DAVID Y. IGE
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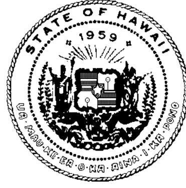

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STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 12, 2019

TO: The Honorable Representative Joy A. San Buenaventura, Chair
House Committee on Human Services and Homelessness

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 492 SD2 – RELATING TO THE DEPARTMENT OF HUMAN SERVICES/AUDIT OF THE DISABILITY DETERMINATION BRANCH**

Hearing: Wednesday, March 13, 2019, 8:30 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the measure and respectfully provides comments. DHS appreciates the amendments and finding of the Committee on Human Services "that the Disability Determination Branch (DDB) is responsible for making timely, accurate, and cost-effective disability determinations in accordance with Social Security Administration rules and regulations."

PURPOSE: The purpose of the bill is to require the Office of the Auditor to conduct a performance audit of the Disability Determination Branch (DDB) of the Department of Human Services (DHS) and present findings and recommendations to the legislature, as appropriate.

The Disability Determination Branch (DDB) is responsible for making timely, accurate and cost-effective disability determinations in accordance with Social Security Administration rules and regulations. The DDB is 100 percent federally funded by the Social Security Administration (SSA).

SSA provides regular oversight of the performance of all State Disability Determination Branches to ensure the states maintain effective business procedures for processing Social Security disability claims, and has sole authority for evaluating the methods, procedures and criteria used by the DDB for making eligibility determinations.

SSA and the Hawaii's DDB work together to deliver quality service and accurate disability determinations as quickly as possible for the residents of Hawaii.

DDB makes disability determinations for the two disability programs of the SSA: Social Security Disability Insurance (SSDI) program and the Supplemental Security Income (SSI) program. To qualify for SSDI benefits, a person needs to have worked long enough, usually 10 years or 40 quarters. A person must also have a medical condition that meets SSA's definition of disability to be eligible for benefits through the SSDI program.

The SSI program is a needs-based program for disabled individuals who may not have enough work quarters or any income from employment, and this applicant must also meet SSA's definition of disability. Also, for SSI, an individual must meet certain income and resource limits along with other eligibility factors.

The Social Security Act defines disability as the inability to engage in any substantial gainful activity (SGA) because of a physical or mental medical condition, that is expected to last, or has lasted, twelve consecutive months, or is expected to result in death. DDB uses a Sequential Evaluation Process to determine if an individual’s circumstances or condition meets the definition of disability.

Regarding items identified in SECTION 2:

1. **Details on the Disability Determination Process can be found here:** https://www.ssa.gov/planners/disability/qualify.html
2. **Analysis of the rate of denials for Initial applications and the rates of denials and approvals for those appealed applications.**

DDB wants to be sure that every decision made about a person’s disability or SSI application is correct. If a person does not agree with the decision, they can file an appeal – that is, ask us to look at the case again. Generally, there are four levels of appeal. They are:

- Reconsideration;
- Hearing by an administrative law judge;

- Review by the Appeals Council; and
- Federal Court review.

DDB is responsible for the Reconsideration level of appeal. A reconsideration is a complete review of the claim by someone who did not take part in the first decision. We will look at all the evidence submitted when the original decision was made, plus any new evidence.

Please refer to the tables referenced in item #4 for "Allowance" and "Denial" rates of Initial applications and Reconsideration (appealed) applications. Please note that DDB's allowance and denial rates for Initial and Reconsideration applications have aligned with the national averages since FFY 2015.

3. Factors contributing to extended processing times for disability eligibility applications and subsequent determinations;

One of the methods used to evaluate the efficiency of a DDB is the length of time it takes to make a determination on disability claim from beginning to end. SSA refers to this as processing time and establishes performance measurements to process a claim.

There are several factors that affect processing time. While some are beyond the control of the State, some are within their scope of influence.

The DDB and the State can have an influence on processing time by:

- Maintaining adequate staffing – though this is often subject to SSA hiring authority;
- Providing staff program training to increase proficiency;
- Maintaining funding including salaries and equipment;
- Eliminating furloughs and layoffs;
- Maintaining adequate in-house medical and psychological consultant resources;
- Maintaining an adequate Consultative Examination (CE) panel;
- Using overtime as deemed appropriate by SSA and the DDS;
- Adjusting to fluctuating expectations from SSA; and
- Establishing and comparing base periods of time.

The Social Security Administration has sole authority for evaluating the timeliness of eligibility determinations. While SSA has tasked the DDB with improving timeliness of determinations, the Agency is satisfied with the progress made to date, as well as the business process improvements deployed currently under way.

4. **Internal operations at the disability determination branch, specifically with respect to any management policies or directives that may influence staff to make eligibility determinations quickly and without thorough evaluation of applications and supporting documentation;**

There are no directives or policies that influence staff to make determinations quickly without respect to ensuring the accuracy of the determination. To comply with the policies set forth by the Social Security Administration, the DDB must achieve both timely processing and accurate decisions.

Social Security does require that States meet thresholds for case processing time <u>and</u> decisional accuracy. These requirements are established to ensure that individuals filing claims for disability benefits receive timely and accurate service. DDB is accountable for delivering the best possible service to the residents of Hawaii. DDB has a goal to improve processing times while sustaining our accuracy rates, and are committed to serving our residents in Hawaii timely.

DDB has consistently delivered accurate decisions and the DDB's claims accuracy has consistently met or exceeded the national average.

In contrast, the timeliness of DDB's determinations has historically fallen short of national performance level. However, over the last 4 years, the DDB has narrowed the gap between the timeliness of determinations for residents of Hawaii and the national average. In 2016, residents of Hawaii waited 19.3 days longer than the national average for an initial determination, while in 2019 to date, residents wait just 7.7 days longer than the national average. For appeals of initial determinations, the improvement in customer service is even more dramatic with Hawaiian's waiting 26.6 days longer in 2016, and receiving a decision 12.2 days faster than the national average in 2019 to date.

Through investment in staff training, and business process improvements, the DDB has made great strides in the timeliness of determinations, while maintaining consistently high

accuracy. The dedication of the current managers and staff of the Hawaii DDB, has resulted in a tremendous customer service success story.

5. **Actual processing times for disability eligibility applications.**

See last column for combined Title 2 & Title 16 Mean processing times for Initial and Reconsideration (appeals) claims related to DDB processing times.

2019 through 1/25/19	Receipt	Clearance	Allowance	Denial	Accuracy Rate	**T2/T16 Combined MPT**
Nation Initial Claims	670,551	690,155	35.5%	64.5%	97.5	**91.4**
Hawaii Initial Claims	1,855	2,065	33.4%	66.6%	100.0	**99.1**
Nation Reconsideration	160,393	153,792	12.3%	87.7%	95.9	**79.0**
Hawaii Reconsideration	533	281	12.1%	87.9%	96.7	**66.9**

2018	Receipt	Clearance	Allowance	Denial	Accuracy Rate	**T2/T16 Combined MPT**
Nation Initial Claims	2,304,611	2,265,999	35.0%	65.0%	96.9%	**86.6**
Hawaii Initial Claims	6,351	6,758	34.7%	65.3%	98.3%	**102.5**
Nation Reconsideration	506,269	497,903	12.2%	87.8%	96.1%	**73.4**
Hawaii Reconsideration	672	798	11.2%	88.8%	98.7%	**123.6**

2017	Receipt	Clearance	Allowance	Denial	Accuracy Rate	**T2/T16 Combined MPT**
Nation Initial Claims	2,408,676	2,448,734	34.3%	65.7%	97.3%	**85.1**
Hawaii Initial Claims	6,456	6,178	36.2%	63.8%	97.0%	**100.1**
Nation Reconsideration	538,957	538,046	12.3%	87.7%	96.1%	**71.1**
Hawaii Reconsideration	1,404	1,529	15.7%	84.3%	97.1%	**104.4**

2016	Receipts	Clearances	Allowance	Denial	Accuracy Rate	**T2/T16 Combined MPT**
Nation Initial Claims	2,541,823	2,580,064	33.2%	66.8%	97.8%	**84.2**
Hawaii Initial Claims	6,796	7,333	31.9%	68.1%	97.5%	**103.5**
Nation Reconsideration	537,559	549,228	11.9%	88.1%	96.6%	**71.9**
Hawaii Reconsideration	2,019	2,197	11.9%	88.1%	95.6%	**98.5**

2015	Receipts	Clearances	Allowance	Denial	Accuracy Rate	**T2/T16 Combined MPT**
Nation Initial Claims	2,673,505	2,665,845	33.0%	67.0%	97.7%	**T2=83.5; T16=87.2**
Hawaii Initial Claims	7,272	7,354	33.3%	66.7%	98.0%	**T2=109.0; T16=118.4**
Nation Reconsideration	609,975	650,829	11.3%	88.7%	97.2%	**Not available**
Hawaii Reconsideration	1,920	1,894	13.8%	86.2%	97.9%	**Not available**

Combined processing time not available prior to 2016 – provided T2 and T16 processing time

2014	Receipts	Clearances	Allowance	Denial	Accuracy Rate	**T2/T16 Combined MPT**
Nation Initial Claims	2,703,030	2,766,706	32.4%	67.6%	97.8%	**T2=83.0; T16=85.7**
Hawaii Initial Claims	6,608	6,666	34.8%	65.2%	98.5%	**T2=118.5; T16=132.4**
Nation Reconsideration	715,888	704,404	10.7%	89.3%	96.9%	**Not available**
Hawaii Reconsideration	1,754	1,393	13.5%	86.5%	96.8%	**Not available**

Combined processing time not available prior to 2016 – provided T2 and T16 processing time

OTHER POSITIVE NEWS:

At the end of Federal Fiscal Year 2018, the Social Security Administration and Office of the Inspector General (OIG) opened a Cooperative Disability Investigations Unit in Hawaii. The unit includes a part-time examiner from the Department of Human Services Disability Determination Branch. This unit will identify, investigate, and prevent Social Security disability fraud throughout the State of Hawaii.

The CDI Program is one of Social Security's most successful anti-fraud initiatives, contributing to the integrity of Federal disability programs. CDI brings together personnel from Social Security, its OIG, DDB, and local law enforcement agencies to analyze and investigate suspicious or questionable Social Security disability claims, to help resolve questions of potential fraud before benefits are ever paid. CDI Unit efforts help DDB disability examiners make informed decisions, ensure payment accuracy, and generate significant taxpayer savings, for both Federal and State programs.

Thank you for the opportunity to provide comments on this measure.

Hawaii Disability Legal Services, LLLC

1188 Bishop Street, Ste 1402 ◆ Honolulu, Hawaii, 96813 75-170 Hualalai Road, Ste 204a ◆ Kailua-Kona, HI, 96740

March 12, 2019

Committee on Human Services and Homelessness
Testimony on S.B. 492
Relating to the Department of Human Services

March 13, 2019, 8:30 a.m.
Conference Room 329

STRONG SUPPORT

Dear Chair Joy A. San Buenaventura, Vice Chair Nadine K. Nakamura, and Members of the Committee:

My name is Diane C. Haar. I am a licensed attorney practicing in the State of Hawai`i. I regularly represent individuals with disabilities to obtain disability benefits from the Social Security Administration. My practice focuses heavily on the homeless community. Disability benefits from the Social Security Administration for our physically and/or psychologically disabled homeless individuals are a crucial component to achieving the means to house them and keep them housed, as well as to ensure their regular access to quality medical care.

If Hawai`i is serious about addressing and caring for its homeless population, being able to obtain disability benefits from the Social Security Administration is crucial. I am aware a 2014 audit of the Department of Human Services Disability Determination Branch was conducted and completed, but never reviewed or acted upon. It is attached to this testimony.

Ensuring the quality and proper operation of the Disability Determination Branch is crucial to addressing our physically and/or psychologically disabled homeless population. My only concern is that the current bill does not go far enough, as the prior audit also included a performance audit *and* an audit of the management of the agency, which this bill does not.

Also of concern, Hawai`i taxpayers provide cash assistance in the amount of $388 per month to indigent, disabled individuals. These individuals are evaluated for disability using the same criteria as the Social Security Administration. The reason for this is that this is part of a joint program between the Social Security Administration and the State of Hawaii described at H.A.R. § 17-658, et. seq. and 20 C.F.R. §416.1910 respectively. This program is intended to provide disabled individuals money to live on until they are granted disability benefits from the Social Security Administration.

Where disability benefits are granted by the Social Security Administration, the Social Security Administration reimburses Hawai`i taxpayers for this interim assistance. When they are not, our taxpayers eat this cost. If the Department of Human Services Disability Determination Branch is not functioning well, this results in higher costs to the Hawai`i taxpayers, both in

covering the cost of this cash assistance, but also in determining how to handle, house, and medically treat the disabled homeless individual. Our state's fiscal health depends on the proper functioning of the Department of Human Services Disability Determination Branch.

Your consideration of this bill is greatly appreciated. Thank you for the opportunity to testify on this important matter.

Sincerely,

Diane C. Haar,
Attorney at Law

Management Assessment of the Disability Determination Branch, Division of Vocational Rehab

August 2014

Department of Human Services: Budget, Planning, and Management Office

The primary function of the Budget, Planning, and Management Office (BPMO) is to enhance the administrative and management capabilities of the Department to make rational programmatic and management decisions with respect to planning, implementing and sustaining public programs; setting program levels; and using human resources, materials, and equipment efficiently and effectively. In performance of this and other functions, the BPMO conducts studies, analyses, and management evaluations; reviews program operations; and recommends courses of action to improve and enhance the efficacy of departmental programs to ensure the delivery of quality services to program clients. The BPMO may also conduct program management evaluation and assessment activities in response to or by request from the Director's Office, Staff Officers or Division Administrators of the Department.

Under the BPMO Program and Management Evaluation (PME) section, the office conducts analytical studies, reviews, advises, and coordinates constructive proposals for change in areas including, but not limited to:

1. Programs and operations administered by the department.
2. Organizational structure and functions.
3. Use of resources, time and space.

The BPMO/PME are further responsible for serving on evaluation teams to assess efficiency, effectiveness, compliance concerns, or any other management issues in departmental programs and operations as deemed necessary.

Management Assessment of the Disability Determination Branch

August 2014

Ineffective Management and Lack of Internal Controls Impair Disability Determination Branch

A distinct separateness feeds a disconnection from the State and between management and staff.
Operational autonomy within DVR, full federal funding, and federal guidelines regarding some aspects of their operations has created an exaggerated sense of independence from State accountability. Management's persistent illusion of independence serves as justification to maintain current ineffective policies and procedures. Overly expansive and rigid depictions of federal governance is often perceived as a threat by staff, and used to maintain a lack of flexibility regarding internal processes. In fact federal guidelines do not govern every aspect of the operation and vision. This misrepresentation causes confusion among staff regarding accountability, available resources for help, and status.

Staff is insufficiently supported by supervisors on a case level.
This sense of separateness is also largely present between management and line staff. Insufficient management support reveals deep rooted problems stemming from questionable management policies and communication. A management focus on output has eclipsed any attention to the work experience, and communication by management, often perceived as threatening and partial, has caused deep divisions and a decline in morale. Supervisor support is not perceived as helpful, because of their inability to provide meaningful and informed answers, triggering staff to seek help from colleagues instead. There is also a fear of retribution. Communication from supervisors frequently comes across as off-putting and partial, and management's "open door policy" is disregarded by many staff due to dismissive management or lack of follow through.

Caseload management remains unaddressed despite pervasive backlogs.
Caseload distribution is fundamentally skewed toward the level III Examiner, as primary adjudicators of claims. The agency lacks a systematic approach to managing backlogs, and staff turnover of experienced Examiners and support positions reduces the production capacity for claims. Management was dismissive of acknowledging any intrinsic issues that could have contributed to the loss of staff, and productivity challenges remain largely unaddressed. Likely to be faced with similar staffing challenges in the future, the branch does not have a succession plan to respond to changes in workflow or ensure continuity in the quality and production of claims processing. The lack of planning and adequate communication, coupled with management's often dismissive attitude toward challenges has cultivated dissension among the ranks, sacrificing morale and a team atmosphere.

Issues with existing backlogs are worsened by the agency's approach to managing the inflow of disability claims.
The branch administrator faces recurring challenges in managing the frequent changes SSA makes to priority cases and productivity goals. However, in determining how to adjust internal goals with respect to the SSA updates, it is the branch administrator's responsibility to evaluate the capacity and present functionality of the branch. The current distribution practice does not include conferring with the line staff that will be directly impacted by the changes and is adjusted by the administrator based on SSA numbers alone. A related risk was identified in the potential for backlogs to escalate significantly if an unidentified trend of more complex and higher average processing times (APT) for claims is disproportionately assigned. The agency does not collect sufficient data or monitor distribution practices in

enough detail to alert management of this effect, attributed to the functionality of the distribution software alone. As a result, frustration among Examiners with the lack of transparency in this process, and inequitable case distribution impacts productivity.

Inequity in roles and responsibilities creates dissension and promotes inappropriate use of overtime.

Assigned the highest weekly caseloads, Examiner IIIs are the only line staff authorized to adjudicate all types of disability claims without supervisory duties. Examiner IV positions have been allocated as assistant supervisors and assigned special projects; so, despite their higher level of experience and equivalent authorization in claims, are assigned a greatly reduced caseload. Since the Branch is assigned cases by SSA based on the number of staff, the ability to reach maximum productivity is greatly compromised by the use of Examiner IVs in this way. Supervisors, who by title are Examiner Vs, are not assigned claims, yet are expected to provide direct guidance and support to their subordinate Examiner staff and the unit as a whole. This team was unable to discern any structure or prioritization in the assignment of "special projects" or "other duties" to Examiner IVs and encountered ambiguities and inconsistencies with the role of the unit supervisor. We find assistant supervisors are duplicating the role of the supervisor, doing many of the duties that should be done by a supervisor.

Because unit supervisors are not trained on ECAT, the electronic case analysis tool, their ability to understand key challenges faced by Examiners is stunted. This has insulated management from the reality of Examiner's daily challenges, and makes them unable to employ tactical strategies to troubleshoot issues or quell Examiners' frustrations with the system. In addition, responsibility for completing Residual Functional Capacity forms in the determination process shifted from the medical consultants to the Examiners in 2010, in part to achieve potential cost savings. This has amplified the pressures on Examiner workloads without accompanying tools and supports for a successful transition. Lack of systematic case development for all cases requires Examiners to spend time on clerical work at the expense of analyses. The branch did not monitor APT or quality ratings following changes to staff support services and could not provide data confirming whether actual cost savings were realized from Examiners completing the RFC forms.

Workload for medical consultants has also reduced significantly with the reassignment of RFC forms. A claims bottleneck with Examiners has medical consultants often left with no cases for review. While several medical consultants have taken on a supportive and instructive role to the Examiners, others have selected to focus on the quality and output of the determinations. One or more medical consultants approach staff directly for claims to process themselves instead of waiting for the queue, or medical consultants may self-assign specific cases where they have previously advised an examiner. The team foresaw a need to consider more systematic approaches to medical consultant's case assignment given the change in workload.

Medical consultants, Examiners, and management are aware of these structural weaknesses and the impact a lack of support staff has to processing times and productivity. However, management has yet to develop a long-term strategy to address the underlying problem of how workload is distributed.

Significant differences in employees' perception and use of overtime reveal additional inequities in workload and accountability.

Changes in policy that require additional caseload to qualify for overtime have resulted in unregulated unpaid overtime practices. This behavior is well known throughout the branch but remains relatively unaddressed by a management team who is chiefly concerned with output. Unpaid overtime is most acute among several level III Examiners who report working through lunch hours plus an additional two to five hours in the standard eight-hour workday and some weekends. Those who work these unpaid extended hours feel the practice is necessary to manage caseloads and avoid the negative attention and overt disciplinary actions administered when productivity fluctuates downward. There is a reluctance to push this issue with management, fearing retaliation, public embarrassment, marginalization by supervisors, discounting of future concerns, punitive applications of micromanagement and restrictive policy changes such as a retraction of flex-time allowances. This fear was validated by management's responses to this issue.

Part 1

Introduction

This is a report on the management assessment of the Hawaii Disability Determination Branch (DDB) requested by the Director of the Department of Human Services (DHS). A member of the State Legislature contacted the DHS director regarding concerns with the DDB's internal operations after receiving a formal complaint alleging mismanagement, ineffective business procedures, high attrition rates, unreasonable working conditions, and preferential treatment within the branch. Responding to these concerns, the DHS Director tasked the BPMO Chief Officer and PME staff with carrying out a management assessment for the purposes of evaluating and making recommendations on the DDB operations and to investigate potential efficacy and integrity issues including, but not limited to, the allegations sited in the original complaint.

Background

The Hawaii Disability Determination Branch is the designated State agency responsible for making initial determinations of disability, continuing disability, and reconsiderations on the eligibility of claimants pursuing Social Security Disability Insurance (SSDI) and Supplemental Security Income (SSI) benefits administered through the United States Social Security Administration (SSA). In performance of this primary function, the DDB must provide for the full development of medical evidence and make determinations of eligibility on whether or not a client is blind or disabled under Title II and Title XVI of the Social Security Act (the Act). All adjudicators derive their authority from the SSA Commissioner and have the authority to find facts and, where appropriate conduct a fair and impartial hearing in accordance with Title II, section 205(b) of the Act.

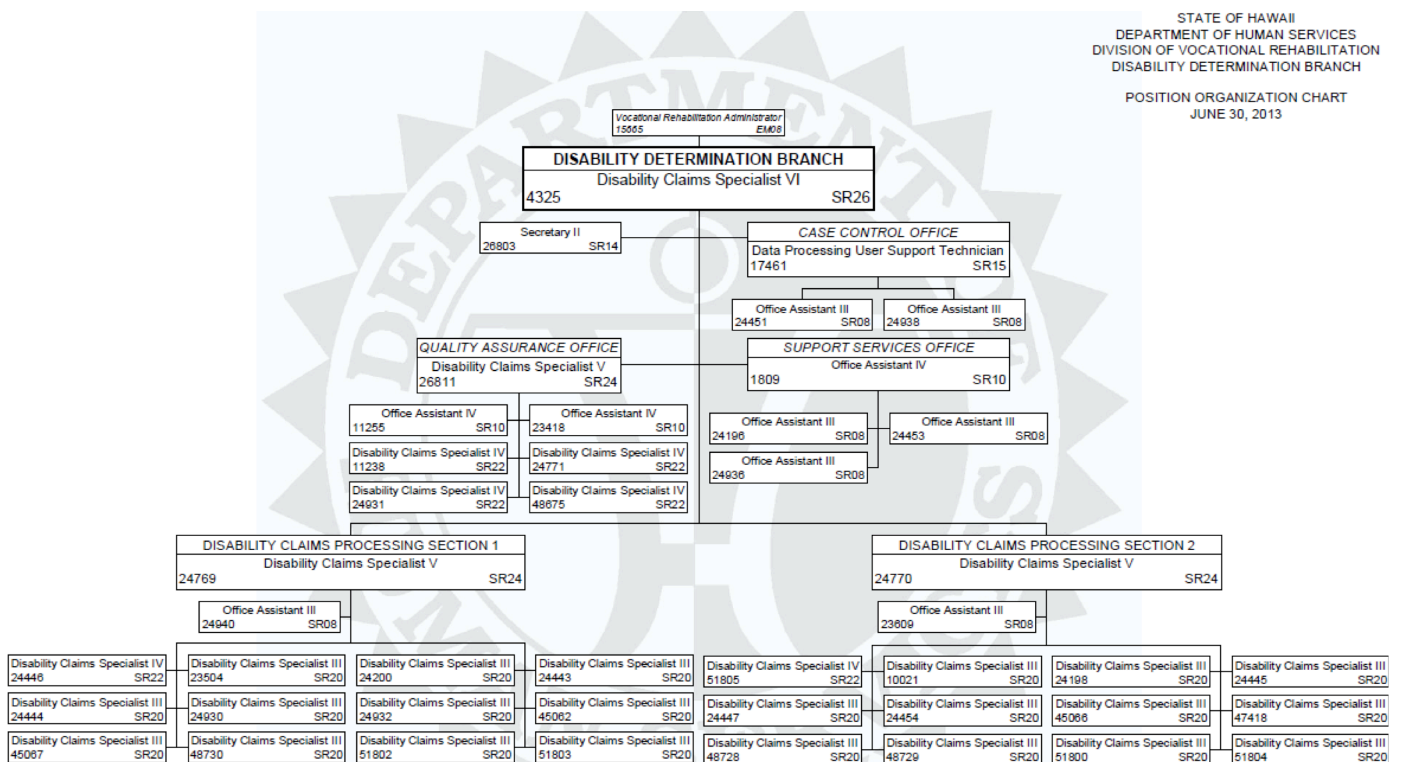
Hawaii's DDB is one of 54 Disability Determination Services (DDS) offices located throughout the 50 states, Puerto Rico, Guam, the Virgin Islands, and the District of Columbia. DDS are 100% federally funded State agencies operating in partnership with the SSA and are mandated to administer disability determinations under the regulations, guidelines, and quality standards established by the SSA. Pursuant to CFR Section 404.1603- Basic responsibilities for SSA and the State, the SSA will provide program standards, leadership and oversight. The SSA does not intend to become involved in the State's ongoing management of the program except as is necessary and in accordance with 404.1603. To this end, internal operations and program implementations including the appropriate provision of management, organizational structures, program supports not expressly regulated by the SSA or other Federal authority remain the responsibility of the individual DDS, designated parent agency (e.g. DHS), and local governing body, to be administered in such a manner as to insure accurate and prompt disability determinations for claimants.

The Branch Administrator (BA) provides the management, overall direction, continuing appraisal and necessary revisions of branch operations in terms of policies and procedures in order to carry out the program objectives. The BA acts as sole liaison with the SSA Regional Office in California, the region under which Hawaii branch reports.

Organization

The DDB is comprised of two direct service areas; the *Disability Claims Processing Sections 1 and 2;* and three support entities, *the Case Control Office, The Quality Assurance Office, and the Support Services Office*. The Disability Claims Processing Sections house the Disability Claims Specialists (DCS), most commonly referred to as Examiners. The Examiners are charged with making the medical and vocational determination of eligibility and continuing eligibility for SSA. The Case Control Office (CCO) houses 3 positions, and is charged with monitoring and maintaining the case information and processing system, performs intake, case assignment, and closure of all case files using the branch and SSA computer systems. The Quality Assurance Office (QAO) houses 7 positions and is responsible for monitoring and assisting branch operations to achieve timely and accurate disability determinations. The Support Services Office (SSO) holds 4 positions, including one case developer, and provides clerical support for the branch, such as making arrangements for consultative examinations, tests and transportation arrangements, maintaining supplies, and other clerical duties.

Currently, DDB has 2 staff vacancies.



Objectives of the Assessment

1. Determine if there is evidence supporting the complaints cited in the letter and evaluate efficiency and integrity of management and operations.

2. Make recommendations as appropriate

Scope and Methodology

This assessment investigated assertions of mismanagement, ineffective business procedures, high attrition rates, unreasonable working conditions and preferential treatment, and evaluated the effectiveness of management and Branch operations. Our team interviewed all DDB staff and five contracted medical consultants from July 16, 2014 through August 06, 2014 in the hearings room at the Disability Determination Branch office. A staff satisfaction survey was administered to all staff and medical consultants thereafter. Position descriptions of all management staff, monthly DDS Performance Tracking Reports for May and June 2014 were reviewed. Phone interviews were conducted in cooperation with other disability determination services offices throughout the country and the Disability Program Administrator in the San Francisco Regional Office, under which Hawaii DDB falls. Online research was gathered and studied, including published reports from the Government Accountability Office, SSA and other civil service sources addressing the challenges of DDS nationwide.

In order to address the complaint in a timely manner, analyses from survey results will follow separately upon completion.

Part 2

Ineffective Management and Lack of Internal Controls Impair Disability Determination Branch

As the designated state agency charged with determining disability claims for those applying for benefits from the Social Security Administration, the Disability Determination Branch performs a critical function. They way in which the Branch is managed, however, is fundamentally flawed. Specifically, the Branch has dismissed issues raised by overwhelmed staff regarding workload, inequities, mismanagement by leadership, lack of adequate supervisory support and the vague communication of policies. An inflated perception of autonomy from state oversight has distanced the Branch from available resources and furthered a separation that has led to confusion and isolation. Further, the Branch's lack of comprehensive policies and procedures to support staff in a particularly demanding job, ignorance of key performance dashboard measures that lead to more efficient management of staff workload, and erratic and vague policies has created a morale problem and fostered dissension. The impact on claimants is unknown at this time and is beyond the scope of this assessment.

1. Pervasive misconceptions of governance and insufficient management support result in inappropriate business practices.

2. Inequitable expectations and erratic policies aggravate heavy workloads and foster dissension

Pervasive misconceptions of governance and insufficient management support result in inappropriate business practices.

Management at the Disability Determination Branch emphasizes the federal connection of its operation at the expense of State identification and resources. Operational autonomy within DVR, full federal funding and federal guidelines that govern some aspects of the operation has created an exaggerated sense of independence from State accountability and confusion among staff. This sense of separateness is also present between management and line staff. Dissatisfaction with insufficient management support for the most pressured group of staff, Examiners, reveals deep-rooted problems stemming from questionable management policies and communication problems. A magnified emphasis on the number of cases carried and closed, and communication by management often perceived as threatening and partial more often than helpful or balanced has created morale issues that works counter to a highly productive workplace.

A distinct separateness feeds a disconnection from the State and between management and staff.

Operational autonomy within DVR, 100% federal funding, and federal guidelines regarding some capacities of DDB operations has created an exaggerated sense of independence from State accountability. Management's insistent illusion of independence serves as justification to maintain current ineffective policies and procedures, supporting an absence of initiative to implement changes that would address persistent operational issues. DDB receives their direction from the Regional Office of the Social Security Administration located in California, and is housed in offices physically separated from DVR and DHS. This independence was persistently cited to this team to counter the validity of our assessment, and repeated as a mantra to line staff as justification for maintaining the status quo. Often perceived as a threat by staff, it is used by management to maintain a lack of flexibility regarding internal processes, though in fact the Code of Federal Regulations explicitly states otherwise. Management, however, has surrendered to this philosophy, resulting in ineffective management policies that lack vision, and cause confusion among staff regarding accountability, possible sources of help, and status.

"Why is the state involved, we are 100% federally funded?"

"There is an us and them rather than we. To help bridge this line, management should convey they roll up their sleeves and get in there. More of that can be done. It does a lot to convey team. More can be done."

Staff not sufficiently supported by supervisors on a case level.

The Social Security Administration appropriates funds to the states according to the number of cases the state is forecasted to close. This goal drives a myopic management style, fixated on output and indifferent to the experience of staff in meeting production targets. Pressure from this structure is placed firmly on the shoulders of Examiner IIIs as recipients of the highest number of weekly claims and greatest output expectations. Examiner IVs, two of which are Assistant Supervisors, are assigned a reduced caseload despite their experience, and Examiner Vs, as Supervisors, are assigned no cases. Consequently, in the current structure, Examiners with the ability to handle the most difficult cases, with presumably with the most experience, are assigned the fewest, if any, while their positions remain counted in full as part of the caseload goal calculation.

"The pressure is really on Examiners to keep things afloat."

Supervisor's management style not widely perceived as helpful.

Communication from supervisors frequently comes across as off-putting and partial. There is a common perception that asking for help from supervisors may be reflected poorly in performance assessments. When requesting help with caseload management, the biggest challenge faced by all Examiners, the responses from DCS unit supervisors are frequently removed from context and unhelpful, such as "work faster." Alienated by poor communication and fearful of retribution, Examiners seek help elsewhere, either from an Assistant Supervisor, medical consultant or colleague. Management's "open door policy" is disregarded by many staff due to dismissive management and lack of follow through. This makes the staff feel unheard in the deeper sense, and separate from policy discussions that have a direct impact on their work.

Emphasis on numbers in DDB drives policy, processes and daily interface. Every Examiner, and nearly every staff and every medical consultant interviewed brought up this single-mindedness and the resulting interplay between management and Examiners in pursuit of reaching their target. A balance between quality and quantity is not established, and many staff struggle with competing obligations to clients to reach a fair decision versus the branch emphasis on speed.

Inequitable expectations and erratic policies aggravate heavy workloads and foster dissension

Management presents a conflicting philosophy of a team atmosphere where Examiners are disproportionately accountable for the productivity of the branch. Examiners must maintain quality, timeliness, and productivity goals but lack practical tools and guidance on how to achieve them. The agency was unable to confirm the existence of any formalized comprehensive manual on internal policies and procedures that would provide direction to the Examiners at a branch level. Despite the governing CFR that states the SSA's general hands-off approach in state management of the program, management at the DDB frequently overstate federal regulations as dictating their operations. This false belief resurfaced throughout the interviews and was frequently used to justify ineffective business procedures that were questioned by our staff.

Caseload management unaddressed despite pervasive backlogs

The distribution of workload in state Disability Determination Services is fundamentally skewed toward the level III Examiners, as they are the primary adjudicators of claims. However, poor management support and a lack of workforce planning aggravate this bias at the Hawaii DDB. The agency lacks a systematic approach to managing backlogs despite having some of the highest pending caseloads among Examiners within the region. Staff turnover and attrition of experienced Examiners and support positions, has effectively reduced the production capacity for claims processing at the branch. Management was dismissive of acknowledging any intrinsic issues that could have contributed to the loss of staff, and productivity challenges remain largely unaddressed. Remaining Examiners have had to adopt claims from departed staff without relief from existing caseload or newly distributed claims beyond standard case relief mechanisms.

"As Examiners our performance is metrics driven. I receive 'x' number of claims a week and am expected to close 'x' number of claims per week. I'm still expected to meet those metrics even when taking vacation or sick time, which is difficult, and often times acts as a deterrent to taking time off. Transitioning between Examiner I and II we are expected to take on additional claims but are not compensated for it. I'm working unpaid overtime to try to meet expectations. These are the reasons why I may look for other employment within the next 12 months."

Likely to be faced with similar staffing challenges in the future, the branch has neither a workforce retention plan nor a succession plan to address changes in workflow or to ensure continuity in the quality and production of claims processing. The lack of planning and adequate communication, coupled with management's dismissive attitude toward individual examiner challenges has cultivated dissension among the ranks, sacrificing morale and a team atmosphere.

Issues with existing backlogs are worsened by the agency's approach to managing the inflow of disability claims.

The branch administrator faces recurring challenges in managing the frequent changes SSA makes to priority cases and productivity goals. However, in determining how to adjust internal goals with respect to the SSA updates, it is the branch administrator's responsibility to evaluate the capacity and present functionality of the facility. The current distribution practice does not include conferring with the line staff that will be directly impacted by the changes and is adjusted by the administrator based on SSA numbers alone. The updated parameters are input into the automated case distribution software, which then assigns claims without consideration to existing workloads or level of aged claims. There is notable frustration with the lack of transparency in this process from the Examiners. Despite the automated nature of the system, and because of the various types of cases and unpredictable processing time among claims, inequitable distribution can and does occur. In theory, this may be neutralized over time; however, currently there is no method of accounting for average

processing time (APT) per case among Examiners does in fact normalize. A related risk was identified in the potential for examiner backlogs to escalate significantly if an unidentified trend of more complex and higher APT for claims is disproportionately assigned. The agency does not collect sufficient data or monitor distribution practices in such detail that would alert management of this effect, and thus, Examiners are susceptible to undue reprimands or praise attributable to the functionality of the distribution software alone.

"[The Branch Administrator] does not retain employees well, she is under the impression that retaining employees is beyond her control and if we lose employees we can always hire again, without taking into consideration it can take several months for personnel to hire, and in the meantime the backlog is getting worse…"

Inequity in roles and responsibilities creates dissension and promotes inappropriate use of overtime

Examiner IIIs received the highest caseload at 15 claims per week, with four weeks of case relief, and do not have supervisory duties authorized to adjudicate all types of disability claims. Examiner IV positions have been allocated as assistant supervisors. Examiner IVs, despite their higher level of experience and equivalent authorization in claims, receive five claims per week and are given unlimited case relief. The branch administrator justifies this reduced caseload by assigning Examiner IVs "special projects" and allowing them to TA for supervisors when necessary. Supervisors, who by title are Examiner Vs, are not assigned claims, but instead are expected to provide direct guidance and support to their subordinate Examiners and the unit as a whole.

In the course of our interviews, we were unable to discern any structure or prioritization in the assignment of "special projects" to Examiner IVs. Further, we encountered significant ambiguities and inconsistencies with the role of the Examiner IV as it relates to the unit supervisor. In reviewing employee "to-do lists," backlogs, and expectations, we found the inequity between level III, IV, and V Examiners was not adequately justified by the roles and responsibilities intended to replace caseloads.

"Supervisors should be more compassionate, jump in and help others when needed, and don't embarrass or punish Examiners when we're struggling with our caseloads."

Further, unit supervisors do not have necessary experience using the Electronic Case Analysis Tool (ECAT), which inhibits their understanding of key challenges faced by Examiners who are required to utilize the tool to process claims. This disparity in knowledge and experience insulates management from the pressures of productivity goals placed on Examiners. The perception among management is that because ECAT is required by the SSA, Examiner challenges or shortcomings with the system are irrelevant. Examiners are often met with indifference from supervisors when voicing concerns over ECAT, causing them to seek out support amongst fellow Examiners instead. Without understanding the system and actively engaging in claims processing under ECAT, management is unable to employ tactical strategies to troubleshoot issues or quell Examiners' frustration with the system.

"Some actions here can be viewed as retaliation."

In addition to the implementation of the ECAT system, operational changes shifted the added responsibility of completing Residual Functional Capacity (RFC) forms in the determination process from the medical consultants to the Examiners. The practice of Examiners completing mental and physical RFC forms is common among a majority, though not all DDS', and has been recognized as a potential cost saving mechanism due to the relatively higher hourly costs of medical consultants (MC). It also is of some benefit to the branch and claimants to increase the level of experience and knowledge for Examiners determining disability. However, cost and quality advantages management uses to justify the RFC switch are not absolute. Efficiencies and accuracy in adjudication by a more knowledgeable Examiner may not compensate for the

expertise and quality provided by an MC authored RFC form. Examiners lack the traditional medical background of doctors, and despite additional training provided by the MC's, complex cases can take more time and effort. Average per capita costs for claims done before and after the change in RFC form procedure were not available for comparison. The process of filling out RFC forms can create additional time management challenges for Examiner if a claimant's information and medical files are not readily available. In the past, Examiners would receive a number of their cases pre-developed, which allowed their focus to be on disability determination. However, the retirement of one of the branches two case developers and the current organization of support staff requires Examiners to spend time on clerical work at the expense of analyses. The branch did not monitor APT or quality ratings following changes to staff support services and could not provide data confirming whether actual cost savings were realized from this shift to Examiners completing the RFC forms.

"Be transparent! Explain why things are done a certain way or why a certain person was allowed a certain 'privilege.' Have open communication, allow people to say things without feeling it was a waste of time or suggestion is not even considered. Don't be condescending."

The change in authorship of the RFC forms also triggered significant changes in the makeup of a workday for MC's. Under the new practice, MC's are not typically able to review claims before the Examiner has completed their initial determination, which now includes completing the RFC form. This process has created a bottleneck in claims with Examiners, and it has become common for MC's to find the queue of cases ready for review empty. These shortages in workload are new to MC's, who are generally accustomed to having a daily overflow. We were told by all MC's interviewed that it is common to be sent home for lack of cases.

"I think the managers should take an opportunity to work cases so that they can have a better understanding of what examiners have to do and have more empathy. Honestly, I feel that there is a lack of respect and empathy from the line unit supervisors towards their staff."

By no longer being tasked with RFC forms, MC's now operate in various capacities that remain undefined and unregulated. While some MC's have taken on a supportive and instructive role to the Examiners, others have selected to focus on the quality and output of the determinations. One or more MC's are known to approach staff directly for claims to process themselves instead of waiting for them to show up in the queue. MC's may also assign specific cases to himself/herself where they have previously advised an examiner. This practice is common and can be more efficient than drawing from the queue when familiarity or subject matter expertise is pivotal to timely assessments on complex cases. In general, attention to MC utilization is lacking and the structure bears analyses for potential improvements and efficiencies.

Medical consultants, Examiners, and management are aware of these structural weaknesses and the impact a lack of support staff has to processing times and productivity. However, management has yet to develop a long-term strategy to address the underlying problem of how workload is distributed.

Significant differences in employees' perceptions and use of overtime reveal additional inequities in workload and accountability

"Nowadays few make suggestions because it falls on deaf ears."

Overtime at the branch is allotted by the SSA, and based chiefly on the productivity of claims processing. Once the allotment has been determined, the branch administrator sets the conditions and distribution among staff sections. Several employees from all sections reported being offered overtime on at least one occasion. However, when questioned on the governing policy for use of the overtime, responses were varied and imprecise. Additional inquiry revealed that the overtime policy had been changed several times in email directives sent by the branch administrator, but staff and management could not confirm the existence of any publication formally documenting the most current policy.

Discussions with the branch administrator indicated that overtime allotments based on productivity meant that without higher outputs in adjudicated claims, the SSA would decrease the amounts provided in the following year. The history of frequent changes to the branch overtime policy was endorsed as a series of pilots to assess the impact conditional authorizations would have on production. In one such trial policy, overtime used on existing caseloads had to be taken on weekends and holidays. Part of the current policy requires additional caseload be taken for any overtime to be authorized. Our staff was unsuccessful in soliciting the complete overtime policy as currently implemented.

The majority of staff and management do not work overtime. The minority that indicated more consistent use of overtime was represented almost exclusively by Examiners. Abstentions from overtime were ascribed primarily to personal preferences, and less so to a lack of work or available overtime hours. However, several Examiners attributed their unwillingness to accept overtime to the additional workload requirements that come with it. Management stated a distinct aversion to their own use of overtime, and the nature of their assignments did not produce the same sense of pressure and time constraints as Examiners with customary caseloads. With no overtime available to address existing caseloads, unregulated unpaid overtime practices have taken its place as a coping mechanism. This behavior is well known throughout the branch but remains relatively unaddressed by a management team chiefly concerned with output.

"Can you help us?"

The frequency and degree to which employees at the DDB engage in unpaid overtime is essentially ignored by unit supervisors and the branch administrator. A number of staff from all sections and supervisory positions report working through lunch at least a few times a week, and accept this practice as necessary and tolerable. However, several level III Examiners report working through lunch hours, plus an additional two to five hours in the standard eight-hour workday and some weekends. Of the Examiners who work unpaid overtime, the majority expressed that the additional hours were necessary to manage caseloads and avoid the negative attention and overt disciplinary actions administered when work builds up. At least one respondent stated that they were encouraged to take their lunch break by supervisors. Others reported visibly performing unpaid overtime after business hours and receiving little to no attention from supervisors leaving the office before them. A minority described situations where concerns voiced to supervisors about meeting production goals within allotted timelines were retorted by statements that "sometimes Examiners need to make sacrifices." Such statements were received by staff as implicit directives to work whatever amounts of time necessary to meet the production goals. The staff indicated that although they harbor some concerns over the unyielding pressure to close cases quickly and the relative indifference by management to the excessive amounts of uncompensated hours, they remain reluctant to pursue recourse for fear of retaliation. Opinions on the likelihood of experiencing retaliation in some capacity were largely in the affirmative. Respondents cited public embarrassment, marginalization by unit supervisors, discounting of future concerns, punitive applications of micromanagement, and restrictive policy changes such as a retraction of flex-time allowances, as the primary deterrents against voicing their concerns. The branch administrator and unit supervisors inadvertently validated staff fears of retaliation in independent discussions regarding unpaid overtime and dissatisfaction among many employees.

"Not everyone can do this job, that's true, but when supervisors say that, the solutions could be better. When you have a struggling employee you need to give them solutions."

Responding to questions on the allowance of unpaid overtime, defensive rhetoric and dismissive attitudes argued that the uncompensated hours were not a directive from management and that the only foreseeable mechanisms for controlling the practice in the future would be to revoke flex-time privileges and increase emphasis on meeting productivity goals during normal business hours.

Demanding workload does not match low pay classification.

Examiners need a highly analytical skillset matched with an ability to learn quickly, adapt to frequent changes in policies, juggle hundreds of details among cases all while maintaining compassionate perspectives to claimants and keeping productivity and quality ratings for case closures high. The low pay classification contributes to staff attrition and low morale, given the unrelenting demands of the job as Examiners in particular. A common complaint among Examiners was that despite a deep empathy for clients and a sincere desire to do their job well, they feel cheated knowing other state SR20's do not have the same demands placed upon them. The SSA regional director concurred that Hawaii Examiners are vastly underpaid and in need of a higher classification.

Conclusion

"There are no best practices for management here."

The Disability Determination Branch operates in isolation in both perspective and management style. We found the administrator detached from the reality of the true state of staff satisfaction and functionality, unaware of the morale and productivity issues despite frequent staff complaints. Performance goals have become increasingly challenging with workload inequities and lack of attention to the staff experience. Insufficient advocacy to both the state and federal partners to address persistent problems has delayed any possible solutions. Ignoring a wholistic approach, not viewing the Branch as a sum of its parts, prevents cohesion and integration and is a missed opportunity to create a fully functioning and effective office.

The solutions this team has provided are a mixture of sound business practices and enhancing an attention to detail. Some will be simpler to implement than others and timelines should be developed early on. However, the Branch would benefit by adopting a more systematic approach to managing policies and procedures that aid staff in their daily work, and a more equitable distribution of work. This combination of efforts presents an innovative approach to achieving higher production, while also raising staff morale and paving the path to more progressive and responsive administration of the program.

Even with the changes recommended in this report, the Branch will continue to be challenged by budgetary constraints and the dynamics of changing federal guidelines and policies. It will need to be more proactive in keeping their relationship with the DVR and DHS current and informed in order to explore needed additional resources of varying kinds.

Recommendations

The team recommends the Disability Determination Branch:

A. Revise, document and monitor policies regarding caseload assignments and management

1. **Initiate a comprehensive review of current caseloads, claims distribution practices, and average processing times to develop an adaptable mechanism for setting productivity and timeliness goals. This review must be collaborative between staff and management;**
   - Because of the use of unpaid overtime in accomplishing current targets, hours must be discounted in the aggregate to account for production during those hours;
   - Include staff in all stages of development: solicit input, relay proposed modifications, and distribute final plan prior to implementation;
   - Maintain transparency with staff at all stages and allow for feedback;
   - Identify, document, and monitor measures of effectiveness to include quantitative and qualitative assessments of the mechanism;
   - Review and document process at least quarterly, and as necessary with management.

"Assign the most weekly claim intake to the level 4 DCSs. They should also have the most complex claims. Always focus on the Department Mission Statement & make decisions based on achieving the mission, especially protects/duties that do not add to the mission. Our first & essential function is to adjudicate claims."

2. **Reduce the level of current pending and aged claims in Examiner units with immediate workload redistribution strategies. These strategies should involve:**
   - Review of existing level of pending claims, determine a reasonable reduction goal, and set a timeline for completion;
   - Collaborate with staff to develop a reasonable set of aged claims for prompt reassignment to Examiner IVs;
   - Assess existing level and composition of pending claims with each Examiner to determine temporary case relief provisions;
   - Increase current assistant supervisor caseloads, and include overflow of cases from Examiners on Work Plan.

"Having a standardized business procedure and measurement that are the same across the board with staff, MC and management. Having accountability measurement among managers, supervisors, and administrator… there should be no preferential treatment. It should be offered to all."

3. **Eliminate the demand for quick closures that occur at the expense of comprehensive and compassionate determinations:**
   - Case complexity must be a determining factor in caseload assignments and quotas;
   - Eliminate management discipline of workers who take the time to adequately develop a case;
   - Integrate time management training that emphasizes a balanced approach concerning quality and speed, with the emphasis on accuracy;
   - Eliminate case assignments to Examiners and support staff on sick leave or vacation.

4. **Strengthen management and non-Examiner staff support for disability determinations:**
    - Train all supervisors on Electronic Case Analysis Tool to a performance level understanding and subsequently assign each a small weekly caseload;
    - Restructure the Case Control Office and Support Services Office, as appropriate, to shift clerical duties related to incoming and pending claims away from Examiners;
    - In a review of work processes, integrate the use of case developer positions to prepare cases for Examiners to analyze and determine eligibility. Develop and document a process and criteria covered in this developer role. This should be in partnership with Examiners and other support staff to serve a process flow that enhances, rather than stalls, the ability of staff to function more efficiently, and as an integrated whole. Incorporate parameters that promote consistency in the type and degree of development, and make this process part of the chain of movement from development to Examiner to medical consultant.

"Do not compare one Examine to the other. Keep what was discussed confidential. Mandate management to attend continuing/ongoing management and leadership training to be effective supervisors. Address tact, respect, etc. "

5. **Examine the potential development and implementation of a multi-level monitoring system for caseloads to prevent excessive backlog and provide structure to case management:**
    - Clearly define a three-tier system indicating the "preferred", "permissible", and "action required" level of pending claims within a unit;
    - Units with "action required" levels of pending claims should trigger a review by the unit supervisor;
    - Supervisor should determine if the backlog can be addressed within the unit or requires application of case relief and/or direct assistance;
        - Define and document the various levels and composition of pending claims in individual Examiner caseloads that would alert management;
        - Set a cap on pending cases, adjusted by Examiner level;
        - Caseloads that exceed cap should initiate an evaluation by the unit supervisor to meet with the Examiner and discuss the appropriate work plan or alternative action required;
        - Evaluation should weigh external and/or unique situations affecting caseload.

"Conduct surveys from time to time to get employee feedback before problems overwhelm employees."

"Work together-if staff stay late, admin and supervisors should stay late too. "

6. **Refine and document Work Plan parameters collaboratively with Examiners:**
    - Improve and establish a structured set of policies and procedures to define what level(s) of pending claims will require a meeting with supervisors.
    - If work plan is determined as necessary, stop new case assignments for the duration of the Plan, allowing time to work down existing backlog, instead of the previous

- branch practice of redistributing the Examiner's pending claims. A structured training component should also be part of the Plan;
  - Clearly communicate a timeline for the work plan; include benchmarks and incentives for additional case relief;
  - Redistribution of existing pending claims in Examiner caseload for work plans may be used as a last resort after collaborating with employee, which cases would best be reassigned, and assigned solely to assistant supervisors and supervisors.

"Buddy system or assign mentor to each person. Positive incentives for those that exceed expectations & more recognition. Brainstorming meetings with groups and offering prizes (doesn't need to be monetary). Hold weekly case review sessions to go over complex cases."

7. **Do a complete and thorough process flow evaluation to identify inefficiencies:**
   - Map claims process from intake to closure as a workflow, documenting situations that trigger a diversion of usual processes;
   - Develop alternative scenarios for those times when variations dramatically impact the process, calling for specialized staff or modifications of duties and workflow;
   - Identify, document, evaluate, and troubleshoot bottlenecks and inefficient phases in the process;
   - Review this flow yearly to ensure process is kept current.

"Team building. Morale events."

8. **Provide increased support for Examiners in caseload management:**
   - Transition to the next higher Examiner level should not be precluded by a "test" period of indeterminable months requiring the Examiner assume the higher level case load. Rather, an easing-in period should be established after the Examiner has been promoted up, with a gradual increase of higher level cases;
   - Clarify and set caseload goals to include timeliness, productivity and other performance measures instead of focusing solely on number of closed cases;
   - Screen case backlogs for difficult and complex cases that impact productivity, and utilize to determine additional case assignments;
   - Stop case assignments during vacation and sick leave;
   - In partnership with Examiner staff develop a new policy for case relief that provides actual relief instead of a way of providing for vacation time;
   - Develop a process to provide transparency for staff on rationale behind weekly distribution strategies.

9. **Address problems with the electronic claims processing system that result in delayed case development:**
   - Assess ECAT challenges and Examiner concerns;
   - Relay system problems and suggestions to SSA.

"Accept the fact that you are working with humans and not just numbers. Trust the examiners!"

"I have the feeling of not being appreciated, errors accentuated, good work ignored. More transparency please."

"When standards are changed for the workers it is important that everyone starts off evenly. Everyone should be on the same level and starting on the same page. Changes in standards should be explained instead of telling Examiners 'that's how they do it on the mainland'. "

B. <u>Upgrade Policies and Procedures:</u>

1. **Develop an organized and comprehensive P&P manual for internal operations:**
    - Incorporate both SSA and internal Branch policies and procedures;
    - Organize position specific policies and procedures by position title within or as a addendum to the comprehensive P&P
    - Print and electronic formats should be readily accessible.
    - Develop and implement a process of staff notification through a signatory statement; and
        - Updates reflecting policy and procedure changes should be made timely**.**

2. **Formalize a procedure for staff and supervisors to contribute ongoing feedback on P&P:**
    - Address both the submittal and follow up to staff that submit a complaint, issue or suggestion
    - Document process within P&P**.**

3. **The Branch Administrator should revisit internal operations and P&P annually and as needed to identify opportunities for improvement and respond to changes in State or Federal guidelines.**

C. <u>Personnel Planning and Management:</u>

1. **Analyze all positions and reclassify those positions with outdated classifications and in need of movement to a higher level.**

2. **Develop and implement a succession plan:**
    - Include strategies for recruitment and retention that increases the number of Examiners and support staff able to meet caseload demands**;**
    - Evaluate likelihood of staff and supervisor turnover and/or retirement
    - Develop strategies to ensure retention of position specific knowledge in the event of turnover

3. **Create a standard practice for conducting exit interviews:**
    - Determine and document reasons for staff departure;
    - Where applicable solicit recommendations for improvement**;**
    - Review data annually or as appropriate to identify and respond to trends

"This makes me hopeful."

4. **Conduct a full evaluation of personnel resources and job duties to determine the need for reorganization and updated contracts:**
    - Include review of contracted medical consultants and health care providers responsible for consultative examinations;
    - Establishing a third Examiner unit is recommended**;**
    - Conduct quarterly review sessions between supervisors and staff to discuss resources, track progress, address challenges, and keep both management and staff current**;**
    - Administer staff satisfaction survey yearly to monitor changes and identify new or lingering weaknesses

D. <u>Governance relationships (SSA and State/DHS/DVR):</u>

1. **The Brand Administrator should develop a more vigorous relationship with SSA regarding budget and goals:**
    - Discussions and negotiations regarding cases should include data and rigorous support documentation to build advocacy for requests;
    - Communicate any State support or initiatives that conduce to additional Federal support.

2. **Initiate immediate and full utilization of the ECAT Management Information dashboard:**
    - A monthly report of all dashboard and performance measures should be submitted to the DVR administrator, Director and Deputy Director of the DHS.

SB-492-SD-2
Submitted on: 3/8/2019 4:07:40 PM
Testimony for HSH on 3/13/2019 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

SB-492-SD-2
Submitted on: 3/11/2019 5:51:17 PM
Testimony for HSH on 3/13/2019 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Susan L Fernandez	Individual	Support	No

Comments:

SB492

FROM: Susan L Fernandez

DATE: 3/11/2019

I am writing in support of this bill. As the former Budget, Planning and Management Officer for the Department of Human Services (2013-2015) my office conducted an in depth management review of the DDB. Our findings indicated significant systemic management problems impacting the performance of this very critical service. It was evident that a more in depth audit by an outside firm was imperative. However, the review was shelved by leadership, resulting in persistent and ongoing issues that affect the staff and clients receiving determination services. I fully support this bill as timely and necessary.

SB-492-SD-2
Submitted on: 3/11/2019 9:46:12 PM
Testimony for HSH on 3/13/2019 8:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Wayne Itomitsu	Individual	Support	No

Comments:

Testimony in Support of SB 492

March 11, 2019

The Disability Determination Branch (DDB) is the only State department that adjudicates Social Security disability claims. The DDB staff are civil servants, thus are hired to serve the people of Hawaii. It is fair to assume the essential function of the staff is to fairly adjudicate Social Security disability claims. A fairly adjudicated disability claim should be synonymous with a thoroughly reviewed claim.

An article in the Star-Advertiser on 11/25/18 ("Hawaii's disability benefit denials reversed at highest rate in nation"), reported the Department of Human Services (DHS) conducted an internal management assessment of DDB, in 2014. The article reported the assessment, "…portrayed a workplace plagued by mismanagement, poor morale, ineffective policies, lack of planning, overwhelmed employees, high turnover, and vague communications."

The Star-Advertiser article reported a DHS spokesperson said the 2014 assessment was not formally adopted by DHS and the report may contain some inaccuracies. When the reported asked what was inaccurate about the report, the DHS spokesperson replied, "We're just not 100% sure…". This paradoxical answer should be troubling to the legislature and the public.

It is not far-fetched to see that the negative findings of the assessment contributed to DHS not accepting the outcome of the report. For a government agency to voluntarily initiate an assessment, then not adopt it because of negative findings, in my opinion, is an act of concealment. This response, by DHS, simply demonstrates the power and impact of the findings in the 2014 assessment. When the purpose of any assessment or audit is to discover any deficiency of a department and propose recommendations to improve the department, DHS's reaction to not adopt the 2014 assessment may have negatively impacted the people who they were hired to serve.

The public, but more specifically those who file for SSA disability benefits, should be aware that the non-implementation of the 2014 DDB assessment report recommendations, may have affected the level of service they received from DDB for years. As the Star-Advertiser article reported, the disability claims examiners were pressured to make a quick decision. “That pressure, they said, often resulted in unfair denials.” The Star-Advertiser reported one of the assessment recommendations was to, “Eliminate the demand for quick closures that occur at the expense of comprehensive and compassionate determinations.”

The written testimony of the DHS Director appears to depict a department that is doing relatively well. His statistics appear to focus, among other things, on the number of claims processed, accuracy of decisions, and the mean processing time (MPT). Hawaii’s MPT for 2014 to 2018 has always been “higher” than the national MPT. I interpret this to mean it took longer for Hawaii’s disability claimants to receive a decision. The DDB management had five years (2014 to 2018) to improve Hawaii’s initial and reconsideration claims MPT to align itself with the national MPT, but failed to do so. Although the 2019 reconsideration claim MPT is improving, the initial claim MPT is still high. The testimony narrative reported the Social Security Administration (SSA), “…has tasked DDB with improving the timeliness of determinations…”. Considering that SSA has oversight of Hawaii’s DDB, it is reasonable to conclude that Hawaii’s DDB management was notified, by SSA, to improve their MPT for at least five years (2014-2018), yet DDB’s MPT was consistently higher that the national MPT.

The statistical accuracy rate appears better than the national percentage. For the sake of inquiry and clarification, is the accuracy percentage based on a sampling of claims, or does it reflect all of the claims processed by DDB in a year? If it is a sampling, then the non-sampled claims may be a contributing factor to Hawaii’s highest turnover rate (i.e., changing a prior claim denial to an allowance), as reported in the Star-Advertiser article.

The statistics metrics (i.e., accuracy rate, MPT, etc.,) does not contain the troublesome issues reported in the Star-Advertiser article, such as the number of backlog cases, from 2014 to 2019. This lack of granularity and omission is disconcerting.

In conclusion, SB 492 is structured only as a “performance audit” by the Office of the Auditor. I strongly urge the committee to also include a full “management audit” in SB 492, to discover any DDB management deficiencies and present recommendations to improve how the department is managed. Accountability, transparency, and competent management are essential for public confidence in any state agency. The Disability Determination Branch should not be an exception.

Respectfully,

Wayne Itomitsu

Honolulu, HI