



PUBLIC SERVICES

U.S. Social Security Administration

**Cost Analysis of SSA's Fee Assessment for
Determining and Certifying Attorney Fees**



**Final Report for Task #2:
Identify Cost Analysis Techniques
For Subsequent Years**

April 15, 2002

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[⊕] The schedules in this cost model include fiscal year 2001 data for demonstration purposes.

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[⊗] The schedules in this cost model include fiscal year 2001 data for demonstration purposes.

Executive Summary

Since the enactment of Social Security Amendments in 1967, SSA has certified payment, not to exceed 25 percent of past-due benefits, directly to an attorney from a claimant's past due Federal Old Age, Survivor and Disability Insurance (OASDI) Benefits [Title II of the Social Security Act, also referred to as Retirement, Survivors and Disability Insurance (RSDI)]. SSA also determines and approves fees for non-attorney claimant representatives in RSDI cases. SSA does not have the authority to make fee payments directly to non-attorneys in RSDI cases.

Section 406 of the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170, also referred to as Ticket to Work Act), requires SSA to collect a user fee to offset the cost of determining and certifying payments directly to attorneys for their claimant representative services. The legislation set the user fee for calendar year 2000 at 6.3 percent of the amount of the fee certified for payment to the attorney. It also required that SSA annually determine the percentage rate of the user fee for years after 2000 in order to obtain full recovery of its costs for this service, not-to-exceed the 6.3 percent.

Under Task #1, SSA asked KPMG Consulting to determine the costs incurred by SSA to administer the current attorney fee process using the principles and standards outlined in Managerial Cost Accounting Concepts and Standards for the Federal Government Statement of Federal Financial Accounting Standards Number 4 (SFFAS #4) and Office of Management and Budget Circular No. A-25, *User Charges*. Under Task #2, SSA asked KPMG Consulting to identify cost analysis techniques that SSA could use to accurately measure attorney fee process costs in subsequent years (after 2002) under the current attorney fee process.

KPMG Consulting conducted a review and analysis of SSA's operations and Cost Analysis System (CAS) and determined that SSA's component organizations can be classified into four organizational levels:

1. Direct Workload Organizations,
2. Inter-Entity Organizations,
3. Operations Support Staff Management Organizations, and
4. General Management Organizations.

CAS does not allocate costs for inter-entity, operations, or general management organizations to the direct workload organizations. In compliance with SFFAS #4, costs for these three organizational levels must first be assigned on a cause-and-effect basis or allocated on a reasonable and consistent basis to the direct activity workload organizations. To allocate costs for inter-entity, operations, and general management organizations, KPMG Consulting developed a cost model to determine rates to allocate these costs to the workload organizations.

As part of Task #1, KPMG Consulting also identified the five SSA direct workload organizations that perform Attorney Fee and other claimant representative (non-attorney)

fee actions as the: 1) Regional Commissioners or Field Offices; 2) Office of Hearings and Appeals (OHA); 3) Regional Program Service Centers; 4) Office of Disability Operations; and 5) Office of International Operations. Because of the similarity in operations, we combined the last three organizations into one grouping called Processing Centers.

During our analysis, KPMG Consulting determined that the work sampling data used to develop costs in CAS for the Field Offices and the Processing Centers included claimant representative fee action counts for both attorneys and non-attorneys. In addition, the OHA costs that we initially computed included claimant representative fee actions for both attorneys and non-attorneys.

Since our project was to identify cost analysis techniques that SSA can use to accurately measure attorney fee process costs in subsequent years (after 2002) under the current attorney fee process, the KPMG Consulting Refined Cost Model decrements the total costs for the FOs, OHA, and each of the PCs to remove the non-attorney costs. The decrement factors are based on fiscal year case representation data to be taken from the appropriate case tracking systems. Using data from CAS, the various SSA case tracking systems, and the KPMG Consulting Refined Attorney Fee Cost Model, SSA can compute the total costs to administer the current attorney fee process for the FOs, OHA, and the PCs.

KPMG Consulting also developed an alternative Claimant Representative Fee Process Cost Model. The Claimant Representative Fee Cost Model is similar to the Refined Cost Model but includes total costs for all Benefit Activities (RSI, DI, and SSI) where the FOs, OHA, and the PCs approve and certify these claimant representative fees. This model does not require decrement factors based on case representation data, instead it requires obtaining the approved claimant representative fees for both attorneys and non-attorneys for RSI, DI, and SSI cases during the fiscal year for computing a user fee rate.

Introduction

Background

The Social Security Act permits people claiming Disability Insurance benefits to obtain legal representation. The Social Security Administration (SSA) regulates the fees attorneys charge claimants for representation. Since the enactment of Social Security Amendments in 1967, SSA has made payments directly to attorneys representing claimants under Federal Old Age, Survivor, and Disability Insurance (OASDI) Benefits [Title II of the Social Security Act, also referred to as Retirement, Survivors and Disability Insurance (RSDI)]. To be compensated, attorneys must file with SSA either a fee agreement (a formal contract signed by the applicant and the attorney setting the fee as a percentage of the applicant's past-due benefits) or a fee petition that lists services provided by the representative for the case. Of the two, the fee agreement is the much simpler arrangement; generally, it specifies fees limited to 25 percent of the claimant's past-due benefits up to a maximum of \$4,000¹. Fee petitions require attorneys to itemize expenses and hourly charges, and SSA must determine a reasonable fee to compensate the attorneys. Assuming either a fee agreement or a fee petition is approved, SSA withholds the amount of the fee from the beneficiaries' past-due benefits and pays the attorneys directly.

A claimant's representative does not have to be an attorney. SSA also determines and approves fees for non-attorney claimant representatives in RSDI cases. However, SSA does not have the authority to make fee payments directly to non-attorneys in RSDI cases. The non-attorney claimant representatives must collect their fees directly from the claimant subject to the amount approved by SSA. Similarly, SSA determines and approves fees for both attorney and non-attorney claimant representatives in cases under Title XVI of the Social Security Act, Supplemental Security Income (SSI) for the Aged, Blind, and Disabled. As in the case for RSDI non-attorney claimant representatives, claimant representatives for SSI collect their fees directly from the claimant.

Section 406 of the Ticket to Work and Work Incentives Improvement Act of 1999 (Public Law 106-170, also referred to as Ticket to Work Act), established a user fee for the services required to determine and certify payments directly to attorneys for their claimant representative services. Congress set the user fee for calendar year 2000 at 6.3 percent of the amount of the fee certified for payment to the attorney. As required by Congress, SSA has determined for calendar years 2001 and 2002 that this user fee would continue to be capped at the not-to-exceed 6.3 percent.

¹ Effective for Fee Agreements approved on or after February 1, 2002, SSA increased this cap to \$5,300. Fee Agreements submitted before this date must contain acceptable language that refers to §206(a)(2)(A) cap and not only the previous cap of \$4000.

KPMG Consulting's Contractual Task and Approach

KPMG Consulting was tasked to identify cost analysis techniques that SSA can use to accurately measure attorney fee process costs in subsequent years (after 2002) under the current attorney fee process. During this task, we analyzed the activities in the current Attorney Fee Agreement and Attorney Fee Petition processes as required by the Statement of Work for the following:

- Source of workloads;
- How work years should be determined; and
- Determination of costs.

Our approach to the performance of this task included:

- Following up on various areas identified by our work in Task 1 needing further review through interviews, research, and analysis.
- Re-reviewing the SSA's Cost Analysis System documentation.
- Documenting current Attorney Fee processes through redesigned flowcharts (see Appendices series A) for the Field Office, the Office of Hearings and Appeals, and the three Processing Centers.
- Building upon the information and cost model derived in Task 1 to create a refined cost analysis model for calendar years 2003 and beyond.

Regulatory Guidelines and Compliance

The regulatory guidelines required by the Statement of Work that we followed are:

1. Managerial Cost Accounting Concepts and Standards for the Federal Government, Statement of Federal Financial Accounting Standards Number 4 (SFFAS #4)
2. Office of Management and Budget Circular A-25, User charges (OMB A-25)

As discussed in our Task #1 Report, KPMG Consulting determined that with additional off-line calculations to costs derived from SSA's CAS reports, it is possible to achieve compliance with these regulatory guidelines in computing the costs incurred by SSA to administer the current attorney fee process. The Cost Model developed for Task #1 to perform these off-line calculations uses the workloads, work years, and costs as input into CAS with minor adjustments.

Refinement of Cost Model Developed for Task #1

In compliance with SFFAS #4 and OMB Circular A-25, KPMG Consulting's cost model will compute the total costs to administer the current claimant representative fee process and then specifically the costs incurred by SSA to administer the current attorney fee process for the Field Offices, OHA, and the three Processing Centers.

KPMG Consulting developed this cost model in a Microsoft Excel workbook for users familiar with Excel's features, commands, toolbars, shortcut keys, and especially workbook linking capabilities. In addition, these users should have at least a basic understanding of causal-beneficial relationships of appropriate pools and bases for computing cost allocation rates.

This report section provides detailed instructions on how to implement this cost model using various SSA systems reports including Cost Analysis System (CAS) (See Exhibits for examples of FY 2001 CAS reports), various tracking systems, personnel staffing, and other sources of data.

Cost Model Implementation Steps

In order to load fiscal year-end CAS data into the appropriate cost model schedules in "Cost Model RSDI ATFEE.xls"², perform the following initial steps:

1. Obtain copies of fiscal year-end CAS Report SC2-15 SUM,³ Organization Code 0000/Title SSA, Activity 00 Consol, WKLD Code - ** TOTAL CONSOL ** (page 21 for FY 2001).
 - a. On Schedule AF-1, input in "Cell C5" the applicable date.
 - b. On Schedule AF-1 in "Column D", input the total costs for the applicable fiscal year for each SSA Organization on the appropriate row.⁴
 - c. Review the DCA prepared reconciliation of the total organizational costs included in CAS to the total costs included in FACTS (SSA's General Leger System) to determine the amounts for the two reconciling items to input in "Column D, Lines 38 & 39" of Schedule AF-1, as appropriate.⁵

² Input cells are red in color and are the only cells that are "unlocked" to allow input throughout this Excel workbook. Input cells currently contain prior-year data.

³ See Exhibit 1

⁴ If SSA reorganizes and, as a result, adds or deletes any CAS organizations, Schedule AF-1 will need to be "Unprotected" and modified accordingly.

⁵ If there are more reconciling items, consider to which pools or bases they belong and copy the similar reconciling item line and insert the copied line between the two current reconciling items. If there are less reconciling items, hide the blank lines as needed.

Schedule AF-1 computes intermediate allocation cost pools, bases, and rates for inter-entity, operations, and general management organizations to all workload organizations for use in Schedules AF-4, -7 & -10.

2. On Schedule AF-2, input the fiscal year-end Case Representation Data from the appropriate case tracking system for the FOs, OHA's AFB, and each of the PCs.⁶ Case-representation data depicts the number cases that involved attorneys versus the number that involved non-attorneys. From this data, factors are computed for use in decrementing the total RSDI costs for the FOs, OHA, and each of the PCs, respectively, to remove the non-attorney costs.

Regional Commissioners or Field Offices

If a RSDI claim is approved at the initial or reconsideration level and there is a claimant representative fee agreement, the FOs perform initial review of the fee agreement and computation of the fee amount. See FO Flowchart of Current Attorney Fee Process (Appendix A-2).

Special Study of Attorney Fee Workload Actions

KPMG Consulting recommends that SSA conduct 4-week special studies for selected District Office Work Sampling (DOWS) categories/workload actions related to Title II – RSDI attorney fee approvals at least twice a year, preferably once a quarter. For the balance of fiscal year ending September 2002, KPMG Consulting recommends that SSA conduct two 4-week special studies: the first beginning on Saturday, June 1st, and ending Friday, June 28th, and the second beginning on Saturday, August 24th, and ending Friday, September 20th. Appendix B presents our recommended instructions to the Field Offices for these Special Studies.⁷

Continuation of Cost Model Steps

3. On Schedule AF-3, input the cumulative results of the DOWS Special Studies Tallys in Cells "D11", "E11", "G11", "D12", "E12", "G12", "D15", "E15", and "G15".
4. Obtain copy of fiscal year-end CAS Report S3-1⁸. Then on Schedule AF-4, input in Cells "E9" through "F10" from report pages for Organization Code 2100/Title RC-S:

⁶ Data currently entered for all organizations for demonstration purposes is that of OHA's HOs FYE 2001 from OHA Case Control System received via e-mail on 1/9/2002. This FYE 2001 data results in a factor of 87.286% versus the FY 96-99 historical factor of 87.643% used in Task #1 Final Report.

⁷ Preferable to conducting special studies, DOWS action categories should be expanded to include these "A" and "B" Tallys on a regular, daily basis.

⁸ See Exhibit 2

- a. The fiscal year amounts for Activity RSI 01 Category/Workloads 02 01 1 RSDI Reconsiderations and 02 02 3 RSDI Hearings and Appeals.
 - b. The fiscal year amounts Activity DI 02 Category/Workloads 02 01 1 RSDI Reconsiderations and 02 02 3 RSDI Hearings and Appeals.
5. Perform an analysis of average CAS Category 1 cost per work year taking into consideration 1) current fiscal year salaries burdened with fringe benefits for the GS levels⁹ involved in the claimant representative fee process and 2) any significant increase in total FO work years due to overtime. If this analysis indicates that the average CAS Category 1 cost per work year is unreasonably high, determine a related decrement rate to apply to the total computed costs and enter it in Cells "E20" through "F20" on Schedule AF-4.
6. Obtain copies of fiscal year-end CAS Report C2-15 A DET. Then on Schedule AF-4, input in Cells "E29", "F29", "E31", and "F31", respectively from report pages for Organization Code 2100/Title RC-S (or link from soft copy):
- a. The fiscal year Category 1 amounts for Activity 00 CON Category/Workload 02 01 1 RSDI Reconsiderations.
 - b. The fiscal year Category 1 amounts for Activity 00 CON Category/Workload 02 02 3 RSDI Hearings and Appeals.
 - c. The fiscal year Category 1 Total amounts (including Categories 1, 2, 3, 4, and 7) for Activity 00 CON Category/Workload 02 01 1 RSDI Reconsiderations.
 - d. The fiscal year Category 1 Total amounts (including Categories 1, 2, 3, 4, and 7) for Activity 00 CON Category/Workload 02 02 3 RSDI Hearings and Appeals.

Schedule AF-4 computes the FOs' total costs to administer the attorney fee process by linking to:

- The computed cost allocation rates for GSA, DCOSS, and SSA general management organizations from Schedule AF-1.
- The computed Special Tally percentages for the selected Category/Workloads from Schedule AF-3.
- The appropriate case representation factor computed on Schedule AF-2 to determine the costs to administer the current attorney fee process.

This computed total cost for the FOs to administer claimant representative fee process will be combined on Schedule AF-11 together with OHA AFB and the PCs.

⁹ For Task #1, KPMG Consulting computed a calendar-year-2001 straight average of Step 5 GS-11 burdened with 28.20033% for fringe benefits for this analysis.

Office of Hearings and Appeals

After a favorable decision on a RSDI claim is reached at either the hearing or appeal stage, claimant representative fee agreements and petitions are reviewed and approved by Administrative Law Judges (ALJs) in the Hearing Offices and by Administrative Appeals Judges (AAJs) in the Appeals Council of the Office of Appellate Operations (OAO). Before remittance to the Processing Centers for final actions, OAO's Attorney Fee Branch (AFB) review fee agreements and petitions. See OHA Flowcharts of Current Attorney Fee Process in HOs, RCALJ Offices, and OAO. (Appendices A-3, A-4 & A-5).

Claimant Representative Workload Actions

Based on our review and analysis of OHA's attorney fee activities and the limitations discussed in our Task #1 Report, KPMG Consulting includes only a portion of the RSDI costs related to the Attorney Fee Branch (AFB) in our Refined Cost Model of the current attorney fee process.¹⁰

Continuation of Cost Model Steps

7. On Schedule AF-5 in Cells "B8" through "F9", input the headcounts for Staff Support Operations (OAC, OPPE & OM) and total OHA at the beginning of the year and at the end of each quarter.

This schedule uses weighted-average headcount ratios to allocate total fiscal year OHA organizational costs from Schedule AF-1 into OHA direct workload costs and OHA management costs in order to compute an OHA Management Overhead rate.

8. On Schedule AF-6, input the headcounts for the Attorney Fee Branch at the beginning of the year and at the end of each quarter.

This schedule computes the AFB percentage of OHA for application to fiscal year RSI and DI burdened costs on Schedule AF-7.

9. Obtain copies of fiscal year-end CAS Report S3-1¹¹. Then on Schedule AF-7, input in Cells "E9" and "E10" from report pages for Organization Code 3300/Title OHA:
 - a. The fiscal year total amounts for Activity RSI 01
 - b. The fiscal year total amounts Activity DI 02.

¹⁰ SSA should continue to use this approach for OHA until a more accurate cost allocation methodology is designed and implemented.

¹¹ See Exhibit 3

10. Perform an analysis of average CAS Category 1 cost per work year taking into consideration 1) current fiscal year salaries burdened with fringe benefits for the GS levels¹² involved in the claimant representative fee process and 2) any significant increase in total OHA work years due to overtime. If this analysis indicates that the average CAS Category 1 cost per work year is unreasonably high, determine a related decrement rate to apply to the total computed costs and enter it in Cell "E18" on Schedule AF-6.
11. Obtain copies of fiscal year-end CAS Report C2-15 A DET. Then on Schedule AF-7, input in Cells "D26", "E26", "D28", and "E28", respectively, from report pages for Organization Code 3300/Title OHA (or link from soft copy):
 - a. The fiscal year Category 1 amounts for Activity 01 RSI.
 - b. The fiscal year Category 1 amounts for Activity 02 DI.
 - c. The fiscal year Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Activity 01 RSI.
 - d. The fiscal year Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Activity 02 DI.

Schedule AF-7 computes OHA AFB's total costs to administer the attorney fee process by linking to:

- The computed OHA Management Overhead rate from Schedule AF-5.
- The computed cost allocation rate for SSA general management organizations from Schedule AF-1.
- The computed weighted average AFB percentage from Schedule AF-6.
- The appropriate case representation factor computed on Schedule AF-2 to determine the costs to administer the current attorney fee process.

This computed total cost for OHA AFB to administer claimant representative fee process will be combined on Schedule AF-11 together with the FOs and the PCs.

Processing Centers

The PSCs, ODO, and OIO are the final point for certification of determined fee agreement amounts and petitions and processing of payments directly to attorney claimant representatives. See PC Flowchart of Current Attorney Fee Process (Appendix A-5).

¹² For Task #1, KPMG Consulting computed a calendar-year-2001 straight average of Step 5 GS-6, GS-7, GS-8, GS-9, GS-11, & GS-12 burdened with 28.20033% for fringe benefits for this analysis.

Continuation of Cost Model Steps

12. On Schedule AF-8 in Cells "D9" through "F19", Cells "D22" through "F22", and Cells "D26" through "F36", input the fiscal year-end results of the PCACS Sample Tallies for CAS Workload-Function: 02021-ALJ Reversals/ Appeals for the PSCs, ODO, and OIO, respectively. The ATFEE percentages for use on Schedule AF-10 are computed on Schedule AF-9.
13. Obtain copies of fiscal year-end CAS Report S3-1¹³. Then on Schedule AF-10, input in Cells "E9" through "G10" from report pages (or link from soft copy):
 - a. For Organization Code 2300/Title PSC, Activity RSI 01, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.
 - b. For Organization Code 2300/Title PSC, Activity DI 02, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.
 - c. For Organization Code 2401/Title DO, Activity RSI 01, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.¹⁴
 - d. For Organization Code 2401/Title DO, Activity DI 02, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.
 - e. For Organization Code 2402/Title IO, Activity RSI 01, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.
 - f. For Organization Code 2402/Title IO, Activity DI 02, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.
14. Perform analyses of average CAS Category 1 costs per work year taking into consideration 1) current fiscal year salaries burdened with fringe benefits for the GS levels¹⁵ involved in the claimant representative fee process and 2) any significant increases in PSCs, ODO, or OIO work years due to overtime. If this analysis indicates that the average CAS Category 1 cost per work year is unreasonably high, determine a related

¹³ See Exhibit 4

¹⁴ For FYE 09/30/01, this amount was zero.

¹⁵ For Task #1, KPMG Consulting computed a calendar-year-2001 weighted average using the following percentages of Step 5 Grades burdened with 28.20033% for fringe benefits for this analysis: 25% for GS-7, 25% for GS-9, & 50% for GS-11.

decrement rate to apply to the total computed costs and enter it in Cells "E21" through "G21" on Schedule AF-10.

15. Obtain copies of fiscal year-end CAS Report C2-15 A DET. Then on Schedule AF-10, input the following:
 - a. For Organization Code 2300/Title PSC, Activity RSI 01, input in Cells "E31" and "E33", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.
 - b. For Organization Code 2300/Title PSC, Activity DI 02, input in Cells "E36" and "E38", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.
 - c. For Organization Code 2401/Title DO, Activity RSI 01, input in Cells "F31" and "F33", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.¹⁶
 - d. For Organization Code 2401/Title DO, Activity DI 02, input in Cells "F36" and "F38", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.
 - e. For Organization Code 2402/Title IO, Activity RSI 01, input in Cells "G31" and "G33", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.
 - f. For Organization Code 2402/Title IO, Activity DI 02, input in Cells "G36" and "G38", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.

Schedule AF-10 computes the PCs total costs administer the attorney fee process separately for the PSCs, ODO, and OIO by linking to:

- The computed cost allocation rates for GSA, DCOSS, and SSA general management organizations from Schedule AF-1.
- The three separately computed ATFEE Tally percentages for the PSCs, ODO, and OIO for these Category/Workloads from Schedule AF-9.
- The appropriate case representation factor computed on Schedule AF-2 to determine the costs to administer the current attorney fee process.

This computed total costs for the PCs to administer claimant representative fee process are combined on Schedule AF-11 together with the FOs and OHA AFB.

¹⁶ For FYE 09/30/01, this amount was zero.

Continuation of Cost Model Steps to Compute Combined Total Costs to Administer Attorney Fee Process

Schedule AF-11 breaks down by CAS cost categories the total attorney fee process costs computed for the FOs, OHA AFB, and the PCs by linking to amounts on Schedule AF-4, Schedule AF-7, and Schedule AF-10, respectively. These three report schedules include additional computations to apply the appropriate burdening and decrement factors to the lower level CAS cost categories. These additional computations are not on the printed schedules included in this report.

Consideration of Causal-Beneficial Relationship of Cost Pool to Cost Base for Computing User Fee Percentage

Under Public Law 106-170, Congress requires that SSA annually determine the percentage rate of the user fee (not-to-exceed 6.3 percent of the approved attorney fee) in order to obtain full recovery of its costs for determining and certifying payments directly to attorneys for their RSDI claimant representative services.

The numerator for the user-fee percentage rate is the appropriate pool of costs that represent the provided service. Since the CAS accumulated costs for the applicable Benefit Activities and/or Category/Workloads include costs for more than determination and certification of attorney fee payments for RSDI cases, the RSDI attorney-fee user fee cost pool is an allocable subset of the applicable CAS costs. KPMG Consulting's Refined Cost Model computes this numerator or the costs to administer the current attorney-fee approval process for RSDI claims during a fiscal year.

If SSA uses our Refined Cost Model to determine the cost pool or numerator for the user-fee percentage rate, the denominator or appropriate cost base that represents the causal-beneficial relationship is the gross amount of all RSDI attorney fees determined and certified for direct payment during the same fiscal year. This is the same cost base that SSA has used since establishing the user fee.

Alternative Approach: Claimant Representative Fee Process Cost Model

As discussed in the Introduction, SSA pays fees directly to attorneys for RSDI cases; however, non-attorney claimant representatives in RSDI cases and both attorney and non-attorney claimant representatives in SSI cases collect their fees directly from the claimant. Therefore, KPMG Consulting concluded that the main difference in processing these various claimant representative fee approvals is the Processing Centers' workload actions to directly pay attorneys in RSDI.

These actions are sampled as Category 2 PCACS TOELs that are accumulated in CAS as Category 2 Workloads. CAS treats Category 2 costs as indirect workload costs. As discussed in our Task #1 report, CAS assigns or allocates Category 2 and other indirect costs to direct production workload functions using a costing methodology based on Category 1 work years.

We analyzed the process and standard costing methodologies used consistently in CAS to report the RSI, DI, and SSI benefit activities and the workload functions for the FOs and the three PCs. These benefit activities and the workload functions include claimant representative fee approvals actions. CAS assigns resource costs to activities using statistical sampling methods that are consistent and equitable.

SSA currently accounts for OHA's various offices as one combined organization in CAS based on Standard Time Values that do not identify claimant representative workload actions. KPMG Consulting considered the possibility of conducting an updated study of the various workloads that are demonstrated in Appendices A-2 through A-4 and costing these out based on applicable grade level salaries plus allocations for fringe benefits, for indirect costs, for OHA organizational management costs, and the computed SSA management costs. Our analysis of this approach determined that any computed resulted would not be reconcilable or auditable to OHA costs as reported by CAS.

Therefore, based on our review and analysis of OHA's current cost accounting for its activities including attorney fee activities, KPMG Consulting cannot at this time recommend a different approach to computing claimant representative fee determination and approval costs.

We also analyzed the causal-beneficial relationships for computing the user-fee percentage rate to be applied to paid attorney fees in RSDI cases and we concluded the following:

- RSDI attorneys receive substantially the same benefits as all other benefit claimant representatives.
- The cost allocation method to compute the RSDI attorney user fee to provide the most equitable and reasonable application rate should include fee approval costs for both RSDI and SSI claimant representatives in the cost pool.

- Therefore, the cost base should include the approved fee amounts for both RSDI and SSI claimant representatives.

In compliance with SFFAS #4 and OMB Circular A-25, our Claimant Representative Fee Process Cost Model will compute the total or full costs of resources incurred by SSA to administer the current claimant representative fee process for the Field Offices, OHA, and the three Processing Centers.

KPMG Consulting developed this cost model in a Microsoft Excel workbook for users familiar with Excel's features, commands, toolbars, shortcut keys, and especially workbook linking capabilities. In addition, these users should have at least a basic understanding of causal-beneficial relationships of appropriate pools and bases for computing cost allocation rates.

This report section provides detailed instructions on how to implement this cost model using various SSA systems reports including Cost Analysis System (CAS) (See Exhibits for examples of FY 2001 CAS reports), personnel staffing, and other sources of data.

Cost Model Implementation Steps

In order to load fiscal year-end CAS data into the appropriate cost model schedules in "Cost Model RSDI-SSI CRFEE.xls"¹⁷, perform the following initial steps:

1. Obtain copies of fiscal year-end CAS Report SC2-15 SUM, Organization Code 0000/Title SSA, Activity 00 Consol, WKLD Code - ** TOTAL CONSOL ** (page 21 for FY 2001)].¹⁸
 - a. On Schedule RF-1, input in "Cell C5" the applicable date.
 - b. On Schedule RF-1 in "Column D", input the total costs for the applicable fiscal year for each SSA Organization on the appropriate row.¹⁹
 - c. Review the DCA prepared reconciliation of the total organizational costs included in CAS to the total costs included in FACTS (SSA's General Leger System) to determine the amounts for the two reconciling items to input in "Column D, Lines 38 & 39" of Schedule RF-1, as appropriate.²⁰

¹⁷ Input cells are red in color and are the only cells that are "unlocked" to allow input throughout this Excel workbook. Input cells currently contain prior-year data.

¹⁸ This step is the same as in the prior cost model.

¹⁹ If SSA reorganizes and, as a result, adds or deletes any CAS organizations, Schedule RF-1 will need to be "Unprotected" and modified accordingly.

²⁰ If there are more reconciling items, consider to which pools or bases they belong and copy the similar reconciling item line and insert the copied line between the two current reconciling items. If there are less reconciling items, hide the blank lines as needed.

Schedule RF-1 computes intermediate allocation cost pools, bases, and rates for inter-entity, operations, and general management organizations to all workload organizations for use in Schedules RF-3, -6 & -9.

Regional Commissioners or Field Offices

Special Study of Attorney Fee Workload Actions

KPMG Consulting recommends a similar schedule (June and September 2002) for 4-Week DOWS Special Studies as discussed above under Refinement of Cost Model Developed for Task #1 – Field Offices. However, in our Claimant Representative Fee Process Cost Model, both Title II – RSDI and Title XVI – SSI claimant fee approvals should be included in the selected DOWS categories/workload actions. Appendix C presents our recommended instructions to the Field Offices for these RSDI-SSI Claimant Fee Approval Special Studies.²¹

Continuation of Cost Model Steps

2. On Schedule RF-2, input the cumulative results of the DOWS Special Studies Tallys in Cells “D11” through “E14” and “D17” through “E18”. Also input the applicable total DOWS Tallys in Cells “G11” through “G14” and “G17” through “G18”.
3. Obtain copies of fiscal year-end CAS Report S3-1. Then on Schedule RF-3, input in Cells “E9” through “F11” from report pages for Organization Code 2100/Title RC-S (or link from soft copy):
 - a. The fiscal year amounts for Activity RSI 01 Category/Workloads 02 01 1 RSDI Reconsiderations and 02 02 3 RSDI Hearings and Appeals.
 - b. The fiscal year amounts Activity DI 02 Category/Workloads 02 01 1 RSDI Reconsiderations and 02 02 3 RSDI Hearings and Appeals.
 - c. The fiscal year amounts Activity SSI 05 Category/Workloads 02 01 2 SSI Reconsiderations and 02 02 1 SSI Hearings and Appeals.
4. Perform an analysis of average CAS Category 1 cost per work year taking into consideration 1) current fiscal year salaries burdened with fringe benefits for the GS levels involved in the claimant representative fee process and 2) any significant increase in total FO work years due to overtime. If this analysis indicates that the average CAS Category 1 cost per work year is unreasonably high, determine a related decrement

²¹ Preferable to conducting special studies, DOWS action categories should be expanded to include these recommended Attorney Fee actions on a regular, daily basis.

rate to apply to the total computed costs and enter it in Cells "E21" through "F21" on Schedule RF-3.

5. Obtain copies of fiscal year-end CAS Report C2-15 A DET. Then on Schedule RF-3, input in Cells "E29", "F29", "E31", and "F31", respectively, from report pages for Organization Code 2100/Title RC-S (or link from soft copy):
 - a. The fiscal year Category 1 amounts for Activity 00 CON Category/Workload 02 01 1 RSDI Reconsiderations plus 02 01 2 SSI Reconsiderations.
 - b. The fiscal year Category 1 amounts for Activity 00 CON Category/Workload 02 02 3 RSDI Hearings and Appeals plus 02 02 1 SSI Hearings and Appeals.
 - c. The fiscal year Category 1 Total amounts (including Categories 1, 2, 3, 4, and 7) for Activity 00 CON Category/Workload 02 01 1 RSDI Reconsiderations plus 02 01 2 SSI Reconsiderations.
 - d. The fiscal year Category 1 Total amounts (including Categories 1, 2, 3, 4, and 7) for Activity 00 CON Category/Workload 02 02 3 RSDI Hearings and Appeals plus 02 02 1 SSI Hearings and Appeals.

Schedule RF-3 computes the FOs' total costs to administer the claimant representative fee process by linking to:

- The computed cost allocation rates for GSA, DCOSS, and SSA general management organizations from Schedule RF-1.
- The computed Special Tally percentages for the selected Category/Workloads from Schedule RF-2.

This computed total cost for the FOs to administer claimant representative fee process will be combined on Schedule RF-10 together with OHA AFB and the PCs.

Office of Hearings and Appeals

Claimant Representative Workload Actions

Our Claimant Representative Fee Process Cost Model will compute the allocable portion of costs related to the Attorney Fee Branch (AFB) for Title II-RSDI and Title XVI-SSI cases. SSA should continue to use this approach until further in-depth special workload studies are conducted and/or a more accurate cost allocation methodology is designed and implemented.

Continuation of Cost Model Steps

6. On Schedule RF-4 in Cells "B8" through "F9", input the headcounts for Staff Support Operations (OAC, OPPE & OM) and total OHA at the beginning of the year and at the end of each quarter.

This schedule uses weighted-average headcount ratios to allocate total fiscal year OHA organizational costs from Schedule AF-1 into OHA direct workload costs and OHA management costs in order to compute an OHA Management Overhead rate.

7. On Schedule RF-5, input the headcounts for the Attorney Fee Branch at the beginning of the year and at the end of each quarter.

This schedule computes the AFB percentage of OHA for application to fiscal year RSDI and SSI burdened costs on Schedule RF-6.

8. Obtain copies of fiscal year-end CAS Report S3-1. Then on Schedule RF-6, input in Cells "E9" through "E11" from report pages for Organization Code 3300/Title OHA (or link from soft copy):

- a. The fiscal year total amounts for Activity RSI 01
- b. The fiscal year total amounts Activity DI 02.
- c. The fiscal year total amounts Activity SSI 05.

9. Perform an analysis of average CAS Category 1 cost per work year taking into consideration 1) current fiscal year salaries burdened with fringe benefits for the GS levels involved in the claimant representative fee process and 2) any significant increase in total OHA work years due to overtime. If this analysis indicates that the average CAS Category 1 cost per work year is unreasonably high, determine a related decrement rate to apply to the total computed costs and enter it in Cell "E19" on Schedule RF-6.

10. Obtain copies of fiscal year-end CAS Report C2-15 A DET. Then on Schedule RF-6, input in Cells "D25", "E25", "F25", "D27", "E27", and "F27", respectively, from report pages for Organization Code 3300/Title OHA (or link from soft copy):

- a. The fiscal year Category 1 amounts for Activity 01 RSI.
- b. The fiscal year Category 1 amounts for Activity 02 DI.
- c. The fiscal year Category 1 amounts for Activity 05 SSI.
- d. The fiscal year Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Activity 01 RSI.
- e. The fiscal year Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Activity 02 DI.

- f. The fiscal year Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Activity 05 SSI.

Schedule RF-6 computes OHA AFB's total costs to administer the attorney fee process by linking to:

- The computed OHA Management Overhead rate from Schedule RF-4.
- The computed cost allocation rate for SSA general management organizations from Schedule AF-1.
- The computed weighted average AFB percentage from Schedule AF-5.

This computed total cost for OHA AFB to administer claimant representative fee process will be combined on Schedule RF-10 together with the FOs and the PCs.

Processing Centers

Continuation of Cost Model Steps

1. On Schedule RF-7 in Cells "D9" through "F19", Cells "D22" through "F22", and Cells "D26" through "F36", input the fiscal year-end results of the PCACS Sample Tallies for CAS Workload-Function: 02021-ALJ Reversals/ Appeals for the PSCs, ODO, and OIO, respectively.²² The ATFEE percentages for use on Schedule RF-9 are computed on Schedule RF-8.
2. Obtain copies of fiscal year-end CAS Report S3-1. Then on Schedule RF-9, input in Cells "E9" through "G11" from report pages (or link from soft copy):
 - a. For Organization Code 2300/Title PSC, Activity RSI 01, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.
 - b. For Organization Code 2300/Title PSC, Activity DI 02, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.
 - c. For Organization Code 2300/Title PSC, Activity SSI 05, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.
 - d. For Organization Code 2401/Title DO, Activity RSI 01, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.²³

²² Note that these are the same PCACS tallies for CAS Workload-Function: 02021-ALJ Reversals/Appeals as for the Refined Attorney Fee Cost Model.

²³ For FYE 09/30/01, this amount was zero.

- e. For Organization Code 2401/Title DO, Activity DI 02, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.
 - f. For Organization Code 2401/Title DO, Activity SSI 05, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.²⁴
 - g. For Organization Code 2402/Title IO, Activity RSI 01, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.
 - h. For Organization Code 2402/Title IO, Activity DI 02, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.
 - i. For Organization Code 2402/Title IO, Activity SSI 05, the fiscal year amounts for Category/Workload 02021-ALJ Reversals/Appeals.²⁵
3. Perform analyses of average CAS Category 1 costs per work year taking into consideration 1) current fiscal year salaries burdened with fringe benefits for the GS levels involved in the claimant representative fee process and 2) any significant increases in PSCs, ODO, or OIO work years due to overtime. If this analysis indicates that the average CAS Category 1 cost per work year is unreasonably high, determine a related decrement rate to apply to the total computed costs and enter it in Cells "E21" through "G21" on Schedule RF-9.
4. Obtain hard copies of fiscal year-end CAS Report C2-15 A DET. Then on Schedule RF-9, input the following:
- a. For Organization Code 2300/Title PSC, Activity RSI 01, input in Cells "E30" and "E32", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.
 - b. For Organization Code 2300/Title PSC, Activity DI 02, input in Cells "E35" and "E37", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.
 - c. For Organization Code 2300/Title PSC, Activity SSI 05, input in Cells "E40" and "E42", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.

²⁴ For FYE 09/30/01, this amount was zero.

²⁵ For FYE 09/30/01, this amount was zero.

- d. For Organization Code 2401/Title DO, Activity RSI 01, input in Cells "F30" and "F32", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.²⁶
- e. For Organization Code 2401/Title DO, Activity DI 02, input in Cells "F35" and "F37", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.
- f. For Organization Code 2401/Title DO, Activity SSI 05, input in Cells "F40" and "F42", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.²⁷
- g. For Organization Code 2402/Title IO, Activity RSI 01, input in Cells "G30" and "G32", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.
- h. For Organization Code 2402/Title IO, Activity DI 02, input in Cells "G35" and "G37", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.
- i. For Organization Code 2402/Title IO, Activity SSI 05, input in Cells "G40" and "G42", respectively, the Category 1 amounts and Category 1 total amounts (including Categories 1, 2, 3, 4, and 7) for Category/Workload 02021-ALJ Reversals/Appeals.²⁸

Schedule RF-9 computes the PCs total costs administer the claimant representative fee process separately for the PSCs, ODO, and OIO by linking to:

- The computed cost allocation rates for GSA, DCOSS, and SSA general management organizations from Schedule RF-1.
- The three separately computed ATFEE Tally percentages for the PSCs, ODO, and OIO for these Category/Workloads from Schedule RF-8.

This computed total costs for the PCs to administer claimant representative fee process are combined on Schedule RF-10 together with the FOs and OHA AFB.

²⁶ For FYE 09/30/01, these amounts were zero.

²⁷ For FYE 09/30/01, these amounts were zero.

²⁸ For FYE 09/30/01, these amounts were zero.

Continuation of Cost Model Steps to Compute Combined Total Costs to Administer Claimant Representative Fee Process

Schedule RF-10 breaks down by CAS cost categories the total claimant representative fee process costs computed for the FOs, OHA AFB, and the PCs by linking to amounts on Schedule RF-3, Schedule RF-6, and Schedule RF-9, respectively. These three report schedules include additional computations to apply the appropriate burdening and decrement factors to the lower level CAS cost categories. These additional computations are not on the printed schedules included in this report.

Determination of Cost Base for Computing User Fee Percentage

Congress requires that SSA determine annually the percentage rate of the user fee (not-to-exceed 6.3 percent of the approved attorney fee) for years after 2000 in order to obtain full recovery of its costs for determining and certifying payments directly to attorneys for their RSDI claimant representative services.

The appropriate numerator for the user-fee percentage rate is the pool of costs that represents all costs to administer the claimant representative fee process for all benefit claims where a claimant representative fee is computed under either a Fee Agreement or Fee Petition. KPMG Consulting's Refined Cost Model computes this numerator or the costs to administer the current claimant representative fee process for RSI, DI, and SSI claims during a fiscal year.

If SSA uses our Claimant Representative Fee Process Cost Model to determine the cost pool or numerator for the user-fee percentage rate, the denominator or appropriate cost base that represents an equitable causal-beneficial relationship is the gross amount of all RSI, DI, and SSI claimant representative fees determined and certified during the same fiscal year.

Closing Remarks

Cost Model Recommendations

In order to determine an accurate cost of attorney fee actions for FY 2002 and subsequent years, KPMG Consulting recommends that SSA:

- Decide which cost model it will use for determining the costs of FY 2002 attorney fee actions. To assist in making this decision, SSA should perform the following:
 1. Obtain and enter the case representation data for FY 2001 requested/ documented on Schedule AF-2 of the Attorney Fee Cost Model. Recompute the user fee rate using all RSDI attorney fees determined and certified for direct payment during the same fiscal year as the allocation base.
 2. Determine the total amounts of approved RSDI and SSI claimant representative fees in FY 2001. Use this computed amount as the allocation base to divide into the total costs computed by the Claimant Representative Cost Model to compute the user fee rate.²⁹

Determine which set of data is the most reliable and obtainable in order to allow computation of the user rate for publication within two-and-a-half months after the end of the fiscal year.

- For FY 2002, conduct two 4-week special studies for selected District Office Work Sampling (DOWS) categories/workload actions related to attorney fee approvals. For FY 2003 and subsequent years, conduct quarterly special studies. (Use recommended instructions in Appendix B or Appendix C depending on cost model chosen, or Appendix C if not sure which it will be.)
- Until SSA develops a more accurate accounting methodology of OHA's costs other than currently used, continue to include only an allocation of the Attorney Fee Branch costs in the total costs computed under either the Attorney Fee Cost Model or the Claimant Representative Cost Model.

Other Observations

In addition to the specific cost model recommendations, KPMG Consulting made several additional observations during the course of this study. Each observation includes suggested actions we believe would assist SSA make a complete and accurate determination of the cost of determining and certifying attorney fees.

²⁹ For the Field Offices Costs in the Claimant Representative Cost Model, if the first 4-week DOWS special study from Appendix C is completed, use these results on Schedule RF-2. Otherwise, the claimant representative costs for the Field Offices will definitely be understated.

Observation: District Office Work Sampling (DOWS) does not include action categories for Attorney Fee work activity. Without the attorney fee action categories, it is difficult to determine actual workload.

Suggestion 1: Expand DOWS action categories to include claimant representative fee workload.

Suggestion 2: Continue to conduct special studies to gather the data. The special studies should be narrowly focused and be conducted quarterly or at a minimum semi-annually. SSA should also consider having the studies conducted by a disinterested third party.

Observation: Costs for OHA (except for a reasonable allocation for the Attorney Fee Branch) could not be determined. The CAS does not separate OHA into its various components making it impossible to identify cost for offices performing attorney fee work. In addition, SSA does not have a method of tracking workloads that allow allocations of attorney fee related costs separate from casework.

Suggestion 1: Improve OHA cost breakouts in by separating OHA into its components and develop work sampling or other workload tracking technique

Suggestion 2: Consider an Activity Based Costing/Management (ABC/M) Pilot for OHA.

Observation: OHA has multiple case tracking systems (e.g. ACAPS, HOTS, LOTS, ROFS). The systems are not integrated which can lead to duplicative data entry and reporting resulting in additional work and potentially inaccurate reporting.

Suggestion: Integrate current systems to prevent duplicative data entry and reporting

Suggestion 2: Develop a consolidated case tracking system to follow each case from beginning to end.

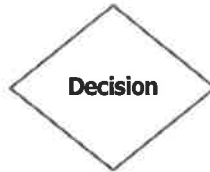
Observation: Work sampling results for attorney fee actions collected using Processing Center Action Control System (PCACS) appears high. For example, the FY 2001 ODO workload sample tallies showed that the ODO employees spend 53.6% performing attorney fee actions and 46.6% of their time performing all other actions related to the ALJ Reversals/Appeals workload function. In addition, we were told that once a TOEL is assigned, even if incorrect, it couldn't be changed for statistical validity purposes. We were also told that the Attorney Fee Miscellaneous and Inquiries TOELs are used whenever an attorney's correspondence cannot be clearly identified.

Suggestion: Review of the work sampling at ODO and PSCs to verify the accuracy of initial TOEL assignment and validate daily sampling methodology.

Appendix A: Flowchart Legend



Process



Decision



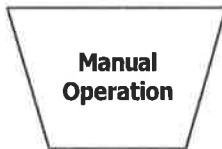
Predefined Process



Manual Input



Preparation



Manual Operation



Off Page Reference



Document



Terminator

Acronyms:

Organizations:

AFB = Attorney Fee Branch
 DDS = State Disability Determination Service
 HO = Hearing Office
 PAS = Payment Accounting Section
 PC = Processing Center
 PRB = Program Review Branch

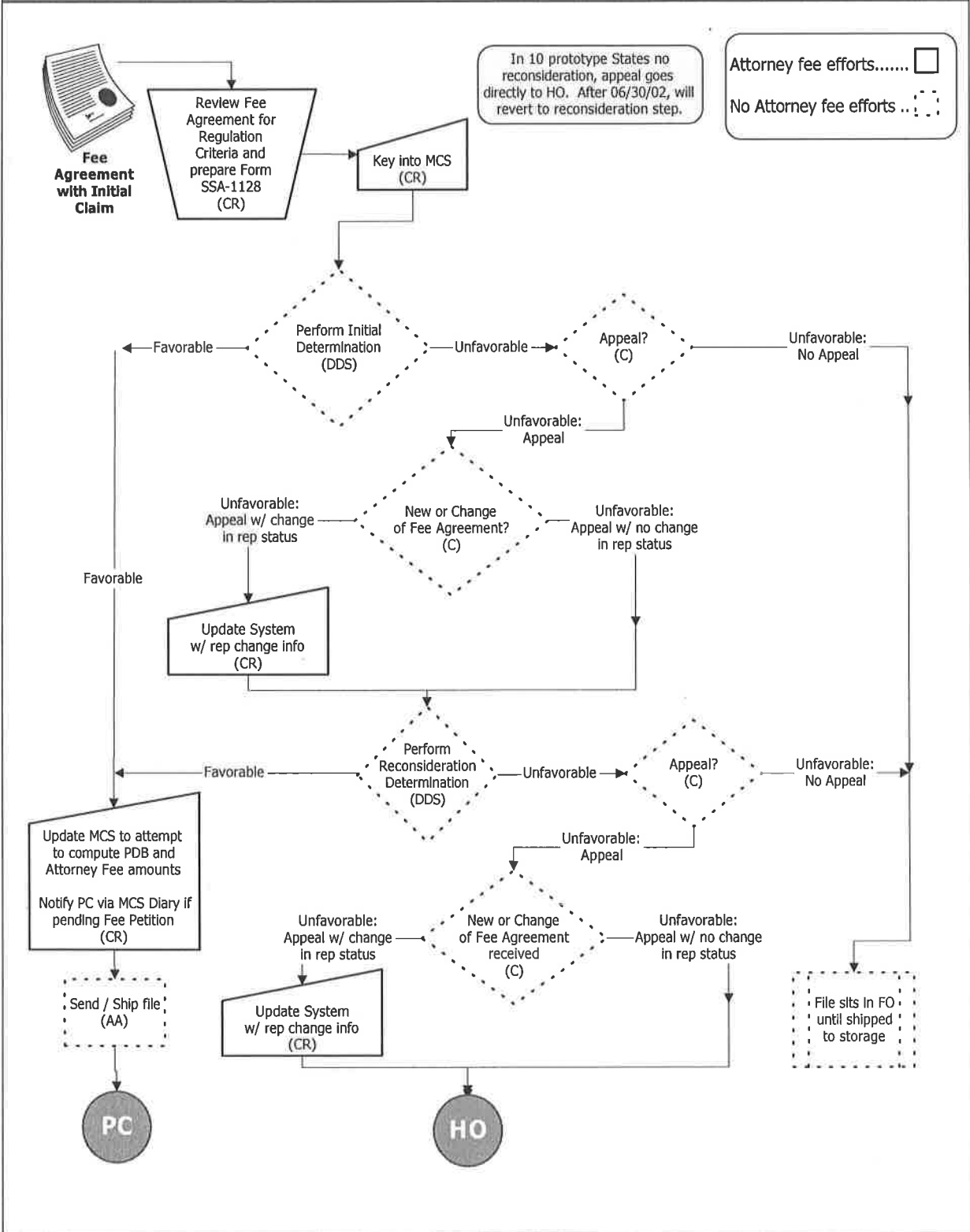
Positions:

A = Analyst
 AA = Administrative Assistant / Aide or Clerk
 AAJ = Administrative Appeals Judge
 AFO = Attorney Fee Officer
 ALJ = Administrative Law Judge
 ATTY = Attorney
 BA = Benefits Authorizer
 C = Claimant
 CA = Claims Authorizer
 CRep = Claimant Representative
 CT/TE = Claims Representative / Technical Expert
 DC/SR = Development Clerk / Service Representative
 FA = Fee Assistant
 PL = Paralegal Specialist
 RCALJ = Regional Chief Administrative Law Judge
 Reg ATTY = Regional Attorney
 (S) CT = (Senior) Case Technician

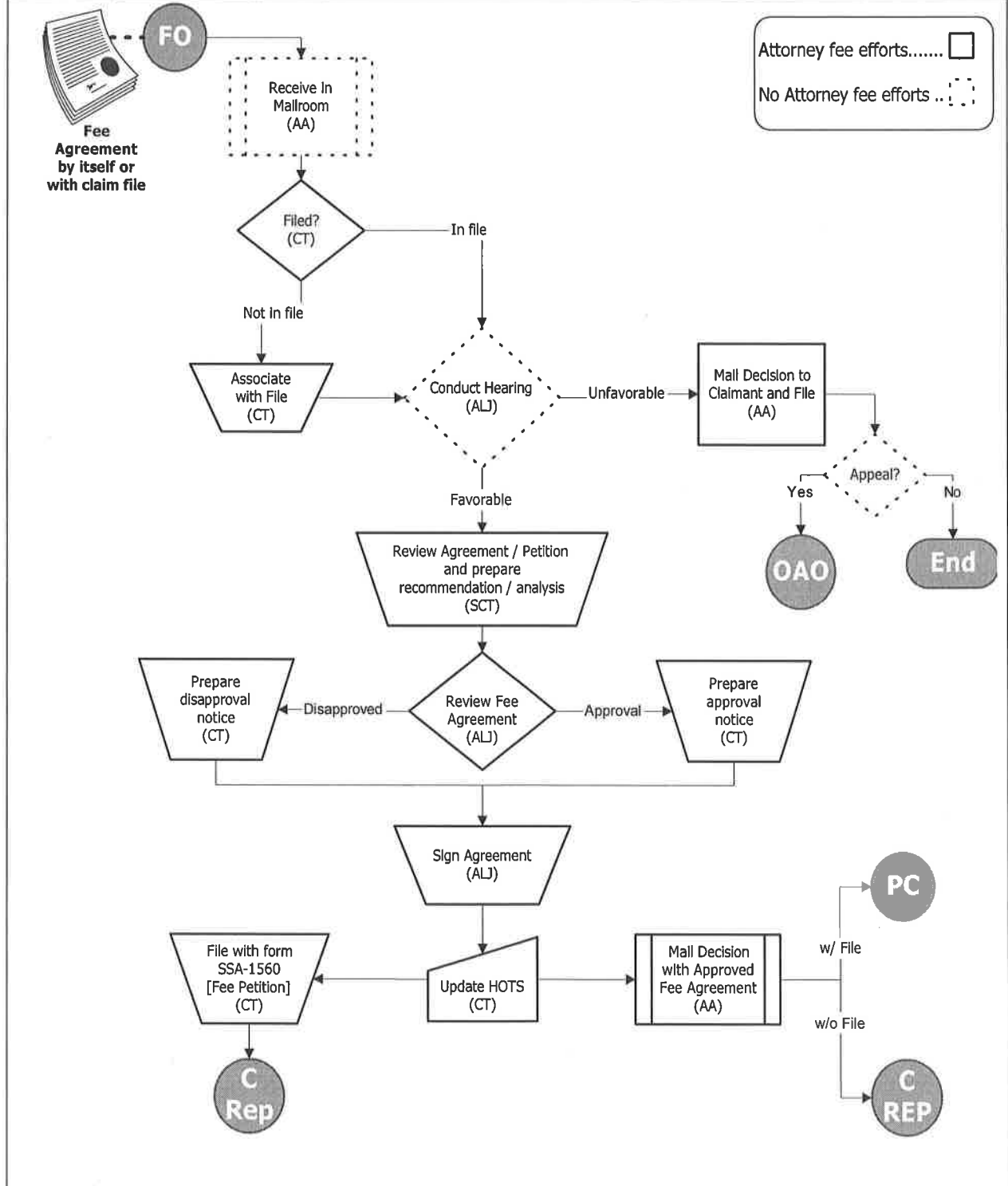
Other:

AFS = Attorney Fee System
 HOTS = Hearing Office Tracking System
 MACADE = MADCAP Direct Data Entry
 MADCAP = Manual Adjustments, Credit and Award Processing
 MCS = Modernized Claim System
 PDB = Past Due Benefits
 ROFS = Regional Office Fee System

Appendix A-1: Flowchart of Current Attorney Fee Process for the Field Offices (FOs)



Appendix A-2: Flowchart of Current Attorney Fee Process for OHA Hearing Offices (HOs)



Appendix A-3: Flowchart of Current Attorney Fee Process for OHA Regional Chief Administrative Judge (RCALJ) Offices

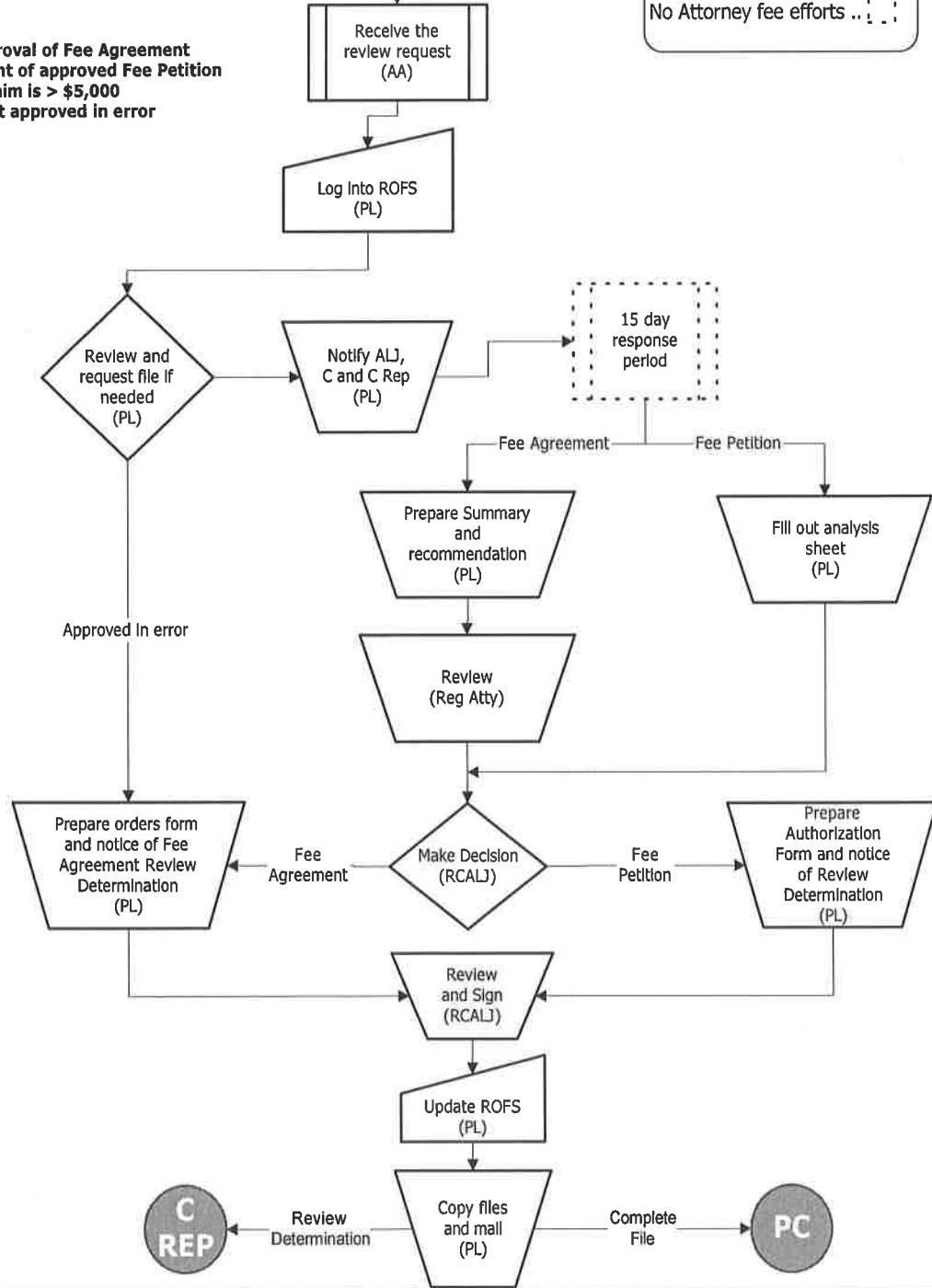


**C
REP**

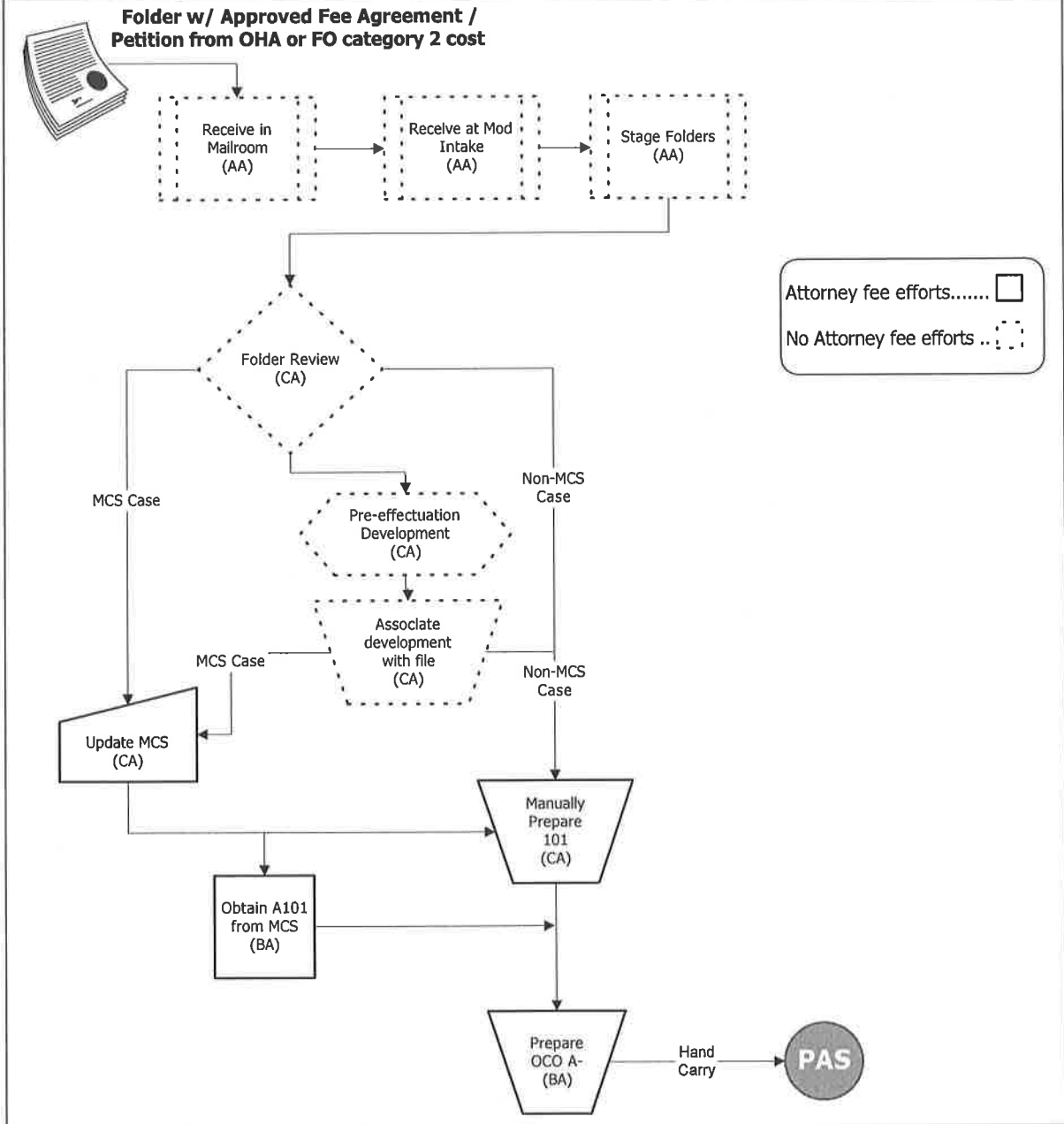
- 1. Appeal disapproval of Fee Agreement
- 2. Appeals amount of approved Fee Petition
- 3. Fee Petition claim is > \$5,000
- 4. Fee Agreement approved in error

Attorney fee efforts.....

No Attorney fee efforts ..



Appendix A-5: Flowchart of Current Attorney Fee Process for the Processing Centers (PCs)



APPENDIX B**Distribution Memorandum and Instructions for Field Offices' DOWS Four-Week
Special Studies of Title II-RSDI Attorney Fee Approval Actions**

MEMORANDUM

Date: May 1, 2002

To: See Below
SSA-OIM-01-03

From: Associate Commissioner for Information Management

Subject: Special Activity Study of Workloads for Determination and Approval of
Attorney Fees for Title II-RSDI Cases—ACTION

The Office of the Deputy Commissioner for Disability and Income Security Programs has requested this special activity-study. SSA developed this study to help validate costs for attorney fee activities. If there are any questions about the study, please do not hesitate to contact your Regional Management Information Staff.

The purpose of this memorandum is to request your assistance in performing two (2) special studies on certain District Office Work Sampling (DOWS) categories. The first special study will begin on Saturday, June 1st, and end on Friday, June 28th. It will involve only Claims Representative and Technical Expert position types that are classified as Category 1 Costs in SSA's Cost Analysis, DOWS categories 21, 31, and 36, and special activity codes A and B.

Tab A contains study instructions and definitions for the field offices and teleservice centers. Please see that each in-office recorder and out-of-office traveler is familiar with these special study definitions and instructions.

Tab B contains information to advise each employee participating in the study of its purpose and importance. Please see that each participating employee is provided the information in Tab B before the beginning of the study.

Addresses: All Regional Commissions, SSA
All Assistant Regional Commissioners,
Management, and Operations Support
All Area Directors
All Teleservice Centers
All Social Security Field Offices

APPENDIX B (Continued)**Memorandum (Continued)**

Thru: Office of Public Service and Operations Support
Office of Disability and Income Security Programs

Attachments: Tab A – Instructions and Definitions
Tab B – Information for Participating Employees on
the Purpose and Importance of Special Studies

Cc: Deputy Commission for Systems
Acting Deputy Commissioner for Disability
and Income Security Programs
Associate Commissioner for Public Service
and Operations Support

APPENDIX B (Continued)**TAB A****Instructions for DOWS Special Studies of Title II–
RSDI Attorney Fee Approval Actions**

1. There will be two (2) special activity studies conducted during the balance of the current fiscal year.
 - a. The first special activity study will begin on Saturday, June 1st, and end on Friday, June 28th.
 - b. The second special activity study will begin on Saturday, August 24th, and end on Friday, September 20th.
2. All Claims Representatives and Technical Experts in the field offices are to participate in these studies.
3. Record DI-SSI concurrent activities as outlined in chapter 3310 of the Management Information Manual (Part II).
4. The special activity study definitions listed below apply to the following three (3) District Office Work Sampling (DOWS) categories:
 - DOWS Category 21 – RSDHI Reconsiderations
 - DOWS Category 31 – RSDHI Class Action
 - DOWS Category 36 – RSDHI Hearings and Appeals Requests

NOTE: FOR EVERY TALLY IN DOWS CATEGORIES 21, 31, AND 36,
THERE MUST BE A SPECIAL ACTIVITY TALLY.

5. The special activity tallys are:
 - Special Activity Category A – Under the above DOWS categories, report this tally for all activity that relates to determining, approving, and processing of fees for attorney claimant representatives for Title II (RSI and DI) cases.
 - Special Activity Category B – Under the above DOWS categories, report this tally if at the time of the sample the individual is not working on determining, approving, or processing Title II attorney claimant representative fees.