



SOCIAL SECURITY

The Commissioner

June 6, 2017

The Honorable Thad Cochran
Chairman, Committee on Appropriations
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

We are pleased to share our fiscal year (FY) 2017 Operating Plan, as required by Section 516 of the Consolidated Appropriations Act, 2017 (Public Law 115-31).

Our Operating Plan provides proposed spending and expenditures for each of our accounts through the end of FY 2017 under the funding levels provided in the law. We hope that you find the information regarding workload and performance measures, which incorporate current workload projections, helpful. We also included a General Statement, which provides highlights of our Operating Plan.

We are sending similar letters to Senators Leahy, Blunt, and Murray, and Representatives Frelinghuysen, Lowey, Cole, and DeLauro.

We are happy to work with your staff to answer any questions about our Operating Plan. If you have questions or need additional information, please call me or have your staff call Bonnie Kind, our Associate Commissioner for the Office of Budget, at (410) 965-3501.

Sincerely,

Nancy A. Berryhill
Acting Commissioner

Enclosures

SOCIAL SECURITY ADMINISTRATION GENERAL STATEMENT

The Consolidated Appropriations Act, 2017 provides our agency with nearly \$12.482 billion in administrative funding for fiscal year (FY) 2017. This amount includes \$1.819 billion in dedicated program integrity funding, which remains available through March 31, 2018, and \$90 million to address the disability hearings backlog, which remains available through September 30, 2018.

The dedicated program integrity funding will allow us to continue to complete high levels of our cost-effective program integrity reviews. Two of our most important program integrity tools are medical continuing disability reviews (CDR) and Supplemental Security Income (SSI) non-medical redeterminations, which save billions of program dollars each year. Medical CDRs are periodic reevaluations to ensure that only beneficiaries who continue to meet SSA's standards for disability continue to receive benefits. Redeterminations are periodic reviews of non-medical eligibility factors, such as changes in living arrangements, income, and resources. In FY 2017, we plan to complete 870,000 full medical CDRs and 2.562 million SSI non-medical redeterminations. We also anticipate conducting work CDRs with these funds.

In addition, the program integrity funding we received will allow us to add one cooperative disability investigations (CDI) unit in New Jersey this year, bringing our total to 40 units across the country. CDI units are highly successful at detecting fraud before we make a disability decision. Each unit is staffed with employees from SSA, the Office of the Inspector General (OIG), and Disability Determination Services (DDS), who partner with local law enforcement to investigate fraud allegations.

For several years, we have had 25 Special Assistant United States Attorneys who prosecute cases of alleged Social Security fraud that the Department of Justice (DOJ) would not have otherwise prosecuted. They also serve as a deterrent against those who unlawfully attempt to receive Social Security benefits. In FY 2016, our fraud prosecutors successfully argued 196 cases and obtained \$14.7 million in restitution in 20 States and the Commonwealth of Puerto Rico. The appropriation supports expanding our corps to 35 attorneys in order to assist DOJ with prosecuting a greater proportion of the potential fraud caseload.

On the service front, we will be able to fund administrative law judge (ALJ) and support staff hiring to continue to implement our *Compassionate and Responsive Service* (CARES) plan to reduce the wait time for a disability hearing decision. More than 1.1 million people are waiting for a decision on their hearing request, and we expect to begin to reduce the backlog this year. With sustained funding, our goal is to reduce hearings wait times from over 580 days today to 270 days by the end of FY 2022. We are also implementing numerous initiatives to improve hearings capacity and efficiency. For example, we are expanding our video hearings capacity

and investing in technology that will reinforce the quality of our ALJ decisions. We also plan to revamp our hearings case processing system.

We will continue to support our frontline operations, such as our field offices, processing centers, and National 800 Number, by providing some critical hires. In addition, we will continue to implement efficiencies and ways to work better and smarter. Our administrative expenses are less than 1.3 percent of the combined Social Security and SSI benefits we pay, largely due to our increased automation and improved business processes.

Social Security Administration (SSA) Fiscal Year (FY) 2017
Operating Plan

**(Appropriated FY 2017 Funds and Carryover / Transfers
of Unobligated Prior-Year Funds)
(\$ in millions)**

Budget Authority:

	<u>FY 2017 President's Budget</u>	<u>FY 2017 Available Funding</u>
<u>Payments to the Social Security Trust Funds (PTF)</u>		
Pension Reform	\$6.4	\$6.4
Unnegotiated Checks	5.0	5.0
Total Appropriation (P.L. 115-31)	\$11.4	\$11.4

	<u>FY 2017 President's Budget</u>	<u>FY 2017 Available Funding</u>
<u>Supplemental Security Income (SSI)</u>		
FY 2017 Benefit Payments, Total	\$52,941.7	\$52,941.7
FY 2017 First Quarter Advance (P.L. 114-113)	14,500.0	14,500.0
FY 2017 Appropriation	38,441.7	38,441.7

	<u>FY 2017 President's Budget</u>	<u>FY 2017 Available Funding</u>
<u>Supplemental Security Income (SSI)</u>		
Administrative Expenses, Total	5,234.1	5,029.4
Administrative Expenses (Regular)	5,234.1	3,706.5
Program Integrity	N/A	222.0
Additional Program Integrity	N/A	1,100.9

	<u>FY 2017 President's Budget</u>	<u>FY 2017 Available Funding</u>
<u>Supplemental Security Income (SSI)</u>		
Beneficiary Services	89.0	89.0
Research and Demonstration (R&D) Projects (FY 17 / FY 18 / FY 19)	58.0	44.1 ¹
Special Immigrant Visas	2.0	0.0
Total Appropriations (P.L. 114-113 and P.L. 115-31)	\$58,324.9	\$58,104.3

¹ An additional 13.9 million is available for reapportionment in FY 2018.

	<u>FY 2017 President's Budget</u>	<u>FY 2017 Available Funding</u>
<u>Supplemental Security Income (SSI) – Carryover of Unobligated FY 2016 Balances and Recoveries</u>		
Benefits	\$3224.0	\$4816.0
Administrative Expenses	48.0	886.8
Beneficiary Services	0.0	55.0
R&D (No Year)	5.1	0.0 ²
R&D (FY 15 / FY 16 / FY 17)	0.0	0.9
R&D (FY 16 / FY 17 / FY 18)	0.0	24.4
Total, Carryover of Unobligated FY 2016 Balances and Actual Recoveries	\$3,277.1	\$5,783.0
	<u>FY 2017 President's Budget</u>	<u>FY 2017 Available Funding</u>
<u>Supplemental Security Income (SSI) – Total Funds Available for FY 2017</u>	\$61,602.0	\$63,887.3
	<u>FY 2017 President's Budget</u>	<u>FY 2017 Available Funding</u>
<u>Limitation on Administrative Expenses (LAE)</u>		
Regular LAE	\$11,118.5 ³	\$10,446.6 ⁴
Program Integrity--Continuing Disability Reviews/Redeterminations (PI-CDRs/Redets)	273.0	N/A
PI-Additional CDRs/Redets	1,546.0	N/A
SSA Advisory Board	2.5	2.3
SSI User Fees	126.0	123.0
Non-Attorney Certification User Fee	1.0	1.0
Total Appropriated (P.L. 115-31)	\$13,067.0	\$10,572.9
	<u>FY 2017 President's Budget</u>	<u>FY 2017 Available Funding</u>
American Recovery and Reinvestment Act (P.L. 111-5)		
National Support Center Replacement	\$0.0	\$12.1

² An additional \$9.5M is available for reapportionment in FY 2018.

³ Excludes funding for dedicated PI (CDRs and Redeterminations).

⁴ Includes \$92.8 million for operation and maintenance of specific facilities delegated to SSA by the General Services Administration.

	<u>FY 2017 President's Budget</u>	<u>FY 2017 Available Funding</u>
Medicare Improvement for Patients and Providers Act (P.L. 110-275)		
Low Income Subsidy	\$5.9	\$11.7
	<u>FY 2017 President's Budget</u>	<u>FY 2017 Available Funding</u>
Other Available Funds:		
<u>Information Technology Systems (ITS) (No-Year) –</u>		
Carryover/Recoveries from Unobligated ITS Balances	\$262.0	\$125.7
Carryover/Recoveries of Other Unobligated Balances	\$0.0	\$57.5 ⁵
Hearing Backlog within Office of Disability Adjudication and Review (P.L. 115-31) (FY 17/FY 18)	N/A	\$90.0
PI-CDRs/Redets (P.L. 115-31) (FY 17 / FY 18)	N/A	\$273.0 ⁶
PI-Additional CDRs/Redets (P.L. 115-31) (FY 17 / FY 18)	N/A	\$1,564.0 ⁶
	<u>FY 2017 President's Budget</u>	<u>FY 2017 Available Funding</u>
Medicare Access and CHIP Reauthorization Act (P.L. 114-10) (FY 17 / FY 18)		
Medicare Access and CHIP Reauthorization Act	\$22.0	\$22.0
Carryover/Recoveries from Unobligated MACRA Balances (FY 15 / FY 16 / FY 17 / FY 18)	\$27.0	\$26.9
Carryover/Recoveries from Unobligated MACRA Balances (FY 16 / FY 17 / FY 18)	\$17.2	\$22.0
	<u>FY 2017 President's Budget</u>	<u>FY 2017 Available Funding</u>
<u>Office of the Inspector General (OIG), SSA</u>		
Federal Funds	\$31.0	\$29.8
Trust Funds	\$81.0	\$75.7
Total Appropriated (P.L. 115-31)	\$112.0	\$105.5

⁵ Includes authority from prior years carried over for the following purposes: \$37.2 million for operation and maintenance of specific facilities delegated to SSA by the General Services Administration, \$20.1 million for the renovation and modernization of the Arthur J. Altmeyer Building, \$180.6 thousand for construction, \$51.8 thousand for the Automation Investment Fund, and \$25.7 thousand for Disaster Relief.

⁶ PI funds available until March 31, 2018.

<u>Estimated Outlays</u>	<u>FY 2017 President's Budget</u>	<u>FY 2017 Available Funding</u>
PTF	\$11	\$11
LAE	\$13,070	\$12,626
SSI	\$61,624	\$59,729
OIG	\$112	\$106

Note: Totals may not add due to rounding.

FY 2017 Congressional Operating Plan Performance Table

Social Security Administration Workload and Outcome Measures	FY 2016 Enacted	FY 2016 Actual ¹		FY 2017 Enacted
		52-week	53-week	
Retirement and Survivors Claims				
Retirement and Survivors Claims Completed (thousands)	5,586	5,502	5,602	5,782
Disability Claims				
Initial Disability Claims Receipts (thousands) ²	2,756	2,582	2,638	2,499
Initial Disability Claims Completed (thousands)	2,695	2,627	2,689	2,455
Initial Disability Claims Pending (thousands)	733	576	568	612
Average Processing Time for Initial Disability Claims (days)	113	110	110	113
Disability Reconsiderations				
Disability Reconsiderations Completed (thousands)	702	653	667	581
Disability Reconsiderations Pending (thousands)	136	121	121	130
Average Processing Time for Disability Reconsiderations (days)	N/A	103	103	105
Hearings				
Hearings Receipts (thousands) ²	746	699	713	632
Hearings Completed (thousands)	703	637	652	683
Hearings Pending (thousands)	1,087	1,122	1,122	1,071
Annual Average Processing Time for Hearings Decisions (days) ³	540	543	545	605
National 800 Number				
National 800 Number Calls Handled (millions) ⁴	34	N/A	37	35
Average Speed of Answer (ASA) (seconds) ⁴	945	N/A	817	970
Agent Busy Rate (percent) ⁴	9.5%	N/A	8.9%	12%
Program Integrity				
Periodic Continuing Disability Reviews (CDR) Completed (thousands)	1,950	N/A	2,107	1,970
Full Medical CDRs (included above, thousands)	850	N/A	854	870
Supplemental Security Income Non-Medical Redeterminations Completed (thousands)	2,522	2,505	2,530	2,562
Selected Other Agency Workload Measures				
Social Security Numbers (SSN) Completed (millions)	16	17	17	16
Annual Earnings Items Completed (millions)	264	273	273	273
Social Security Statements Issued (millions) ⁵	38	47	48	10
Selected Production Workload Measures				
Disability Determination Services Production per Workyear	307	306	306	301
Disability Determination Services Accuracy Rates	97%	N/A	98%	97%
Office of Disability Adjudication and Review Production per Workyear	94	88	88	96

- 1 FY 2016 was a 53-week year for management information purposes. For comparison purposes to FYs 2017 and 2018, we are reporting both 52 and 53-week actual performance data.
- 2 Receipt totals are not a controlled workload and reflect actuarial estimates (enacted) and actual experience.
- 3 We developed management information for Average Processing Time for Disability Reconsiderations in FY 2013. FY 2014 is the first full fiscal year for which data are available for this measure. FY 2017 is the first fiscal year for which we had two years of actual data, so it is the first fiscal year for which we developed a target.
- 4 The data reported for FY 2016 is based on the fiscal year beginning 10/1/2015 and ending on 9/30/2016.
- 5 Social Security Statements Issued performance measure includes paper statements only; it does not include electronic statements issued. In FY 2016, *my Social Security* users accessed their Social Security Statements 40.5 million times.