
**OFFICE OF
THE INSPECTOR GENERAL**

SOCIAL SECURITY ADMINISTRATION

**PERFORMANCE MEASURE REVIEW:
RELIABILITY OF THE DATA USED
TO MEASURE THE TIMELINESS OF
PROCESSING SUPPLEMENTAL
SECURITY INCOME DISABILITY
CLAIMS**

December 2000

A-02-99-11002

AUDIT 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.

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SOCIAL SECURITY

Office of the Inspector General

MEMORANDUM

Date: December 1, 2000

Refer To:

To: William A. Halter,
Deputy Commissioner
of Social Security

From: Inspector General

Subject: Performance Measure Review: Reliability of the Data Used to Measure the Timeliness of Processing Supplemental Security Income Disability Claims (A-02-99-11002)

The Government Performance and Results Act (GPRA), Public Law No. 103-62, 107 Stat. 285 (1993), requires the Social Security Administration (SSA) to develop performance indicators that assess the relevant service levels and outcomes of each program activity. GPRA also calls for a description of the means employed to verify and validate the measured values used to report on program performance. SSA has stated that one of the means to ensure the reliability of its performance data is through various audits and evaluations conducted by the Office of the Inspector General (OIG). The objective of this audit was to assess the reliability of SSA performance measurement data for the following GPRA performance indicator:

<u>Indicator</u>	<u>Fiscal Year (FY) 1999 Goal</u>	<u>FY 1999 Actual Performance</u>
The percent of Supplemental Security Income (SSI) Disability claims decided within 60 days of filing¹	26 Percent	22.3 Percent

RESULTS OF REVIEW

The data used to measure the percent of SSI Disability claims processed was found to be reliable. While we found the data reliable, conditions existed which could cause an inaccuracy in the reported performance measure in the future. A control weakness was identified, which may lead to some countable claims not being included in the calculation of performance in this area. Additionally, SSA combines monthly averages when calculating the annual SSI Disability statistic. This does not take into account varying monthly claim volume and can lead to an overstatement or

¹ Effective FY 2000, SSA has eliminated this indicator from its performance measurement. It does however remain as a strategic objective.

account varying monthly claim volume and can lead to an overstatement or understatement of the performance measure statistic. SSA also lacks sufficient documentation of the process used to accumulate and generate the SSI Disability processing time statistic.

THE PERFORMANCE MEASURE FOR SSI DISABILITY PROCESSING TIME IS RELIABLE

The FY 1999 goal for the percent of SSI Disability claims decided within 60 days of filing was 26 percent. SSA stated actual performance was 22.3 percent. SSA calculated this statistic through the compilation of 12 months of data from the SSI Claims Report (SSICR). Individual monthly data are also available from monthly Processing Times Reports.

Our review disclosed that the reported performance of 22.3 percent was a reliable measurement of performance. This conclusion was based on a replication of the monthly statistics from the monthly Processing Times Reports for March through May 1999. We performed a parallel simulation of the performance measure using the criteria in effect at the time of our review. There were no differences between SSA’s reported statistics for April and May and our calculation of performance. We found, however, a slight but immaterial difference in March’s reported performance measure statistic. The cause of the discrepant statistic was the inclusion of duplicate claims. The duplicate claims included in the March statistic were approximately 3,000 out of more than 116,000. We were not able to determine the cause for the inclusion of duplicate claims in March.

The results of our replication compared to SSA’s reported calculation are as follows:

Percent of SSI Disability Claims Decided Within 60 Days of Filing

MONTH	PER SSA	PER OIG
MARCH 1999	23.2%	23.3%
APRIL 1999	23.2%	23.2%
MAY 1999	23.5%	23.5%

Due to the unavailability of data, we were not able to test all 12 months. Since the process was the same for the entire FY, there was no indication that the other months in FY 1999 that were not tested would have yielded different results.

A CONTROL WEAKNESS FOR THE ROUTING OF CLAIM DATA WAS DISCLOSED

PricewaterhouseCoopers (PwC), a certified public accounting firm, was contracted to assess the reliability of data used to measure SSI Aged claims processing. In its report (CIN A-02-99-11005), PwC identified a control weakness that could affect the accuracy of the performance measure. Tests performed identified that the number of claims in the input file to the Exception Control System did not agree with the number of claims in the output file. The Exception Control System, which assures that an initial claim is complete, is not supposed to edit or exclude any input records. Claim edits or exclusions do not occur until later in the process. SSA personnel agreed that Exception Control input should equal output and were unable to provide any explanations for the discrepancy. Since the flow of data for all SSI claims is the same at this stage of the process, this situation is similarly applicable to SSI Disability claims.

This weakness was highlighted in PwC's report but did not impact on its conclusion that the performance measures tested were reasonably stated. We concur with PwC's determination.

SSA DID NOT CONSIDER CLAIM VOLUME WHEN CALCULATING CUMULATIVE MONTHLY STATISTICS

SSA averaged the 12 monthly SSI Disability claim processing time percentages instead of 12 months of SSI Disability claims processed to calculate the FY statistic reported in the Accountability Report. The averaging of monthly percentages would be acceptable if the volume of SSI claims processed was consistent from month to month. During FY 1999, however, the monthly claim volume for all SSI Disability claims decided ranged from a low of 96,592 for December 1998 to a high of 145,229 for September 1999. When monthly claim volume varies, the possibility of a distortion in the cumulative processing time percentage exists with SSA's current method of computing the processing time statistic.

We recalculated the monthly performance measure statistics using two different methods. First, we calculated the statistic based on the method used by SSA. Each month's individual processing time statistic was added together and divided by the total number of months. The second method used was an average based on cumulative monthly claim volume. While the percentage calculated by both methods was the same for the FY total, differences did occur for some of the months. Although not significant (one-tenth of one percent), these differences highlight that a claim volume average is the mathematically preferred way to calculate the percentages.

PERFORMANCE MEASURE DOCUMENTATION WAS LACKING

SSA lacks sufficient performance measure documentation for the processes involved in the generation of the SSI Disability processing time statistic.

The performance measure statistic for the percent of SSI Disability claims decided within 60 days of filing is based on a formula created by SSA systems staff. The formula, which in effect decides which SSI claims should be included in the statistic, cannot be deciphered and, consequently, could not be reviewed. We were advised by SSA staff that various changes were made to the original programming language over the years and, therefore, the identity of the formula was lost. Accordingly, we were forced to verify and evaluate the calculation accuracy of the performance measure statistic through an application of the criteria that should have been used. These criteria were obtained from the Management Information Manual (MIM), Part II.

The Office of Management and Budget Circular No. A -123, *Management Accountability and Control* states that “ The documentation for transactions, management controls, and other significant events must be clear and readily available for examination.” Furthermore, GPRAs requires that agencies “...describe the means to be used to verify and validate measured values.” A significant lack of documentation does not provide the audit trail necessary to assist verification of the performance measures.

CONCLUSIONS AND RECOMMENDATIONS

The data used to measure the percent of SSI Disability claims processed within 60 days of filing was found to be reliable. We did find, however, that conditions existed that could cause an inaccuracy in the reported performance measure in the future. The conditions need to be corrected so that complete reliance can be placed on the reported performance measure. Accordingly, we recommend that SSA take the following corrective measures to improve the process used to measure SSI Disability processing time performance:

1. Exclude duplicate claims from the calculation of the performance measure statistic;
2. Perform a validation test on the input to and output from the Exception Control System to ensure that no claims are being excluded;
3. Use claim volume when combining monthly statistics to calculate an average for the cumulative performance measure;
4. Provide an adequate audit trail to document the processes involved in the generation and accumulation of the performance measure; and
5. Establish policies and procedures for the retention of performance measure documentation.

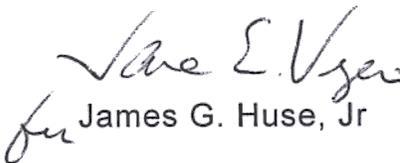
AGENCY COMMENTS

In response to our draft report, SSA agreed with all of our recommendations. SSA noted that duplicate claims should not be counted in the calculation of the performance measure and system changes have recently been made to correct the problem. The Exception Control System will also be monitored to make sure records are processed and counted properly. SSA agreed that the performance measure calculation should be based on claim volume. However, SSA contends it does use claim volume rather than the combining of monthly averages as reported by the OIG.

SSA has also acknowledged that an adequate audit trail documenting the processes involved in the generation and accumulation of the performance measure should be provided. As such, SSA is replacing the Management Information (MI) systems with new MI Architecture, which will provide enhanced audit capability. The new MI Architecture will also increase the retention period for data to facilitate the verification of summary statistics. (See Appendix D for SSA's comments to our draft report).

OFFICE OF THE INSPECTOR GENERAL RESPONSE

We are pleased that SSA agrees with our recommendations. However, we believe that SSA did not consistently use cumulative claims volume when calculating the performance measure reported in the Monthly Status Reports during FY 1999. Our analysis disclosed differences for three of the Monthly Status Report percentages reported by SSA when compared to cumulative claim data.


for James G. Huse, Jr

APPENDICES

APPENDIX A - Background

APPENDIX B - Scope and Methodology

APPENDIX C - Flowchart of SSI Disability Processing Time

APPENDIX D - Agency Comments

APPENDIX E - Contacts and Staff Acknowledgements

BACKGROUND

The Social Security Administration oversees two long-term disability programs. The first is Disability Insurance (DI) which is authorized under title II of the Social Security Act. DI makes monthly payments to disabled workers. The second is Supplemental Security Income (SSI) which is authorized under title XVI of the Social Security Act and provides monthly payments to disabled individuals whose income and resources fall below a certain level.

To determine eligibility, the claimant must first file a disability claim with SSA. Personnel in one of SSA's approximately 1,300 field offices (FO) conduct the initial interview with disability applicants and assist in completing the application. Applications for SSI Disability are prepared using the Modernized SSI Claims System (MSSICS). Interviews are conducted via the telephone or in person. Initial interviews are made to determine the applicant's non-medical eligibility on the basis of income, resources, and work history. Basic medical information concerning the disability, medical treatments, and identification of treating sources is also obtained.

Upon meeting the non-medical eligibility requirements, SSA sends the claims file to the servicing Disability Determination Services (DDS) office, a State agency SSA contracts with, to make the individual determination of disability. Some states have several DDS offices and some less populated states share DDSs with bordering states. The FO forwards the application and all information gathered to the DDS. The DDS requests medical records from the individual's treating physicians and other medical treating sources. If these treating sources do not provide sufficient evidence to make a decision, the DDS will arrange for medical and/or psychological examinations and tests with consulting physicians. The DDS makes a disability decision after all necessary information is obtained. The FO is notified of the decision and a letter is sent informing the claimant of the decision and of his/her appeal rights.

Once the decision is made, an Initial Decision Date (IDD) is posted to the Supplemental Security Record and claim data are forwarded to the SSI Claims Exception Control System. This system makes sure the claim is complete before handing off the data to the SSI Claims Report (SSICR) which is actually a process that compiles the claims data for inclusion in various management information reports. The performance measure included in the Accountability Report is obtained from the GETSSICR (produced by SSICR) module, specifically cell 406. This cell contains the formula that determines which claims should be included in the performance measure statistic.

SCOPE AND METHODOLOGY

Our objective was to assess the reliability of the Social Security Administration's performance measurement data for the percent of Supplemental Security Insurance Disability claims decided within 60 days of filing.

To determine the process of SSI Disability claims from initial contact by an individual to the calculation of the performance measure, discussions were held with various SSA personnel from Baltimore and Region II. Particular emphasis was made within the Office of Information Management. It was responsible for various stages of the process; most importantly, the accumulation of data and calculation of the SSI Disability statistic.

We assessed the reliability of the data by replicating the performance measure statistic for three months in Fiscal Year (FY) 1999. Initially, our objective was to assess the FY 1998 performance measure. However, SSA's file retention policy prevented us from accomplishing that objective. We did select March through May 1999, which was the most current period of data available at the time of our request. Since the same system was used for the entire FY as the three months reviewed, we believe our examination can be extrapolated to the final FY statistic published in the FY 1999 Accountability Report.

We performed our analysis on two different sets of data files for each of the months reviewed. A file that is produced by the SSI Claims Exception Control System, SSA.ZS.ZSSICPT, was examined along with applicable files (referred to as Paraselect files) produced by SSICR. Criteria containing inclusion, exclusion and exception details for SSI Disability claims to be considered in the performance measure were obtained from the Management Information Manual, Part II. Application of the criteria to the data files was accomplished through the use of Interactive Data Extraction and Analysis software.

The FY performance measure statistic is a compilation of 12 months of data. The Annual Performance Plan Status Report (Status Report), updated monthly on SSA's intranet, provides a cumulative summary of the statistic during the FY. Monthly data are also available from monthly Processing Times Reports, which provide regional and national statistics as well as the denominator used in the SSI Disability processing time statistic. Processing Times Reports for the entire FY were obtained and compared to the SSI Disability statistic on the Status Report. Our replicated statistics for March through May 1999 were also compared to Processing Times Report data.

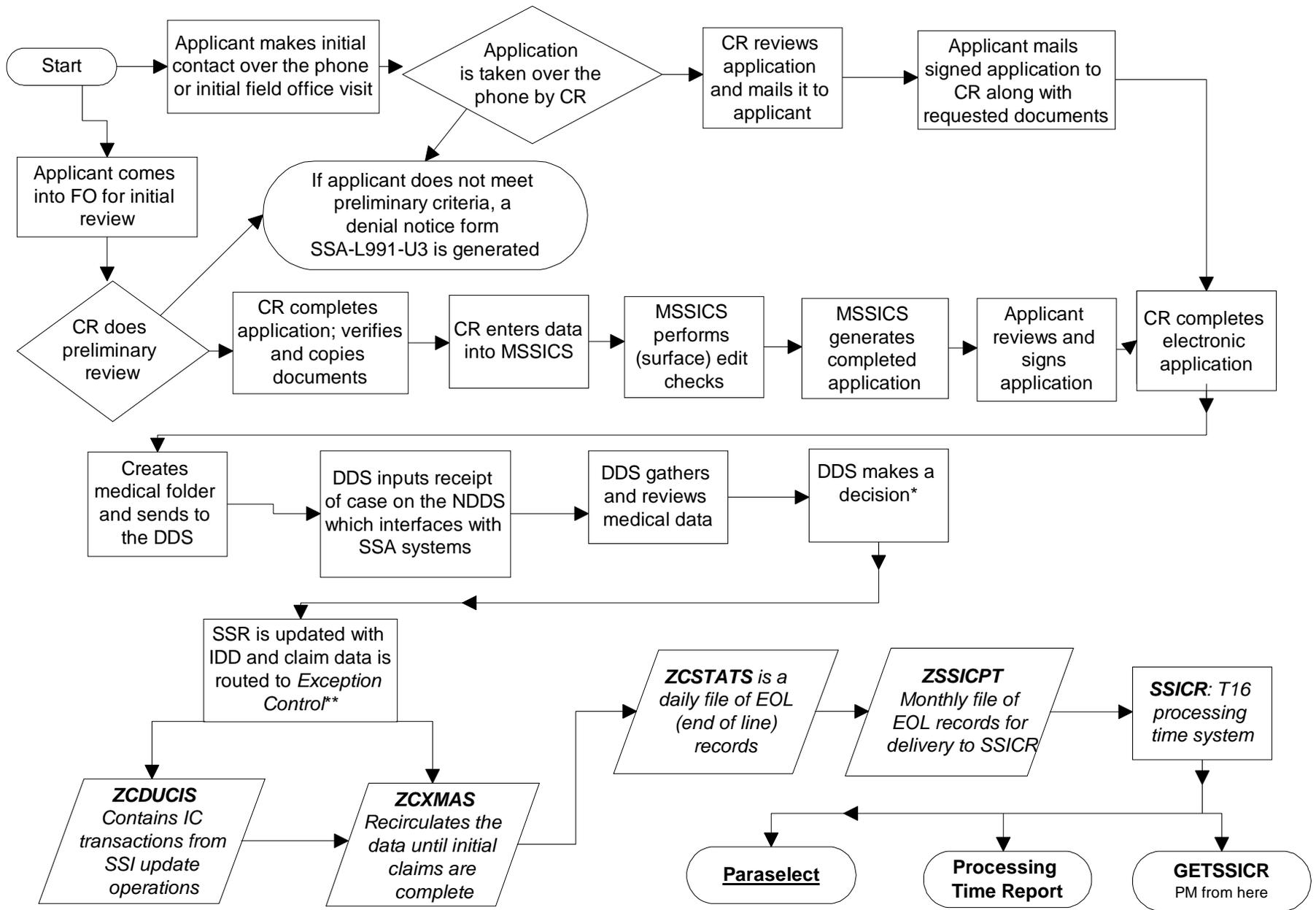
The review of controls over the various processing stages of SSI Disability claims was based primarily on previous reviews performed by PricewaterhouseCoopers (PwC). PwC is a certified public accounting firm, contracted to perform the FY 1998 and 1999

Financial Statement Audits and audits of certain performance measures related to SSI Aged claims processing.

The entity audited is the Office of Information Management within the Deputy Commissioner for Systems

Our audit was performed in accordance with generally accepted government auditing standards. We performed our work in Baltimore, Maryland and New York, New York from January 1999 through May 2000.

**FLOWCHART OF SSI DISABILITY
PROCESSING TIME PERFORMANCE
MEASURE**



*percentage is selected for OQA review

**Exception Control builds a statistical record for each initial claim processed, updates pending records and end of line records for claims clearances

AGENCY COMMENTS



SOCIAL SECURITY

MEMORANDUM

OCT 29 2000

Refer To: S1J-3

To: James G. Huse, Jr. *JGH*
Inspector General

William A. Halter *WAH*
Deputy Commissioner of Social Security

Subject: Office of the Inspector General (OIG) Draft Report, "Performance Measure Review: Reliability of the Data Used to Measure the Timeliness of Processing Supplemental Security Income Disability Claims" (A-02-99-11002)—INFORMATION

Our comments to the subject report are attached. Staff questions may be directed to Neil Cunningham on extension 52290.

Attachment:
SSA Response
S1J-3:Neil Cunningham:jj 10/10/00
21999016a:OIG Audits

**COMMENTS OF THE SOCIAL SECURITY ADMINISTRATION (SSA) ON
THE OFFICE OF THE INSPECTOR GENERAL (OIG) DRAFT REPORT,
"PERFORMANCE MEASURE REVIEW: RELIABILITY OF THE DATA USED
TO MEASURE THE TIMELINESS OF PROCESSING SUPPLEMENTAL SECURITY
INCOME DISABILITY CLAIMS (A-02-99-11002)**

We appreciate the opportunity to comment on the draft report. Following are our comments on the recommendations.

OIG Recommendation 1

SSA should exclude duplicate claims from the calculation of the performance measure statistic.

Comment

We agree that no duplicate claims should be counted in the calculation of the performance measure. A number of systems changes have been made recently that should correct the anomalies that OIG found. SSA will continue to monitor the operation to assure that records are processed and counted properly.

OIG Recommendation 2

SSA should perform a validation test on the input to and output from the Exception Control System to ensure that no claims are being excluded.

Comment

We agree. SSA will continue to monitor the operation of the Exception Control System to make sure that records are processed and counted properly.

OIG Recommendation 3

SSA should use claim volume when combining monthly statistics to calculate an average for the cumulative performance measure.

Comment

We agree that the calculation should not be based on combining monthly averages. In fact, SSA does not do this. In researching this issue, we found that there has been a misunderstanding about the way SSA performs monthly statistical calculations. SSA's Office of Systems provides information on the percent of SSI Disability claims processed for performance measurement tracking based on cumulative claims volume.

OIG Recommendation 4

Provide an adequate audit trail to document the processes involved in the generation and accumulation of the performance measure.

Comment

We agree with this recommendation. The OIG audit revealed several long-standing deficiencies in Management Information (MI) systems. While these deficiencies do not necessarily create erroneous results, they do make it difficult to review and audit them. SSA is replacing these systems with the MI Architecture. The new MI Architecture will provide access to a level of data which will facilitate the verification of summary statistics, increase the retention period for data to provide enhanced audit capability and integrate documentation for performance measure calculations. Further, the repository function of the MI Architecture will provide both business and systems documentation of the data. The MI Architecture is being developed incrementally. The portion that addresses Title XVI processing time measurements will be in place by October 2001.

OIG Recommendation 5

SSA should establish policies and procedures for the retention of performance measure documentation.

Comment

We agree with this recommendation. Again, as part of the Agency's MI Architecture replacement, we will provide access to a level of data that will facilitate the verification of summary statistics and increase the retention period for data to provide enhanced audit capability. As previously stated, the repository function of the MI Architecture will provide both business and systems documentation of the data.

Other Comments

In Appendix A, Background – We recommend that the last sentence of the first paragraph be changed. Enter the words, “and resources” after “income” and delete the “s” from “falls.”

OIG CONTACTS AND STAFF ACKNOWLEDGEMENTS

OIG Contacts

Frederick C. Nordhoff, Director, Financial Management and Performance Monitoring
Audit Division, (410) 966-6676

Timothy F. Nee, Deputy Director, (212) 264-5295

Staff Acknowledgements

In addition to those individuals named above:

Robert T. Blake, Senior Auditor-in-Charge

Jackie Patel, Auditor

Patrick Kennedy, Audit Manager

Annette Derito, Program Analyst

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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 the Agency, as well as conducting employee investigations within OIG. Finally, OEO administers OIG's public affairs, media, and interagency activities and also communicates OIG's planned and current activities and their results to the Commissioner and Congress.

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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.

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