

**Response to QFR
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You recommend “rigorous” performance standards be established to guide future program evaluations. Tell us more about the performance standards you think would be most effective for all work incentives.

Recommended performance standards are provided below for the SSA VR Reimbursement program, the Ticket to Work program, and Work Incentive Planning and Assistance program. In each section, an overview of the program is provided, the need for standards is summarized, and recommended standards are provided to guide future evaluation and monitoring activities.

SSA VR Reimbursement Program

Overview of the SSA VR Reimbursement Program

The Social Security Administration (SSA) administers a Vocational Rehabilitation (VR) Reimbursement Program to help people with disabilities go to work. Under this program, SSA pays State VR agencies for the costs of the services they provide to beneficiaries with disabilities if such services result in the person's achieving work at a specified earnings level. The purposes of the program are twofold:

- (1) To make VR services more readily available to disabled or blind Social Security beneficiaries; and
- (2) To achieve savings for the Social Security Title II trust funds and the Title XVI general revenue fund.

Congress established the current VR Reimbursement Program in 1981 to encourage State VR agencies to provide services that would result in work by disability beneficiaries. Under the current program, Social Security trust funds and general revenues may be used to pay for VR services in those cases in which the services contribute to the beneficiary earnings at the Substantial Gainful Activity level (currently \$1,010 for non-blind beneficiaries and \$1,680 for blind individuals) for a period of nine continuous months.

The following table is a summary of the reimbursements SSA made to State VR agencies by Fiscal Year (FY) from FY 97 to FY 11.

**Table 1
SSA VR Reimbursement Program FY 98 - FY 11**

Fiscal Year	Number of Claims Allowed	Amount of Dollars Allowed	Average Cost Per Claim
FY 11	4,679	\$72,991,906.25	\$15,599.89
FY 10	7,768	\$105,964,398.60	\$13,641.14
FY 09	8,712	\$122,268,833.39	\$14,035
FY 08	9,325	\$124,238,549.09	\$13,323
FY 07	6,871	\$90,263,129.56	\$13,137
FY 06	8,387	\$105,049,203.20	\$12,525
FY 05	6,095	\$75,635,939.94	\$12,410
FY 04	6,811	\$85,172,425.42	\$12,505
FY 03	6,760	\$84,599,189.87	\$12,514
FY 02	10,527	\$131,062,205.10	\$12,450
FY 01	8,208	\$103,892,717.86	\$12,657
FY 00	10,220	\$117,024,222.20	\$11,451
FY 99	11,126	\$119,934,831.23	\$10,780
FY 98	9,950	\$103,037,127.54	\$10,355

The data presented in Table 1 indicates a large decrease in the number of beneficiaries generating payments in FY 11. When interpreting the number of claims presented in the table, keep in mind that the beneficiaries who met the threshold of earnings at or above SGA for nine consecutive months in FY 11 were those who may have initiated employment in FY 10 or earlier and first began receiving VR services prior to that. These individuals entered the VR system at the height of the recent recession. The magnitude of the decline (a 31% decline from FY 10 through FY 11) is an indication of the enormity of the recession's impact on the employment of individuals with disabilities.

The Need for Program Standards

The SSA VR Reimbursement Program has been in operation for 30 years. During this time, a number of changes have been made to the program and other Congressional actions such as the presumptive eligibility of SSA beneficiaries for VR services and the creation of the Ticket Program have affected the overall environment in which SSA operates the program. However, in light of the size and duration of the program, surprisingly little has been done to determine whether the program is achieving the purposes for which it was created - increasing beneficiary access to VR services and generating savings for the general fund and the trust fund. Continuation of the program should include a comprehensive evaluation effort to determine whether the program is achieving its intended purposes and the extent to which the program results in significant financial return on investment

Recommended Program Standards

The effectiveness and efficiency of the program could be strengthened by the establishment of two types of program standards -beneficiary outcome standards and service delivery standards. Each of these is briefly described below.

Beneficiary Outcome Standards - Future evaluations should focus on the effect of the program on beneficiary employment outcomes and SSA program savings. Recommended standards in each of these areas are contained in Table 2. State VR agencies generally rely on client self-report to determine whether an individual is receiving SSA benefits. For clients who self-report this information, the agency is able to confirm benefit status with Maximus. However, other beneficiaries may not be self-identifying to SSA. The number and percentage of VR clients served by State VR agencies should be determined by matching data in the RSA 911 reporting system directly with SSA records.

Table 2 Recommended Beneficiary Outcome Standards - SSA VR Program	
Category	Standard
Beneficiary Employment Outcomes	1. Number and percentage of SSA beneficiaries served by State VR agencies
	2. Increase in the number and percentage of beneficiaries working
	3. Sustained employment at a level that meets the beneficiary's goals for economic self-sufficiency and financial independence.
	4. Access to necessary medical supports and health care coverage
Reduction in Disability Payments	1. Increase in number of individuals exiting the benefit rolls
	2. Reduction in the cost of disability benefits paid to beneficiaries
	3. Reduction in the cost of public health care benefits paid for beneficiaries
	4. Reduction in the number and amount of benefit overpayments that create financial hardship and encourage beneficiaries to terminate employment

The SSA VR Reimbursement Program should be held to the same beneficiary outcome standards as the other SSA work incentive programs. Table 2 identifies standards related to the number of beneficiaries working, the extent to which the beneficiary's earnings and employment meet their vocational and economic goals, and the beneficiary's access to health care. Evaluation efforts should look at the relationship between meeting the payment criterion (employment for nine consecutive months at SGA) and long term employment retention, earnings, access to employer provided health care, and other important variables. SSA currently possesses the data sources and evaluation structure available to efficiently conduct this type of evaluation.

Reduction in Disability Payments - The level of work activity that generates payment to the VR agency simply brings a Title II beneficiary to the end of the Trial Work Period. At this point, there would generally not be a reduction in Title II benefits unless the beneficiary had work previously in the last 60 months. For SSI beneficiaries, earnings at the SGA level may reduce their SSI benefits by \$150-\$250 per month. Beneficiary outcome standards should also include

measures that address reductions in benefit payments, health care costs, and overpayments.

Service Delivery Standards - The original intent of the program was to make VR services more readily available to SSA beneficiaries. Today, SSA beneficiaries are presumptively eligible for services and a quarter of all VR clients are SSA beneficiaries. Given these changes, future evaluation activities should focus on whether the payments provided to VR agencies are being used to increase the participation, employment status, earnings, and economic self-sufficiency of beneficiaries. Recommended service delivery standards for the program are provided in Table 3.

Table 3	
Recommended Service Delivery Standards - SSA VR Program	
Category	Standard
Use of Payments to Promote Increased VR Participation and Improved Program Outcomes	1. Increase in the number of beneficiaries determined eligible for service
	2. Increase in the number and percentage of beneficiaries placed into employment
	3. Increase in the number and percentage of beneficiaries working at a level that generates a payment to the agency
Use of Program Resources to Promote Beneficiary Economic Self-Sufficiency	1. Increase in the number and percentage of beneficiaries accessing appropriate work incentives, savings programs, and other programs that will promote their long-term economic self-sufficiency

As the data in Table 1 indicate, the number of beneficiaries generating payments to State VR agencies has remained stable or declined over the past decade. Given the lack of program growth, it is appropriate to investigate whether the monies generated through the program are being used to improve program outcomes.

For example, are VR agencies using specialized outreach activities to increase the number of beneficiaries applying for services? Are agencies providing or collaborating with local agencies that deliver work incentive counseling services, which have been found in recent evaluations to correlate with employment and benefit reductions? Are there ways in which the agencies could reallocate the resources generated by the program in a way that would reverse the decline in the number of beneficiaries meeting the employment criterion, thereby generating additional payments to the agencies?

It is recommended that Congress direct SSA to evaluate the extent to which the SSA VR program funds are being used to increase the number of beneficiaries served by State VR agencies and the number and percentage of individuals working at a level sufficient to generate additional program payments.

Social Security Administration (January 5, 2010) *Vocational Rehabilitation Providers Handbook*. Baltimore: Author (accessed via the Work Site).

Ticket to Work Program

Overview of the Ticket to Work Program

The purpose of the Ticket to Work program is to *expand the universe of service providers available to individuals who are entitled to Social Security benefits* based on disability or eligible for Supplemental Security Income (SSI) benefits based on disability or blindness in obtaining the services necessary to find, enter, and retain employment. The program is intended to give beneficiaries new choices in the types of agencies and organizations that can provide them the services and supports that they need to pursue their employment goals. When the program was designed, it was anticipated that the expanded employment opportunities for these individuals also will increase the likelihood that these individuals will reduce their dependency on Social Security and SSI cash benefits.

The most comprehensive report on the ten year old program is “**Ticket to Work at the Crossroads: A Solid Foundation with an Uncertain Future,**” developed by Mathematica Policy Research in 2008. The report details both the employment outcomes experienced by beneficiaries participating in the program and the services provided by State VR agencies and community-based Employment Networks (ENs).

Ticket Assignments - To date, the vast majority of participants (over 90 percent) have assigned their tickets to State VR agencies. Similarly, a very large majority of tickets are assigned under the traditional payment system (89 percent). This suggests that the program has had little success in creating alternative service providers that can deliver the amount and type of employment supports that will enable beneficiaries to meet their employment and economic self-sufficiency goals.

Beneficiaries Leaving the Rolls - Ticket to Work participants are more likely than other beneficiaries to leave the disability rolls. Mathematica found that from 2002 to 2006, between 2 and 4 percent of all TTW participants on the rolls for the entire previous calendar year left cash benefits due to earnings, compared to less than one percent for non-ticket participants. Overall, only one-third of the early TTW participants we followed were able to achieve at least one month of earnings above the SGA level during a three-year period, and just one-fifth were able to do so for 12 months or more (Livermore et al. 2010).

Characteristics of Participants Assigning their Ticket to ENs - Mathematica found that participants who assigned their ticket to an EN differ, on average, from those who assigned their ticket to a State VR agency in some noteworthy respects. Participants receiving relatively low benefits are more likely than others to assign their ticket to an EN, while beneficiaries with relatively severe activity limitations are more likely than others to assign their ticket to a State VR agency. In other words, individuals who require more specialized, intensive service needs are more likely to be receiving services from State VR agencies.

Services Received by Beneficiaries - Results reported by Mathematica indicate that participants assigning their ticket to an EN receive fewer services and are generally less satisfied than those who assign their ticket to a State VR agency. In fact, testimony provided at the September 23,

2011 Subcommittee hearing indicated that a sizable number of individuals assigning their ticket to an EN failed to receive any services as a result of ticket assignment.

The Need for Program Standards

The findings described above indicating that only a small number of beneficiaries have participated in the Ticket Program, obtained employment through an EN or State VR agency, or worked at a sustained level sufficient to result in an elimination of their need for cash benefits creates a need to establish clear outcome guidelines. Given that individuals with tickets assigned to ENs often receive few services or no services at all, specific service delivery guidelines should be identified as well.

Recommended Program Standards

Similar to the SSA VR Reimbursement Program, the effectiveness and efficiency of the Ticket Program should be enhanced by the establishment of beneficiary outcome standards and service delivery standards. Each of these is briefly described below.

Table 4 Recommended Beneficiary Outcome Standards - Ticket to Work Program	
Category	Standard
Beneficiary Employment Outcomes	1. Number and percentage of SSA beneficiaries served by Employment Networks and State VR agencies
	2. Increase in the number and percentage of beneficiaries working
	3. Sustained employment at a level that meets the beneficiary's goals for economic self-sufficiency and financial independence.
	4. Access to necessary medical supports and health care coverage
Reduction in Disability Payments	1. Increase in number of individuals exiting the benefit rolls
	2. Reduction in the cost of disability benefits paid to beneficiaries
	3. Reduction in the cost of public health care benefits paid for beneficiaries
	4. Reduction in the number and amount of benefit overpayments that create financial hardship and encourage beneficiaries to terminate employment

Recommended Outcome Standards - The recommended outcome standards for the Ticket Program parallel those of the SSA VR Reimbursement and WIPA programs. Table 4 identifies these standards for the Ticket Program. The Ticket Program has the same general purpose as the other work incentive programs - enabling individuals to meet their employment and economic self-sufficiency goals by entering employment, working at a level that eliminates their need for cash benefits, with access to the health care coverage they need to address their long-term disabling conditions.

Table 5	
Recommended Service Delivery Standards - Ticket to Work Program	
Category	Standard
Ticket Assignment and Payments to Employment Networks and State Vocational Rehabilitation Agencies	1. Increase in the number of beneficiaries assigning their ticket to a VR agency or an EN
	2. Increase in the number and percentage of beneficiaries with assigned Tickets entering employment
	3. Increase in the number and percentage of beneficiaries with earnings and employment retention sufficient to generate a <i>milestone</i> payment to the agency
	4. Increase in the number and percentage of beneficiaries with earnings and employment retention sufficient to generate an <i>outcome</i> payment to the agency
Services Provided to Beneficiaries	1. Increase in the amount and type of employment services and supports provided to beneficiaries served by ENs and State VR agencies

Recommended Service Standards - Major program indicators continue at levels that frustrate beneficiaries, ENs, SSA and Congress. Congress should direct SSA to immediately establish service goals for ticket assignments, number of beneficiaries employed, number of beneficiaries and working at a level to generate a payment to the agency that will meet the original intent of the program.

In addition, testimony provided at the September 23, 2011 Subcommittee hearing described situations in which beneficiaries who assigned their tickets to ENs yet did not receive any services from the EN. Other beneficiaries were not provided guidance and assistance from the EN that would enable them to achieve earnings at a level that would eliminate their need for cash benefits. Evaluation efforts should begin immediately that are designed to determine whether those beneficiaries who assign a ticket to an EN, work at a level that generates a payment to the EN, yet do not receive any employment services from the EN would achieve the same employment outcomes even if they had not received and assigned a ticket. In other words, in the absence of the program, would the beneficiaries have achieved the same level of employment and economic success?

Livermore, G., Allison R., & Prenovitz, S. (2010). "Longitudinal Experiences of an Early Cohort of Ticket to Work Participants." Report No. 9 In: *Work Activity and Use of Employment Supports Under the Original Ticket to Work Regulations*. Washington, DC: Mathematica Policy Research.

Stapleton, D., Livermore, G., Thornton, C., O'Day, B., Weathers, R., Harrison, K., O'Neil, S., Samos Martin, E., Wittenburg, D., Wright, D. (2008). "Ticket to Work at the crossroads: A solid foundation with an uncertain future." Washington, DC: Mathematica Policy Research.

Work Incentive Planning and Assistance (WIPA) Program

Overview of WIPA Program

The SSA funded Work Incentives Planning and Assistance (WIPA) program is the primary source of Work Incentive Counseling for SSA beneficiaries. The program is authorized by Section 121 of the Ticket to Work and Work Incentive Improvement Act of 1999 (P.L. 106-170) and is comprised of 102 WIPA projects providing services to SSA beneficiaries in all 50 states and territories. Collectively, the 102 projects employ approximately 500 rigorously trained Community Work Incentive Coordinators (CWICs), many of whom are themselves individuals with disabilities. Since its inception in 2000 as the Benefits Planning, Assistance, and Outreach (BPAO) program and in its current form as the WIPA project, work incentive counseling services has been provided to over 450,000 SSI, concurrent, and SSDI beneficiaries.

A recent national report developed by Mathematica Policy Research (Schimmel, Roche, & Livermore, 2011) reviewed data submitted by the 102 WIPA projects regarding services delivered between October 1, 2010 and March 31, 2011. Results revealed that the WIPA projects were serving the types of individuals targeted for the service (i.e. beneficiaries already employed or who are actively seeking employment) and that the service was customized to the situations and needs of individual beneficiaries. The report also found that the amount of follow-up services had increased relative to the prior year and that the costs of the program varied widely across the 102 projects.

Finally, a second 2011 report by Mathematica Policy Research investigated a cohort of SSA beneficiaries served by the WIPA project from October 1, 2009 through March 31, 2010. The report examined the relationship between the services provided to these beneficiaries and their employment and benefit status at nine to 15 months after the initiation of WIPA services. The report found that approximately 75 percent of beneficiaries who enrolled in WIPA services between October 2009 and March 2010 were employed or actively seeking employment at the time they first entered services and the 55 percent of these beneficiaries had earnings at some point during the nine to 15 months following service entry. In addition, about 16 percent experienced a reduction in SSA benefits because of earnings during at least one month in the nine-month period following WIPA program entry. The report draws two major conclusions. It must be emphasized that these findings are based on correlations and are not the result of long-term randomized trials.

1. Correlation with Employment - "Other characteristics held constant, those receiving more intensive WIPA services are significantly more likely to have earnings in 2010 and to experience increases in earnings between 2009 and 2010. CWIC suggestions to increase work hours, seek a promotion, and earn enough to leave benefits are significantly associated with earnings increases between 2009 and 2010 (p. 47)." Employment rates for the cohort increased from 34 percent at intake to 55 percent at follow-up.

2. Correlation with Benefit Reduction - "Other characteristics held constant, those receiving more-intensive WIPA services are significantly more likely than others to have their benefits suspended or terminated for at least one month at some point between WIPA program entry and

the end of December 2010. CWIC suggestions to earn enough to leave the disability rolls are significantly associated with higher rates of benefit cessation (p. 47)."

The Need for Performance Standards

The combined results of the studies described above document the value of Work Incentive Counseling as an employment support that assists beneficiaries to obtain employment or return to work. While the exact nature and strength of the relationship between service delivery and outcomes needs to be further explored, Work Incentive Counseling appears to be a low-cost, effective service that assists beneficiaries to reduce their dependence on SSA Disability benefits. To document the long-term outcomes of the program (it is hypothesized that more beneficiaries will eliminate the need for cash benefits as they remain in employment for longer periods of time.

Recommended Performance Standards

As indicated in my September 23, 2011, WIPA program performance standards should be established to guide future evaluation of the program. The WIPA program should be evaluated based on the extent to which beneficiaries (1) obtain employment, (2) sustain employment for extended periods of time, and (3) reduce and eliminate their dependence on SSA benefits. Recommended standards are provided in the table below and address increases in beneficiary employment outcomes, reductions in beneficiary benefit payments and health care costs, reduction in overpayments to beneficiaries, and supporting and expanding state level employment initiatives.

Table 6 Recommended Performance Standards - WIPA Program	
Category	Standard
Beneficiary Employment and Financial Outcomes	1. Increase in the number and percentage of beneficiaries working
	2. Sustained employment at a level that meets the beneficiary's goals for economic self-sufficiency and financial independence.
	3. Access to necessary medical supports and health care coverage
	4. Earnings sufficient to result in reduction in or termination of federal disability benefit payments
	5. Use of relevant work incentive provisions that lead to continuous employment and financial independence
Reduction in Disability Payments	5. Increase in number of individuals exiting the benefit rolls
	1. Reduction in the cost of disability benefits paid to beneficiaries
	2. Reduction in the cost of public health care benefits paid for beneficiaries
	3. Reduction in the number and amount of benefit overpayments that create financial hardship and encourage beneficiaries to terminate employment

Table 6
Recommended Performance Standards - WIPA Program

Category	Standard
Supporting and Expanding State Level Employment Initiatives	1. Increase in the number of beneficiaries receiving WIPA services who subsequently generate payments to states through the SSA/VR cost reimbursement program
	2. Increase in the number of states with comprehensive, sustainable networks of Work Incentive Counseling services consisting of WIPA programs and services funding by other agencies and organizations

Work Incentive Counseling is a "crucial but insufficient" component of a comprehensive employment service and support program for SSA beneficiaries. Evidence is mounting that documents the effect of the service on beneficiary earnings and employment status. However, the correlation of the receipt of Work Incentive Counseling with employment outcomes and reduction in benefits must be evaluated on a long-term basis to establish the actual cost savings to SSA.