

Congressional Response Report

Progress in Developing the Disability
Case Processing System as of
November 2016

OIG

Office of the Inspector General
SOCIAL SECURITY ADMINISTRATION

December 2, 2016

The Honorable Sam Johnson
Chairman, Subcommittee on
Social Security
Committee on Ways and Means
House of Representatives
Washington, DC 20515

Dear Mr. Johnson:

As you requested, we are providing regular reports to keep the Subcommittee informed on the Social Security Administration's efforts related to its Disability Case Processing System project. For this report, we evaluated the Agency's progress in developing and implementing its Disability Case Processing System as of November 2016. To ensure the Agency is aware of the information provided to your office, we are forwarding it a copy of this report.

If you have any questions concerning this matter, please call me or have your staff contact Kristin Klima, Congressional and Intragovernmental Liaison, at (202)-358-6319.

Sincerely,



Gale Stallworth Stone
Acting Inspector General

Enclosure

cc:
Carolyn W. Colvin

Progress in Developing the Disability Case Processing System as of November 2016

A-14-17-50174



December 2016

Office of Audit Report Summary

Objective

To evaluate the Social Security Administration's (SSA) progress toward developing and implementing its Disability Case Processing System (DCPS) as of November 2016.

Background

SSA partners with State disability determination services (DDS) to evaluate disability claims and make disability determinations. The DDSs use various customized systems to process disability cases.

DCPS is an SSA initiative to develop a common system the Agency expects will simplify system support and maintenance, improve the speed and quality of the disability process, and reduce the overall growth rate of infrastructure costs.

Results

In May 2016, SSA estimated the first release of DCPS would be available in December 2016—at a cost of less than \$38 million—and would support initial claims and reconsiderations. However, while SSA now expects the actual development costs for the December 2016 release to be about \$36.6 million, the release will only include functionality needed to support a limited number of cases. SSA will need to make further investments in the product before it will support initial claims and reconsiderations.

SSA reported completing a significantly higher number of story points in the four bi-weekly sprints ended November 8, 2016 as compared to the previous sprints. While the recent results are encouraging, we cannot conclude whether these increases will continue, level, or further fluctuate in future sprints.

Conclusion

SSA's vision for DCPS is a common system to be used by all DDSs that will enable the Agency to simplify system support and maintenance, improve the speed and quality of the disability process, and reduce the overall growth rate of infrastructure costs. SSA expects to achieve cost savings through DCPS by enabling DDSs to discontinue using their legacy systems. However, as of the date of our report, SSA had not estimated the costs it will incur to develop sufficient functionality into DCPS to retire the legacy systems, nor the associated timeframe.

According to the Office of Management and Budget, agencies should update their alternatives analyses periodically to capture changes in context for an investment decision. We believe SSA should evaluate its plans to ensure it can demonstrate to Congress and the public that it has chosen the most cost-effective alternative to achieve its goals and continue to do so as new challenges or opportunities occur.

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ABBREVIATIONS

DCPS	Disability Case Processing System
DDS	Disability Determination Services
FY	Fiscal Year
MIDAS	Modernized Integrated Disability Adjudicative System
OIG	Office of the Inspector General
OMB	Office of Management and Budget
SSA	Social Security Administration

OBJECTIVE

Our objective was to evaluate the Social Security Administration's (SSA) progress toward developing and implementing its Disability Case Processing System (DCPS) as of November 2016.

BACKGROUND

SSA partners with State disability determination services (DDS) to evaluate disability claims and make disability determinations. The DDSs use various customized systems to process disability cases (see Table 1).

Table 1: Number of DDSs Using Existing Systems and Total Caseloads¹

System	DDSs		Fiscal Year 2015 Caseload	
	Number ²	Percent	Cases	Percent
MicroPact ³	46	85	3,817,642	83
MIDAS ⁴	6	11	513,143	11
ACPS	1	2	233,472	5
Cornhusker	1	2	18,729	1
TOTAL	54	100	4,582,986	100

According to SSA, these legacy systems cost the Agency about \$32 million each year to operate and maintain.

DCPS is an SSA initiative to develop a common case processing system for all DDSs that the Agency expects will simplify system support and maintenance, improve the speed and quality of the disability process, and reduce the overall growth rate of infrastructure costs.

DCPS1

In December 2010, SSA awarded a contract to develop DCPS as a combination of custom-built software and commercial off-the-shelf products. Since 2010, SSA has acknowledged that “... creation of DCPS proved more complex and challenging than initially anticipated, as was

¹ Source for Table 1 is SSA's DCPS Implementation Plan and Office of Disability Determination's Management Information website.

² This includes all 50 States, the District of Columbia, Puerto Rico, Guam, and the U.S. Virgin Islands.

³ This includes 29 DDSs that use MicroPact's iLevy system (also referred to as IronData/St. Louis), and 17 DDSs that use MicroPact's Versa system (also referred to as IronData/Toronto).

⁴ The Modernized Integrated Disability Adjudicative System—is an SSA-owned, COBOL-based system that was originally developed in the early 1990s.

demonstrated by feedback from the DDS community, continuously increasing program cost estimates, and constantly extended timeline projections.”⁵ By December 2013, three DDSs were using the DCPS Beta software to process a limited number of disability cases.⁶

In June 2014, a consulting firm contracted by SSA reported that, despite significant investment over several years, DCPS delivered limited functionality and faced schedule delays and increasing stakeholder concerns.

In 2014, the Agency “reset” the DCPS project. SSA conducted two proofs of concept in Fiscal Year (FY) 2015 to help it determine the best path forward for DCPS. Proof of Concept 1 explored commercially available, off-the-shelf software that appeared most likely to meet SSA’s needs. Proof of Concept 2 explored using custom, SSA-developed software.

Our November 2014 report recommended that SSA suspend development of the DCPS Beta software while it evaluated alternatives.⁷ SSA disagreed and, while conducting the proofs of concept, continued developing the DCPS Beta system. After SSA extended the test period of the Beta 5.0 system, critical functionality remained incomplete and the Agency continued seeing a lack of quality. SSA identified significant concerns with the Beta software, including a lack of modularity with the code, poor code documentation, and an overly complex database design, which resulted in degraded performance. Based on these results, in May 2015, the Agency discontinued developing and using the DCPS Beta software.⁸

DCPS2

In July 2015, SSA began planning development of a new system. Although SSA used a traditional software development approach for DCPS1, it adopted an Agile software development approach for DCPS2.

Agile

Agile software development calls for early and continuous software delivery by developing it in small, short increments rather than in the long, sequential phases of a traditional “waterfall”

⁵ SSA, *Documentation of Alternative Program Management and Software Development Approach for the Disability Case Processing System (DCPS)*, October 21, 2015.

⁶ Beta software refers to computer software that is undergoing testing and has not yet been officially released. The 3 DDSs—Missouri, Illinois, and Idaho—processed nearly 2,000 disability cases using DCPS Beta. The DDSs used their legacy systems to process all other cases.

⁷ SSA OIG, *Congressional Response Report: The Social Security Administration’s Disability Case Processing System* (A-14-15-15016), November 2014.

⁸ While conducting the Proofs of Concept, SSA spent about \$23 million further developing the DCPS Beta system before ceasing development in May 2015.

approach.⁹ Agile emphasizes using collaborative teams and measuring progress with working software.¹⁰

With Agile, functional requirements are expressed as user stories. Each user story is assigned a level of effort, called a story point, which is used to communicate complexity and progress between the business and development sides of the project. User stories that need to be addressed are considered the backlog.¹¹

SSA uses metrics and tools to track progress in completing user stories. An example of a metric is velocity, which tracks the rate of work using the number of story points completed, or expected to be completed, in an iteration. For example, if a team completes 100 story points in a 2-week iteration, the team's velocity would be 100 story points every 2 weeks. An example of a tool is a burn-down chart that tracks progress and the amount of work completed for an iteration or a release, which comprises multiple iterations.

While the use of Agile principles can speed development and reduce costs, transitioning to a new development methodology carries risk. In April 2016, a consulting firm contracted by SSA reported that, while the redesigned DCPS program had considerable strengths, "... progress has been slower than expected and current trajectory must be significantly accelerated" to meet SSA's goal of releasing software with the planned functionality by December 2016. According to the consultant, root causes of the slower than expected pace included

- lack of sound preliminary application and data architectures,
- new and still maturing Agile practices,
- shortage of technical skills,
- uneven vendor performance, and
- likely underestimation of product complexity.

⁹ The traditional waterfall software development model includes a series of sequential phases including requirements, design, implementation, verification, and maintenance.

¹⁰ GAO, *Software Development: Effective Practices and Federal Challenges in Applying Agile Methods*, p. 4, July 2012.

¹¹ Id. at p. 7-8.

Release 1

In a May 17, 2016 letter to Sam Johnson, Chairman of the Subcommittee on Social Security, House Committee on Ways and Means, SSA stated, “We project costs from October 2015 to the release of our first product in December of 2016 to be less than \$38 million for the five quarters.” The letter also stated that this first release—which the Agency referred to as DCPS Core—would support both initial disability claims and reconsiderations. According to the Agency, “We are scheduled to deliver [functionality for Continuing Disability Reviews] four months after the first release, in April of 2017 at a projected cost of less than \$48 million.” Finally, SSA stated, “We are currently tracking on schedule and . . . we are confident of delivery of all three case types on time and on budget.” (For SSA’s letter, see Appendix B.)

METHODOLOGY

In a February 13, 2015 letter to the Inspector General, Chairman Johnson expressed his continued concerns regarding the development of DCPS and requested that we provide regular reports to keep the Subcommittee informed of SSA’s DCPS-related efforts. This report is one in a series that examines SSA’s DCPS project.¹²

To accomplish our objective, we reviewed Agency documentation and interviewed SSA staff to understand the key processes and controls the Agency uses to manage the DCPS project. See Appendix A for additional information about our scope and methodology.

RESULTS OF REVIEW

In May 2016, SSA estimated the first release of DCPS would be available in December 2016—at a cost of less than \$38 million—and would support initial claims and reconsiderations. However, while SSA now expects the actual development costs for the December 2016 release to be about \$36.6 million, the release will only include the functionality needed to support a limited number of cases.¹³ SSA will need to make further investments in the product before it will support initial claims and reconsiderations.

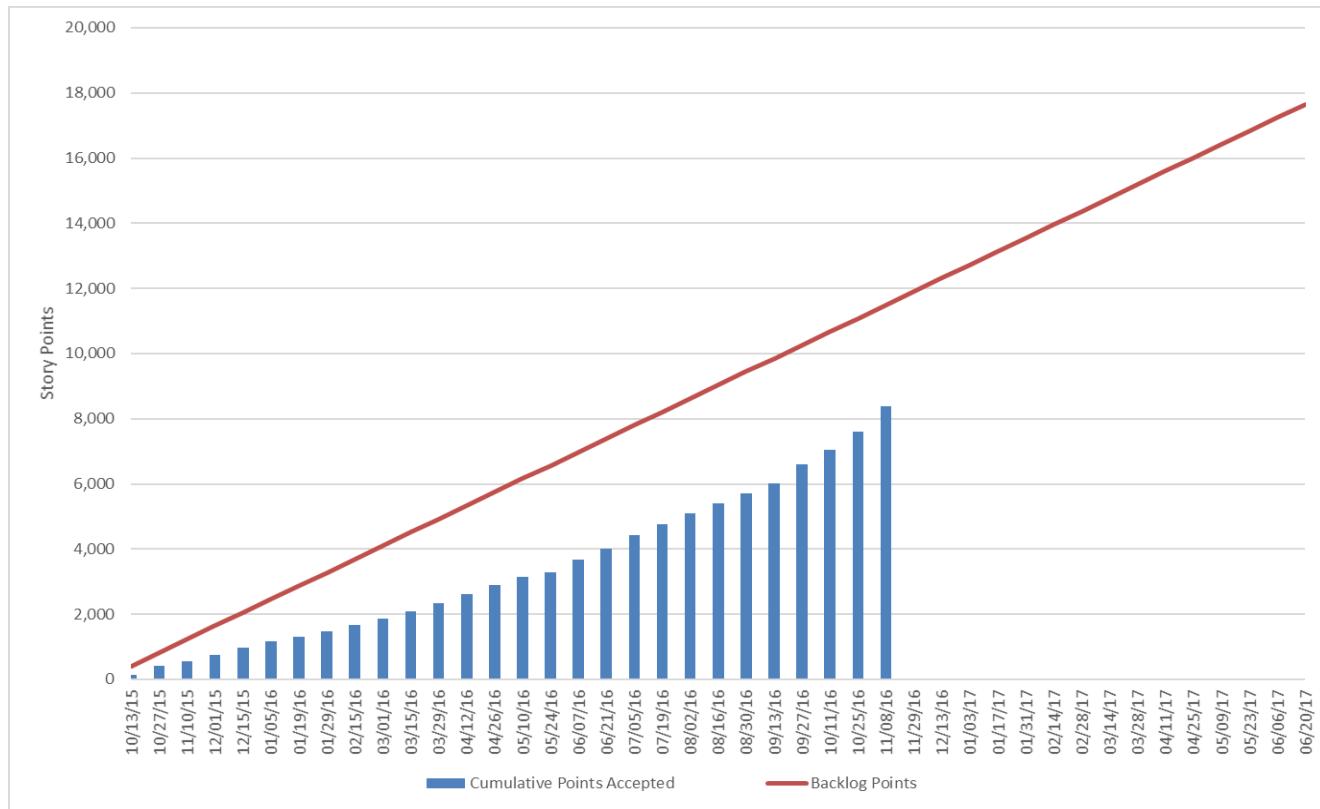
¹² For information about our other related DCPS reports, see Appendix D.

¹³ This does not include about \$12.1 million in pre-development costs incurred from July to September 2015.

SSA's Development Progress

SSA is developing DCPS through a series of 2-week iterations referred to as “sprints.” Figure 1 illustrates SSA’s progress in developing DCPS as of November 8, 2016.¹⁴

Figure 1: DCPS Burn-up Chart



Source: SSA’s DCPS Chief Program Office

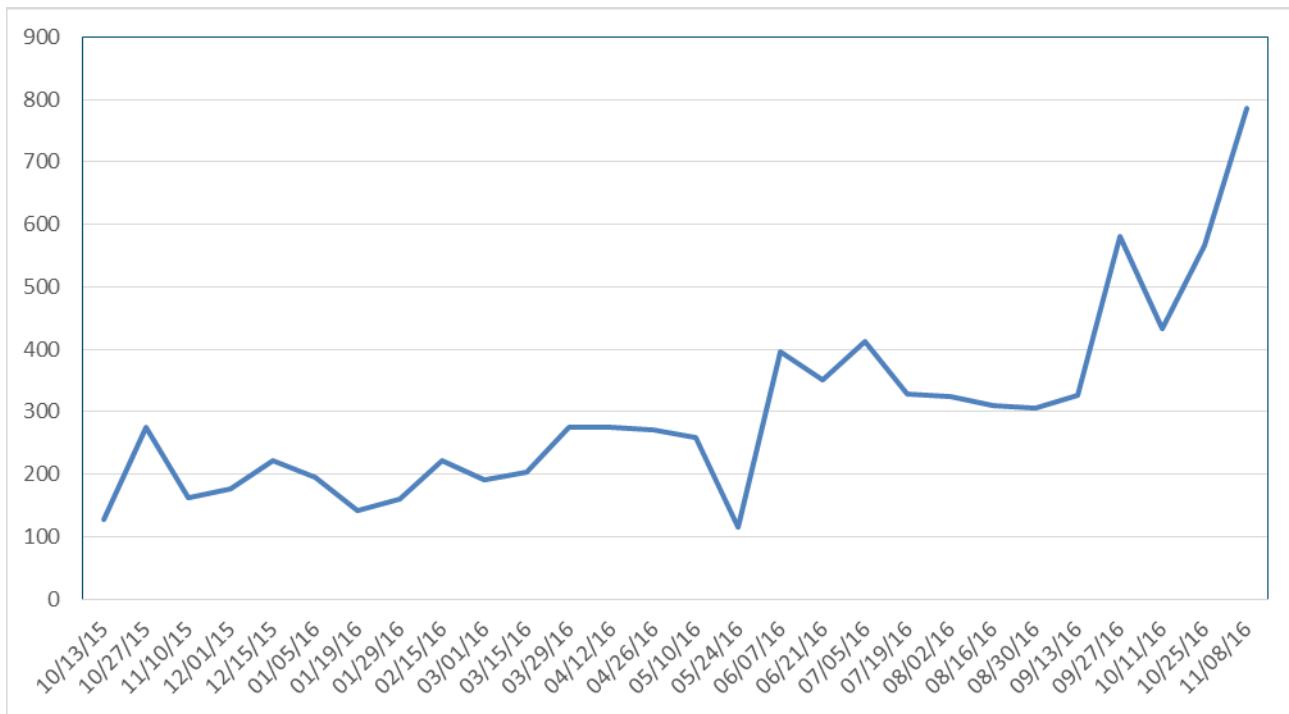
As of November 8, 2016, SSA reported that it had completed 8,390 of the 17,279 total story points identified to support initial claims and reconsiderations (49 percent).

¹⁴ We obtained story point data from SSA’s DCPS Chief Program Office. Because of the expedited nature of our review, we did not evaluate the accuracy/reliability of these figures. We plan to do so and include our results in a future report.

Velocity

The figure below presents the number of story points SSA completed for each sprint.

Figure 2: Story Points Completed Per Sprint



According to SSA, many factors can impact velocity. Decreases in story points completed could result from Federal holidays, Agile ceremonies that take away from development time, or a combination of stories that take longer than one sprint to complete. Increases could result from a combination of large stories all being completed in the same sprint, Agile practices and ceremonies becoming more mature, etc.

As shown in Figure 2, SSA reported completing a significantly higher number of story points in the four bi-weekly sprints ended November 8, 2016 as compared to the previous sprints. While the recent results are encouraging, we cannot conclude whether these increases will continue, level, or further fluctuate in future sprints.

The table below presents the dates by which we estimate SSA would complete development of the functionality needed to process initial claims and reconsiderations based on several possible velocities, as well as the estimated total development costs.

Table 2: Estimated Completion of Functionality for Initial Claims/Reconsiderations

Velocity Scenario	Estimated Completion	Estimated Total Cost ¹⁵
785 Average Points per Sprint <i>(the velocity for the latest sprint)</i>	April 2017	\$48.2 million
592 Average Points per Sprint <i>(the average velocity for the last 4 sprints)</i>	June 2017	\$52.8 million
437 Average Points per Sprint <i>(the average velocity for the last 10 sprints)</i>	August 2017	\$59.3 million
300 Average Points per Sprint <i>(the average velocity for all 28 sprints)</i>	December 2017	\$70.7 million

Functionality for Release 1

SSA previously planned to make DCPS Release 1 available by December 2016 with functionality that would enable users to process both initial claims and reconsiderations.¹⁶ However, as of the date of our report, the Agency planned to make available to three participating DDSs in December 2016 what it refers to as an “Early-Adopter Release” version of DCPS. The Early-Adopter Release will not include all of the DCPS Core functionality that SSA previously planned for Release 1. Instead, it will only enable users in participating DDSs to process those cases involving the most severely disabled who meet the Agency’s criteria for expedited review—Quick Disability Determinations and Compassionate Allowances.¹⁷

SSA expects to make the Early Adopter-Release software available to the Delaware, Maine, and Ohio DDSs.¹⁸ However, the participating DDSs will only be able to use the DCPS pre-release software for a small percent of their workloads. Those DDSs would need to continue using their legacy systems to process other workloads—such as non-expedited disabled adult cases, disabled child cases, and continuing disability reviews—until the requisite functionality is developed and made available in subsequent releases.

¹⁵ SSA does not track costs per sprint. Therefore, we divided the total estimated costs for FY 2016 (\$30.7 million) by the number of sprints completed that year (25) to arrive at an average cost per sprint. We used this figure to estimate future costs based on the expected number of sprints needed to complete development at different velocity rates.

¹⁶ Those DDSs would need to continue using their legacy systems to process other workloads—such as continuing disability reviews—until the requisite functionality is developed and made available in subsequent releases.

¹⁷ SSA quickly provides benefits to applicants whose medical conditions are so serious that their conditions meet disability standards. SSA’s Compassionate Allowances and Quick Disability Determinations identify claimants who have the most severe disabilities and allow expedited decisions on those cases.

¹⁸ These three DDSs processed approximately 5 percent of all disability cases in FY 2015.

According to its most recent Product Road Map, SSA targeted delivering the functionality needed to support initial claims and reconsiderations in June 2017 (see Appendix C).¹⁹ However, the Agency did not provide documentation to indicate it will be able to accelerate velocity to achieve that goal.

CONCLUSIONS

SSA's vision for DCPS is a common system to be used by all DDSs that will enable the Agency to simplify system support and maintenance, improve the speed and quality of the disability process, and reduce the overall growth rate of infrastructure costs. SSA expects to achieve cost savings through DCPS by enabling DDSs to discontinue using their legacy systems. However, as of the date of our report, SSA had not estimated the costs it will incur to develop sufficient functionality into DCPS to retire the legacy systems, nor the associated timeframe.

According to the Office of Management and Budget, agencies should update their alternatives analyses periodically to capture changes in context for an investment decision.²⁰ We believe SSA should evaluate its plans to ensure it can demonstrate to Congress and the public that it has chosen the most cost-effective alternative to achieve its goals and continue to do so as new challenges or opportunities occur.²¹

As Chairman Johnson requested, we plan to continue monitoring the DCPS project and will issue periodic reports on SSA's DCPS-related efforts.



Rona Lawson
Assistant Inspector General for Audit

¹⁹ According to SSA, the Product Road Map represents the Agency's plans based on information currently available. "It is subject to change, due to many factors including: our current velocity, our ability to estimate more accurately, and changing business priorities."

²⁰ OMB, *Guidance on Exhibits 53 and 300 – Information Technology and E-Government*, p. 5 (July 1, 2013). This definition continues to be used on the E-Government Community-MAX Federal Community, E-Gov Integrated Data Collection Community in the *FY17 Integrated Data Collection Common Definitions*, Version 2015.01 (last updated July 2, 2015).

²¹ In August 2016, the vendor that supported the software used by 46 of the 54 DDSs announced plans to modernize its legacy systems over a 24-month period. The DDSs that use the vendor's existing systems processed 83 percent of the total disability determination workload in FY 2015.

APPENDICES

Appendix A – SCOPE AND METHODOLOGY

Our objective is to evaluate the Social Security Administration's (SSA) progress toward developing and implementing its Disability Case Processing System (DCPS). To accomplish our objective, we:

- Reviewed documentation on SSA's progress with developing and implementing DCPS, such as the Product Release, DCPS Product Road Maps, Burn-up Charts, and Feature Area Breakdown spreadsheets.
- Reviewed McKinsey's Independent Analysis of DCPS and DCPS Program Assessment reports.
- Reviewed related Federal sources, including the Government Accountability Office's *Effective Practices and Federal Challenges in Applying Agile Methods*, July 2012; and the Office of Management and Budget's *Transforming Agency Management Practices for the Agile Age*, April 2016.
- Attended various DCPS-related briefings.
- Interviewed SSA personnel from the DCPS Chief Program Office.

We conducted our review from August through November 2016 in Baltimore, Maryland. The principal entity reviewed was SSA's DCPS Office of the Chief Program Office. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for 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.

Appendix B – SSA LETTER TO THE SOCIAL SECURITY SUBCOMMITTEE



May 17, 2016

The Honorable Sam Johnson
Chairman, Subcommittee on Social Security
Committee on Ways and Means
House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

In a letter dated May 10, 2016, SSA Inspector General Pat O'Carroll provided you his view on aspects of our Disability Case Processing System (DCPS) project. The OIG raised concerns around cost, scope, and approach. We respectfully disagree with several of these opinions and would like to share an alternative perspective.

The DCPS project goal is to deploy a single application to support uniform and high-quality disability determinations in each state. As you know, by law, the DDSs make initial decisions on eligibility for disability benefits. DDSs are funded by SSA and staffed by State employees.

As you know, in February 2013, Carolyn Colvin assumed the Acting Commissioner position at the Social Security Administration and immediately convened an independent third party review of the DCPS program. The SSA quickly acted upon the recommendations from that review and reorganized the project into a stand-alone Program Office with the full authority to address issues. In addition, they started two parallel initiatives: an attempt to salvage our investment to date, and a study of alternatives to deliver the project more efficiently and at a lower cost as recommended by the independent third party and the DCPS Steering Committee.

I started in January of 2015 and by May 2015 I instigated an outside review by the United States Digital Services (USDS) of the software developed to date. After that review, we concluded that the current software approach would not likely produce a product that could be deployed. In addition, we concluded a buy versus build proof of concept and concluded that we could build for less time and effort and produce a better product. As a

SOCIAL SECURITY ADMINISTRATION BALTIMORE, MD 21235-0001

result, we shut down the project from May to September and started a new, agile, development project starting on October 1, 2015 that we call DCPS2.

Since October 2015, we have cut costs and currently run at a rate that will have us expending around \$30 million in this fiscal year. We are currently at a run rate of around \$28 million per year, down from an estimate of \$42 million per year when we started in October. Further, this run rate is down from a \$59 million per year rate prior to the October 2015 reset. We project costs from October 2015 to the release of our first product in December of 2016 to be less than \$38 million for the five quarters.

This first release will support initial claims and reconsiderations. We elected to drop the final case type, Continuing Disability Reviews (CDRs) from the first release in order to get a product in the hands of our customers as soon as possible. Note that CDRs occur usually nine-to-twelve months after an initial claim; so there was no advantage to waiting for the CDR process to be complete before our release. We are scheduled to deliver CDRs four months after the first release, in April of 2017 at a projected cost of less than \$48 million, which includes the sixth quarter – October 2015 to April 2017. We are currently tracking on schedule and have recently completed a major milestone, called the through-line, on time and on budget in March of this year. Because of this record, we are confident of delivery of all three case types on time and on budget.

The major reason that the previous attempt failed was that they addressed site-specific functionality from the wrong angle. Consider the most glaring issue: we have to connect to fifty-four different fiscal systems to make payments to vendors through the financial systems provided by each State. Each of the fifty-four connections is a simple problem to solve. If, however, you try to write one set of code that attempts to adjust automatically to each connection type the problem complexity grows exponentially.

We are taking the simple approach and have budgeted time and effort to build fifty-four simple connectors. In fact, we believe that around twenty connectors will cover all fifty-four Disability Determination Services (DDSS). While we appreciate the OIG's concern that the DDSS may not adopt the new system, we are actively engaged with these "customers" of ours. The DDSS are deeply involved in the agile development project and they see the progress after every two-week "sprint". When we asked for volunteers to deploy the first release of the DCPS2 product, hoping for two volunteers, we received requests from six states and elected to take on three beta test sites; one representative of each of the legacy systems. We believe that there is just no evidence of a problem here.

It is true that we do not plan to mandate the use of DCPS2. There is some question over whether we have the authority to mandate use and certainly mandating the use would

create political friction. So far, we have evidence that by building a modern system, with the support and cooperation of the DDSs, where they are intimately involved in the Agile development process, the result will be a system that the states want to deploy as soon as possible. Creating one system will also naturally simplify workload sharing among offices and will serve as an important benefit for sites to begin using DCPS2.

It is true that Agile practices are new to the Agency. It is not true that using Agile introduces risk to the project. Our experience is the opposite. By engaging directly with the DDSs and developing incrementally with their continuous input greatly reduces the risk that we will build it and they will not come.

We would also disagree with the notion that we did not properly evaluate alternatives to this new development program. We solicited inputs from the market and selected a commercial off-the-shelf (COTS) product for review. This was not a cursory review.

We spent \$ 2.4 million to implement a working prototype and let the DDSs evaluate the result. They believed that the effort to extend the COTS product for each DDS would produce a stilted result. Worse, the cost would be \$150 to \$225 million to implement COTS, plus roughly seventy million dollars to add on several DCPS-specific business functions; and the result would take up to four years. We did not believe that our effort, sized as described above and delivered in fourteen months, could be construed as anything but the best option.

Finally, we intend to treat DCPS2 as a product in every way. We will not stop development after April but will continue to add capabilities as if we were a commercial entity. We will cut our run rate well below what we are paying for support of the DDSs current legacy systems as we move forward.

There are many opportunities to add functionality that will significantly reduce the time and effort required for the DDSs to determine disability and process cases. There are clear opportunities to add intelligence that will improve the determination process. There are opportunities to add sophisticated models that might detect fraud. We will continuously improve the DCPS2 product as long as we have a backlog of ideas that justify the costs of ongoing Agile development.

Looking back, I believe that we made several hard decisions over the last year but that the result will be a first rate determination system that will significantly improve the service we provide to the public. This opinion is supported by the Office of Management and Budget (OMB), who just approved a transition of DCPS from red to yellow on their

public dashboard. It is also supported by our independent assessors who reported in March that,

"Over the last 18 months, the DCPS program has gradually transitioned itself toward becoming a more modern, Agile technology endeavor, completely re-imagining how large technology programs are delivered in the federal Government (e.g. use of Agile, cloud, modern technologies)".

Based on these assessments by outsiders and by our customers, we would respectfully disagree with the OIG assessment that suggests that DCPS2 will fail.

Yours,



Robert Klopp

cc: David Mader, Controller, Office of Management and Budget
Carolyn W. Colvin, Acting Commissioner, Social Security Administration
Patrick P. O'Carroll, Jr., Inspector General

Appendix C – DISABILITY CASE PROCESSING SYSTEM PRODUCT ROAD MAP

DCPS Product Road Map										
Last Updated: 10/25/2016										
Through Line Completed: 3/31/2016				DCPS2 Early Adopter Release: 12/17/2016						
PI 0  9/30/15 – 12/1/15 <ul style="list-style-type: none"> Established systems environments Microstrategy configuration Organizational Set Up Created Receipt Queue with quality check Basic case header 				PI 1  12/2/15 – 1/3/16 <ul style="list-style-type: none"> User Profiles Introduced sub-set of dashboard categories Manual case receipt Manual case assignment Template administration Claimant Correspondence Case Analysis: Allowance forms Added case sub-header 						
PI 2  1/4/16 – 5/10/16 <ul style="list-style-type: none"> DIB claims only User roles & tasks Switching Dashboard Views 831 Closure form Signatures for closure forms Consultative Exam (CE) Request 		PI 3  5/11/16 – 8/16/16 <ul style="list-style-type: none"> Quality Check for Missing 1696 Quality Check for Missing Appointed Rep Detect Receipt of 827, Remove Issue Auto Case Receipt Evidence Request Framework CE Request CE Scheduling Framework Case Activity Framework RFC Assessment 831 PDF Print Framework Table Filters, Sort and Find Feature Standardization of UI Components 		PI 4 8/17/16 - 11/29/16 <ul style="list-style-type: none"> Support for QDD/CAL cases DI DI/DIB Concurrent Physical Allegations Fully Favorable Allowances State Isolation Transfer to Legacy Auditing Security Error Logging Transaction Management Evidence Requests to Medical Sources FOFAE Case Notes Disability Determination Explanation PDF Case Activity Log Fiscal – MER Updates After Transfer DE Authority 		PI 5 11/30/16 – 3/14/17 <ul style="list-style-type: none"> Support for Initial Adult Cases/All Allowances DWB, CDBR/CDBD, DS (Triple Concurrent) All Allowances Federal QA Psychological allegations (MRFC/ PRTF) 3rd party contacts MC/PC Referral Manual Internal QA Referral Search by SSN CE Scheduling, non-split vendors Fiscal - CE MER, CE Follow-up by Letter ERE No Decisions/Transfers 				
<i>Historical</i>			<i>Committed</i>		<i>Forecast</i>					
<p>PLEASE NOTE: The Road Map entries for PI 4 – PI 6 represent our plans based on the information currently available to us. It is subject to change, due to many factors including: our current velocity, our ability to estimate more accurately, and changing business priorities.</p>										
PI 6 3/15/17 - 6/20/17 <ul style="list-style-type: none"> BI/BS Auto case assignment based on user thresholds Presumptive Dib Medical Deferment SNO Denial Decisions State Specific Correspondence Assistance Scope Pre-Development Enhanced Internal QA Enhanced Referrals Enhanced Search MC/PC Payments CE Scheduling for Split Vendors Block CE Vendors Batch Printing 										

Appendix D– RELATED OFFICE OF THE INSPECTOR GENERAL REPORTS

This report is one in a series of Office of the Inspector General reports that examines the Social Security Administration’s (SSA) progress in developing and implementing the Disability Case Processing System (DCPS).

Congressional Response Report: Costs Incurred in Developing the Disability Case Processing System ([A-14-16-50099](#)), September 2016.

We concluded that SSA’s reported costs of \$356 million for the DCPS project for the 8-year period ended September 30, 2015 were reasonably accurate. We noted issues with SSA’s processes for capturing and reporting contractor and labor costs. While we did not consider these issues to be of sufficient significance to materially affect the overall DCPS cost figure, we believe they warrant SSA’s attention.

Congressional Response Report: The Social Security Administration’s Analysis of Alternatives for the Disability Case Processing System ([A-14-16-50078](#)), May 2016.

We concluded SSA did not sufficiently evaluate all alternatives for DCPS—for example, phasing an existing system into all disability determination services (DDS) or procuring and modernizing one of the vendor-supported legacy systems. Without a comprehensive analysis of alternatives, the Agency cannot be assured the chosen path will be the best path to simplify system support and maintenance and reduce infrastructure costs—key objectives for the DCPS project. We could not conclude the Agency’s chosen path forward is most likely to result in the timely delivery of a cost-effective solution that meets users’ needs.

Observations and Recommendations for the Disability Case Processing System (Limited Distribution) ([A-14-15-50008](#)), May 2015.

All three DDS administrators we interviewed identified issues with the DCPS application and development process but expressed their continued support of DCPS and optimism about the project. We made several recommendations for SSA to consider as it continued developing DCPS.

Congressional Response Report: The Social Security Administration’s Disability Case Processing System ([A-14-15-15016](#)), November 2014.

We found SSA had taken steps to help get the project on track. However, we believe SSA should suspend the development of certain custom-built components of DCPS until it has completed its evaluations and determined whether off-the-shelf or modernized SSA-owned software are viable alternatives.

Appendix E – AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

Date: November 30, 2016

Refer To: S1J-3

To: Rona Lawson
Assistant Inspector General for Audit

From: Frank Cristaudo *mr. in PL*
Counselor to the Commissioner

Subject: Office of the Inspector General Draft Congressional Response Report, "Progress in Developing the Disability Case Processing System" (A-14-17-50174) --INFORMATION

Thank you for the opportunity to review the draft report. Please see our attached comments.

Please let me know if we can be of further assistance. You may direct staff inquiries to Gary S. Hatcher at (410) 965-0680.

Attachment

**COMMENTS ON THE OFFICE OF THE INSPECTOR GENERAL DRAFT
CONGRESSIONAL RESPONSE REPORT, “PROGRESS IN DEVELOPING THE
DISABILITY CASE PROCESSING SYSTEM” (A-14-17-50174)**

General Comments

Thank you for the opportunity to review the draft report.

We have had ongoing dialogue with the OIG regarding our approach to this project and our progress in developing the Disability Case Processing System (DCPS) product. In general, we agree with OIG’s findings with a few minor clarifications.

The OIG suggests we complete an analysis of alternative options. Prior to beginning development on DCPS2, we evaluated alternatives and completed a proof of concept. In 2014, we initiated a strategic reset to increase the likelihood of successful delivery of DCPS. As part of the strategic reset, we assessed whether leveraging available commercial off-the-shelf (COTS) software might be a viable alternative to a custom-build approach. Recently we became aware of a new COTS alternative. While this product is not yet commercially available, we plan to evaluate this new product once it is generally available.

Our next release is shaped by feedback from the Disability Determination Service user community. Early Adopter sites requested that we focus on Quick Disability Determinations (QDD) and Compassionate Allowances (CAL) functionality to place working code in their users’ hands sooner rather than later. This will allow faster user feedback and will provide us with baseline data to assess our Agile methodology. As evidenced in the velocity over the last several sprints, we remain on track to deliver the QDD/CAL functionality in December 2016.

Our roadmap provided in Appendix C, targets Initial Claim and Reconsideration functionality for adult claims in June 2017. Functionality for Disabled Children will follow in a later Product Increment, as will functionality for Continuing Disability Reviews. Note that DCPS2 integrates all claims analysis functionality as part of the application; this is a feature that end users stressed was important as an efficiency for their business process – today, in the legacy application, users have to exit the disability system and open the Electronic Case Analysis Technology application to analyze a case.

Finally, as reported to OIG, the Office of Management and Budget, and other external stakeholders, our cost projections for Fiscal Year (FY) 2017 total \$25.8 million and are comprised of \$16.6 million for contractor support services, \$9 million for employee work year costs, and \$215,000 for travel expenses. We expect our costs for FYs 2018 and 2019 to run about \$23 million per year.

We will continue to keep the OIG and all stakeholders up to date on our progress.

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