

Agency Priority Goal Progress Report

Improve Supplemental Security Income Payment Accuracy

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APG Goal Statement and Targets

Improve the integrity of the Supplemental Security Income (SSI) program by focusing our efforts on reducing overpayments.

Annual Targets:

- FY 2018 - By September 30, 2018, achieve an SSI overpayment accuracy rate of 94 percent
- FY 2019 - By September 30, 2019, achieve an SSI overpayment accuracy rate of 94 percent

Overview

Established in 1972, the SSI program provides financial support to aged, blind, and disabled adults and children who have limited income and resources. In fiscal year (FY) 2017, we paid approximately \$51 billion in Federal benefits and State supplementary payments to over 8 million SSI recipients on average each month.

Our greatest payment accuracy challenge is the SSI program. An SSI recipient's monthly income, resources, and living arrangements affect his or her eligibility for the program and the monthly benefit amount, and relatively minor changes (e.g., an extra dollar or two of wages) can result in an improper payment. Improper payments often occur if recipients, representative payees on their behalf, or deemors¹ fail to report changes in a timely fashion. Failure to report such changes is the primary cause of both overpayment and underpayment errors.

¹ A deemor is a person (e.g., parent or spouse) whose income and resources we consider when determining a person's eligibility or payment amount for SSI.

Overview (cont.)

The program's complexities stem from the way the law requires us to determine SSI eligibility and to calculate SSI payments. We generally make SSI payments for a month on the first day of that month. Even if the payment is correct when paid, changes can occur during the month that can make the amount we paid incorrect. Thus, the program requirements themselves sometimes cause improper payments.

Based on most recent data in our FY 2016 SSI Stewardship Review (a statistically-valid review of the non-medical aspects of the SSI program):

- The SSI overpayment accuracy rate was 92.4 percent, totaling overpayments of \$4.3 billion.
- To improve SSI payment accuracy by about one-tenth of one percent represents about \$56.7 million in SSI payments.

Alignment with Agency Strategic Plan

The SSI Payment Accuracy APG supports the following strategic goal, objective, and strategies defined in our FYs 2018 – 2022 Agency Strategic Plan.

- Strategic Goal 3: Ensure Stewardship
- Strategic Objective 3.1: Improve Program Integrity
- Strategies:
 - Collaborate with partners to address improper payments
 - Address the root causes of improper payments to prevent their recurrence

Challenges

We rely on SSI recipients to timely report changes in income, resources, and living arrangements in order to accurately determine their eligibility for the program and payment amount. Without timely reports, we incur improper payments.

Our FY 2016 SSI Stewardship Review identified the following top reasons for SSI overpayment error, an average for the five-year period (FY 2012 through FY 2016):

Financial accounts

- Financial account-related overpayments average \$1,031 million per year and represented 24 percent of the total overpayment deficiency dollars.
- Financial accounts and wages have been the leading causes of overpayment error for more than a decade.
- Financial account overpayment error occurs when the recipient or deemor owns financial accounts that exceed resource limits.
- In FY 2016, financial account overpayment deficiencies represented 22 percent of the total overpayment deficiency dollars.

Challenges (cont.)

Wages

- Wage-related overpayments average \$692 million per year and represented 16 percent of the total overpayment deficiency dollars.
- In FY 2016, 90 percent of wage-related overpayment errors occurred because the recipient or representative payee failed to report that the recipient or deemors were working or stopped working.
- In FY 2016, only 4 percent of wage-related overpayment errors occurred because the recipient or representative payee made an inaccurate report regarding the amount or frequency of wages received.

In-Kind Support and Maintenance (ISM)

- ISM-related overpayments average \$341 million per year and represents 8 percent of the total overpayment deficiency dollars.
- ISM is not cash, but food, shelter, or an item that a person can use to obtain one of these items (e.g., a third party pays for the person's food or shelter).
- In FY 2016, 88 percent of ISM-related overpayment errors occurred because we were not aware that the individual received ISM. The remaining 12 percent occurred because we were not aware of a change in the amount of ISM received.

Challenges (cont.)

Non-home real property

- Non-home real property-related overpayments average \$217 million per year and represented 5 percent of the total overpayment deficiency dollars.
- Other (non-home) real property is property that does not serve as the individual's principal place of residence; therefore, other real property may count as a resource.
- In FY 2016, non-home real property deficiencies represented 8 percent of the total overpayment deficiency dollars.

Opportunities

We strive to increase our payment accuracy by using more data and technology, which include:

- Providing an additional option for reporting earnings using authority from the Bipartisan Budget Act of 2015, Section 826, “Electronic Reporting of Earnings.”
 - In FY 2018, we will give SSI recipients and their deemors the option of reporting their wages electronically to encourage timely reporting.
 - Receiving timely wage reports will help reduce wage-related overpayments.
- Applying an automated process for receiving commercial records on real property ownership.
 - In FY 2018, we will use the information to determine if an individual owns non-home real property that may count as an excess resource.
 - Receiving timely real property ownership data will help reduce non-home real property-related overpayments.

Assumptions

The following are our assumptions for accomplishing this APG:

- As required by the Social Security Act, we pay SSI benefits on the first day of the month. We use information that we have before the first day of the month to decide eligibility and payment. Any changes in income or resources during the month may affect the benefit due and could result in an overpayment or underpayment.
- Continued use of the automated Access to Financial Institutions (AFI) process during SSI initial applications and when evaluating continued eligibility. AFI detects undisclosed financial accounts in excess of allowable limits, reducing overpayments.
- Receive funding for completion of program integrity activities, which support our ability to conduct SSI non-medical redeterminations. Redeterminations are a periodic review of a person's resources, income, and living arrangements to ensure the recipient remains eligible for SSI.

Assumptions (cont.)

- Systems automation and enhancements that enable the effective use of data are *essential* to the success of implementing our improper payment reduction strategies.
- We report our SSI payment accuracy on an annual basis, which we believe is the most accurate and cost effective method for such reporting.
 - Each year, we publish the SSI Payment Accuracy (Stewardship) Review, which provides accuracy rates derived from a review of randomly-selected SSI monthly payments.
 - The FY 2018 SSI payment accuracy rate will be available in the summer of 2019.
 - Similarly, the FY 2019 SSI payment accuracy rate will be available in the summer of 2020.

Risks and Mitigation

| Key Risks | Mitigation |
|--|---|
| <p>Reliance on SSI recipients to timely self-report changes that may affect eligibility or payment amount.</p> | <p>We continue to pursue data exchanges to secure data directly and reduce our dependence on SSI recipients to self-report.</p> <p>We are working with the Department of Homeland Security (DHS) for arrival and departure information, which we will use to determine SSI eligibility.</p> |

Risks and Mitigation (cont.)

| Key Risks | Mitigation |
|---|---|
| SSI program design makes eligibility requirements complex. | We continue to propose legislation that would simplify the SSI program and reduce self-reporting requirements. The FY 2019 President's Budget will include legislation to eliminate ISM and replace it with a 10 percent flat rate reduction for adults living with others. |
| Competition with other agency priorities for limited information technology (IT) resources. | We have a sound business process that assesses the viability of IT proposals, ensures they align with our Agency Strategic Plan, and prioritizes our IT investments to use available IT resources. |
| As we advance our program integrity activities, we detect increases in overpayment errors. | We acknowledge this risk as a consequence of expanding our program integrity activities and will continue to strive to reduce SSI overpayments. |

Implementation Strategies

| Strategies | |
|---|--|
| Conduct SSI redeterminations (a program integrity workload to ensure stewardship and efficient administration of the SSI program) | Redeterminations – One of our most powerful and reliable program integrity tools are redeterminations. To ensure the most cost-effective investment of agency resources, we use an automated method that predicts and identifies cases most likely to pay more benefits than are due (i.e., overpayments). Our estimates indicate that non-medical redeterminations conducted in FY 2018 will yield a return on investment of about \$3 on average of net Federal program savings over 10 years per \$1 budgeted for dedicated program integrity funding, including SSI and Medicaid program effects. |
| Increase timely wage reporting to address a root cause of improper payments and prevent their recurrence | SSI Wage Reporting – SSI recipients, deemors, and representative payees may use the following options to report wages: <ul style="list-style-type: none">• Mail;• Direct contact with our employees via phone or in-person;• A mobile application (i.e., SSI Mobile Wage Reporting); and• A dedicated toll-free number (i.e., SSI Telephone Wage Reporting). |

Implementation Strategies (cont.)

| Strategies | |
|--|--|
| Automate non-home real property to address a root cause of improper payments to prevent their recurrence | Non-Home Real Property – Beginning in FY 2018, we will use an automated process for receiving commercial records on real property ownership. We will use the information to determine whether an individual owns real property that does not serve as the person’s principal place of residence, which may be a countable resource. We collect data to measure the outcomes, based upon suspension or denial of SSI benefits, of this automated process. |
| Collaborate with partners to address improper payments | Data Exchange – We suspend benefits to SSI recipients who remain outside of the U.S. for a full calendar month or longer. We rely on SSI recipients to self-report absences from the U.S. that meet this criterion. However, SSI recipients sometimes do not report their travel timely or at all, which may result in an overpayment. Therefore, we are seeking a data exchange agreement with the DHS for arrival and departure information, which will be used to determine SSI eligibility. |

FY 2018 Quarterly Milestones

Q1

- Begin data collection to evaluate outcomes from integrating third party, non-home real property data in the SSI claims system.

Q2

- Secure IT funding to receive and automate the use of DHS's arrival and departure data into our business processes.

Q3

- Expand the myWageReport (myWR) online reporting functionality, which exists for disability insurance (DI) beneficiaries, to SSI and concurrent recipients/beneficiaries.
- Implement management information to identify local level trends in online wage reporting using the myWR Internet application.

Q4

- Increase the number of wage reports we process using SSI telephone wage reporting and SSI mobile wage reporting by 4 percent over the number in FY 2017.
- Complete 100 percent of budgeted non-medical SSI redeterminations for FY 2018.

FY 2019 Quarterly Milestones

Q1

- Evaluate outcomes from integrating third party, non-home real property data in the SSI claims system and define a plan and baseline for measuring effectiveness.

Q2

- Expand functionality in myWR internet application.

Q3

- Establish a computer matching agreement with DHS to obtain arrival and departure information for use in determining SSI eligibility.

Q4

- Increase the number of wage reports we process using SSI telephone wage reporting and SSI mobile wage reporting by four percent over the number in FY 2018.
- Complete 100 percent of budgeted non-medical SSI redeterminations for FY 2019.

Key Indicators

Secondary indicators: (Annual Targets Only)

- SSI Redeterminations completed
 - FY 2018 Target – Complete 100 percent of budgeted SSI non-medical redeterminations
 - FY 2019 Target – Complete 100 percent of budgeted SSI non-medical redeterminations
- SSI Underpayment Accuracy
 - FY 2018 Target – 98.8 percent of SSI payments free of underpayment
 - FY 2019 Target – 98.8 percent of SSI payments free of underpayment
- SSI Wage Reports (telephone and mobile)
 - FY 2018 Target – Increase the number of wage reports we process using SSI telephone wage reporting and SSI mobile wage reporting by 4 percent over the number in FY 2017
 - FY 2019 Target – Increase the number of wage reports we process using SSI telephone wage reporting and SSI mobile wage reporting by 4 percent over the number in FY 2018

Data Accuracy and Reliability

The annual SSI Stewardship review is our methodology for determining payment accuracy.

Each year, we report on the findings from our SSI Stewardship Review of the non-medical aspects of SSI payments. Stewardship review findings provide the basis for reports to monitoring authorities, as well as for the reporting requirements contained in the Improper Payments Information Act of 2002, as amended by the Improper Payments Elimination and Recovery Act of 2010, and the Improper Payments Elimination and Recovery Improvement Act of 2012 and published in our Agency Financial Report.

In addition, our agency's Annual Performance Report includes an SSI payment accuracy performance measure as part of our strategic objective to "Improve Program Integrity." We also use Stewardship data to identify opportunities for improvement.

Stakeholders

Internal Stakeholders:

The **Improper Payments Oversight Board** provides enterprise-wide governance and accountability. The Board's role is to serve as the corporate team to: oversee all improper payment related activities for the agency; collaborate and shape strategy; resolve cross-component differences; address challenges encountered by staff; and drive timely results.

The Board is comprised of executives from the following components: Retirement and Disability Policy; Operations; Analytics, Review, and Oversight; Budget, Finance, and Management; Legislation and Congressional Affairs; Systems; and the Chief Actuary. Each executive has a significant responsibility for leading efforts to improve quality or payment accuracy.

Stakeholders (cont.)

External Stakeholders:

Congress: Congress has a continued interest in our efforts to reduce improper payments. Our executive leadership has testified before the House Committee on Ways and Means about our corrective actions to reduce improper payments and increase debt collection.

Claimant Advocacy and Disability Advocacy Organizations: These organizations advocate for the rights of persons who apply for and receive SSI. These organizations lobby Congress and influence legislative policy changes we propose.

The Public: We balance our program integrity responsibilities with our commitment to serve the public and issue timely benefits. In FY 2017, we paid approximately \$51 billion in Federal benefits and State supplementary payments to over 8 million SSI recipients on average each month. As good stewards of our resources and taxpayer funds, we remain focused on the integrity of our programs and minimizing improper payments, which include both overpayments and underpayments.

FY 2018 Q2 Progress Update

FY 2018 Q2 Progress Update

Primary Indicator (Annual Target Only)

FY 2018 Target: 94 percent SSI overpayment (O/P) Accuracy Rate

FY 2018 Results: Available summer 2019

Secondary Indicators Q2 Results² (Annual Targets Only)

SSI Redeterminations Completed

FY 2018 Target: 2,900,000

FY 2018 Q2 Results: 1,473,479 (50.8 percent of target)

SSI U/P Accuracy Rate

FY 2018 Target: 98.8 percent

FY 2018 Results: Available summer 2019

SSI Wage Reporting

FY 2018 Target: Increase FY 2017 wage report results by 4 percent (1,132,213)

FY 2018 Q2 Results: 52 percent (588,419) of target

² FY 2018 Q2 results are through March 30, 2018, which is the end of the operating month.

FY 2018 Q2 Progress Update (cont.)

Overall APG Progress

For FY 2018, our desired outcome is to achieve an SSI overpayment accuracy rate of 94 percent. The results will be available in summer 2019.

We continue to implement strategies to increase our payment accuracy by using our most powerful and reliable program integrity tools (i.e., non-medical redeterminations); expanding options for SSI recipients, representative payees on their behalf, and deemors to increase timely wage reporting; applying an automated process for receiving commercial records on real property ownership; and collaborating with partners to address improper payments through data exchanges.

At the close of the second quarter, we completed more than 50 percent of our SSI non-medical redeterminations and SSI wage reports by telephone or mobile device. Both of these secondary indicators are on pace to meet their FY 2018 targets. Although we did not completely achieve our second quarter milestone, we continue to work with stakeholders across the agency to establish a computer matching agreement with the Department of Homeland Security/Customs Border Protection (DHS/CBP).

FY 2018 Q2 Progress Update (cont.)

Milestone Update:

| FY 2018 Q2 Milestone Summary | |
|--|---|
| Milestone | Secure IT funding to receive and automate the use of DHS's arrival and departure data into our business processes. |
| Status (e.g., Complete, On-Track, Missed) | Missed |
| Results/Comments (Provide discussion of Progress, changes from last update, Anticipated Barriers or other Issues Related to Milestone Completion) | We have secured partial resources needed to complete the Computer Matching Agreement (CMA). In the meantime, we are working with stakeholders across the agency to establish the CMA with DHS to secure Arrival and Departure Information System travel data. |

FY 2018 Q2 Progress Update (cont.)

Next Steps:

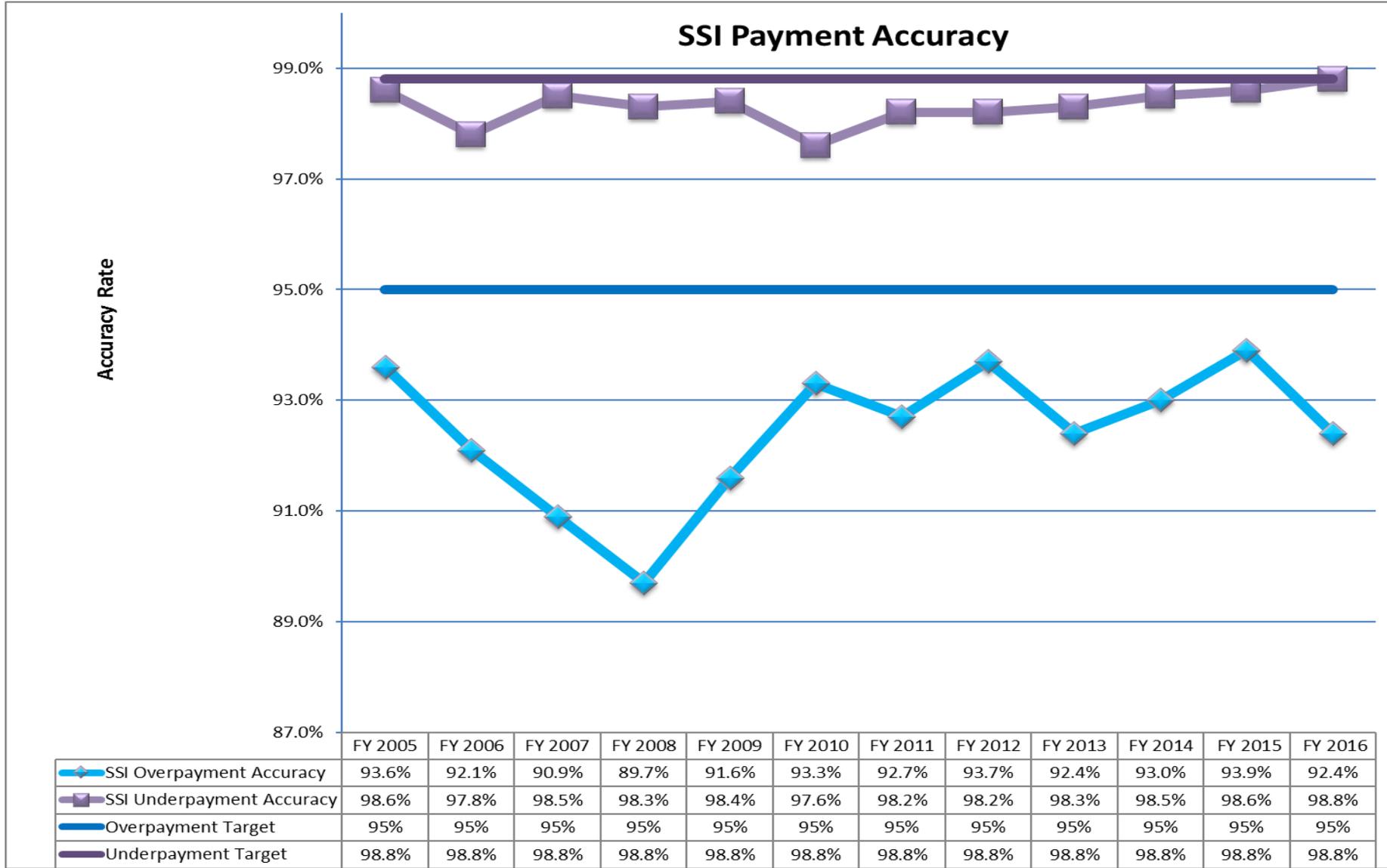
| FY 2018 Q3 Milestone Summary | |
|--|---|
| Key Milestone | Expand the myWageReport (myWR) online reporting functionality, which exists for disability insurance beneficiaries, to SSI and concurrent recipients/beneficiaries. |
| Status (e.g., Complete, On-Track, Missed) | On-Track |
| Results/Comments (Provide discussion of Progress, changes from last update, Anticipated Barriers or other Issues Related to Milestone Completion) | N/A |

FY 2018 Q2 Progress Update (cont.)

Next Steps:

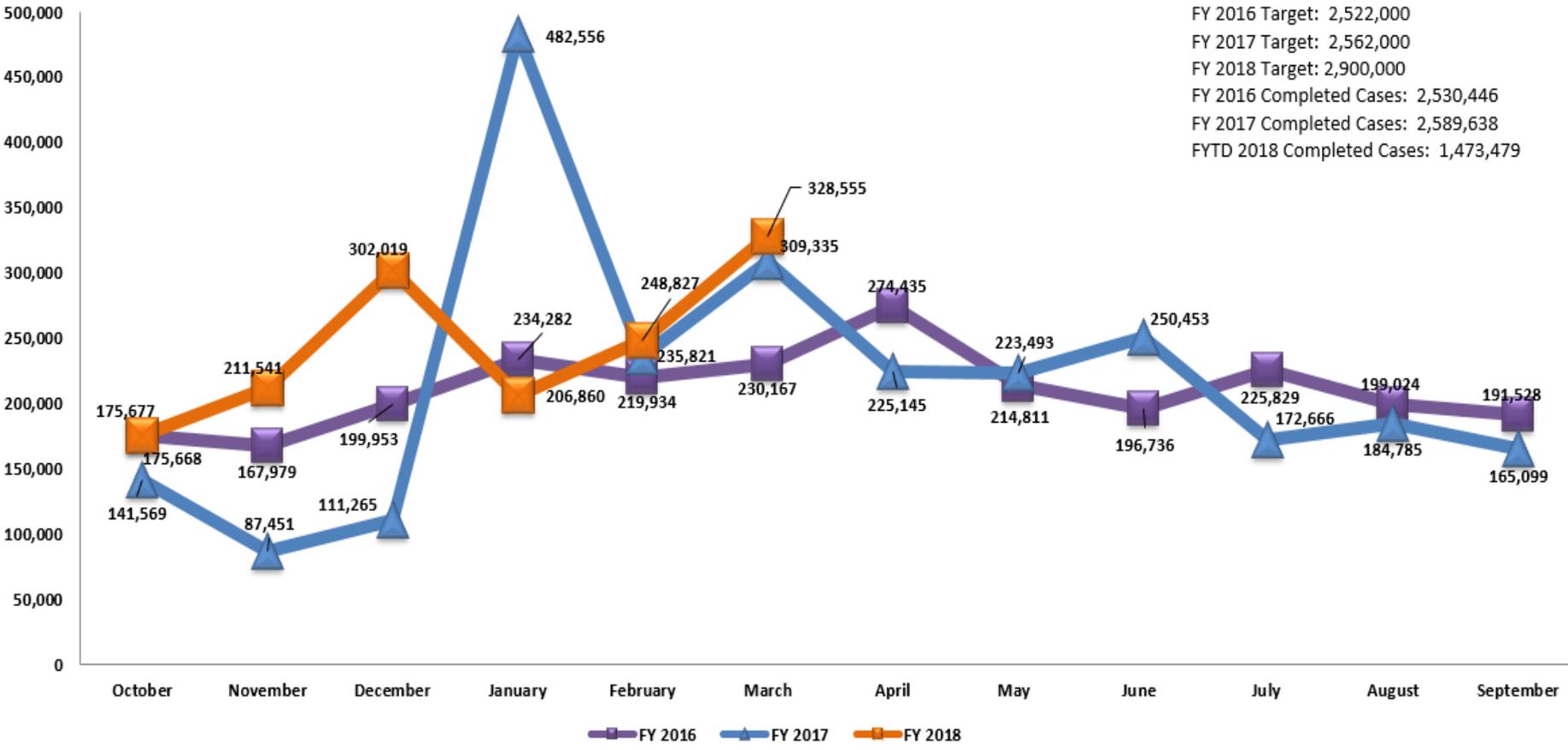
| FY 2018 Q3 Milestone Summary | |
|--|---|
| Key Milestone | Implement management information to identify local level trends in online wage reporting using the myWR internet applications. |
| Status (e.g., Complete, On-Track, Missed) | Deferred |
| Results/Comments (Provide discussion of Progress, changes from last update, Anticipated Barriers or other Issues Related to Milestone Completion) | This milestone is being deferred for consideration in FY 2019. Local management information (MI) requires new data processing and will take longer than anticipated to implement. Research and planning for local MI will continue. |

Historical Data



Historical Data

SSI Redeterminations and Limited Issues Completed

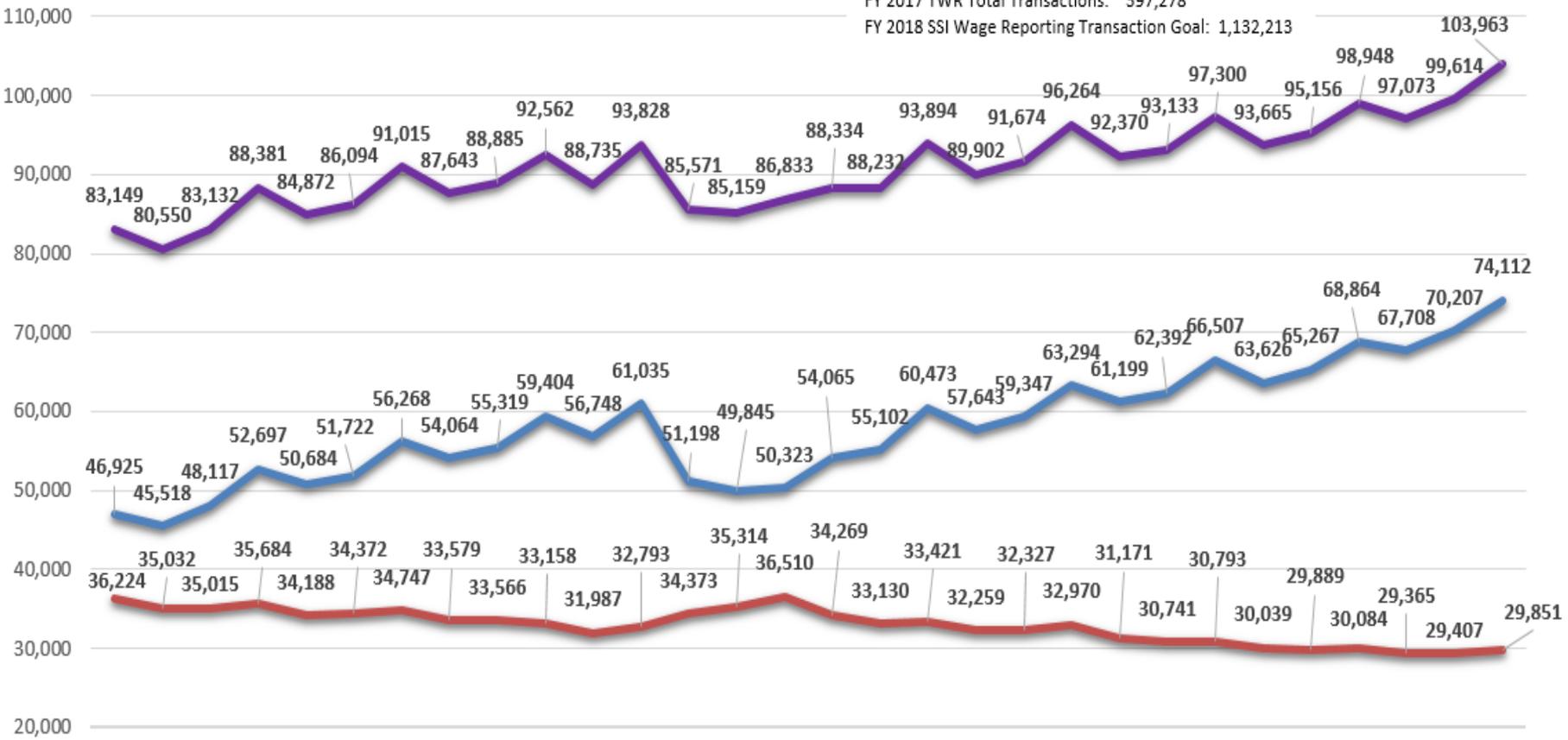


Note: SSI Redeterminations and Limited Issues are closely monitored to ensure we meet our end-of-year target. Each month fluctuates; however, we have consistently met our annual goals. In addition, we are on track to meet our annual goals. In addition, we are on track to meet our annual goal.

Historical Data

Secondary Indicator - SSI Wage Reporting

FY 2016 MWR Total Transactions: 638,501
 FY 2016 TWR Total Transactions: 410,345
 FY 2017 MWR Total Transactions: 691,388
 FY 2017 TWR Total Transactions: 397,278
 FY 2018 SSI Wage Reporting Transaction Goal: 1,132,213



— SSI Mobile Wage Reporting — SSI Telephone Wage Reporting — Wage Reporting (Mobile and Telephone)