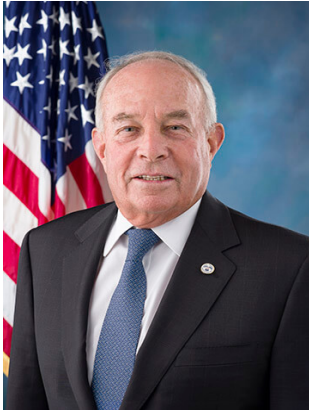# A MESSAGE FROM THE COMMISSIONER

For more than 80 years, the Social Security Administration (SSA) has administered programs and provided services that make a difference in millions of people's lives. In fiscal year (FY) 2021, our programs will provide a combined total of about $1.2 trillion in benefit payments to an average of over 70 million beneficiaries. Our fundamental mission is to ensure timely and accurate service for the public, but, in some areas, we have been missing the mark.

My plan is to improve public service because Americans are counting on us. Our employees and technology are foundational to this effort. We have made progress in some key areas, most notably in significantly reducing disability hearings wait times and backlogs, and in modernizing our information technology (IT), and we must keep this momentum while also improving other areas. When people call our National 800 Number and cannot get through, or stay on hold too long, or come to our offices only to be greeted with a long line, we are failing. SSA's programs are too important for us to let this level of service continue. The President's Budget supports our efforts to improve service now while investing in modern technology that will allow us to maintain better service in the long term:

➢ ***Improve Public Service*** – Public service drives our decisions. We will eliminate the disability hearings backlog in FY 2021, significantly improve our National 800 Number service, and invest in our frontline offices who work directly with the public. To achieve these service improvements, we are shifting resources to the front lines, targeting additional hires for these offices, and restoring office hours.

➢ ***Modernize our IT*** – Modern technology is key to providing more customer-centric and efficient service. We will continue to execute our IT Modernization Plan and replace outdated systems with modern technology, as well as increase our digital and automated services, which will help us achieve better service.

➢ ***Streamline our Policies*** – We plan to eliminate redundancy and burdensome administrative processes and requirements. We will also continue our efforts to collect updated occupational data to inform and update our medical-vocational rules.

➢ ***Continue to Safeguard our Programs*** – The Budget supports our quality reviews, cost-effective program integrity work, and high payment accuracy efforts. Americans should expect that we will properly pay the correct amount of benefits only to the people who are entitled to them. In addition, we will continue to enhance our cybersecurity to protect the sensitive information entrusted to us.

Our goal is to provide timely, quality service in the manner most convenient to the public. I am grateful for the opportunity to submit a budget that will help us make further progress in serving the American people.

BUDGET HIGHLIGHTS

The Social Security Administration's (SSA) budget request is $13.351 billion. Major investments include:

> ➢ Nearly $5 billion for payroll cost to fund the employees in our frontline operations, such as our field offices, National 800 Number, and processing centers. This amount includes funding to maintain the 1,100 additional new employees whom we are hiring in fiscal year (FY) 2020 in our National 800 Number and PCs. Once trained, these employees will improve service in critical areas and contribute to more timely service, reduced wait times, and fewer busy signals.

> ➢ Over $1.1 billion for payroll cost to fund the employees in our hearings operation who will eliminate the hearings backlog in FY 2021.

> ➢ Almost $2.5 billion for payroll, hiring, and other expenses for the State disability determination services (DDS) that make disability determinations for SSA.

> ➢ More than $1.9 billion for Information Technology Services (ITS) funding to help us maintain and continue modernizing our large information technology (IT) infrastructure, as well as increase our digital and automated services. This amount includes $118 million for IT modernization. We are working with public and private sector experts to modernize our infrastructure, so that we can serve the public more efficiently and with greater accuracy.

> ➢ Approximately $1.6 billion for dedicated program integrity funding at the fully authorized level, which will allow us to keep up with our cost-effective program integrity reviews and continue to expand our highly successful cooperative disability investigations (CDI) program.

PROGRAMS AND BUDGETS

SSA's budget request will fund the administrative expenses of SSA's three major programs: Old-Age and Survivors Insurance (OASI), Disability Insurance (DI), and Supplemental Security Income (SSI) in addition to other administrative expenses.

OASI: Established in 1935, the OASI program is one of the Nation's most successful government programs and one that is part of nearly every American's life. The OASI program provides retirement and survivors benefits to qualified workers and their family members.

DI: Established in 1956, the DI program provides benefits for workers who become disabled and their families.

SSI: Established in 1972, the SSI program provides financial support to aged, blind, and disabled adults and children who have limited income and resources.

In addition, we support national programs administered by other Federal and State agencies, as required by law, such as Medicare, Employee Retirement Income Security Act of 1974, Coal Act, Supplemental Nutrition Assistance Program (formerly Food Stamps), Help America Vote Act, State Children's Health Insurance Program, E-Verify, Medicaid, and Federal Benefits for Veterans.

Figure 1: Benefit Payments and Beneficiaries by Program, FY 2019-FY 2021

Benefit Payments by Program (Outlays in Millions)	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
OASI	$888,067	$939,212	$996,767
DI	$144,852	$146,462	$148,734
SSI Federal	$55,856	$56,532	$57,551
SSI State Supplementary Benefits	$2,569	$2,595	$2,640
Total[1]	$1,091,345	$1,144,802	$1,205,693

Beneficiaries by Program (in Thousands)	FY 2019 Actual	FY 2020 Estimate	FY 2021 Estimate
OASI	53,100	54,520	55,867
DI	10,114	9,973	9,900
SSI Federal Recipients	7,957	7,923	7,875
SSI State Supplementary Recipients (with no Federal SSI payment)	151	149	150
Total[2]	71,322	72,565	73,792

[1] Benefit payment totals include $1 million for the Special Benefits for Certain World War II Veterans program, which is not broken out separately.
[2] Beneficiary totals include approximately 2.7 million concurrent recipients who receive SSI as well as OASI or DI.

Figure 2: Benefits and Administrative Budget by Program

While OASI accounts for over 80 percent of program benefits we pay out, the DI and SSI programs account for more than 50 percent of our main administrative budget, the Limitation on Administrative Expenses account (LAE).
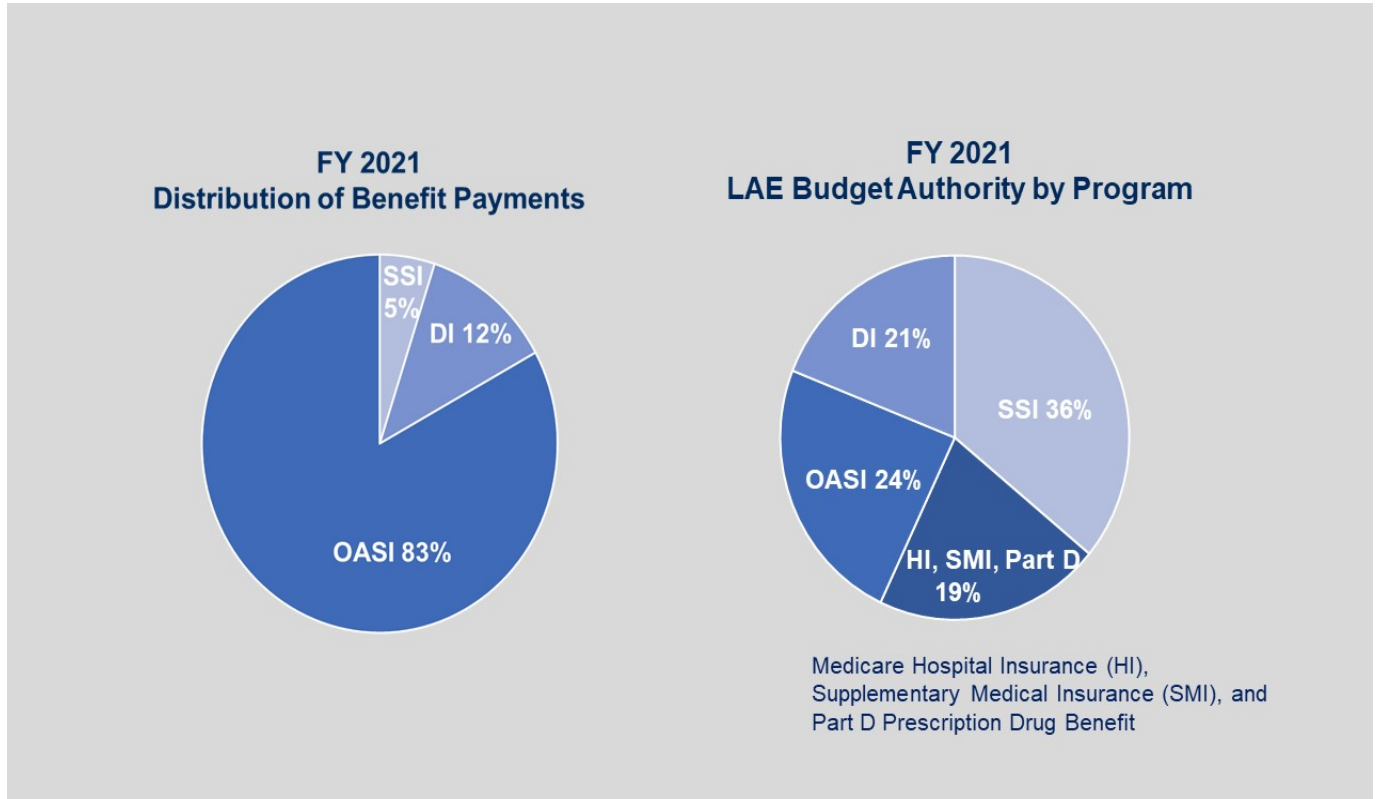

LAE Budget

The major parts of the LAE budget are:

➢ Salaries and benefits for our approximately 62,000 employees. About 90 percent of our employees provide direct service to the public;

➢ DDS costs, which include payroll for the State DDS agencies that make disability determinations for SSA;

➢ ITS costs, mostly for our large infrastructure and telecommunications network; and

➢ Other Objects costs, which are the non-payroll costs such as rent and guards for our over 1,500 offices across the Nation, postage, supplies, training, and medical consultant costs that are necessary to support our employees and the service we provide to the public.

Salaries and benefits account for more than 50 percent of the LAE Budget. The next highest category is DDS costs, which includes salaries and benefits for State DDS employees. The third highest category is Other Objects, which includes the rent category that we broke out separately. The last category, ITS, accounts for about 10 percent of our budget, most of which is required to maintain our infrastructure and telecommunications network.
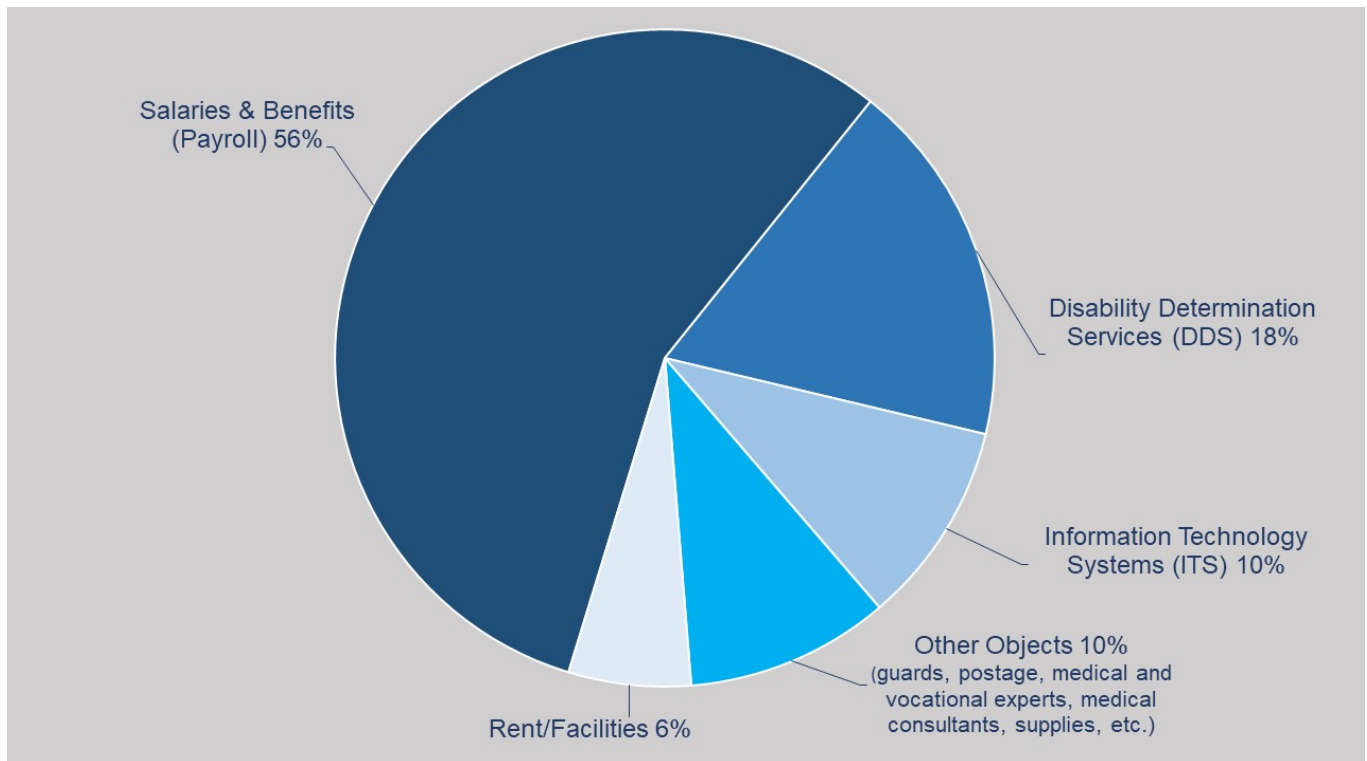
SSA's LAE Responsibilities

In addition to serving the public in our field offices and on our National 800 Number, our ongoing operational responsibilities include:

Claims and Evaluating Eligibility: We take claims, evaluate evidence, determine benefit eligibility and amounts, and pay benefits.

Medicare: We accept applications and determine eligibility for Medicare Hospital Insurance, Supplementary Medical Insurance, and the low-income subsidy for Medicare prescription drug coverage.

Our claims workloads, including Medicare, account for over one-third of our administrative budget.

Appeals: We have three levels of administrative appeal for claimants who disagree with our decisions:

> ➢ Reconsideration (a complete review of the claim by an employee who did not take part in the initial decision);
>
> ➢ Hearing before an administrative law judge (ALJ); and
>
> ➢ Review of the ALJ's decision by our Appeals Council.

These appeals are non-adversarial, and, generally, claimants may submit new evidence for review. If a claimant disagrees with the Appeals Council's decision, or if the Appeals Council decides not to review the case, a claimant may file a civil action in a United States District Court. Our appeals workloads account for over 25 percent of our administrative budget.

Program Integrity: Our duty to safeguard the integrity of our programs includes reviewing claims to determine continuing eligibility. Conducting full medical continuing disability reviews (CDR) and non-medical SSI redeterminations save significant program dollars by ensuring that only those people eligible for benefits continue to receive them. Our program integrity workloads account for nearly 15 percent of our administrative budget.

Social Security Numbers (SSN): We take applications for and assign SSNs to nearly all Americans and certain noncitizens. We update our records when information changes, such as a changing a maiden name to a married name. We also replace lost or missing cards.

Earnings Records: We use workers' earnings records to compute OASI and DI benefit payments. We receive regular updates on workers' earnings from employers and the self-employed. We post the reported earnings to workers' records and resolve any discrepancies.

Social Security Statements: We show workers their earnings and estimates of future benefits based on those earnings. The quickest way for individuals to access their Social Security Statements at any time is through secure personal online *my* Social Security accounts. We also mail paper Social Security Statements to people age 60 and over who are not receiving Social Security benefits and who are not registered for a *my* Social Security account.

Post-Entitlement Services: We complete about 100 million post-entitlement actions each year for beneficiaries and recipients, such as issuing emergency payments, recomputing payment amounts, and changing addresses. Our post-entitlement workloads account for nearly 15 percent of our administrative budget.

Data Exchanges: For our data exchange agreements, we ensure exchange criteria are met, handle any fees, and provide and verify data for many purposes like employment and eligibility for Federal and State programs. Our data exchanges also improve organizational effectiveness and reduce costs by providing reliable data to determine benefits and improve administrative processes, which in turn saves costs and reduces improper payments.

SSA's Research Budget

The FY 2021 funding request for research is $86 million, a decrease of $15 million from the FY 2020 enacted level. The Budget will fund our Occupational Requirements Survey, which will allow us to make disability decisions based on contemporary occupational information. This request also reflects our continuing efforts to support and encourage labor force participation of individuals with disabilities. The Budget will fund continued data development and dissemination, modeling efforts, administrative research, and retirement and disability policy research to better serve the public.

Office of the Inspector General (OIG)

The FY 2021 funding request for the OIG is $116 million, an increase of $10.5 million over FY 2020. The OIG's FY 2021 funding request includes $4 million of no-year funding for IT modernization. The Budget includes a transfer of up to $11.2 million, a $1.2 million increase from FY 2020, from the program integrity cap adjustment funds from SSA to the OIG for the cost of jointly operated CDI units.

The OIG will continue efforts to promote economy, efficiency, and effectiveness in the administration of our programs and operations; and prevent and detect fraud, waste, abuse, and mismanagement in such programs and operations. To that end, the OIG conducts and supervises a comprehensive program of audits, evaluations, and investigations; searches for and reports systemic weakness in our programs and operations; and recommends program, operations, and management improvements.

FY 2021 FUNDING TABLE

	FY 2019 Actual[1]	FY 2020 Enacted[2]	FY 2021 Request[3]
Budget Authority (in millions)			
Limitation on Administrative Expenses (LAE)	$12,877	$12,871	$13,351
(Bipartisan Budget Act Program Integrity Level, Base and Cap, included in LAE)[4]	($1,683)	($1,582)	($1,575)
Research and Demonstrations[5]	$101	$101	$86
Office of the Inspector General (OIG)[6]	$106	$106	$116
Total, Budget Authority[7]	**$13,083**	**$13,078**	**$13,553**
Workyears (WY)[8]			
Social Security Administration (SSA)			
Full-Time Equivalents	60,694	61,199	60,761
Overtime	3,164	1,000	700
Lump Sum	198	245	245
Total SSA WY	**64,056**	**62,444**	**61,706**
Disability Determination Services (DDS)	13,429	13,157	13,467
Total SSA/DDS WY	**77,485**	**75,601**	**75,173**
Medicare Access and CHIP Reauthorization Act of 2015 (MACRA)	6	3	-
Total SSA/DDS/MACRA WY	**77,491**	**75,604**	**75,173**
OIG	518	538	552
Total SSA/DDS/MACRA/OIG WY	**78,009**	**76,142**	**75,725**

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[1] P.L. 115-245 – Consolidated Appropriations Act, 2019, provided $100 million in dedicated funding to address the hearings backlog and $45 million in dedicated funding for IT Modernization.

[2] P.L. 116-94 – Further Consolidated Appropriations Act, 2020, provided $100 million in dedicated funding to address the hearings backlog and $45 million in dedicated funding for IT Modernization.

[3] The FY 2021 Budget proposes that the total requested LAE budget authority of $13.351 billion be offset by fees collected for replacement Social Security cards (estimated at $270 million).

[4] FY 2019 Program Integrity funding is available for 18 months (through March 31, 2020) by P.L. 115-245. FY 2020 Program Integrity funding is available for 18 months (through March 31, 2021) by P.L. 116-94. The FY 2021 budget assumes appropriations language for FY 2021 will provide for similar 18-month authority to obligate Program Integrity funds.

[5] Congress appropriated $101 million in FY 2019 (available through September 30, 2021) and $101 million in FY 2020 (available through September 30, 2022) for research and demonstration projects. The Budget proposes $86 million in FY 2021 (available through September 30, 2023) for research and demonstration projects.

[6] P.L. 115-245 and P.L. 116-94 allow SSA to transfer up to $10 million of program integrity funds from the LAE account to the OIG for the costs associated with jointly operated CDI units in FYs 2019 and 2020. The Budget continues this transfer in FY 2021 at a level of up to $11.2 million.

[7] Numbers may not add due to rounding.

[8] A workyear (WY) is a measure of time spent doing work or being paid for some element of time (e.g. leave). It is the equivalent of one person working for one year (2,080 hours) and may consist of regular hours, overtime, or lump sum leave, which is payment for unused annual leave upon leaving the agency. WYs include time spent in full-time or part-time employment. Full-time equivalents and overtime WYs include those funded from dedicated funding to reduce the hearings backlog, dedicated funding for IT modernization, and dedicated funding for program integrity. In addition, the WYs include those funded for reimbursable work, the Medicare Savings Program, the State Children's Health Insurance Program, and the Medicare Low-Income Subsidy Program.

FY 2021 PERFORMANCE TABLE

Workload and Outcome Measures	FY 2019 Actual	FY 2020 Enacted[1]	FY 2021 Request
Retirement and Survivor Claims			
Retirement and Survivors Claims Completed (thousands)	6,021	6,222	6,354
Disability Claims			
Initial Disability Claims Receipts (thousands)	2,346	2,399	2,545
Initial Disability Claims Completed (thousands)	2,310	2,289	2,359
Initial Disability Claims Pending (thousands)	594	704	890
Average Processing Time for Initial Disability Claims (days)	120	125	129
Disability Reconsiderations			
Disability Reconsiderations Receipts (thousands)	566	664	708
Disability Reconsiderations Completed (thousands)	544	554	613
Disability Reconsiderations Pending (thousands)	134	244	339
Average Processing Time for Disability Reconsiderations (days)	109	118	119
Hearings			
Hearings Receipts (thousands)	511	464	467
Hearings Completed (thousands)	794	688	559
Hearings Pending (thousands)	575	352	259
Annual Average Processing Time for Hearings Decisions (days)[2]	506	380	260
National 800 Number			
National 800 Number Calls Handled (millions)	33	36	41
Average Speed of Answer (ASA) (minutes)	20	17	11
Agent Busy Rate (percent)	14	12	7
Program Integrity			
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	1,939	1,803	1,790
Full Medical CDRs (included above, thousands)	713	703	690
SSI Non-Medical Redeterminations Completed (thousands)	2,666	2,150	2,000
Selected Other Agency Workload Measures			
Social Security Numbers (SSN) Completed (millions)	18	18	18
Annual Earnings Items Completed (millions)	288	288	288
Social Security Statements Issued (millions)[3]	11	14	15
Selected Production Workload Measures			
Disability Determination Services Production per Workyear	303	304	308
Office of Hearings Operations Production per Workyear	111	106	96
Other Work/Service in Support of the Public-Annual Growth of Backlog (workyears)	N/A	(1,100)	(2,500)

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[1] FY 2020 estimates are consistent with the Enacted FY 2020 Congressional Operating Plan performance targets.

[2] Average processing time for hearings is an annual figure. We estimate end of year (September) processing time for hearings to be 340 days and 240 days for FYs 2020 and 2021, respectively.

[3] The Social Security Statements issued performance measure includes paper statements only, and does not include electronic statements issued. In FY 2019, *my* Social Security users accessed their statements 56 million times, and we spent approximately $5.842 million to send paper statements to individuals aged 60 and older who were not receiving Social Security benefits and who are not registered for a *my* Social Security account. We are taking the same approach in FYs 2020 and 2021 at a cost of approximately $7.363 million in FY 2020 and $7.692 million in FY 2021. In FY 2021, it would cost approximately an additional $75 million to send statements to individuals aged 25 and older who are not receiving Social Security benefits and who are not registered for a *my* Social Security account.

BUDGET SUMMARY: *IMPROVING PUBLIC SERVICE*

Improving Our Field Offices

We serve over 40 million visitors each year in our 1,200 field offices nationwide. Our field offices provide a broad range of services. Our customer service representatives:

- ➢ Handle benefit claims and appeals;

- ➢ Process applications for Social Security cards;

- ➢ Enroll people in Medicare;

- ➢ Address other needs and questions from visitors; and

- ➢ Play a critical role in our stewardship responsibilities by redetermining eligibility for SSI benefits and initiating CDRs.

Improving service in our field offices is a priority. The Budget invests in our frontline staff so that we have enough people to serve our customers, IT modernization to give employees responsive systems and tools to do their jobs better, and convenient digital and automated services so that our customers may get what they need without having to visit a field office.

As of January 2020, we restored our Wednesday afternoon field office public operating hours, which were reduced seven years ago, for better access to people who require in person service. The Budget will allow us to keep our offices open to provide help. Individuals can still access many services online 24 hours a day.

Improving National 800 Number Service

Our National 800 Number offers a broad range of services including:

- ➢ Answering a broad range of Social Security and Medicare questions;

- ➢ Scheduling appointments in our field offices;

- ➢ Providing status updates on current claims or appeals; and

- ➢ Ensuring the accuracy of our records.

Millions of our customers depend on our National 800 Number technicians to answer important questions, and we are focused on improving the timeliness of our National 800 Number. In FY 2019, we handled almost 33.5 million calls with an average wait time of 20.4 minutes. We are taking tangible steps toward improving service and reducing wait times through targeted hiring, reassessing training methods, and advancing automated services through our new unified communications platform.

We are streamlining and enhancing our training for new hires, which will allow our new employees to begin handling targeted calls earlier and help increase productivity. We are also focusing our efforts on

improving automated services and our Interactive Voice Response applications to allow more callers to take advantage of self-service options. We are identifying and sharing best practices and clear performance metrics across our call centers to improve consistency and performance on our National 800 Number. By the end of FY 2021, we expect to reduce wait times to 11 minutes. We also plan to cut the average busy rate in half from 14 percent in FY 2019 to 7 percent in FY 2021. We have already made progress towards these goals in FY 2020.

Figure 4: National 800 Number Wait Times, FY 2011-FY 2021

We will significantly decrease National 800 Number wait times in FY 2021.
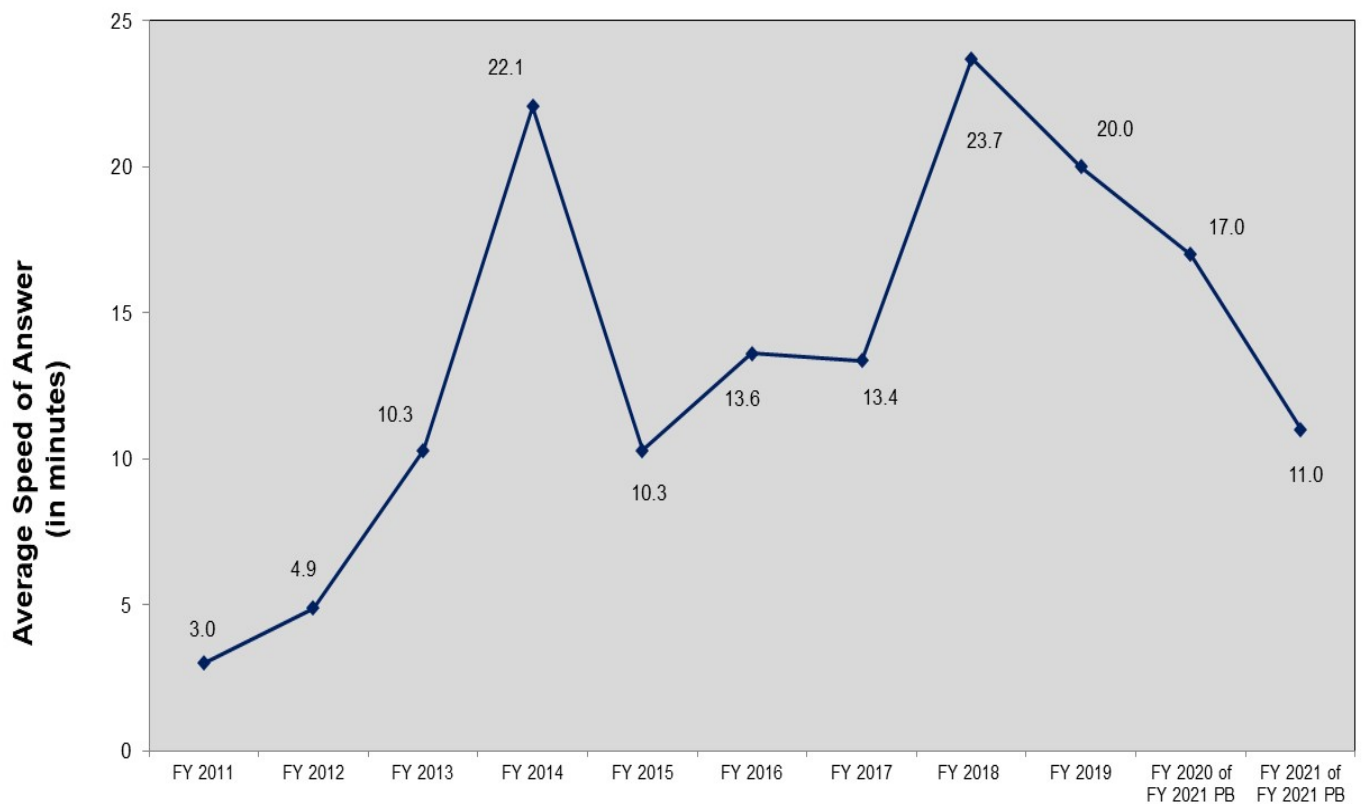
Reducing Processing Center Backlogs

Our PCs are responsible for key workloads that do not require face-to-face service including:

> ➢ Handling the most-complex benefit payment decisions;

> ➢ Issuing benefit payment after appeals decisions;

> ➢ Determining and collecting debt;

> ➢ Correcting records; and

> ➢ Performing program integrity work.

Currently, the PCs are working through a backlog of pending actions, and reducing these actions remains a focus area for improvement. In FY 2019, the PCs provided assistance to our National 800 Number to help address high busy rates and wait times. The PCs also had to rework a number of complex and time-consuming cases based on the outcome of the court case, *Steigerwald v. Berryhill*[1]. While we continue working these complex cases in FYs 2020 and 2021 and fixing the problem so it does not recur, we remain focused on finding operational efficiencies. The PCs will also significantly reduce assistance to our National 800 Number in order to focus on the PC backlog.

We are increasing the number of PC technicians and instituting workflow enhancements and quality initiatives to improve overall performance. We will continue to screen new work to address simple tasks more quickly and implement PC automation initiatives that will eliminate duplicate work.

Eliminating the Disability Hearings Backlog

The Budget will allow us to eliminate the disability hearings backlog in FY 2021. For far too long, disability applicants had to wait over a year to receive a decision on their appeal. In FY 2016, we began implementing our Compassionate And REsponsive Service plan to reduce the backlog of cases. With Congress' support and the hard work of our employees, we have dramatically improved service.

2019 was a pivotal year in reducing our disability hearings backlog. We significantly reduced the backlog and wait times, and we eliminated the decision writer backlog. As of December 2019, we reduced the average wait time for a hearing decision by 223 days since September 2017, and we will build on that progress over the next 18 months. Once the backlog is eliminated, we cannot let it return. It is the most expensive part of the disability process, and we need to ensure that we make fair, policy-compliant disability decisions augmented by the most efficient, modern business process. Therefore, we are engaging with an external partner for their data analysis capabilities and business reengineering techniques to help us identify business process and data improvements that will allow us to stay current with our hearings workload. We are also addressing the workloads affected as we eliminate the

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[1] In the *Steigerwald v. Berryhill* class action suit, a Federal court ruled that we did not properly account for representatives' fees when calculating past-due benefit payments to individuals who were awarded both OASDI and SSI. As a result, we are reviewing approximately 130,000 cases, which we must complete before January 25, 2021.

hearings backlog, which includes handling the increase in requests for Appeals Council review and Civil Action court filings.

Figure 5: Hearings Wait Times, FY 2011-2021

We will eliminate the hearings backlog and reduce wait times in FY 2021.
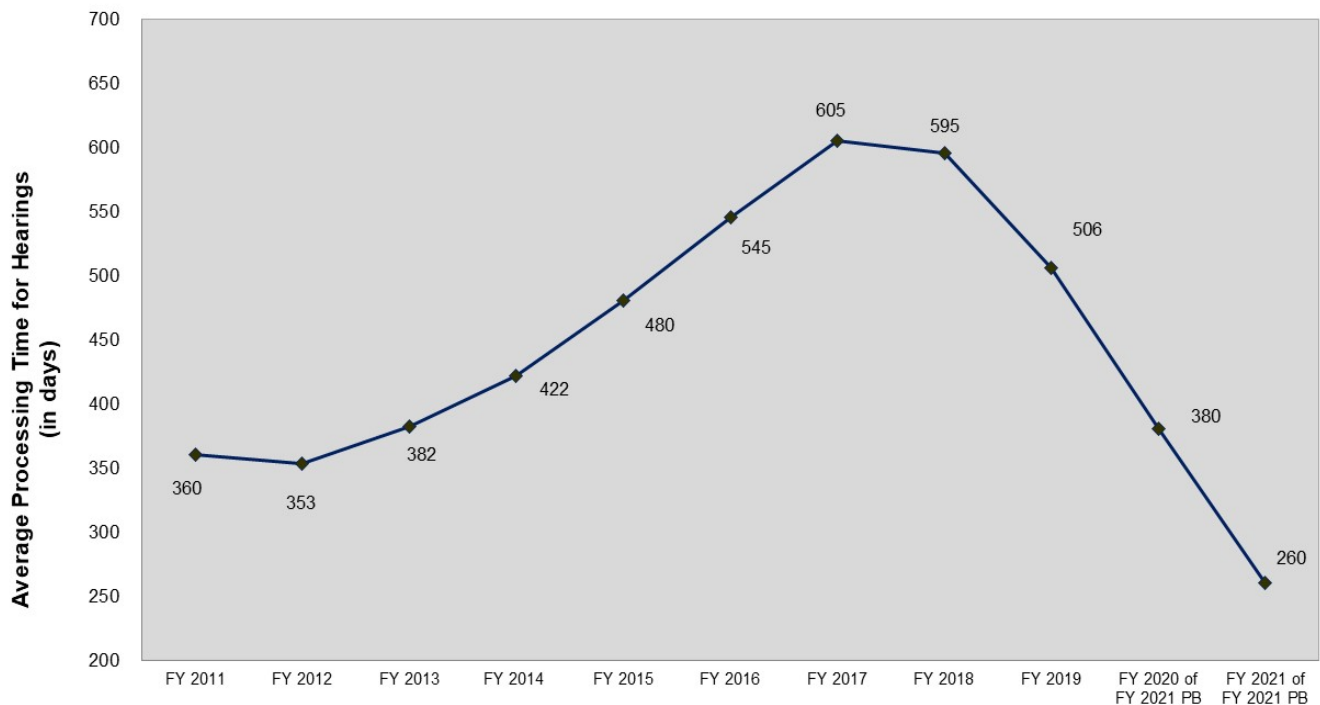
BUDGET SUMMARY: *MODERNIZING OUR INFORMATION TECHNOLOGY*

Our IT infrastructure needs have evolved as the demands for our data and programs have increased and as new and increasingly agile technology has emerged. Many of our current systems and business processes have been siloed by program and service channel, requiring our employees to navigate many screens, systems, policies, and business processes. Our approach is to look at work from the customer's perspective so that interaction with us is seamless. We are replacing outdated legacy systems with customer-centered, more flexible, and intuitive modern technology. For example, in our modern IT systems, our employees will be able to access all customer information in one place. We have begun to implement these modern systems interfaces, called the universal customer view. Shifting to our customers' point of view will help make us more efficient and responsive. Meaning, if a customer goes online, calls us, and then visits a field office, our employees will know that history, and the customer will not have to start from square one with each interaction. These foundational changes will allow us to make many more improvements and stay abreast with technology. To continue to meet the needs of the millions of people who rely on Social Security services and our employees who assist

them, we must continue to assess our approach to IT Modernization. FY 2020 is the third year of our 5-year Information Technology Modernization plan to improve service to the public. In FY 2019, we successfully executed the second year of our 5-year plan. We:

➢ Replaced two additional legacy databases with modern databases for a total of four since FY 2018;

➢ Delivered our first online notice, the Cost of Living Adjustment Notice, via *my* Social Security;

➢ Added a representative payee portal, which allows individual representative payees to conduct business online on behalf of their beneficiaries or themselves;

➢ Added functionality to our hearings case processing systems; and

➢ Replaced antiquated mainframe master file query screens with modern graphical user interfaces.

Enhancing Online Services at my Social Security

Over the last several years, we have built a robust online customer portal, *my* Social Security, where customers can conduct business with us in the comfort of their homes. In FY 2019, the public completed about 184 million successful online transactions, up from 163 million in FY 2018. We continue to expand and enhance our online service capabilities.

my Social Security offers a broad range of services including:

➢ Applying for retirement or disability benefits;

➢ Changing address or direct deposit information;

➢ Getting personal retirement benefit estimates using our new Retirement Calculator; and

➢ Requesting a replacement Social Security card.

Figure 6: iSSNRC Coverage Map

We continue to expand our online services. The internet Social Security Number Replacement Card (iSSNRC) application is currently available in 42 States and the District of Columbia. In FY 2019, we issued over 1.3 million replacement cards through iSSNRC.

The Budget requests the authority to offset some of our administrative expenses by charging a fee for issuing Social Security replacement cards. The original card we issue when we establish a Social Security Number is free. The fee for replacement cards will be $25 for in person and mail requests and $7 for online requests. The new fee would partially offset the administrative costs of processing replacement card requests. It would also help us gradually move towards our goal of reducing dependence on the physical Social Security card, thereby lessening the risk of identity theft and fraud. To ensure a seamless transition, we will leverage existing systems to collect these fees. We also will update our publications and website to make sure our new fee collection process is clear.

Digital Services

Transforming our digital services is a logical next step to improve service to the public. Now that many of our applications are online, we are determining how we can make our existing electronic services easier to use and what additional transactions we should add. We are also exploring digital options for our field offices and phone channels that will make self-service an attractive alternative. We will provide near-term customer service improvements for all three service channels. These near term improvements will automate repetitive workloads currently handled by our technicians, reduce wait times for our public, improve program integrity and stewardship of the trust funds, and implement new customer-centered work processes.

Planned IT Modernization Accomplishments

By the end of FY 2021, we will have:

➢ Replaced outdated legacy systems with a modern database management system infrastructure;

➢ Implemented a modern portal for our employees to access a customer's information in one place;

➢ Improved our hearings case processing systems. We are building and creating a modern case processing system to improve case processing, decisional quality, and efficiency;

➢ Implemented an online notice delivery system that is comparable to current private sector systems;

➢ Implemented digital transformation initiatives to improve service by providing more convenient and secure self-service options for workloads that currently generate the highest numbers of calls and visits to field offices;

➢ Expanded the use of our online request for a replacement Social Security Number card;

➢ Started to rollout a new annual wage reporting process with new online tools to submit and correct annual wage reports;

➢ Implemented an enhanced online authenticated self-service application;

➢ Redesigned our website's layout and home page to optimize the navigation and usability;

➢ Expanded use of the Intelligent Medical-Language Analysis GENeration system, which uses artificial intelligence to aid our review of medical evidence;

➢ Invested in shared services, moving our modern software and our agency email to the cloud; and

➢ Improved our capacity to prevent, detect, respond, and defend against cyber threats.

BUDGET SUMMARY: *STREAMLINING AGENCY POLICIES*

We must streamline our policies and processes. Overly complicated policies are difficult to implement, automate, apply consistently, and understand, leading to longer wait times, improper payments, and incorrect actions.

While policy simplification will help our employees, we also need to objectively review how we train them, and how to give them more feedback about their performance. We need to implement additional quality checks so that we can let our employees know when they misapplied a policy or missed an issue. Our dedicated employees want to do work the right way the first time.

We are using data and feedback from our customers, our employees, and industry experts to determine steps for improvement that will make us more efficient and customer-focused.

Disability Determination Policies

We are using policy tools to improve both quality and timeliness of disability decisions. For example, we are:

➢ Expanding our use of electronic medical evidence which allows us to quickly obtain a claimant's medical information, review it, and make a determination faster than ever before;

➢ Using artificial intelligence to help us review medical evidence;

➢ Continuing to invest in efforts to develop modern occupational data; and

➢ Making significant progress in updating our Listing of Impairments, which describe disabling impairments for each major body system, to reflect advances in medical knowledge.

We also continue to modernize our disability case processing. The disability case processing system (DCPS) is a modern system for use by DDSs to process disability claims. It will replace aging systems and will provide more efficient case processing, improve customer service, and reduce administrative costs. In FY 2019, we increased functionality as planned, and we completed the deployment of DCPS to 19 DDSs as production sites, bringing the total number of DCPS sites to 31. Also, in FY 2019, 2 DDSs transitioned to only DCPS to process claims and no longer use legacy systems to process claims. In FYs 2020 and 2021, we plan to continue deployment and transition from legacy systems.

BUDGET SUMMARY: *SAFEGUARDING OUR PROGRAMS*

Supporting Our Cost-Effective Program Integrity Work

Program integrity workloads ensure that we issue program dollars appropriately. The Budget will allow us to keep current with CDRs and complete SSI redeterminations as part of our fiscal responsibility. These reviews ensure that we are paying the right person the right amount at the right time, which is important not only for stewardship, but to each person who is eligible for benefit payments.

The Budget assumes the authorized dedicated program integrity funding level in FY 2021. Dedicated funding was critical in helping us to eliminate the backlog of CDRs in FY 2018 and support the volumes coming due in FY 2019. In addition, it allowed us to conduct SSI redeterminations, expand the anti-fraud CDI program, and support special attorneys for fraud prosecutions. With program integrity funding expiring after FY 2021, we need Congressional action to keep this special funding in place.

Estimated 10-Year Savings*
from FY 2021 Program Integrity Work

CDRs budgeted   →   *$8 on average per dollar budgeted*
SSI Redeterminations budgeted   *$3 on average per dollar budgeted*

* Estimates reflect net Federal program savings over 10 years, including OASDI, SSI, Medicare, and Medicaid effects, where appropriate

Enhancing Our Fraud Prevention and Detection Activities

With the Office of the Inspector General, we jointly operate CDI units with State DDSs, and State and local law enforcement. Generally, these units investigate suspected fraud before we award benefits and during the CDR process. In FY 2019, we added three CDI units in Bismarck, North Dakota; Boise, Idaho; and Helena, Montana, and provided CDI coverage to the U.S. Virgin Islands. We ended the fiscal year with 46 CDI units covering 40 States and 6 U.S. territories. The Budget will allow us to add 3 new units, bringing us closer to our goal of coverage in all 50 States and U.S. territories by October 1, 2022.

Enhancing Our Payment Accuracy Efforts

The Budget supports our efforts to streamline and modernize our debt management and death reporting systems and refine the way we collect and use data to improve payment accuracy.

Debt Management System:

Currently, we use numerous systems to record, track, and manage OASI, DI, and SSI overpayments. We have begun a multi-year initiative to develop a streamlined, modernized enterprise Debt

Management System (DMS) to enable us to more effectively and efficiently post, track, collect, and report our overpayment activity. We recently developed an online debt collection application for certain benefit overpayments, and we will release the application to the public this year.

Death Data Processing:

We are continuing to improve death data processing. We collect data from a variety of sources so that we can administer our programs. We plan to make further progress in:

➢ Centralizing all death inputs into one system;

➢ Improving our processing of death data files; and

➢ Recording historical death data in our databases.

These changes will help reduce improper payments and protect personally identifiable information.

Investing in Cybersecurity to Safeguard our Data

The Budget will allow us to refine and adapt how we detect and prevent cyber threats as well as enhance our efforts to attract and retain cybersecurity professionals. We must stay ahead of ever evolving cyber threats and protect the personal information entrusted to us.

BUDGET SUMMARY: *LEGISLATIVE PROPOSALS*

1. **Offset Overlapping Unemployment Insurance (UI)-Disability Insurance (DI) Payments:**
    This proposal would allow for the offset of DI benefits to account for concurrent receipt of UI.
    The offset would eliminate duplicative benefits by ensuring, in effect, that the benefit the
    individual receives would not exceed the higher of the UI or DI benefits.

2. **Allow Government-Wide Use of Customs and Border Protection Entry/Exit Data to
    Prevent Improper Payments:** This proposal would provide Federal agencies access to and use
    of Customs and Border Protection entry and exit data (i.e., when individuals enter and exit the
    United States) without additional verification. Generally, U.S. citizens can receive Social
    Security benefits regardless of residence. Non-citizens may be subject to additional requirements
    depending on the country of residence and benefit type. However, an SSI beneficiary who is
    outside the United States an entire month is not eligible for benefits for that month. Federal
    agencies, including SSA, would use this data to identify individuals entering or leaving the U.S.
    who may no longer be eligible to receive Federal payments.

3. **Authorize the Social Security Administration (SSA) to Use All Collection Tools to Recover
    Funds in Certain Scenarios:** Current law provides SSA only limited authority to recover
    certain incorrect payments that do not meet the statutory definition of an overpayment. Such
    incorrect payments include when someone improperly cashes a beneficiary's check or
    improperly removes benefit funds from a joint account after a beneficiary's death. Because
    these incorrect payments are not considered overpayments, SSA's recovery options are limited.
    Additionally, this proposal would provide SSA the authority to recover court-ordered judgments
    payable to the Commissioner. These proposed changes would expand SSA's authority to
    recover funds and end disparate treatment of similar types of improper payments, using all its
    overpayment collection tools, such as credit bureau reporting and administrative wage
    garnishment.

4. **Hold Fraud Facilitators Liable for Overpayments:** The proposal would allow SSA to recover
    the overpayment of a beneficiary from a third party if the third party was responsible for making
    fraudulent statements or providing false evidence that allowed the beneficiary to receive
    payments that should not have been paid. The third party facilitator could not seek waiver of the
    overpayment, and the overpayment (including interest) would be in addition to any other
    penalties that may be imposed on such third party.

5. **Increase the Overpayment Collection Threshold for OASDI:** This proposal would change
    the minimum monthly withholding amount for recovery of Title II benefit overpayments to
    reflect the increase in the average monthly benefit since SSA established the current minimum
    of $10 in 1960. By changing this amount from $10 to 10 percent of the monthly benefit
    payable, SSA would recover overpayments more quickly and better fulfill its stewardship
    obligations to the combined Social Security Trust Funds. The SSI program already utilizes the
    10 percent rule. Debtors could still pay less if the negotiated amount would allow for repayment
    of the debt in 36 months. If the beneficiary cannot afford to have his or her full benefit payment
    withheld because he or she cannot meet ordinary and necessary living expenses, the beneficiary
    may request partial withholding. To determine a proper partial withholding amount, SSA

negotiates (as well as re-negotiates at the overpaid beneficiary's request) a partial withholding rate.

6. **Exclude SSA Debts from Discharge in Bankruptcy:** The proposal would exclude SSA debts from discharge in bankruptcy proceedings. Current administrative protections regarding waivers related to undue hardship would remain.

7. **Test New Approaches to Increase Labor Force Participation:** This Budget promotes greater LFP of people with disabilities by expanding demonstration authority that allows the Administration to test new program rules and requires mandatory participation by program applicants and beneficiaries. This proposal calls on Congress to establish an expert panel that will identify specific changes to program rules that increase LFP and reduce participation on disability programs based on the results of successful demonstrations and other evidence. This panel would be responsible for making recommendations to reduce participation levels that would be directly tied to reaching a 5 percent reduction in DI and SSI projected outlays by FY 2032.

8. **Revise 12-Month Retroactive DI Benefits to 6 Months:** This proposal would reduce retroactive benefits for disabled workers to no more than 6 months, which is the same policy already in effect for individuals receiving retirement benefits, but it would not modify retroactivity for Medicare eligibility.

9. **Eliminate Workers' Compensation (WC) and Temporary Disability Reverse Offset:** This proposal would eliminate reverse offset in States where it is currently applied, allowing SSA to consistently offset DI benefits because of WC or Public Disability Benefits (PDB) receipt (when needed), regardless of the State in which the WC or PDB is being paid. This proposal would also require all States to provide SSA with State WC and PDB information.

10. **Create a Sliding Scale for Multi-Recipient SSI Families:** This proposal would create a sliding scale family maximum for SSI disability benefits that considers the number of additional family recipients, gradually decreasing benefits to each eligible child as the number of eligible children in the family increases.

11. **Strengthening Child Support Enforcement and Establishment:** The President's Budget includes several U.S. Department of Health and Human Services proposals aimed at increasing and improving child support collections and program efficiency. By increasing the amount of child support collected, these proposals would result in savings to the SSI program since a child's monthly SSI benefit is partially reduced for child support payments.

12. **Improve SSI Youth Transition to Work:** To promote greater self-sufficiency for transition-age youth, the Budget would implement several SSI reforms. First, the Budget would better identify medical improvement at the earliest point to increase oversight and signal the importance of SSI youth investing in their education and development by instituting initial disability reviews at age six and 12. Second, the Budget would improve SSI youth work incentives by disregarding all earned income and eliminating income reporting requirements through age 20, providing a higher disregard of earnings with a gradual phase-down for SSI recipients between ages 21 and 25, and eliminating school enrollment reporting requirements. In addition, the Budget would improve access to vocational rehabilitation services for SSI

transition-age youth by allowing SSA to make referrals to these services.

13. **Simplify Administration of the SSI Program:** This proposal would replace complex in-kind support and maintenance (non-cash income assistance) determinations used for establishing monthly SSI benefits with a flat-rate benefit reduction for adult SSI recipients living with other adults. In addition, this proposal would eliminate the holding out and dedicated account policies, which would simplify the program and reduce the burden on beneficiaries and representative payees.

14. **Improve Collection of Pension Information from States and Localities:** The Budget proposes a data collection approach designed to provide seed money to the States for them to develop systems that would enable them to report pension payment information to SSA. The proposal would improve reporting for non-covered pensions by including up to $70 million for administrative expenses, $50 million of which would be available to the States, to develop a mechanism so that SSA can enforce the current law offsets for the Windfall Elimination Provision and Government Pension Offset, which are a major source of improper payments.

15. **Provide Additional Debt Collection Authority for SSA Civil Monetary Penalties (CMP) and Assessments:** This proposal would establish statutory authority for SSA to use the same debt collection tools (e.g., Federal Offset Program and Administrative Offset) available for recovery of delinquent overpayments towards recovery of delinquent CMP and assessments. This change would assist SSA with ensuring the integrity of its programs and increase the amount of monies that we recover.

16. **Change the Representative Fee and Approval Process:** This proposal would eliminate fee caps, and relieve SSA of responsibility for fee approval, withholding, and payment functions; however, it would not affect our ability to prescribe who may and may not represent claimants. It would streamline and decrease SSA's operations and hearings workloads, allowing employees to focus on adjudicating more cases and completing other high priority workloads, thereby better serving the public.

17. **Eliminate Travel Reimbursement for Claimants' Representatives:** This proposal would amend the Social Security Act to eliminate reimbursement for claimant representatives' travel expenses incurred when traveling to reconsideration interviews or proceedings before administrative law judges. The proposed change would simplify program administration, result in cost savings, and streamline SSA's operations and hearings workloads.

18. **Modernize the Commissioner's Collection of Medical Evidence:** This proposal would allow SSA to receive more quickly the medical evidence it needs to determine initial and continuing entitlement to disability benefits by allowing medical records custodians to release records to SSA without the signed authorization of the person applying for or receiving disability benefits.

19. **Allow State Hearing Officers to Hold Disability Hearings:** This proposal would amend the Social Security Act to allow State disability hearing officers to conduct hearings resulting from disability cessation determinations issued by a Federal component. The proposed change would allow additional flexibility for SSA to manage workloads at a national level, while preserving the individual's right to an evidentiary hearing.

20. Use Death Data to Prevent Improper Payments: This proposal would require SSA to share the full file of death information it maintains—including State-reported death data—with Treasury's Do Not Pay Business Center for use in preventing improper payments. It would also allow SSA to share State death data for tax administration and agency oversight purposes.

21. Improve Access and Quality of Ticket to Work (TTW) Services: The Budget proposes to reform the TTW program, which is intended to help beneficiaries find and maintain work. Established in 1999 and administered by SSA, TTW was designed to increase access to and the quality of employment services for eligible disability beneficiaries by creating a competitive market to provide employment services. However, TTW is an administratively burdensome workload that falls outside of SSA's core mission of administering benefit programs. Also, TTW's services often duplicate and are not well coordinated with employment services supported by other Federal agencies, particularly the Department of Labor (DOL). Currently, there are low participation rates, and poor return to work outcomes. The Budget proposes to relocate the administration of TTW to DOL and replace the complicated voucher and payment model with performance-based grants to the States.

22. Enhance Work and Earning Opportunities for People with Disabilities: Current rules governing DI beneficiaries' earnings while they are attempting to return to work are difficult for beneficiaries to understand and very complex to administer, often resulting in an unexpected complete loss of benefits upon reaching certain earnings limits and deterring beneficiaries from attempting to work. The Budget proposes to replace existing return-to-work programs and earnings rules with a simple system of offsetting DI benefits based on a 4-tier earnings structure that is simpler and more efficient to administer.