



SOCIAL SECURITY

MEMORANDUM

Date: January 21, 2004

Refer To:

To: The Commissioner

From: Inspector General

Subject: Appeals Council Process Improvement Action Plan (A-12-02-12015)

The attached final report presents the results of our evaluation. Our objective was to assess the effectiveness of the seven short-term initiatives of the Appeals Council Process Improvement Action Plan.

Please provide within 60 days a corrective action plan that addresses each recommendation. If you wish to discuss the final report, please call me or have your staff contact Steven L. Schaeffer, Assistant Inspector General for Audit, at (410) 965-9700.



James G. Huse, Jr.

Attachment

**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**APPEALS COUNCIL
PROCESS IMPROVEMENT ACTION
PLAN**

JANUARY 2004 A-12-02-12015

EVALUATION REPORT



Mission

We improve SSA programs and operations and protect them against fraud, waste, and abuse by conducting independent and objective audits, evaluations, and investigations. We provide timely, useful, and reliable information and advice to Administration officials, the 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.**
- Authority to publish findings and recommendations based on the reviews.**

Vision

By conducting independent and objective audits, investigations, and evaluations, we are agents of positive change striving for continuous improvement in the Social Security Administration's programs, operations, and management and in our own office.

Executive Summary

OBJECTIVE

Our objective was to assess the effectiveness of the seven short-term initiatives of the Appeals Council Process Improvement Action Plan (ACPI).

BACKGROUND

During the 1990s the Appeals Council's workload grew dramatically and there was also a significant increase in the time it took claimants to receive a final decision. The requests for review increased from 69,000 in 1994 to 115,000 in 1999. The average processing time for requests for review in 1994 was 118 days.¹ In Fiscal Year (FY) 1999, the average processing time was 458 days. The pending workload increased from 22,000 cases in 1994 to 145,000 cases in 1999.²

To address the increased workload and processing times, the Deputy Commissioner for Disability and Income Security Programs released the ACPI in March of 2000. The plan contained short-term initiatives for achieving higher productivity, lower processing time, and improved public service. The initiatives were designed to get the number of pending cases to 16,224 and processing days to 90 by September 30, 2003.

RESULTS OF REVIEW

It was not possible to determine the effectiveness of each of the seven short-term initiatives. Although the Office of Appellate Operation's (OAO) pending workload and processing days have decreased since ACPI began, some of the decrease was attributable to ACPI and some was due to the decrease in requests for reviews. The extent that ACPI contributed cannot be measured in its entirety since OAO did not track all of the initiatives. Two of the initiatives were tracked, four were not measurable, and one did not happen.

As of September 30, 2003 the number of pending cases was 51,078 and processing days was 294, higher than the ACPI goals. As part of the differential case management initiative, the Appeals Council placed a heightened emphasis on processing aged requests for review using streamlined formats for issuing decisions and remands. The OAO established an aged case task force which served from May to August 2001. Its goals were to clear all ready-to-work aged requests for review, reduce processing time, reduce pending cases, and improve public service. The task force defined aged cases

¹ Social Security Administration, Office of Hearings and Appeals: Appeals Council Process Improvement Action Plan, March 2000.

² Social Security Administration, Office of Hearings and Appeals, Key Workload Indicators Fiscal Year 2002.

as those that are 2 years old or older. The aged case task force made recommendations on 4,536 aged cases during its 4 months.

We are encouraged that the Office of Hearings and Appeals is making progress, but it appears that the ACPI goals were too ambitious to be achieved within the timeframes established. We believe that more realistic goals would serve as better motivation for the employees.

OHA employees who responded to our questionnaire had mixed opinions on quality of service to claimants and case processing efficiency. Also, respondents felt that ACPI did not have a significant impact on job satisfaction, positively or negatively. In responding to our questionnaire, 194 employees offered suggestions for reducing the pending workload and 200 employees offered ideas to reduce processing times.

CONCLUSIONS AND RECOMMENDATIONS

OAO has made progress reducing its pending workload, and to a lesser extent, the processing days. OAO has benefited from having far fewer requests for reviews than they expected. We recognize that the Commissioner plans to eliminate the Appeals Council in FY 2006, but our recommendations are relevant since OAO needs to work on these cases during the next 2 years. Our recommendations will help SSA to improve service to the claimant and reduce its pending workload.

AGENCY COMMENTS

In response to our draft report, SSA agreed with Recommendations 2, 3 and 4. SSA partially agreed with recommendation 1. The full text of SSA's comments is included in Appendix H.

OIG RESPONSE

Our first recommendation stated that the initiatives be measured prospectively. Therefore, we do not expect SSA to measure initiatives which have ended.

Table of Contents

	Page
INTRODUCTION.....	1
RESULTS OF REVIEW	3
Goals Not Met, But OAO Is Making Progress	3
Questionnaire Results.....	8
CONCLUSIONS AND RECOMMENDATIONS.....	12
APPENDICES	
Appendix A - Scope and Methodology	
Appendix B - Number of Employees by Position Who Responded to our Questionnaire	
Appendix C - Questionnaire Design	
Appendix D - Questions and Answers to Questionnaire	
Appendix E - Profile of Respondents	
Appendix F - Narrative Responses to Questionnaire	
Appendix G - The Aged Case Task Forces	
Appendix H - Agency Comments	
Appendix I - OIG Contacts and Staff Acknowledgments	

Acronyms

AAJ	Administrative Appeals Judge
AC	Appeals Council
ACPI	Appeals Council Process Improvement Action Plan
ALJ	Administrative Law Judge
AO	Appeals Officer
DCM	Differential Case Management
FY	Fiscal Year
GS	General Schedule
HALLEX	Hearings, Appeals and Litigation Law Manual
KWI	Key Workload Indicator
MPA	Managers Process Appeals
OAO	Office of Appellate Operations
OGC	Office of the General Counsel
OHA	Office of Hearings and Appeals
OIG	Office of the Inspector General
OQA	Office of Quality Assurance
RR	Request for Review
SSA	Social Security Administration

Introduction

OBJECTIVE

Our objective was to assess the effectiveness of the seven short-term initiatives of the Appeals Council Process Improvement Action Plan (ACPI).

BACKGROUND

The Appeals Council, a component of SSA's Office of Hearings and Appeals (OHA), provides the final level of administrative review of claims for benefits under the Social Security Act.¹ The Council consists of 26 Administrative Appeals Judges (AAJ) and is supported by the Office of Appellate Operations (OAO). A claimant who disagrees with the hearing decision of an Administrative Law Judge (ALJ) may ask for a review by the Appeals Council. The Appeals Council may deny or dismiss the request, or may grant the request and either issue a decision or remand the case to an ALJ. The Appeals Council reviews a case if:²

- there appears to be an abuse of discretion by the ALJ;
- there is an error of law;
- the action, findings or conclusions of the ALJ are not supported by substantial evidence;
- there is a broad policy or procedural issue that may affect the general public interest; or
- new and material evidence is submitted, which relates to the period on or before the date of the ALJ decision, and the Appeals Council finds that the ALJ's action, findings, or conclusion is contrary to the weight of the evidence currently of record.

During the 1990s the Appeals Council's workload grew dramatically and there was a corresponding increase in the time it took claimants to receive a final decision. The requests for review increased from 69,000 in 1994 to 115,000 in 1999. The average processing time for requests for review in 1994 was 118 days. In Fiscal Year (FY) 1999, the average processing time was 458 days. The pending workload increased from 22,000 cases in 1994 to 145,000 cases in 1999. The growth in the request for review workload paralleled the growth in OHA's hearing workload over the same period.

¹ 20 Code of Federal Regulations §§ 404.966, et seq., 416.1466, et seq., and 422.205.

² Hearings, Appeals and Litigation Law Manual (HALLEX): I-3-3-1- Appeals Council Jurisdiction, May 21, 2002.

In addition, during FY 1995 and FY 1996, about one-third of OAO staff provided support to the hearing offices under the Short-Term Disability Project. Hearing level dispositions increased, in part, because of that project. At the same time, the hearing allowance rate declined, resulting in more appeals.

To address the increased workload and processing times, the Deputy Commissioner for Disability and Income Security Programs released the ACPI in March 2000. The plan contained short- and long-term strategies for achieving higher productivity, lower processing time, and improved public service. The short-term elements of the plan incorporated three approaches to reduce pending workloads and processing times by: increasing productivity of existing staff, adding resources to increase capacity, and adjusting incoming workloads. ACPI contained seven short-term initiatives designed to get the number of pending cases to 16,224 and processing days to 90 by September 30, 2003. The short-term initiatives are:

- Managers Process Appeals,
- Counsel-to-Council,
- Hire New Analysts,
- Differential Case Management,
- Adjustment of the Pre-Effectuation Review Sample
- Expedited Decision-making
- ALJs as Acting AAJs.

Results of Review

It was not possible to determine the effectiveness of each of the seven short-term initiatives. Although OAO's pending workload and processing days have decreased since ACPI began, some of the decrease was attributable to ACPI and some was due to the decrease in requests for reviews. The extent that ACPI contributed cannot be measured in its entirety since OAO did not track all of the initiatives. Two of the initiatives were tracked, four were not measurable, and one did not happen.

GOALS NOT MET, BUT OAO IS MAKING PROGRESS

OAO has made progress reducing its pending workload and decreasing the number of processing days. As of September 2003 the pending had decreased markedly to 51,078 although it was far from the goal of 16,224. The number of processing days has improved from 412 days on September 30, 2002 to 294 days at the end of September 2003, but OAO was not near the goal of 90 days projected for FY 2003. We believe more realistic goals would serve as better motivation for OAO employees. OAO needs to continue focusing on reducing the number of processing days.

Since ACPI began in March 2000, the actual number of requests for review has been much lower than the estimated numbers in the ACPI plan. The primary reason for the decrease was due to a lower than expected workload in hearing offices. Hearing office dispositions have averaged approximately 100,000 less for FYs 2000-2002 than they did the prior 3 years. Consequently, OAO has benefited by having a smaller workload of new cases than it had forecast. According to the plan, OHA expected 115,700 requests for review in FY 2002, but received only 83,100 that year. In FY 2003, the forecast was for 115,900, but the actual number of receipts was 92,000.

OAO was fortunate that receipts were less than projected. The lower than expected new workload has allowed the Appeals Council to work on and reduce its pending workload during that time. Since OAO has disposed of more cases than it has received the past few years it has reduced the pending from 127,687 at the end of FY 2000 to 51,078 in FY 2003. If the requests for review continue to increase as SSA anticipates due to the baby boom generation entering the disability-prone years, then the pending will again rise unless OHA aggressively follows ACPI.

MANAGERS PROCESS APPEALS

Under this initiative, all OAO employees at the GS-14 level or higher were to independently review and process at least one request for review per day. This initiative was projected to be responsible for 11,480 dispositions in 2000, and 19,680 in FY 2001. OHA tracked this information and its records indicated that managers disposed of 6,438 cases in FY 2000, and 3,340 in FY 2001. The actual dispositions were more than 5,000 below the FY 2000 goal and more than 16,000 below the

FY 2001 goal. This effort showed some early promise, with an average of over 1,100 dispositions a month during the first 4 months of ACPI. The average number of monthly dispositions decreased to about 275 in FY 2001.

At the time we did our fieldwork there were 84 OAO managers. One group of managers – Appeals Officers – did not have an agreement with the union to process cases, consequently they processed no cases. Of the remaining 53 managers, 28 or slightly more than half processed cases. Some managers did not do any reviews because of other job demands. The managers were involved in various projects, including the aged case task force, training, case inventory, and oversight of the Megasite. Some branch chiefs managed two branches. Other managers' participation in this initiative decreased over time.

COUNSEL-TO-COUNCIL INITIATIVE

The Office of the General Counsel (OGC) provided 25 work years of staff time to provide analytical support to the Appeals Council in processing request for review cases. OAO trained OGC staff attorneys to produce analyses and action documents on requests for review. A Memorandum of Understanding with the union stated that OAO staff would make necessary changes to cases completed by attorneys.³ Therefore, it involved more work on OAO's part to process and issue final decisions. Also, some OGC attorneys assigned were the least experienced and AAJs had to rework 216 cases. The Counsel-to-Council initiative was projected to be responsible for 7,000 dispositions in 2000. According to OAO records, the OGC disposed of 5,122 cases that year, almost 1,900 under the goal.

HIRE NEW ANALYSTS

OAO had planned to add 20 analysts in FY 2000 and projected that these new hires would be responsible for 280 dispositions in FY 2000, 5,660 in FY 2001 and 6,960 in FY 2002. The hiring was delayed until 2001 when 39 analysts began work. OAO has data on the number of dispositions each of the new analysts was responsible for. However, 50 analysts have left OAO or been reassigned during the past 2 1/2 years. Therefore, it was not possible for OAO to determine the extent the hiring initiative has had upon the dispositions since there are fewer analysts now than there were before the hiring took place.

DIFFERENTIAL CASE MANAGEMENT

The goal of DCM is to provide speedier service for different types of claims and to ensure that the Appeals Council (AC) identifies and acts on cases that deserve immediate processing. The Appeals Council has historically processed requests for review on a first-in, first-out basis with exceptions for specified cases requiring expedited handling. Under DCM, staff initially examines all requests for review shortly

³ Memorandum of Understanding regarding temporary transfer of work dated February 15, 2000 with Social Security Administration and the American Federation of Government Employees.

after receipt to identify the appropriate case processing track and to process to completion cases identified for expedited action. Cases identified during this process include easily workable cases, dismissals, cases where previous remands have been issued, and cases warranting payment and obvious remands. Because of the nature of these cases and the fact that they are rather new compared to other pending cases, they are less complicated to work than other pending cases.

OAO has found that such cases can be processed more quickly because the files contain much less additional evidence to review than older cases. Streamlined action documents are used to expedite service. A small number of analysts in each OAO program branch screens 150 cases per week and immediately processes about 30 percent of these cases. OAO projected that DCM would be responsible for 13,720 dispositions in 2000, 23,520 in 2001 and 29,400 in 2002. OAO determined that the actual dispositions from DCM were not measurable.

All OAO employee groups who responded to our questionnaire ranked DCM as the most effective strategy for reducing processing days. Three of the four groups ranked it first for reducing pending workloads.

OAO's aged case task force made recommendations to the AC on 5,213 aged cases in 2002. There were 193 favorable decisions issued. Although the task force did not keep track of the actual number of remands, the AC remand rate was 25.1 percent in FY 2002. The percentage of favorable decisions on remands was 67.4 percent. Applying these percentages to the 5,213 aged cases would result in an additional 881 favorable decisions. OHA should consider establishing another aged case task force since approximately 20 percent of decisions are favorable. See Appendix G for details on the aged case task forces.

ADJUSTMENT OF THE PRE-EFFECTUATION REVIEW SAMPLE

The Office of Quality Assurance (OQA) reviews a sample of up to 10,000 favorable hearing decisions per year and refers cases it believes require corrective action to the Appeals Council. The reviews resulting from the OQA referrals take longer than the requests for review because more work is involved. Under ACPI, the sample was reduced by 30 percent to help the Appeals Council improve processing time. Adjustment of the OQA sample was projected to be responsible for 1,683 dispositions in FY 2000, and 2,178 in FY 2001.

OAO could not provide information on how many dispositions this initiative was responsible for because they did not measure it. They believed it contributed to ACPI goals since requests for review take less time than OQA reviews, therefore freeing up AAJ time for more request for review dispositions. Initially, the reduced sample size was scheduled to end on December 31, 2001. Due to scarce resources, the lower sample size has continued.

EXPEDITED DECISION-MAKING

Analysts who are not screening cases under DCM present cases orally to adjudicators with the goal of resolving issues earlier in the process and enabling analysts to process at least two cases per day. Expedited decision-making was projected to be responsible for 3,763 dispositions in FY 2000, and 7,526 in both FYs 2001 and 2002. Although OAO established a numerical goal for this initiative, management said it was not measurable, but in theory should contribute to more dispositions.

ADMINISTRATIVE LAW JUDGES AS ACTING ADMINISTRATIVE APPEALS JUDGES

OAO planned to appoint retired ALJs as Acting AAJs to independently review and process requests for review. This initiative was projected to be responsible for 2,100 dispositions in FY 2000, 8,400 in FY 2001 and 2,100 in FY 2002. The initiative of rehiring ALJs and appointing them as Acting AAJs was postponed because of a heavy workload in the hearing offices. The rehired ALJs continued working in hearing offices and not with the AC.

OHA needs to track the number of dispositions resulting from the four initiatives it did not measure. With that information, OHA can then determine which initiatives are most effective and shift resources accordingly.

Table 1 shows the ACPI forecast and the actual results for the past 3 FYs.

TABLE 1: ACPI Forecast and the Actual Results (FYs 2000-2002)

	FY 2000		FY 2001		FY 2002	
	ACPI Forecast	Actual Results	ACPI Forecast	Actual Results	ACPI Forecast	Actual Results
Receipts	100,950	106,358	99,807	78,833	115,718	83,063
Dispositions	134,191	125,235	162,034	110,668	142,176	115,467
Pending	113,323	127,687	51,096	95,355	24,638	59,781
Processing Time (days)	282	505	160	447	102	412
ACPI Initiatives						
Managers Process Appeals	11,480	6,438	19,680	3,340	0	0
Counsel-to-Council	7,000	5,122	0	0	0	0
Add New Analysts	280	0	5,660	0**	6,960	0**
Differential Case Management	13,720	*	23,520	*	29,400	*
Adjustment of the Pre-Effectuation Review Sample	1,683	*	2,178	*	0	*
Expedited Decision-making	3,763	*	7,526	*	7,526	*
Hiring Administrative Law Judges As Appeals Judges	2,100	0	8,400	0	2,100	0

An asterisk (*) denotes that the initiative is not measurable.

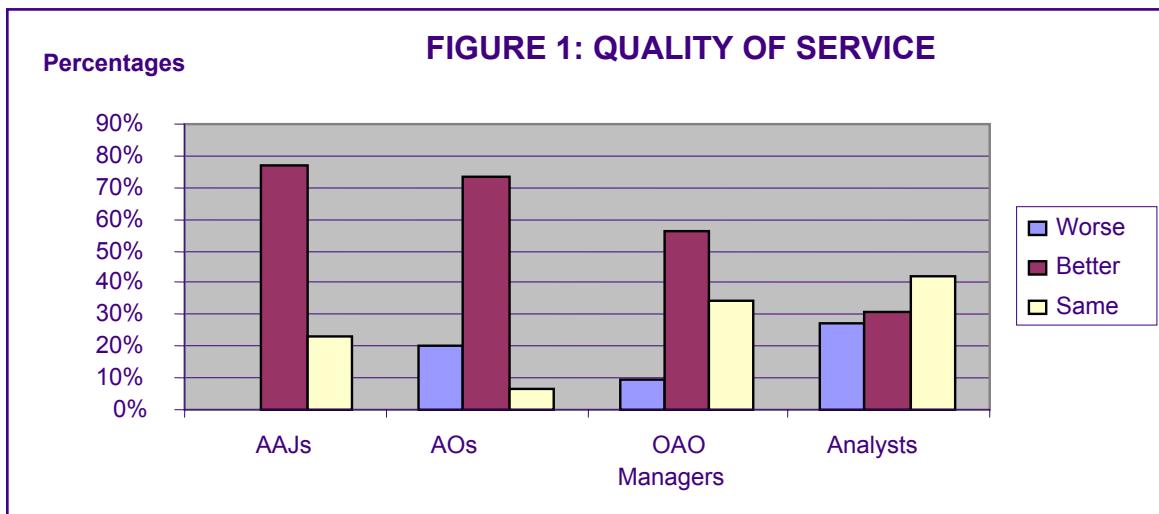
Asterisks (**) denotes that the information was not available.

QUESTIONNAIRE RESULTS

OAO employees who responded to our questionnaire (Judges, AOs, managers, and analysts) indicated that ACPI resulted in improvements to the appeals process. Employees found case processing more efficient, and the quality of service to claimants was better or the same. ACPI had no effect on employee job satisfaction. Most employees did not have a change in responsibilities, although more than half reported a greater workload. (Some respondents did not answer all questions.)

DIFFERING OPINIONS ON QUALITY OF SERVICE TO CLAIMANTS UNDER ACPI

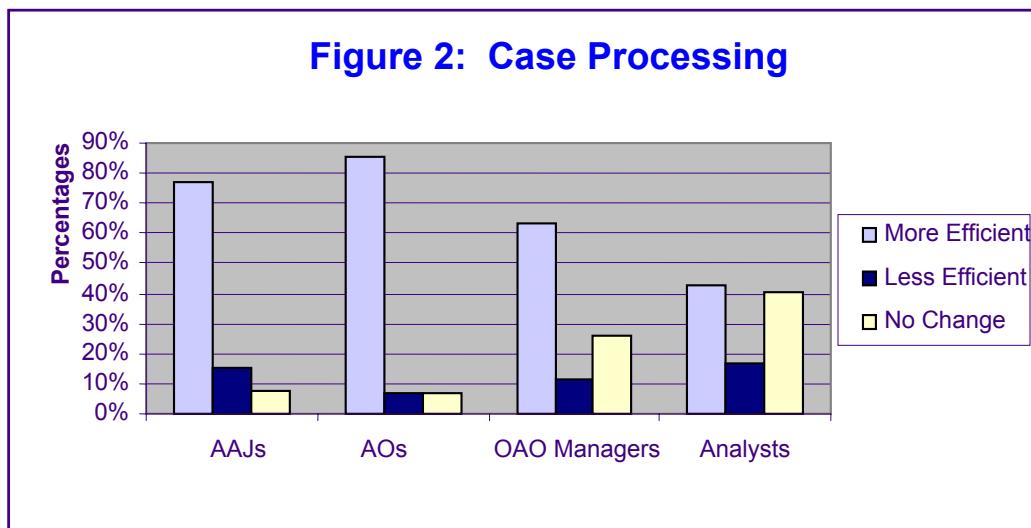
As illustrated in Figure 1, three of the four employee groups indicated that service was better since ACPI was implemented. Of those employees who responded to our survey, 10 of 13 AAJs, 11 of 15 AOs and 18 of 32 OAO Managers responded that quality of service was better. However, only 42 of 136 OAO analysts responded that service was better. Most of the positive comments we received stated that the primary reason claimant service was better under ACPI was due to more claimants receiving faster service. Some of the respondents who believed service was worse indicated that complex cases were set aside to work the more recent and less difficult cases.



One respondent said the "...quality of service to claimants is better - many more claimants receive a response in less time than before ACPI due to the Differential Case Management initiative. Also, the aged case task force initiative has released many of the oldest pending cases than would have been processed before ACPI." Another respondent said: "Easy cases are processed quickly. Hard cases are put aside until there is time to do them. But there never is time to do them and they become older and older."

MIXED OPINIONS ON CASE PROCESSING

As illustrated in Figure 2, employees who responded to our survey included 13 AAJs, 14 AOs, and 27 OAO managers. Of these, 10 AAJs, 12 AOs, and 17 managers believed case processing was more efficient. However, only 61 of 142 analysts responded that case processing was more efficient.

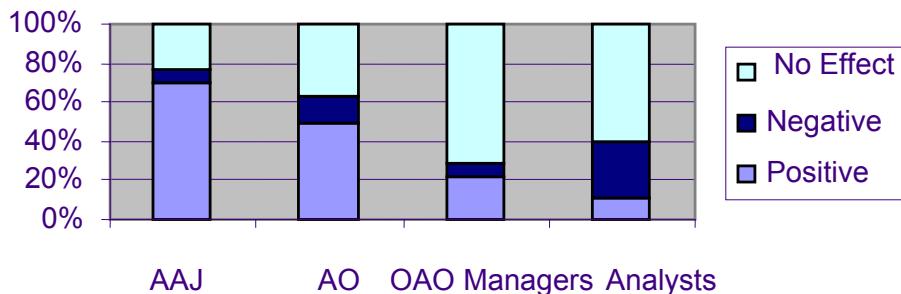


One respondent who said ACPI was more efficient stated, "...aged cases and critical cases are being identified and processed much earlier than before and cases that lend themselves to quick processing are being identified and dispositions rendered." Another respondent said ACPI was less efficient indicating that it has been "...very stressful to produce the number of cases asked and seems it does not matter whether cases are done correctly."

ACPI DID NOT SIGNIFICANTLY AFFECT JOB SATISFACTION

As illustrated in Figure 3, job satisfaction seems to be tied to the type of work performed by the various groups. Of those who responded, 58 percent believed there was no effect. Of the 58 percent, 3 of 13 were AAJs, 6 of 16 were AOs, 23 of 32 were OAO managers and 97 of 162 were analysts. Of the four groups of respondents, the analysts reported the lowest percentage of job satisfaction. AOs and AAJs reported higher job satisfaction from ACPI than the managers and analysts. Almost half of the AOs and almost 70 percent of the AAJs reported a positive effect. Respondents in these two groups stated that they were able to manage the pending workload, and process more cases timely and efficiently, thereby improving customer service. Some of these respondents reported more stress and an increased pressure to produce that could lead to burnout.

Figure 3: Job Satisfaction
Percentages



One respondent stated:

“...reducing the backlog, and providing better service to claimants makes the job more satisfying. It was frustrating to work on cases in which the claimants filed the request for review several years ago. Also, as the backlog is reduced we are working on more current cases—they are generally easier to work with...there is less new evidence, less has happened since the ALJ decision, less chance of a favorable decision on a subsequent application.”

Another respondent said:

“...cases that have been skimmed and worked out of turn have led to a large workload of older cases with additional evidence, briefs, and other complicating factors. This has resulted in difficulties meeting production goals and will likely worsen in the future. Our branch is more current than most, so we receive transfers from other branches, with many older and more time-consuming cases.”

A third respondent stated “...it is not proper to work the easiest and newest cases first and leave the oldest and harder cases for later. The newer analysts are not trained properly and the more experienced analysts get stuck with all the hardest cases because many of the newer people cannot work them properly.”

WORKLOAD CHANGE AND CHANGE IN RESPONSIBILITY

Fifty-four percent of respondents reported an increase in workload since ACPI began, while only three percent reported a decrease. Of those who responded to our survey, 12 out of 13 AAJs, 9 out of 12 AOs, 16 out of 32 OAO Managers, and 77 out of 153 analysts stated there was an increase in workload. Judges reported that they had more work due to the aged case task force, managers processing appeals and higher analyst productivity from the DCM. One respondent who reported an increase said that although "...analysts are producing more cases, they are providing less analysis." This respondent had to do more work to ensure that decisions were accurate.

Most OAO employees who responded to our questionnaire said that ACPI did not result in a change in responsibility. Seventy two percent of respondents indicated no change.

PRODUCTIVITY GOALS

Most respondents indicated that their branch was expected to meet productivity goals. Ninety-four percent of respondents stated that the branch was expected to meet goals, and 82 percent reported that they were expected to meet individual productivity goals.

Conclusions and Recommendations

OAO has made progress reducing its pending appeals workload, and to a lesser extent, the processing days. Most of the ACPI initiatives were not measured. OAO has benefited from having far fewer requests for reviews than it expected.

RECOMMENDATIONS

We recognize that the Commissioner plans to eliminate the Appeals Council in FY 2006, but our recommendations are relevant since OAO needs to work on these cases during the next 2 years. To improve service to the claimant and reduce the pending workload, we recommend SSA:

1. Measure the actual dispositions for each of the initiatives prospectively, to better determine which ones are working best and shift resources accordingly.
2. Consider the use of an aged case task force to process cases older than 2 years.
3. Develop goals that have a much higher possibility of achievement.
4. Consider the suggestions made by employees to reduce pending workload and processing days, which are contained in Appendix F.

AGENCY COMMENTS

SSA partially agreed with our first recommendation and agreed with the other three recommendations. The Agency's concern with the first recommendation is that two initiatives (Expedited Decision-making and Adjustment of the Pre-effectuation Review Sample) cannot be measured and two other initiatives (Counsel-to-Council and Managers Process Appeals) have ended and cannot be tracked. SSA plans to track and measure two of the initiatives DCM and New Analysts. The full text of SSA's comments is contained in Appendix H.

OIG RESPONSE

Our first recommendation stated that the initiatives be measured prospectively. Therefore, we do not expect SSA to measure initiatives which have ended.

In commenting on our draft report, SSA expressed concern that the fourth paragraph on page 5 of the report could be misunderstood as saying that OAO should consider using

an aged case task force with a view to remanding older cases, because remands result in allowances at a relatively higher rate.

We recommend that SSA consider the use of an aged case task force. Our recommendation is based in part on the success of the two previous aged case task forces, which are discussed in Appendix G. From January 2002 through May 2003 the number of aged cases decreased from more than 16,000 to about 8,000, partly due to the aged case task force. In addition to reducing the number of aged cases and thereby serving claimants who have been waiting the longest, the fact that approximately 20 percent of these claimants receive favorable decisions make establishment of an aged case task force worthwhile.

Appendices

Appendix A

SCOPE AND METHODOLOGY

We reviewed the results of each of the seven short-term initiatives, comparing actual dispositions against the projections in the Appeals Council Process Improvement plan (ACPI) for Fiscal Years 2000-2002. We reviewed the ACPI and supporting documentation. We also had discussions with Office of Appellate Operations (OAO) management and staff.

We sent questionnaires to 455 OAO employees seeking information from them on their experience with ACPI. We sent the questionnaires in May 2002, and followed up with non respondents in June and July 2002. Employees receiving the questionnaires were in one of four groups – Administrative Appeals Judges (AAJ), Appeals Officers (AO), Managers, and Analysts. Before sending the questionnaires, we surveyed the questions with employees in each of the four groups and made modifications as appropriate. Two hundred fifty employees responded (a 55 percent response rate). We received a response rate of at least 50 percent from each group. See Appendix B for the number of responses by employee group. The questionnaires consisted of questions common to all employees and other questions directed specifically to the groups (See Appendix C).

We conducted work between March 2002 and March 2003. The entity reviewed was Office of Hearings and Appeals under the Deputy Commissioner for Disability and Income Security Programs. We performed our evaluation in accordance with the Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency.

In September 2003, after the completion of our fieldwork, the Commissioner testified before Congress on an approach to improve the disability process. Part of that testimony included eliminating the Appeals Council.

Appendix B

Number of Employees by Position Who Responded to our Questionnaire

Position	Universe	Number of Responses	Percent Responding
Administrative Appeals Judges	26	13	50%
Appeals Officers	31	19	61%
Office of Appellate Managers	53	35	66%
Program Analysts	345	183	53%
Total	455	250	55%

Questionnaire Design

The questionnaire format for all four groups was similar. Some questions were asked of all groups and other questions to certain groups.

Questions asked of all respondents:

1. What changes would you suggest to reduce processing time?
2. What changes would you suggest to reduce pending workload?
3. How would you rate the quality of service for claimants under ACPI compared to pre-ACPI? 1) Worse 2) Better 3) Same
4. How would you rate case processing under ACPI compared to pre-ACPI? 1) More Efficient 2) Less Efficient 3) No Change
5. How has your workload changed since the start of ACPI in March 2000? 1) More Work 2) Less Work 3) No Change
6. Is your branch expected to meet productivity goals? Yes No
7. Are you expected to meet productivity goals? Yes No
8. Have your responsibilities substantially changed under the Appeals Council Process Improvement Action Plan? Yes No
9. If your responsibilities substantially changed, have they
1) Increased 2) Decreased or 3) Not Applicable?
10. Please rank each of the following ACPI strategies on a scale of 1 to 10 with 10 being the most effective and 1 the least effective in reducing processing days.
 Differential Case Management
 Office of Appellate Operations Managers Processing Appeals
 Expedited Decision-making
 Office of the General Counsel Providing Staff Years
 Hiring New Staff
 Reducing Office of Quality Assurance Sample

11. Please rank each of the following ACPI strategies on a scale of 1 to 10 with 10 being the most effective and 1 the least effective in reducing pending workload.

- Differential Case Management
- Office of Appellate Operations Managers Processing Appeals
- Expedited Decision-making
- Office of the General Counsel Providing Staff Years
- Hiring New Staff
- Reducing Office of Quality Assurance Sample

12. Please rank each of the following on a scale of 1 to 10 with 10 being the most effective and 1 the least effective in helping you perform your job better. (You may use the same number more than once.)

- Career Opportunities Flexiplace Technology Training
- Work Environment Other (Indicate) _____

13. What effect has ACPI had on your job satisfaction?

- 1) Positive
- 2) Negative
- 3) No Effect

14. How long have you worked for SSA?

15. What year did you start working in this branch?

Additional questions we asked Administrative Appeals Judges:

1. Have you worked unanalyzed cases under the Managers Process Appeals (MPA) initiative?
2. How many MPA cases do you process per week?
3. How many MPA cases do you process per month?

An additional question we asked Appeals Officers:

1. How many cases do you process in a month?

Additional questions we asked the Office of Appellate Operations Managers:

1. What is your current position?
2. Have you worked unanalyzed cases under the Managers Process Appeals (MPA) initiative?
3. How many MPA cases do you process per week?
4. How many MPA cases do you process per month?

Additional questions we asked Analysts:

1. Have you screened cases?
2. If you screened cases, how many do you screen per week?
3. How many of the screened cases per week do you immediately process?
4. How many cases do you process in a month?
5. How many hours of job-related training have you had in the past 3 years?
6. Has the training helped you perform your job better? Yes No

Questions and Answers to Questionnaire

Administrative Appeals Judges:

1. How long have you worked for SSA? (Indicate the number of years and months.)
24 Years (**Average**) 7 Months (**Average**)
2. What year did you start working in this branch? 1996
3. Have you worked unanalyzed cases under the Managers Process Appeals (MPA) initiative?
(Please place an "x" in the appropriate space.) **If you answer "No" to Question 3, please skip to Question 6.**
13 Yes 0 No
4. How many MPA cases do you process per week? 3.65
5. How many MPA cases do you process per month? 18.7
6. Have your responsibilities substantially changed under the Appeals Council Process Improvement (ACPI) Action Plan? (Please place an "x" in the appropriate space.)
7 Yes 6 No
7. If your responsibilities substantially changed, have they: (Please place an "x" in the appropriate space.)
7 Increased 0 Decreased 6 did not respond/not applicable
8. Is your branch expected to meet productivity goals? (Please place an "x" in the appropriate space.)
11 Yes 0 No 2 responses were not applicable
9. Are you expected to meet productivity goals? (Please place an "x" in the appropriate space.)
10 Yes 3 No
10. How has your workload changed since the start of ACPI in March 2000? (Please place an "x" in the appropriate space.)
12 More work 0 Less work 1 No change
If you checked "more work" or "less work" please indicate why.

11. What effect has ACPI had on your job satisfaction? (Please place an "x" in the appropriate space.)

9 Positive 1 Negative 3 No effect

If you checked "positive" or "negative" please indicate why.

12. How would you rate the quality of service for claimants under ACPI compared to pre-ACPI? (Please place an "x" in the appropriate space.)

0 Worse 10 Better 3 Same

If you checked "worse" or "better" please indicate why.

13. How would you rate case processing under ACPI compared to pre-ACPI? (Please place an "x" in the appropriate space.)

10 More efficient 2 Less efficient 1 No change

If you checked "more efficient" or "less efficient" please indicate why.

14. Please rank each of the following ACPI strategies on a scale of 1 to 10 with 10 being the most effective and 1 the least effective **in reducing pending workload**. (You may use the same number more than once.) **(Average)**

8.5 Differential case management 3.3 OAO managers processing appeals

5.6 Expedited Decision-making 1.6 OGC providing staff years

7.4 Hiring new staff 7.2 Reducing OQA sample

15. Please rank each of the following ACPI strategies on a scale of 1 to 10 with 10 being the most effective and 1 the least effective **in reducing processing days**. (You may use the same number more than once.) **(Average)**

9.7 Differential case management 3.3 OAO managers processing appeals

7.7 Expedited Decision-making 1.4 OGC providing staff years

7.8 Hiring new staff 6.0 Reducing OQA sample

16. Please rank each of the following on a scale of 1 to 10 with 10 being the most effective and 1 the least effective **in helping you perform your job better**. (You may use the same number more than once.) **(Average)**

2.3 Career Opportunities **5.8** Flexiplace **6.9** Technology **5.9** Training

6.2 Work Environment **9.0** Other (Indicate) _____

17. What changes would you suggest to reduce processing time?

18. What changes would you suggest to reduce pending workload?

Your cooperation is greatly appreciated. In case we need to contact you to obtain additional information, please provide the following information:

Your Name: _____ Organization: _____
Telephone Number: _____ Email Address: _____

Appeals Officers

1. How long have you worked for SSA? (Indicate the number of years and months.)
14 Years (Average) 6 Months (Average)
2. What year did you start working in this branch? 2000
3. How many cases do you process in a month? 284
4. Have your responsibilities substantially changed under the Appeals Council Process Improvement (ACPI) Action Plan? (Please place an "x" in the appropriate space.)
7 Yes 5 No 7 did not respond/not applicable
5. If your responsibilities substantially changed, have they: (Please place an "x" in the appropriate space.)
7 Increased 0 Decreased 12 did not responded/ not applicable
6. Is your branch expected to meet productivity goals? (Please place an "x" in the appropriate space.)
17 Yes 1 No 1 did not respond/not applicable
7. Are you expected to meet productivity goals? (Please place an "x" in the appropriate space.)
14 Yes 5 No
8. How has your workload changed since the start of ACPI in March 2000? (Please place an "x" in the appropriate space.)
9 More work 0 Less work 3 No change 7 did not respond/not applicable
If you checked "more work" or "less work" please indicate why.

9. What effect has ACPI had on your job satisfaction? (Please place an "x" in the appropriate space.)
8 Positive 2 Negative 6 No effect 3 did not respond/not applicable
If you checked "positive" or "negative" please indicate why.

10. How would you rate the quality of service for claimants under ACPI compared to pre-ACPI? (Please place an "x" in the appropriate space.)
3 Worse 11 Better 1 Same 4 did not respond/not applicable
If you checked "worse" or "better" please indicate why.

11. How would you rate case processing under ACPI compared to pre-ACPI? (Please place an "x" in the appropriate space.)
12 More efficient 1 Less efficient 1 No change 5 did not respond/not applicable
If you checked "more efficient" or "less efficient" please indicate why.
-
-

12. Please rank each of the following ACPI strategies on a scale of 1 to 10 with 10 being the most effective and 1 the least effective **in reducing pending workload**. (You may use the same number more than once.) **(Average)**

8.4 Differential case management 3.1 OAO managers processing appeals
5.9 Expedited Decision-making 2.9 OGC providing staff years
6.9 Hiring new staff 5.8 Reducing OQA sample

13. Please rank each of the following ACPI strategies on a scale of 1 to 10 with 10 being the most effective and 1 the least effective **in reducing processing days**. (You may use the same number more than once.) **(Average)**

8.7 Differential case management 3.1 OAO managers processing appeals
5.9 Expedited Decision-making 2.6 OGC providing staff years
7.3 Hiring new staff 5.6 Reducing OQA sample

14. Please rank each of the following on a scale of 1 to 10 with 10 being the most effective and 1 the least effective **in helping you perform your job better**. (You may use the same number more than once.) **(Average)**

6.2 Career Opportunities 5.2 Flexiplace 5.7 Technology 5.1 Training
7.1 Work Environment 9 Other Indicate _____

15. What changes would you suggest to reduce processing time?
-
-

16. What changes would you suggest to reduce pending workload?
-
-

Your cooperation is greatly appreciated. In case we need to contact you to obtain additional information, please provide the following information:

Your Name: _____ Organization: _____
Telephone Number: _____ Email Address: _____

Office of Appellate Operations Managers

1. How long have you worked for SSA? (Indicate the number of years and months.)

27 Years (**Average**) 6 Months (**Average**)

2. What is your current position? _____

3. What year did you start working in your current position in this branch? 1996

4. Have you worked unanalyzed cases under the Managers Process Appeals (MPA) initiative?

(Please place an "x" in the appropriate space.) **If you answer "No" to Question 4, please skip to Question 7.**

16 Yes 19 No

5. How many MPA cases do you process per week? 2.7

6. How many MPA cases do you process per month? 6.2

7. Have your responsibilities substantially changed under the Appeals Council Process Improvement (ACPI) action plan? (Please place an "x" in the appropriate space.)

16 Yes 18 No 1 did not respond/not applicable

8. If your responsibilities substantially changed, have they: (Please place an "x" in the appropriate space.)

15 Increased 1 Decreased 19 did not respond/not applicable

9. Is your branch expected to meet productivity goals? (Please place an "x" in the appropriate space.)

25 Yes 2 No 8 did not respond/not applicable

10. Are you expected to meet productivity goals? (Please place an "x" in the appropriate space.)

22 Yes 9 No 4 did not respond/not applicable

11. How has your workload changed since the start of ACPI in March 2000? (Please place an "x" in the appropriate space.)

16 More work 6 Less work 10 No change 3 did not respond/not applicable

12. What effect has ACPI had on your job satisfaction? (Please place an "x" in the appropriate space.) 7 Positive 2 Negative 23 No effect 3 did not respond/not applicable If you checked "positive" or "negative" please indicate why.

13. How would you rate the quality of service for claimants under ACPI compared to pre-ACPI? (Please place an "x" in the appropriate space.)
3 Worse 18 Better 11 Same 1 did not respond/not applicable
If you checked "worse" or "better" please indicate why.

14. How would you rate case processing under ACPI compared to pre-ACPI? (Please place an "x" in the appropriate space.)
17 More efficient 3 Less efficient 7 No change 8 did not respond/not applicable
If you checked "more efficient" or "less efficient" please indicate why.

15. Please rank each of the following ACPI strategies on a scale of 1 to 10 with 10 being the most effective and 1 the least effective **in reducing pending workload**. (You may use the same number more than once.) If you do not know a particular strategy, please put "NA" on the line. **(Average)**

<u>6.1</u> Differential case management	<u>2.1</u> OAO managers processing appeals
<u>3.7</u> Expedited Decision-making	<u>2.1</u> OGC providing staff years
<u>4.4</u> Hiring new staff	<u>3.2</u> Reducing OQA sample

16. Please rank each of the following ACPI strategies on a scale of 1 to 10 with 10 being the most effective and 1 the least effective **in reducing processing days**. (You may use the same number more than once.) If you do not know a particular strategy, please put "NA" on the line. **(Average)**

<u>6.4</u> Differential case management	<u>2.2</u> OAO managers processing appeals
<u>4.4</u> Expedited Decision-making	<u>1.9</u> OGC providing staff years
<u>4.6</u> Hiring new staff	<u>3.1</u> Reducing OQA sample

17. Please rank each of the following on a scale of 1 to 10 with 10 being the most effective and 1 the least effective **in helping you perform your job better**. (You may use the same number more than once.) **(Average)**

<u>4.3</u> Career Opportunities	<u>7.2</u> Technology	<u>6.2</u> Training
---------------------------------	-----------------------	---------------------

6.9 Work Environment **8** Other (specify.) _____

18. What changes would you suggest to reduce processing time?

19. What changes would you suggest to reduce pending workload?

Your cooperation is greatly appreciated. In case we need to contact you to obtain additional information, please provide the following information:

Your Name: _____ **Organization:** _____
Telephone Number: _____ **Email Address:** _____

Analysts

1. How long have you worked for SSA? (Indicate the number of years and months.)
23 Years (**Average**) 6 Months (**Average**)
2. What year did you start working as an analyst in this branch? 1996
3. Have you screened cases? (Please place an "x" in the appropriate space.)
90 Yes 87 No 6 did not respond
4. If you have screened cases, how many cases do you screen per week? 30
5. How many of the screened cases per week do you immediately process? 16
6. How many cases do you process in a month? 44
7. Have your responsibilities substantially changed under the Appeals Council Process Improvement (ACPI) Action Plan? (Please place an "x" in the appropriate space.)
29 Yes 124 No 30 did not respond/not applicable
8. If your responsibilities substantially changed, have they: (Please place an "x" in the appropriate space.)
27 Increased 1 Decreased 155 did not respond/not applicable
9. Is your branch expected to meet productivity goals? (Please place an "x" in the appropriate space.)
165 Yes 8 No 10 did not respond/not applicable
10. Are you expected to meet productivity goals? (Please place an "x" in the appropriate space.)
147 Yes 25 No 11 did not respond/not applicable
11. How has your workload changed since the start of ACPI in March 2000?
(Please place an "x" in the appropriate space.)
77 More work 0 Less work 76 No change 30 did not respond/not applicable
12. What effect has ACPI had on your job satisfaction? (Please place an "x" in the appropriate space.)
18 Positive 47 Negative 97 No effect 21 did not respond/not applicable
If you checked "positive" or "negative" please indicate why.

13. How would you rate the quality of service for claimants under ACPI compared to pre-ACPI? (Please place an "x" in the appropriate space.)

37 Worse 42 Better 57 Same 47 did not respond/not applicable
If you checked "worse" or "better" please indicate why.

14. How would you rate case processing under ACPI compared to pre-ACPI?
(Please place an "x" in the appropriate space.)

61 More efficient 24 Less efficient 57 No change 41 did not respond/not applicable
If you checked "more efficient" or "less efficient" please indicate why.

15. Please rank each of the following ACPI strategies on a scale of 1 to 10 with 10 being the most effective and 1 the least effective **in reducing pending workload**. (You may use the same number more than once.) If you do not know a particular strategy, please put "NA" on the line. **(Average)**

<u>5.4</u> Differential case management	<u>3.2</u> OAO managers processing appeals
<u>4.0</u> Expedited Decision-making	<u>2.2</u> OGC providing staff years
<u>5.9</u> Hiring new staff	<u>3.8</u> Reducing OQA sample

16. Please rank each of the following ACPI strategies on a scale of 1 to 10 with 10 being the most effective and 1 the least effective **in reducing processing days**. (You may use the same number more than once.) If you do not know a particular strategy, please put "NA" on the line. **(Average)**

<u>5.3</u> Differential case management	<u>3.0</u> OAO managers processing appeals
<u>4.0</u> Expedited Decision-making	<u>2.2</u> OGC providing staff years
<u>5.4</u> Hiring new staff	<u>3.6</u> Reducing OQA sample

17. Please rank each of the following on a scale of 1 to 10 with 10 being the most effective and 1 the least effective **in helping you perform your job better**. (You may use the same number more than once.) **(Average)**

<u>4.0</u> Career Opportunities	<u>7.6</u> Flexiplace	<u>6.8</u> Technology	<u>6.0</u> Training
<u>6.2</u> Work Environment	<u>9</u> Other Indicate _____		

18. How many hours of job-related training have you had in the past three years? **143**

19. Has the training helped you perform your job better? (Please place an "x" in the appropriate space.) 139 Yes 34 No 10 did not respond

20. What changes would you suggest to reduce processing time?

21. What changes would you suggest to reduce pending workload?

Your cooperation is greatly appreciated. In case we need to contact you to obtain additional information, please provide the following information:

Your Name: _____ Organization: _____
Telephone Number: _____ Email Address: _____

Appendix E

Profile of Respondents

The number of years each group has worked at SSA

	Average Number of Years Worked at SSA	Total Number of Years Worked at SSA (range)
Administrative Appeals Judges	24	8 to 31 years
Appeals Officers	14	1 to 28 years
OAO Managers	27	8 to 36 years
Program Analysts	23	1 to 41 years

NARRATIVE RESPONSES TO QUESTIONNAIRE

For some of the questions we asked respondents to provide narrative comments. Following is a selection of comments.

REDUCE PENDING WORKLOAD

We received comments from 194 employees on ways to reduce pending workload. What follows are some excerpts from those comments.

Go back to numeric production standards/expectations.

Stop the DDSs from making determinations on subsequent applications in cases pending with the Appeals Council. These cases could then be expedited by the Appeals Council. Dealing with cases in which there has been a subsequent application with a favorable decision takes a lot of time. (We have to obtain the file and deal with sometimes inconsistent decisions.) As the Appeals Council reduces processing time, there should be less need for the DDSs to process these applications since they are duplicate applications.

Increased emphasis on support staff training and functions.

We need an award system that is adequately funded and based on an evaluation system that works, not this pass/fail system.

Add more staff to the aged case task force to allow for quicker processing of the old RRs.

More control of the procedure joining the request for review with the claims file will help processing time and pending. Awards would help when employees are clearly exceeding expectations and should be given close to the event.

Branches should not have pending workloads at the Megasite. Cases should be in the branches and worked immediately, thereby enabling cases to be reviewed and cleared promptly. This will eventually reduce our pending to a very manageable level. All vacancies should be filled promptly to ensure that we have adequate staff to process the work, thereby reducing pending. Our personnel department and budget office are not in OAO's chain of command and is not very responsive in filling vacancies promptly.

Working at home increased my productivity tremendously due to less disruption, easier to concentrate/study cases. Adding an extra day of flexi-place (making it no more than 3 days) would substantially help the entire workforce as people are then held accountable for work they must produce away from the office.

Overtime should be given to those who maintain processing time above a certain level and high producers should be able to work either daily or weekend overtime.

More clericals to get the cases here faster and more often.

Develop a reasonable minimum standard so that analysts will know what is expected and have accountability when the standard is not met.

Provide us with better resources, technology, and work environment and hire more staff and more workspace.

Screened, easier cases should be given to new analysts. Use the experienced staff to get out those old, tough cases.

Study the most productive branches and adopt the methods used by their judges, AOs, and branch chiefs.

We need one control system that tracks claim files from the time they are received in the hearing office, through the AC, and the Courts. This control system also has to track claim files that are received, where no particular appeal is pending. Example, claimant files an erroneous Request for Review form. The claim file and RR come to the AC. However, the next proper appeal step would be a request for reconsideration. A letter is sent to the claimant explaining this and the claimant is told that the claim file is being returned to the district office or sent to a Program Center. Yet, there is no control of that claim file. These are not controlled and when we complete action on the RR and if we return the subsequent claim file to a location, there is no way of showing on the current ACAPS or ICS where the subsequent claim file has been sent. So technically the files are lost.

Speed up implementation of CD recording of hearings. This would eliminate duplication of cassettes and allow us to work cases faster.

Have a team of analysts that specifically address incoming requests for review and keep those from creating a backlog. Put seasoned analysts on the pending backlog. Keep the incoming cases worked. They get more complicated with time. Representatives submit all kinds of things that create remands. A more expeditious response to the request will minimize the remands.

Either suspend the Quality review program or modify it. Most deficiencies found by OQA involve the credibility finding made by the ALJ. While the AC will not necessarily remand a favorable determination unless there is reason to believe the decision may change if such deficiency was addressed, i.e., that the record discusses clear and convincing reasons to question the claimant's credibility which were not addressed in the decision or resolved at the hearing. OQA rarely provides such analysis but instead generally recommends action without an independent credibility review or with a limited review based on evidence taken out of context. While OQA will typically state that the hearing testimony was audited they never provide notes of such audit, which would allow the AC adjudicator to review the testimony without having to reaudit the entire hearing testimony. Finally, it would be more efficient to permit the AO to issue effectuations of favorable determinations under the quality review program. Most OQA review cases are initially analyzed by an AO. If the AO recommends remand, the case must be reviewed and the remand action issued by two AAJs which is appropriate and is the same procedure for remands of unfavorable ALJ decisions. However, if the AO decides to effectuate the favorable ALJ decision (i.e. deny review), the AO must still send the recommendation to an AAJ for further review. Such inefficient handoff of quality review cases when effectuating the decision is unnecessary. An AO can issue a denial of review of an unfavorable ALJ decision and should have the same authority to issue denial of review of a favorable ALJ decision. In fact, such disparate treatment of AC review of favorable versus unfavorable ALJ decisions, provides a further legal challenge should the entire process ever be litigated. The reason given for denying AO effectuation, that no court right of review is provided for such actions, is insufficient. If the claimant had requested AC review of even such favorable action, the case would have been reviewed and denied by an AO and a right to court review would be provided.

All OAO employees should be encouraged to work to their full potential. Communication between management and employees should be increased so that employees have a clear understanding of their duties and expectations of their performance.

The aged case task force should be expanded and should continue for the entire fiscal year until the aged cases and all other cases are within the goal number of processing days.

REDUCE PROCESSING TIME

We received comments from 200 employees on ways to reduce processing time. Some excerpts from those comments follow:

Meaningful performance standards for H&A analysts- not just numeric.

Control logistical problems, expand scope of Differential Case Management

Get a bar coding case control system. Integrate all databases into one system. Have a systematic training plan for all employees, adequately funded.

Use bar coding technology to control cases that go to the megasite. Get a better case control system. If we always knew where the claim files were, we could work the cases faster.

Streamline the overall regulatory due process guidelines, particularly with respect to closing the record.

Requests by attorneys for cassette tapes of hearings should be eliminated by making two cassette tapes at the hearing and providing one immediately to the claimant and/or representative, thereby eliminating the need for further correspondence, time spent in duplication, and the additional extension of time (EOT) which is granted when the cassette is mailed to the representative under the current system. Requests by attorneys for copies of exhibits should be eliminated or reduced. If representatives were present at the hearing, they had the opportunity to review the record then. After that, most additional evidence, if any, has been provided by the attorney, so disclosure is unnecessary. Only if additional evidence has been received from other sources should copies be made, mailed, and an EOT given. Requests for EOTs by attorneys should not be routinely granted as they currently are. EOTs should be granted the requesting attorney only if a need is established. Cassettes should not be separated from claim files as they currently are. This will eliminate lost cassette demands; will eliminate development time spent waiting for cassettes to be obtained from the cassette library (which can take months and sometimes years); and will shorten time spent preparing a case for analytical review. Branches should not be permitted to send their cases requiring clerical work to the Megasite for storage. Most branches routinely do this, which results in delay in clerical development. The "closed record rule" should be strictly applied. Claimants and representatives should not be permitted to introduce new issues, allegations, or evidence regarding new impairments at the appeals level. Representatives should be required to discontinue the present practice of certain attorneys or legal firms of making a wide range of standard contentions and requests in each case. Some firms use letters, which are virtually identical in all cases. Routing cases to Attorney Fee Branch and/or DCPI should be changed; all cases should be routed to DCPI after notices are released instead of before. Although this would delay notice to congressional offices, it would shorten the time the claimant waits for their notice.

Streamline procedures and policies--limiting the amount of new evidence that must be considered at the Appeals Council level, i.e. close the record at the date the hearing decision was issued.

Provide better and more periodic training for support and professional staff; create bridge jobs for lower-graded employees.

Better prescreening of cases by support staff to ensure cases are ready for analysts to work, to reduce "handoffs", and to assure that all "pre" work (extensions of time, copies of tapes and exhibits) is done as soon as the case comes into OAO.

Greater emphasis placed on individual and branch production. Thoroughly review what every employee does at OHA and have more people process claims. OHA's claims

processing seems to be impacted by a backlog of HAA activities (copying tapes and exhibits and sending EOT letters). They either need more help, or need to work more efficiently.

Organize incoming mail and associate with folders more quickly; Scanning techniques for folder location (use bar codes on all cases); and obtain universal AAJ procedures to prevent remands that will only end up as a denial anyway.

Immediate follow-up training (4-6 months after initial training) for new analysts to provide additional skills and techniques for processing case work.

Close the record after the ALJ decision. Much tighter control on diary dates is needed.

Have a team of analysts that specifically address incoming requests for review and keep those from creating a backlog. Put seasoned analysts on the pending backlog. Keep incoming cases worked. They get more complicated with time. Representatives submit all kinds of things that create remands. A more expeditious response to the request will minimize the remands.

Improve the methods for housing and retrieving claims files from the Megasite and other folder staging facilities (ODO, PSC, and FSO).

Work cases on a first-come/first served basis, using the request for review date to determine which claimant is served first.

Provide individual and group awards based on goal achievement and provide awards with a narrative explaining accomplishments so performance can be duplicated.

DCM can work if it is done on a continuing basis, not just hit or miss. This duty could be rotated among analysts in the branch, so that no one is left to work only the left over, more difficult cases. The Branch Chief could determine the number of analysts needed for DCM, others would be assigned to work old cases and a third group would be assigned to work cases on the shelves. This would keep all types of cases moving.

Development of a “paperless file” should be very efficient and time saving.

Limit the additional material that may be submitted to the time period covered by the ALJ’s decision. Encourage AAJs and AOs to limit changes to only what is necessary and to not make changes on a repetitive basis on the same case.

Require analysts to always provide some analysis to support their recommendations to the adjudicators (currently analysts are not required to provide an analysis if they do not think it is necessary—a practice that pre-dates ACPI). While it may save the analysts a couple minutes to not write up any analysis in support of their recommended action, the adjudicator must then spend more time evaluating the case before he can make a decision. This results in duplication of work. There is a tendency for management to think in terms of individual groups of employees doing their work more quickly rather

than considering the overall processing time. The overall processing time is greater when the analyst does not provide any analysis or provides an insufficient generic analysis to support their recommendation to the Council. This has been the single most problematic practice that impedes my ability to perform efficiently and effectively. The analyst is not saving a significant amount of processing time by failing to provide this analysis. Since they have reached a determination on what action they recommend to the Council after thoroughly reviewing the case file, they should be able to explain why they are making that recommendation in a fairly expeditious fashion. When there is insufficient communication between the legal analyst and the Council member, the likelihood of adjudication error increases. Also, reduce or eliminate OQA samples or at a minimum require OQA to apply the correct legal standard or review, which is the substantial evidence standard.

Hire more AAJs. The Acting AAJ detail, while helpful, still results in inefficiencies as Acting AAJs are barely up to speed before the detail ends, and with clerical and other delays (editing) in issuing Acting AAJ action by another Acting/AAJ. Even though only about 25 percent of AC actions are grant reviews requiring action by an AAJ, such actions are the most complicated and require the most review by the adjudicator. The largest backlog in AC actions which are pending at the AO-AAJ level are remands or other grant review actions. Install a new case tracking system similar to the case tracking system (HOTS) used in hearing offices. Under our current system, all case movement has to be recorded by a clerical. Or is not recorded at all. For example, when an analyst has completed review and is passing on a recommended action, they cannot enter the recommendation into the system directly and pass the recommendation onto the adjudicator. Instead, the recommendation has to pass through a clerk who enters it into the system before passing it on. This results in an additional bottleneck. Furthermore, if I disagree with the recommendation and pass it on to the AAJ as a recommendation for a remand there is no way of recording such actions. Also, the adjudicator who decides to return an action to an analyst for further analysis or action, would do so directly without the additional time consuming process of going through a clerk to record the change of status in the system. The result is that clericals do not know in which office cases are currently located and appear to spend considerable time trying to track down cases to associate mail, including new evidence and attorney briefs with the file. This problem is compounded by mailroom delays. The AC could install the HOTS system and just change the HOTS code destinations with minimal effort and greater improvement in case processing.

The tracking system needs to better identify cases that are pending for 60, 90, 180 whatever days and flag them for special attention before they become unmanageable. There is a large amount of time and effort put into the copy and correspondence part of development. The HFAX process is addressing this from one perspective but there should be some exploration into exactly our duties and obligations to provide this massive amount of materials to claimant's reps who ask for it just as a matter of course and in some cases to delay the case further. The law suggests not that we must provide copies of the exhibits to the claimant but rather that the claimant shall have reasonable access to the record. Perhaps a system of responding to requests for tapes and exhibits with a transfer of the file to the local OHA with instructions that it will remain there for x number of days for the purpose of copying, transcribing or whatever is

needed by the rep. When the case comes back after x days we tickle it for 40 days and work it on the 41st. While it is out, it should not count against processing time.

QUALITY OF SERVICE TO CLAIMANT

We received comments from 124 employees on whether the quality of service is better or worse under ACPI. Some excerpts from those comments follow:

Cases move more quickly. We were not moving the volume of cases pre ACPI that we move now.

For those who benefit from our working “first in, first out”, our service may well be better. Since we probably do more “new” than old cases at this point, overall clients likely see our service as better. For those who have to continue to wait, while we work newer cases, the service is worse though

Timeliness- however across the Appeals Council there is little consistency in how the Council’s “review” is actually conducted. In some instances the analyst’s work product is so scant that the decision-makers must either just accept the analyst’s flat conclusion or work the case themselves.

The much older and complicated cases that had been shelved are being worked.

Quality of service to claimants is better - many more claimants receive a response in less time than before ACPI due to the Differential Case Management initiative. Also, the aged case task force initiative has released many of the oldest pending cases than would have been processed before ACPI.

It seems like a disservice to work cases out of turn, rather than working the oldest cases first.

Quality of service is better because claimants are receiving responses to their request for review in less time; however, service is worse because the quality of work being done in OAO is being lowered. Cases are being rushed and taking corrective action is not encouraged. An unspoken rule appears to be, if at all possible, deny the request for review and get it out of here. I dislike working requests for review that are only a few months old before requests that are 2 to 3 years old to make the overall processing time look good.

We are expected to expedite our processing; however, in doing that, some issues that may benefit the claimant could be overlooked.

EFFECT ON JOB SATISFACTION

We received comments from 92 employees on the effect ACPI had on job satisfaction. Some excerpts from those comments follow:

We are getting our “pending” workload “down” to where it needs to be, and we are reducing processing time, thereby giving greater customer service, which has a positive impact on job satisfaction.

Although my individual workload has increased, the fact that we at the Appeals Council created and implemented a plan designed to eliminate a backlog brings me a great deal of satisfaction. It is quite reassuring that we are able to assess and fix our problems.

Many individuals have stepped forward to work together to improve the overall performance of our operation, and that effort and spirit of collegiality has improved the work environment.

With productivity goals, ACPI allows cases to be worked out of date order and flexibility in assigning cases to individuals to process work without much delay. Negative in that, staff wise, the number of personnel to work cases in each branch is not equal. The productivity goals established at the beginning of the year are based on the personnel you have then, there are no adjustments in the goal when there is a loss of personnel during the year. The lack of goal adjustments doesn't allow for much job satisfaction when you cannot meet a goal because you are not given staff replacement.

The job has become a lot more stressful.

Differential case management has enabled my branch to increase productivity and meet goals, leading to better morale.

I like the idea of reducing pending and processing time. It's unacceptable that someone should have to wait 1 to 3 years for a decision. However, increased work has been met with inadequate resources and insufficient systems and technical support.

When cases are screened 2 or 3 times before I get them in my regular workload, I have only “problem” or “messy” cases to look forward to, day after day, week after week, & month after month. This wouldn't be a particular problem, but the Agency still expects a level of production more consistent with a mix of “hard” and “easy” cases, rather than a continuous grind of hard cases. Burnout will be the ultimate result.

Cases that have been “skimmed” and worked out of turn have led to a large workload of older cases with additional evidence, briefs, and other complicating factors. This has resulted in difficulties with meeting production goals and will likely worsen in the future. Our branch is more current than most, so we receive transfers from other branches, with many older and more time-consuming cases.

I have always disagreed with the policy to process the cases out of order. It is not fair to make claimants with more difficult cases wait longer for their appeals to be processed especially since most of these cases are already very old.

EFFICIENCY OF CASE PROCESSING

We received comments from 127 employees on case processing under ACPI. Some excerpts from those comments follow:

Dispositions, processing time, and overall consistency of Appeals Council actions have improved significantly; cases are being controlled more effectively.

Differential case management has decreased processing time.

Cases that can be disposed of with little delay are soon finalized.

The cases to be worked must be transferred from the Megasite to the Branches more quickly. Each branch should devote one-half of the analysts to the Differential Case Management initiative and the other half to all other cases (employees should have the option to rotate these assignments), while also maintaining a group of analysts and adjudicators on the aged case task force initiative. Also, a model short-form analysis often recommended denials of request for review should be implemented for all branches (perhaps somewhat unique to each branch as necessary) in order for the analyses to be more concise but contain reference to pertinent issues/information about the case. Regarding remands, no analysis should be provided because the remand order action document should be sufficiently explicit to allow both the Administrative Appeals Judge and the Administrative Law Judge to understand the action needing correction. Use of the Remand Macro and the Denial Macro should continue because it allows analysts to prepare action documents expeditiously.

More streamlined with less handling.

Newer cases are screened making the process in general more efficient.

As far as disposing of cases, ACPI forces individuals to “cut” corners, i.e., not perform a thorough review of cases to satisfy management’s ever insistent demands for production of numbers of cases to meet the request for review goals.

The pressure is clearly on analysts for expedited case review- that has to mean that portions of the evidentiary record are not reviewed or not correctly evaluated in many cases.

With the decreased backlog, we should eventually start to see cases with less additional evidence. Many of the cases we see now have large amounts of additional evidence/contentions, or so much time has passed that the claimants have filed new claims. We have to consider the subsequent claim as well as the original claims, which takes much more time and lowers productivity. We are essentially working two cases, but getting credit for only one, which is not very good for morale.

It is less efficient because easier cases are usually worked first; which gives the impression that more cases are being processed. However, now that a significantly lower number of less difficult cases are pending, production is dropping, morale is declining and management can't seem to understand that we are now "paying the piper" for skimming off easy cases.

CHANGES IN WORKLOAD

We received comments from 22 employees on changes in workload due to ACPI. What follows are some excerpts from those comments

As ACPI productivity goals raised expectations, and to the extent that analysts have been more productive, workload has increased.

MPA cases caused significant increase in workload.

Added responsibilities, increased case flow, processing non analyst cases from start to finish, (MPA cases), Case differential where analysts do very little workup so I have to review cases more thoroughly as analysts are giving very little comment.

Differential case management produces many more denials for my review. Not very productive detail of work to OGC resulted in more remands to be reviewed and edited.

The Aged Case Task Forces

As part of the differential case management initiative, the Appeals Council placed a heightened emphasis on processing aged requests for review using streamlined formats for issuing decisions and remands. The Office of Appellate Operations (OAO) established an aged case task force which served from May to August 2001. The task force was led by a coordinator, who was also a branch chief, and had 34 analysts from different branches who volunteered to be on the task force. Its goals were to clear all ready-to-work aged requests for review, reduce processing time, reduce pending cases, and improve public service. The task force defined aged requests as those that are 2 years old or older.

The aged case task force disposed of 4,536 aged cases during its 4 months. OAO established a second aged case task force which was scheduled to work from January to May 2002. However, that task force continued until November 2002 and disposed of 5,213 aged cases. The second task force was led by the same branch chief and had 13 analysts. Not all analysts served for the duration of the task force. Some left before the task force ended and were replaced by other analysts.

During the duration of the second task force, the number of aged cases decreased from 16,489 to 9,688. The additional decrease was due to other aged cases being worked by the branches. OAO reported that it had 7,992 aged cases at May 31, 2003. OAO planned to have a third aged case task force early in 2003, but decided instead to focus on having branches reduce the percentage of pending cases over 365 days to 35 percent or less. We believe the aged case task forces made progress in this area and OHA can continue to reduce processing days.

Appendix H

Agency Comments



SOCIAL SECURITY

MEMORANDUM

32052-24-874

Date: January 5, 2004

Refer To: S1J-3

To: James G. Huse, Jr.
Inspector General

From: Larry W. Dye /s/
Chief of Staff

Subject: Office of the Inspector General (OIG) Evaluation Report, "Appeals Council Process Improvement Action Plan" (A-12-02-12015)--INFORMATION

We appreciate OIG's efforts in conducting this review. Our comments on the report content and recommendations are attached.

Please let us know if we can be of further assistance. If you have any questions, please contact Candace Skurnik, Director, Audit Management and Liaison Staff, at extension 54636. Staff questions can be referred to Mark Zelenka at extension 51957.

Attachment:
SSA Response

**COMMENTS OF THE SOCIAL SECURITY ADMINISTRATION (SSA) ON THE
OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT EVALUATION REPORT,
“APPEALS COUNCIL PROCESS IMPROVEMENT ACTION PLAN”
(AUDIT NO. A-12-02-12015)**

We appreciate the opportunity to comment on the subject draft report. As stated in the report, the Office of Appellate Operations (OAO) has made progress reducing its pending workload and processing times. The factors mentioned include several which we were already aware of, such as the decrease in receipts during the period in question. As the report states, the lower receipts allowed OAO to concentrate on reducing its workloads. However, the decrease in receipts also impacted OAO's performance in another way that should be mentioned. The original goals were based on projected receipts and the corresponding number of cases that would be processed, based on the receipt projections, under Differential Case Management. At times since the implementation of Appeals Council Process Improvement Action Plan (ACPI), because of low receipts, the OAO branches had few, if any, cases to work under the Differential Case Management process. If the projected receipts had materialized, OAO would have had more "new" cases that would have been processed soon after receipt. Higher receipts most likely would have had a positive impact on overall processing time and, perhaps, even on overall productivity as there would have been a higher number of new cases processed in a relatively short period of time to balance out the aged cases. Part of OAO's success in case processing in Fiscal Year (FY) 2000 (125,000+ cases processed) was the large number of cases available for screening under Differential Case Management.

As the report correctly notes, the original ACPI goals were too ambitious, and more realistic goals would have served as a better motivation for OAO employees. OAO management had already come to this realization and instituted revised goals in FY 2003 to replace those in the original plan. The revised goals, though ambitious (e.g., to reduce the average processing time from 412 days to 300 days), were more realistic and OAO met all the FY 2003 performance goals.

We are concerned that the fourth paragraph on page 5 of the report might be misunderstood as saying that the OAO should consider using an aged case task force, with a view to remanding older cases, because remands result in allowances at a relatively high rate. If OAO reactivates the task force, the reason would be proven efficiency in processing aged cases, not because of potential allowances at the hearing level.

Our response to the specific recommendations is provided below:

Recommendation 1:

SSA should measure the actual dispositions for each of the initiatives prospectively, to better determine which ones are working best and shift resources accordingly.

SSA Comment:

We partially agree with this recommendation. For example, we can track cases processed under Differential Case Management. However, other initiatives under ACPI, such as Expedited Decision-making, do not readily lend themselves to tracking and measurement.

Cases identified for Expedited Decision-making may also be processed under other initiatives (primarily Differential Case Management). Therefore, dispositions may not be attributable solely to this initiative and, therefore, would be difficult to identify for a reliable statistical model. Accordingly, a determination of the number of additional actions processed because of this initiative would be a rough estimate at best. We can only estimate the time savings resulting from oral, as opposed to written, presentations of cases and the resulting number of cases that would be processed during the "time saved" would be based on historical averages.

Tracking the Adjustment of the Pre-effectuation Review Sample initiative also presents a problem. We can only estimate the time that would be needed to process the number of cases by which the sample would be reduced by this effort and the number of cases worked in their place. We would base the estimate on historical data concerning the actions routinely taken on Office of Quality Assurance cases compared with that of the regular workload.

Also, both the Counsel-to-Council and the Managers Process Appeals initiatives were short-term projects which now have ended. Therefore, these initiatives cannot be tracked.

We can, however, continue to track the number of cases processed under the New Analysts initiative. We already monitor analysts on an individual basis to ascertain the need for additional training or other performance enhancements.

In short, we believe only Differential Case Management and the number of cases processed by new analysts can be readily tracked and measured, as recommended in the report. The other initiatives cannot.

Recommendation 2:

SSA should consider the use of an aged case task force to process cases older than 2 years.

SSA Comment:

We agree and will consider the feasibility of another task force versus other approaches.

Recommendation 3:

SSA should develop goals that have a much higher possibility of achievement.

SSA Comment:

We agree. We have already revised the goals of the original ACPI plan to ones that are more realistic. As evidence of this, OAO met all performance goals, revised from the original plan, in FY 2003.

Recommendation 4:

SSA should consider the suggestions made by employees to reduce pending workload and processing days.

SSA Comment:

We agree, noting that some of the recommendations, such as returning to numeric production standards, are out of our immediate control. However, other suggestions, including increased emphasis on support staff training, creating bridge jobs for lower-graded employees, and implementing the best practice guide, have already been implemented.

Appendix I

OIG Contacts and Staff Acknowledgments

OIG Contacts

Frederick Nordhoff, Director, Financial Audit Division, (410) 966-6676

Michael Maloney, Deputy Director, (703) 578-8844

Acknowledgments

In addition to the persons named above:

Melissa McDaniel, Auditor

Brennan Kraje, Statistician

Annette Derito, Writer-Editor

For additional copies of this report, please visit our web site at <http://www.ssa.gov/oig> or contact the Office of the Inspector General's Public Affairs Specialist at (410) 966-1375. Refer to common identification number A-12-02-12015.

DISTRIBUTION SCHEDULE

Commissioner of Social Security
Office of Management and Budget, Income Maintenance Branch
Chairman and Ranking Member, Committee on Ways and Means
Chief of Staff, Committee on Ways and Means
Chairman and Ranking Minority Member, Subcommittee on Social Security
Majority and Minority Staff Director, Subcommittee on Social Security
Chairman and Ranking Minority Member, Subcommittee on Human Resources
Chairman and Ranking Minority Member, Committee on Budget, House of Representatives
Chairman and Ranking Minority Member, Committee on Government Reform and Oversight
Chairman and Ranking Minority Member, Committee on Governmental Affairs
Chairman and Ranking Minority Member, Committee on Appropriations, House of Representatives
Chairman and Ranking Minority, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, House of Representatives
Chairman and Ranking Minority Member, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Subcommittee on Labor, Health and Human Services, Education and Related Agencies, Committee on Appropriations, U.S. Senate
Chairman and Ranking Minority Member, Committee on Finance
Chairman and Ranking Minority Member, Subcommittee on Social Security and Family Policy
Chairman and Ranking Minority Member, Senate Special Committee on Aging
Social Security Advisory Board

Overview of the Office of the Inspector General

Office of Audit

The Office of Audit (OA) conducts comprehensive financial and performance audits of the Social Security Administration's (SSA) programs and makes recommendations to ensure that program objectives are achieved effectively and efficiently. Financial audits, required by the Chief Financial Officers' Act of 1990, assess whether SSA's financial statements fairly present the Agency's financial position, results of operations and cash flow. Performance audits review the economy, efficiency and effectiveness of SSA's programs. OA also conducts short-term management and program evaluations focused on issues of concern to SSA, Congress and the general public. Evaluations often focus on identifying and recommending ways to prevent and minimize program fraud and inefficiency, rather than detecting problems after they occur.

Office of Executive Operations

The Office of Executive Operations (OEO) supports the Office of the Inspector General (OIG) by providing information resource management; systems security; and the coordination of budget, procurement, telecommunications, facilities and equipment, and human resources. In addition, this office is the focal point for the OIG's strategic planning function and the development and implementation of performance measures required by the *Government Performance and Results Act*. OEO is also responsible for performing internal reviews to ensure that OIG offices nationwide hold themselves to the same rigorous standards that we expect from SSA, as well as conducting investigations of OIG employees, when necessary. Finally, OEO administers OIG's public affairs, media, and interagency activities, coordinates responses to Congressional requests for information, and also communicates OIG's planned and current activities and their results to the Commissioner and Congress.

Office of Investigations

The Office of Investigations (OI) conducts and coordinates investigative activity related to fraud, waste, abuse, and mismanagement of SSA programs and operations. This includes wrongdoing by applicants, beneficiaries, contractors, physicians, interpreters, representative payees, third parties, and by SSA employees in the performance of their duties. OI also conducts joint investigations with other Federal, State, and local law enforcement agencies.

Counsel to the Inspector General

The Counsel to the Inspector General provides legal advice and counsel to the Inspector General on various matters, including: 1) statutes, regulations, legislation, and policy directives governing the administration of SSA's programs; 2) investigative procedures and techniques; and 3) legal implications and conclusions to be drawn from audit and investigative material produced by the OIG. The Counsel's office also administers the civil monetary penalty program.