

**United States Senate
Committee on Finance
Written Testimony for the Record
of Richard E. Warsinskey, Past President
National Council of Social Security Management Associations, Inc.
May 8, 2008**

Chairman Baucus, Senator Grassley and Members of the Committee, my name is Richard Warsinskey and I represent the National Council of Social Security Management Associations (NCSSMA). I have been the manager of the Social Security office in Downtown Cleveland, Ohio for thirteen years and have worked for the Social Security Administration for over thirty-two years.

I also help coordinate the activities of the SSA Advocacy Group. This group works to improve SSA's services at all levels. Members include many senior organizations, a number of disability support groups, SSA and Disability Determination Service associations, and Federal employee unions. On behalf of our membership and in support of our Advocacy Group, I am pleased to have the opportunity to submit this written testimony to the Committee.

NCSSMA is a membership organization of over 3,400 Social Security Administration (SSA) managers and supervisors who provide leadership in more than 1,300 Field Offices and Teleservice Centers throughout the country. We are the front-line service providers for SSA in communities all over the nation. We are also the federal employees with whom many of your staff members work to resolve problems and issues for your constituents who receive Social Security retirement benefits, survivors or disability benefits, or Supplemental Security Income. From the time our organization was founded over thirty-seven years ago, NCSSMA has been a strong advocate of efficient and prompt locally delivered services nationwide to meet the variety of needs of beneficiaries, claimants, and the general public. We consider our top priority to be a strong and stable Social Security Administration, one that delivers quality and prompt community based service to the people we serve, your constituents.

GAO Report on Field Offices

The intent of this hearing is to focus on SSA Field Offices and the GAO report on Field Offices. We have not had the opportunity to review the GAO report prior to submitting this written testimony. Consequently, this testimony will be based on our view of the current situation in Field Offices and the overall challenges faced by SSA. We would be happy to submit written comments on the GAO report after the hearing once we have had a time to review the findings.

How Reduced Investments in SSA Field Offices Have Reduced Services

The level of administrative funding that SSA has received in recent years has negatively affected the agency's Field Office services in many ways. The following list is a summary of a few key areas where SSA has seen such an impact:

- 51% of callers who eventually reached a Field Office by telephone said that they had received a busy signal or were told to call back at another time on an earlier call. It is important to note that this busy rate did not include those callers who gave up calling the office. Thus the actual busy rate is higher than 51%.
- The combined effect of staffing reductions and more visitors coming into Field Offices has resulted in significant increases in waiting times in many offices for the public we serve. SSA Field Offices are receiving record numbers of visitors this year. For the first 16 full weeks of this year, SSA Field Offices have had over 14 million visitors, which is about a million more visitors than the same period in 2007. In many of SSA's larger urban offices it is not uncommon for the public to wait in excess of two to four hours to be served by an SSA representative. Some offices such as Ft. Myers, Florida; Austin, Texas; Huntington Park, California; Aurora, Colorado; Rego Park, New York City; New Brunswick, New Jersey; and right here in Washington, DC (M Street Office) averaged over a 60 minute wait from the opening of the office in the morning until the closing at the end of the day for the first three months of this year. These times are certainly excessive, but they are not the most extreme. The worst waiting times are in Puerto Rico where three offices have average waiting times of over 100 minutes. We also asked our members in a survey last week if their waiting times had gone up in the last year. 64% said waiting times were longer or significantly longer. 78% of the responders said that the high volume of walk-in traffic or insufficient staff were the most significant causes of the longer waiting times.

We recognize that there are many Field Offices whose waiting times are not excessive. Unfortunately the visitor traffic in especially many urban offices continues to increase. We received the following feedback from two Managers last week about their offices:

Manager Number One

"This year we are experiencing the longest waiting times we have ever experienced in the 15 years that I have been a manager. We are turning away visitors before 8:30 AM. This causes visitors to arrive earlier and earlier to be seen.

"Some visitors arrive and wait in line by 6:30 AM. We have over 60 people entering the office when we open at 7:45 AM. Each day we have some visitors who wait for over 5-6 hours, and some have waited 7 hours."

Manager Number Two

"Up until last fall, if the wait in the lobby was more than 30 minutes, we would send up all the staff to help. The volume of the traffic now is such that if we did that, we would never have time to clear any work. We no longer have a set trigger time; the wait is often 100 minutes."

- Although employees are encouraged to return phone calls directed to their voice mail in a reasonable amount of time, and most try to do just that, complaints from the public regarding unreturned phone calls are not uncommon. The key problem is there is little free time to return calls.

- The pressures to keep up with the work in SSA Field Offices have forced many offices to reduce ongoing training. In the survey of our members last week, 52% stated their staff did not receive adequate training. 70% said this was due to lack of time or pressures to process workloads. This problem can be demonstrated by what one Manager stated last week in our survey:

“We lack staff to provide the frequent, ongoing training to ensure good public service. We lack staff to provide good initial training for newly hired and recently promoted staff members.”

- In past years, funding shortfalls have forced SSA to cut back on program integrity activities, such as Continuing Disability Reviews (CDRs), which save \$10.30 in program costs for every \$1 spent in administrative dollars, and SSI eligibility redeterminations, which save \$7 for every \$1 spent in administrative dollars. This year SSA plans to process 235,000 CDRs and 1.2 million SSI redeterminations. This is 565,000 fewer CDRs and over 1.25 million fewer SSI redeterminations than were processed earlier this decade. These reductions are costing taxpayers a great deal of money because payments are made to ineligible individuals or are significantly higher amounts than the person is entitled to. In addition, the reduced rate of completed SSI redeterminations has caused the SSI benefit payment error rate to increase more than 23%, from 6.4% to 7.9% from FY 2005 to FY 2006.

We asked our members in our survey last week if the quality of work product in their offices has declined in recent years due to loss of staff. Of those that supplied an answer, 65% strongly agreed or agreed that it had declined. Two members of management in our survey stated the following:

Manager Number One

“Our quality has greatly declined. During file and quality reviews, Claims Representatives consistently make mistakes while trying to move the work through quickly. There aren’t enough hours in the day to properly monitor the workloads. There is no way we can pull an employee to mentor new employees the way they should.”

Manager Number Two

“Quality is my biggest concern. I think training and mentoring and especially monitoring/reviewing are neglected. We just throw people on the floor and nobody has time to watch them or review what they are doing. We never find out about payment errors or processing errors unless we get a complaint or we run across it randomly.”

- Since FY 2006, SSA has eliminated 19 Field Offices. This is due to closing or merging of locations as the agency attempts to handle its increasing workloads with insufficient resources. SSA has also closed hundreds of contact stations in the past decade which reduces service to the most rural and underserved areas in the country. They have also reduced the hours of many contact stations. One Manager stated this in our survey from last week:

“We have reduced travel to contact stations to once per quarter. For the public this has made long trips to the Field Office an absolute necessity.”

At the same time there is a great need to open new offices to relieve very overcrowded locations with high waiting times. In 1984 there were 13 million people in the state of Texas. Today there are 23 million people. This is a 77% increase in population. In 24 years, one new office has opened (Mid-Cities) and one office (Nacogdoches) has closed. The population of Houston alone has doubled in the last 24 years. Yet, there are the same 6 offices with two-thirds of the staff. The same could also be said of the San Antonio area. And in Austin the population has also nearly doubled. Yet there is still only one office in Austin. Growing offices create crowding. Two Managers stated the following in response to our recent survey:

Manager Number One

“Our retirement, disability and enumeration workloads have increased considerably this last year. We don’t have enough parking. GSA has stated that even though people cruise our parking lot for an empty spot we are not allowed to have any additional parking. Our reception area is full a considerable part of the day with standing room only.”

Manager Number Two

“My office serves an area that has grown in size by at least 40% over the last few years and is projected to grow even more in the upcoming years. When our office was designed in 2001, the lobby area was built to accommodate about 20 people. Unfortunately, we now have standing room only as we almost always have more than 20 visitors waiting.

“There are not enough chairs to allow each person to sit, and as a result they either mill about the lobby, getting angrier by the minute or they stand outside the front door and wait until their number is called. I’ve known people to leave their chemotherapy treatments and come immediately to our office so they wouldn’t miss their appointment since it would take them weeks to get a new one. As our area continues to grow, I anticipate these types of situations will become more commonplace.”

- The agency’s policy bars the public in a metropolitan area with a Card Center from obtaining a new or replacement Social Security Card from any office in that metropolitan area other than the Card Center. Many of our customers are disabled or rely on public transportation. Traveling across town in major metropolitan areas in which the Card Centers are located can be difficult for them.

SSA’s New Workload Challenges: The Baby Boomers

SSA will continue to face significant workload challenges in future years. Due in large part to the aging of the baby boomers, the number of workers receiving Social Security retirement benefits will increase by about 13 million over the next 10 years. 80 million baby boomers will be eligible for benefits, or over 16,000 per working day. In a recent survey of NCSSMA members, one SSA Field Office Supervisor made this fairly typical comment: *“Visitor traffic is increasing due to the baby boomers as well as the increasing difficulty claimants are experiencing trying to contact us by phone. Many visitors indicate that they have tried to contact us by our office phone and the 800 Number to no avail. Our office wait times are increasing also causing more claimants to demand appointments instead of waiting for service.”*

Those retiring have important decisions to make about collecting their Social Security. Many will receive over a quarter of a million dollars in benefits over the course of their retirement. In fact the maximum benefit at full retirement this year is over \$26,000 per year. There are many options to consider when filing for benefits. Should you take your benefit as early as 62 if you are retired? Should you wait until your full retirement age of 66? Or even delay drawing benefits until age 70 and receive an even larger amount? When should a spouse take benefits? When should a widow take benefits? How will working affect your benefits? Unfortunately, reduced staffing inhibits our ability to provide guidance in these areas and many more applicants are left to “fend for themselves.”

These are complicated decisions that will affect the retiree for the rest of their life. SSA Field Offices have trained Claims Representatives that work with applicants to help them make these decisions. The concern is will there be enough trained Claims Representatives available to handle the volume of work we are expecting.

On average, it takes 3 to 4 years for a Claims Representative to be fully trained. SSA makes a substantial investment in these positions. SSA is now facing a retirement wave of the employees brought on in the 1970s, resulting in a significant loss of the agency’s institutional knowledge. It is imperative that SSA has an adequate number of Claims Representatives, an extremely important position in the agency. The challenge of the retirement wave is described in this statement by a Field Office Assistant Manager in our recent survey: *“The staff’s morale is beginning to fall. They can see the handwriting on the wall -- more work, less people. In fact, I believe the reason the seven that are leaving next January are leaving is because they are worn out and see no hope for improvement. It is very sad for our agency to be in this situation. We need to be training new employees to fill the void when the baby boomer employees leave us in mass quantity.”*

SSA and the Internet World

The Commissioner of Social Security recently testified before the House Ways and Means Committee that SSA is working to increase the number of online filings from the current level of 13%. He also stated that he expects the current 45-minute average online retirement filing time to drop to an average of 15 minutes. And finally he stated that anticipated changes in computer programs that will be introduced later this year will eventually allow for automatic processing of some claims, without anyone in SSA reviewing the cases.

We believe that an increased effort by SSA to offer an expanded number of internet applications does not significantly reduce the need for trained staff in the Field Offices. Claims filed over the internet need to be thoroughly reviewed by Claims Representatives. **There also needs to be a thorough discussion with each applicant for benefits after they file to ensure that they understand their options for receiving benefits.** It is highly unusual for an internet claim not to require recontact with the applicant and for the claim as submitted to result in an accurate payment if it were processed as received. Many Field Offices have to pull staff from interviewing or answering the phones to work on correcting the internet cases. This process is much different from when a Claims Representative takes a claim directly from a visitor or by phone. In these direct interaction cases recontact is normally not needed and thus there is less

multiple handling and the cases can be processed faster. Unfortunately SSA does not expect to have a new internet product that will improve the fallout that requires Field Offices to fix the internet claims until at least 2010.

Last week we surveyed NCSSMA members nationwide. In response to the question: **What percent of internet claims applications/forms received in your office require a significant amount of time to recontact the claimant, review and take corrective action to update the application/forms?**

The answers received were:

- a. less than 20%: 7%
- b. 20% - 40%: 21%
- c. 41% - 60%: 23%
- d. 61% - 80%: 28%
- e. 81% - 100%: 21%

Another question we asked was: **What is the average amount of time needed to take corrective action to update an incomplete or improperly completed internet application or form (include time for successful and unsuccessful attempts to recontact the applicant)?**

The answers received were:

- a. less than 5 minutes: 1%
- b. 5 - 10 minutes: 5%
- c. 11 - 15 minutes: 14%
- d. 16 - 20 minutes: 17%
- e. 21 - 25 minutes: 15%
- f. 26 - 30 minutes: 23%
- g. more than 30 minutes: 26%

We also asked this question: In what percent of internet retirement claims has the claimant selected a disadvantageous month of entitlement?

The answers received were:

- a. less than 20%: 33%
- b. 20% - 40%: 38%
- c. 41% - 60%: 22%
- d. 61% - 80%: 6%
- e. 81% - 100%: 2%

Three members of SSA management summarized last week the overall problem we are facing with internet claims:

Management Member Number One

“Internet claims are increasing. They are lengthy to complete by the customer. We have lists to work that are cumbersome and hard to keep track of. We are told to promote these services like mad – using Field Office staff that we really cannot afford to use for this purpose. Somehow, we

find a way. It's a conflict for some employees, to "sell" this great service to the public when we know we can take a claim faster and have a better product...but, we tell the public, "This is great, it's the way to go!" Internet services have their place and we do have a wonderful website, but more upgrades are needed. The agency needs additional funding to implement better electronic services."

Management Member Number Two

"We have seen a significant increase in internet usage. The main problem is that most people don't complete the internet disability forms. Most disability internet claims require recontact to obtain or clarify medical information. We rarely ever receive medical release forms from claimants who file internet appeals. We have to recontact them repeatedly. It is very difficult to reach our internet filers. It is difficult for them to call us back because our employees are constantly interviewing.

"We often have to deny internet disability claims for failure to pursue since many won't ever complete the internet disability report or send the medical release forms. Then when they finally send this information in after the denial, it creates even more work because we have to reload the information as new initial claims.

"The internet filers who file retirement claims are still working and difficult to reach."

Management Member Number Three

"We have a high volume of internet claims, of which I would say probably less than 1%, are completed properly. In addition, we are beginning to find that some statements made by online filers, especially regarding retirement test issues, were either not understood or just not answered properly by the online applicant."

SSA has traditionally provided information and guidance to applicants for retirement benefits to ensure that they select the most advantageous month of initial entitlement. We are concerned about a plan to have the claims of applicants who file for retirement benefits on the internet go to payment without any review by an SSA Claims Representative. Our concern is documented by the answer to the above question where so many of the respondents felt claimants are selecting the incorrect month of entitlement. We believe that there is the potential for overpayments, underpayments, loss of benefits and additional work to deal with the fallout from these incorrect payments being made. Sadly, this could cause a good deal of mental anguish to people during one of the most vulnerable times in their lives. This departure from one of the basic philosophical premises of SSA's administration of the program, that we'll be there to help the public make this difficult decision, is troubling.

The statements below from three NCSSMA members very effectively summarize the problem with selecting incorrect month of entitlements:

NCSSMA Member Number One

"Perhaps the most disturbing trend is the agency's stance that the internet will solve all of our problems and things like choosing the correct month of election to benefits and other quality concerns no longer matter. We had to be trained as Claims Representatives for 10 weeks or

more, but 15 minutes on the computer to decide your retirement benefit for the rest of your life is just fine? You only get one shot at retiring, it ought to be an informed decision.”

NCSSMA Member Number Two

“Many internet retirement claims are processed by members of the public and we are concerned that applicants are not always choosing the most advantageous month of election. For most applicants, a discussion of the pros and cons of different months of election is imperative. A “guess” may result in an adverse economic impact for a retiree for the rest of his life. This is something that none of us want to see.”

NCSSMA Member Number Three

“I am concerned with the level of understanding necessary to determine the proper month of election and entitlement. From my vantage point, it will take an enormous amount of education for many people to understand and make an educated decision of when and what they are getting.”

We are very skeptical that any computer program could be designed to fully substitute for the in-depth review and analysis that our Claims Representatives conduct for claimants filing for benefits. Again, we are discussing a quarter of a million dollar worth of benefits and the options on selecting these benefits are varied and can be very complicated. Would individuals turn over investing their own money to a computer without any human analysis? We don't believe SSA has developed a thinking computer, we are nowhere close. We do believe that new estimating software being produced by SSA can assist in educating the claimants on their choices. But this should be backed up by someone who is an expert at providing this assistance.

We are also concerned about being able to catch questionable retirement cases without a review of the case. The most common situation where this comes up is with self-employed individuals and corporate officers. These types of cases require a thorough interview to ensure benefits are actually payable.

We believe that the choice to file for benefits in person, by the phone or on the internet should be made by the individual claimants. It should not be a “one size fits all” process with the decision maker being SSA.

We would like to be very clear about the role of the internet in the SSA claims process. It is inevitable. Surely, over time, the internet will become a major, if not the major, method for people to conduct business with SSA. There exist now and there will always be people who neither prefer to use the internet nor who will be able to receive the benefit to which they are entitled by using this method. These people should be able to choose the service they want, especially as they have already paid for it.

A key concern we have at this time is that there is intense pressure on our employees to increase internet utilization in SSA at the same time the back end of the product we receive isn't fully ready for prime time. Once a tested and proven internet claims product that works better is released it would be more appropriate to market and try to increase utilization. But all claimants should have the choice to file a claim on the internet and not be pressured to do so. We are

aware of instances where some claimants come into a Field Office to file but are encouraged to go back home and file their claim on the internet. We believe this practice is occurring to meet intense pressure to attain internet percentage goals that are often set at regional and area levels.

Ask yourself this question: Would you be comfortable with your parent or grandparent filing over the internet for their Social Security retirement benefit, earned over a lifetime of hard work, *without any assistance or review*? **Eighty-one percent of our members in the survey completed last week stated that they would not be comfortable with such a situation.** One of the many reasons why is that the interview is not merely obtaining information necessary for a claim on that person's record, but also an exploration of benefits on other records and an explanation of the rights and responsibilities a beneficiary has.

We suggest devoting resources to web assistance where the claimant can contact us for immediate online help with their internet claim as this service grows more popular. Online web assistance has been discussed since the beginning of this decade and we still don't offer it. This option would of course require SSA staff to handle the web traffic. Those employees would be substituting an online contact for an applicant at their desk but the manpower needed to provide the service would still be required. As it is, SSA Field Offices cannot engage in a dialogue with the claimants by e-mail which could potentially save us a number of telephone calls and/or walk-in visitors. This restriction is due to the fact our communications over e-mail with the public are not secure. We also support developing a strong authentication of the claimant filing on the internet to prevent any fraud.

As we move to more internet applications being offered we need to ensure we provide the free support service SSA has always provided. If we aren't funded to provide internet assistance, the private sector will likely start offering this service, for a charge. Given the fact the public has paid for their benefits and the administrative support to pay their benefits, we believe all possible steps should be taken to prevent this from occurring.

SSA Lifetime Service

SSA provides a lifetime of service for its beneficiaries. We like to call it a lifetime "warranty" service. The public has the right to expect courteous explanations of complex subjects in language tailored to their level of understanding as much after benefits begin as they do before. As the number of beneficiaries continues to increase SSA will need an adequate level of staff to provide the service they expect and deserve.

The agency is beginning to see the leading edge of increased demands for this "warranty" service with the baby boomers now filing. As mentioned above we have seen about a million more people already this year compared with the same time last year. One Field Office Manager stated this in our recent survey: *"The staff usually feels overburdened with the never-ending volume of interviews. They are usually one after the other daily with no ending. They are in need of time at their desks to process the numerous listings and actions that go with them."*

The above quote is a fairly typical description of life in SSA Field Offices. Employees are busy running all day and have little time to train and complete thorough reviews of their cases. In

October 2007, the AARP Bulletin published an article sent to approximately 30 million households entitled, “*Social Security Meltdown: Will Anyone be Left to Help You?*” The article provided a number of examples of how service has been degrading in Field Offices. The article concludes with this statement by a retiring employee: “*I think what Social Security is looking at is the perfect storm.*” (See: http://www.aarp.org/bulletin/socialsec/the_line_starts_here.html.)

It is important to note that SSA pays out about \$600 billion a year to all Social Security beneficiaries, including \$100 billion to Social Security Disability beneficiaries. It also pays out about \$40 billion a year to SSI recipients. With these substantial amounts of funds being disbursed it is imperative that the SSA staffs who administer these funds have the necessary training and time to accurately process cases. Otherwise it is pennywise and pound foolish.

SSA’s Inadequate Field Office Telephone Service

SSA also handles an enormous volume of telephone calls to local Field Offices and Teleservice Centers. About 120 million calls are received by Field Offices and Teleservice Centers every year. The 800 Number had a busy rate of 7.5% in FY 2007 and handled about 59 million calls through agents and automation. At the same time over 60 million phone calls are directed to SSA Field Offices each year. An SSA study detailed that in FY 2006, 51% of callers who eventually reached a Field Office by telephone said that earlier in the day they had received a busy signal or were told all lines were busy. **It is extremely important to note that this study only measured the callers that actually reached the Field Office. Those who received busy signals or received a message that all lines were busy and never got through to the Field Office were not surveyed. As a result the 51% busy rate is a serious understatement of the problem.** Another factor that negatively influences the telephone service in Field Offices is the fact that they have twenty-year old telephone systems for which it is virtually impossible to obtain parts.

The combined pressures of the increasing numbers of visitors and telephone calls can be seen in these recent, and very typical, statements in our survey by three Field Office Managers:

Manager Number One

“Traffic is up across the board. We are fighting a two-front war with rubber bands and toilet paper. On the one front, we have the phones. Despite our diverting more resources to the phones, the busy rates are still through the roof and we receive constant complaints about inaccessibility. This drives people to drive in. And in our service area, that drive can be nearly 200 miles one way. Despite the distances, our front counter is jammed up nearly every day. Occasionally, the weather plays a role and we have a light day on the counter. But overall, average visitors to the office are up 35-50%. This is just a reflection of the inability of the agency to handle the phones. This causes us to divert extra attention to covering the front counters. Of course, with extra coverage on the phones and extra coverage on the counter and staffing resources down, that does not leave a lot of capacity to handle claims of any sort.”

Manager Number Two

“We are a large office without another office close by, so our walk-in traffic is tremendous. As “savvy” as the area is, not that many people want to use the internet. They try to use the

telephone, but you cannot get through to an office with one Service Representative answering the phone. We also have a large volume of foreign claimants who insist on coming into the office. If I had personal business with Social Security, I would not choose to come in or call my own office."

Manager Number Three

"Years ago I had to make a decision about telephone service. Do I cut back on the number of incoming lines and have the public get a busy signal or do I keep the incoming lines I have and let the telephones go unanswered. I chose the former and have listened to the gripes about not being able to through since that time. But I still feel that people are able to accept a busy signal more than they are an unanswered call."

This past Sunday, May 4, 2008, the Raleigh, North Carolina News & Observer ran a story headlined: "Boomers are put on hold." The following section is from that story:

"Every day this year, about 10,000 baby boomers turn 62.

Many will have questions about their Social Security benefits, but few will likely get answers -- at least not quickly.

The Social Security Administration has reduced its staffing by more than 5 percent since 2003, to about 60,000.

That means seniors such as Early L. Graham of Raleigh have dealt with long hold times and promises of call backs that never come.

"I had to call three different numbers before I got anyone on the phone," Graham said.

Brian Simpson, a spokesman at the Social Security office in Raleigh, said he hears similar complaints all the time.

Trying to handle customer demand with fewer employees, the agency has shifted some workers away from phone lines to front desks to assist walk-in clients.

Graham, 64, said he has tried for more than a year to resolve a complicated issue regarding his Social Security payments. On the rare occasions when he has gotten someone on the phone, he has had to explain his situation from the beginning.

Graham finally started keeping track of the people he spoke with, which has helped somewhat. Still, many of his questions remain unanswered.

If you are a baby boomer or the child of one, it's just a matter of time before you will have to contact the Social Security Administration. Brace yourself."

We also asked our members in last week's survey what percentage of the time they can provide prompt telephone service. **21% stated that they could provide it 0-20% of the time, 45% said they could provide it is 0-40% of the time and 68% said they could provide it 0-60% of the time.** The vast majority who said that they did not provide prompt service stated that they needed more staff to improve telephone service.

For many years SSA has stated that it wants to improve the 800 Number services. The FY 2009 budget states that SSA plans to have a 10% busy rate for FY 2009 and an average of a 330-second answering time for a call. (This is unchanged from FY 2008.) However, few resources have gone into improving the Field Office telephone service. There is no mention of any additional staffing resources being allocated in the FY 2009 budget to improve the telephone service provided by SSA's Field Offices. For years, SSA's annual reports have touted the 800 Number service. But these reports virtually ignore the state of our Field Office telephone service.

SSA Field Offices receive slightly more calls than the Teleservice Centers due in large part to language in the Omnibus Budget and Reconciliation Act of 1990. The two sections below required publication of local Field Office telephone numbers:

Social Security Notices-

Requires Social Security notices issued on or after July 1, 1991, to be written in clear and simple language and to contain the address and telephone number of the local office that serves the individual. If the notice is not produced in a local office, it must include the address of the local office servicing the individual and a telephone number through which that office can be reached.

Telephone Access-

Requires SSA to restore telephone access to local Social Security offices to the level generally available as of September 30, 1989, and to request the publication, in telephone directories, of telephone numbers and addresses of local offices that provide direct telephone access by May 4, 1991...

As a result of the provisions above, all SSA notices must include the local telephone number. This means the public has the telephone number of the local Field Office to call in addition to the 800 Number. SSA must also publish the Field Office phone number in the local phone directories, and online for those Field Offices that published their local phone number as of September 30, 1989.

Consequently, SSA Field Offices are being overwhelmed with phone calls. **This has created two classes of phone service: The 800 Number which provides a barely adequate level of service and the Field Office telephone service, which NCSSMA must describe as deplorable.** Answering the phone promptly and professionally, taking the time to fully understand the question and responding to it in language tailored to the customer's level of understanding will require more employees in the Field Offices and Teleservice Centers.

In past years SSA has experimented with forwarding calls to the 800 Number when the caller receives a busy signal while calling the Field Office. The caller usually receives an intercept message when a call is busy offering them the opportunity to have the 800 Number handle their call. The public has the option to accept having their call redirected or to redial to reach the Field Office later. Most callers do not accept this option. But there are enough that do so this helps alleviate some of the high busy rates in Field Offices.

But SSA has only been able to offer this service during non-peak periods (often summer) for a limited number of offices. The reason is that the 800 Number is already at staffing capacity to answer calls during most times of the year. The situation is much worse during the first three months of the year and the beginning of the month and week. Calls volumes are much higher. Benefit Authorizers in the Program Service Centers are taken off their work to assist in answering the 800 Number. This delays their own work and results in regular backlogs in the Program Service Centers. This is a key reason why these Program Service Centers are working overtime on Saturdays and Sundays.

Any plans to redirect Field Office calls to the 800 Number will require more staff for the 800 Number. Or simply more staff could be provided for the Field Offices to answer the phone calls since the public has made the choice to call the office.

Program Integrity Workloads

Earlier this decade, SSA Field Offices were processing 2.45 million SSI redeterminations and 800,000 medical Continuing Disability Reviews (CDRs) per year. The FY 2009 budget calls for 1,486,000 SSI redeterminations and 329,000 medical CDRs. This is about one million fewer redeterminations and over 450,000 fewer CDRs per year than earlier this decade.

Funding shortfalls have forced SSA to cut back on program integrity activities, such as Continuing Disability Reviews (CDRs), which save \$10.30 in program costs for every \$1 spent in administrative dollars; and SSI eligibility redeterminations, which save \$7 for every \$1 spent in administrative dollars. This year SSA plans to process only 235,000 CDRs. Due to recent reductions in processing CDRs, SSA is expected to have 1.225 million CDRs that should have been worked, but were instead deferred.

The average estimated savings for completing 10 CDRs in FY 2009 is \$8046. The average estimated savings for completing 7 redeterminations in FY 2009 is \$840. If the full contingent of CDRs and redeterminations were done in FY 2009, it could save taxpayers approximately \$4.78 billion.

In FY 2006, the agency's SSI accuracy rate with respect to overpayments was 92.1 percent with an error rate of 7.9 percent, which represented improper payments of \$3.2 billion. This is a statistically significant difference from the FY 2005 error rate with respect to overpayments of 6.4%, which represented \$2.5 billion in improper payments. SSA directly attributes this increase in the error rate to the *reduction* in the number of redeterminations conducted in FY 2006.

In our survey last week, one Supervisor told us the following:

“We have had three cases alone in our office that had not been selected for an SSI redetermination in recent years because of the freeze placed on them. These three cases alone had a combined overpayment of \$30,000. These overpayments could have been prevented if we would have had resources to do them sooner.”

If the number of direct service positions in the agency were increased, the number of SSI redeterminations and medical CDRs that SSA performs could be increased substantially. This would result in a **significant** savings of funds for taxpayers.

How Reduced Investments Have Affected Other SSA Services

The level of administrative funding that SSA has received in recent years has affected other parts of our agency's service so we very much recognize that the Field Offices are not an independent island and that all parts of the agency need to be fully funded. The following list highlights a few areas:

- As of the end of April 2008 about 756,000 cases, a near record high, were awaiting a hearing on an appealed claim, compared to only 312,000 cases at the beginning of FY 2000. Nearly 300,000 of these appeals are over 1 year old. Approximately 92,000 veterans have pending hearings. The average processing time for a hearing as of April 2008 was 517 days, up about 200 days from earlier this decade. These delays are in addition to the nearly nine months processing time for the initial claim and reconsideration claim filing that precede most appeals for a hearing. In addition, if a hearing is denied claimants wait on average another 200 days for the decision from the Appeals Council. Processing times are much higher in some Hearings Offices. For example the processing times in April for the Flint, Michigan Hearings Office was 762 days, the Portland, Oregon Hearings Office was 657 days, the Buffalo, New York Hearings Office was 653 days and the Seattle, Washington Hearings Office was 561 days.

The delays have wreaked untold havoc on the lives of thousands of individual Americans and their families. There have been many major media stories reported in the past year chronicling how disability applicants have lost their homes and families, and become more and more desperate as they wait for an answer from SSA. In 2008 stories have already run in the following states:

Alabama	Kansas	New York
California	Maine	North Carolina
Colorado	Maryland	North Dakota
Florida	Minnesota	Ohio
Georgia	Missouri	Oregon
Hawaii	Montana	Tennessee
Idaho	Nevada	Texas
Indiana	New Jersey	Wisconsin

Many do not have health insurance, and without approval for Social Security and SSI, will not be able to get any insurance. Thus, their health continues to decline. **Tragically, thousands of disability applicants have died while waiting for a hearing.**

- The Disability Determination Services (DDSs) lost about 1,300 positions from the beginning of FY 2006 to the end of April 2008. The attrition rate in recent years at the DDSs has averaged 12.7 % versus 6.8% for Federal government employees. This is due primarily to

the lower wage level of these jobs compared to other jobs within the area where these examiners work. This has forced the DDSs to invest large sums of money in training new staff, diverting precious dollars away from making quicker decisions.

- The Office of Disability Operations handles the disability cases that the Field Offices are unable to handle. The average amount of time it takes for a Benefit Authorizer to process a post-entitlement case they are assigned as of May 2, 2008 is 265 days. For Claims Authorizers it is 330 days. This is a primary reason why Congressional offices receive so many requests for assistance regarding the payment of disability claims. This is occurring even though the Office of Disability Operations (ODO) currently makes available 8 hours of overtime on Saturdays and 6 hours on Sunday. ODO has lost almost 600 positions since the beginning of FY 2005 and is losing a great deal of its institutional knowledge due to the retirement wave. The seven Program Service Centers nationwide, including ODO, have lost nearly 1,400 positions since the beginning of FY 2005, and can only replace 1 for every 2 losses this year.
- SSA's computer system faces fundamental challenges in its ability to deliver services. This was highlighted in the National Research Council Report released in August 2007. Much of SSA's system is built on COBOL-based operating systems, which is 1950s technology. This operating system is holding back SSA's ability to move forward into the 21st century. The report states in part: "SSA's current data-management approach continues to pose increasing risks. The approach faces increasing limits in the availability of staff that understands and can support SSA's technologically obsolete, customer solution. In addition, the approach precludes the use of valuable new technological capabilities and requires interruptions in service for batch updates, both of which impede the provision of desirable new e-services. (See the report: *Social Security Administration Electronic Service Provision: A Strategic Assessment*. http://www.nap.edu/nap-cgi/report.cgi?record_id=11920&type=pdfxsum)

Impact of the FY 2008 Budget on SSA's Resources

In our survey of our members last week, 81% said they did not have enough staff to keep their workloads current. The good news is that SSA is planning to hire more than 2,000 positions for the Field this year as well as positions in the Teleservice Centers, Payment Centers, Disability Determination Services (DDSs) and Hearings Offices. This is a great relief as the staffing in SSA and the Field Offices is at the lowest level since 1972. This hiring will be a major step forward in beginning to address the significant resources drain in Field Offices and all of SSA in recent years.

Despite the positive budget news for FY 2008, it will not be enough to replace the significant losses SSA has experienced over the last decade. We also believe it will not be enough to deal with the growing workloads and demands at SSA, many of which have been deferred.

SSA estimates that in FY 2009 it will have a staffing deficit of essentially 9,100 full-time staff compared to FY 2007 staffing levels for workloads and services in support of the public. The FY 2008 shortfall is 3,300 work years, and the FY 2009 shortfall is projected to be 4,800 work years. This is in addition to a shortfall in FY 2007 of 1,000 work years. All three of these

figures must be added together to see the cumulative shortfall of 9,100 staff work years. Included in this shortfall are important workloads and services that are **in addition** to the processing of new applications, e.g., representative payee accounting, recording earnings, and dealing with overpayments. The shortfall of 9,100 staff work years does not include the reduction in processing medical Continuing Disability Reviews and SSI redeterminations which are costing the taxpayers billions of dollars.

This shortfall means that there are fewer SSA employees available to carry out an ever-expanding menu of services and functions required from SSA that are critical to people with disabilities. Indeed, despite dramatically increased workloads, staffing levels up until this past month were at the lowest level since 1972. From the beginning of FY 2006 through March 2008, SSA's 1,267 Field Offices have lost nearly 1,900 Claims Representatives and 475 Service Representatives. The hiring for this year will have little impact on the ability of Field Offices to improve the answering of telephones because there has been such a growth in visitor traffic. The new staff hired in FY 2008 will be needed just to keep the visitor waiting times from continuing to degrade.

The Fiscal Year 2009 Budget and Past Budgets

The President has proposed a budget of \$10.327 billion for SSA's Limitation on Administrative Expenses (LAE) account for FY 2009. This is an increase of \$582 million, or 6% over the FY 2008 funding level. It is also \$730 million above what the President proposed for FY 2007. This significant increase in the President's recommended funding level for SSA is quite a departure from budget requests that have been proposed in recent years. In FY 2007, the President's proposed budget for SSA's administrative funding was only \$100 million over the proposed funding level for FY 2006.

We are supportive of this increased funding proposed by the President. We are also appreciative of the fact that Congress appropriated \$148 million more for SSA in FY 2008 than the President recommended. This reverses a trend over the past decade in which SSA received nearly \$1.0 billion less than the Administration requested and about \$4.0 billion less than the Commissioner's budget recommended. However, we believe that in order to meet all of SSA's service delivery responsibilities additional funding above the President's budget is necessary. The FY 2009 House and Senate Budget Resolutions both recommend \$240 million above the President's budget request for SSA. **We are very supportive of an increased level of funding of at least \$240 million above the President's budget.**

The Impact of Legislative Mandates

It is important to note that the mere under funding of SSA is not the only reason for our challenges. Increased responsibilities for SSA have added to our workloads and created degradation of our service. One Supervisor in our survey from last week summarized this problem:

“Increased staff is not the only solution. The new congressional mandates (prisoner reviews, Part D Medicare, SSI sanctions, SSI dedicated accounts, increased Representative Payee reviews, etc.) have made everyone’s job very difficult.”

We are also very concerned about legislative proposals pending in Congress to expand the use of e-Verify to confirm the employment eligibility of all employees. This provision could increase our visitors by 25%. Another proposal would require anyone who receives more than one earnings record in a year to verify their identity with SSA and provide proof of earnings. Currently about 45 million people receive more than one W-2 form a year. Almost all are U.S. citizens or legal aliens eligible to work. These provisions would require employees to visit our offices, which would **DOUBLE** the number of visitors.

SSA Funding and Strategic Planning

Through the years, SSA has issued many strategic plans and performance reports that set the future agency goals and direction. But past plans have usually had a short life. SSA spent considerable resources developing Vision 2010 that was released in 2000. But the plan was essentially shelved with the change of Administration. The new Commissioner then developed an extensive service delivery plan. But much of the promises of this plan fell by the wayside as SSA’s severe under funding set the agency back. Core agency dollars have been directed to the electronic disability process, a much-needed improvement, but at the expense of other areas in SSA.

Because of under funding SSA was forced to reduce funding directed to Field Offices. In addition, many other parts of the agency were also starved of resources. In SSA’s FY 2003 Performance and Accountability Report, the report stated:

“The Agency’s long-term goal is to eliminate backlogs for initial claims, hearings and appeals by 2008.” We all know that did not happen, rather the situation got much worse.

The reason we are focusing attention on these issues is that we must all take care not to believe that any current or future strategic plan will be a “silver bullet” for solving SSA’s problems without the commensurate level of funding needed to implement them.

SSA does need to have a strategic plan but we must not be lulled into thinking that these types of plans without the supporting resources will solve the deplorable Field Office telephone service or the unconscionable backlogs in the Hearings Offices.

It is also important to note that resources spent in Field Offices have consistently been a good investment as productivity in SSA Field Offices has continued to rise year after year. But, this increase in productivity cannot substitute for the past degradation or future increase in workloads SSA will face.

The Case for Increased Investment in the Field Offices and SSA

As mentioned earlier in this testimony, the President's proposed FY 2009 funding level for SSA's administrative resources is \$582 million above the FY 2008 level. Unfortunately, these additional funds would not provide sufficient resources to cover the many critical funding needs for SSA. Examples of just a few of the areas that need to be addressed at the agency:

- About \$417 million of the \$582 million would be expended just to address mandatory cost increases such as rent, guards, postage, pay raises, and employee benefits.

Field Offices need more staff to handle the increasing traffic and workloads. For example, we estimate that it would require the addition of at least four members to the staff of an average sized office of around 21 employees to address the increased volume of visitors and workloads we are expecting. These additional employees would handle phone traffic, provide service to the increasing number of visitors, especially with the baby boomers filing, and process more SSI redeterminations and CDRs. Offices of different sizes would need proportionate staffing increases. This investment would certainly have a tangible long-term positive impact on providing improved services at SSA. This year SSA will be able to add less than 1 position per average Field Office above its incurred losses. This can be demonstrated by these statements from two Managers in response to last week's survey:

Manager Number One

"We are hiring three employees this year but we are still not at the level we were five years ago. We would need to hire another four to five employees to be at the level we were. There are backlogs in all our workloads and phone calls are not returned timely, leaving customers very upset but employees do not have desk time to return these calls."

Manager Number Two

"Over the past year our office has lost three members of the staff due to retirement and termination. We anticipate losing up to six more in the next two years of our staff of approximately 30. We just received four hires and we expect this will improve our office's service times; however, it still will not be enough to meet the demands of our service area. Most days of the week people without an appointment wait 40 minutes to one hour to get up to the receptionist window. Once they check in, the wait if they do not have an appointment is anywhere from 1 to 3 hours. "

SSA Field Offices focus on hiring staff for a career. The base positions in Field Offices are the Claims Representative and Service Representative positions. It is widely acknowledged that the Field Office structure also serves as the "farm club" for the rest of SSA, as these positions provide the in-depth understanding of the Social Security program necessary to work in management and other staff positions in SSA. An investment in additional Field Office staff would have many years of long-term return for SSA as a whole.

- The Teleservice Centers need more staff to support the internet workload. The public needs to have online and phone support available when they have questions as they are completing an internet transaction.

- SSA needs a major infusion of funding to upgrade its computer system. The agency is using antiquated COBOL software. The Title II system that was built for SSA is quite antiquated. It is a major reason why there is so much fallout work that must be done by the Program Service Centers, which creates untold delays for beneficiaries.
- The hearings backlog is projected to remain at 682,000 hearings in FY 2009, well over the 312,000 hearings pending at the beginning of this decade. Hearing processing times are projected to still be in the 500-day range in FY 2009. The Appeals Council is not projected to have any improvement in their processing times with the target time staying at 240 days. This is true even with the additional hiring of Administrative Law Judges and many initiatives undertaken by SSA to streamline the hearings process. Most of this is due to the increased number of hearings that are expected to be filed. As a result, more resources will need to be invested in reducing the hearings backlog to a much more acceptable level, thus lessening the severe financial, physical and emotional impact of the protracted wait times.
- We also believe that a major infusion of resources is needed for the Office of Disability Operations, which currently has about 695,000 actions pending. In addition, the Mid-Atlantic Program Center is also severely backlogged with twice the backlog of the other Program Service Centers.
- The DDSs have also suffered significant staffing losses. They will be able to replace their losses this year but they will need more staff to process additional CDRs. In addition, with increased staffing levels they could screen certain hearings cases to see if they can be approved. This year the DDSs have approved about 8,000 hearing cases that were backlogged in Hearings Offices.

One area in the disability program where we believe that an increased investment in the disability process would reduce the backlogs and improve the fairness of the program is a truly random review of all initial and reconsideration disability cases. The review would be equally split between approvals and denials. Currently the law requires that 50% of all approved initial and reconsideration Title II disability cases and Title XVI adult disability and blindness cases be reviewed before a final approval is made. The intent of this was to lead to more consistency in approvals in all states. This review is conducted by SSA (a Federal Review) and not by the DDSs.

However, no more than 5% of the disapproved cases are reviewed. Thus, at least 95% of the denied cases are not reviewed. As a result, there is no early opportunity to prevent some cases from being sent to the Hearings Offices. This revised review method might actually be less expensive in the long run as it could reduce the very high cost of a full hearing at a Hearings Office.

The AARP Bulletin ran a second article in November 2007 entitled, “*They Died Waiting -- Lost in Social Security Hell.*” (See: http://www.aarp.org/bulletin/socialsec/sick_of_waiting.html). This article along with well over 100 other articles and news reports from all over the country published in the last year describe in vivid detail the damage that the growing backlogs have

caused to so many Americans in recent years. We believe we must find a solution to this situation, and soon.

We recognize that Congress will not be able to fund all of these resources needs in FY 2009. The SSA Advocacy Group sent a letter signed by 44 group members to the Office of Management and Budget (OMB) in November 2007 suggesting that SSA's funding for FY 2009 should be \$11.0 billion. We certainly recognize this would represent a considerable increase in SSA's budget. This is the amount that we believe is necessary to address the many challenges we have cited above.

The House and Senate passed FY 2009 Budget Resolutions both include language recommending funding of \$240 million above the President's budget request for SSA. **We recommend that FY 2009 appropriated funding for SSA's administrative resources be no less than the levels recommended by the House and Senate Budget Committees.**

We truly believe that this is the level of funding necessary to **begin** to address the growing challenges faced by the agency. If we do not address these challenges now, there will be a very real and negative impact on the citizens that we are obligated to serve every day.

As mentioned above, SSA's on duty staff has dropped to its lowest level since 1972, prior to SSA's assumption of the Supplemental Security Income program, while SSA's workloads are growing and will continue to grow at a very fast pace. In addition to the increased responsibilities mentioned above, SSA has also assumed responsibility for processing applications for the Low Income Subsidy and Income Related Medicare Adjustment provisions of the Medicare Modernization Act (MMA). While staff adjustments were made in 2005 to address workload assigned to SSA due to the MMA legislation those staffing gains have been lost to attrition.

SSA has a trust fund of about \$2.269 trillion dollars. The Social Security Trust Fund is intended to pay benefits to future beneficiaries and finance the operations of the Social Security Administration. The additional funding and investment we are proposing for SSA represent only a very small fraction of \$2.269 trillion. Certainly the workers of America deserve to have their taxes utilized to provide a fair and adequate level of service for the very benefits they worked so hard to receive.

We Are Here to Serve the American Public

The staff of SSA is very committed to serving the American public. But we must have the tools and resources to do so. Two Managers in these statements made last week eloquently state why this is so important:

Manager Number One

"In the past five years my staff has decreased from 16 employees to 11 employees. Half the year I don't have enough interviewers to interview all the people in my area that need an interview. We don't have enough interviewers.

“The public in my service area wants and deserves to talk to people who understand their situation and the economic situation in my part of the state where for example we have faced many plants closing. And the coal miner who can’t work deserves to have someone available to talk to.”

Manager Number Two

“Our office serves a military base that receives a lot of wounded soldiers returning from Iraq and Afghanistan. In the past 60 days, our pending military workload has increased 4 times. We do not have the staff to continue to handle this high-profile, critical workload and provide the service our soldiers deserve.”

Conclusion

We believe that the American public demands and deserves to receive accurate and timely service for the tax dollars they have paid to receive Social Security. **We urge that SSA be given increased funding of at least the levels proposed by the House and Senate Budget Resolutions. This additional investment in SSA would certainly begin the necessary process to restore the levels of service that the public deserves from SSA.**

On behalf of the members of NCSSMA and in support of the SSA Advocacy Group, I thank you again for the opportunity to submit this written testimony to the Committee. NCSSMA members are not only dedicated SSA employees, but they are also personally committed to the mission of the agency and to providing the best service possible to the American public. We respectfully ask that you consider our comments and would appreciate any assistance you can provide in ensuring that the American public receives the necessary service that they deserve from the Social Security Administration.