in new work receipts. In addition, we attribute the growth in pending workloads to budget cuts and hiring freezes. The PSCs' ability to hire employees was limited because of budget constraints.¹³

Despite the annual increases in work receipts from FYs 2013 to 2016, core technical staff at the PSCs declined 7 percent from FYs 2013 to 2016, from 3,709 to 3,435, as shown in Table 2. Furthermore, by the end of April 2017, PSCs lost an additional 148 core employees, for a staff total of 3,287, which represented an overall 11 percent loss of core technical staff for the period.

¹² In general, work receipts include any work received at the PSCs that requires review and action.

¹³ SSA sustained a hiring freeze from FYs 2011 to 2013. However, as stated earlier in the report, the largest single-year increase in the pending workload occurred in FY 2015 when it grew by almost 1.3 million workload items.

Table 2: Changes in PSC Total Technical and Core Technical Staffing Levels

Staffing Group	Beginning of FY 2013	Beginning of FY 2014	Beginning of FY 2015	Beginning of FY 2016	End of FY 2016	April 2017
Total Technical Staff	4,466	4,204	4,822	4,871	4,630	4,427
Core Technical Staff	3,709	3,439	3,700	3,667	3,435	3,287

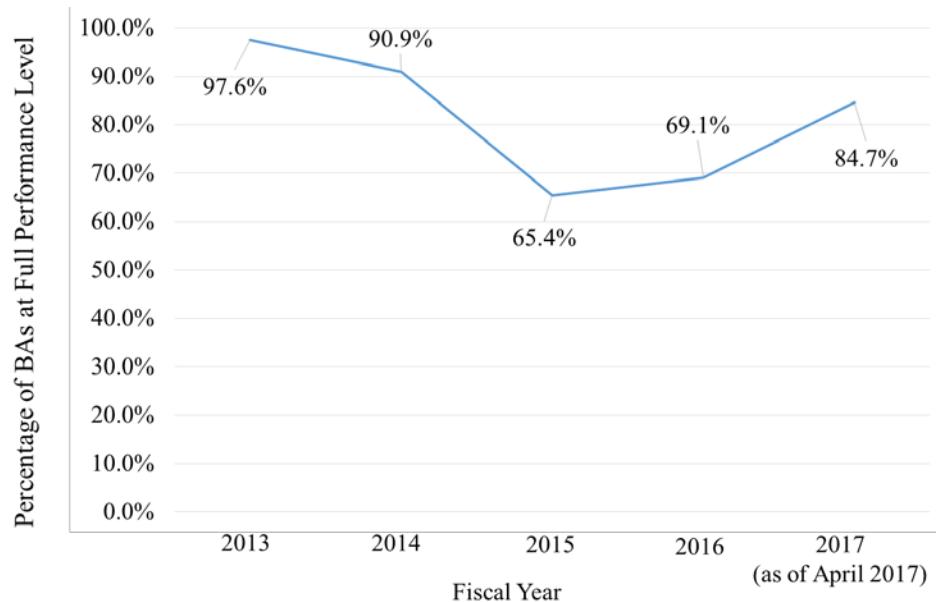
Note: According to SSA, the core technical staffing figure excluded positions that did not contribute to PSC workloads, specifically the Disability Processing Specialists and Workload Support Unit staff.

Technicians' overall experience level decreased significantly. The single largest influx of new employees occurred in FY 2015, when SSA had a net gain of 261 core technical employees. As a result, PSC managers had to dedicate time and resources to training and mentoring, which further reduced the number of staff available to process workloads and contributed to the increase in pending workload items during and after periods of hiring.

The core technical position in the PSCs, Benefit Authorizer (BA), requires technical training over a 6- to 9-month period.¹⁴ These technicians achieve full performance levels, referred to by SSA as journeyman level, 1 to 2 years after they complete their training. As shown in Figure 5, PSCs experienced a dramatic decrease in journeyman-level BAs, from FYs 2013 to 2015, which directly coincided with the biggest increase of pending workload items. This correlation indicates the significant increase in pending workload items resulted not from a reduction of staff but from the sharp decline in overall staff experience. Additionally, the sudden hiring spike diverted many of the remaining experienced technicians away from workload processing to training the new staff.

¹⁴ On average, a PSC processing module consisted of BAs (30 percent) and Claims Specialists (20 percent), technical support and other PSC technicians (43 percent), and management (7 percent).

**Figure 5: Annual Average National Performance Level of BAs,
FYs 2013 Through 2016, as of April 2017**



Finally, SSA stated another factor that led to the increase in pending actions during the audit period was the significant increase in the number of technician hours devoted to answering telephone calls from the public, especially in FYs 2014 and 2015. On certain days, staff would be dedicated for up to 6 hours per day, drawing resources away from processing PSC work items.

CONCLUSIONS

The combined volume of all pending workload items at PSCs 1 through 6 more than tripled, from approximately 1.1 million at the beginning of FY 2013 to about 3.5 million by the end of FY 2016. Work receipts and staffing were among the factors that accounted for the growth in PSC pending workloads from FYs 2013 through 2016. Work receipts increased 18 percent from about 16 million in FY 2013 to over 19 million in FY 2016. Additionally, the PSCs' ability to hire employees was limited because of budget constraints.

From FY 2013 to the end of FY 2016, core technical staff at PSCs 1 through 6 declined by 7 percent. In addition, because of a large influx of new employees at the beginning of FY 2015, the proportion of experienced to new technicians fell significantly. Further, training and mentoring new employees required extensive resources, which reduced the number of experienced staff available to process work and contributed to the increase in pending workload items during the audit period.

The period during which these new hires completed their extensive training occurred while PSC workloads experienced the largest growth. As such, we found the increase in pending workload items resulted not only the growth in work receipts and a reduction of staff but also from the sharp decline in overall staff experience.

RECOMMENDATION

We recommend SSA develop a plan to address the backlog of pending PSC workload items.

AGENCY COMMENTS

SSA agreed with our recommendation. See Appendix E for SSA's comments.

A handwritten signature in black ink, appearing to read "Rona Lawson".

Rona Lawson
Assistant Inspector General for Audit

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

To accomplish our objective, we performed the following steps.

- Reviewed data for program service centers (PSC) provided by the Social Security Administration (SSA) for Fiscal Years (FY) 2013 through 2016 on workload volume and staffing.
- Obtained information on SSA's Public Service Indicators for FYs 2013 through 2016.
- Obtained data from the Northeastern PSC Management Information Website related to receipts and dispositions for FYs 2013 through 2016, and data on pending workloads and staffing through April 2017.
- Reviewed technical staffing data from the Office of Public Service and Operations from October 2012 through April 2017.
- Met with SSA management in the Office of Operations to understand management information reports available on the Northeastern PSC site and types of workloads and aging.

We conducted our review between February and December 2017 in Chicago, Illinois. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The principle entity audited was the Office of Operations.

Appendix B – PUBLIC SERVICE INDICATORS FOR PROGRAM SERVICE CENTERS

The annual Public Service Indicators (PSI) established by the Deputy Commissioner for Operations focus on priority and critical workloads for the program service centers. The Social Security Administration (SSA) updates the PSIs during the fiscal year (FY) in response to budget and policy changes.

Table B–1: Public Service Indicators and Results, FYs 2013 Through 2016

PSIs	FY 2013	FY 2014	FY 2015	FY 2016
Automatic Earnings Reappraisal Operations (AERO) – Complete 100 percent of pre-FY and 50 percent of new FY workload items (<i>Percentage to Target</i>)	131.3%	122.4%	100.3%	82.8%
Benefit Rate Increase – Complete 85-89 percent	98.4%	96.6%	85.1%	93.6%
Title II Administrative Law Judge Reversals – Complete 95 percent within 60 days	93.8%	98.5%	98.0%	97.9%
Supplemental Security Income Offset – No more than 10 percent pending over 90 days	3.7%	3.2%	7.5%	4.5%
Work Continuing Disability Review (CDR) Processing Time – No more than a 250-day average processing time for work CDRs resulting from enforcements	93.7 days	228.1 days	289.1 days	310.3 days
Work Reviews Pending in eWork – No more than 1 percent over 270 days	0.1%	0.3%	0.4%	1.6%

Note: SSA management adjusted the FY 2016 AERO goal to complete only 100 percent of pre-FY 2016 Category 3 workload items and 50 percent of new FY 2016 Category 3 AERO workload items. Based on this modified PSI, SSA met the AERO workload target.

Appendix C – COMPOSITION OF PROGRAM SERVICE CENTER WORKLOAD COMPONENTS

Program service centers (PSC) handle such tasks as awarding and adjusting benefits, issuing payments, updating records, and resolving complex issues. PSCs receive their work (1) from public inquiries and field components, called Operations pending, and (2) through automated work actions such as diaries, alerts, and matches from the Computer Operations Section (COS), referred to as COS pending. While the operations workload is continuous, the nature of workloads generated in COS is episodic. Management prioritizes transfers of COS pending to operations pending throughout the year based on available resources as dictated by the Agency's public service commitments. The Social Security Administration (SSA) resets a workload item's age when managers transfer workload items from COS pending to Operations pending. PSCs use the Processing Center Action Control System (PCACS) to control and track all work processed in the PSCs through completion.¹ At the end of Fiscal Year (FY) 2016, there were about 3.5 million total workload items pending.²

Table C–1: Average Age and Percentage Increase of Operations Pending Workloads, Beginning of FY 2013 to the End of FY 2016

Workload	Pending at the Beginning of FY 2013	Average Age of Pending	Pending at the End of FY 2016	Average Age of Pending	Percent Increase from FY 2013
Old-Age, Survivors and Disability Insurance (OASDI) Overpayments	95,386	84	305,222	138	220%
Status	38,007	37	202,787	110	434%
Representative Payee Accounting Reports	11,457	19	195,923	79	1,610%
Offset	44,006	37	156,587	83	256%
Field Assistance	23,119	39	150,215	119	550%
Payment	21,012	33	131,712	114	527%
Other OASDI	24,704	61	116,448	149	371%
Medicare	12,458	36	100,635	191	708%
Change of Address	19,660	44	70,437	90	258%

¹ SSA staff uses PCACS to control and track all the work processed in the PSCs through completion. PSCs read information into PCACS, either directly or through interface with the paperless system. PCACS keeps a record of the time each workload item spent in each location. The initial read into the system establishes the “Site Date,” which is used to determine the overall age of an action.

² At the end of FY 2016, the average age of workload items in Operations was about 121 days and over 433 days in COS, with an average total age of 303 days for both workload sections.

Workload	Pending at the Beginning of FY 2013	Average Age of Pending	Pending at the End of FY 2016	Average Age of Pending	Percent Increase from FY 2013
Recomputations	13,615	29	61,831	179	354%
Continuing Disability Review (CDR) OASDI	28,447	51	46,667	70	64%
Title II Redesign Notices	15,098	9	38,507	154	155%
Attorney Fee	8,895	57	23,026	89	159%
Unclassified	13,348	18	22,126	186	66%
Claims	14,055	24	17,941	25	28%
Medicare Modernization Act	1,180	36	16,415	211	1,291%
Overpayment RECOOP	25,443	122	13,494	168	-47%
Annual Report	24,062	25	12,436	162	-48%
Title II Redesign Master Beneficiary Record	547	21	9,678	163	1,669%
Representative Payee	2,238	25	9,011	111	303%
Disability Determination Services (DDS) OASDI	1,679	53	8,168	101	386%
Overpayments Supplemental Security Income (SSI)	7,384	84	8,034	68	9%
Student	1,031	14	7,767	118	653%
Reconsiderations	4,548	83	6,120	239	35%
Earnings Maintenance	1,682	45	4,840	147	188%
Administrative Law Judge	3,096	27	4,318	27	39%
SSI CDR	2,117	10	4,276	36	102%
DDS SSI	385	51	3,339	106	767%
Expedited Inquiries	479	55	1,419	102	196%
Translation Work	250	55	865	161	246%
Status Prisoner	256	41	842	82	229%
Black Lung	1	1	7	89	600%
Other SSI	1	1	6	176	500%
PSC Immediate Claim	15	6	2	108	-87%
Workload Totals	459,661	52	1,751,101	121	281%

**Table C–2: Percent Increase in Computer Operations Section Pending Workloads,
Beginning of FY 2013 to the End of FY 2016**

Workload	Pending at the Beginning of FY 2013	Pending at the End of FY 2016	Percent Increase from FY 2013
Automatic Earnings Reappraisal Operations	138,460	778,054	462%
Benefit Rate Increase	29,285	95,157	225%
CDR	86,389	81,369	-6%
CDR Non-Responder	9,720	40,122	313%
Diaries	2,179	6,258	187%
Title II Redesign	6,311	2,816	-55%
Overpayment action from RECOOP System	375,589	612,009	63%
Earnings	40	2,578	6,345%
Unclassified	35,582	139,969	293%
Workload Totals	683,555	1,758,332	157%

Note: Figures for the Automatic Earnings Reappraisal Operations workload reflected those in COS and did not include workload items pending in Operations.

Appendix D – OPERATIONS PENDING WORKLOAD DEFINITIONS

Table D-1: Definitions of Program Service Center (PSC) Workloads in Operations Pending

Workload	Definition
Old-Age, Survivors and Disability Insurance (OASDI) Overpayments	Includes all actions related to the recovery and resolution of overpayments and remittances.
Status	OASDI actions regarding change in entitlement status, prisoner suspension actions, age, and citizenship.
Representative Payee Accounting Reports	Actions in reference to representative payee accountability reports.
Offset	Includes actions related to the reduction of OASDI benefits because they received other types of government benefits: Federal, State, and/or local. Includes workers' compensation, all public disability benefits, windfall offset, Government Pension Offset, and Windfall Elimination Provision.
Field Assistance	All manual and electronic routing requests for information or action from other SSA entities such as program service centers (PSC), field offices, Office of Disability, and State agencies.
Payment	Forms, correspondence, or programmatic output that involves check or electronic fund transfer payment issues. This includes payment returns, non-receipt issues, direct deposit changes, garnishments, levies, and Department of the Treasury actions, such as reclamations. Actions involving direct deposit, check maintenance, garnishment, and levy, including cost-of-living adjustments, taxation, non-receipt, and payment returns. Includes all forms, correspondence, or programmatic output issues.
Other OASDI	Workload established to capture all other OASDI workload items.
Medicare	Includes actions related to the entitlement, termination, premium collection, and maintenance of health insurance.
Change of Address	Processing actions regarding a change in beneficiary's name, address, telephone number, or check legend and undeliverable mail. Includes all forms, correspondence, or programmatic output.
Recomputations	Includes post-entitlement items that must be reviewed to determine whether a change in the monthly benefit rate is required. These items are mostly systems-identified fallout from annually run computer programs. Actions performed resulting from notices and correspondence that trigger a new computation because of additional earnings after initial entitlement. Includes requests for recomputation, additional evidence of earnings after initial adjudication, and Military Service Credits.
Continuing Disability Reviews (CDR) OASDI	Actions pertaining to the continuance or cessation of benefit payments based on the level of disability (medical recovery or improvement). Inclusions: front-end screening of medical CDRs, substantial gainful activity development incidental to a review of the level of disability, legislative remands, and other alerts. Actions pertaining to the continuance or cessation of benefit payments based on work activity. Inclusions: substantial gainful activity development not incidental to a medical CDR as well as enforcement CDRs.
Title II Redesign Notices	OASDI actions regarding work and earnings notices, death and relationship notices, change in entitlement status, and prisoner suspension actions. Includes age and citizenship.

Workload	Definition
Attorney Fee	Includes payment of authorized attorney fees and payments to authorized non-attorney representatives based on effectuation of decisions by Hearing Office Administrative Law Judges, Appeals Council Administrative Appeals Judges, or by Federal Courts (District and Circuit).
Unclassified	Workload established to capture workload items that could not be classified.
Claims	Includes initial and subsequent claims for benefits that require processing center action or review, including pre-adjudicative withdrawals.
<i>Medicare Modernization Act</i>	Includes all work on subsidy applications that require processing center action, including subsidy exceptions.
Overpayment RECOOP	Overpayment actions from the Recovery and Collection of Overpayment Process System.
Annual Report	Actions on manually processed annual reports of earnings, review and processing of forms, correspondence, or computer output related to beneficiary work status for the past, current, and future years for deduction purposes.
Title II Redesign Master Beneficiary Record	Title II Redesign system identified actions and inconsistencies on the Master Beneficiary Record.
Representative Payee	Actions in reference to all forms and correspondence pertaining to a change of payee, assignment of benefits, guardianship proofs, and/or complaints. Excludes accountability.
Disability Determination Services (DDS) OASDI	Manual actions to assist the DDSs on OASDI, Supplemental Security Income (SSI), and concurrent reconsiderations.
Overpayment SSI	All SSI overpayment activities. SSI overpayment waivers, date of notice, overpayment decisions, billing suspension, and check endorsement.
Student	Includes any actions pertaining to child beneficiaries whose benefits are based on their being full-time students. The actions can be computer output forms or correspondence pertaining to continuation, suspension, or termination of student benefits.
Reconsiderations	Actions concerning requests for reconsiderations or appeal of disability or non-disability issues of entitlement. Includes reconsiderations of overpayments and waiver decisions as well as informal or implied requests for reconsideration, such as correspondence disagreeing with a processing center determination.
Earnings Maintenance	Includes issues involving earnings record maintenance and/or discrepancies on earnings. Activity to develop or resolve Master Earnings File-related discrepancies and requests from wage earners or third parties for statements of earnings.
Administrative Law Judge	Includes payment effectuation of decisions reversed by the administrative law judge, the Appeals Council, or Federal Courts; actions regarding claims in litigation and claims on which the U.S. District Court has made a decision.
SSI CDR	SSI Medical CDRs.
DDS SSI	Manual actions to assist the DDSs with any disability claim. A consultative examination may be purchased to help develop the medical issues.
Expedited Inquiries	Includes congressional correspondence requests for expedited payments, other beneficiary correspondence concerning PSC actions of a sensitive or critical nature, public and private inquiries, and third-party requests from non-SSA agencies.
Translation Work	Translation of letters and documents in support of component-wide activities.
Status Prisoner	Prisoner status, either suspension or reinstatement of benefits.
Black Lung	Work performed to satisfy the legislation passed on the <i>Coal Industry Retiree Health Benefit Act</i> . The act combined two existing United Mine Workers of America pension plans into a single fund and requires that certain existing coal mine operators pay the premium for the new combined plan.
Other SSI	Workload established to capture all other SSI workload items.
PSC Immediate Claim	Initial claims taken in the PSC Work Support Units via the 800-number.

Appendix E – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: April 20, 2018 **Refer To:** S1J-3

To: Gale S. Stone
Acting Inspector General

From: *Stephanie Hall*
Stephanie Hall
Acting Deputy Chief of Staff

Subject: Office of the Inspector General Draft Report, “Increases in Program Service Center Workloads”
(A-05-17-50254) -- INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.
Please let me know if we can be of further assistance. You may direct staff inquiries to
Trae Sommer at (410) 965-9105.

Attachments

SSA COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT REPORT, “INCREASES IN PROGRAM SERVICE CENTER WORKLOADS”
(A-05-17-50254)

Our processing center (PC) activities are the most complex with manual workloads that use fragmented and aged legacy systems. The PC’s continue to rely heavily on qualified staff to handle the 13 million new actions received each year, and it takes 18 months to fully develop a new technician.

In fiscal year (FY) 2016, we targeted our growing pending levels by implementing a multi-pronged approach, which included:

- Targeting hiring and overtime to maximize our ability to process pending workloads;
- Establishing “Strike Teams” to focus on high priority payment items;
- Transferring work among the PCs to ensure efficient processing of cases;
- Enlisting the assistance of employees with prior PC experience to help with the current workloads; and
- Reducing the time PC technicians answer our 800 Number which enables them to dedicate time to the pending PC workloads.

The result of our efforts reduced pending workloads from over 5 million actions to 4.5 million actions by September 30, 2016. In FY 2017, we expanded our efforts to establish a focused screening effort. Screeners review each newly received action, decide whether an immediate action can be taken, and complete that action whenever possible.

In addition, we implemented a major automation initiative, converting a large cyclical workload from an aged system to a more streamlined and effective system. This automation improvement reduced the number of items requiring manual review by several hundreds of thousands, allowing technicians to focus on more complex actions. In 2017, we also established a new automation initiative to eliminate or reduce high-volume alerts, exceptions, and processing limitations. These combined efforts successfully reduced our pending to 3.7 million items at the close of FY 2017.

For FY 2018, we updated our National PC Work Plan to include an aggressive pending reduction target of 3.3 million actions. In addition, we implemented a new screening public service indicator (PSI) with a goal to review all incoming items within 60 days and complete actions on 75 percent of the items.

Finally, we have developed a five-year Information Technology Modernization Plan to replace core systems with modern technology. One of the goals of our multi-year plan is to replace numerous stovepipe legacy systems with streamlined end-to-end business processes. As we modernize our business processes and the systems that support workload processing, we expect to reduce the number of exception cases requiring processing center action. Our plan provides for modular development of our modern systems, and incremental delivery of the systems over the next several years. Below is our response to the recommendation.

Recommendation 1

Develop a plan to address the backlog of pending PSC workload items.

Response

We agree. We believe that our National Processing Center Work Plan for FY 2018 addresses this recommendation.

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