Overview of Our Fiscal Year 2018 Goals and Results

How We Manage Performance

Our Performance Framework: The *Government Performance and Results Modernization Act of 2010* (GPRMA) describes how agency strategic plans and goals should align with presidential terms and broader Federal efforts.

Setting goals and measuring our performance is vital to our success. We define our performance framework in the *Fiscal Years* (FY) *2018-2022 Agency Strategic Plan* (www.socialsecurity.gov/asp). Our *Agency Strategic Plan* (ASP) defines our Strategic Goals and details underlying objectives, strategies, and relevant risks and mitigation plans.

Our Strategic Goals are:

Strategic Goal 1: Deliver Services Effectively;

Strategic Goal 2: Improve the Way We Do Business; and

Strategic Goal 3: Ensure Stewardship.

Our Planned Performance: In February 2018, we published our *Annual Performance Plan for FY 2019, Revised Performance Plan for FY 2018, and Annual Performance Report for FY 2017* (www.socialsecurity.gov/agency/performance), as part of the *President's FY 2019 Budget Request* (www.socialsecurity.gov/budget/). Collectively, we refer to this combined document as our *Annual Performance Report* (APR). The APR outlines our tactical plans for achieving the goals and objectives in our ASP, finalizes our performance commitments for FY 2018, and describes how we ensure data integrity of our performance information.

Each September, a draft of the APR accompanies our budget submission to the Office of Management and Budget. The draft APR provides our priorities and key initiatives for the next two fiscal years, the performance measures we will use to evaluate our success, and our progress to date on current fiscal year commitments. The budgeted workloads published in our APR correspond to the key workload measures contained in the *FY 2018 Operating Plan* (www.socialsecurity.gov/budget/).

Our Actual Performance and Program Results: We update the APR after the close of the fiscal year to provide performance results for the previous fiscal year. We will issue the final APR containing our actual FY 2018 results in February 2019. The final APR will be available on our Budget Estimates and Related Information website (www.socialsecurity.gov/budget/).

This *Agency Financial Report* summarizes our key initiatives, overall performance results, and financial activities in carrying out our mission in FY 2018. The following table shows our operating expenses by Strategic Goal.

FY 2018 Operating Expenses by Strategic Goal
(Dollars in Millions)

Deliver Services Effectively	$ 8,557
Improve the Way We Do Business	$ 1,405
Ensure Stewardship	$ 2,986

Our Priorities: In support of the GPRMA, we established two Agency Priority Goals (APG). Our APGs are 24-month goals reflecting the priorities of our executive leadership, as well as those of the Administration. We routinely review our progress and take actions to improve our outcomes, promote innovation, and deliver favorable results.

For FYs 2018-2019, our APGs are:

1. Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearing decision; and
2. Improve the integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments.

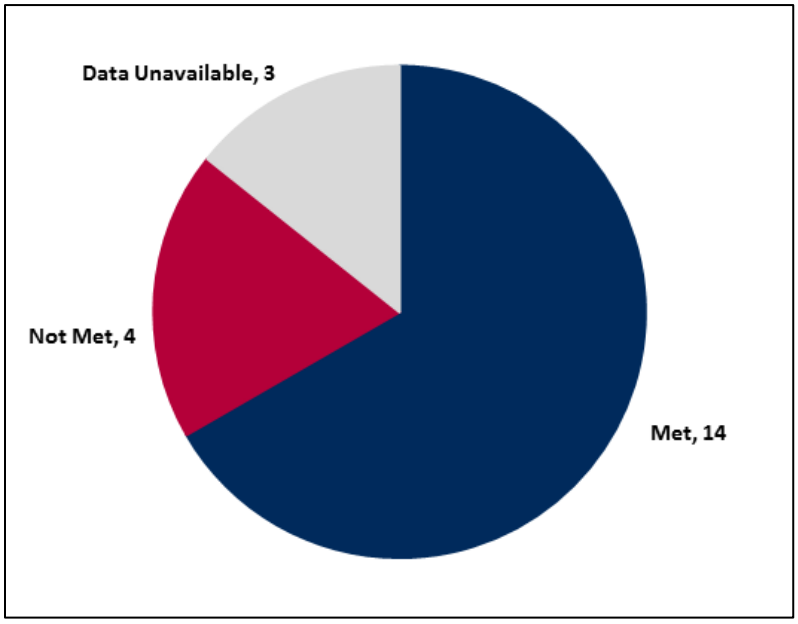
SUMMARY OF FISCAL YEAR 2018 PERFORMANCE

This summary highlights the approaches we used to achieve the performance measures and targets set in support of our goals during FY 2018. It also outlines some of the challenges we faced meeting these goals and analyzes our performance. We base our planned performance measures and targets on the President's Budget request. If necessary, we adjust our resources to ensure we can complete our budgeted workloads and agency goals within our budget.

Final data for 2 of the 9 performance measures and targets we highlighted in the *Management's Discussion and Analysis* were not available at the time we published this report. We will include those overall results in our FY 2019 *Agency Financial Report*. We met our targets for 5 of the 7 performance measures with available data.

Overall, we met our targets for 14 of the 21 total performance measures (including APGs) that we use to track agency progress towards meeting our Strategic Goals and objectives. Final data for 3 of the 21 performance measures and targets were not available at the time we published this report. Data on those performance measures will be published in our *Annual Performance Plan for FY 2020, Revised Performance Plan for FY 2019, and Annual Performance Report for FY 2018* in February 2019.

Summary of Our FY 2018 Performance Measure Results



STRATEGIC GOAL 1: DELIVER SERVICES EFFECTIVELY

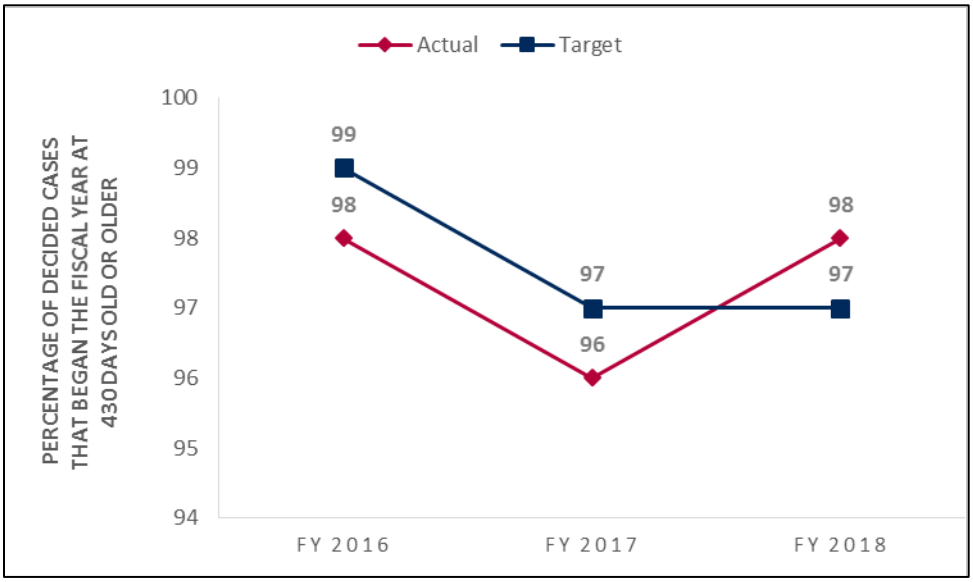
Strategic Objectives

- Improve Service Delivery
- Expand Service Delivery Options

Create an account:
www.socialsecurity.gov/myaccount

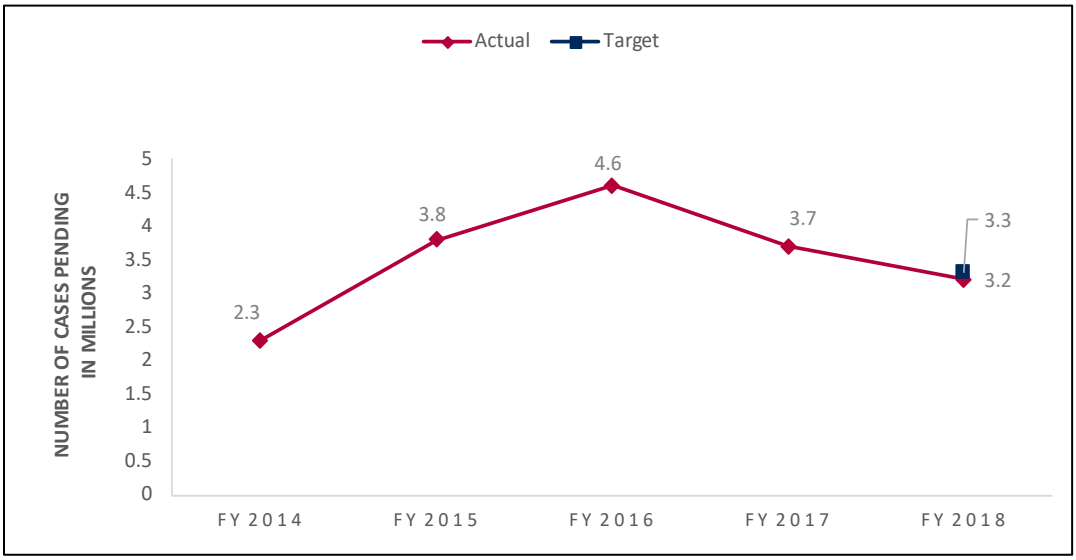
We selected the following performance measures to help demonstrate our progress in delivering services effectively:

Improve customer service in the hearings process by prioritizing those individuals who have waited the longest for a hearing decision (APG)



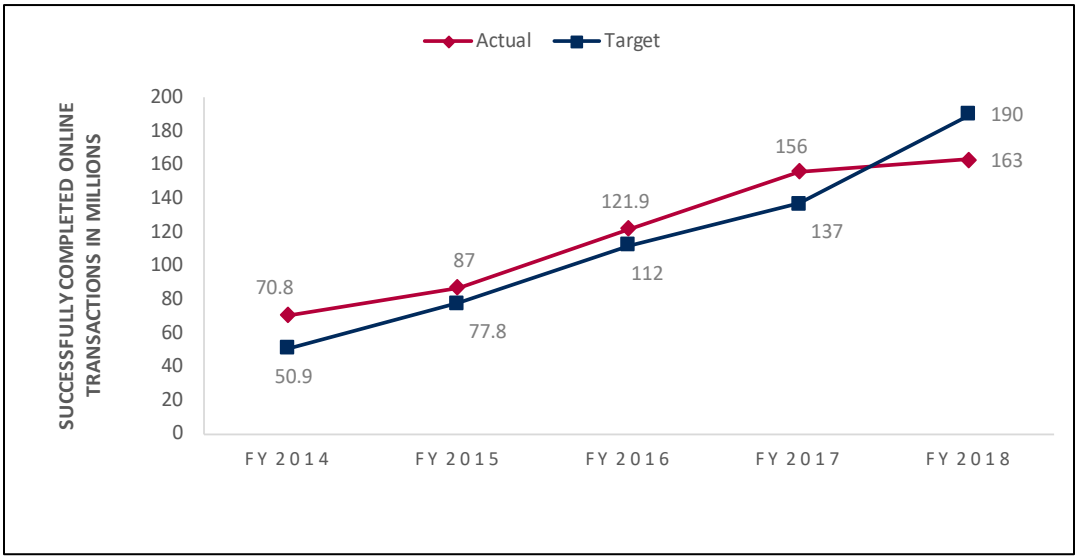
Analysis: Reducing our hearings pending remains our highest priority. In support of this effort, we have prioritized those individuals who have waited the longest for a hearing decision. In FY 2018, for the first time in 3 years, we were able to meet our goal by completing 98 percent of the cases that began the fiscal year 430 days old or older.

Improve customer service by reducing the number of actions pending at the processing centers



Analysis: In FY 2018, we established reducing the number of actions pending in our processing centers (PC) as a new performance measure. While this workload has always been a high priority for the agency, we wanted to emphasize our commitment to improving customer service. Since the end of FY 2017, we have reduced the PC backlog by over 500,000 actions.

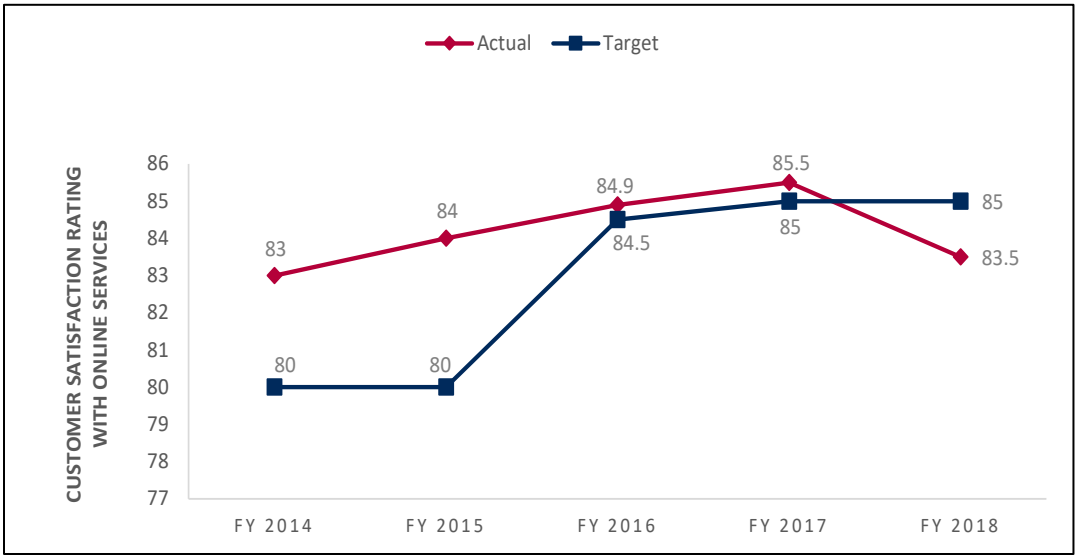
Increase the number of successfully completed online transactions



Analysis: While implementing new online services over the past four years, we realized significant increases in the volume of online transactions. As we realized these increases, we continued to set aggressive stretch targets. In FY 2016, we implemented Dynamic Help, which contributed more than 20 million transactions in its first year and in FY 2017, we implemented a web base-based application (myAPS) that allows claimants to view benefit claims that are currently pending or recently adjudicated, which contributed over 9 million transactions. In FY 2018, implementation of major online services for Supplemental Security Income (SSI) recipients and concurrent beneficiaries occurred in the late third and fourth quarter; making it impossible for them to substantially impact our transaction volumes in a sizable

way until FY 2019. As a result, the volume of these new services are in the thousands and not the millions. We expect to see continued increased online transactions going forward as we implement new services.

Increase customer satisfaction with our online services



Analysis: This goal measures overall customer satisfaction with eight agency online services, including our main page (www.socialsecurity.gov), based on the ForeSee E-Government Satisfaction Index. The FY 2018 target of 85 was based on data that included an error in the main page survey process, which led to inflated scores for the main page. The necessary correction was made mid-FY 2018 and the customer satisfaction score dropped significantly from the upper-70s to the mid-60s in most months. However, the FY 2018 target of 85 was not changed. The main page receives a disproportionate number of ratings from customers who are frustrated with some aspect of our service delivery (whether related to eServices or not) and cannot find another, readily available method for sharing their concerns, which substantially affect the overall score.

Our efforts to deliver services effectively include:

Reduce the Hearings Backlog

We have made good progress, reducing the number of people awaiting a hearing decision for 21 consecutive months. In early March 2018, we reduced the number of hearings pending below one million for the first time since October 2014. In FY 2018, we reduced the number of people waiting for a hearing decision to 858,000--nearly a 19 percent reduction from FY 2017. The decrease in pending is a leading indicator to reduced wait times. We expect a significant decrease in the average wait over the next three years.

Our plan for Compassionate And REsponsive Service (CARES) is a multi-pronged approach to eliminate the hearings backlog through increased decisional capacity, business process efficiencies, and information technology (IT) innovations. We also plan to expand our video hearings network, create quality assurance tools to improve policy compliance of drafted decisions, and design a new hearings and appeals case process system.

Reduce the Processing Center Backlog

Currently, the PCs are working off a backlog of pending actions. In FY 2018, our workload strategies involved screening cases that could be completed quickly and controlling the volume and age of our workloads. We also

provided hiring and overtime in the PCs, and we began implementing new automation, workflow enhancements, and quality initiatives to improve performance.

In FY 2018, we reduced the PC backlog by over 500,000 actions from the end of FY 2017. PC pending actions were 36 percent lower at the end of FY 2018 compared to our all-time high of more than 5 million pending actions in January 2016. Our hiring, automation, business process, and quality initiatives will continue to decrease the pending actions.

PROVIDE REAL-TIME ASSISTANCE TO ONLINE USERS

Improving the service experience for our customers is one of our highest priorities. Click-to-Chat is a new feature for *my* Social Security that will allow users to communicate with us online in real time. We launched this feature in June 2018 for 10 percent of *my* Social Security users, and in August, we increased it to 30 percent of users.

EXPAND THE AVAILABILITY OF THE ONLINE SOCIAL SECURITY REPLACEMENT CARD APPLICATION

Replacing Social Security cards is one of our most requested services. Each year, we process about 10 million Social Security number replacement cards in our field offices. Adults with a *my* Social Security account, who meet certain criteria, may apply for a replacement card through the Internet Social Security Number Replacement Card (iSSNRC) online application.

Since we launched iSSNRC in November 2015, we have increased the number of States where people can request a replacement Social Security card. In FY 2018, we issued approximately 856,000 replacement cards through the iSSNRC application and currently offer iSSNRC in 31 States and the District of Columbia. In June 2018, we expanded iSSNRC to residents of Louisiana, Rhode Island, and Missouri. We will continue to expand iSSNRC nationwide.

ENHANCE *my* Social Security

my Social Security is our online portal for the public. It is a convenient, safe online option for anyone interested in viewing his or her Social Security records or conducting business with us. With about 6 million people creating a new *my* Social Security account each year, we had nearly 39 million users registered at the end of FY 2018.

We continue to focus on improving the *my* Social Security user experience and adding service options. *my* Social Security has a user-friendly design to allow broad access from various devices. For example, we implemented an online tool, myWageReport (myWR), that allows users to report earnings electronically on computers, mobile devices, and smartphones.

STRATEGIC GOAL 2:
IMPROVE THE WAY WE DO BUSINESS

Strategic Objectives

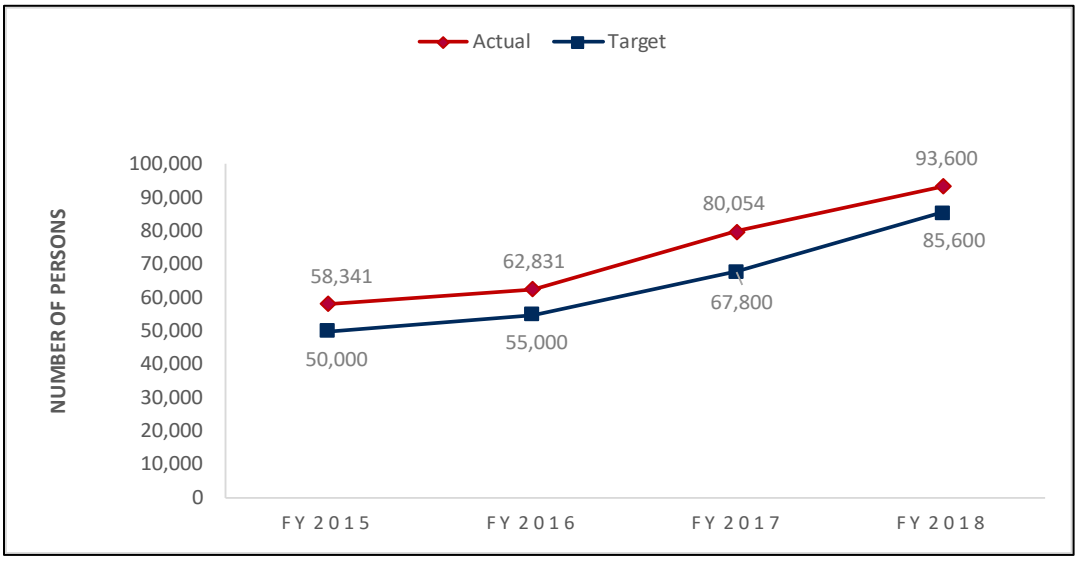
- Streamline Policies and Processes
- Accelerate Information Technology Modernization

Report Wages from Your Mobile Device

Available now in
Google Play: play.google.com/store and
Apple app: www.apple.com/itunes/charts/free-apps/

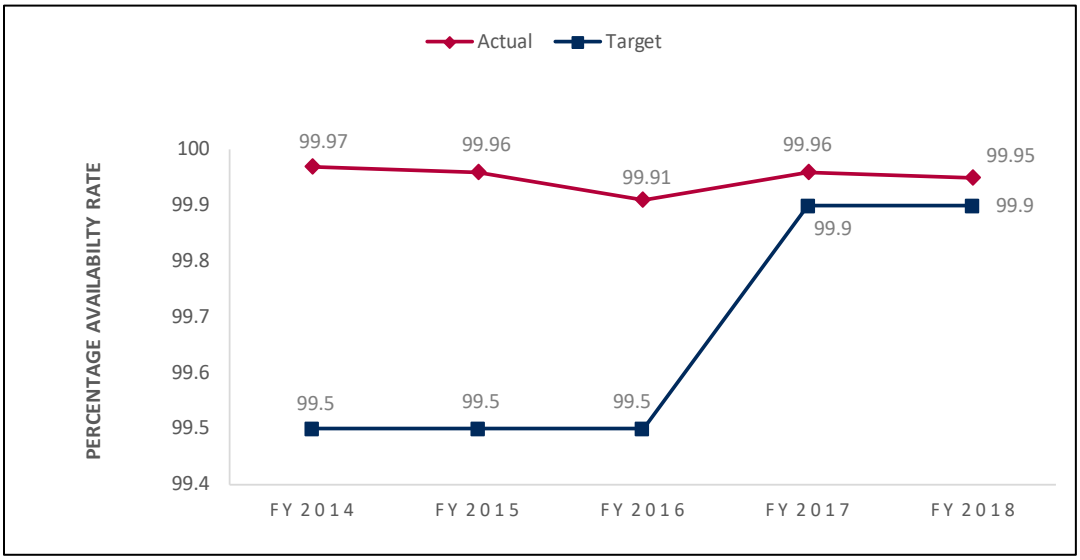
We selected the following performance measures to indicate our progress to improve the way we do business:

Increase labor force participation: Increase the number of persons with disabilities receiving employment support services who achieve the consequential earnings threshold of the trial work level



Analysis: Our Ticket to Work and Vocational Rehabilitation (VR) cost reimbursement programs have helped beneficiaries transition to employment. In FY 2018, we continued to increase the number of persons with disabilities who returned to work. Over the past four years, we have realized continued growth in this program and exceeded our target.

Provide uninterrupted access to our systems during scheduled times of operations



Analysis: Maintaining uninterrupted access to our systems during scheduled times of operation is essential to meeting our obligation to the public. Since FY 2012, we have exceeded the target for this measure. We continue to surpass the agency's goal for Enterprise Availability of our critical services each year. In FY 2018, we achieved a systems availability rating of 99.95 percent, while processing higher volumes of transactions and deploying system changes for continual improvement as we constantly work to increase redundancy, stability, and scalability.

Maintain an effective Cybersecurity Program

	FY 2018 Actual	FY 2018 Target	Target Achieved
Performance	"Managing risk" score achieved	Achieve an overall score of "managing risk" on the Federal Cybersecurity risk Management Assessment	Met

Analysis: Maintaining our cybersecurity is critical to sustaining public trust in our services. We maintain a comprehensive, agency-wide information security program to protect our network, information, and communication assets. We continue to meet the Department of Homeland Security cybersecurity target, as well as achieve an overall score of "managing risk" on the Federal Cybersecurity Risk Management Assessment. Our annual results continue to demonstrate our commitment to protecting the data entrusted to us by the American public.

Some of the initiatives we are undertaking to improve how we do business include:

Increase the Number of People with Disabilities who Return to Work

Many beneficiaries who are disabled want to work, and with adequate support, may attain self-sufficiency. The Ticket to Work and the VR cost reimbursement programs help beneficiaries transition to employment and progress towards reduced reliance on disability-related benefits. In FY 2018, over 350,000 beneficiaries worked with VR agencies and Employment Networks (EN) to attempt to return to the workforce. We will continue to enhance our Internet Ticket Operation Support System (iTOPSS), used by EN and VR service providers in their business with us. iTOPSS eliminates paper claims and streamlines the payment process. We will continue to improve our outreach to beneficiaries. Ongoing mailings, marketing efforts, monthly webinars, and interactive presence on social media have led to thousands of beneficiaries connecting with ENs and State VR agencies to get the services they need to return to work.

Modernize the Social Security Statement

To improve customer service and the public's understanding of our programs, we are modernizing the Social Security Statement. Our focus is to enhance the online Social Security Statement available through *my* Social Security accounts. The modernized online Statement will not only continue to provide the public with their earnings records, Social Security and Medicare taxes paid, and future benefits estimates, it will also provide an interactive, customized user experience appropriate to age and earnings background. The public will have access to tools and calculators and applicable information in a central location to assist with retirement planning, benefit eligibility, and decisions on their benefit applications. We will modify the *my* Social Security online Statement to integrate it with additional benefit estimation tools and add new features.

Strengthen Our Information Security Program and Modernize Our Cybersecurity Infrastructure

Continual improvement and strengthening of our cybersecurity program is imperative to maintaining the public's trust in our ability to protect the sensitive data housed in our systems. As cyberattacks continue to evolve and become increasingly aggressive, we must be vigilant and protect against network intrusions and improper access of data. Through constant assessment of the threat landscape and use of advanced cybersecurity controls in the creation of modernized IT systems and existing systems, we can better protect against cybersecurity incidents and risks.

We plan to implement new capabilities for identifying and mitigating vulnerabilities within our IT assets. We will enhance our identity management platform, further automate our response to security events, and improve data at rest encryption to further protect our information assets. We will deploy IT infrastructure, develop network models needed to enhance our network access controls, and strengthen our strategy to limit the impact of potential cyber attackers.

STRATEGIC GOAL 3: ENSURE STEWARDSHIP

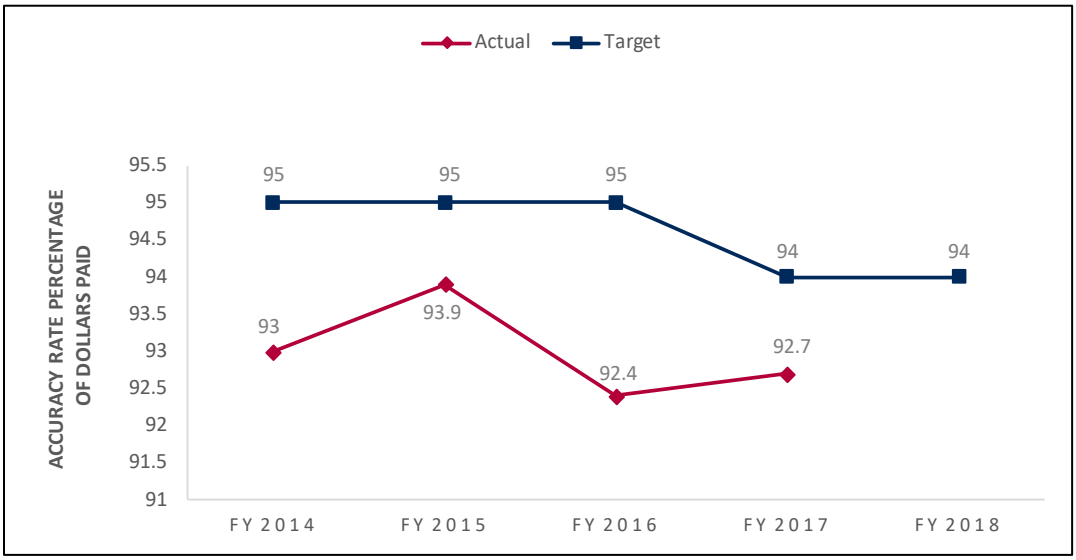
Strategic Objectives

- Improve Program Integrity
- Enhance Fraud Prevention and Detection Activities
- Improve Workforce Performance and Increase Accountability
- Improve Organizational Effectiveness and Reduce Costs

Antifraud facts:
www.socialsecurity.gov/antifraudfacts/

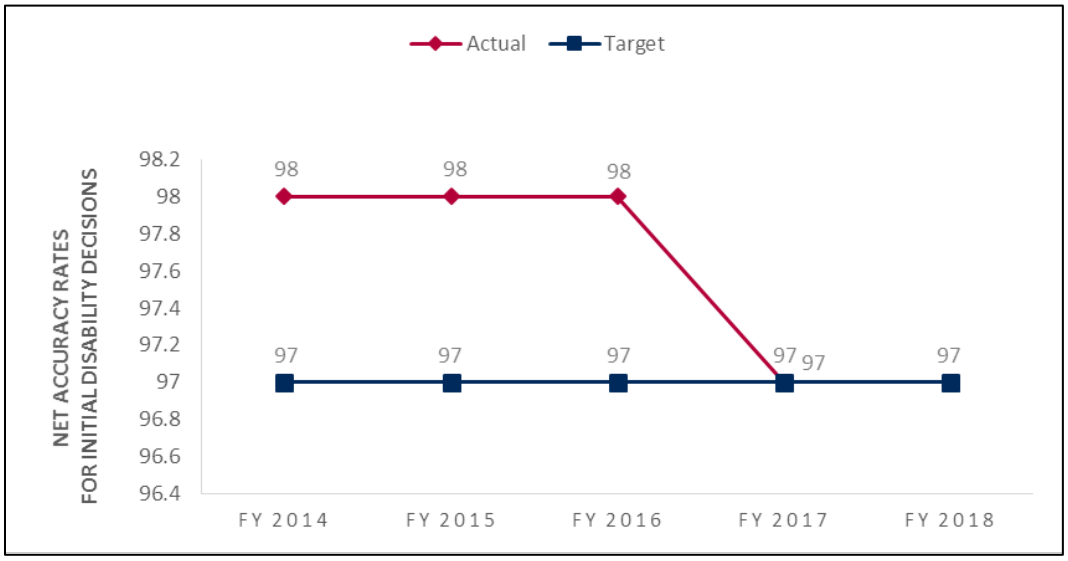
We selected the following performance measures to demonstrate our efforts to ensure stewardship:

Improve the Integrity of the Supplemental Security Income program by focusing our efforts on reducing overpayments (APG)



Analysis: We depend on SSI recipients to timely report changes in income, resources, and living arrangements to accurately determine their eligibility for the program and payment amount. Without timely reports, we incur improper payments. We are actively working 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*, applying an automated process for receiving commercial records on real property ownership, and using the automated Access to Financial Institutions process during SSI initial applications. Funding for completion of program integrity activities also supports our ability to evaluate continued eligibility by conducting SSI non-medical redeterminations. Our IT modernization efforts should assist in reducing improper payments in this area. FY 2018 data is not available until summer 2019.

Ensure the quality of our decisions by achieving the State disability determination services net accuracy rate for initial disability decisions



Note: Net accuracy is the percentage of correct initial State disability determinations and is based on the net error rate (i.e., the number of corrected deficient cases with changed disability decisions), plus the number of deficient cases not corrected within 90 days from the end of the period covered by the report, divided by the number of cases reviewed.

Analysis: The public expects us to make timely and accurate decisions. In FY 2017, we demonstrated the quality of our decisions by achieving the disability determination services (DDS) net accuracy of 97 percent for initial disability decisions. We have consistently met our target for this measure since FY 2010. FY 2018 data is not available until January 2019.

Some of the initiatives we are undertaking to ensure stewardship include:

PROMOTE THE USE OF MYWAGEREPORT ONLINE REPORTING

Wages are a leading cause of improper payments in the SSI program. Currently, we use payroll data provider information from The Work Number to verify wage amounts that an individual alleges, however, this verification is a manual process.

We implemented an online tool, myWR, that allows users to report earnings electronically on computers, mobile devices, and smartphones. This application is an alternative to the existing downloadable wage reporting application and telephone wage reporting. In June 2018, we expanded the myWR application to allow SSI and concurrent beneficiaries, their representative payees, or their deemors (e.g., an ineligible spouse or parent living with the recipient) to have a convenient option to report earnings electronically. We plan to conduct user research and usability testing for obtaining cafeteria benefit plan information through myWR, which will expand the reporting population and reduce improper payments. A cafeteria plan is a written benefit plan offered by an employer, which consists of qualified benefits that the Internal Revenue Service does not consider part of an employee's gross income. In addition, we plan to allow customers to report when they have started working for a new employer on myWR. By automating this process, we expect to update our records more quickly and reduce a customer's need to visit a field office.

Modernize our Debt Management System

We have multiple systems that manage programmatic debts. In FY 2018, we began a multi-year initiative to develop a modernized enterprise Debt Management System to help us better collect, store, monitor, and report our program debt activity. The primary goals are to use modern technology to create an enterprise authoritative source of debt management data, increase debt collections, more efficiently address our overpayment workloads, and resolve compliance and audit issues. We also plan to implement an online bill payment option for the public that uses the Department of the Treasury's Pay.gov portal.

Expand our Cooperative Disability Investigations Program

Our Cooperative Disability Investigations (CDI) units are jointly operated by SSA, the Office of the Inspector General, State DDS, and State and local law enforcement. Generally, CDI units investigate suspected fraud before the agency awards benefits and during the continuing disability reviews process when fraud may be involved.

We currently have 43 CDI units, covering 37 states, the District of Columbia, and the Commonwealth of Puerto Rico. In FY 2018, we expanded to Honolulu, Hawaii, Indianapolis, Indiana, and Albuquerque, New Mexico. Hawaii's CDI unit will provide CDI coverage for Guam, American Samoa, and the Northern Mariana Islands. We will continue expansion to cover all 50 States and U.S. territories.

Enhanced Fraud Prevention and Detection Activities

Combatting fraud is an agency priority, and we take seriously our responsibility to prevent and detect fraud. In addition to our core program integrity efforts with the CDI units and assisting with fraud prosecutions, we have centralized our anti-fraud efforts to take advantage of data analytics and predictive models to prevent fraud, ensure consistent anti-fraud policies, refine employee training, and solidify relationships with other Federal, State, and private partners to identify individuals who wrongfully obtain Social Security and SSI payments.

We will focus on a holistic analytical approach to our fraud risk management and prioritize our anti-fraud efforts consistent with the *Fraud Reduction and Data Analytics Act of 2015* and the Government Accountability Office's framework. We will continue to expand the use of data analytics and predictive modeling to enhance fraud prevention and detection in our programs. We will integrate data from multiple sources and use industry-proven predictive analytics software to identify high-risk transactions for further review. With these models, we will better identify suspicious and evolving patterns of activities in our workloads and prevent fraudulent actions.

In FY 2018, we deployed a disability fraud model to identify anomalous relationships within disability claims at the hearings level. The model shows an initial success in using data analytics to detect potential fraud, and serves as a prototype for similar models in the future to target specific program risks. We plan to complete a fraud risk assessment of our electronic services, develop an additional fraud model to mitigate risks identified in our disability fraud risk assessment, and re-engineer the current fraud allegation referral process. We will also initiate additional risk assessment activities to expand beyond disability and online services.

LOOKING FORWARD – FACING OUR CHALLENGES

The American public deserves a Social Security Administration that delivers timely, quality Social Security services, is an efficient and effective organization, and is a good steward of the taxpayers' dollars. For more than 80 years, we have been a steward of the public's investment by providing rigorous oversight over our programs while also offering competent service.

Our priorities and goals will focus on our efforts to reduce hearings and PC backlogs, and modernize our IT systems.

We have a complex disability program with a backlog of people waiting for a hearing decision. At the end of FY 2017, over 1 million people were waiting an average of 605 days for a decision on their hearing request. Eliminating the hearings backlog and reducing the time it takes to get a hearing decision remains one of our most critical priorities. With our CARES plan, combined with the dedicated hearings backlog funding, we plan to eliminate the hearings backlog and reduce the average wait for a hearing decision to 270 days by the end of FY 2021.

We have a backlog in our PCs, which among other workloads, address the changes that occur when people are receiving benefits—changes that are necessary to prevent improper payments. Our PCs handle actions that arise after we determine benefit eligibility and support our field and hearing offices by handling the most-complex benefit payment decisions, appeal decisions, collecting debt, correcting records, and performing program integrity work. We will improve service delivery by further prioritizing work and by using automation to reduce the PC backlog.

We maintain the benefit, earnings items, and certain vital records of nearly every member of the public on systems designed over 30 years ago. Technological change is accelerating at a relentless pace and offers us opportunities to change, transform, and improve the way we serve the public. Yet these newer technologies can be disruptive to legacy systems, business processes, and ultimately to the way we work. Our dated IT infrastructure has grown increasingly fragile, costlier to maintain, more challenging to secure, and it does not efficiently meet current demands for our services.

Our *IT Modernization Plan* will replace our core systems with new components and platforms, engineered for maximum usability, operability, and future adaptability. We have already begun laying the foundation for this effort by incorporating agile methodology in our engineering practices, redesigning the way we access our legacy data to efficiently match its intended uses, and running production workloads in the cloud.

Recent breaches at other Federal and State agencies and in the private sector underscore the importance of securing networks and sensitive data. While our cybersecurity program is comparable to that of other Federal agencies, it remains costly and difficult to integrate with our current legacy systems. We use knowledge of the threat landscape, advanced technologies, and skilled cyber professionals to secure our networks from threats, both foreign and domestic. Cyberattacks are ever changing, and we must remain vigilant to prevent any intrusion on our networks.

We will continue to work down our hearings and PC backlogs to ensure we are making proper and timely payments and improve service on our National 800 Number and in local field offices. Lastly, we will continue to enhance our efforts to protect our programs, systems, and beneficiaries and more efficiently manage our agency.