
Results of Efforts to
Improve the Disability
Claims Process Have Been
Disappointing

SSA's disability determination process is time-consuming, complex, and expensive. The agency has been working for years to improve this process, yet, ensuring the quality and timeliness of its disability decisions remains one of SSA's greatest challenges. Individuals who are initially denied benefits by SSA and appeal their claims may wait a year or more for a final decision on their eligibility. These long waits result, in part, from complex and fragmented decision-making processes that are laden with many layers of reviews and multiple handoffs from one person to another. The cost of administering the DI and SSI programs reflects the demanding nature of the process. Although SSI and DI program benefits account for less than 20 percent of the total benefit payments made by SSA, they consume nearly 55 percent of the annual administrative resources.

In addition to its difficulties in processing claims, SSA has also had difficulty ensuring that decisions regarding a claimant's eligibility for disability benefits are accurate and consistent across all levels of the decision-making process. Our work shows that in fiscal year 2000, about 40 percent of the applicants whose cases were denied at the initial level appealed this decision and about two-thirds of those who appealed were awarded benefits.¹¹ This happens in part because decision makers at the initial level use a different approach to evaluate claims and make decisions than those at the appellate level. The inconsistency of decisions at these two levels has raised questions about the fairness, integrity, and cost of SSA's disability programs.

¹¹ U.S. General Accounting Office, *Social Security Disability: Efforts to Improve Claims Process Have Fallen Short and Further Action is Needed*, [GAO-02-826T](#) (Washington, D.C.: June 11, 2002).

In 1994, SSA laid out a plan to address these problems; however, that plan and three subsequent revisions have yielded only limited success. Among other things, SSA planned to develop a streamlined decision-making and appeal process, more consistent guidance and training for decision makers at all levels of the process, and an improved process for reviewing the quality of eligibility decisions. Our reviews of SSA's efforts found that the agency had accomplished little.¹² In some cases, the plans were too large and too complex to keep on track, and the results of many of the initiatives that were tested fell far short of expectations. Moreover, the agency was not able to garner consistent stakeholder support and cooperation for its proposed changes. Despite the overall disappointing progress, the agency did issue formal guidance in a number of areas intended to improve the consistency of decisions between the initial and appellate levels.

Overall, however, significant problems persist and difficult decisions remain. For example, SSA is currently collecting data on the results from an initiative known as the Prototype, which was implemented in 10 states in October 1999 to test several modifications to the disability determination process. Although interim data indicated that the Prototype would result in more awards made correctly at the initial level, it also would increase the number of appeals of denied claims. This, in turn, would result in both higher administrative and benefit costs and lengthen the wait for final decisions on claims. As a result, SSA modified the Prototype initiative and is collecting more data on results. It remains to be seen whether these revisions will retain the positive results from the Prototype while also controlling administrative and program costs.

¹² U.S. General Accounting Office, *SSA Disability Redesign: Focus Needed on Initiatives Most Crucial to Reducing Costs and Time*, [GAO/HEHS-97-20](#) (Washington, D.C.: Dec. 20, 1996); *SSA Disability Redesign: Actions Needed to Enhance Future Progress*, [GAO/HEHS-99-25](#) (Washington, D.C.: Mar. 12, 1999); and *Social Security Disability: Disappointing Results From SSA's Efforts to Improve the Disability Claims Process Warrant Immediate Attention*, [GAO-02-322](#) (Washington, D.C.: Feb. 27, 2002).

Even more pressing in the near term is the management and workload crisis that SSA faces in its hearings offices. The agency's 1999 plan included an initiative to overhaul operations at its hearing offices to increase efficiency and significantly reduce processing times at that level; however, this nationwide effort has not only failed to achieve its goals, it has, in some cases, made things worse. The initiative has suffered, in part, from problems associated with implementing large-scale changes too quickly without resolving known problems. As a result, the average case processing time slowed and backlogs of cases waiting to be processed approached crisis levels. We have recommended that the Commissioner act quickly to implement short-term strategies to reduce the backlog and develop a long-range strategy for a more permanent solution to the backlog and efficiency problems at the Office of Hearings and Appeals.¹³ According to SSA officials, they have implemented several short-term initiatives not requiring statutory or regulatory changes to reduce hearing office processing times and backlogs. These include new formats and software to facilitate the issuance of favorable decisions, guidelines for the issuance of favorable bench decisions, and awarding contracts to speed the assembly of hearing files.

Finally, SSA's 1994 plan to redesign the claims process called for the agency to revamp its existing quality assurance system. However, because of disagreement among SSA and state employee groups, unions, and interest groups on how to accomplish this difficult objective, progress in this area has been limited. We agreed with a March 2001 contractor assessment that a significant overhaul was needed to encompass a more comprehensive view of quality management and recommended that SSA develop an action plan for implementing a more comprehensive and sophisticated quality assurance program.¹⁴ Since then, the new Commissioner has signaled the high priority she attaches to this effort by appointing a senior manager for quality who reports directly to her. The senior manager and her team have devised a 4-phase strategy to establish a quality oriented approach to all SSA processes. As part of the first phase, the team has developed an agency level definition of quality that incorporates the elements of accuracy, timeliness, productivity, cost, and customer service.

¹³ [GAO-02-322](#).

¹⁴ [GAO-02-322](#).

The limited results of some of these initiatives can be linked, in part, to slow progress in incorporating technological improvements into the disability determination process. As originally envisioned, SSA's redesign plan depended on these improvements. After spending about 7 years designing and developing a new computer software application to automate the disability claims process, SSA decided to discontinue the initiative in July 1999, citing software performance problems and delays in developing the software.

In August 2000, SSA issued a new management plan to develop the agency's electronic disability system. SSA expects this effort to move the agency toward a paperless disability claims process. The strategy consists of several key components, including (1) an electronic claims intake process for the field offices, (2) enhanced state disability determination service agencies' claims processing systems, and (3) technology processes necessary to support the operation of Office of Hearing and Appeals. The components are to be linked to one another through the use of an electronic folder that is being designed to transmit data from one processing location to another and to serve as a data repository, storing documents that are keyed in, scanned, or faxed. SSA is currently implementing the automated intake process in its field offices. In addition, it recently expanded the capabilities of its Internet application process to include collecting information about the medical treatment and work history needed to process disability claims. Further, SSA has stepped up its schedule for implementing the electronic disability system from late in 2005 to January 2004. As SSA proceeds with this new system, it is imperative that the agency effectively identify, track, and manage the costs, benefits, schedule, and risks associated with the system's full development and implementation. Moreover, SSA must ensure that it has the right mix of skills and capabilities to support this initiative and that desired end results are achieved.

SSA is at a crossroads in its efforts to redesign and improve its disability claims process. Since its start in 1994, SSA's redesign initiatives have yielded limited progress and often disappointing results. SSA's new Commissioner has acknowledged the limited progress to date, has made the issue one of the agency's priorities, and has taken the first steps to address this problem. However, as we testified in May 2002, it may be appropriate, given the agency's past experience, for SSA to undertake a new and comprehensive analysis of the fundamental issues impeding progress.¹⁵ Such an analysis should include reassessing the root causes contributing to its problems and would encompass concerns raised by the Social Security Advisory Board,¹⁶ such as the fragmentation and structural problems in the agency's disability determination process. The outcome of this analysis may, in some cases, require legislative changes.

SSA Needs to Better Position Itself for Future Service Delivery Challenges

Among federal agencies, SSA has long been viewed as one of the leaders in service delivery. SSA considers service delivery as one of its top priorities, and its current performance plan includes specific goals and strategies to provide accurate, timely, and useful service to the public. However, three factors—(1) the expected increase in demand for services as baby boomers retire, (2) the concurrent retirement of a large part of its own workforce, and (3) changing customer expectations—could hamper SSA's ability to provide high-quality service over the next decade and beyond. In response to these challenges, SSA has initiated several workforce activities based on its analysis of future retirements and has begun to envision what its future service delivery might be. In addition, it has begun to expand its electronic service delivery capabilities to meet changing customer expectations. However, without a service delivery plan that lays out a detailed blueprint for how service will be delivered in the future, SSA cannot ensure that it will effectively cope with its future service challenges. Further, as the agency transitions to electronic processes, it will be challenged to think strategically about its information technology (IT) investments and to ensure their effectiveness by linking them to service delivery goals and performance.

¹⁵ U.S. General Accounting Office, *Social Security Administration: Agency Must Position Itself Now to Meet Profound Challenges*, [GAO-02-289T](#) (Washington, D.C.: May 2, 2002).

¹⁶ The Social Security Independence and Program Improvements Act of 1994 (P.L. 103-296) created a seven member bipartisan Advisory Board to advise the President, the Congress, and the Commissioner of Social Security on matters relating to the Social Security and SSI programs.