Hearings Backlog Reduction Update

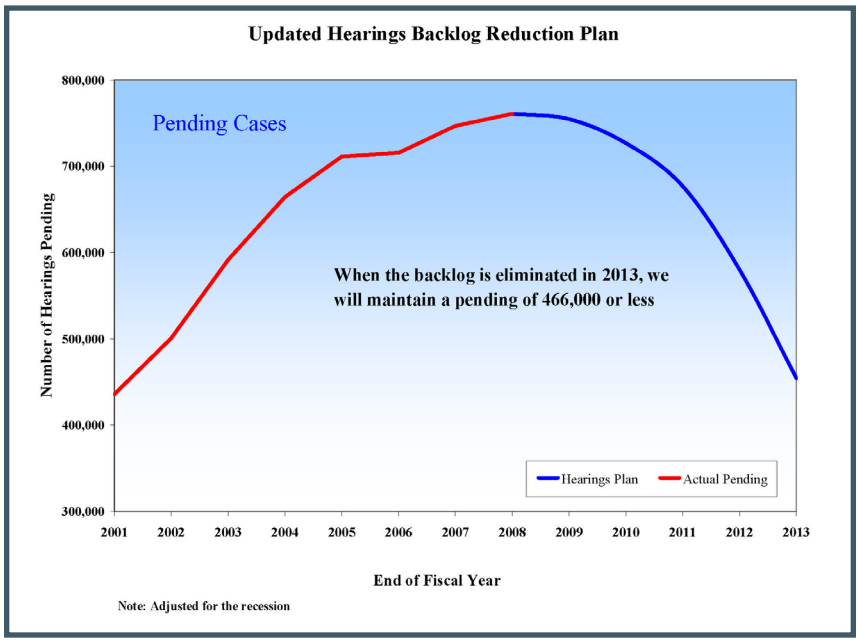
Fiscal Year 2009, Second Quarter Update for

Hawaii

Hearing Offices

We want to thank Congress for the funding we received under the American Recovery and Reinvestment Act of 2009 and in our fiscal year (FY) 2009 appropriation. We are expeditiously using these funds to help us accomplish our goal of working down the hearings backlog. We expect to turn the corner on the backlog by the end of FY 2009 (i.e., the disposition rate will exceed the receipt rate). However, due to the impact of the recession and reduced productivity while we hire and train a significant number of new staff, we may not reach that target until FY 2010.

Although we foresee an ongoing increase in hearing receipts due to the continuing economic downturn, we still expect to eliminate the hearings backlog by the end of FY 2013. This year, we are already more productive than in prior years, having completed 36,000 more cases than this time last year. In addition, during the second quarter of this fiscal year, our hearing dispositions exceeded our receipts, resulting in a reduction in the disability backlog.



Following is an update of our Hearings Backlog Reduction activity through March 2009. This update provides current hearing data at both the State and national levels.

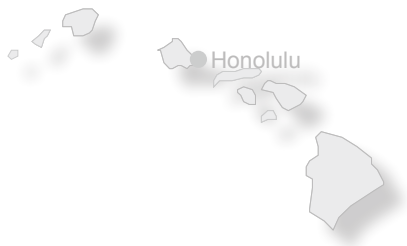
	Average Age of Pending	Average Processing Time
Hawaii	272	446
National	309	490

Note: Cumulative data through March 2009

Social Security Benefits America

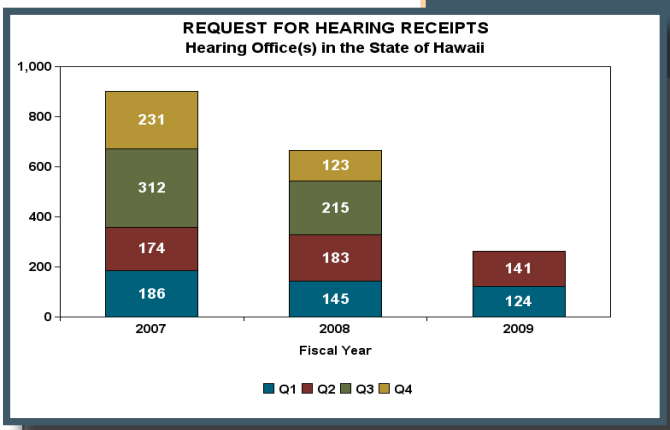
FOR ADDITIONAL INFORMATION, PLEASE VISIT OUR WEBSITE – www.socialsecurity.gov

State

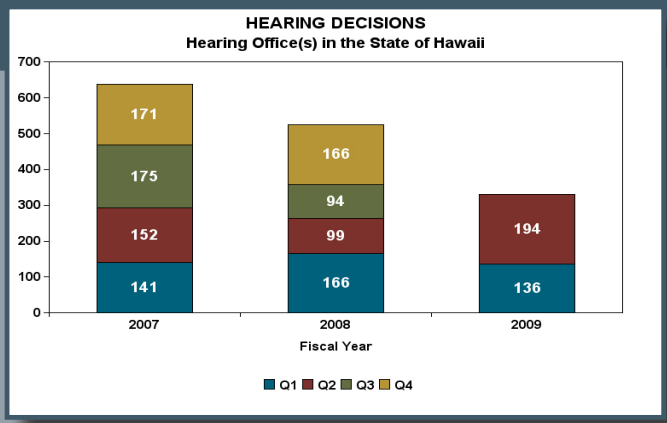


HIGHLIGHTS

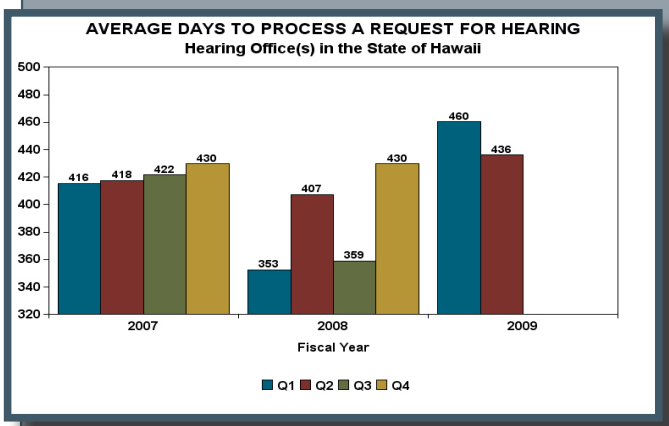
- **This year we expect to hire approximately 21 administrative law judges (ALJ) and 172 support staff in Region IX (Arizona, California, Nevada, Hawaii, and the territories of Guam, American Samoa, and Saipan States). Senior management will determine staff placement for maximum backlog reduction results.**
- **We started FY 2009 with 51 Hawaii cases that will be 850 days old or more by the end of the fiscal year. Through March, we cleared 80.39% of these cases.**



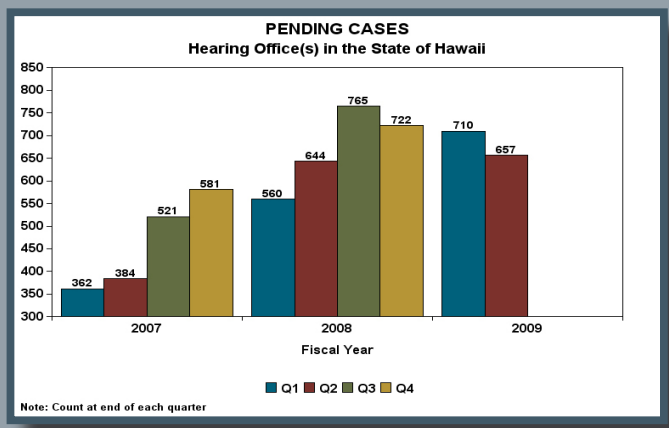
Through March, hearing requests increased by 27,280 nationally over the same time in FY 2008.



Through March, we processed 36,048 more hearings nationally than during the same period in FY 2008.



Through March, the national average number of days to process a request for hearing is 490 days, down from 514 days at the end of FY 2008.

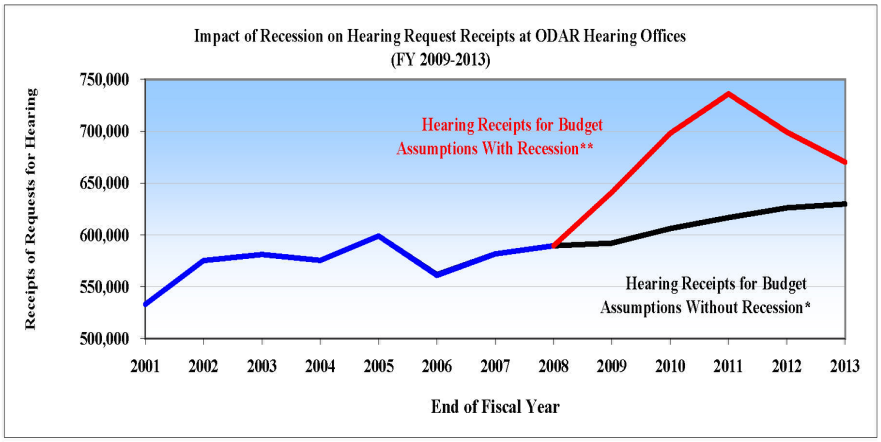


Through March, there were 761,772 hearings pending nationally, up slightly from 760,813 at the end of FY 2008. However, the pending cases for the disability backlog have started to trend downward from January through March.

The National Story

FY 2008 Positive Momentum; Right on Target

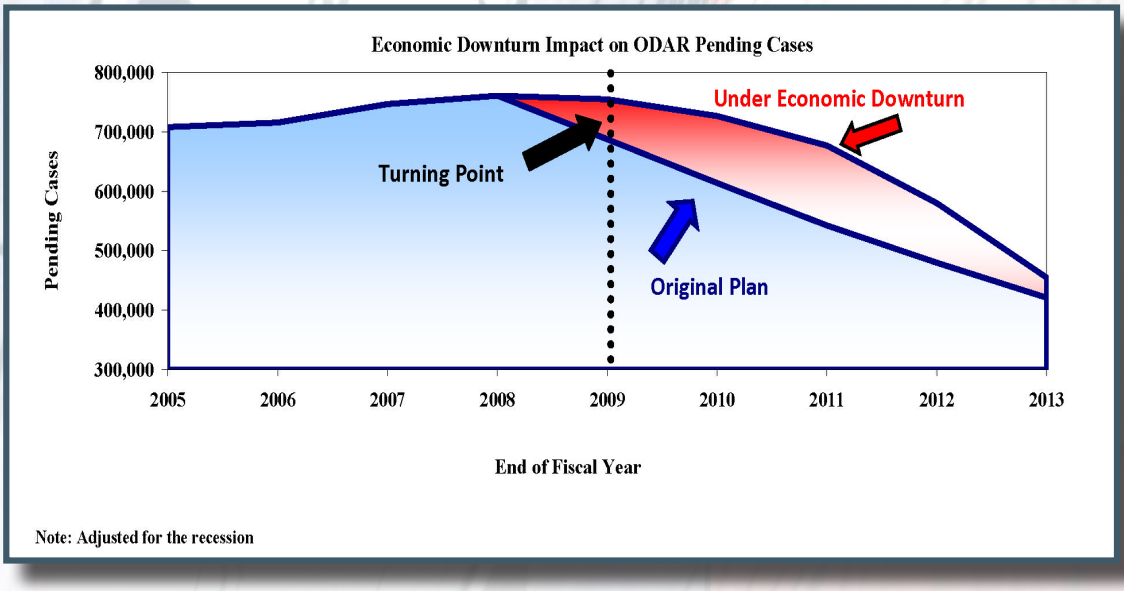
We made remarkable progress in FY 2008. By exceeding our hearing decision goal by 16,782, we increased our productivity to a historically high level. We are on target to turn the corner and eliminate the backlog by the end of FY 2013.



** Hearing receipts without recession reflect the FY 2010 budget submission to OMB in September 2008*
*** Hearing receipts under the recession reflect the updated FY 2010 OMB numbers submitted in February 2009*

Increasing Disability Receipts: Impact of the Recession and the Aging Baby Boomers

In FY 2009, we have received more applications for disability benefits than initially projected, which is attributable to the economic downturn. These applications may ultimately result in additional requests for hearing. There is also an influx of millions of baby boomers reaching their most disability-prone years and, thus, applying for disability benefits. The deeper the recession, the more receipts we may receive.



"Turning Point" Projection

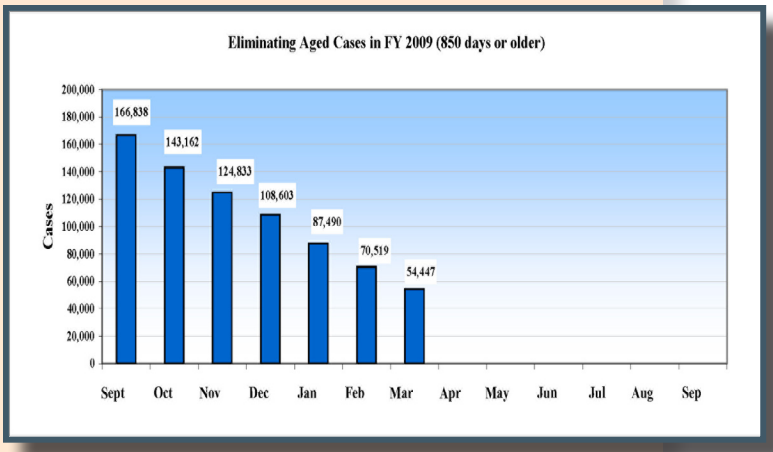
We are currently on target to turn the corner on the backlog by the end of FY 2009. However, the increase in hearing receipts and the temporary reduction in productivity resulting from hiring and training significant numbers of new staff may shift our "turning point" to FY 2010. Nevertheless, we still expect to eliminate the backlog by the end of FY 2013. In addition, if economic conditions are worse than current expectations, our hearing receipts and dispositions may fluctuate, requiring us to further revise our projections.

Plan to Eliminate the Hearings Backlog - on Track

Continue Focus on the Oldest Cases

We continue to give priority to claimants who have waited the longest for a hearing decision. By the end of FY 2008, we had virtually eliminated cases that were 900 days old or more. This fiscal year, we identified and are targeting over 166,000 cases that are or will be 850 days old or more by the end of the fiscal year.

Through March, we had already completed over 67% of these cases and expect to easily meet this goal. As we process the oldest cases, our average processing time rises while the average age of cases pending declines.



Increase Judges, Staff, and Hearing Offices

- In FY 2009, we plan to hire approximately 150 ALJs and about 850 support staff (attorney advisors, decision writers, and case technicians).
- We expect to end the fiscal year with a national average ratio of 4.5 support staff to 1 ALJ.
- We will open approximately 13 new hearing offices in FY 2010.
- In March, we opened a new National Hearing Center (NHC) in Albuquerque, and we will open two additional NHCs in Chicago and Baltimore this fiscal year. In October 2007, our first NHC opened in Falls Church, Virginia. The NHCs assist our most heavily backlogged offices by electronically processing hearings using video conferencing.

Innovation Yields Better, Faster Service to the American Public

- We are increasing the number of video hearings we conduct by installing more video conferencing equipment.
- We are working on a Suite of Services for representatives that will enable authorized representatives to transact business with us via the Internet using a secure website. The Suite contains an integrated package of services to document a representative's appointment, file an appeal electronically, and view hearing level electronic folders.
- On March 1st, we became the first government agency to request and receive claimant authorized release of medical records directly from the medical provider over the Nationwide Health Information Network. We are expanding this highly successful pilot to additional providers, allowing us to receive electronic medical records faster and process them more efficiently.
- We are improving our notices to make them easier to understand.
- We are expanding our current screening initiative to identify possible on-the-record decisions (eliminating the need for a hearing), and we are testing a more refined process to identify cases that have current medical information on file.

Bottom Line: We face many new challenges this fiscal year. However, the unprecedented support and funding from Congress is helping us meet these challenges. Our employees are working harder than ever and we expect to turn the corner on the backlog by the end of the fiscal year. We have made solid progress toward achieving our highest agency priority of eliminating the hearings backlog by the end of FY 2013.