

STATEMENT BY

Witold Skwierczynski

President

American Federation of Government Employees

National Council of SSA Field Operations Locals, AFL-CIO

BEFORE THE

HOUSE WAYS AND MEANS

SUBCOMMITTEE ON SOCIAL SECURITY

ON

**OVERSIGHT HEARING ON SOCIAL SECURITY ADMINISTRATION FIELD OFFICE
SERVICE DELIVERY**

Hearing on APRIL 15, 2010

TESTIMONY

**Testimony of Witold Skwierczynski, President
AFGE National Council of SSA Field Operation Locals, AFL-CIO
Baltimore, MD**

Chairman Pomeroy, Ranking Member Johnson, and members of the Social Security Subcommittee, I respectfully submit this statement regarding SSA's Field Office Service Delivery. As President of the National Council of SSA Field Operations Locals, I speak on behalf of approximately 28,000 Social Security Administration (SSA) employees in over 1300 facilities. These employees work in Field Offices, Teleservice Centers, and Social Security Card Centers throughout the country where retirement, survivor and disability benefit applications, Supplemental Security Income (SSI) applications and appeal requests, and Social Security card applications are received, processed, and reviewed.

SSA employees are dedicated to providing the highest quality of service to the public in a compassionate manner. AFGE represents employees who are committed to serving communities in the face of a significant increase of work and insufficient field staff to process such work. Previous staff reductions in the field have had a lingering, detrimental effect on employee morale and, also, the ability for SSA to fulfill public service demands. Recent staff increases in FY 09 and FY 10 have primarily been used by Commissioner Astrue to reduce backlogs in the disability hearings workloads. Service delivery needs in field offices and teleservice centers have continued to suffer from increased workloads and minimal staff increases.

The primary message AFGE wants to convey to you today, with regards to service to the public, is that Social Security field offices and teleservice centers are in ***dire need*** of both increased staffing and Congressional oversight of its service delivery practices. Last year the General Accounting Office (GAO) issued a report (GAO-09-24) criticizing the failure of the Agency to develop a service delivery plan that describes how it will improve quality while managing a growing workload. GAO urged SSA to develop a plan which delineated standards for field office waiting time and phone services to help identify and correct poor performing facilities. Commissioner Astrue has refused to produce a comprehensive Service Delivery Plan for Congressional and public review. **AFGE strongly urges Congress to insist that Commissioner Astrue immediately comply with this request.** AFGE also requests that Congress instruct the Commissioner to consult with AFGE and SSA employees and seek their input in the development of the service delivery plan as required by Executive Order 13522. Such a plan can serve as a roadmap to the organizational structure and staffing resources that the Agency needs to implement and request in order to achieve service delivery standards.

The crisis in the disability program, as manifested in the unconscionable delays in processing disability application appeals, is primarily due to the failure to adequately fund administrative expenses. Staffing dropped to such a degree that Full Time Equivalent (FTE) positions in FY 08 were equivalent to FTE in 1972 or before SSA was assigned SSI. FTE reductions affected not only the disability workloads, but all of the important work that the Agency should be doing.

In May 2008, I testified before the Senate Finance Committee and stated the following:

“Unacceptable backlogs have escalated and critical integrity workloads are not done. Employees who work on the SSA front lines and interact with the public are assigned impossible workloads. They are expected to increase their productivity, interview more and more claimants, maintain a high level of accuracy, provide friendly and compassionate service when interacting with the public while Congress and the President not only assign more programs and workloads to the Agency but do so while reducing staff. Dedicated veteran employees are fed up with the deteriorating stressful work environment and count the days till they can retire. SSA changes priorities and engages in crisis management efforts to plug the rapidly multiplying holes in the dam. Employees are not asked or encouraged to provide input regarding what should be done to solve the Agency's problems. Instead they are just told what to do.”

It's with great disappointment that I must report that little has changed since I made this statement.

While budgets for FY 2009 and FY 2010 offer significant increases, much of the additional funding will be absorbed by computer and technology overhauls. The big staff increases were provided to the Agency's disability appeals operation. Staffing in field offices and teleservice centers was little more than 1:1 replacement. Very little of the money has been used to improve service delivery on the front lines in field offices and teleservice centers. The Commissioner's recent decision to provide 900 more positions in field offices appears to be a gesture that he made a week before this hearing to mollify this Committee. It is a drop in the bucket and insufficient to meet the service delivery needs of the American public. It is symptomatic of the failure of the Agency to have a comprehensive service delivery plan – one day we need staff in hearings offices, another day we need more staff for the field because a hearing is coming up, another day we need a new teleservice center in the chairman's district while staff in many other TSCs is cut.

The public finds it difficult to interact with a Social Security employee when they need assistance. In the aforementioned report the GAO reported¹ the service delivery in field offices has declined greatly in recent years. In FY 2008, more than 3 million customers waited for over 1 hour to be served, while 51 percent of customers calling field offices had calls go unanswered. (The current lost call percentage is 58% as cited in the April 8, 2010 hearing announcement.)

Staffing losses and increased workloads are the greatest factors contributing to processing delays, backlogs, and loss of service. AFGE strongly believes that the morale of field employees is very low. Employees experience great stress in trying to process assigned workloads and meet the public's needs. The GAO's 2009 field office study reported that 65% of employees surveyed felt great or very great stress on a daily basis and 74% of managers complained of high stress levels. Employees and managers complained about cutbacks in training and mentoring of new staff. They also spoke of skipping breaks and lunches and having guilt over taking leave due to the extreme pressure to complete impossible work demands. Unfortunately, there is no light at the end of tunnel. Disability and retirement program workloads are expected to grow 13 percent over the next five years.

iClaims

The Social Security Administration has provided some Internet services for almost a decade, but with mixed results. On the positive side, service can be initiated, and sometimes delivered, without contacting an SSA employee. The negative effects are not so obvious, and are not acknowledged **or** made public by the Agency. Unfortunately, little has been done to correct the serious problems.

Such problems include:

- Programming flaws and policies that fail to correctly identify “protective filing dates”
- Identity and privacy concerns
- Incorrect payments
- High volume of errors, resulting in re-contacts.
- Creation of a new backlog at Social Security
- Failure to authenticate the identities of applicants
- Reduction of advice and assistance to claimants regarding key benefit decisions
- Failure to explain applicant rights and responsibilities

¹ GAO Testimony before the Subcommittees on Income Security and family Support and Social Security, Committee on Ways and Means House of Representatives, March 24, 2009, *Further Actions Needed to Address Disability Claims and Service Delivery Challenges (GAO-09-5117)*.

SSA employees assist people who are elderly, disabled, often uneducated, poor and homeless. Many applicants struggle just to complete simple forms. SSA's applications have been created to obtain information which will meet all requirements of the law. SSA has invested millions of dollars to train its Claims Representatives (CR) to complete and process these applications. However, the Agency now asserts that someone without training or assistance can perform these functions correctly and efficiently. This is simply **not** the case.

Commissioner Astrue has testified that iClaims are more accurate than claims taken by SSA employees. What he is not telling Congress is that ALL iClaims are reviewed and corrected by SSA employees before payment can be authorized. In addition, the most common error, incorrect month of election, is not considered an error under Commissioner Astrue's financial literacy concept. Under this philosophy the client is responsible for determining the best time to begin their benefits and the SSA employee shouldn't interfere in that decision even if the claimant's choice appears clearly disadvantageous. This philosophy has led to many claimants making uninformed decisions which will result in thousands of dollars in lost benefits. However, since claimants can't make errors regarding the month they elect benefits, SSA's Internet statistics look good.

SSA **does not and will not** perform audits on the Internet claims at the point they are submitted by the applicant. Instead, the claim is reviewed **after** an SSA employee makes the necessary corrections. *This creates the illusion that the public completed the claims correctly.*

In February 2010, AFGE surveyed SSA employees responsible for reviewing and correcting iClaims. The results of the survey are shocking and the many provided narrative comments expressing their frustration with the iClaims policies. The complete results of the survey and comments are available at <http://www.zoomerang.com/Shared/SharedResultsPasswordPage.aspx?ID=L24742QZ4BBK>

In summary, employees reported:

- 49% report backlogged iClaims of 1 week or more.
- 74% reported it is necessary to contact at least $\frac{3}{4}$ of all applicants that they review. 90% report that they must contact at least $\frac{1}{2}$ of applicants that they review.
- 57% reported that contacts to correct marriage information were necessary for more than one-half of all claims.
- 50% reported that contacts are needed regarding incomplete information about children in more than one-half of all claims.
- 65% reported that re-contacts were necessary in more than one-half of all disability claims to determine a correct date of onset of the disability.
- 74% reported that insufficient medical information to process the claims is submitted with Internet disability claims in at least $\frac{3}{4}$ of the claims that they review.
- 69% report that more than one-half of all internet applications have incomplete work histories.
- 66% reported that at least $\frac{1}{2}$ of the applications reviewed had incomplete or incorrect wage information.
- 47% reported that at least $\frac{1}{2}$ of iClaims applications contain inadequate information regarding government pensions.
- 42% reported that iClaims contain incorrect military information $\frac{1}{2}$ of the time.
- 71% reported that applications requiring a contact result in 2 or more re-contacts.
- 62% reported that contacts with applicants take 30 minutes or more on average.
- 46% reported that applications submitted by "third parties" are more error prone than those submitted directly by the applicant.
- 61% reported that they disagree with SSA's policy to refer the public to the iClaims system, rather than to a Claims Representative.
- 81% reported that they disagree with SSA's policy that employees should not help applicants decide which month it would be best for benefit payments to begin
- 71% report that SSA's recently updated policies are in conflict with earlier instructions that have not been rescinded regarding "month of election" to benefits.
- 60% reported that they disagree with SSA's policy to forego development of recent earnings when processing applications.
- 45% believe that at least $\frac{1}{2}$ of Internet applications may be filed by someone other than the proper applicant.

Applications that have been incorrectly completed require SSA employees to contact and re-contact applicants who believe that they have completed the process. In many cases, **it takes days or weeks** to get in touch with the applicant. Employees strongly believe that if these claims were filed with the assistance of a trained SSA employee, they would have been done correctly – without the need for any re-contact!

In spite of these fundamental problems, Commissioner Michael Astrue has:

- increased the goal for claims completed on the Internet, rather than with SSA employee assistance, to 50% by the end of FY 2010;
- directed all SSA employees to aggressively promote this goal, and pass this message along to the public: use the Internet **rather than** call our 800-number or visit a local SSA office.

In some parts of the country, field office employees and 800-number agents have been directed to tell each and every person contacting Social Security: *“the next time you have a problem or want service, use our on-line services.”* This approach has not been well-received and is perceived by the public as rude. Some SSA employees have been documented for **NOT** telling the public to use the Internet. As the survey results show, it is the SSA employee experience that filing through the Internet is error prone and likely to result in loss of benefits and/or entitlement. Forcing employees to push Internet claims despite evidence that such claims result in lost benefits and entitlement implicates them in the fraud that the Agency is selling to the public about the effectiveness and accuracy of Internet claims.

Claims submitted by spouses, children, family members, or other third parties often lack information about prior marriages and/or children from prior marriages and/or relationships. Many times the person completing the forms simply does not know the relationship history of the applicant. By law, SSA must consider possible benefits for former spouses and/or children when processing an application. Without a proper interview and further investigation by a trained Claims Representative, these potential leads can be missed, and family members will not be paid the benefits they are due.

When an identified third party helps an applicant file for Social Security benefits on-line, we are required to obtain a signed Appointment of Representative (SSA-1696) form. The claimant must also complete and sign a Consent for Release of Information (SSA-3288) form before SSA can release any information to someone other than the claimant. The Internet claim system does not include these forms.

SSA employees are unable to identify and verify the person who filed the application for benefits on-line. Employees report that they have become aware of spouses, children, grandchildren, and unauthorized third parties (such as employees of the applicant) filing Internet claims. This creates the possibility of fraud, since claims can be easily filed using stolen identities. There is no authentication of the applicant’s identity at all, which is an industry standard for electronic financial transactions. Although the Agency currently requires mandatory review of claims there is no mandatory re-contact and, therefore, no mandatory verification of identity.

One of the worst facets of Internet claims is the policy decision that Commissioner Astrue made in conjunction with the implementation of such claims that employees were banned from explaining month of election choices with claimants whether they filed through the Internet, face-to-face or by telephone. Employees report in the AFGE survey that this gag order results in significant claimant loss of benefits. Over 50% of claimants would be re-contacted under the old rules and given an explanation of their options regarding when to effectuate their benefits. Many claimants do not fully understand that they may be eligible for reduced benefits and be ahead in total benefits received for many years. They deserve the explanation and the right to make informed decisions. The gag order is a way to reduce claimant interaction with employees and also to effectuate the flawed financial literacy philosophy. Certainly claimants may have other financial instruments and/or personal reasons for picking entitlement dates that appear disadvantageous. However, few claimants are savvy enough regarding the intricacies of “month of election” that they don’t need a basic explanation of their options before making a permanent decision on when to effectuate their benefit applications.

Employees report that disability Internet claims are especially problematic. Most are filled out poorly and are missing information regarding medical sources, and how the applicant’s condition affects their ability to work or take care of their day to day needs. Often claims are sent to the state Disability Determination Service (DDS) with incomplete information about an

individual's disabling condition. Such a poor initial product results in denials of claims and the beginning of the appellate nightmare. Full and complete information will enhance the likelihood of an accurate initial decision. Also, accurate decisions will lessen the appellate burden. So few claims are completed properly through the Internet that one must question whether there should even be an Internet option when someone files for disability benefits. Certainly, at minimum, Congress should demand that the Agency initiate a comprehensive study regarding the accuracy and completeness of the disability iClaims product.

Medicare Only Internet claims

Recently Commissioner Astrue expanded the Internet claims service offered by SSA to include Medicare Only applications. According to comments made by many employees who responded to the Union iClaims survey, allowing the public to file Medicare only claims via the Internet is a major mistake.

Although the survey did not have a question specifically addressing Medicare iClaims, many employees wrote narrative comments regarding this new Agency initiative. They universally felt that it was a bad idea. Employees reported that almost every time that they conducted a face-to-face or a teleclaims interview with a Medicare only applicant, such applicant changed their mind and filed for benefits after receiving an explanation regarding their entitlement to benefits.

Unfortunately, the Internet Medicare only application contains so few questions that it would be impossible for a reviewer to determine whether a Medicare only applicant is entitled to cash benefits. There are no questions regarding marriages, children or earnings. All of this information is key to cash benefit eligibility. Thus, a reviewer of Medicare only Internet claims would have little reason to re-contact the claimant regarding errors in the application. However, experienced interviewers ask such questions when Medicare only applicants file to determine their potential eligibility for benefits. Many are eligible for benefits and after receiving the explanation, file for them. This will not be possible with Internet Medicare only claims.

Surveyed employees feel that allowing Internet only Medicare claims is a major disservice to the public and that many applicants will lose thousands of dollars in benefits because they received no explanation regarding their potential eligibility for such benefits.

Congress should demand that SSA conduct a study to verify these employee contentions and ban Internet Medicare only claims until it can be shown that such claims capabilities do not result in benefit loss to a significant percentage of applicants.

The implementation of Medicare only Internet claims is an example of Commissioner Astrue's flawed decision-making process. This initiative was not piloted. Employee input was not sought by the Agency. Similar impetuous decision-making was utilized when earlier phases of Internet claims were implemented. The result was that the Agency has changed Internet claims formats at least 3 times to correct problems in the Internet applications which would have been discovered by either seeking employee input or by conducting pilots prior to full implementation.

New Policy Updates

The Commissioner announced last year that SSA's iClaims process would allow claimants to file Internet claims without SSA employee review starting this year. SSA employees and AFGE were shocked and appalled that such changes would proceed, due to the vast number of claims that require correction before decisions about entitlement or payment amount are effectuated.

The Commissioner has delayed implementation of a non-reviewed iclaims filing process. This delay should be permanent. In fact, Congress should insist on mandatory re-contact of claimants who file through the Internet. Errors, loss of benefits, loss of entitlement, incorrect benefit rates, lack of reporting instructions, etc. should lead to the conclusion that mandatory interviews are necessary for all claims received through the Internet. Congress should insist on it and also require SSA employees to fully explain benefit options to the public so that they can make informed decisions on when to effectuate their benefit entitlement.

SSA has been outsourcing inherently governmental functions of the Agency, by training and encouraging "third parties" to secure and develop retirement and disability benefit applications. According to the Office of Personnel Management, an "Inherently Governmental Activity" is one so intimately related to the public interest that Government employees must perform it. These functions include activities that require either the exercise of discretion in applying Government authority,

or the use of value judgments in making decisions for the Government. An inherently governmental function involves, among other things, the interpretation and execution of the laws of the United States including:

- Binding the United States to take or not to take some action by contract, policy, regulation, authorization, order, or otherwise;
- Determining, protecting, and advancing economic... property, or other interests by contract management, or otherwise;
- Significantly affecting the life, liberty, or property of private persons; or
- Exerting ultimate control over the acquisition, use, or disposition of United States property (real or personal, tangible or intangible), including establishing policies or procedures for the collection, control, or disbursement of appropriated and other federal funds.

The completion and development of retirement and disability benefit applications are, without a doubt, inherently governmental functions that should not be outsourced. In fact, SSA acknowledges such work as inherently governmental in the annual Federal Activities Inventory Reform (FAIR) report that they submit each year to OPM. Despite such acknowledgement SSA continues to aid and abet expanded third party involvement in the claims process.

As we move toward automated adjudication of claims, SSA employees are experiencing a fundamental cultural change in the Agency's traditional mission to pay the right person, the right amount, at the right time. ***SSA employees are now being instructed to stop providing information to the public regarding month of election decisions, there are limited reviews of internet claims, and applicants are expected to figure out for themselves which benefits they should apply for when they have potential entitlement to more than one type.*** Navigation through the complexities of the Social Security Administration's programs is fast becoming the responsibility of the claimant, rather than that of the Agency and of trained government employees.

What makes this action more disturbing, Commissioner Astrue recently released a broadcast to all employees introducing his "Financial Literacy Research Consortium" as a new Financial Literacy Initiative. In the broadcast and posted to the Financial Literacy Initiative, the Commissioner references a survey that was taken in 2007, which *"found that only 19 percent of workers can correctly identify the age at which they will be eligible for unreduced benefits from Social Security."* **Yet, in November 2009, Commissioner Astrue implemented iClaims with new policies that have prevented SSA employees from informing the public about their potential benefits, knowing that 81% of retired workers knew very little about the program and would likely make disadvantageous decisions about entitlement!**

The risk of benefit fraud is increased exponentially by plans to eventually process Internet claims to pay without employee contact or review. There is nothing to stop an individual from applying under someone else's Social Security number as long as they know the required basic identifying information, information that most spouses, ex-spouses, and identity thieves know or have access to. Commissioner Astrue's policies and plans open new paths to fraudulent claims and overpayments, as do his initiatives to increase third party involvement in the claims filing process. SSA employees have already been restricted from providing information about client month of election options. The policy is designed to pave the way for complete automation of claims processing.

Commissioner Astrue also intends to implement Claims Data Web Service/Third Party Bulk Claims Filing. Under these initiatives, SSA is soliciting private companies to take and electronically file retirement benefit applications. SSA is revising its long-standing regulations on who is considered a "proper applicant," so that private companies can take Social Security claims for their employees who are retiring. Initially, SSA employees would process the claims. However, again, with SSA's revised claims policies, some applicants will lose out on potential benefits and others will be overpaid since third party employers will not necessarily know their employees' future employment plans. The Commissioner's current policy of processing claims to pay without SSA employee assistance and limited review is in striking contrast to an SSA General Counsel opinion provided in

1996 and documented in a 1997 SSA/AFGE Third Party Assistance Team report to the AFGE/SSA National Partnership Council that only SSA employees may legally provide reporting rights and responsibilities to applicants. The opinion further stated that the rights and responsibilities must be communicated to applicants by phone or in person. Internet applications fail to meet this basic standard set forth by the Agency's legal office in 1996.

Loss of Protected Filing

An application filing date protects a person's claim for benefits. This date is often used to establish eligibility and to determine when benefits can begin. In accordance with 20 CFR .630, 408.330 and 416.330, SSA must use written statements to establish applicants' intent to file for benefits for themselves or for other persons. This is referred to as a protective filing, which serves to establish an application date. The law is clear that an expression of intent to file for benefits need not be on a specific form or any particular format. Therefore, the same rules apply to oral requests.

Because potential payments are involved, SSA is required to send letters to people who fail to keep appointments and notify them that their benefit rights will be protected for up to six (6) months. If SSA does not send this letter, the protective filing date is left open, and a person could be paid years of retroactive benefits if the matter is not closed-out properly.

However, SSA has decided **NOT** to apply this law to Internet claims. Under the current scenario, when someone attempts to initiate an application on SSA's Internet site but cannot complete it sufficiently, the claim is not considered filed and a protective filing date is not established. SSA issues a confirmation number to the individual to re-access the application. When, and if, a person completes the application and "submits" it to SSA, that is considered the date of filing. Listings and/or access to partially completed Internet claims are not available to field office employees to attempt claimant re-contacts to obtain a valid application. AFGE believes this failure to protect the applicant's intent to file a claim is a violation of law.

Internet Claims Processing and Backlog Potential

Offices handle Internet claims differently. In a few offices, Claims Representatives (CRs) can schedule an appointment to thoroughly review the application, remind the applicant of the documents that are needed, and check for any possible claims leads. Most offices force their employees to fit claims review work in between scheduled and unscheduled interviews. That most common method reduces the time needed by the employee to process and adjudicate their assigned work. Unlike the Medicare Part D subsidy program, SSA was not allocated any extra staff to handle Internet claims. Nor has overtime been provided to process this new and growing workload. The potential for backlogs is great.

Payment errors will increase. Claimants are not familiar with the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO) provisions of the Social Security Act. One question asks about "non-covered earnings." How many people know what that is?

Applicants are often confused when choosing their Month of Entitlement (MOE). They do not know how the "annual earnings test" works, or what a "grace year" is. Very often, they will take advice from a friend or neighbor whose experience is very different from their own. The result can be a loss in benefits and Medicare coverage. SSA employees identify this as the most frequent error made in Internet claims that they are assigned to review.

AFGE survey respondents indicate that dual entitlement to widows and retirement benefits is a frequent source of Internet claims re-contact. Claimants often opt for the higher benefit when it may be advantageous to file for the lower benefit before unreduced retirement age and to switch to the higher benefit at the unreduced retirement age. Internet applicants often are re-contacted and after receiving an explanation from a CR withdraw one application for benefits and file another application.

AFGE urges Members of Congress to:

1) Direct Commissioner Astrue to

- **Cease implementation of any and all systems and/or policy changes that will result in, cause or allow incorrect entitlement decisions and benefit payments.**

- **Cease and desist in outsourcing Social Security Retirement and Disability claim functions;**
- **Institute policies that require SSA employees to contact all claimants filing their Retirement or Disability claims over the Internet, so that rights and responsibilities are explained;**
- **Review all previously processed Internet claims to ensure that those persons were entitled to the right benefits, and at the right amount.**
- **Perform audits on a statistically valid sample of submitted Internet claims, prior to SSA employee intervention, and report back to Congress by the end of FY 2010. The audits should capture the accuracy of the claim, any payment errors found, and the need to hand off to an SSA employee before a final decision.**
- **Provide Congress with the SSA General Counsel's guidance/rationale for concluding that the initiation of an Internet claim does not constitute a protective filing by law.**
- **Eliminate the 'gag order' regarding explaining month of election choices to filers for benefits.**

2) Request Authorizing Committees to hold hearings on the effects of Internet Claims on SSA workloads and beneficiaries, with the employees' AFGE representatives invited to testify.

Office Closures

In 2007, Commissioner Astrue closed 17 field offices, which was the highest number shut down in any previous year. Former Deputy Commissioner Linda McMahon briefed AFGE and confirmed that the Agency had plans to close up to 200 offices. AFGE determined that offices with less than 16 employees were potentially targeted for closure. SSA closed offices without addressing the potential adverse impact that such closures would have on the affected communities. AFGE alerted Congress of SSA's plans, which ultimately forced Commissioner Astrue to stop closing offices.

Unfortunately, it appears that the Commissioner is working on a revised plan to close offices. AFGE has discovered that the Chicago Region has developed an "office consolidation guide," and plans to roll it out in a few months. The plan² was identified on page 19 of the Chicago "**Assistant Regional Commissioner for Management Operations and Support's (ARC/MOS), Fiscal Year 2010 Workplan.**" This work plan outlines major projects to be undertaken by the ARC/MOS, which affect other SSA components directly or indirectly, and may depend on the availability of staff from other components and/or budgetary support. The report was posted to the SSA Chicago intranet site.

Closure of TSCs

AFGE has become concerned about the closing and potential closing of teleservice centers (TSCs). Commissioner Astrue has closed two TSCs, Portland, Oregon and St. Paul, Minnesota. Previous Commissioner Barnhart also never reopened the New Orleans TSC after it closed due to damages sustained as a result of Hurricane Katrina. In the Portland TSC closure, some employees were reassigned to field offices or other agency components, some were hired to work at the Veteran's Administration and some retired. In the case of the St. Paul TSC, many of the employees were assigned to work at the new Minneapolis Card Center and some were reassigned to other field offices.

² Chicago Regional Office, *Assistant Regional Commissioner for Management Operations and Support, Fiscal Year 2010 Workplan*

Prior to either TSC closing, there were signs of trouble, such as unexpected reassignment of employees to other facilities, and no replacement of lost staff. Each site had fewer than 50 employees, and was co-located in the same building or in close proximity to a field office.

AFGE has determined that there are a number of other TSCs that may face closure. Those include TSCs in Milwaukee, WI; Des Moines, IA; San Diego, CA; Denver, CO; Saddlebrook, NJ; Grand Prairie, TX; Cleveland, OH; and Indianapolis, IN. SSA is not replacing lost staff in these TSCs even though call volumes are increasing in the TSCs nationwide.

AFGE opposes any conversion of a TSC to a Social Security Card Center. These TSC closures have occurred at a time when GAO has confirmed that the public is having tremendous difficulty calling the 800 number or getting through to a field office. An additional factor which makes this conversion of TSCs to Card Centers more troubling is the fact that SSA is taking far fewer Social Security Number applications than anticipated in FY 2008 forecasts. In FY 2009, SSA processed 17.4 million SSN applications, although more than 20 million were expected to be processed by SSA.

SSA's decision to open a new TSC in Tennessee is curious in that staff in other TSCs is being reduced by the Agency. SSA has offered no explanation to AFGE regarding such discordant policies. In the meantime, call volumes escalate to the 800 number and staffing levels remain the same. SSA's response to increased call volume is to pressure TSRs to shorten their phone calls and, consequently, reduce service.

AFGE strongly recommends that:

1. **Congress direct SSA to cease and desist from taking any action to close field offices and TSCs.**

2. **Congress adopt language proposed by Rep. Brian Higgins (HR 5110) that would amend the Social Security Act (42 USC 904) to state:**
 - a. **The Commissioner may not close or otherwise limit public access to a field office of the Administration until 180 days after the date on which the Commissioner submits to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a detailed report outlining and justifying the process for selecting field offices and/or TeleService Centers (TSC) to be closed or otherwise have limited access; or to open and/or implement a Social Security Card Center (SSCC). Such report shall include:**
 - b. **An analysis of the criteria used for selecting field offices or TSCs for closure or limited access, as well as the opening of new Social Security Card Centers, and how the Commissioner analyzes and considers factors relating to transportation and communication burdens faced by seniors and the disabled;**
 - c. **A cost-benefit analysis for each field office and/or TSC closure or opening of a new SSCC that takes into account-**
 - d. **The anticipated savings as a result of the closure;**
 - e. **The anticipated burdens, including communication and transportation burdens, placed on elderly and disabled citizens; and**
 - f. **The anticipated costs associated with replacing the services lost by the closure.**

Social Security Card Centers

In the last few years, Social Security has opened several Card Centers throughout the United States in large metropolitan areas (Yonkers, Mt. Vernon NYC, Orlando, Las Vegas, Phoenix, Sacramento and Minneapolis). Existing personnel was used to staff these new offices, and Social Security Commissioner Astrue intends to open at least 20 more over the next few years, at least 3 more by the end of 2011. The card center concept has proven to be a bad idea and a tremendous inconvenience to the American public.

During Fiscal Year 2009, SSA processed 17.4 million Social Security Number (SSN) applications for new or replacement Social Security cards. Most of them were processed in local field offices convenient to the applicant. Virtually all of SSA's field office staff has been trained to process SSN applications. Service Representatives (SRs) routinely process SSN applications daily.

No action has been taken by the Administration to insure that Card Center employees either maintain their expertise (through job rotation) or are provided alternative career pathways. SRs perform a wide range of functions in field offices. SRs in Card Centers only do one thing – process SSN applications.

SSA claims that employees at Card Centers develop expertise which guarantees higher accuracy and less likelihood of identity theft problems. SSA has conducted no studies or analysis to substantiate such assertions. Since SRs in field offices do SSN work frequently, they should have similar expertise as Card Center SRs. SSA also has not asked the public whether they prefer two-stop service to one stop service. Where Card Centers exist, the public in a broad geographic area is required to do virtually all their SSN card business in the Card Center. Virtually all card work in Card Centers must be done face to face. This face to face requirement does not exist for customers outside of the jurisdiction of Card Centers. Local full service offices in the service area of a Card Center are no longer permitted to do SSN card work. In some cases this requires the public to travel long distances to get their SSA card business done. For example, the Las Vegas Card Center services a five county jurisdiction where outlying cities are as far as 265 miles from the card center; and the Phoenix card centers cover the service areas of five field offices where outlying cities are as far as 50 miles from the closest card center. The Orlando Card Center services customers up to 90 miles from the office.

SSA has not taken public transportation availability into account when deciding where to establish Card Centers. The Las Vegas Card Center is not on a bus route. The Houston Card Center scheduled to open soon is also not accessible by public transportation. Not only is this the antithesis of SSA's environmental commitment in their recent Strategic Plan about "getting to green," but this refusal to incorporate community transportation requirements in their Card Center strategy indicates a crass lack of concern regarding mobility requirements for SSA's aged, disabled, and low income customers.

Historically, SSA has always required its offices to be full service facilities. There are no offices exclusively devoted to disability or retirement claims. All field offices process whatever business the public has with SSA. SSA surveys of public satisfaction have confirmed that applicants prefer to be served by one individual (i.e. a case worker) and that they prefer to conduct all their SSA business at one time and place (i.e., one stop service). Enumeration Card Centers only process Social Security card work. All other SSA business must be conducted at another location and by another SSA employee. Thus, these Card Centers are the opposite of the type of service that the public prefers. There is no logical reason to maintain the concept of Card Centers. It forces a great inconvenience on the American public.

An additional problem with the Card Centers is that employees assigned to work there quickly lose the expertise gained through the years to perform a broad range of SSA work. SSN work is only one of many functions that employees perform in a full service SSA office. Due to this loss of expertise, Card Center work is a dead end job with minimal promotional opportunities. SSA has done nothing to address this problem. Also, SSA assigned many employees against their will to work in Card Centers. Such heavy-handed tactics utilized by SSA leadership to staff these ill-advised Card Centers indicate a lack of sensitivity to the needs and aspirations of loyal, hard-working SSA employees.

AFGE urges Congress to direct Commissioner Astrue to suspend all plans to open additional Social Security Card Centers until this policy is reviewed and/or reversed, and to complete an analysis of the burdens faced by seniors and the disabled, including a cost benefit analysis for each Card Center.

800 Number Service

The SSA 800 number was considered one of the best 800 number services in the country 15 years ago. Unfortunately, higher call volumes, and the failure to increase staff in the Agency 800 number operation, have caused a significant deterioration in service. Call response times have increased, and more actions are being referred to automated systems rather than to live agents, which the public rejects according to information that AFGE has received from Teleservice Representatives (TSRs). SSA still uses a significant number of part time personnel called SPIKES who work in Program Service Centers and answer the phone on projected peak days. Part time phone personnel are diverted from their full time jobs processing claims and post entitlement actions to answering the increasing number of callers to the 800 number. Such diversion of personnel adversely affects SSA's ability to process claims and post entitlement actions timely. This increases calls to the 800 number, and visits and calls to field offices. Use of SPIKES should be terminated by SSA.

Due to staffing shortages, call agents have been subjected to stringent restrictions on their activities at the worksite. Agents are monitored regarding their availability for calls, length of calls, breaks and lunch times, length of bathroom time, etc. Severe restrictions on leave availability have been imposed due to the lack of available agents.

Real public service has been replaced with an illusion of service. SSA plans to install a Voice Over Internet Protocol (VOIP) phone system with more automated choices. The Union is unaware of any public surveys to determine whether more automated service is the public desire. 800-number agents are now expected to provide "service" in 264 seconds³ or less and are expected to read from generalized scripts. More in-depth conversations are strongly discouraged. Some managers discipline employees who exceed the average call time goal. The new phone system being installed will also require 800 number agents to perform additional services such as web chat, click to talk, web collaboration, and web call back. The Union has received no information from SSA regarding how current 800 number agents will dramatically increase their responsibilities in an already high stress environment with no additional staffing plans. AFGE seeks a moratorium on all expanded use of the 800 number agents until SSA engages in pre-decisional collaboration with AFGE pursuant to Executive Order 13522

AFGE continues to receive hundreds of complaints from 800 number agents around the country. These employees work in Teleservice Centers (800 number sites), Program Service Centers, the Data Operations Center in the Wilkes Barre, Pennsylvania Data Operations Center, (DOC) and the Office of Central Operations in Baltimore, Maryland. An increasing number of agents, mostly TSC employees, complain of working under "sweatshop" conditions. Social Security Administration management has been particularly hard on them, subjecting TSC employees to a hostile work environment, and denying them benefits and reasonable working conditions that other Social Security employees enjoy.

TSC employees are treated differently than other SSA employees regarding leave usage. Many TSC employees are required to provide onerous documentation for emergency sick and annual leave that is not required of other SSA employees. Excessive requests for medical documentation are common. AFGE has received numerous reports that TSC employees are allowed limited amounts of time for doctor appointments and treatments, and too often are called at home while on sick leave in an effort to coerce TSRs into working while ill. TSC employees are frequently denied leave for emergency childcare, bereavement, or to care for sick family members.

AFGE continues to urge each Member of Congress to visit the 800 number facility in or closest to their district, and talk to employees personally about the deplorable working conditions they have to endure.

Again, AFGE STRONGLY urges Congress to hold immediate hearings on the working conditions of SSA's 800 number agents. These situations would not be tolerated in the private sector nor would any member of Congress want them for their own family members.

³ Social Security Administration, *Justification of Estimates For Appropriations Committees, FY 2011, Annual Performance Plan, page 9*

Disability

Federalize the Disability Determination Services (DDS)

DDSs are in each of the 50 States plus the District of Columbia and Puerto Rico.

SSA reimburses the DDS for 100 percent of allowable expenditures up to approved funding authorizations. In FY 2009, SSA spent about \$2 billion to fund the State DDS operations, \$142,857.14 per DDS employee. About 14,000 DDS employees made 3.9 million disability claim medical decisions nationwide.

However, in 2009, 12 States instituted furloughs for State employees including DDS staff due to State budget deficits. Additionally, some States have implemented changes in hiring practices which may also affect the disability claims processing in the DDSs. AFGE strongly believes that these furloughs are a sign of the failure of the current bifurcated federal-state system to provide a quality disability decision product.

Unfortunately, this has occurred at a time when SSA is experiencing a significant increase in disability claims and has a 1.5 million backlog in Continuing Disability Reviews. Furloughs will continue to impact the number of disability determinations that can be made in many DDSs. SSA projects that the DDS system will have more than 1 million cases backlogged by the end of FY2010, an all-time high.

Furloughs for DDS employees are delaying the decisions on individuals' benefit applications by months, and harming many thousands of disabled claimants who are needlessly waiting for their claims to be processed. DDS employees and their families are suffering undue financial hardships. A new report issued by the SSA Inspector General⁴ estimates that in the State of California alone, more than 53,000 cases will be delayed in 2009 as a result of the State of California's furloughs.

The Social Security Act and Federal regulations give SSA limited control over the State DDSs, although the Agency fully funds them. However, federal law allows the Social Security Administrator to federalize DDS employees if a state "substantially fails" to live up to its responsibilities to process claims.

Congressman Bob Filner of California testified before the Committee on Ways and Means' Subcommittee on Social Security in November 2009. He testified that he intends to introduce legislation that will deem the State DDSs who furlough their employees a "substantial failure" and call for the federalization of the State DDSs.

AFGE applauds Congressman Filner for his willingness to take the necessary action to address the flawed and antiquated DDS system, and strongly supports his call for a legislative solution.

For more than 10 years, AFGE has continued to raise concerns about the inconsistency in medical decisions by the State DDS, and has also called for the federalization of the system. SSA's approach to disability, fails to address the problems and inadequacies of the State Disability Determination Services (DDS). AFGE strongly believes that if problems with inconsistent decisions at the initial claims level are addressed, appeals will diminish. Disability claimants deserve consistent initial claim and reconsideration decisions, and payments as soon as possible in the claims process.

Unfortunately, the chances for a claimant to be approved at the initial level have a lot to do with where they live and their income, rather than the nature of their disability. That's inherent in the system. Each state has different criteria for hiring Disability Examiners. Each state provides them with different pay and benefit packages. Some are unionized, while others are unorganized. Each state provides different training to their employees. Employee retention rates vary dramatically from state to state. In effect, there are 50 different disability programs when there should be one.

⁴ SSA OIG, November 18, 2009, *Impact of State budget Issues on Social Security Administration's Disability Programs (A-01-10-11096)*

For example, State Agency Operations records indicate that those who can obtain medical treatment early and often have a better chance of being approved for benefits than those who have limited income or resources and poor access to treatment. Nationwide, those applying for Social Security disability have a much greater chance of being approved than those who only apply for the Supplement Security Income (SSI) program that serves the low income population.

At the end of January 2010, 60 percent of Social Security disability claims for benefits were being approved in the New Jersey DDSs, while just 34.6 percent of those who filed for benefits were being approved in the Tennessee DDS. Utah approves the most initial SSI only disability cases - 52.4 percent. However, residents of West Virginia are approved just 16 percent of the time by the DDS in their state. The concurrent (Social Security/SSI) claim disability process also shows inexplicable variable allowance rates depending on the state of residence. Allowance rates are low in every state. In Texas the allowance rate was 32.7 percent. Only 16 percent of those filing concurrent disability claims were approved in West Virginia, and 17.9 percent in Tennessee. There is no evidence to show that residents of some states are twice as susceptible to becoming disabled as residents in other states. Obviously, different state initial claims approval rates have more to do with the bifurcated system than the health of residents of these states. Claimants are entitled to consistent decisions regardless of their state of residence or whether they are filing for Social Security or SSI disability benefits in our federal programs.

Updated February 1, 2010⁵

	Allow %	Deny %	Allow %	Deny %	Allow %	Deny %	Allow%	Deny %
National	46	54	35	65	25.1	74.9	69	31
California	43.2	56.8	37.2	62.8	24.9	75.1	65.4	34.6
Los Angeles								
East	47.3	52.7	47.5	52.5	30.8	69.2		
Florida	41.6	58.4	35	65	34.6	75.4	68.4	31.6
Tampa	35.8	64.2	31.2	68.8	17.5	82.5		
Kentucky	40.3	59.7	30.8	69.2	20.4	79.6	66.9	33.1
North Dakota	54.6	45.4	43.3	56.7	29.8	70.2	71.2	28.8
Ohio	46.1	53.9	28.4	71.6	20.8	79.2	71.2	28.8
Pennsylvania	45.2	54.8	34.1	65.9	20.2	79.8	70.2	29.8
Tennessee	34.6	65.4	28	72	17.9	82.1	72.1	27.9
Texas	49.4	50.6	41.8	58.2	32.7	67.3	58.6	41.4
Wisconsin	52.4	47.6	35.2	64.8	26.6	73.4	62	38

According to the Government Accountability Office (GAO), a majority of DDS's do not conduct long-term, comprehensive workforce planning, which would incorporate key strategies for recruiting, retaining, training and otherwise developing a workforce capable of meeting long-term goals. The State DDS's lack uniform minimum qualifications for Disability Examiners (DE's), have high turnover rates for employees, and do not provide ongoing training for DE's.

AFGE is convinced that SSA is not willing or able to correct these problems. AFGE has expressed these concerns to the Subcommittee for several years, and has seen little or no improvement with the State DDS situation. The State DDSs use different disability decision-making procedures than decision-makers at the hearing levels. This has not been addressed by this Administration. It is a key problem that must be reconciled in order to reform the disability system. AFGE strongly believes that the only way to resolve the problems that plague the State DDS' is to federalize them. ***This will bring***

⁵ Complete State DDS analysis available on www.afgec220.org.

consistency to the initial claims decisions in the same way that the Supplemental Security Income program that was established in 1974 created a uniform system of benefits for the low income blind, disabled and aged population.

As AFGE has emphasized in previous testimony before the House Ways and Means Social Security Subcommittee, the Disability Claims Manager (DCM) pilot (another SSA initiative) proved to be highly successful in addressing many problems in the disability program. DCMs were responsible for making decisions about the non-medical factors of entitlement, as well as the medical decisions for initial disability benefit claims. Processing time was significantly better than the bifurcated process. In fact, the DCM processing time of 62 days was just over half of SSA's initial disability claim processing time goal of 120 days. Customer service improved dramatically, and claimants expressed record high satisfaction rates with the DCM, even those whose claims were disallowed. The public preferred a process which allowed them to interact with the decision maker. Currently, the only interaction with the disability decision maker occurs at the hearing level, when the ALJ conducts the hearing. Observation of the impact of the alleged disabling condition and evaluation of the credibility of the claimant is a prime reason for the high percentage of reversals at the hearing level. If the system was reformed so that claimants could interact with decision makers at all levels, it would result in improvements in the initial claims process, and reduce the number of hearings that are filed.

SSA surveys indicated that the public preferred the DCM caseworker approach to the current process. The DCM was a positive step in ensuring the public that consistent and equitable disability decisions were made by the Agency. Unfortunately, despite the positive DCM experience, SSA terminated the pilot. Although SSA contended that the DCM would cost more than the current process, the pilot was terminated before valid statistical data could be compiled regarding full program costs.

It appears that the primary reason SSA terminated the DCM pilot was due to State resistance. Such resistance certainly was not based on a poor pilot result. Instead, the decision appears to have been based on political considerations and the fear of losing work. The concerns of the states are understandable in view of their unacceptably poor performance regarding decision consistency from state to state, and their poor processing time in comparison to the DCM. However, the only real criteria should be the level of service that is provided to the claimant. Using customer service as a measure, the DCM exceeded State DDS performance in virtually every category.

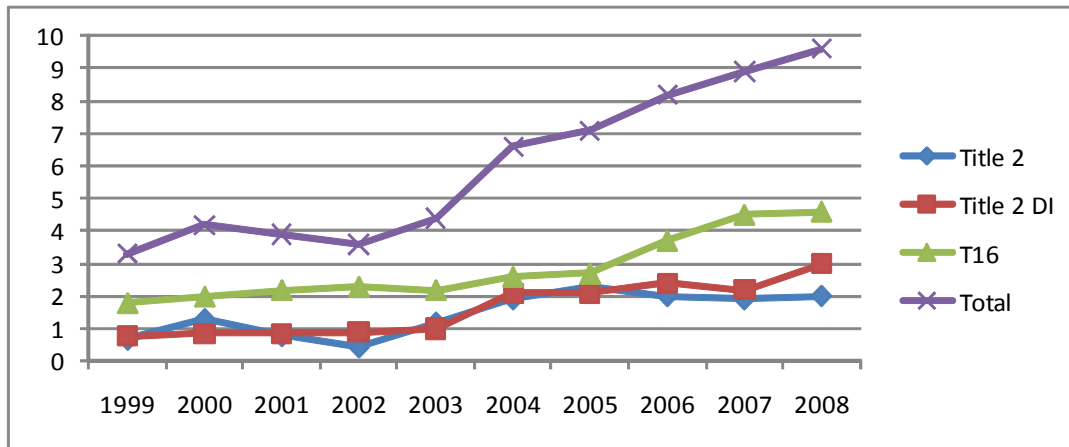
AFGE recommended to Commissioner Astrue that he reconsider the Agency decision to terminate the DCM pilot, and implement the position of the DCM at SSA as soon as possible. The Commissioner has not acted on AFGE's recommendation. The Union is willing to work with the Commissioner in an incremental approach to improving the disability process. We understand there will need to be changes in policy, procedures, and institutional arrangements, as well as funding to implement the DCM. However, we feel that federalizing the entire disability process is a key to improving disability claims processing and correcting the current appellate nightmare.

The Commissioner's recent decision to establish DDS extended service teams in four states to assist poor performing states is not the answer to the problem. The particular states selected have a record of low approval rates. Assuming this low approval rate continues, SSA will experience a high rate of appeals and increasing pressure on the hearings phase of the appellate process. Maintaining the DDS system will not solve the initial claims problem. Only bold action to federalize the disability process can bring uniformity and stability to disability claims processing.

Legislative amendments to the Social Security Act would be necessary to allow SSA workers to make disability decisions. However, the crisis in the disability program requires immediate and long-term changes. When trained to make medical decisions, SSA employees can provide immediate relief to backlogged state Disability Determination agencies, and provide faster and better service to the public by serving as a single point of contact. The pilot demonstrated that the public likes the DCM, employees enthusiastically support it, employees are capable of mastering all aspects of the claims process, and that it provides substantially better service than the current bifurcated disability process. As a short-term approach not requiring legislative change, AFGE is supportive of the "Technical Expert for Disability" position. It would provide high quality, trained field office employees the tools to assist disability claimants in both programmatic and medical issues, provide professional,

personalized service to applicants, focus the disability interview, make or recommend disability decisions, and assist the DDS's in their development and backlogs. This position could be utilized in the Commissioner's efforts to create a quick decision process for those claimants who are obviously disabled. In fact, training and enabling Technical Experts for Disability at the SSA field office would eliminate the current hand-off to the DDS of such claims. This should further streamline the process and result in even faster decisions.

Overpayments In Billions



Constraints on spending and on front-line staffing have damaged the integrity of the programs themselves. Continuing disability reviews are not being conducted on schedule, and Supplemental Security Income (SSI) eligibility reviews are being done too infrequently. With insufficient staff to handle the work, SSA relies too much on self-reporting by mail, rather than on a full examination of eligibility factors through an interview with a trained SSA employee. Continuing disability reviews save about \$10 for every \$1 spent on them, and SSI reviews about \$8 for every \$1 invested in them. Setting the work aside because of insufficient staff and funding is penny-wise and pound-foolish, but SSA has little choice because the disability claims and appeals crisis demands attention. These neglected workloads have contributed to record overpayments, **more than 9 Billion in FY 08⁶**, many of them now uncollectible, which have been criticized by the Government Accountability Office. **At the current rate of growth, AFGE expects to see a new record number of overpayments for FY 10, which may actually exceed SSA's administrative expense budget.**

Statistical Manipulation and Inappropriate Practices

While resources are limited and field/TSC staffing levels have not increased in relation to additional workloads, SSA management continues to engage in unethical behavior in processing work and measuring the amount of work completed. SSA management engages in a variety of questionable practices which are designed to enhance individual office statistical performance. Such practices include processing claims for individuals who are clearly ineligible for benefits, and padding statistics by taking unnecessary actions such as reissuing Medicare cards to every client in the office whether or not they request such cards. Systems tricks are employed by some managers to reflect inaccurate processing times in order to claim better statistical performance.

AFGE has initiated a survey of such practices and will report the results to the Committee. Management actions to manipulate statistical performance and to do unnecessary work to enhance statistical performance should not be tolerated by the Committee. Such practices adversely affect service delivery in SSA.

AFGE also objects to SSA's wasteful spending practices as evidenced by spending millions of trust fund dollars on unnecessary management conferences such as last summer's \$750,000 Tango in Phoenix. When resources are tight it is outrageous that Agency officials, including the Commissioner, sanctioned such a misuse of funds. It would behoove the agency to spend money

⁶ SSA Annual Performance and Accountability Reports for FY 2000-FY2008

to allow employees who do the work of the Agency to contribute ideas on how to provide better services for the American public rather than to spend money to allow managers to network and party.

In Conclusion

Although the prior two proposed budgets have provided significantly increased SSA LAE, there have not been enough resources provided SSA to deal with the tremendous workloads resulting from the applications filed by baby boomers and the increase in claims as a result of the recession. Unfortunately, there will always be budget priorities that conflict within SSA and throughout the Federal government. However, both workers and employers contribute to the Social Security system and are entitled to receive high quality service. It is entirely appropriate that spending for the administration of SSA programs be set at a level that fits the needs of Social Security's contributors and beneficiaries, rather than an arbitrary level that fits within the current political process.

In 2000, then Chairman Shaw and Rep. Benjamin Cardin reintroduced the Social Security Preparedness Act of 2000 (formerly H.R.5447), a bipartisan bill to prepare Social Security for the retiring baby boomers. AFGE strongly encourages this Subcommittee to reconsider introducing legislation that will provide SSA with the appropriate funding level to process all claims and all post-entitlement workloads timely.

Taking SSA's administrative expenses "off-budget" has vast support, not only from AFGE and SSA workers, but from senior and disability advocacy organizations. This would include AARP, the National Committee to Preserve Social Security and Medicare, the Alliance for Retired Americans, the Consortium for Citizens with Disabilities, and the Social Security Disability Coalition.

AFGE believes that by taking these administrative costs OFF-BUDGET with the rest of the Social Security program, Congress will still be able to provide strict oversight to ensure the administrative resources are being spent efficiently.

AFGE is committed to serve, as we always have in the past, as not only the employees' advocate, but also as a watchdog for clients, for taxpayers, and for their elected representatives.