



Intelligent Processing in Social Services

By Martin Duggan, IBM Global Social Segment

Intelligent Processing

Social Services systems have developed over many years with a strong transactional focus. People make a claim for benefits, that claim is checked for accuracy, assessments are made, evidence is collected, benefit rules are applied to make eligibility and entitlement decisions and if acceptable, a payment is made. At some regular interval, the ongoing eligibility is tested to ensure that the claimant is still eligible.

This basic process is applied across all type of benefits; unemployment insurance, welfare, disability pensions – in fact anything involving money or the payment of moneys to a third party, such as an elderly person’s housing allowance or a grant to a remedial education program. It is tried and tested and used in just about every social system today.



Figure 1 - Basic Claims Process

Benjamin Franklin once said: *“There is no kind of dishonesty into which otherwise good people more easily and frequently fall than that of defrauding the government.”* So it shouldn’t be too surprising that, over time, various checks and balances have been put in place at each stage of the eligibility process in an attempt to prevent attempts to defraud the system. And with time, the sophistication of the fraud attempts and the comprehensiveness of those checks and balances have increased to the point where, in most systems, every person who is applying for a benefit is assumed to be doing so with a criminal intent. Information is collected multiple times, checked time and time again and then checked again.

What was once a simple process has in most countries now become complex, burdensome, and highly costly. In some cases, the complexity of the controls is actually creating a disincentive for needy people to apply for the benefits they are actually eligible for. The problem is that every person is treated the same and

Intelligent Processing

all are assumed to be trying to game the system. The low risk people are treated as high risk people so that the high risk people can be deterred or found out.

There are a few countries that have understood that designing the program system so that all people are treated as potential criminals is not the best approach. They are applying intelligence to their processing. They are taking the person's circumstances into account when processing claims. Each claim is analyzed against existing data, using external input where appropriate and allowed. By comparing a person to pre-existing information, a lower threshold of evidence may be collected, or they may be allowed to use lower costs channels to undertake the claim.



Figure 2 - Intelligent Claims Process

At the US Social Security Administration, Intelligent Processing is already being used to screen Disability claims. By looking at the initial claim an assessment of the likelihood of success is made and if the claim looks likely to be successful, it is fast-tracked.

At the other end of the process, SSA's Disability recertification, called Continuing Disability Reviews (CDR's), also have intelligence applied to them. Instead of insisting that all claimants undertake a Full Medical Review (FMR), those that are likely to remain eligible for disability payments are sent a mailer for a lower level assessment. By implementing the mailer process, SSA was able to avoid hundreds of millions of dollars a year in external expenditure.

Intelligent Processing can be applied at all levels of the claim process. Intelligent Processing initially looks at those people who are low risk and looks to relax the controls and save the costly processing overhead associated with them. What

Intelligent Processing

we have also learned is that over the long term, the concept can be applied to the policy itself.

An example of this relates to people who are claiming benefits but are suffering from a terminal illness. Here, different rules are built to both fast track the claim so that claims are approved before the claimant dies, and to get benefits to the claimant when they are most in need. A new policy has been created, which is based on the very foundation of Intelligence. According to SSA Commissioner Astrue: "In practical terms, this means that this year 100,000 to 125,000 disabled Americans -- those with the most severe disabilities -- will be approved for benefits in about 10 days instead of waiting the three to four months it typically takes for an initial decision."

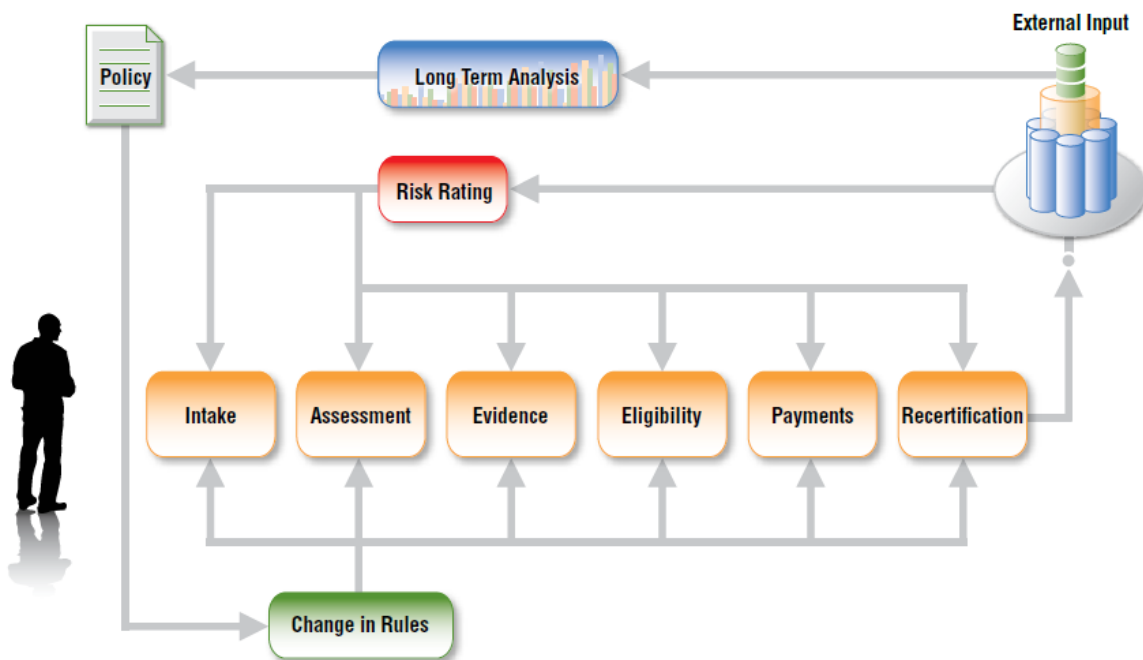


Figure 3 - Intelligent Processing

IBM believes that the static Social Services systems of today need to become more dynamic by adopting the concepts of Intelligent Processing. Focusing resources on the most risky parts of the eligibility process and intelligently using information to relax the controls on the majority of low risk people can result in faster and more efficient decisions that benefit both the organization and the client.