



Highlights of [GAO-05-97](#), a report to the Chairman, Committee on Finance, United States Senate

## Why GAO Did This Study

Through an initiative known as AeDib, the Social Security Administration (SSA) is implementing a system in which medical images and other documents that have traditionally been kept in paper folders will be stored in electronic folders, enabling disability offices—including SSA's 144 Office of Hearings and Appeals sites and 54 state disability determination services—to process disability claims electronically. This initiative supports a program that, in 2004, made payments of approximately \$113 billion to more than 14 million beneficiaries and their families. In March 2004, GAO recommended that SSA take steps to ensure the successful implementation of the electronic disability system.

GAO was asked to assess SSA's status in implementing AeDib and the actions the agency has taken in response to GAO's prior recommendations on this initiative.

## What GAO Recommends

GAO is making recommendations to the Commissioner of Social Security that focus on resolving operational problems with the electronic disability system and ensuring the continuity of electronic disability claims processing. In commenting on this report, SSA disagreed with GAO's recommendation for resolving problems with the electronic system, but agreed to implement plans for ensuring the continuity of disability claims processing.

[www.gao.gov/cgi-bin/getrpt?GAO-05-97](http://www.gao.gov/cgi-bin/getrpt?GAO-05-97).

To view the full product, including the scope and methodology, click on the link above. For more information, contact Linda Koontz at (202) 512-6240 or [koontzl@gao.gov](mailto:koontzl@gao.gov).

# ELECTRONIC DISABILITY CLAIMS PROCESSING

## SSA Is Proceeding with Its Accelerated Systems Initiative but Needs to Address Operational Issues

### What GAO Found

Since January 2004, SSA has been implementing its electronic disability system at 53 state disability determination services and 85 Office of Hearings and Appeals sites. It plans to complete implementation in all state sites by October 2005 and all hearings and appeals sites by November 2005.

Nonetheless, considerable work is needed before these entities will be ready to process all initial claims electronically. SSA's effort to certify all state offices to electronically process claims and maintain the electronic folder as an official claims record is not expected to be completed until January 2007. In addition, state disability officials expressed concerns about the system's operations and reliability and about limitations in their electronic processing capabilities. Accordingly, a number of the offices reported varying levels of system usage (see table), and their officials said that processing claims electronically generally took longer and consumed more resources than the previous method. Further, SSA and the state disability determination services lacked continuity of operations plans for ensuring that states could continue to process disability claims during emergencies.

As SSA has implemented its system, it has taken actions that supported three of GAO's five prior recommendations. It has initiated studies that could help validate AeDib planning assumptions, costs, and benefits. It has also approved new software and certified its systems for production. In addition, according to state disability officials, the agency had improved its communications with them. However, SSA did not demonstrate action on two recommendations calling for thorough testing of its interrelated system components before implementation and completion of risk mitigation strategies for the projects supporting the initiative. Thorough testing and risk mitigation strategies could have helped limit problems with the system's operation and other circumstances that could impede the project's success.

**Reported Use of the Electronic Disability System in Selected Disability Determination Services as of Late June 2005**

Disability determination services office	Implementation date	Percentage of examiners using new system	Percentage of initial disability cases being processed electronically
North Carolina	July 2003	100	100
Illinois	September 2003	100	100
California	October 2003	100	8
Mississippi	January 2004	100	100
South Carolina	March 2004	100	100
Florida	September 2004	31	4-5
Delaware	May 2005	100	19
Nebraska	June 2005	5	4

Source: GAO analysis of SSA and disability determination service data.

Note: The last column represents initial disability cases being processed electronically. However, as of late June 2005, California, Florida, Delaware, Nebraska, and North Carolina had not yet received all of the software they needed to be certified to perform exclusively electronic processing.