



# A Conversation with Michael J. Astrue Commissioner, U.S. Social Security Administration

*For over 75 years, the U.S. Social Security Administration, or SSA, has touched the lives of virtually every American, whether it is after the loss of a loved one, at the onset of a disability, or during the transition from work to retirement.*

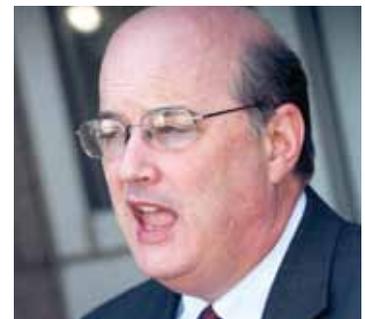
*The profound demographic and systemic forces at work in the early 21st century have shaken the core belief that the programs administered by the Social Security Administration will be there for future generations. It is at this critical juncture in history that SSA seeks to enhance its ability to meet its mission, eliminating claim backlogs, reversing negative trends, improving services, and demonstrating the nexus between adequate funding and the ability to deliver real and measurable progress.*

*What is the Social Security Administration doing to reduce disability backlogs? How is SSA improving service and stewardship efforts? What does the future hold for the United States Social Security Administration? Michael Astrue, commissioner of the U.S. Social Security Administration, joined me on The Business of Government Hour to explore these questions and so much more. The following provides an edited excerpt from our interview. —MJK*

## **On Managing the Mission of the U.S. Social Security Administration**

SSA was founded in 1935; it's one of the largest federal agencies. We have about 65,000 federal employees and about 16,000 state employees. SSA has about 1,500 physical facilities composed of both field and hearing offices. Most of the people who work for the agency are on the front line, trying to help people in field offices. In FY 2011, we paid over 60 million people a total of about \$770 billion in Social Security benefits and SSI payments. Our responsibilities are very operational. Since SSA became an independent agency issues on solvency are more properly handled by the secretary of the treasury.

The SSA commissioner has a six-year term. It's considered a soft term rather than a hard term—meaning that when my



term is over January 19th, 2013, I don't have to leave immediately; I'm allowed to stay until a successor is confirmed. I think that reflects Congress's intent to try to maintain continuity.

## **On Crafting a Realistic Strategic Vision in an Era of Fiscal Austerity**

One of the areas where I've been able to make a significant contribution was to change the legislative strategy [on agency funding]. SSA is a wonderful place; we have some of the most motivated and can-do staff available. For a long time, we went up to Congress with that can-do attitude asking for what we thought we needed. The response would be, well, that's nice, but can you do it with minus 5%? Our answer was, well, it'd be harder, but we're a can-do agency, we'll do it! On a certain level we ended up hurting the agency and the people we serve.



We had a three-year stretch where we did, I believe on average, better than any of the other large domestic agencies. Congress heard the concerns, decided that we were right, and responded. The last couple years, you know, it's been mostly across-the-board funding cuts. I think that hurts us disproportionately for a couple reasons. One is, Congress put what was essentially operating money into the Recovery Act and then didn't count that as part of our baseline going forward. Second, we don't really have very much other than buildings and people in terms of expenses. If you're a grant-making agency you ... can do 3% fewer grants and 3% less money; you've got some flexibility.

At SSA, we don't have that flexibility. We have entitlements; we have people; and we have buildings. Congress is having trouble understanding the wreckage being caused with these kinds of reductions in staffing at SSA. We have no real choice but to consolidate facilities. When we do become leaner and more efficient, it affects Congressional districts, so we're having a lot of unpleasant conversations with the Congress because we are consolidating facilities. It's been a very difficult couple of years.

**On the Measuring of Success: Quality over Quantity**

You have to be careful about managing just to metrics because that can result in unintended consequences ... quality is always important and it may not always show up in metrics. We've made very conscious decisions to focus on quality and the measures that enable us to ensure quality. For instance, "pending cases" is an overrated way

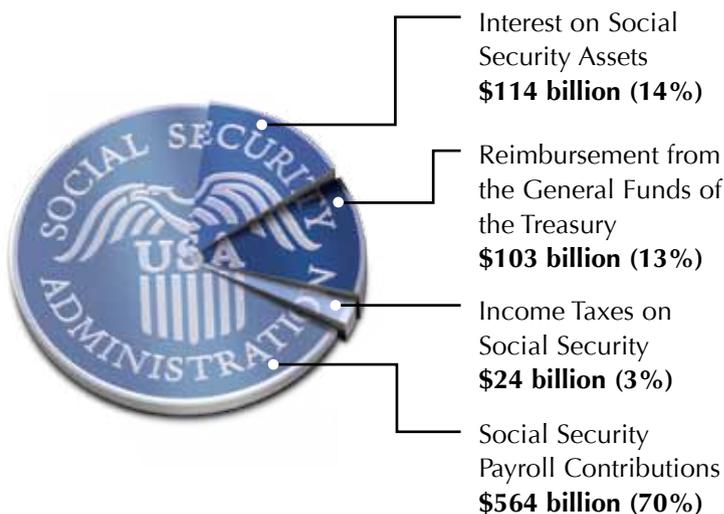
of measuring backlog. It doesn't matter how many people are in line in the grocery store. What matters is how long it takes to actually check out. We deliberately made our progress on backlog reduction harder in the name of quality. We looked at our ... studies, and decided that if a judge was processing more than a certain number of cases he just couldn't be adjudicating it in a quality manner. We believed that the judges who were exceeding the threshold we've established had to be cutting corners. There's no absolute numbers you can look at to measure that kind of quality, but that was a qualitative judgment that was made with very careful research. Putting quality over quantity was absolutely the right thing for us to do.

**On the Disability Program**

I think the first thing is to realize we really have two programs. We run one of the nation's largest entitlement programs—the Old-Age, Survivors, and Disability Insurance program. We also administer the Supplemental Security Income (SSI) program, which provides financial support to aged, blind, or disabled adults and children with limited income and resources. The basic standard is a person who has medical impairments that prevent them from doing work for a period of 12 months or more.

What we've tried to do is to use much more up-to-date medical information. When I started, we had regulations for significant areas of medicine that had not been updated

**Social Security Revenues, 2011**



Source: The 2012 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds

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— Michael J. Astrue



since the 1970s. I knew from my experience in the biotech industry that the world changes much more quickly. We’re trying to keep all this medical information updated, at least every five years, and more often if we can. We’ve also been able to fast-track rarer diseases and conditions by identifying them earlier in the process. Many of these conditions are devastating. We’re bringing them to the front end of the process. We’re doing about 6% of our cases in this manner and they are generally decided [in] between 10 to 15 days on average. This is a major improvement. Previously, we’d ask for an enormous amount of medical evidence, vocational evidence, and if the disease or condition were obscure we’d consult specialists to advise us. In most cases, it was a wasted effort. Going in this direction has represented one of the great successes of SSA; we’ve received awards and other agencies are starting to look at if there are ways they can duplicate our approach where applicable.

The states perform the first two levels of review before we get into hearings and appeals. The best way to solve any backlog ... is to catch errors earlier in the process. We’re doing a pretty good job in this area. We’re using sophisticated software for structured reviews and disability determination at the state level. It’s a system we call Electronic Claims Analysis Tool (eCAT) and it’s proving to be extremely valuable to improving the quality of our disability determinations. eCAT aids examiners in documenting, analyzing, and adjudicating the disability claim in accordance with regulations.

We’ve also introduced two ways to fast-track disability claims which have dramatically improved the system. We consider it particularly urgent to expedite approval of cases that, given the nature or severity of the claimants’ diagnosis or conditions, are likely approvals. Our two initiatives, Quick Disability Determinations (QDD) and Compassionate Allowances (CAL), use technology to identify claimants with the most severe disabilities and allow us to expedite our decisions on those cases. These fast-track initiatives have been two of our greatest successes in recent years. The QDD process uses a computer-based predictive model

to identify cases where a favorable disability decision is highly likely. The CAL process helps us quickly identify medical conditions that invariably qualify under the listings of impairments based on minimal objective medical information. For example, if you have the same form of rare brain cancer that Senator Kennedy had (which my father also died of), there is no survival. Once the diagnosis is confirmed, the claimant should be given benefits as quickly as possible, so that’s what we do.

Today, about 1% of our cases (and growing more rapidly) are compassion allowances. About 5% are QDD cases. It was largely my back-of-the-envelope estimate with our 2008 plan that we could do 6% to 9% of our cases that way. It looks like we’re going to hit the upper end of that range. We are



On August 14, 1935, President Roosevelt signs the Social Security Act in the Cabinet Room of the White House.

working with the National Institutes of Health (NIH) using sophisticated programs and templates to identify diseases and conditions that look very similar on key dimensions with our current compassion allowances; it's a very productive partnership and from it we have identified about 25 additional conditions suitable for fast-track review.

### On Leveraging Health IT

We have been very excited by health IT from the get-go. The Recovery Act encouraged us to spend approximately \$25 million getting ready for the use of health IT. We've done pilots working with Med Virginia. We've worked with a couple of the smaller entities around the country that are pretty much already there in terms of supplying electronic medical records. It's worked extremely well from our vantage point, but it hasn't been without some bumps along the way. For example, the information we were receiving also contained extraneous reimbursement information and other information we had to screen out. Doing this properly required that we redesign some of our business processes. In the end, we were cutting our review times [in] the neighborhood of about 40% as a result of the use of health IT. I think we can do better over time.

The problem for us right now is that very few insurers are that far along. There was significant money from the Recovery Act directed to the private sector to accelerate the adoption and use of health IT. When health IT comes to fruition it's going to be amazing how much things change. We'll start to see what this will do for us and I think it'll be very impressive. I'm also slightly frustrated because five years ago I thought all this improvement would happen on my watch, but that's not going to be the case. Once it ramps up, three years from now instead of setting 270 days as our norm for hearing an appeal maybe 200 days will be realistic. Today, we do 60 to 100 days for state first-level review. With the expanded use and adoption of health IT, we might be able to see 40 to 60 days.

The whole process may speed up. We may be able three years from now to talk about eliminating the second step in the states because not only will we do things faster with health IT, it'll be much more accurate, and we might not need a second-step review. This isn't a foregone conclusion presently, though it is important to keep in mind that not only is chasing down medical records one of SSA's biggest costs, an incomplete medical record is our biggest source of error. A lot of the time we don't even know that a medical record is incomplete. If you get the information exchanged

in a better way early in the process everything will not only work faster, but the quality will be higher.

### On Program Integrity

We had been moving backwards for a number of years in terms of accuracy and program integrity. We're still not back to where we'd like to be, but at least we're moving in the right direction. So some of it is our bread and butter—performing continuing disability reviews, looking periodically at people on the roles and [confirming eligibility]. Despite our budget issues, we have increased our continued disability review pretty much year by year. We're not up at the optimal level yet, but it's better and you can see the impact on the bottom line. We've saved the taxpayers for full medical reviews about \$10 for every administrative dollar we spend. When we just do a work review it's about \$7 for every dollar we spend. We have some new initiatives that are very exciting. For the disability program where assets are an issue, we have a new system that can check bank records



Commissioner of Social Security Michael Astrue (L), speaks alongside Secretary of Labor Hilda Solis (R) and Secretary of Health and Human Services Kathleen Sebelius (not shown), as the Social Security Board of Trustees holds a press conference at the U.S. Treasury Department in Washington, D.C., May 13, 2011, announcing that their annual report estimates that the Old-Age and Survivors Insurance and Disability Insurance Trust funds will be exhausted by 2036, one year earlier than projected last year.

very efficiently to identify unreported assets. The numbers may fluctuate as the system fully matures, but right now we're getting in the ballpark of a 20-to-1 return for taxpayers using this approach. We're looking at the feasibility of doing similar review on real property; it is one of the advantages of having access to all the databases out there. We have the ability to prevent fraud using tools and technology not available three or four years ago.

### On Forging Partnerships and Collaboration

With all due respect to a number of the agencies we partner with, I think the one that has been the most remarkable and most helpful for us is the National Institutes of Health. Regarding SSA's fast-track disability programs, NIH has a senior person attend SSA hearings to help us work through the testimony, ask the right questions, and think about the diseases and conditions in the right way. Recently, NIH has engaged in a remarkable research program profiling the diseases and conditions that can currently receive fast-track review and comparing them to other diseases and conditions. The end result of the research program is to identify other diseases or conditions that might be added to SSA's fast-track review process.

In the beginning, there were many low-hanging fruits. Just last year, we had 100 diseases and conditions on the fast-track list. I'm hoping to double that in the next couple years, but it's getting slower and harder. NIH provided its preliminary results and it rocked my head back. They had 25 diseases and conditions [most of which] are going to be compassion allowances. There may be tens of thousands of Americans who by the end of the year will be getting the benefit of SSA's fast-track process because of this partnership with NIH. NIH has been absolutely topnotch, and I can't say enough good things about what they've done for us.

### On Working at SSA

Traditionally, we have been a great place to work. In recent years, we had slipped slightly out of the top 10 of the best places to work [in federal government] as identified by the Partnership for Public Service. We're happy to be back and aspire to do even better.

There are many things I cannot change, but the biggest accomplishment that we've made in terms of employee satisfaction is enhancing our communication. In most cases, I can't change working conditions very quickly. What I can do is let our folks know there are people at headquarters who are very committed to supporting what they are doing; we are concerned that they're doing their work well, doing it

efficiently, making sure they're secure in the workplace, and as we make changes, to explain what we're doing and why.

### On His Legacy as SSA Commissioner

I've spent almost 14 years in the federal government now, and I've seen many agency heads at the end focusing on establishing their legacy. Ironically, being too worried about one's legacy can result in creating a negative legacy. We've done some very important things on my watch, such as fast-tracking the disability programs with the introduction of ... high-quality electronic services, and changing the direction of the physical IT infrastructure to make sure that the checks continue to go out on a regular basis; these are incredibly important.

We started some longer-term projects that won't be finished on my watch. We're using a 1938 tool that labor stopped updating effectively in 1977 for a lot of our vocational decisions. Previous commissioners were discouraged about taking that on because it's a very long-term and expensive project. So even ... under duress, with a lot of competing demands for resources, I just thought it was important to start that. We've been working on it for a number of years. We probably won't see any benefit in the agency for two more years, but I think it's important that we replace the dictionary of occupational titles.

There's a whole set of things that we've ... moved forward on that I think for the better or worse will be my legacy. In the last year, I want to move these longer-term projects closer to completion, as well as continue to drive the backlogs down. It isn't a smart thing to start anything tremendously new or ambitious in your last year unless you absolutely need to do it. ■

To learn more about the U.S. Social Security Administration, go to [www.SSA.gov](http://www.SSA.gov).



To hear *The Business of Government Hour's* interview with Michael J. Astrue, go to the Center's website at [www.businessofgovernment.org](http://www.businessofgovernment.org).



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