



SOCIAL SECURITY

Office of the Inspector General

March 1, 2010

The Honorable Claire McCaskill
United States Senate
Washington, D.C. 20515

Dear Senator McCaskill:

In an August 4, 2009 letter, you asked that we determine whether the Social Security Administration (SSA) is dedicating adequate resources to address the pending hearings backlog in the Kansas City Region and, more specifically, the State of Missouri. To address these issues, we reviewed pending hearing claims reports and related data; analyzed hearing office staffing and productivity reports; assessed the status of various initiatives aimed at reducing the pending hearings backlog; and spoke to management and staff in Missouri hearing offices, the Kansas City Regional Chief Administrative Law Judge's office, and the Office of Disability Adjudication and Review's Headquarters.

My office is committed to combating fraud, waste, and abuse in SSA's operations and programs. Thank you for bringing your concerns to my attention. The report highlights various facts pertaining to the issues raised in your letter. To ensure SSA is aware of the information provided to your office, we are forwarding a copy of this report to the Agency.

If you have any questions concerning this matter, please call me or have your staff contact Misha Kelly, Congressional and Intra-Governmental Liaison, at (202) 358-6319.

Sincerely,

A handwritten signature in black ink that reads "Patrick P. O'Carroll, Jr."

Patrick P. O'Carroll, Jr.
Inspector General

Enclosure

cc:
Michael J. Astrue

CONGRESSIONAL RESPONSE REPORT

Hearing Office Backlogs in Missouri

A-12-10-21039



March 2010

Mission

By conducting independent and objective audits, evaluations and investigations, we inspire public confidence in the integrity and security of SSA's programs and operations and protect them against fraud, waste and abuse. We provide timely, useful and reliable information and advice to Administration officials, Congress and the public.

Authority

The Inspector General Act created independent audit and investigative units, called the Office of Inspector General (OIG). The mission of the OIG, as spelled out in the Act, is to:

- Conduct and supervise independent and objective audits and investigations relating to agency programs and operations.
- Promote economy, effectiveness, and efficiency within the agency.
- Prevent and detect fraud, waste, and abuse in agency programs and operations.
- Review and make recommendations regarding existing and proposed legislation and regulations relating to agency programs and operations.
- Keep the agency head and the Congress fully and currently informed of problems in agency programs and operations.

To ensure objectivity, the IG Act empowers the IG with:

- Independence to determine what reviews to perform.
- Access to all information necessary for the reviews.
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We strive for continual improvement in SSA's programs, operations and management by proactively seeking new ways to prevent and deter fraud, waste and abuse. We commit to integrity and excellence by supporting an environment that provides a valuable public service while encouraging employee development and retention and fostering diversity and innovation.

Background

OBJECTIVE

Our objective was to determine whether the Social Security Administration (SSA) is dedicating adequate resources to address the pending hearings backlog in the Kansas City Region and, more specifically, the State of Missouri.

BACKGROUND

Senator Claire McCaskill's August 4, 2009, letter enumerated a number of concerns regarding the hearings workload at hearing offices in the Kansas City Region,¹ and specifically in Missouri, including the average age of claims awaiting a hearing, the average processing time for closed hearing claims, and the number of administrative law judges (ALJ) dedicated to this workload. The Senator asked us to determine whether the Agency's backlog plans and ongoing initiatives are sufficient to ensure disabled Missourians receive a fair share of the Agency's resources.

Our review focused on both the Kansas City Region and hearing offices in Missouri. The Kansas City Region has seven hearing offices, four of which are located in Missouri.² Each of the remaining three States in the Region has one hearing office. Individuals living in one State may also be served by a hearing office in another State. For example, individuals living in Kansas City, Kansas, are served by the hearing office in Kansas City, Missouri.

To accomplish our objective, we reviewed pending hearing claims reports and related data; analyzed hearing office staffing and productivity reports; assessed the status of various initiatives aimed at reducing the pending hearings backlog; and spoke to management and staff in Missouri hearing offices, the Kansas City Regional Chief ALJ's office, and the Office of Disability Adjudication and Review's (ODAR) Headquarters.³

¹ The Kansas City Region includes the States of Iowa, Kansas, Missouri, and Nebraska.

² In Fiscal Year (FY) 2009, the Missouri hearing offices processed about 69 percent of the backlog in the Kansas City Region.

³ See Appendix B for a further discussion of our Scope and Methodology.

Results of Review

In FYs 2008 and 2009, the pending hearing claims backlog and productivity trends in the Kansas City Region were generally positive. For instance, over this period, the number of pending hearing claims decreased by about 17 percent, and the average age of the pending hearing claims decreased by over 12 percent. In addition, in FY 2009, the Kansas City Region had the highest disposition rate in the nation by producing about 4 percent more dispositions per day per ALJ than the national average. However, while the Kansas City Region experienced a 4.5-percent decrease in average processing time of closed hearing claims, the Region's average processing time was still 40 days above the national average.

We found that various initiatives designed to reduce the pending hearings backlog have also assisted in directing resources to the Kansas City Region. For example, the Commissioner's *ALJ Hiring* initiative, in combination with additional funding, led to improved staffing ratios and staffing mix ratios in the Region's hearing offices. Moreover, after the FY 2009 hiring, the number of ALJs in the Region's hearing offices more closely matched the percent of the pending hearing claims assigned to the Region. ODAR also plans to build a National Hearing Center (NHC) in St. Louis in FY 2010 as well as open a new hearing office in Missouri in FY 2011. In addition, the *Service Area Realignment (SAR)*, *NHC*, and *Video Hearing* initiatives have helped to rebalance pending hearing claims in the heavily impacted hearing offices in the Region. Finally, hearing offices in Missouri sent older hearing claims to the disability determination services (DDS) for a new review under the *Informal Remands* initiative. However, in our conversations with regional and hearing office managers, we were told hearing office space limitations and DDS procedures in Missouri continue to present challenges.

PENDING HEARINGS BACKLOGS

In FYs 2008 and 2009, the Kansas City Region made progress in working down its pending hearing claims backlog. The Region experienced about a 17-percent decrease in the number of pending hearing claims and about a 12-percent drop in the average age of its pending hearing claims backlogs.

Trends in the Number of Pending Hearing Claims

Between FYs 2008 and 2009, the Kansas City Region experienced almost a 17-percent decrease in its pending hearings backlog (see Table 1).⁴ This is the largest decrease among ODAR's 10 Regions. Six of the 10 Regions experienced a decrease in the number of pending hearing claims, while the national pending hearing claims backlog decreased by about 5 percent during this period. The Atlanta Region had the second largest decrease in pending hearing claims at about 13 percent, followed by the

⁴ We will discuss some of the factors contributing to this decrease later in this report.

Chicago Region at about 12 percent. The percent of pending hearing claims at the NHCs increased by about 418 percent as thousands of pending hearing claims have been transferred from the Regions to the NHCs over the last 2 FYs.⁵ The pending hearings backlog in the Boston Region increased by about 43 percent because hearing claims were transferred into the Region from other heavily impacted Regions.⁶ For a further explanation of hearing claim transfers, see the SAR initiative section of this report.

**Table 1: Trends in the Number of Pending Hearing Claims per Region
(At the end of FYs 2008 and 2009)**

Region	Number of Pending Claims per Region End of FY 2008	Number of Pending Claims per Region End of FY 2009	Percent Change
Kansas City	39,622	33,001	- 16.7
Atlanta	216,407	188,566	- 12.9
Chicago	143,188	125,820	- 12.1
Seattle	24,605	22,117	- 10.1
New York	71,295	65,310	- 8.4
Dallas	72,485	69,971	- 3.5
San Francisco	77,829	79,419	2.0
Philadelphia	73,426	77,273	5.2
Denver	19,934	21,544	8.1
Boston	19,780	28,199	42.6
National Hearing Centers	2,242	11,602	417.5
Totals	760,813	722,822	- 5.0

Trends in Average Age of Pending Hearing Claims

During the last 2 FYs, the average age of the pending hearing claims in the Kansas City Region decreased by over 12 percent, or an average of 41 days per claim (see Table 2). Overall, during this period, the average age of the pending hearing claims in 9 of ODAR's 10 Regions decreased. The Boston Region was the only exception, with the average age of pending hearing claims increasing by more than 12 percent.⁷ Despite the increase in its average age of pending hearing claims, the Boston Region still maintained the lowest average age of pending claims among all Regions, while the Chicago Region had the highest average age. As discussed in our September 2009

⁵ National Hearing Centers using video conferencing technology are operating in Albuquerque, New Mexico; Baltimore, Maryland; Chicago, Illinois; and Falls Church, Virginia. We will discuss the NHC initiative later in this report.

⁶ As discussed in our September 2009 report, *Aged Claims at the Hearing Level* (A-12-08-18071), over 6,000 aged claims were transferred from other Regions into the Boston Region for processing.

⁷ *Id.*

report,⁸ since the end of FY 2007, ODAR has focused hearing offices' efforts on processing the oldest hearing claims in their pending backlogs, thereby reducing the average age of pending hearing claims nationwide.

**Table 2: Trends in Average Age of Pending Hearing Claims per Region
(At the end of FYs 2008 and 2009)**

Region	Average Age of Pending Claims End of FY 2008 (days)	Average Age of Pending Claims End of FY 2009 (days)	Percent Change
National Hearing Centers	589	468	- 20.5
Seattle	338	289	- 14.5
Atlanta	332	284	- 14.5
Kansas City	332	291	- 12.3
Chicago	374	335	- 10.4
San Francisco	282	262	- 7.1
New York	284	269	- 5.3
Philadelphia	248	236	- 4.8
Dallas	259	250	- 3.5
Denver	270	267	- 1.1
Boston	208	234	12.5
National Average	311	282	- 9.3

Note: The national average represents all pending hearing claims regardless of the specific region or NHC responsible for each claim.

DISPOSITION RATES AND AVERAGE PROCESSING TIMES OF HEARING CLAIMS

In FY 2009, the Kansas City Region led the nation in disposition rate (number of dispositions per day per ALJ) of closed hearing claims. However, while the Kansas City Region experienced a decrease in average processing time of closed hearing claims, its processing time was still 40 days above the national average.

Disposition Rate for Closed Hearing Claims

In FY 2009, the Kansas City Region had the highest disposition rate on closed hearing claims at 2.47, which was about 4 percent higher than the national average of 2.37 (see Table 3).

⁸ *Id.*

**Table 3: National Ranking Disposition Rate of Closed Hearing Claims
(At the end of FY 2009)**

Regional Office	Disposition Rate
Kansas City	2.47
Atlanta	2.44
New York	2.43
Philadelphia	2.43
Dallas	2.40
Seattle	2.26
Denver	2.24
Boston	2.23
San Francisco	2.21
Chicago	2.14
National Average	2.37

Note: The national average represents all closed hearing claims regardless of the specific region or NHC responsible for each claim.

Four of the hearing offices in the Kansas City Region had disposition rates above the national average, and three hearing offices (two in Missouri) were below the national average (see Table 4).⁹

**Table 4: Disposition Rates of Closed Hearing Claims
in Kansas City Region's Hearing Offices
(At the end of FY 2009)**

Hearing Office	State	Disposition Rate
St. Louis	Missouri	2.85
Creve Coeur	Missouri	2.74
Wichita	Kansas	2.68
West Des Moines	Iowa	2.46
Omaha	Nebraska	2.29
Kansas City	Missouri	2.06
Springfield	Missouri	2.01

Average Processing Time of Closed Hearing Claims

The Kansas City Region experienced a 4.5-percent decrease in average processing time of closed hearing claims (see Table 5), a percent consistent with the national average. However, the Region's processing time is still 40 days above the national average.

⁹ See Appendix C for a list showing the FY 2009 disposition rates and average processing times for all 142 hearing offices.

**Table 5: Trends in Average Processing Time of Closed Hearing Claims per Region
(At the end of FYs 2008 and 2009)**

Region	Average Processing Time of Closed Claims End of FY 2008	Average Processing Time of Closed Claims End of FY 2009	Percent Change
Dallas	445	398	- 10.6
New York	519	465	- 10.4
Chicago	665	615	- 7.5
Seattle	561	531	- 5.3
Boston	373	356	- 4.6
Kansas City	556	531	- 4.5
Atlanta	551	528	- 4.2
Philadelphia	393	402	2.3
Denver	429	447	4.2
San Francisco	436	472	8.3
National Hearing Centers	615	687	11.7
National Average	514	491	- 4.5

Note: The national average represents all processed hearing claims regardless of the specific region or NHC responsible for each claim.

In terms of the average processing time for closed hearing claims at each of the Kansas City Region's hearing offices, two hearing offices were below the national average, while five exceeded the national average of 491 days (see Table 6).

**Table 6: Average Processing Times of Closed Hearing Claims
in Kansas City Region's Hearing Offices
(At the end of FY 2009)**

Hearing Office	State	Average Processing Time (days)
Wichita	Kansas	412
St. Louis	Missouri	448
West Des Moines	Iowa	526
Creve Coeur	Missouri	552
Omaha	Nebraska	581
Kansas City	Missouri	629
Springfield	Missouri	654

STAFFING

ODAR has been able to increase both ALJ and support staff levels in the Kansas City Region, thereby improving overall staffing ratios in the hearing offices. In addition, the ratio of ALJs to backlogs has improved, and ODAR plans to open more hearing offices in the Kansas City Region, including one in Missouri.

ALJ and Support Staff Hiring

Since 2007, the Agency has funded the Commissioner's *ALJ Hiring* initiative to hire additional ALJs and increase ODAR's adjudicatory capacity. In FY 2009, the *American Recovery and Reinvestment Act of 2009* provided SSA \$500 million to process its increasing retirement and disability backlogs. Using *Recovery Act* funds, ODAR hired 550 new employees as well as 35 ALJs in FY 2009. In addition to these 585 new hires, ODAR hired 899 support staff and 112 ALJs in the regions and NHCs using funds from its FY 2009 appropriation.¹⁰

Staffing Ratios

In March 2009, SSA's Commissioner testified¹¹ that about 4.5 staff per ALJ (referred to as the staffing ratio) was necessary to maximize the number of legally sufficient hearings and decisions by ALJs. In this context, "staff" represents both decision writers and other support staff. Moreover, in a FY 2009 memorandum,¹² ODAR's Deputy Commissioner recommended the Regions hire 1.5 decision writers per ALJ and 2.5 other support staff per ALJ (referred to as the staffing mix ratios), thereby giving additional definition to the Commissioner's staffing ratio goal.¹³

We found that all but one of the hearing offices in the Kansas City Region had staffing ratios that exceeded the Commissioner's target of 4.5 staff per ALJ at the end of FY 2009 (see Table 7).¹⁴ Only the St. Louis Hearing Office was below the target, but the office still maintained a minimum level of 4.0 support staff per ALJ.

¹⁰ SSA, Office of the Inspector General (OIG), *The Office of Disability Adjudication and Review's Staffing Plans Under the American Recovery and Reinvestment Act* (A-12-09-29140), December 2009.

¹¹ *Hearing on Disability Backlogs and Related Service Delivery Issues*, Prepared Testimony of Michael J. Astrue, Commissioner of Social Security, before the Subcommittee on Social Security and Income Security and Family Support, House Committee on Ways and Means, March 24, 2009.

¹² Memorandum from the Deputy Commissioner for Disability Adjudication and Review to Regional Chief Administrative Law Judges and Regional Management Officers, *FY 2009 Hiring Authority and Guidance – Action*, February 27, 2009.

¹³ ODAR began calculating the decision writers per ALJ and other support staff per ALJ ratios in January 2009. In November 2009 staffing guidance to the Regions, ODAR's Deputy Commissioner advised the Regions to increase the decision writers per ALJ ratio to 1.85 in FY 2010.

¹⁴ ODAR's biweekly staffing report reflects a snapshot of an office that may vary depending on issues such as hiring, training, and attrition at a particular point in time.

**Table 7: Staffing Ratio per ALJ in Kansas City Region Hearing Offices
(At the end of FY 2009)**

Hearing Office	State	Support Staff Per ALJ Ratio
Omaha	Nebraska	6.60
West Des Moines	Iowa	5.70
Wichita	Kansas	4.71
Springfield	Missouri	4.63
Creve Coeur	Missouri	4.60
Kansas City	Missouri	4.51
St. Louis	Missouri	4.24
Target		4.50

Staffing Mix

Most hearing offices in the Kansas City Region met or exceeded ODAR's 1.5 decision writers per ALJ staffing mix ratio target (see Table 8). The only exception was the St. Louis Hearing Office, whose staffing mix ratio was slightly less than the target. In a January 2010 report,¹⁵ we found that hearing offices that met or exceeded the 1.5 decision writers per ALJ staffing mix target had, on average, almost a 9 percent higher productivity rate than those hearing offices with a ratio less than the target.¹⁶

**Table 8: Decision Writer per ALJ Ratio in Kansas City Region Hearing Offices
(At the end of FY 2009)**

Hearing Office	State	Decision Writers per ALJ Ratio
West Des Moines	Iowa	2.00
Springfield	Missouri	1.83
Wichita	Kansas	1.71
Creve Coeur	Missouri	1.64
Kansas City	Missouri	1.55
Omaha	Nebraska	1.50
St. Louis	Missouri	1.45
Target		1.50

Finally, we examined the staffing mix ratio of other support staff per ALJ for hearing offices in the Kansas City Region and found that every office exceeded ODAR's national target of 2.5 other support staff per ALJ (see Table 9). In our earlier review, we did not find productivity differences based on the other support staffing mix ratio.¹⁷

¹⁵ SSA, OIG, *Hearing Office Performance and Staffing* (A-12-08-28088), January 2010.

¹⁶ In our August 2008 report, we noted ALJs had varying levels of productivity (both high and low productivity) for internalized reasons, such as motivation and work ethic. In the report, we also identified factors that can impact ALJ and hearing office productivity and processing times, including factors related to DDS case development, staff levels, hearing dockets, favorable rates, individual ALJ preferences, and Agency processes. See SSA, OIG, *Congressional Response Report: Administrative Law Judge and Hearing Office Performance* (A-07-08-28094), August 2008.

¹⁷ SSA, OIG, *Hearing Office Performance and Staffing* (A-12-08-28088), January 2010.

**Table 9: Other Support Staff per ALJ Ratio
in Kansas City Region's Hearing Offices
(At the end of FY 2009)**

Hearing Office	State	Other Support Staff Per ALJ Ratio
Omaha	Nebraska	5.10
West Des Moines	Iowa	3.70
Wichita	Kansas	3.00
Creve Coeur	Missouri	2.96
Kansas City	Missouri	2.96
Springfield	Missouri	2.80
St. Louis	Missouri	2.78
Target		2.50

Available ALJs Compared to Pending Hearing Claims Backlog per Region

We found that the allocation of available ALJs in the Kansas City Region closely matched the Region's share of the national pending hearings backlog (see Table 10). At the end of FY 2009, the Region had 4.4 percent of SSA's available ALJs and was assigned 4.6 percent of the national pending hearings backlog, resulting in a negative gap¹⁸ of 0.2 percent. Two other Regions had much larger negative gaps in their share of available ALJs to process their pending hearings backlog: the Chicago Region had the greatest negative gap at 2.6 percent, followed by the Atlanta Region with a negative gap of 1.6 percent.

**Table 10: Available ALJs Compared to Pending Hearing Claims per Region
(At the End of FY 2009)**

Region	Percent of Available ALJs	Percent of National Pending Claims Backlog	Difference in Percent (Gap)
Chicago	14.8	17.4	-2.6
Atlanta	24.5	26.1	-1.6
Denver	2.5	3.0	-0.5
Kansas City	4.4	4.6	-0.2
San Francisco	10.9	11.0	-0.1
Boston	4.0	3.9	+0.1
New York	9.2	9.0	+0.2
Seattle	3.2	3.0	+0.2
National Hearing Centers	2.3	1.6	+0.7
Philadelphia	11.6	10.7	+0.9
Dallas	12.6	9.7	+2.9
Totals	100	100	

¹⁸ A negative gap occurs when the percent of available ALJs in the Region is less than the percent of the pending claims in the Region. A positive gap occurs when the percent of available ALJs in the region is higher than the percent of pending claims in the region.

With the addition of new resources, ODAR is planning to add two offices to the Kansas City Region in the next 2 years: Topeka, Kansas, in FY 2010 and Columbia, Missouri, in FY 2011. ODAR also plans to open a new NHC¹⁹ in St. Louis, Missouri, in FY 2010.²⁰

INITIATIVES DESIGNED TO REDUCE AND ELIMINATE THE HEARINGS BACKLOG

ODAR has implemented a number of initiatives to assist Regions in managing their pending hearings backlogs, including (1) the SAR initiative, (2) the NHC and *Video Hearing* initiatives, and (3) the *Informal Remand* initiative.

SAR Initiative

The SAR initiative, implemented in FY 2007, used a two-phase strategy. The first phase used permanent transfer of hearing claims between Regions or within the same Region. Under this initiative, pending hearings backlogs in heavily impacted hearing offices were transferred to less impacted Regions. Phase two involved realigning specific SSA field offices from high impact Regions to hearing offices in less impacted Regions.

In FY 2008, ODAR used the SAR initiative to rebalance pending hearing claims in heavily impacted hearing offices in the Kansas City Region. Claims were processed and heard in hearing offices in a different part of the country than where the claimant lived. For instance, in FY 2008, the Kansas City, Missouri, Hearing Office sent approximately 3,200 claims to the San Francisco Region for processing (see Table 11). In other situations, pending claims were transferred internally from one part of the Region to another for processing. For example, 220 claims were transferred within the Kansas City Region from the Kansas City Hearing Office's service area in Nevada, Missouri, to the Wichita Hearing Office in Kansas.

Table 11: Hearing Claims Transferred to the San Francisco Region from the Kansas City, Missouri, Hearing Office (FY 2008)

Receiving Hearing Office	Number of Claims Transferred
Long Beach, California	1,213
San Diego, California	766
Tucson, Arizona	1,209
Total	3,188

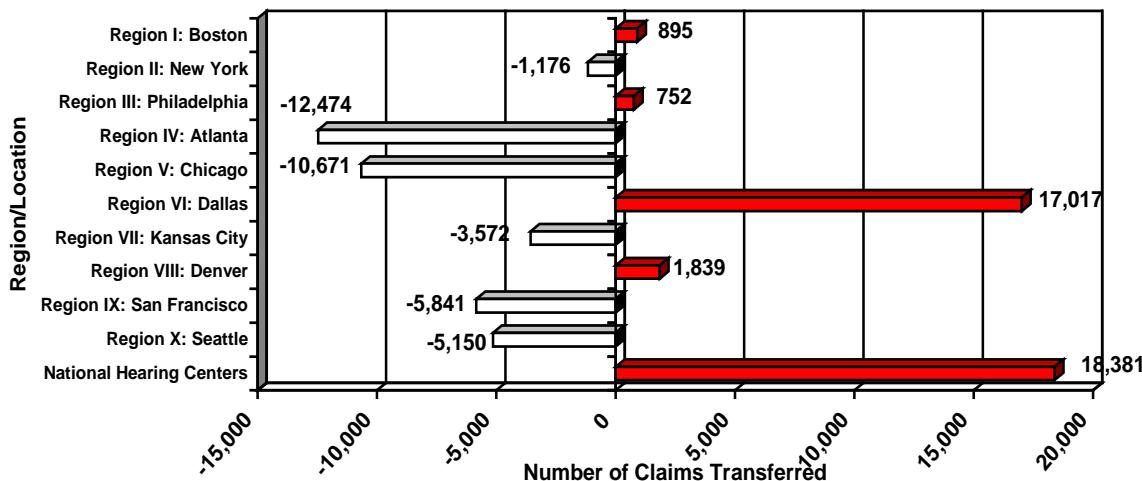
According to ODAR, in FY 2009 the Atlanta Region transferred the most hearing claims (12,474) to other Regions for processing, while the Kansas City Region transferred almost 3,600 claims (see Figure 1) to other Regions.²¹ Over 18,000 hearing claims were transferred to the NHCs in FY 2009.

¹⁹ The NHC workload is directed by ODAR Headquarters and is not under the control of the Regional Chief ALJ, as is the case with hearing offices.

²⁰ See Appendix D for a map illustrating the location of the new hearing offices.

²¹ These figures represent net transfers from each region.

Figure 1: Permanent Hearing Claim Transfers per Region in FY 2009



Note: The red bars indicate hearing claims transferred to the Region, and the white bars indicate claims transferred from the Region. All figures represent the net transfers in and out of each Region.

The Kansas City Region also realigned some of its service areas. For instance, in October 2008, new hearing claims being filed in the Joplin and Nevada, Missouri, service areas were processed by the San Diego, California, Hearing Office. In FY 2009, when the San Francisco Region was facing its own pending hearings backlog (see Figure 1), these service areas were realigned with the Dallas Region. Finally, by the end of FY 2009, these service areas were moved back to the Kansas City Region.

NHC and Video Hearing Initiatives

ODAR implemented the *NHC* and *Video Hearing* initiatives to assist in processing pending hearing claims in heavily impacted hearing offices. Under these initiatives, pending hearing claims from heavily impacted hearing offices are transferred to the NHCs for processing. All pending hearing claims processed by the NHCs use video technology. ALJs stationed at the NHCs hear claims from claimants and their representatives in offices from all over the country that are equipped with video technology. As noted earlier, ODAR is operating four NHCs nationwide, with a fifth NHC set to open in St. Louis, Missouri, in FY 2010.

ODAR reported that 2,700 hearing claims were transferred from Missouri hearing offices to the NHCs in FY 2009. Approximately 2,000 hearing claims were sent to the Albuquerque NHC, and another 700 claims were sent to the Chicago NHC.

Informal Remands

The *Informal Remand* initiative was developed to increase ODAR's adjudicatory capacity and reduce the paper case backlog (predominantly aged hearing claims) by having the DDS reopen certain claims based on specific profiles established by SSA's Office of Quality Performance. DDSs review the claims, and, in each case where the

DDS makes a fully favorable determination, the claim is allowed by the DDS while the hearing is dismissed by the hearing office. If the DDS cannot make a favorable decision, the claim is returned to the hearing office and continues to go through the normal hearing process (with updated medical information). Although the initiative was intended to reduce the backlog of paper hearing claims, it was extended to electronic claims in March 2008.

According to the Deputy Commissioner for Operations' Office of Disability Determinations, the Missouri DDS received 1,551 informal remand claims in FY 2009 and made fully favorable decisions on 419 claims, a 27-percent approval rate. Of the remaining claims, 1,126 were returned to hearing offices as "no decision" claims, and 6 were still pending in the DDS. The Kansas DDS and the Mid-America Program Service Center Federal Disability Unit in Kansas City also assisted the Missouri hearing offices with these remands. Overall, ODAR reported that 1,062 cases were allowed at the DDS level and dismissed in Missouri hearing offices in FY 2009 because of this initiative.

KANSAS CITY REGIONAL AND HEARING OFFICE MANAGEMENT TEAMS

We interviewed managers at the four Missouri hearing offices as well as the Kansas City Regional Office to obtain their input on how additional resources and the initiatives have affected their ability to process pending hearings backlogs. While the managers were pleased with how the transfer process was assisting with backlogs, they stated that space limitations and the extra hearing claims being generated from the DDS under the *Disability Redesign Prototype*²² were hindering efforts to reduce the backlog.

The Creve Coeur Hearing Office management team believes that increased dispositions at Creve Coeur are the result of the addition of new ALJs in recent years and increased emphasis on improving performance. According to the management team, the Creve Coeur pending hearings backlog has also been reduced under the SAR initiative. Specifically, approximately 2,400 cases were transferred from the Creve Coeur Hearing Office to the Oklahoma City Hearing Office. In addition, new receipts from the Columbia, Missouri, service area were also being processed by the Oklahoma City Hearing Office.

Managers at the Springfield Hearing Office stated that the *Disability Redesign Prototype* and office space limitations inhibited the reduction of pending hearings backlogs. The management team believed the *Prototype* slowed processing and contributed to the backlog. For instance, space limitations at the hearing office required that two attorneys share one office, and a new judge had been placed at one end of the supply room. The Regional Office and ODAR Headquarters have assisted Springfield by permanently transferring some hearing claims to other parts of the Region as well as realigning service areas in West Plains and Joplin, Missouri.

²² The *Disability Redesign Prototype* was enacted in 1999 in 10 States. Under the *Prototype*, the reconsideration step of the appeals process was eliminated. As a result, appeals are sent for a hearing decision as the first step in the appeals process.

Managers at the Kansas City Hearing Office also reported space limitations requiring that two attorneys work in cubicles until two offices are built. The management team reported that the average processing time at Kansas City worsened in FY 2009 because of the focus on processing aged hearing claims—one of the Commissioner's initiatives. At the same time, the number of dispositions increased because two new ALJs were hired and an ALJ with lower productivity retired.²³

The St. Louis Hearing Office Chief ALJ explained that the *NHC* initiative had helped process the Hearing Office's pending hearings backlog. The NHC in Chicago took 100 hearing claims per month from the Hannibal, Missouri, remote site, resulting in about 700 claims being sent to the NHC in FY 2009.

The Kansas City Regional management team stated that the Region is experiencing a 12 to 14 percent increase in hearing receipts in FY 2010 because of the downturn in the local economy. However, hiring new employees has assisted the Region in reducing the backlog of pending hearing claims. Nevertheless, retaining ALJs in the more remote locations has been difficult. Management stated that after serving 90 days in a duty station, an ALJ may be eligible to transfer to another less remote location. Finally, the Regional Office management team stated that Missouri's *Prototype* status slows hearing claim processing time in Missouri hearing offices. The managers believe returning the reconsideration step to the DDS process would help to reduce the pending hearings backlog.

²³ The Springfield and Kansas City Hearing Offices had the lowest productivity and worst timeliness in FY 2009. However, both were assisted with case transfers to other parts of the Region as well as service area realignments, as noted here and earlier in this report.

Conclusions

The pending hearings backlog in the Kansas City Region and the State of Missouri is improving with the addition of resources as well as better management of the backlog. We found that both the number of pending hearing claims and the average age of the pending hearing claims in the Region have decreased over the last 2 years. In addition, hearing offices in the Region have steadily improved the average processing time on closed hearing claims.

The Region has benefited from additional staffing as well as a number of hearings backlog initiatives. For instance, additional hiring led to improved staffing ratios and staffing mix ratios in the Region's hearing offices. In addition, using the SAR, NHC, and *Video Hearing* initiatives, Missouri Hearing Offices have been able to transfer some of their pending hearing claims to other Regions for processing. Also, the *Informal Remand* initiative has helped the Region by returning older pending hearing claims to the DDS for updated medical records, and, in some cases, a fully favorable decision.

Finally, we learned in our discussions with the management teams in the hearing offices and Kansas City Region that active management of the pending hearings backlog has shown promising results in providing more timely service to the claimants within the Region, while space limitations and the *Prototype* continue to present challenges.

Appendices

APPENDIX A – Acronyms

APPENDIX B – Scope and Methodology

APPENDIX C – Fiscal Year 2009 Hearing Office Disposition Rates and Average Processing Times of Closed Claims

APPENDIX D – Planned New Hearing Offices and National Hearing Center

Appendix A

Acronyms

ALJ	Administrative Law Judge
DDS	Disability Determination Services
FY	Fiscal Year
NHC	National Hearing Center
ODAR	Office of Disability Adjudication and Review
SAR	Service Area Realignment
SSA	Social Security Administration

Scope and Methodology

To accomplish our objective, we:

- Reviewed prior Office of the Inspector General reports related to processing hearing claims at hearing offices in the Kansas City Region and nationwide.
- Reviewed the Agency's backlog reduction initiatives to identify those related to the pending hearings backlog.
- Examined the Office of Disability Adjudication and Review's (ODAR) biweekly staffing reports to understand staffing ratios and the staffing mix in the Kansas City Region compared to the nation.
- Reviewed ODAR's Case Processing and Management System reports to compare the average age of pending hearing claims, average processing time of closed hearing claims, and disposition rates at hearing offices in Missouri to the nation. We also compared Missouri backlog statistics with ODAR's *Hearing Backlog Reduction Update Booklets* and noted any differences.
- Determined the number of Fiscal Year (FY) 2009 permanent hearing claim transfers to and from all regions and National Hearing Centers, as well as the Missouri hearing offices. We also examined service area realignments involving Missouri hearing offices in FY 2009 and the number and status of informal remands processed by Missouri hearing offices.
- Determined the locations, planned opening dates, and estimated number of administrative law judges for new hearing offices and National Hearing Centers in the Kansas City Region and Missouri.
- Interviewed the Kansas City Regional Office management team as well as managers at the Creve Coeur, Kansas City, Springfield, and St. Louis Hearing Offices in Missouri.

We found the disposition and average processing time data used in our review to be sufficiently reliable to meet our audit objective. Due to time constraints, we did not determine the reliability of the case transfer and informal remand counts provided by the Agency. The entity audited was the Office of the Deputy Commissioner for Disability Adjudication and Review. We conducted this performance audit from August through December 2009 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 our findings and conclusions based on our audit objective. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objective.

Fiscal Year 2009 Hearing Office Disposition Rates and Average Processing Times of Closed Claims

The Office of Disability Adjudication and Review (ODAR) ranks hearing office performance by a number of criteria including dispositions per day per administrative law judge (ALJ) (disposition rate) and average processing time. Table C-1 shows the disposition rates and average processing times of closed hearing claims for ODAR's 142 hearing offices in Fiscal Year (FY) 2009. The table is sorted by the disposition rate and then the average processing time.

**Table C-1: FY 2009 Hearing Office Performance by Disposition Rate and Average Processing Time of Closed Claims
(Sorted on Dispositions per Day per ALJ and Average Processing Time)**

Count	Hearing Office	Region	Number of ALJs	Dispositions per Day per ALJ	Average Processing Time
1	Ponce	2	3	5.65	352
2	Mayaguez	2	1	3.77	394
3	Harrisburg	3	7	3.45	292
4	Jericho	2	8	3.38	446
5	Greenville	4	10	2.99	629
6	Atlanta Downtown	4	14	2.91	536
7	Seven Fields	3	9	2.90	425
8	Honolulu	9	1	2.89	444
9	St. Louis	7	11	2.85	448
10	Albany	2	8	2.83	475
11	Kingsport	4	8	2.82	377
12	Wilkes Barre	3	11	2.81	435
13	Brooklyn	2	12	2.80	374
14	Eugene	10	7	2.80	526
15	Nashville	4	9	2.79	517
16	Flint	5	5	2.77	622
17	Little Rock	6	12	2.74	457
18	Creve Coeur	7	11	2.74	552
19	Los Angeles Downtown	9	7	2.72	411
20	Bronx	2	7	2.72	620
21	Long Beach	9	6	2.69	437
22	Wichita	7	7	2.68	412
23	Fort Smith	6	6	2.66	393
24	Alexandria	6	10	2.64	444
25	Minneapolis	5	12	2.63	572
26	Ft. Lauderdale	4	14	2.60	391

Count	Hearing Office	Region	Number of ALJs	Dispositions per Day per ALJ	Average Processing Time
27	Columbia	4	9	2.60	636
28	Shreveport	6	8	2.59	334
29	Johnstown	3	7	2.58	458
30	Spokane	10	6	2.57	440
31	Colorado Springs	8	5	2.56	467
32	Charlotte	4	11	2.56	525
33	Orland Park	5	8	2.56	556
34	Jackson	4	49	2.56	659
35	Charleston	3	9	2.55	352
36	San Bernardino	9	9	2.55	426
37	New York	2	12	2.54	455
38	Tucson	9	5	2.54	458
39	Evansville	5	5	2.54	499
40	Greensboro	4	10	2.54	622
41	Fort Wayne	5	8	2.54	653
42	Huntington	3	8	2.53	336
43	Pittsburgh	3	7	2.53	498
44	Raleigh	4	12	2.53	538
45	Birmingham	4	16	2.53	601
46	Tulsa	6	9	2.52	468
47	Montgomery	4	10	2.52	593
48	Grand Rapids	5	7	2.52	618
49	San Juan	2	8	2.51	281
50	Paducah	4	5	2.50	462
51	Los Angeles West	9	7	2.49	547
52	Oak Park	5	7	2.49	674
53	Metairie	6	8	2.47	439
54	Macon	4	7	2.46	427
55	Jacksonville	4	14	2.46	498
56	West Des Moines	7	6	2.46	526
57	Chattanooga	4	11	2.45	428
58	McAlester	6	2	2.45	495
59	Middlesboro	4	1	2.44	311
60	Hattiesburg	4	10	2.44	473
61	Syracuse	2	10	2.44	594
62	Manchester	1	8	2.43	381
63	Dallas Downtown	6	12	2.43	408
64	Albuquerque	6	9	2.43	465
65	Mobile	4	14	2.43	528
66	Tupelo	4	10	2.42	497
67	Providence	1	6	2.41	352
68	San Jose	9	8	2.41	416
69	Fort Worth	6	8	2.39	337
70	San Francisco	9	7	2.39	489
71	Philadelphia East	3	10	2.38	336
72	Charlottesville	3	7	2.38	419

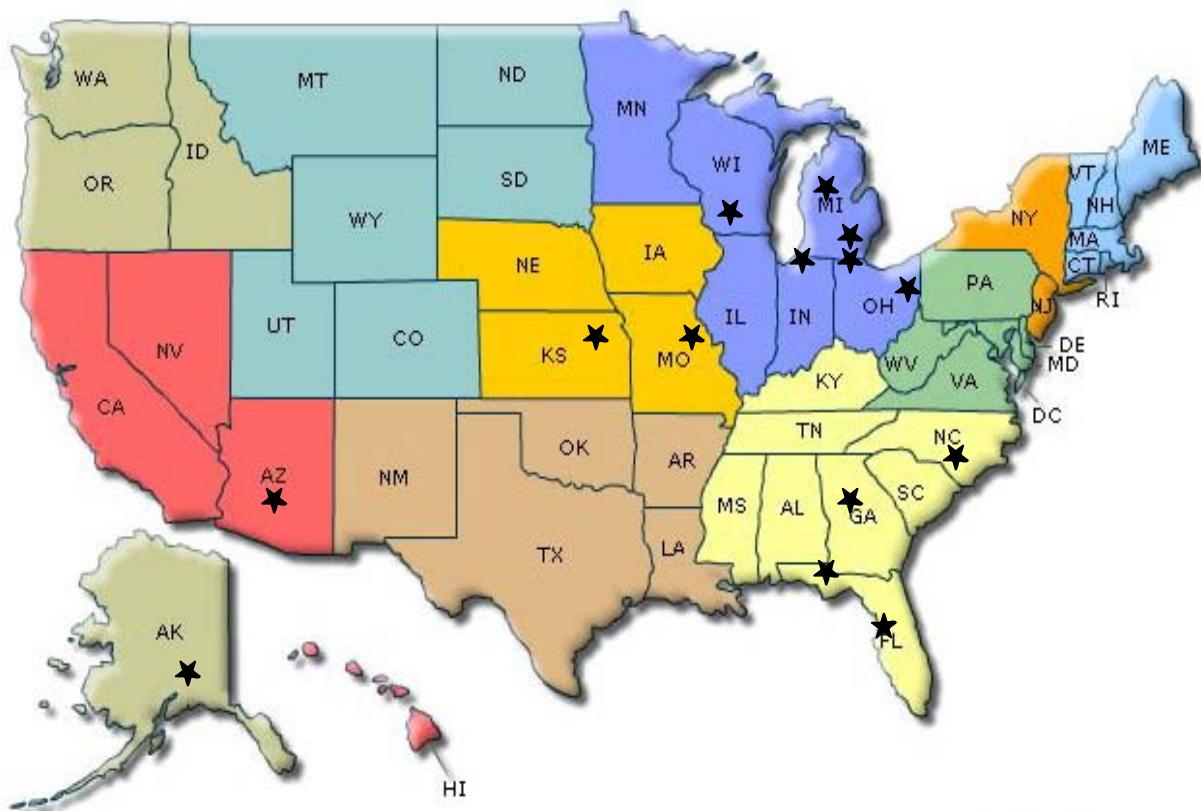
Count	Hearing Office	Region	Number of ALJs	Dispositions per Day per ALJ	Average Processing Time
73	Norfolk	3	7	2.37	404
74	Orlando	4	11	2.36	480
75	Houston-Bissonnet	6	13	2.35	363
76	Sacramento	9	14	2.35	404
77	Houston – Downtown	6	10	2.34	336
78	San Antonio	6	17	2.34	340
79	Lexington	4	8	2.34	465
80	Memphis	4	10	2.34	521
81	Newark	2	12	2.33	458
82	Phoenix	9	9	2.33	524
83	Lansing	5	7	2.33	636
84	Stockton	9	7	2.31	436
85	Savannah	4	10	2.31	520
86	Richmond	3	5	2.29	400
87	Omaha	7	4	2.29	581
88	Oak Brook	5	7	2.29	593
89	Charleston	4	8	2.28	624
90	Springfield	1	6	2.27	355
91	Elkins Park	3	10	2.27	397
92	Morgantown	3	9	2.26	404
93	Louisville	4	9	2.25	525
94	Atlanta North	4	10	2.25	609
95	Portland	1	5	2.24	278
96	Salt Lake City	8	6	2.24	336
97	Voorhees	2	7	2.24	467
98	New Orleans	6	10	2.23	366
99	Billings	8	5	2.23	440
100	San Rafael	9	7	2.23	493
101	Knoxville	4	11	2.23	496
102	Dallas North	6	14	2.22	362
103	Hartford	1	7	2.22	407
104	Florence	4	7	2.22	514
105	Dover	3	5	2.21	370
106	Las Vegas	9	3	2.21	477
107	Boston	1	14	2.19	346
108	Downey	9	5	2.19	481
109	Fargo	8	5	2.17	469
110	Seattle	10	16	2.17	508
111	Philadelphia	3	10	2.13	365
112	Washington	3	5	2.13	489
113	Roanoke	3	8	2.10	454
114	Denver	8	11	2.10	502
115	Detroit	5	12	2.10	663
116	Peoria	5	8	2.08	617
117	Santa Barbara	9	3	2.07	468
118	Kansas City	7	11	2.06	629

Count	Hearing Office	Region	Number of ALJs	Dispositions per Day per ALJ	Average Processing Time
119	Baltimore	3	10	2.05	500
120	Tampa	4	14	2.03	581
121	Dayton	5	7	2.03	640
122	Fresno	9	8	2.02	516
123	Evanston	5	10	2.01	499
124	Springfield	7	6	2.01	654
125	Oklahoma City	6	13	2.00	432
126	Orange	9	8	2.00	474
127	Portland	10	10	1.99	652
128	Indianapolis	5	12	1.98	713
129	New Haven	1	5	1.97	392
130	Cleveland	5	13	1.93	590
131	Buffalo	2	14	1.92	583
132	Milwaukee	5	12	1.85	626
133	Pasadena	9	7	1.81	484
134	White Plains	2	7	1.75	447
135	Cincinnati	5	13	1.74	648
136	Madison	5	2	1.66	668
137	Chicago	5	8	1.63	610
138	Queens	2	7	1.59	472
139	Oakland	9	8	1.58	538
140	Columbus	5	11	1.56	650
141	San Diego	9	9	1.45	537
142	Miami	4	11	1.43	587

Planned New Hearing Offices and National Hearing Center

The Office of Disability Adjudication and Review (ODAR) plans to open 13 new hearing offices in Fiscal Year (FY) 2010 (see Figure D-1 and Table D-1). In terms of the Kansas City Region, ODAR plans to open one new hearing office in Topeka, Kansas, in FY 2010 and another in Columbia, Missouri, in FY 2011 (not shown below). In addition, St. Louis, Missouri will be the location of ODAR's fifth National Hearing Center (NHC) in FY 2010.¹

Figure D-1: Planned New Hearing Offices and National Hearing Center in FY 2010



¹ The NHC workload is directed by ODAR Headquarters and is not under the control of the Regional Chief ALJ, as is the case with hearing offices.

**Table D-1: New Hearing Offices and National Hearing Center
Planned for FY 2010**

Location	Administrative Law Judges	Staff	Planned 2010 Opening Date
Anchorage, Alaska	2	11	February
St. Louis (NHC)	18	NA	May
St. Petersburg, Florida	11	54	May
Akron, Ohio	12	58	June
Livonia, Michigan	10	49	June
Madison, Wisconsin	6	30	June
Phoenix, Arizona	8	39	June
Tallahassee, Florida	5	45	June
Toledo, Ohio	10	49	June
Covington, Georgia	9	45	July
Topeka, Kansas	5	26	July
Fayetteville, North Carolina	9	58	August
Mt. Pleasant, Michigan	12	58	August
Valparaiso, Indiana	12	63	August
TOTAL	129	585	

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Overview of the Office of the Inspector General

The Office of the Inspector General (OIG) is comprised of an Office of Audit (OA), Office of Investigations (OI), Office of the Counsel to the Inspector General (OCIG), Office of External Relations (OER), and Office of Technology and Resource Management (OTRM). To ensure compliance with policies and procedures, internal controls, and professional standards, the OIG also has a comprehensive Professional Responsibility and Quality Assurance program.

Office of Audit

OA conducts financial and performance audits of the Social Security Administration's (SSA) programs and operations and makes recommendations to ensure program objectives are achieved effectively and efficiently. Financial audits assess whether SSA's financial statements fairly present SSA's financial position, results of operations, and cash flow. Performance audits review the economy, efficiency, and effectiveness of SSA's programs and operations. OA also conducts short-term management reviews and program evaluations on issues of concern to SSA, Congress, and the general public.

Office of Investigations

OI conducts investigations related to fraud, waste, abuse, and mismanagement in SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, third parties, or SSA employees performing their official duties. This office serves as liaison to the Department of Justice on all matters relating to the investigation of SSA programs and personnel. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Office of the Counsel to the Inspector General

OCIG provides independent legal advice and counsel to the IG on various matters, including statutes, regulations, legislation, and policy directives. OCIG also advises the IG on investigative procedures and techniques, as well as on legal implications and conclusions to be drawn from audit and investigative material. Also, OCIG administers the Civil Monetary Penalty program.

Office of External Relations

OER manages OIG's external and public affairs programs, and serves as the principal advisor on news releases and in providing information to the various news reporting services. OER develops OIG's media and public information policies, directs OIG's external and public affairs programs, and serves as the primary contact for those seeking information about OIG. OER prepares OIG publications, speeches, and presentations to internal and external organizations, and responds to Congressional correspondence.

Office of Technology and Resource Management

OTRM supports OIG by providing information management and systems security. OTRM also coordinates OIG's budget, procurement, telecommunications, facilities, and human resources. In addition, OTRM is the focal point for OIG's strategic planning function, and the development and monitoring of performance measures. In addition, OTRM receives and assigns for action allegations of criminal and administrative violations of Social Security laws, identifies fugitives receiving benefit payments from SSA, and provides technological assistance to investigations.