UNITED STATES GENERAL ACCOUNTING OFFICE
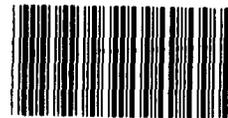
WASHINGTON, D.C. 20548

MAR 1 9 1982

HUMAN RESOURCES
DIVISION

117969

Mr. John A. Svahn
Commissioner of Social Security
Department of Health and Human Services

Dear Mr. Svahn:

> Subject: Social Security's Field Office Management Can
> be Improved and Millions Can be Saved Annually
> Through Increased Productivity (HRD-82-47)

On August 4, 1981, we briefed you and your staff on our
review of selected field office operations. This report
formalizes the results of our review.

The Social Security Administration (SSA) can save more than
$250 million annually by improving the management and produc-
tivity of its field offices. Gains can be achieved by (1)
establishing field office productivity goals and increasing
management focus on potential productivity gains; (2) improving
field office management information systems to improve management
and monitoring of goals; (3) improving headquarters communica-
tions to field offices including improving the design and control
of forms used by field offices; and (4) increasing automation of
field office clerical tasks, program eligibility decisions, and
benefit computations.

SSA operated more than 1,300 field offices nationwide at a
cost of almost $1 billion in fiscal 1981. Most contacts with the
public are made by field office employees. About half of SSA's
80,000 employees are in its field offices where about 7 million
claims for benefits were processed in fiscal 1980 and over 42
million transactions were handled.

We were encouraged by your May 22, 1981, testimony before
the Oversight and Social Security Subcommittees, House Committee
on Ways and Means, when you recognized that SSA faces "a crisis
in systems operations." You then described a general plan for
dealing with SSA's systems problems, including your intent to
reexamine SSA's total planning process, and said that SSA's
planning must integrate SSA's budget, field operations, and
manual processes, as well as its automated systems.

We agree that such planning is essential. Previous Commis-
sioners, however, have recognized the same need but failed to
capitalize on opportunities to improve field office operations.

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Therefore, your attention and support will be needed to assure that the opportunities to improve field office management and productivity are fully exploited as SSA continues to develop and implement its integrated planning.

OBJECTIVE, SCOPE, AND METHODOLOGY

In 1978, we surveyed SSA's field offices with the objective of identifying opportunities to improve their efficiency and effectiveness. We visited SSA headquarters and field and regional offices in Atlanta, Dallas, and San Francisco. We gathered data on field office management and information systems, work environments, and unexploited opportunities to improve operations. We held discussions with agency personnel, observed field office operations, analyzed information in the agency data base, reviewed agency instructions, and researched prior studies and reports.

We found a number of areas needing improvement related to field office management and productivity.

In November 1978, we briefed the former SSA Commissioner about the survey findings and he asked that we brief his top staff so SSA could begin corrective action. We briefed them in January 1979. We also gave the briefing to interested staff members of the House Ways and Means Subcommittee on Social Security. In a March 16, 1979 letter, the former Commissioner promised corrective action (see Appendix I).

In the Fall of 1980 and in early 1981, we checked to see what progress had been made in implementing corrective actions at field offices, specifically concentrating on productivity, information systems, and communications and forms. We also checked to see whether SSA had taken advantage of opportunities for increased automation at the field office level. We discussed these areas with SSA personnel in field, regional, and headquarters offices. We reviewed documents and analyzed data in SSA's work measurement systems. We evaluated the effectiveness of SSA's corrective actions by comparing conditions we noted in field offices in 1978 with conditions we found in 1980 and 1981.

To quantify the overall productivity improvement potential, we used the level of productivity achieved by the three most productive regions in fiscal 1978 as a goal for all regions and estimated that $122 million could be saved annually. The estimated savings is the difference between the goal and the other regions' actual productivity in fiscal 1980. The estimate, which is based on data from SSA's work measurement systems, is explained in more more detail in Appendix II. Also, we observed that SSA field

offices continue to lack an efficient and effective management information system.

With regard to communications between headquarters and field offices, we again received complaints by field personnel that excessive, poor quality instructions, forms, and related communications continued to detract from productivity. One of the techniques we used to measure the readability of headquarter's instructions was a "fog index." The index approximates the number of years of education needed to read instructions and other written material. Short simple words and sentences have a lower fog index and are considered easier to read. Although the index does not measure the reader's ability to understand the instructions, we believe the high level of education needed to read SSA instructions is a valid indication that such instructions are unnecessarily difficult to comprehend. This opinion was corroborated by several field office personnel with whom we spoke.

Finally, we estimated that an additional $134 million in annual savings could be realized through increased automation in SSA's field offices. We evaluated the effectiveness of SSA's actions to take advantage of automation opportunities. Through discussions with field and regional office personnel, we assessed whether significant reductions had been made in the manual efforts required to process SSA's field office workloads. We found that SSA's actions have been relatively minimal in this area and our savings estimate is based on reports by SSA consultants and personnel as explained in greater detail in Appendix III.

Our review was performed in compliance with GAO's current "Standards for Audit of Governmental Organizations, Programs, Activities, and Functions."

NEED TO ESTABLISH PRODUCTIVITY GOALS
AND FOCUS ON POTENTIAL PRODUCTIVITY GAINS

Productivity varies widely among SSA regions and field offices because field office productivity goals have not been established and because the opportunities to improve productivity, although known, have not received top management focus and attention. Additionally, SSA field offices need an automated management information system designed to provide timely, accurate, and reliable data for managing field office workloads and resources. Currently, each field office manager has wide latitude in choosing the procedures, techniques, and information systems used in managing workloads and people.

Productivity goals needed

SSA measures three dimensions of field office work: (1) processing time, measured in calendar days; (2) quality, usually viewed as payment accuracy or error rates; and (3) productivity, the hours of employee time required to produce a unit of work.

The dimensions given most attention by SSA management are processing time and quality. SSA management, at various levels, sets goals for improvement in these areas. Processing time and quality measures were also the largest quantitative items used in merit pay plans. In one region, for example, they accounted for up to 45 percent of the planned performance ranking criteria for merit pay.

Between fiscal years 1978 and 1980, all 10 SSA regions shortened their claims processing times, almost all improved their quality, and the range between the best and poorest performance was narrowed considerably. However, with a few exceptions, field office productivity, which lacked goals and comparable management attention, declined and the range between the most and least productive regions increased.

Taking and processing applications for benefits (initial claims) for SSA's three major programs 1/ account for slightly more than half of the work measured in field offices under SSA's work measurement system. The improvements in processing time and quality, and the decline in productivity, are illustrated by the following initial claims data for the retirement program.

SSA shortened the average time required to pay or deny a retirement claim from 50 days in fiscal 1978 to 31 days in 1980. The range between the high and low regional processing time was reduced as all regions improved during this period. Likewise, average payment accuracy improved from 93.9 to 96.3 percent between 1978 and 1980. The range between the high and low regions was reduced as all regions improved.

Productivity for retirement claims between 1978 and 1980 did not similarly improve; in fact, it slightly declined. The average employee hours allocated to this workload increased from 3.37 in 1978 to 3.45 hours per claim in 1980. Thus, an additional 246 staff years were required in 1980 to handle the retirement claims.

1/Retirement and Survivors Insurance (RSI); Disability Insurance (DI), and Supplemental Security Income (SSI).

Data on individual regions indicate there is not necessarily a connection between improvements in processing time and/or quality and decreases in productivity. One region, for example, showed improvement in all three categories; two other regions increased quality and shortened processing time while holding productivity at about the same level.

Although some of the improvements in processing time and/or quality are attributable to improved computer support and new techniques, SSA officials feel that improvements in these areas can, to a large extent, be attributed to the intense level of management interest and focus placed on achieving improvement in these areas. We agree and believe that management focus on and interest in productivity measures could achieve improvements in productivity similar to those achieved in processing time and quality.

Improved management information system needed

Although repeatedly recommended to SSA officials over at least the last seven years, field offices still lack an automated management information system designed for managing office workloads and assessing goal achievement by individual field office employees. The existing national system does not meet local managers needs for timely, accurate, and reliable information.

Depending on the region, a field office may receive up to 15 different reports at various times of the month. Generally, the reports are not timely or useful as a management tool within the field office. The reports indicate whether an office has performed well or poorly, but do not specifically diagnose why or identify individual performances within the office. Further, information contained in the reports covers only a fraction of an office's workload. For example, the post entitlement workload, which accounted for almost half of the field office work in 1980, lacks systematic controls and management reports.

To overcome the above deficiencies, the field office manager has to invent and operate manual information systems to manage the workload and assess individual performance. The "Social Security Administration User System Support Plan Fiscal Years 1981-1986" states:

> "In today's district office manual processes are virtually the only mechanism available for control of pending local workloads and for the gathering of management information about workload volume, processing time, employee performance, and so on."

In visiting a number of offices, we found the sophistication and usefulness of locally produced management information varied.

Almost all of the work performed by field office employees sooner or later results in input to SSA's centralized computer system. A system should be devised which captures the data essential to good field office management as field office work is entered into the computer system.

In our report on solving Social Security's computer problems (HRD-82-19, December 10, 1981), we discussed the need for SSA to perform certain data processing functions--such as the collection and reporting of district office management information--on field office programmable terminals with direct local storage. SSA decided to procure programmable terminals, but without direct storage. The decision reflected difficulties SSA experienced in defining functional requirements and in developing needed cost justifications for direct local storage capabilities.

In obtaining programmable terminals, SSA will be in a better position to determine whether processing can best be performed locally or at agency headquarters. However, over the years, a number of internal and external studies have criticized SSA's management information systems and made recommendations for improvement. SSA has refined and enhanced the data reported to field offices, but has not eliminated the need for locally devised and manually operated management information systems.

Improved management information
may lead to techniques and procedures
that promote productivity

SSA has not developed standard procedures or techniques for managing its field offices. As a result, productivity between SSA regions and field offices varies widely. The average work hours used in processing Retirement and Survivors claims ranged from 2.79 to 4.33 in the ten regions in 1980, for example. Some SSA officials believe that the variances in work hours are largely attributable to differences in the population served. For example, offices with high Supplemental Security Income workloads do not perform as well as other offices.

Although the demographics of the population served may influence the workload of an individual field office, we believe and some SSA officials have said that the management procedures and techniques used by the field office manager have a greater influence on the productivity of that office. We noted that high and low productivity rates are found in all types of offices.

Also many examples exist of field offices which, after changes in management, showed substantial improvement in performance.

In March 1979, about 100 SSA managers, identified as good performers, sent their views on effective management techniques to the central office in response to a request by SSA's Deputy Commissioner for Operations. Several managers cited dramatic improvements in office performance and attributed them to management efforts. Techniques often repeated included management's interest, office goals, tight workload controls, and weekly employee performance reports. A recurring theme in the managers' responses was that good management leads to success and that success achieved by one office can be achieved by others.

If SSA were to systematically study the techniques and procedures used by the most efficient and effective field offices and, to the degree possible, standardize those procedures and techniques, it could achieve gains in productivity.

FIELD OFFICE WORK ENVIRONMENT
IS NEEDLESSLY DIFFICULT

To administer SSA's programs, field office personnel need a stable body of knowledge based on simple and clearly written operating instructions; instead, they are overwhelmed by the volume and often poor quality of instructions. Poorly designed forms also complicate field office tasks. These longstanding problems, criticized in a number of internal and external studies since 1975, makes the field office work environment unnecessarily complex and the utility of many of the instructions marginal.

SSA has taken a number of actions to improve its communications, including the following:

--In 1978, SSA began to consolidate over 200 manuals into a Program Operations Manual System (POMS) in response to employee complaints that there were too many instructions from too many sources. POMS was to overcome SSA's fragmented instructions system. According to SSA, the majority of the manuals had been converted as of December 31, 1981.

--In 1980, SSA implemented an Instructions Tracking System (ITS) to establish a more disciplined process for issuing policy and procedure changes. According to SSA, ITS is a formal system to notify SSA components of proposed changes and promote planning for impact assessments, priority setting, and activities needed to implement the change. The ITS provides

periodic repor.s which allow for monitoring milestones
and target dates by officials in SSA components.

   In spite of SSA's actions, field offices are still over-
whelmed by the volume and often poor quality of instructions.
For example, during a 2-month period in the Fall of 1980, a
district office in the San Francisco region received instructions
totaling 1,150 pages of printed and teletyped material (averaging
about 28 pages per day) from the central and regional offices.
Nine-hundred and fifty-seven of the pages were from the central
office and 193 were from the regional office. The instructions
were either rewrites of existing policies and procedures into
the POMS format or they established new procedures; many also
changed, corrected, or clarified prior instructions. We noted
that 28 percent of the central office instructions included
corrections or clarifications of prior instructions. Teletypes
with emergency instructions, corrections, or clarifications
sometimes indicated they would be followed with printed instruc-
tions at a later date. About 45 percent of the regional
instructions involved corrections or clarifications of prior
instructions.

   An SSA headquarters official estimated that between August
1979 and August 1980, the central office issued about 17,000
pages of instructions and distributed copies of each page to
various SSA components. The official could not estimate the
number of pages sent to field offices. The maximum distribution
for a page of instructions was about 47,000 copies.

   We observed that field office people are expected to main-
tain and keep current more than 3 feet of instructions contained
in many binders. The communications are to be read, filed, and
acted upon, but field office employees told us that they lack
adequate time to keep up with all the communications. Further-
more, the communications lose their importance and credibility
when they are frequently corrected, clarified, and changed by
subsequent central or regional office communications. Teletypes
are not designed for filing in the manuals, but are to be kept
until they expire or are replaced by printed instructions. New
instructions are often received with directions not to implement
or file until notified later. We were told that it is not unusual
to discover, as instructions are filed, errors in page numbers or
references to other sections of the manual.

   Regional offices issue supplements to central office
instructions based on calls from field offices requesting
clarification or interpretation of a central office instruction.
For the 10-month period between May 1980 and February 1981, SSA's
10 regional offices produced more than 700 regional supplements

to central office instructions. No mechanism exists within SSA
to review the need for regional supplements before they are issued
or to determine whether different regions are developing and
issuing consistent supplements to deal with the same problem.

The supplements and corrections to central office instruc-
tions indicate that SSA is not properly testing instructions
prior to their issuance and does not have adequate quality con-
trols in place to minimize the need for supplements and corrections.
For example, the Social Security Amendments of 1980 (Public Law
96-265) made a number of changes to the Social Security Act which
required changes in SSA's operating policies and procedures. Due
to the lack of testing and related quality controls, the 1980
amendments resulted in SSA unnecessarily issuing an abundance
of changes, corrections, and clarifications to initial change
instructions. In one case, during June 1980, 9 central and
regional office communications changed, corrected, or clarified
instructions for dealing with one provision of the amendments.
In another case, an example used in instructions and accompanying
training material had different answers. At each of the regional
offices we visited, the staff had produced summaries or supple-
ments to central office instructions issued to implement the 1980
amendments.

Instructions need to be more
understandable

Due to the complaints we heard about central office instruc-
tions, we tested the readability of several central office instruc-
tions by applying what writing experts refer to as a "fog index."
We applied the index to three claims manuals and three POMS
instructions that appeared representative of those received by a
field office during a 2-month period in late 1980. The claims
manual issuances needed an average of more than 17 years of educa-
tion to read. The POMS manuals required an average of more than
15 years of education to read. In comparison, issues of the Wall
Street Journal required an average of 11 years of education to read.

Many users of the Claims and POMS manuals have less educa-
tion than the fog index would indicate was needed. Some claims
representatives, for example, have been promoted from clerical
positions in which the minimum education requirement was high
school graduation. One assistant district manager told us that
approximately half of the claims representatives in his office
obtained their positions from such promotions and were not college
graduates.

An SSA central office official told us that SSA's Instruc-
tions Tracking System should lead to improved instructions. He

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said that because of frequent legislative program changes there is often little time for obtaining comments on draft instructions and virtually no time to pilot-test final instructions. Draft instructions are usually sent to all 10 SSA regions, but only 2 or 3 regions are specifically asked for comments. According to regional officials, when there is little time to respond to central office requests for comments, the comments are prepared by regional rather than the field office people who will actually be expected to use the instructions. When time allows, comments are requested from selected field offices and the regional response will consider or incorporate the field office comments. A district office official told us that most often he or a supervisor responds to regional requests for comments. He said the time allocated for responding seldom permits obtaining comments from claims representatives or other intended users of the instructions.

We recognize that SSA often has a difficult problem in preparing and distributing instructions to implement legislatively mandated program changes. Implementation dates established in the legislation often give SSA little leeway. We believe, however, that SSA's continuing problems with instructions—evidenced by the frequent issuance of regional supplements—the frequent clarifications and corrections required, and the low credibility that the instructions have with many field office people, indicate the need for more field testing of and increased controls over instructions. Such field testing should directly involve the intended users of the instructions. Face-to-face meetings or telephone conversations between authors and selected users might be one way to field test instructions, within the same time frames now required to obtain written comments through channels.

Improved Forms Management Needed

A primary function of SSA's field offices is to obtain data from applicants or beneficiaries of Social Security programs. The data are used in deciding whether applicants are eligible for benefits, determining or changing the amount of benefits, and determining whether beneficiaries are still eligible. These tasks are complicated by the number of forms involved and different ways common data are handled on the forms.

In collecting and recording these data, field office personnel use a large number and variety of forms. For example, SSA has 8 application forms for Retirement and Survivors Insurance benefits alone. In addition, the application form generally serves as a lead for other supplementary forms. A retirement claim, depending on the person's situation, can involve 20 or more supplemental forms. In 1978, SSA had more than 500 forms authorized for field office use.

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The following excerpts from SSA studies and reports illustrate the problems with SSA forms:

"Data acquisition and input for programs as complex as those SSA administers will be at best a complex operation, but SSA's processes tend to make it more difficult than it needs to be. For instance, to obtain retirement test information...applications ask claimants to list months in which they did not earn over a specific amount; data input forms call for listing months in which the claimant did earn over the amount. 1/

"The forms used couch questions in legal phraseology and provide no clues as to what to do if the claimant does not understand the question. Any CR (claims representative) who attempted to read the question as written on the form would quickly run into a blank wall from most applicants,... In both group and individual discussions with CR's, considerable dissatisfaction was expressed with the forms. One of the most common views expressed was that forms were never tested in District offices before being adopted..." 2/

The lack of data and design standards for SSA forms result in inconsistencies between forms. These inconsistencies hamper productivity and lead to errors. For example, some forms require an applicant's or beneficiary's name to be entered last name first. Others require first name first. Still others do not specify the order. One form codes the applicant's sex as either 1 for male or 2 for female. Another form codes it "M" or "F." According to central office personnel, the author of the form is responsible for the content and wording, while the forms management branch provides guidance in the forms design and layout and then processes the form through printing. Everyone is responsible for the product, but there is no single focal point accountable for the form's quality, utility to the intended user,

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1/Survey of the Bureau of District Office Operations, March 1975, prepared by SSA's Management Survey Branch, Office of Administrative Appraisal and Planning, Office of Management and Administration.

2/Improvements in Interviewing in Social Security Administration Claims Processes Through Survey Techniques, February 1979, Preliminary Draft by Survey Research Laboratory, University of Illinois.

or consistency with other forms in layout and treatment of common data. Also, there is no single point to evaluate the continued need for forms when programs or other forms are changed.

FURTHER AUTOMATION IN FIELD OFFICES
COULD SAVE MILLIONS ANNUALLY

SSA's field offices offer opportunities for further automation that could substantially improve productivity. More importantly, since field offices are the primary source of information for SSA's automated system, they must be an integral consideration in SSA's on-going automation redesign and planning.

Much of the field office work is processed through inefficient operations, many of which are manual in nature, because SSA has not adequately employed modern computer technology. The inefficient operations are both labor intensive and error prone. They hinder program integrity because many complex eligibility and payment amount decisions, which have many exceptions, are done manually.

A number of reports by GAO and others since 1975 have criticized SSA computer practices and limitations and reported opportunities for automation that could reduce staffing by up to 11,400 people and save about $134 million annually. Most of the opportunities for further automation in field offices have not been exploited.

Excerpts from some of the studies and reports which show the opportunities for increased automation of field office tasks are included in Appendix IV.

A redesign of SSA's computer systems is long overdue. The redesign should automate program eligibility and payment amount decisions and make the systems easy to use. The redesign should result in a system where field office employees enter factual information about a person or events in the person's life and the computer follows the complex program decision logic to consistently accurate decisions. Through the redesign, common data could be handled consistently on SSA forms, instructions, and in computer systems; field office management information could be produced as a byproduct of operations and much duplication in field office input could be eliminated. A detailed discussion of SSA's problems and efforts related to its computer system redesign is contained in GAO's report entitled "Solving Social Security's Computer Problems: Comprehensive Action Plan And Better Management Needed" (HRD-82-19, December 10, 1981).

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CONCLUSIONS AND RECOMMENDATIONS

Your testimony and planning initiatives we referred to on page 1 indicate that SSA is again in the initial phases of corrective action. Action on the opportunities to improve field office operations should be an integral part of SSA's plans for resolving its current crisis in systems operations. We believe that imaginative and innovative SSA actions are needed. The cost of delay is over $20 million per month in lost productivity alone.

Your attention and support are needed and we recommend that you:

--Establish productivity goals for field operations along with accurate and reliable systems to monitor them.

--Develop and implement an automated field office workload control and management information system for managing the workload and appraising individual employee performance.

--Establish in the central office a focal point accountable for the quality and utility of instructions and forms. The focal point should be responsible for assessing the impact of changing instructions and forms on field office operations and personnel and for field testing instructions and forms.

--Establish and enforce data standards for common data. Handling common data in a consistent manner may reduce operational complexity, the number of forms currently in use, and the potential for errors.

--Aggressively pursue opportunities to improve field office productivity through increased automation of field office tasks. Achievement of these opportunities should be an integral part of SSA's plan for resolving the current computer system problems.

We appreciate the cooperation extended us during our review and we would appreciate being informed of your actions taken on the recommendatons contained in this report. Copies of the

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report are being sent to the cognizant congressional committees; the Secretary, Health and Human Services (HHS), OIG Audit, HHS; and your Office of Assessment.

Sincerely,
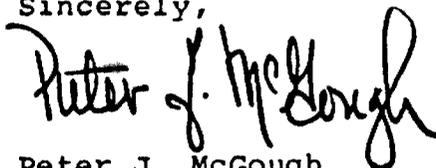
Peter J. McGough
Associate Director

Appendices (4)

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE
SOCIAL SECURITY ADMINISTRATION
BALTIMORE, MARYLAND 21235

MAR 16 1979

OFFICE OF THE COMMISSIONER

Mr. Gregory J. Ahart
Director, Human Resources Division
United States General Accounting Office
Washington, D. C.   20548

Dear Mr. Ahart:

Your staff has briefed our top officials several times in
recent months on the results of GAO's survey work on field
office operations.

The thrust of your work has pointed out the need for Social
Security to redirect its priorities to assure that our
field offices are better managed and that their needs are
met. Some of the specific areas which your staff pointed
out requiring improvement include the need for:

-- automated management information to assess
   individual employee performance and to
   eliminate the current practice of each
   office to manually summarize the data
   contained in the weekly District Office
   Workload Reports;

-- better controls over the volume and accuracy
   of communications and forms impacting on field
   offices;

-- adequate field testing of new procedures before
   being implemented;

-- removing computer system limitations and
   enhancing computational support to field
   offices;

-- improving field office work flow and layouts;
   and

-- making cost/benefit analysis of recommendations
   made by employees, internal and external study
   groups to improve field office operations
   .together with appropriate follow-up corrective
   action.

We are in agreement on these matters, and I have initiated
a number of specific actions to respond to the opportunities
to improve field performance and productivity. My staff has
discussed these actions with your staff and they agree that
effective implementation should greatly improve the problems
brought to our attention.

The current reorganization of SSA provides an effective
vehicle to deal with the resolution of the various matters
raised in your survey work. We have enhanced management
responsibility for and control of systems, operating
instructions, and other key functions that directly affect
the field offices. We are particularly taking action to upgrade
the quality of our communications with field offices.

SSA has already initiated various actions based on data
furnished by your staff while their work was on-going. For
example, your staff pointed out that field offices should be
provided computer assistance for SSI deeming computations being
done manually which is a cause of payment errors. Action
has been taken, effective January 21, 1979, to provide this
support on a nationwide basis. Other action now underway
involves bringing together in April 1979 some of the best field
office managers to begin the process of determining the critical
information necessary for successful management of field office
activities and resources. We would appreciate participation
of your Los Angeles team members in these series of meetings
in order to capitalize on their detailed knowledge of these
activities.

In closing, let me say we appreciate the cooperation and
assistance provided by your staff, particularly Mr. Joe Sokalski
of the Los Angeles Regional Office. We will continue to work

cooperatively with your staff with regard to their monitoring
of our actions. Mr. Sokalski's continued involvement will be
most helpful to us especially in providing detailed information
to various task forces and working groups that will be
developing the specific methods and procedures needed to be
adopted to bring about a final resolution of the problem areas
identified in the GAO survey.

                         Sincerely,

                         /S/ STANFORD G. ROSS

                         Stanford G. Ross
                         Commissioner of Social Security

POTENTIAL RESOURCE SAVINGS IMPLIED BY THE
RANGE OF PRODUCTIVITY BETWEEN SSA REGIONS

FISCAL YEAR 1980
8.279 MILLION HOURS
6,438 STAFF
$122 MILLION

We developed an estimate of the potential staffing and
cost savings from the resources required by SSA's 10 regions
to accomplish their fiscal 1980 workload. The estimates are
based upon the assumption that for each measured activity,
the level of productivity equaled or bettered by the 3 most
productive regions represents an attainable standard for all
regions.

This rationale was used to determine the productivity goal
(standard) for the fiscal 1978 work factors. 1/ The workload
of regions with a 1980 workfactor greater than the goal were
multiplied by the difference between their workfactor and the
goal to determine the hours of staff time involved. This staff
time for all workloads and regions was summed to determine that
8.279 million fewer hours would have been required for the fiscal
year 1980 workload if the work were performed at the level of
productivity equaled or bettered by 3 regions in fiscal 1978.

The estimates of staffing and cost were based on fiscal
1980 data for work units per workyear and average payroll costs.
The total hours of staff time were divided by the average work
units per workyear for the fourth quarter of 1980 to get the
number of staff involved. The number of staff was multiplied
by the 1980 average field office salary and fringe benefit cost
to get the potential dollar savings.

_____

1/Work factors are the amount of staff time allocated to a
  workload activity by SSA's work measurement system. Field
  offices accounted for over 76 million hours of staff time
  in fiscal 1980.

ESTIMATE OF SAVINGS FROM FURTHER AUTOMATION
IN SSA FIELD OFFICES

Data in the 2 studies below indicate that about $134 million annually, at 1980 staffing and salary levels, could be saved by further automation in SSA field offices.

A March 1979 report by Bolt, Beranek, and Newman, Inc., "The Impact of Computer Assistance on SSA Field Office Operations," pointed out several areas where substantial amounts of workyears were required for tasks that could be automated. Under an SSA contract, they conducted a preliminary study of the potential cost-effectiveness of introducing a computer system into the SSA field office to support the interviewing, development, and adjudication functions, and to perform the functions of data conversion, edit and exception processing, tally and control, technical review, and filing and retrieval of claims information. They concluded that the total savings in field office labor from a proposed automated process design would be about 10,800 posi-tions or $105.5 million at 1978 staffing and salary levels.

At 1980 staffing and salary levels, the potential savings would be about $123 million. This estimate comes from inflating the $105.5 million by 2 salary increases (effective October 1978 and 1979) and by assuming at least an average of 1 step increase during the 2 year period.

The "Social Security Administration User Systems Support Plan Fiscal Years 1981-1986" points out areas where additional field office savings are possible. From SSA's data we estimate 571 staff or $11 million at 1980 staffing and salary levels could be saved by further automation of field office operations.

EXCERPTS AND SUMMARIES FROM A FEW OF THE
STUDIES AND PLANS REGARDING SSA AUTOMATION OPPORTUNITIES

March 1975, Survey of the Bureau
of District Office Operations

The March 1975 report on the "Survey of the Bureau of District Office Operations" provided a comprehensive insight into field office operations and problems. We believe the following excerpts from various places in the report relate to current conditions.

> "Even with a multimillion dollar computer installation in its midst, SSA is essentially a paper process agency. BDP's 1/ objections notwithstanding, SSA uses its computers basically for information storage and retrieval. Aside from earnings record storage, the vast bulk of data in the SSA computers is inputted in conclusion or summary form by district offices and program centers. Even in the most advanced systems application we have (SSI) the DO 2/ inputs not raw data elements, but final data which has been manipulated manually in the office."

> "District offices today are tied to systems that require a tremendous and continuing investment in manpower for data conversion and data entry. Information obtained from applicants and beneficiaries must be interpreted, converted into systems language, entered on coding sheets, keyed and edited before it can be sent to the computer. Computer technology that is available today may be able to reduce substantially the amount of manpower needed for these operations."

1/The Bureau of Data Processing which was later merged into the Office of Systems during SSA's 1979 reorganization.

2/DO's refers to both district and branch offices.

"A good deal of preliminary thinking has already been
done on the application of computer technology to work
processes within DO's. Much of this planning had been
done by the BDOO's 1/ Systems Branch. Briefly, these
plans foresee a time within the next few years when a
DO (or a small group of DO's) will be served by a
minicomputer. Each DO interviewer will have a key-
board/display unit connected to the minicomputer.
Instead of using paper forms, the interviewer will
call up application formats from the computer and key
in the answers to the questions that appear on the
screen in simple English. The computer will edit
the answers and go on to the next question, skipping
questions that are not needed. If a paper copy is
needed, the interviewer will press a 'copy' key and
a printer will produce a copy of the completed appli-
cation, ready for the applicant's signature. When the
application is completed the interviewer will be able
to transmit the data for central processing by pressing
a 'transmit' key. The same keyboard/display unit will
provide on-line access to control data bases--the SSR
and MBR 2/. The minicomputer will automatically record
workload data and produce management statistics on
workloads. The system could also be used to "automate"
instructions. For instance, the Claims Manual could
be stored in a computer data base, and employees would
refer to it by calling up the sections they wanted to
see on their keyboard display units."

"We believe the most significant gains in DO manpower
utilization can be made through improvements in SSA's
telecommunications and claims processing systems. Our
recommendations in this area include the following:

     --Removal of current processing limitations
       in the SSI system should receive higher
       priority than presently being given, since
       this will produce a substantial saving in
       field manpower.

1/Bureau of District Office Operations.

2/Supplement Security Record and Master Beneficiary
   Record

--Other planned improvements in SSI systems,
RSDI Systems, e.g., (CAPS), and SSADARS 1/
should be implemented with all deliberate
speed.

--All new systems and systems changes should
be thoroughly validated and the field
should have adequate instructions and
lead time before implementation.

--The field should be much more extensively
involved in the planning and development of
systems that affect their operations...."

July 1975, Commissioner Cardwell's Memo

A July 1975 memorandom from former SSA Commissioner Cardwell
to the Secretary of HHS stated that the "Inventory Surveys of
Manpower Utilization in SSA" showed that to improve manpower
utilization, SSA needed to do a number of things, among them--
improve the automated data processing systems upon which operating
employees must depend to get SSA's work done.

March 1979, Impact of Computer Assistance

A March 1979 report by Bolt, Beranek, and Newman, Inc., "The
Impact of Computer Assistance on SSA Field Office Operations,"
pointed out several areas where substantial amounts of workyears
were required for tasks that could be automated. Under an SSA
contract, they conducted a preliminary study of the potential
cost-effectiveness of introducing a computer system into the
SSA field office to support the interviewing, development, and
adjudication functions, and to perform the functions of data
conversion, edit and exception processing, tally and control,
technical review, and filing and retrieval of claims information.

The District Office Work Sampling (DOWS) system was used,
with specially defined subcatgories, to determine DO staff time
used in performing certain functions in providing each SSA ser-
vice. They reported that about 6,000 workyears were required
for client contact and about 9,200 workyears for clerical sub-
activities. The clerical subactivities involved:

1/Claims Automated Processing System and SSA Data Acquisition
  and Response System.

Clerical Subactivities	Estimated Workyears
Data Conversion and Input	2,200
Edit and Exception Processing	400
Tally and Control	2,300
DO Review to Assure Technical Completeness	2,400
Filing and Retrieval of Folders	1,900
Total	9,200

They concluded that a proposed automated process design would subsume the clerical subactivities, that direct labor for interviewing would increase by about 1,900 work years annually, and direct labor for the 5 clerical activities would decrease by about 8,400 workyears annually. When the amount of non-workload related workyears in overhead and supervisory activities were factored in, the total savings in field office labor would be about 10,800 positions or $105.5 million at 1978 staffing and salary levels.

They estimated that, "information processing technology expected to be available in 1984 could provide the required automatic functions and support capabilities at an aggregate capital cost of $165.5 million to $231.4 million, depending on choice of local system architecture and function."

September 1980, User Systems Support Plan

SSA's September 1980 User System Support Plan (USSP) lists 12 major objectives in a plan for achieving long range agency objectives during the period from fiscal year 1981 through 1986. Statements in the plan illustrate the limited progress made on problems and opportunities for improving the use of SSA's computer resources. For example, excerpts indicate there has been little progress in removing SSI systems limitations even though the March 1975 survey we cited on page 20 recommended a higher priority be given to this opportunity to improve field operations.

USSP Objective 5, Elimination of Major SSI Systems Limitations:

Due to logical processing limitations, SSA has devised cumbersome labor-intensive field office procedures for "forcing" correct payments, for artificially terminating erroneous records which cannot be acted upon properly

by the automated system, for manual recreation and reentry
of a correct record, and for manual computation of payment
and/or overpayment amounts that cannot be correctly derived
by the SSI automated system. The computation process is
a core that is virtually impossible to touch without sending
vibrations down hundreds of different strands that radiate
out from it. Any changes must be tracked through all of
the hundreds of other modules in the SSI system to evaluate
the effect of the change. Redesigning the system is not a
practical possibility within the next 5 or 6 years covered
by the USSP. Changes will have to be made in controlled
phases.

Every record that must be terminated and reestablished as
a new record requires an average of 3.5 workhours per
quarter to process in the field office. Many (at least 50%)
involve some period of manual control in the field office,
including the manual computation of the correct benefit
amount. Although the process is a significant source of
errors, no overpayment study has ever tried to identify
the specific amount of overpayments that result from manual
computations.

It is currently estimated that the field spends 1,150
workyears annually preparing overpayment notices and on
corollary activities. Given sufficient resources, the
majority of the systems limitations could be eliminated--
eliminating death related systems limitations would save
about 190,000 workhours annually; further, automating
deeming of income could save an additional 25 workyears
annually; and, automating overpayment processing and
notices could save 210 workyears annually. SSA planned
to allocate 15.7 workyears to these projects in fiscal
years 1981-82.

The cost-benefits for eliminating systems limitations are
indisputable; and much of the preliminary ground work has
been completed for some time. Yet, for a number of valid
reasons, problems have gone uncorrected:

(1) Elimination of any one major limitation involves a
    substantial one-time resource commitment.

(2) Correction of any one of the major limitations
    necessitates comprehensive understanding of the
    ramifications of change throughout the entire
    SSI system.

(3) SSI can "live with" these problems in the sense
    that they do not prevent, or even substantially
    delay, delivery of essential services. They are
    costly in terms of workpower but, in the face of
    legislative and other mission-dependent needs
    being faced in other programs, it has been all
    too easy to defer elimination of the SSI systems
    limitations.