SOCIAL SECURITY

Office of the Commissioner

December 11, 1995

MEMORANDUM FOR: Alice Rivlin and Carol Rasco

Re: Disability Reengineering

Approximately one year ago, I provided you with the status of SSA's long-term plans to redesign the disability claims process. As you will recall, we had determined that incremental changes to the process would not lead to significant improvements in service to the public, and that a total redesign of the process was needed. I informed you that due to the complexity of this effort, significant change would not occur for 5 years. Recognizing that current and projected disability receipt levels demanded more measurable impact over the short term than redesign activities were likely to provide, I also provided you with background on our efforts to develop short-term proposals. The short-term effort is aggressively addressing our current disability workload, while building a platform for more dramatic process change through the redesigned disability process. This memorandum is to update you on the Agency's progress over the last year in both of these areas.

The short-term initiatives were designed to reduce the number of disability cases pending at the initial, reconsideration and hearing levels by the end of calendar year 1996. Hard work and dedication during FY 1995 provided impressive results both in the Disability Determination Services (DDSs) and the Office of Hearings and Appeals (OHA).

Short Term:

Workloads at the DDS Level

The DDSs began fiscal year 1995 with 729,000 pending cases. Our goal was to reduce this by 34 percent, or 250,000 cases by December 1996. During FY 1995, pendings were reduced by over 139,000 cases; and, if receipt projections hold, DDSs are on target for reaching the 250,000 case reduction goal by the close of FY 1996 (see Chart 1). This reduction was made possible because State DDSs processed a record number

Long-Term Redesign Efforts

In late June, I approved the first process improvements that will move the Agency closer to our goal to fully implement the redesigned disability process. These process improvements, developed under partnership with SSA's unions and with wide input from internal and external stakeholders, will begin in SSA and DDS offices later this year. The first improvements will include the following:

- Implementation of the training necessary to transition SSA and DDS employees to a single point of contact, the disability claims manager;
- Testing of the new position of adjudication officer (AO) designed to streamline the appeals process;
- Expansion of third party involvement in claims taking;
- Creation of consumer-oriented public information materials designed to prepare and inform applicants and those who assist them; and
- Development of uniform disability training as a first step to a unified decisionmaking process among SSA, DDSs, and OHA.

Research

A multi-year research plan has been written that develops the simplified methodology envisioned in the redesigned disability process. Utilizing a multi-level approach, we will involve employees, external stakeholders, expert consultants and the general public in this effort. SSA will publish an initial notice in the *Federal Register* describing our research plans, providing the status of all current activities and stating that we will publish future notices updating the status of the research effort and inviting comment. A contract has been awarded to the Medical College of Virginia, part of Virginia Commonwealth University, for research on functional assessment instruments and protocols, a key concept of the simplified methodology.

Timeline

Over the next several months we will begin to implement efficiencies in the evidence collection process, enhanced medical evidence provider training, a revised role for the Appeals Council, a modified role for medical consultants at all levels of the process, a comprehensive quality assurance program and long-term process unification activities.

of claims (about 3.9 million) and because DDS productivity also reached an all time high (production per work year (ppwy) of 280.2 cases). This compares to ppwy of 271.9 in 1994 and 235.8 in 1992.

Workloads at the Office of Hearings and Appeals (OHA)

OHA began FY 1995 with 486,000 pending hearings. Our goal was to reduce this to 375,000 by December 1996. Our glide path should have taken us down to 435,000 by the close of FY 1995. However, despite our best efforts, which I will describe, at the end of FY 1995 the actual number of hearings pending was 555,000 (chart 2).

Record outputs were achieved at OHA during FY 1995. Total dispositions for the year approached 527,000, an all-time record. This surpassed FY 1994 dispositions by 110,000, a 26 percent increase. In addition, all-time productivity gains were posted. OHA ppwy was 100, a 10 percent gain over FY 1994. Unfortunately, the floodtide of receipts (589,000 for FY 1995) overwhelmed us, and significantly exceeded projected levels. In addition, some of the initiatives we needed to put in place took longer than expected. Necessary collective bargaining agreements and regulatory authority were not obtained until we were halfway through the fiscal year.

Now that our initiatives are in place, and even though hearing receipts are projected to approach 625,000 in FY 1996, we project that pending levels will drop significantly, and that by December 1996 we will have 460,000 hearings pending. I should note that this assumes receipt of our full budget request for FY 1996. I want to assure you that I will continue to search for ways to reduce this even further, but our inability to control cases coming into OHA could negate our productivity gains. You should also be aware that the recent furlough resulted in postponement of 10,000 hearings, which we will reschedule on an expedited basis, but which has set us back some.

I believe that we have much to be proud of and I am convinced that the Administration can take pride in the monumental efforts we have made at both the DDS and OHA levels to be more responsive to, and better serve, the American public.

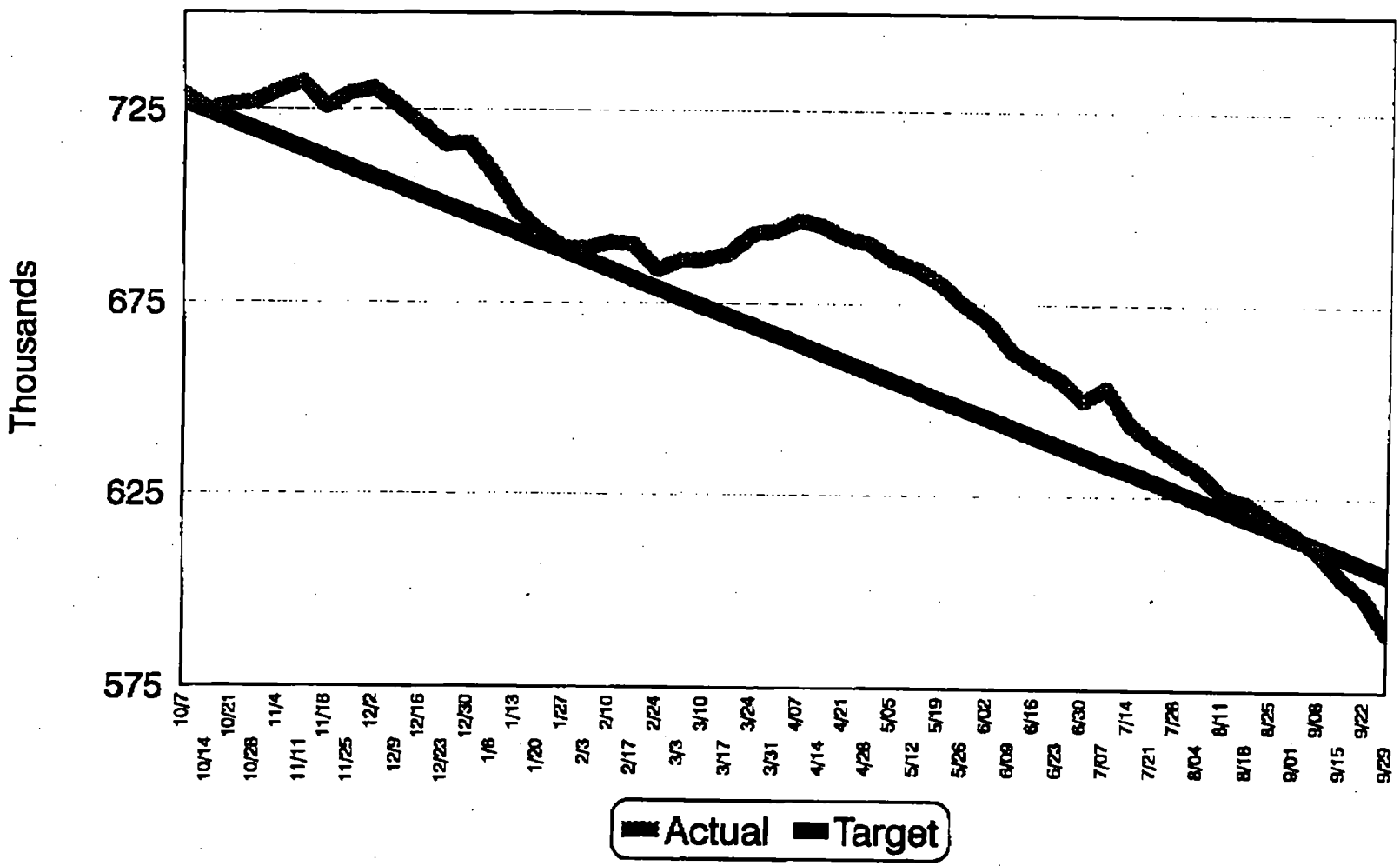
Attached please find summary materials, including a timeline which will provide you with more detail as to what the Agency projects as our near, mid and long-term implementation goals for disability redesign. It is my intent to keep you apprised of redesign implementation decisions on both short and long-term disability workload efforts.

I remain committed to taking aggressive actions to manage our disability workloads. Please feel free to call me if you have questions or comments.

Shirley Chater

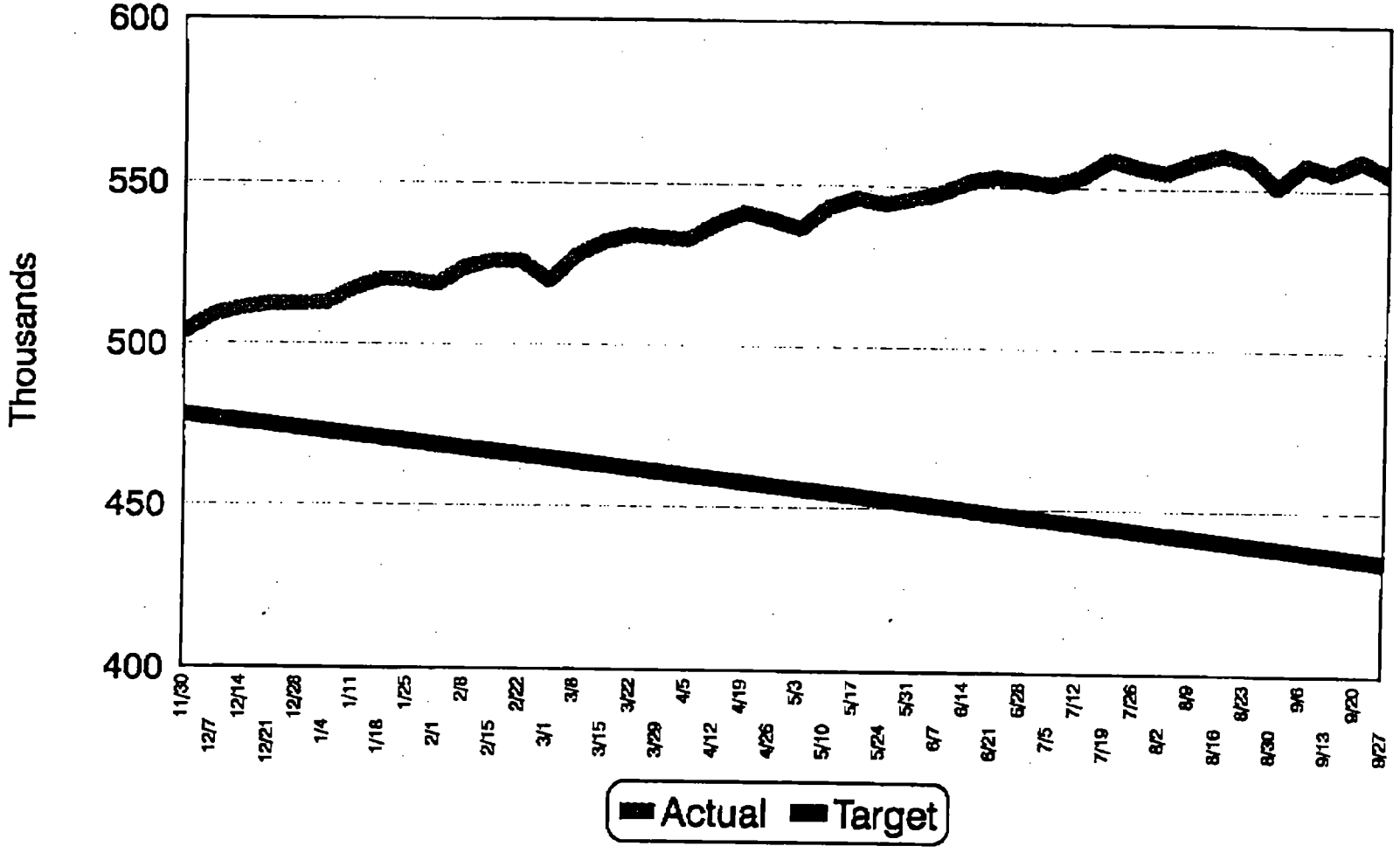
Attachments

National DDS Pending Cases - FY 1995



Based on actual and Short Term Disability Project target numbers.

National OHA Pending Cases - FY 1995



Based on actual and Short Term Disability Project target numbers. Weekly data not available prior to 11/30/94.

SUMMARY OF SSA's FIRST SET
OF DISABILITY PROCESS IMPROVEMENTS

- **Claims Representative (CR) and Disability Examiner (DE) Teaming:** All field offices and Disability Determination Services (DDSs) will establish ongoing teaming arrangements between CRs and DEs working on disability claims. Teaming will have a positive effect on customer service, strengthen relationships and overall process understanding between field offices and DDSs, and help the transition to establishing a new disability claim manager (DCM) position in both Federal and State sites. Guidelines for teaming will be issued shortly and soon thereafter, all field offices and DDSs will begin baseline CR/DE teaming.

- **Early Decision Authority To Claims Representatives For Certain Title II and Title XVI Initial Claims:** In early fiscal year 1996, SSA will begin providing special disability adjudication training to many CRs. After completion of the training, and with the written agreement of the State, CRs will be able to make medical determinations on certain types of Title II and Title XVI claims before forwarding the case to a medical consultant in the DDS for final approval. Approximately 100 severe impairments are included in a newly developed "early decision list" (EDL). While these cases--estimated to be 100,000 processed annually--will still require some DDS handling, use of the EDL should improve the service we provide to applicants most in need of our help by enabling front-line employees to make disability decisions at the earliest possible point in time.

- **Sequential Interviewing:** After teaming arrangements and early decision lists have been implemented, the DDSs will phase-in sequential interviewing, which will provide DEs with preliminary interviewing experience on selected cases, with additional types of cases phased-in over time. Under sequential interviewing, the DE would complete the medical portion of the application interview using various, flexible options. For example, an outstationed DE could complete the medical forms through a face-to-face interview with the claimant in a field office. Or if the DE is not outstationed, the interview could be completed by immediate telephone contact before the claimant leaves the field office or during a subsequent pre-arranged telephone contact. These interviews are currently done by CRs in SSA's field offices.

- **Field Testing the Adjudicative Officer (AO) Position:** The Agency has regulatory authority to test the new AO position in approximately 20 operational sites starting late this year. The selection of specific test sites has been finalized, and will include field office, DDS, and hearing office sites. Eventually, a Federal or State AO will become involved in all cases where an applicant requests a hearing. The AO will be the focal point for all pre-hearing activity, and will be granted authority to issue fully favorable decisions whenever the evidence so warrants. In some of the test sites, AOs will also arrange the time and date of the Administrative Law Judge (ALJ) hearing.

- **Increased Third Party Monitoring and Involvement In Claims Taking:** SSA is moving forward on efforts to establish national guidelines and mechanisms for monitoring third party participation in the disability claims process. In addition, the Agency will initiate a new campaign to target third party expansion in the disability process to organizations who have the ability to provide medical evidence for disability applicants who seek their services.

- **Uniform Training To All Disability Adjudicators:** Today, different authorities (e.g., the Social Security Act, SSA Rulings, including acquiescence rulings, and administrative guides, such as the Program Operations Manual System (POMS) and Hearings, Appeals and Litigation Law Manual (HALLEX)), convey policy and procedural guidance to disability adjudicators like DEs, medical consultants, and Administrative Law Judges (ALJs), and to the public. Process unification efforts to develop a single set of authorities for disability policy, that can be used by employees in all Federal and State components, is an ongoing, longer-term project. However, as a near-term effort, special, uniform disability training will be provided to all adjudicators beginning in early 1996. This training will be tailored to address areas that have been determined as the most complex in deciding whether an individual is "disabled" as that term is defined in the Social Security Act.

- **Public Information and Applicant Participation:** It is clear that the public wants to know more about the disability process, and that some applicants will readily accept more responsibility for obtaining medical evidence and doing other tasks to facilitate their claim. To that end, SSA has initiated a priority effort to produce better, more claimant-oriented informational materials about the disability process, and will soon issue national instructions for encouraging more applicant participation in the process.

DISABILITY REDESIGN TIMELINE

1995-1996	1997-1998	1999-2000
Develop consumer-oriented publications and educational materials on the disability process (Fall 1995) Increase applicant participation in evidence collection (Winter 95/96) Establish guidelines to monitor third parties and expand their usage, especially for those that can provide medical evidence (Winter 95/96) Identify opportunities where medical evidence requirements can be streamlined (Summer 1995) Develop a standardized medical evidence collection form (Winter 95/96) Implement process changes that support skill sharing between CRs and DEs and build towards the DCM single point of contact (Winter 95/96) Test ways to facilitate CR and DE interaction and teamwork in taking and adjudicating claims (Spring 1996) Establish joint training programs for all disability decisionmakers in the DDSs and in SSA components (Winter 95/96) Develop a single presentation of policy--"One Book" (1995-1996)	Implement options (including electronic interaction) for third parties to assist in the completion and development of disability claims Implement streamlining of medical evidence requirements Implement standardized medical evidence collection form Continue implementing process changes/testing options to build towards a DCM single point of contact Implement predecision notice and opportunity for personal contact prior to issuing an initial denial notice Implement a single presentation of policy--"One Book" Continue simplified disability decision methodology research and refine changes using case studies Implement adjudication officer position nationwide Continue testing and implement new role for the Appeals Council Implement a comprehensive end-of-line and a revised in-line quality review system at all levels Implement a new role for medical consultants	Implement claimant option to file an application electronically Establish the DCM as the single point of contact for disability claims intake, adjudication and payment effectuation nationwide Publish regulations to implement simplified disability decision methodology Implement fully integrated disability claims processing system with paperless claims processing

1995-1996	1997-1998	1999-2000
Test adjudication officer position to streamline the administrative appeals process (Fall 1995) Develop and test options for a revised role for the Appeals Council (1995-1996) Test a comprehensive end-of-line and a revised in-line quality review system at all levels (Winter 95/96) Test the predecision notice and opportunity for personal contact prior to issuing an initial denial determination (Winter 95/96) Test the elimination of the reconsideration step (Winter 95/96) Begin simplified disability decision methodology research (Fall 1995) Test the elimination of the medical consultant sign-off for certain categories of cases (Winter 95/96) Publish regulations regarding representatives' qualifications and standards of conduct (Winter 95/96) Implement an initial release of RDS in pilot sites (Fall 1996)	Implement elimination of the reconsideration step nationwide Implement RDS with enhanced decisional support	