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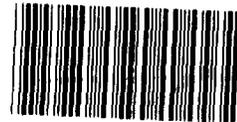
Testimony

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Management of the Social Security
Administration

Statement of
Richard L. Fogel, Assistant Comptroller General
for Human Resources Programs

Before the
Subcommittee on Social Security
Committee on Ways and Means
House of Representatives



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Mr. Chairman and Members of the Subcommittee:

I am pleased to be here to discuss various aspects of SSA's operations that must be improved so SSA can continue to provide high-quality service to the public. We have published several reports on these issues, and I have attached the executive summaries of them to my statement.

I would like to highlight a few key points from our overall management review of SSA because they express the essence of what we think are SSA's fundamental problems. To most of the 37 million people who receive benefits, SSA seems to run well, and our recent reports on service generally support that perception. But SSA has serious management problems that are not clearly visible to the public, have contributed to crisis situations in the past, and could interfere with its ability to effectively deliver services in the future. To fix them, SSA needs

- strong and stable leadership,
- better computer modernization management,
- better controls over the quality and efficiency of the services it provides to the public, and
- better work-force management.

STRENGTHEN AND STABILIZE LEADERSHIP

Various circumstances and conditions have combined to weaken SSA's leadership. But none is more significant in our mind than the conditions of the last decade, during which SSA has had seven commissioners or acting commissioners with an average tenure of only 17 months. Commissioners were in an acting status for almost half of that time. These short tenures, and commissioners' differing priorities and management approaches, resulted in frequent changes of direction, diminished accountability, and little long-term operational planning.

Consequently, SSA has not had the strong, stable senior leadership needed to correct significant long-standing management and service delivery problems. These problems include slow progress in improving and modernizing SSA's computer system and solving significant financial management and other long-standing problems that directly affect the quality, timeliness, and cost of SSA's service to the public.

Specific service delivery problems include (1) incorrect payments to certain beneficiaries due to weaknesses in SSA's annual wage reporting process, (2) unclear and inaccurate notices sent to beneficiaries concerning their benefits or eligibility, and (3) slow processing of address changes, which results in nonreceipt or late receipt of checks. Other problems include frequent reliance on slow, costly, and error-prone

manual processing to implement legislative program changes, confusing and difficult-to-use operating instructions for employees, and inadequate and inefficiently produced management information, which makes it difficult to know where improvements in operational efficiency are most needed.

One of the most damaging results of SSA's leadership condition over the last 10 years has been the lack of agency-wide planning. Short-term and acting commissioners have either overlooked or been reluctant to develop a formal planning process for the agency. As a result, they have not provided a clear and consistent sense of direction, and have not adequately prepared for the future.

What is the result? Misconceptions and inconsistencies in component planning for program operations, computer modernization, and staff reductions. Each component made its own assumptions regarding SSA's operational goals and objectives, how it would do business in the future, and its resource needs. The commissioner must take a leadership role in reaching consensus with the Congress on important issues regarding how SSA should operate in the future to best serve the needs of clients and improve efficiency.

To provide stronger and more stable leadership, we recommend that the Congress legislate an 8-year fixed term for the commissioner of social security.

BETTER MANAGE COMPUTER MODERNIZATION

The quality, timeliness, and cost of SSA's service to the public depend on its computer systems. Although SSA has already spent over \$400 million on its current modernization effort, the lack of the strong, consistent, and technically qualified leadership needed to accomplish computer modernization effectively has created serious problems. While an acceptable modernization plan was developed in 1982, SSA has not followed it. As a result, although progress has been made in modernizing computer hardware, there has been limited progress in a critical area--improving software--and this has impeded higher quality and more efficient service delivery. The program is so far behind schedule that we do not believe that some of the staff savings SSA estimated by 1990 as a result of computer modernization will be realized.

Moreover, without the benefit of an agency-wide, long-range operational plan that details how SSA wants to deliver services in, say, the year 2000, we question how computer modernization can take place effectively. Such an operational plan would better assure that ADP systems will be designed to support the agency's long-range operational goals, rather than the other way around.

Several actions are needed to improve SSA's modernization effort. These include (1) designating a qualified manager to be

accountable for this effort, (2) conforming the ADP modernization plan to an agency-wide operational plan, and (3) scoping down the modernization effort by focusing attention on a smaller, more manageable number of projects that address the most critical system deficiencies. SSA needs to convince the Congress and its own employees that it can effectively manage the improvement of ADP operations. By directing its energy to achieving success on a more limited scale initially, SSA may be more capable of effectively completing a comprehensive modernization in the long run.

IMPROVE OPERATIONAL PERFORMANCE

SSA's service generally receives high marks from its clients, its traditional service indicators remain stable, and SSA employees and managers clearly are very committed to providing high-quality service. However, improvements are needed in some areas, including: accessibility to SSA by telephone; the timeliness of post-entitlement changes, such as address changes; the accuracy of earnings records; client waiting times; the accuracy of benefit payments; and the adequacy of assistance to medicare beneficiaries.

Responses to our November 1986 nationwide survey on SSA service indicated that, while clients generally perceived overall service as good or better than they did 2 years ago, about one in three reported waiting 30 minutes or more for

service in field offices and about half reported not getting through to SSA on their first telephone call. Also, because of problems in processing address changes, only 1 in 10 beneficiaries receive their next check at the correct address. In addition, problems in recording earnings continue to contribute to incorrect payments to beneficiaries. And, of all the aspects of service, paying the correct benefit amount on time is probably the most important.

The 5.2-percent staff reduction in SSA covering fiscal years 1985 and 1986 does not appear to have diminished SSA's overall ability to deliver the same quality of service that it did before. But, we are not sanguine about the future. SSA must do more than monitor its national and regional service level indicators to assess service adequacy. Improved efficiency in some offices could offset reduced performance in other offices experiencing reductions and present a stable picture of overall performance. SSA needs to closely watch those individual components and offices experiencing reductions for early warning indicators, such as workload backlogs or imbalances, increased processing times and error rates, and longer waiting times.

SSA's previous reluctance to set overall service delivery and efficiency goals makes it difficult to determine how many staff are needed in each component and office to ensure that service will be above the acceptable level. Nevertheless, because we find that opportunities still exist for improved

efficiency, we believe additional staff reductions can be realized. Indeed, two-thirds of SSA's top executives believe SSA could undergo staff reductions without adversely affecting public service if such conditions as adequate planning and additional computer system improvements exist. However, attaining the additional 8,854 reductions projected for fiscal years 1988 through 1990 without impairing service is likely to become more difficult as SSA cuts deeper and if its underlying assumptions change. For example, because of delays, some staff reductions anticipated due to computer modernization will not be realized by 1990. To better ensure that future reductions can be made without adversely affecting service, SSA must develop better guidelines for determining the number and type of staff needed at each location to provide at least an acceptable level of service.

IMPROVE WORK-FORCE MANAGEMENT

Many of SSA's employees are anxious about the future as the agency makes major ADP systems improvements, shifts workloads among organizational components, and implements staff reductions. While some anxiety is inevitable during periods of change and management has assured the staff that no RIFs will occur, employees and managers who responded to our March and June 1986 nationwide questionnaires reported significant concerns. More than half of the employees felt that morale was low and that management did not demonstrate much concern for them.

Further, about one-third of mid-level managers said that morale in their units was low and that management did not give much consideration to human factors during change.

We also found that SSA's management development efforts for SES and mid-level managers are inadequate. SSA faces a potential leadership crisis if large numbers of eligible senior and mid-level managers elect to retire soon and suitable replacements are not developed. Forty-one percent of SSA's SES corps, 55 percent of its grade 15 managers, and 40 percent of its grade 14 managers will be eligible to retire over the next 5 years. Unless SSA takes a more aggressive approach toward demonstrating concern for its employees and developing new managers, morale, dedication, and leadership could deteriorate to the point where productivity and quality of work would suffer.

A well-run Social Security Administration is crucial for our country. Commissioner Hardy has been responsive to many of our recommendations. But, how many of her initiatives will be sustained once she leaves? GAO is committed to following up on our recommendations and reporting to the Congress on what is happening at SSA. However, unless the commissioner has sufficient time to lead and direct the changes needed at SSA, we doubt whether positive action can be sustained. The key to

successfully solving the long-standing and difficult problems facing SSA is to have excellent, stable leadership. That is why none of the 50 plus specific recommendations in our March 1987 management report is more important than the one calling for a fixed 8-year term for the commissioner.

That concludes my prepared statement. We would be pleased to respond to questions.

GAO

Report to the Congress

March 1987

SOCIAL SECURITY ADMINISTRATION

Stable Leadership and Better Management Needed to Improve Effectiveness



Executive Summary

Purpose

The Social Security Administration (SSA) touches the lives of almost all people living in the U.S. and accounts for about one quarter of the federal budget. While aspects of social security policy, such as eligibility or benefit levels, have always received public and congressional attention, less attention has been given to SSA's management. GAO reviewed SSA's management to determine how SSA could improve program operations and better prepare for the future.

Background

In fiscal year 1986, SSA employed about 78,000 people and spent \$3.9 billion to administer programs that paid \$200 billion in benefits to about 37 million people. Its two largest programs, which provide retirement, survivors, and disability income, are funded through two trust funds. Other programs are funded from general revenue.

Results in Brief

To most of the people who receive social security benefits, SSA seems to run well. They often receive courteous service, and SSA says most payments are timely and accurate. But, SSA has serious management problems that are not clearly visible to the public, have contributed to crisis situations in the past, and could interfere with SSA's ability to effectively accomplish its mission in the future. To fix these weaknesses and meet future challenges, SSA needs:

- Both strong and stable leadership, a condition that has not existed for the past decade. The Congress and administrations have not dealt effectively with this situation.
- Better management of its effort to modernize SSA computer systems so that progress in critical areas, including software development, is improved.
- Better planning to prepare for a future in which its operational and human resource needs are likely to change.
- More focus on financial management to alleviate problems caused by unclear and confusing responsibilities.
- Better controls over service delivery to identify inefficient and ineffective operations.
- Better work force management to improve the work climate.

The new commissioner, Dorcas Hardy, has begun to address SSA's problems. But congressional actions, such as establishing a fixed term for the commissioner, are essential if actions to improve management are to be sustained.

Principal Findings

Strengthen and Stabilize Leadership

Over the last decade, SSA has had seven commissioners or acting commissioners with an average tenure of 17 months; it was managed by acting commissioners for almost half the time. These short tenures, along with commissioners' differing priorities and management approaches, resulted in frequent changes of direction, diminished accountability, and little long-term operational planning. (See p. 40.)

SSA's functional organizational structure has not helped fill the vacuum created by instability in top leadership. It diffused accountability for programs and functions across the agency with little provision for integrating or controlling component activities. Consequently, SSA has been unable to correct significant long-standing problems in management and service delivery, provide a clear and consistent sense of direction to its components, adequately control its daily operations and its computer system modernization efforts, or focus on personnel management. (See p. 54.)

Better Manage Computer Modernization

SSA's slow progress in dealing with its most urgent and critical problem—difficulties in modernizing its computer system—is largely attributable to instability of leadership and the accompanying changes in direction since 1975. The most recent modernization effort, begun in 1982, has substantially improved computer hardware. But SSA has made only limited progress in one of its most important problem areas—software. As a result, much of its work and management information must be processed manually, which is slower, more expensive, and more error-prone than automated processing. Other factors contributing to slow progress include insufficient technical leadership and skilled personnel, an inadequate decision-making process, incomplete and unenforced software standards, and inadequate project tracking and integration. (See p. 134.)

Provide Clearer Direction

SSA plans to spend over \$600 million to modernize its computer system and must implement a major staff reduction. However, it lacks (1) a clear sense of how it wants to deliver services and checks in the year 2000, when only about 20 percent of the people receiving benefits now will still be beneficiaries, and (2) adequate assurance that its modernized system will meet future service delivery needs. The absence of a

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long-term operational plan has been a primary cause of this situation. Ninety-two percent of SSA's senior executives believe such a plan is needed and/or desirable. Efforts to develop such a plan have been initiated on several occasions, but have been abandoned as commissioners changed. (See p. 100.)

Planning for future resource needs is critical to SSA. Over the next 5 years, 41 percent of SSA's senior executives, 47 percent of its grade 15 and 40 percent of its grade 14 managers will be eligible to retire at their option. Despite this, SSA does not have a plan nor has it systematically acted to identify and develop future leaders and managers. (See p. 206.)

Improve Financial Management

Because of inadequate controls, SSA cannot assure workers that their wage records are accurate, and it makes substantial overpayments annually. For example, SSA estimated that it made about \$2 billion in overpayments in 1984, and it expects a net recovery of about \$870 million (44 percent). Although SSA is aware of problems in its key financial management systems, it has been unable to fix them rapidly due to fragmented responsibility and lack of financial management leadership. For example, SSA's four deputy commissioners each had some responsibility for its major debt management system, 30 organizational units were involved, and no one other than the commissioner could integrate component activities. (See p. 74.)

Enhance Controls Over Operations

SSA's limited emphasis on efficiency has allowed wide variations in efficiency among similar units to persist. Previous commissioners have committed to correcting these problems, but left before accomplishing their goal. (See p. 168.)

Also, SSA has neither established nor used measurable, national benchmarks for service quality or timeliness for certain post-entitlement workloads. As a result, several service delivery problems went unidentified or uncorrected for long periods. These problems included unresponsive service to Medicare beneficiaries, untimely changes of beneficiary addresses, and unclear or incorrect notices that confused the public about benefit changes. (See p. 184.)

Better Work-Force Management

At least two-thirds of SSA's employees report satisfaction with many aspects of their immediate work climate. Many employees, however, are uncertain about their future and report dissatisfaction in several areas,

including excessive emphasis on certain production goals and a perception that management is not concerned about their development or well-being during periods of change. (See p. 200.)

Commissioner's Actions

GAO briefed Commissioner Hardy on June 26, 1986—the day she took office—regarding SSA's management problems and possible solutions. She committed to moving quickly and has begun to implement a number of management improvements. Specifically, she established a central planning staff, SSA-wide objectives, and a tracking system to monitor progress and hold managers accountable. Further, she has made leadership changes for SSA's computer modernization effort and taken steps to improve financial management and service delivery.

Recommendations

Among GAO's key recommendations is that the Congress establish a fixed 8-year term for the commissioner. This term should give a commissioner adequate time to develop and begin carrying out a long-range operational plan, as well as to deal with issues requiring sustained efforts, such as computer modernization and how to best organize to provide high-quality service to the public.

GAO is making other recommendations to the Congress and the commissioner to improve management direction and control over agency activities and to enhance personnel management.

Agency Comments

The commissioner generally agreed with the report's findings and recommendations. Other former SSA and HHS officials commenting on the report also generally agreed with the findings. However, differences of opinion exist on how to improve stability in agency leadership and improve its organization. (See pp. 52 to 53 and 69 to 72.)

GAO

Report to Congressional Requesters

March 1987

SOCIAL SECURITY

Staff Reductions and Service Quality



Executive Summary

Purpose

In January 1985, the administration announced its intention to reduce Social Security Administration (SSA) staff by 17,000, or 21 percent, through fiscal year 1990. Because such cuts could adversely affect SSA service, the House Appropriations Committee asked SSA to report quarterly on its service levels.

In the summer of 1986—because of concerns expressed about the objectivity of SSA's self-evaluation—the Senate and House Appropriations Committees asked GAO to report on SSA service. This is the first of three reports to be prepared for the Committees in 1987.

This report examines: (1) the quality of SSA service, (2) the effect of staff reductions on service, and (3) the nature and extent of past and planned staff reductions.

Background

The terms "service" and "quality" are broad and mean different things to different people. For this reason, GAO examined SSA quality of service from a number of different perspectives.

First, GAO examined the data SSA regularly accumulates to measure performance. These data show how accurately SSA pays and processes claims; how long it takes to process initial claims and appeals of SSA decisions; the amount of work waiting to be processed; and how long clients wait in SSA field offices before being served.

GAO also surveyed SSA clients, managers, and employees. SSA clients were asked their opinions on the quality of SSA service. SSA employees and mid-level managers were questioned about the quality of SSA service and the effect of staff reductions.

To determine whether there was any indication that staff reductions have had a significant adverse effect on service quality, GAO also visited 15 SSA district and branch offices that experienced an average 25-percent reduction in staff over the last 3 years. At these offices, GAO obtained employees' perspectives and reviewed data on processing times and workloads.

To identify the extent of actual staff reductions, GAO determined where the reductions took place and the types of positions affected. GAO also examined SSA plans for carrying out staff reductions for fiscal year 1987.

Results in Brief

SSA's traditional performance measures through December 1986 generally show stable performance since fiscal year 1984—the year before the start of the staff reduction program. Similarly, about 80 percent of SSA clients GAO surveyed said that overall the quality of SSA service was good.

Most SSA employees and SSA managers said service or performance was good, but most in both groups said staff reductions have had an adverse effect on operations. In the 15 offices GAO visited, the data analyzed generally indicated service levels comparable to the levels provided by all SSA offices nationally, with one exception—a significant increase in mean processing time for claims for Supplemental Security Income for the blind and disabled. The increase however does not appear to be related to field office staff reductions.

Concerning staff reductions, in fiscal year 1987—because of reductions in its budget—SSA is planning to reduce work-year use significantly below the levels suggested by the Congress. Overall, the 6 year staff reduction program is on schedule.

Principal Findings

Traditional Performance Indicators Generally Show Stability

Accuracy rates have generally remained stable since fiscal year 1984, according to SSA data. Payment accuracy for the Retirement and Survivors Insurance program, for example, was 99.5 percent of the total dollars paid in fiscal years 1984 and 1985 and increased to 99.6 percent in fiscal year 1986.

Processing time for initial claims and appeals have generally improved, except for disability-related claims. Times for disability claims have increased because of the additional time required by state disability agencies to implement 1984 legislative changes for mental impairment cases.

With few exceptions, nationally the backlogs for SSA's major workloads are down substantially from 1984 levels.

According to SSA, the average time claimants wait in SSA field offices before being interviewed declined steadily from the January-March 1986 quarter through the December 1986 quarter—from a reported 12.3

to 7.2 minutes. GAO, however, believes that wait times are understated because not all waiting time is measured and some field offices give special attention to reducing wait times when they are measured for study purposes. (See ch. 2)

SSA Clients View Service as Good

The preliminary results of a November 1986 GAO survey show that about 80 percent of SSA clients view SSA service overall as good to very good. These results are comparable to the results of an identical survey done by GAO in 1984. (See ch. 3)

SSA Personnel Say Service Good but Reductions Are Having Adverse Effect

About 88 percent of managers GAO surveyed in 1986 said that the performance of their units had improved or was comparable to service levels 3 years earlier. Similarly, 87 percent of employees said that service was the same or better than it was 3 years earlier.

For those who said their units lost staff (55 percent of employees and 66 percent of managers), most said the staff reductions have caused problems. Fifty-six percent of these employees said that staff reductions have had a negative effect on the ability of their units to produce quality work, citing in particular lower morale and increased stress. For the managers who lost staff, 71 percent said the reductions had a negative effect on their operations, citing in general decreased quality of work and decreased productivity. Further, 64 percent of all managers said they were understaffed. (See ch. 3)

15 Field Offices—Service Deterioration in One Aspect Noted

For the 15 field offices, GAO examined data on processing time for four types of benefit claims and data on pending workloads. GAO found significant deterioration in service for the time to process Supplemental Security Income claims for the blind and disabled, which on average increased about 23 days—from 74 to 97 days. For all offices nationally, the increase in time for these claims was only 4 days. The principal reason for the larger increase in the 15 field offices is the relatively higher processing times of two state disability agencies (New York and New Jersey) which make medical determinations for 5 of the 15 offices. (See ch. 4)

Nature and Extent of Past Reductions

Since fiscal year 1984, SSA reduced its total work-year use about 8 percent. Staff reductions were largest in the Office of Disability Operations (14 percent) and the Program Service Centers (13 percent). In SSA field

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offices, data review technicians were reduced the most—about 23 percent.

From fiscal year 1984 through fiscal year 1986, SSA field office staffing declined 3.3 percent. While 58 percent of SSA's approximately 1,300 field offices had a net loss of staff for the period, 28 percent had a net staff gain, and 14 percent did not have any change. Most offices losing staff through fiscal year 1986 lost less than 10 percent of their staff. (See ch. 5)

SSA Increasing 1987 Staff Reductions

Because of budgetary shortfalls totaling \$284 million, SSA plans to significantly reduce its fiscal year 1987 work-year use by about 5,300 below the 78,580 suggested by the Congress. SSA has stated, however, that it will monitor service closely and increase work-year use if necessary. (See ch. 5)

Staff Reduction on Schedule

SSA's proposed fiscal year 1988 budget would reduce staffing by an additional 2,454 full-time equivalent positions. Such reduction would bring the total for the first 4 years of the 6-year staff reduction program to 10,606, or 13.3 percent below 1984 levels, and put the reduction on schedule through the first 4 years.

Recommendations

GAO is making no recommendations.

Agency Comments

Concerning waiting time in field offices, SSA acknowledged that reported times were understated, and said it plans to monitor the time not measured on an ad-hoc basis and will emphasize to field offices that reported data must be representative of normal practices.

GAO

Report to the Secretary of Health and
Human Services

August 1986

SOCIAL SECURITY

Improved Telephone
Accessibility Would
Better Serve the Public



Executive Summary

Purpose

Each year, the public places millions of telephone calls to the Social Security Administration (SSA). If a caller encounters a busy signal, no answer, or a long wait on hold, the result can be frustration, dissatisfaction with SSA, and increased visits to local offices. What does happen when the public calls SSA by telephone? Are the SSA telephone facilities meeting busy signal and average wait time standards? Does SSA management collect information on the telephone service provided?

This report, one of a series on SSA's service to the public, discusses the results of a GAO nationwide test of SSA telephone access and provides information on the agency's standards and telephone reporting activities.

Background

SSA maintains 34 teleservice centers to answer telephone calls in major metropolitan areas or entire states. These centers, serving about half the nation's population, answered over 22 million calls during fiscal year 1985. In less populated states and smaller metropolitan and rural areas, other types of central answering units and local offices provide telephone service.

For the 34 teleservice centers, SSA has set telephone service standards. Service is considered unacceptable if busy signal rates exceed 15 percent or incoming calls are on hold an average of 2 minutes or longer. For other facilities, SSA has no such standards.

To test SSA's accessibility by telephone, GAO made 4,044 random calls in May 1985 to all types of SSA telephone answering facilities and recorded the outcome of each call. Calls answered directly or within 2 minutes of being put on hold were placed in an "easy access" category; calls on hold longer than 2 minutes, disconnected, terminated after 10 rings, or getting busy signals were assigned to a "difficult access" category. For all telephone answering facilities tested, GAO also measured compliance with SSA's teleservice center standards.

GAO's review was not designed to determine the reasons for any differences in performance among the facilities tested.

Results in Brief

During the test period, SSA representatives answered about three of every four calls from the public directly or within 2 minutes of being put on hold, by GAO estimates.

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But telephone access to SSA varied considerably among telephone answering facilities, and a number of them were providing unacceptable service by SSA standards. Success in reaching SSA also fluctuated according to the hour, day, or week and the area called.

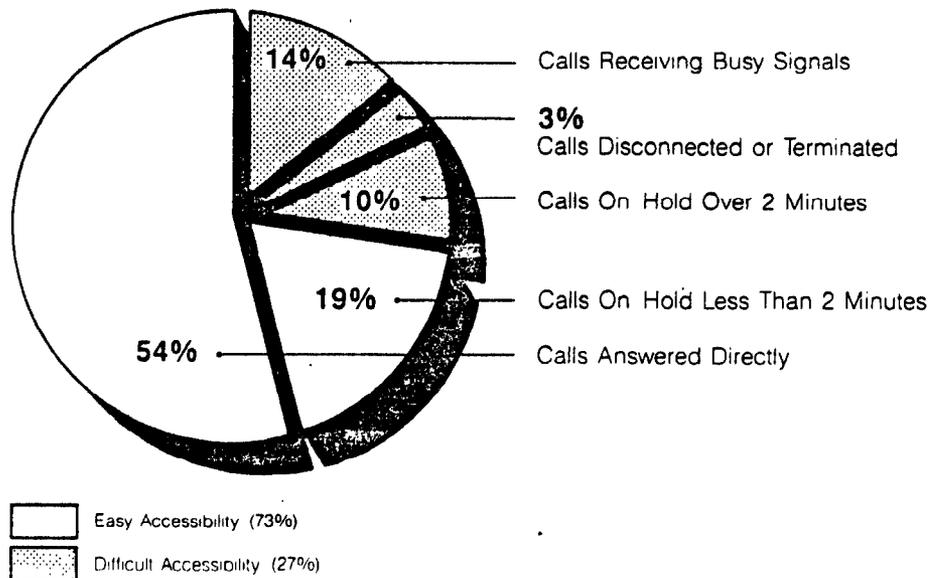
SSA has been unaware of the level of its telephone service to the public, however, because its telephone answering facilities report misleading and limited data. Moreover, only teleservice centers must meet SSA service standards. Without standards and data for all its facilities to measure compliance, SSA cannot adequately monitor its telephone accessibility.

Principal Findings

Three-Fourths of Calls Termed "Easy Access" In Nationwide Test

GAO's test results showed that 54 percent of telephone calls to SSA were answered directly, 29 percent were put on hold before being answered, 14 percent got busy signals, and about 3 percent went unanswered or got disconnected. Looked at another way, 73 percent of the test calls were classified as easy access and 27 percent as difficult access.

Figure 1: Overall Access to SSA by Telephone



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For the 34 teleservice centers, the percentage of calls answered directly varied from 2 to 95, and calls on hold less than 2 minutes varied from 2 to 78 percent. Four centers had busy signal rates over the SSA 15-percent standard, and 10 centers exceeded SSA's 2-minute average wait standard for calls on hold. Some of SSA's other telephone answering facilities also failed to comply with teleservice center standards. For example, local offices as a group exceeded the 15-percent busy signal standard, and mitele service centers (small central answering units) as a group exceeded the average-wait standard for calls on hold.

A person's chance of reaching SSA was better if the call was made after 11:00 A.M., later in the week, or in the middle of the month, GAO's test calls showed. These results agree with SSA historical data. In periods of peak volume, when the public's calls to SSA are not randomly distributed as were GAO's, access could be more difficult than the overall averages reflected in this report.

The percentage of calls answered directly or within 2 minutes of being put on hold was highest in the Seattle Region and lowest in the New York Region, as table 1 shows.

Table 1: Calls to SSA Answered Directly or Serviced Within 2 Minutes, by Region

Region	Percent of calls placed
Seattle	83.3
Philadelphia	80.8
Dallas	80.0
Kansas City	78.0
Denver	76.4
Atlanta	75.8
San Francisco	75.8
Chicago	70.0
Boston	57.5
New York	49.5

GAO did not attempt to determine the specific causes for noncompliance and variations in access to individual SSA telephone answering facilities. Where telephone access is less than acceptable, SSA needs to determine the causes, for example, whether increases in staff, training, equipment, and/or telephone lines are needed to improve service to the public.

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**SSA Monitoring of
Telephone Service Limited**

SSA collects only limited data on its 34 teleservice centers' accessibility to the public, and some of the data is misleading and inconsistent. Centers record and report the percentage of time or how many times all lines are busy rather than actual busy signals. Also, to compute average wait time, centers use all calls received rather than only calls placed on hold.

SSA has little information on its telephone performance and no service standards for its other central telephone answering units and local offices serving half of the nation's population.

Recommendations

GAO recommends that SSA:

- Establish telephone service standards for all facilities handling calls from the public.
- Clarify the standard for average wait time to require that only calls on hold be used in computing the average.
- Periodically measure the accessibility of SSA telephone answering facilities against established standards.
- Take steps to bring into compliance those facilities not meeting established standards.

Agency Comments

SSA generally agreed with GAO's recommendations.

GAO

Report to Congressional Requesters

December 1986

SOFTWARE SYSTEMS

SSA Encountering Significant Delays in Its Claims Modernization Project





United States
General Accounting Office
Washington, D.C. 20548

Information Management and
Technology Division

B-220361

December 22, 1986

The Honorable Lowell Weicker, Jr.
Chairman, Subcommittee on Labor,
Health and Human Services, and Education
Committee on Appropriations
United States Senate

The Honorable William Proxmire
Ranking Minority Member, Subcommittee on Labor,
Health and Human Services, and Education
Committee on Appropriations
United States Senate

The Honorable Lawton Chiles
United States Senate

This is our third and final report¹ responding to your December 18, 1985, request for information regarding the Social Security Administration's (SSA) Claims Modernization Project (CMP). At one time, CMP represented a major SSA effort to improve the software used to process claims for benefits and to change benefit records, software that SSA had reported to be problem-ridden. In fiscal year 1985, SSA processed about 5.7 million claims for benefits and 68 million changes to benefit records involving \$193 billion in beneficiary payments. Your request posed several questions regarding the nature and progress of the project (see appendix). To answer these questions, we reviewed (1) the agency's progress in achieving the project's original objectives and schedules and (2) related project management issues.

Although CMP has been SSA's primary software improvement project for the past 4 years, its accomplishments to date have been limited. Specifically, we found that the project's scope has been scaled back from redesigning software that processes (1) new claims for benefits and (2) post-entitlement actions (changes to the records of individuals already receiving benefits) to only redesigning the software for new claims. The post-entitlement area—which SSA has stated is presenting the greatest problems—is no longer being addressed under CMP. Even with these reduced objectives, CMP has fallen behind schedule.

¹Previous reports: Social Security: Actions and Plans to Reduce Agency Staff, GAO/HRD-86-76 BR, March 1986, and ADP Workstations: SSA's \$64 Million Acquisition For Fiscal Year 1987 Should Be Reconsidered, GAO/IMTEC-86-34, September 1986.

B-220361

We also found that major aspects of the reduced project need management attention in order for SSA to avoid creating systems that are vulnerable to problems that it has experienced in the past. First, the agency continues to develop new software before completing standards for software documentation, testing, and validation. Second, a pilot test of the project has not tested all performance aspects of the hardware configuration and software components and has not provided conclusive information on how the reduced CMP will help SSA achieve its goal of improved service to the public. Finally, despite the reduced scope of CMP, the delays being experienced, and the inadequate pilot testing, SSA is making a hardware procurement large enough to support the original CMP—an action we have questioned in the past² and still question.

²ADP Acquisitions: SSA Should Limit ADP Procurements Until Further Testing Is Performed. GAO/IMTEC-86-31, August 1986.