



## SOCIAL SECURITY

The Commissioner

December 13, 2011

The Honorable Sam Johnson  
Chairman, Subcommittee on Social Security  
Committee on Ways and Means  
House of Representatives  
Washington, D.C. 20515

Dear Mr. Chairman:

Thank you for your November 2, 2011 letter requesting additional information to complete the record for the hearing on work incentives in our disability programs. Enclosed you will find the answers to your questions.

I hope this information is helpful. If I may be of further assistance, please do not hesitate to contact me, or your staff may contact Scott Frey, our Deputy Commissioner for Legislation and Congressional Affairs, at (202) 358-6030.

I am sending a similar letter to Chairman Davis.

Sincerely,

Michael J. Astrue

Enclosure

cc:  
Kim Hildred, Staff Director  
Subcommittee on Social Security  
House Committee on Ways and Means

**Questions for the Record**  
**For the September 23, 2011 Hearing**  
**On Work Incentives in SSA's Disability Programs**

- 1. The Ticket Act, signed into law in 1999, required demonstration projects to test alternative ways to reduce benefits based on earnings. Specifically Congress has been waiting for an answer on the effects of replacing the so-called "cash cliff" where workers lose all benefits if they earn just \$1 above the substantial gainful activity cap (\$1,000 this year), with a gradual benefit offset, the so-called Benefit Offset National Demonstration (BOND). It's now almost 15 years later and we still don't have a final report. As a matter of fact, in the agency's testimony we are told the final report won't be out until 2017, which is 18 years after the Ticket Act became law. What can you tell us about your results thus far? What specifically will you learn by 2017 that you don't know now?**

We began to implement the BOND demonstration project in 2005; that year, we awarded contracts to four States (Connecticut, Utah, Wisconsin, and Vermont) to test a \$1 benefit offset for every \$2 earned above substantial gainful activity (SGA) in combination with benefits counseling. We implemented this small pilot first to help inform our national demonstration project. The small pilot used a manual process instead of building an automated system for delivering notices and adjusting benefit payments. We used our experience from the pilot to identify the extensive systems work that was necessary to create an automated process of delivering notices and benefit payments for the much larger sample of beneficiaries in the BOND. We also awarded a contract to Abt Associates to design a national benefit offset demonstration. Abt completed the national design in 2008, and final reports from each of the four States involved in the pilot are available on our website at: <http://www.ssa.gov/disabilityresearch/offsetpilot.htm>.

The four-State pilot found:

- No statistically significant effect of the offset on the percentage of participants with earnings;
- A statistically significant effect of the offset on the percentage of participants with earnings above SGA, in the two years after we randomly assigned participants, of between 3.72 and 4.55 percentage points;
- No statistically significant effect of the offset on the average earnings of those participants with earnings; and
- Statistically higher benefits (over \$500) paid to participants receiving the benefit offset.

The limitations of these findings are that they applied only to beneficiaries who volunteered to participate in the project within each State and are not applicable to the broader population.

Before we began implementing BOND nationally in 2009, we adjusted the Abt national design based on the results of the four-State pilot. We started enrolling participants in BOND in 2010 and began data collection in 2011. We require at least five years of data to ensure that the results have long-term, national applicability, which is why BOND does not end until 2017.

Because BOND is a national demonstration project that includes non-volunteers, its outcomes will be nationally applicable. It will show:

- The effect of a \$1-for-\$2 benefit offset in combination with enhanced work incentives counseling on wages, Social Security benefits, job retention, and hours worked;
- The costs and benefits of offsetting benefits to the Social Security trust funds, the Federal government, and State and local governments; and
- The beneficiary subgroups for whom the interventions are effective.

You can find more information on BOND on our website at:  
<http://www.ssa.gov/disabilityresearch/offsetnational.htm>.

Since we are still enrolling participants, we do not have meaningful preliminary data.

**2. How much has the taxpayer paid so far for this work? How much will they have paid by the time your work is done?**

We spent \$9.4 million on the four-State pilot. In addition, we spent \$10.6 million on the BOND design contract and \$22.9 million on the BOND implementation and evaluation contract. Our total costs to date on the benefit-offset effort are approximately \$42.8 million. Our total contracting costs for BOND implementation and evaluation are estimated to be about \$128 million through 2017, and we do not anticipate adding additional funds to the contract. Accordingly, we estimate that total costs of the BOND effort will be approximately \$148 million, which is 22 percent less than the \$190 million estimated by the Congressional Budget Office in 1999.

The costs of the BOND only include administrative costs. BOND may lead to either increases or decreases in benefit payments depending on its effect on beneficiary work behavior. We designed BOND to determine the net impact of benefit offsets on benefit payments and Medicare costs.

**3. The President's budget request seeks to reauthorize and expand section 234 demonstration authority to conduct various new demonstration projects, including the Work Incentives Simplification Proposal (WISP) to test the treatment of beneficiary earnings. If the WISP demonstration project were authorized, would the taxpayer still need to fund the BOND demonstration project, and if so, why? What gaps would the WISP project fill that the BOND project is not slated to meet? What will you do with the information you garner from BOND while you are awaiting the outcomes from WISP? Further, it appears that WISP would eliminate**

**work as a reason for terminating benefits, so does this mean that those who earn enough will gradually come off cash benefits but continue to be entitled to Medicare? If so, for how long?**

Should Congress authorize a WISP demonstration, current law requires that we continue BOND. Consistent with Congress' intent, we designed BOND to test the advantages and disadvantages of replacing the complete loss of benefits (i.e., the cash cliff) that occurs when a beneficiary performs SGA with a more gradual \$1 reduction in benefits for every \$2 in earnings above the SGA earnings amount. BOND does not address other work incentive policies or post-entitlement procedures.

WISP addresses a significant disincentive to work that occurs under the current rules: the fear of losing benefits due to work activity. The current set of Social Security Disability Insurance (SSDI) work incentive policies and post-entitlement procedures have become very difficult for the public to understand and for us to effectively administer. The goal of WISP is to simplify SSDI work rules to encourage beneficiaries to work and reduce our administrative costs. WISP would eliminate complex rules on the Trial Work Period (TWP) and the Extended Period of Eligibility. It would also eliminate performing SGA as a reason to terminate Disability Insurance (DI) benefits. Further, we would count earnings when they are paid, rather than when earned. WISP would allow us to replace the complex work continuing disability review (CDR) process with a streamlined work review process. In addition, if a beneficiary's earnings fell below a certain threshold, we could reinstate monthly benefit payments as long as the person was still considered to be disabled. We are still considering the design of the demonstration in light of health care reform changes and coverage expansion that will occur over the next few years.

Currently work rules are different in the Supplemental Security Income (SSI) program. Two different sets of work rules make returning to work even more confusing for individuals receiving benefits from both programs. Our WISP proposal will better align the SSDI program with the SSI program. These changes would also create a better foundation for the potential inclusion of a benefit offset like what we are testing with the BOND project.

- 4. What is the expected cost of the WISP project, and would you break out those costs by benefit costs, Medicare costs, and administrative costs? What is the agency's projected timing for completing the WISP project, if authorized, and when would WISP results be available?**

We are convening a Technical Advisory Panel, as recommended by the Government Accountability Office (GAO), to provide us with independent and informed recommendations for the design and evaluation of a WISP demonstration. Until we have the panel's recommendations for a demonstration design, we cannot provide precise WISP cost estimates. Moreover, we need legislation to initiate WISP, and the authorizing legislation could affect project design. We will provide cost estimates as soon as we have the information available to do so. The project design phase will also help us develop an informed project time line for completing WISP.

Our rough timeline for the project proposes two years to develop the infrastructure necessary to implement WISP and at least five years after implementation of WISP to obtain good information on the potential costs and benefits. Our rough estimate is that WISP will cost less than BOND. Our rough estimate only includes the administrative costs. WISP may lead to either increases or decreases in benefit payments depending on its effect on beneficiary work behavior. We will design WISP to determine the net impact of benefit offsets on benefit payments and Medicare costs.

- 5. In Mr. Williams' testimony and the SSA's FY 2012 budget request, there is a program called PROMISE, Promoting Readiness of Minors in Supplemental Security Income (SSI). We are aware it is a joint effort with the Departments of Labor and Education, and includes incentive payments to states that can successfully serve the SSI youth population. Can you please tell us more about this project, including the funding, and how it is different from the current Youth Transition Demonstration?**

PROMISE is an interagency pilot project with the Departments of Education, Labor, and Health and Human Services to improve outcomes for youth receiving SSI payments through better, more-strategic provision of services to children with disabilities and their families. The pilot demonstrations would focus on a range of situational concerns, such as health status, physical and emotional development, completion of education and training, and employment. PROMISE would use competitive grants to test and evaluate interventions and include incentives to States to improve the educational and economic well-being of children receiving SSI and their families. In conjunction with improving outcomes, PROMISE aims to reduce reliance on SSI and, in the long run, other public services through greater self-sufficiency.

PROMISE will address common barriers to positive outcomes for child recipients by encouraging innovation through better coordination between existing programs and services, particularly around the transition to competitive, integrated employment, completion of postsecondary education, and other activities that are likely to reduce the probability of future dependency on SSI. The program also intends to help families of child SSI recipients through improved services and supports such as education and training.

The Administration proposes \$40 million in total funding for PROMISE. The Department of Education requests \$30 million in funding to award competitive grants to States to implement PROMISE pilot projects. We request \$10 million in funding to rigorously evaluate the impact of these projects and provide outcome-based payments to incentivize effective and efficient services.

Both PROMISE and our current Youth Transition Demonstration (YTD) share a similar aim of improving outcomes for youth who receive SSI payments. YTD provides transition services that are intended to lift the barriers facing youth with disabilities and encourages work by allowing youth to retain more of their benefits with increased

earnings. Lessons learned from YTD will help inform the PROMISE demonstration. PROMISE will be distinct from YTD in a number of ways. PROMISE will:

- feature collaboration across four Federal agencies, each with programs and services that touch children with disabilities and their families, to help states adapt diverse resources to a common purpose;
- target the entire family, in order to address a wider array of barriers to greater self-sufficiency than can be addressed by services that only target the child; and
- utilize incentive payments to reward success in improving key outcomes for this vulnerable population.

**6. Please provide the following information for the Protection and Advocacy for Beneficiaries of Social Security (PABSS) programs for FY 2011:**

**a. Number of beneficiaries who received PABSS services broken out by whether they are Disability Insurance (DI), SSI, or concurrent beneficiaries.**

In fiscal year (FY) 2011, our technical assistance provider, the National Disability Rights Network (NDRN), reported that 2,433 new service request cases were opened in FY 2011 with the following breakout by type of benefit:

<b>SSI</b>	<b>660</b>
<b>SSDI</b>	<b>1506</b>
<b>Concurrent</b>	<b>267</b>
<b>Total NEW Beneficiaries Cases Opened</b>	<b>2433</b>

In addition, NDRN reported that 4,858 beneficiaries received information and referral (I&R) services.

**b. The specific services provided.**

The PABSS grantees provided I&R and in-depth services to beneficiaries. I&R are short-term interventions that range from simply referring a beneficiary to a more appropriate service provider to making calls or writing letters on a beneficiary's behalf. A service request involves more in-depth assistance than I&R; these services range from short-term problem solving to litigation help.

**c. Performance outcomes used to determine the effectiveness of the PABSS program and the assessment of the PABSS program effectiveness using those outcomes.**

The primary goal of the PABSS grantees is to advocate for the removal of barriers to work. While certain barriers (such as the need for reasonable accommodation) occur frequently, each beneficiary may experience different barriers. Therefore, the Protection and Advocacy (P&A) programs can focus on addressing certain

barriers and choosing cases based on the merits of the beneficiary’s need for assistance. To maintain the flexibility of the PABSS, we do not dictate the number or types of cases a grantee must take. Instead, we outline the general nature of the services as part of the terms and conditions of the award.

We monitor the services PABSS grantees provide by reviewing the Program Performance Reports. These reports offer numerical and narrative information about the project activities supported under PABSS funding. Our project officers review those reports to ensure that the cases described fit within the grant’s mission. NDRN also reviews the reports to identify technical assistance needs of individual projects and technical trends across the P&A network.

According to NDRN, PABSS grantees achieved the following outcomes in FY 2011:

a. Individual gained / maintained access to services including those of VR, EN or other agency	404
b. Individual obtained employment	27
c. Individual regained employment	11
d. Individual maintained employment	92
e. Individual advanced in employment	5
f. Individual’s employment opportunities increased	151
g. Individual obtained an increase in salary and/or benefits	23
h. Validity of discrimination complaint was upheld	18
i. Overpayment situation addressed (it does not matter if it was waived or the efforts were not successful)	299
j. Individual acquired knowledge concerning his/her rights	1,191
k. Outcome information is not available	76
l. Other outcome	66
Total outcomes of closed issue area service requests	2,363

- d. Also, if PABSS’s authorization were to expire, could the SSA continue to fund PABSS services under other existing statutory authority? Please specify the authorities you would use.**

In recent years, Congress has reauthorized PABSS in section 1150 of the Social Security Act and provided funds for PABSS in our annual appropriation. If Congress elected to continue the PABSS program, but allowed the specific authorization in section 1150 to expire, it is possible, subject to available resources, that we could continue to fund the PABSS program under section 201(g)(1) of the Social Security Act, which authorizes us to pay the costs of administering Title II and XVI programs using our annual appropriation.

Although with our limited discretionary authorities, we might have to reduce other mission-critical priorities, such as initial claims, disability hearings, and program integrity work.

**7. Please provide the following information for the Work Incentives Planning and Assistance (WIPA) program for FY 2011:**

**a. Number of cooperative agreements nationwide.**

We have 102 WIPA cooperative agreements nationwide.

**b. Number of Community Work Incentive Coordinators, number that are part time, number that are subsidized by other funding sources.**

As of November 7, 2011, we had 689 certified Community Work Incentive Coordinators (CWICs). Based on personnel forms from each WIPA, we estimate that approximately 40 percent of the total certified CWICs work part-time (defined as less than 35 hours per week).

To receive funding from us, WIPA projects must provide a five percent match from non-Federal sources. Some WIPA projects also leverage funds or support from other organizations. Other funding is obtained in a variety of ways, such as parent organization funding and Medicaid Infrastructure Grant funding.

In September 2011, Mathematica Policy Research (Mathematica) published its third WIPA evaluation report; the report covered a one-year period from April 1, 2010 to March 31, 2011. This report includes the following table, which provides a breakdown of the number of WIPA projects that met the required match and leveraged additional funds from other sources:

**Other Funding Leveraged by WIPA Projects as a Percentage of SSA Funding**

Non-SSA Funding for Direct Services as a Percentage of SSA Funding	Number of WIPA Projects
5-9	24
10-24	13
25-49	9
50-74	1
75+	11

**c. Number of beneficiaries who received WIPA services broken out by whether they are DI, SSI, or concurrent beneficiaries.**

According to the Mathematica report cited in our response to Question 7b, from April 1, 2010 to March 31, 2011, 24,706 beneficiaries enrolled to receive WIPA services. Below is the breakout by benefit type.

SSDI only	15,404
SSI only	5,738
Concurrent SSDI and SSI	3,564
Total beneficiaries served	24,706

**d. The specific services provided.**

Our WIPA grantees offer I&R and intensive services to our disability beneficiaries. I&R consists of providing general information about work incentives and referrals to support services; these services help a beneficiary determine his or her work goals and the best way to achieve them.

Intensive services include:

- Counseling individuals on available options for obtaining or maintaining employment based on their goals and abilities;
- Providing individualized information to beneficiaries regarding the effect of changes in employment or personal circumstances on their benefits and health care coverage; and
- Providing long-term assistance and support to beneficiaries as changes occur in their employment and benefits status.

**e. Performance outcomes used to determine the effectiveness of WIPA programs and assessment of the WIPA program using those outcomes.**

For the WIPA projects, we have developed nine benchmarks (enclosed) and one annual performance indicator. The annual performance indicator will measure the extent to which the WIPA services facilitated beneficiaries achieving self-sufficiency. We first included the benchmarks and annual performance indicator in the Terms and Conditions of the WIPA grants for the sixth year of the program beginning on July 1, 2011.

Since these are new performance measures, we do not yet have enough data to assess the effectiveness of the WIPA program. We are developing a companion Services Report that will allow us to monitor the projects' performance and progress toward meeting the nine performance benchmarks. Moreover, we will annually compare WIPA data with our data to assess the projects' and overall program's success in meeting the annual performance standard.

- f. Also, if WIPA's authorization were to expire, could the SSA continue to fund WIPA services under other existing statutory authority? Please specify the authorities you would use.**

In recent years, Congress has reauthorized WIPA in section 1149 of the Social Security Act and provided funds for WIPA in our annual appropriation. If Congress elected to continue the WIPA program, but allowed the specific authorization in section 1149 to expire, it is possible that, subject to available resources, we could continue to fund the WIPA program under section 201(g)(1) of the Social Security Act, which authorizes us to pay the costs of administering Title II and XVI programs using our annual appropriation. Although with our limited discretionary authorities, we might have to reduce other mission-critical priorities, such as initial claims, disability hearings, and program integrity work.

- 8. What quality assurance oversight is now being used for Employment Networks (ENs)? What performance measurement criteria are being used to assess whether ENs are meeting beneficiary and taxpayer needs?**

As a part of our ongoing efforts to improve the Ticket to Work program (Ticket program), we established a quality assurance unit to monitor ENs. This unit developed and implemented new processes and procedures to verify the qualifications of prospective ENs and monitor the performance of current ones.

In April 2011, we released an EN solicitation announcement that included new criteria for assessing EN qualifications and defined EN performance standards more clearly. These standards (enclosed) are a part of every EN agreement and measure whether the ENs substantially provide the services they agreed to provide to the beneficiaries they serve. They also measure job placement rates for each EN and the extent to which the ENs helped our disability beneficiaries achieve SGA-level earnings. These standards also require that ENs maintain at least quarterly contact with beneficiaries to assist with job retention. Moreover, we expect ENs to assist beneficiaries in achieving financial independence when possible.

- 9. In their recent report, the U.S. Government Accountability Office (GAO) found that the SSA has not consistently monitored or enforced the timely progress of ticket holders who assign their tickets to ENs and VRs in order to assess whether they should continue to be exempt from medical continuing disability reviews. Are these reviews being done promptly and accurately? Who conducts these reviews? What process is used to complete these reviews? Is this process based on self-reports and if so is this information independently verified? How timely are these reviews? Is there a backlog? If so, what is the size of this backlog and when will it be eliminated?**

The GAO study is now out of date. We are now conducting regular Timely Progress Reviews (TPR) to ensure that individuals who participate in the Ticket program make enough progress each year to continue to have their medical CDRs suspended. In

November 2010, we lifted the moratorium on TPRs, and we have kept current with this workload since May 2011. Each Ticket participant whose benefits have not been suspended because of work and earnings receives a TPR once a year on the anniversary of signing their Individualized Work Plan.

Completing the TPR requires us to check our records for work and earnings information that indicates a disability beneficiary is making the expected progress. If we have earnings information that satisfies our timely progress requirement, the review is complete. If we do not have this information, we mail a questionnaire to the beneficiary, and in some cases the beneficiary's employment support service provider, asking whether the beneficiary has achieved the expected level of progress with work and earnings or education over the past 12 months.

We are in the process of implementing quality assurance procedures to validate the earnings beneficiaries certified they had accumulated. We are also planning to contact a random sample of beneficiaries who certified that they met the educational criteria to request proof of their achievement.

**10. Has the SSA established clear performance standards with outcomes measured in terms of the extent to which program funds are devoted to promoting the employment and financial independence of beneficiaries for Ticket to Work? If it has, what are these standards and outcome measures? If it hasn't, why not?**

We hold ENs to specific standards, as detailed in both our regulations and the agreements ENs sign in order to be a part of the program. The Ticket program's payment structure (outcome payment system and outcome-milestone payment system) provide clear performance standards for payment. All EN payments are tied to achieving certain employment-related milestones and outcomes.

**11. What is the return on taxpayer investment in the Ticket to Work program? What were the costs of the Ticket to Work in FY 2011? What were the benefit savings due to Ticket to Work in FY 2011? Is Ticket to Work self-financing today? Will it be in the future, and if so, when?**

Overall, we estimate that we spent approximately \$46 million to run the Ticket program in FY 2009, including the cost of agency staff responsible for overseeing the program, milestone and outcome payments to ENs, and support contracts; this estimate is the best and most current one available for program costs. There are several reasons we cannot provide a definitive answer to the return on investment question. For example, we cannot estimate the exact amount of the cost savings, as we explain below.

Regarding benefit savings, we estimate that the Ticket program can save \$18,363 for every additional SSDI beneficiary and \$12,049 for every SSI beneficiary that it assists to exit cash benefits. The weighted average savings per additional exit would be \$17,669.

The potential savings from the Ticket program depend on a wide variety of factors. A major challenge in estimating net savings is that it can take years for all the Ticket-induced benefit reductions and payments to occur. Benefit reductions often come well after beneficiaries start working. We estimate that 30 percent of beneficiaries who exit cash benefits for work will remain off cash benefits for 10 years and that most people who return to cash benefits do so in the first two years after exit. These estimates are based on the actual experience of a 1996 cohort of new beneficiaries we followed for 10 years and Ticket participants from a cohort in 2002 we followed for 4 years. The program could generate a substantial payoff even if it merely slowed the rate at which former beneficiaries return to our rolls, even if the same percentage of beneficiaries ultimately return.

We have examined how the return on investment varies under a reasonable range of assumptions and find the Ticket program would cover its costs if it induced a relatively small number of new exits. At an average savings of \$17,669, the Ticket program would have to induce between 2,000 and 3,000 additional beneficiary exits to generate enough savings to cover the approximately \$46 million in annual costs for the Ticket program.

We currently cannot answer the question of self-financing definitively. To answer this question, we need to know the number of new induced exits (i.e., beneficiaries who would not have exited absent the Ticket program), not just the number of total exits of beneficiaries participating in the Ticket program. We are continuing our research to estimate the net effect of the program. According to our research, we need only a small number of new exits to cover Ticket program costs. Therefore, given the small number of new exits required relative to the size of the program, and the total number of exits we have seen annually under the Ticket program, we believe that it is possible that the program is already covering its costs. We also know that small decreases in the proportion of beneficiaries who return and small increases in the length of time beneficiaries remain working can have substantial effects on whether the Ticket program is self-financing.

We based our analysis on the draft Ticket program evaluation report prepared by Mathematica Policy Research, Inc. (MPR). There are two items that we did not explicitly address in the analysis. The first is that the analysis does not include the costs of suspending medical CDRs for ticket holders. The second is that the analysis does not include potential Medicare savings that may accrue for beneficiaries who have their Medicare benefits terminated after the extended Medicare period because of their work activity induced by the Ticket program. These two effects are extremely difficult to estimate. MPR argues that the effect of CDR suspensions on their analysis is likely to be small, based on the number of CDR cessations each year. MPR used a ten-year horizon for their savings calculations. With extended Medicare coverage at nearly eight years, savings are only possible for these last two years for those beneficiaries who remain off of cash benefits at the end of this period. The net effect of omitting these two items is likely to be either a relatively small program cost or a relatively small program savings. We assume that they are negligible for the purposes of the analysis.

We are conducting a final review of the MPR draft report, and it should be available on our website by the end of the calendar year.

**12. Overpayments waste taxpayer dollars and have a debilitating effect on those who attempt to work. Please update the Subcommittees on your efforts to reduce overpayments resulting from work.**

The potential for an overpayment may discourage some beneficiaries from working, and we have taken several steps to handle our work CDRs more efficiently. For example, we allocated additional staff resources to analyze work reports and to conduct work CDRs, and we are targeting the cases with the oldest work reports – those over 365 days old. We are also shifting work to offices with more capacity to conduct CDRs.

Furthermore, we have established internal goals for handling work CDRs. When we receive a report of work directly from a beneficiary, our goal is to screen that report within 30 days to determine if the work activity is likely to affect benefit payments or entitlement. If the work activity will affect benefits or entitlement, we assign the case for review, with a goal of completing the case review and handling within 270 days. Although we instruct beneficiaries to report any work activity, most do not. In those cases, our goal is to process 95 percent of the work alerts we receive within one year of receipt. It is important to remember that SSDI beneficiaries have a nine-month TWP before their monthly benefits will be suspended if their earnings are at the SGA level. Therefore, we cannot always take immediate action when someone reports work activity.

We also developed a statistical predictive model that identifies beneficiaries who are at risk of receiving high earnings-related overpayments. We use the predictive model to help us prioritize the alerts that we receive on SSDI beneficiaries with unreported earnings so we can work high-risk cases first and reduce the dollar amount of work-related overpayments. We began testing this model in October 2010 in our New York Region, and we expanded the pilot to include our Kansas City Region and our Office of Central Operations, which covers over 50 percent of the CDR workload.

We are also working to coordinate two earnings related processes: our benefit recomputation process and our process to identify SSDI beneficiaries with unreported earnings. We hope to prioritize the workloads so we can review cases with unreported earnings before we compute and release any benefit increase.

Finally, we are developing new policies and procedures that will streamline work CDR case processing, resulting in faster decisions and reduced overpayments. Examples include:

- Revising our work activity reports and streamline follow-up procedures;
- Eliminating the signature requirement on the work activity reports;
- Minimizing documentation for work activity that is obviously not SGA; and
- Updating our work CDR instructions to improve coordination between our field offices and processing centers.

If we receive authorization to conduct the WISP demonstration project, we would use it to test important improvements in our return-to-work rules, subject to rigorous evaluation protocols. WISP would eliminate current barriers to employment by simplifying the treatment of beneficiaries' earnings and reduce overpayments resulting from work.

- 13. In their testimony, the Council of State Administrators of Vocational Rehabilitation reports \$7.00 in savings for every \$1.00 reimbursed to Vocational Rehabilitation (VR). Has the SSA explored ways to further increase savings through this program by reimbursing VR after longer periods of work above substantial gainful activity? For example, reimbursing VR after a period of 15 months, when the individual would have completed their 9-month trial work period and 3-month grace period, and no longer received cash benefits for 5 months?**

We have not studied the effect of reimbursing VR after longer periods of work, but we would be willing to explore this issue. Please note that absent a statutory change, we cannot implement the suggested reimbursement changes.

Enclosures (2)

**PROPOSED WIPA BENCHMARKS REPORT For XX/XX/XXXX to XX/XX/XXXX**  
**Total Enrolled in I&R During Date Range: XX,XXX Total Enrolled in WIPA During Date Range: XX,XXX**

Section	Beneficiary Activity in WIPA/ETO	Population	Definition (how we will program the numbers)	Number	Percent	Benchmark
<b>Section 1 Beneficiary Activity Post-Enrollment</b>						
1.1	I&R Assessment	Total enrolled in I&R	Number of I&R Enrollees (reference total above) who had an I&R assessment in WIPA/ETO		90%	90/100
1.2	Enrolled into WIPA Program	Total enrolled in I&R	Number of WIPA Enrollees with an I&R assessment enrolled in WIPA Services		75%	75/100
<b>Section 2 Level WIPA Services</b>						
2.1	WIPA Baseline Assessment	Total enrolled in WIPA	Number of WIPA Enrollees with a WIPA baseline assessment (regardless of BS&A or WIPs)		100%	75/75
2.2	WIPA Level 2 Services	Total enrolled in WIPA	Number of WIPA Enrollees with a Baseline Assessment and BS&A - (regardless of WIPs)		60%	45/75
2.3	WIPA Level 3 Services	Total enrolled in WIPA	Number of WIPA Enrollees with a Baseline Assessment, BS&A and WIP		40%	30/75
<b>Section 3 Beneficiary Activity Within Prescribed Time Periods Post Intake</b>						
3.1	Time from WIPA Enrollment to Completion of the BS&A	Total enrolled in WIPA with BS&A	Number of WIPA Enrollees with a BS&A completed within 42 days of WIPA Enrollment		80%	36/45
3.2	WIP Implementation Services	Total with WIPs older than 182 days	Number of efforts for WIPA enrollees with WIPs within 182 days of WIP development		5	5 efforts
3.3	Mean Number of Efforts	Total enrolled in WIPA longer than 182 days	Average number of efforts per beneficiary within 182 days of WIPA enrollment		4	4 efforts
<b>Section 4 Total Beneficiaries Served</b>						
4.1	Total Beneficiaries Served		Number served per SSA WIPA funded CWIC FTE		110	
<b>Section 5 Annual Performance Indicator to be Measured by SSA</b>						
5.1	Total Beneficiaries Served	Total enrolled in WIPA 18 months or longer	Percentage of WIPA enrollees who achieved sustained employment of 3 months or longer and cessation of benefits		10%	

Assume WIPA has 100 I&R enrollees

- WIPA: Work Incentives Planning and Assistance
- I&R: Information and Referral
- ETO: Efforts to Outcomes
- BS&A: Benefit Summary and Analysis
- WIP: Work Incentives Plan
- CWIC: Community Work Incentive Coordinator
- FTE: Full-time Equivalent

Enclosure for Question 8

**Employment Network (EN) Performance Standards**

We will evaluate all ENs that have been under contract for the full 12-month review period. For those ENs that meet the preceding condition, we will evaluate EN performance at the end of each 12-month review period against specified service and outcome performance criteria.

We will calculate six levels of performance based on the following criteria:

<b>Rating</b>	<b>Criteria</b>
Individual Work Plan (IWP) Certification	Percentage of cases on which the EN substantially completed the services it committed to in the IWP.
Ongoing Employment Support Certification	Percentage of cases on which the EN substantially completed the ongoing employment support services to which it committed.
Job Placement	Percentage of beneficiaries assigned to the EN who started working at or above the trial work level within 9 months of ticket assignment.
Employment Results	Percentage of beneficiaries assigned to the EN who either: <ul style="list-style-type: none"><li>• Achieved their timely progress benchmarks; or</li><li>• Retained employment above the substantial gainful activity level for 3 months.</li></ul>
Customer Satisfaction	Average customer satisfaction rating of beneficiaries assigned to the EN.
Financial Independence	Percentage of beneficiaries assigned to the EN who had 12-month earnings above the blind SGA level, which is about 180 percent of the Federal poverty level.